



# Cannabis and Trademarks

Ohio Canna-Business Seminar

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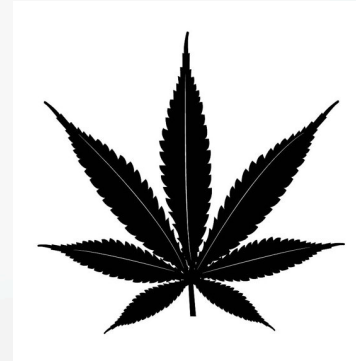
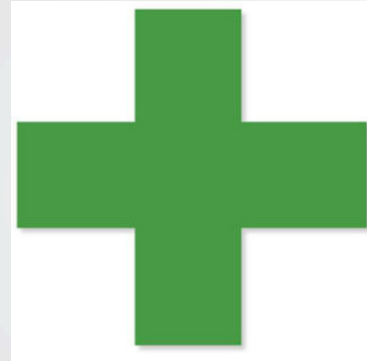
# What is branding?

- The image of your company, products, or services that you convey to customers.
- This includes your name and logos, but also your voice and values.

# What are trademarks?

- Those elements of your brand that distinguish you from your competitors and identify you as the source of the goods and services.
- Trademarks do not include voice and values

# What are trademarks?



- NOT trademarks
- The green cross and the marijuana leaf do not distinguish one cannabis business from another. Rather, they identify the nature or industry of the business.

# What are trademarks?



- Two Cannabis dispensaries on the same street in Seattle.
- The VELA and GANJA GODDESS trademarks distinguish the businesses from each other and the rest of the industry.

# Why do trademarks matter?

- Your trademarks help you stand out in the marketplace and let your customers know that you stand behind the goods and services you offer.
- Using someone else's trademark, or a similar trademark, can expose you to legal challenges.

# Why do trademarks matter?

REAL



FAKE

- In the last few months, RooR has initiated a number of lawsuits against retailers of counterfeit bongs in Florida, California, and New York.

# Why do trademarks matter?



- California glassmaker ordered to pay more than \$400,000 for making and selling bongs that displayed a variant of a STARBUCKS COFFEE logo



# Why do trademarks matter?



- Hershey sued marijuana retailers in Colorado and Washington for selling edibles that imitated branding from Hershey's candies

# Why do trademarks matter?



- Would the owner of the SEATTLE SONICS trademarks (now held by the Oklahoma City Thunder club) have a claim against the Seattle marijuana dispensary using this SEATTLE TONICS logo?
- Even if it didn't get sued, did it choose branding that serves to distinguish it as unique and through which it communicates its own brand voice?

# How do you protect a trademark in the US?

- Parallel systems
  - Federal registration
  - State registration
  - Common-law

# How do you protect a trademark in the US?

- Federal registration landscape
  - In 2016, the Trademark Trial and Appeal Board of the US Patent and Trademark Office affirmed that use of a mark in connection with the sale of a substance deemed illegal under federal law (such as marijuana) does not qualify for federal registration because the Trademark Act only allows registration for the “lawful” use in commerce of a mark.
    - For example, the TTAB affirmed the refusal to register HERBAL ACCESS in connection with “Retail store services featuring herbs” (In re Morgan Brown, 119 U.S.P.Q.2d 1350) (TTAB 2016).

# How do you protect a trademark in the US?

- Federal registration landscape
  - The TTAB determined that even a trademark owner residing in a state that has legalized marijuana sales could not obtain a federal trademark registration for marijuana goods and services, concluding that the Cole Memorandum urging federal agencies to direct enforcement efforts to marijuana-related offenses outside the legal frameworks set up in the states did not override the Controlled Substances Act.
    - For example, the TTAB affirmed refusal to register the marks POWERED BY JUJU and JUJU JOINTS for “smokeless marijuana vaporizers” by a Washington state business (In re JJ206, LLC, dba JuJu Joints, 120 U.S.P.Q.2d 1568 (TTAB 2016)).

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# How do you protect a trademark in the US?

- Federal registration landscape

- The USPTO has inconsistently applied this prohibition against registration of trademarks used in connection with marijuana-related goods and services.
- For example, in 2016 the USPTO issued a registration to a Colorado-based business for medical marijuana services for the following mark



# How do you protect a trademark in the US?

- Federal registration landscape
  - Some marijuana businesses register their marks for ancillary goods and services like clothing, food, beverages, and retail store services.
  - However, these registrations do not protect the mark in connection with the core business.



# How do you protect a trademark in the US?

- State registration
  - Use required in state.
  - Some states have policies against registrations in connection with marijuana-related goods or services, but lack of substantive review means that those registrations can get through.
  - Scope of protection limited to that one state.

# How do you protect a trademark in the US?

- Common-law
  - Rights accrue upon use
  - Scope of protection limited to geographic area where trademark owner operates, meaning unrelated businesses could establish concurrent rights

# How do you protect a trademark in the US?

- Take-aways
  - Clear trademark rights
  - Establish and document first use
  - License trademark rights to businesses in other states
  - Register what you can, where you can, but always truthfully
  - If you plan to enforce your trademark recognize that you might have to go to court and testify that you sell a product deemed illegal under federal law