

Weeding Out the Competition: How to Protect Brands in the Booming Marijuana Industry

Cannabis Business Legal News

By Kay Weiler on September 12, 2018

The number of states legalizing medicinal and recreational marijuana use continues to rise. According to CNNMoney, legal pot is now a multi-billion dollar industry in the US. In order to weed out the competition, these businesses should seek whatever protections are available. One powerful tool to protect brands in all industries is trademark registration. However, since marijuana is still illegal under federal law, there are significant limitations on how a business engaged in growing or selling marijuana can protect its trademarks on this product.

U.S. trademark registration is only available in connection with goods and services lawfully used in commerce. The U. S. Patent and Trademark Office will refuse registration of a mark if the goods or services on which it is used are illegal. Since marijuana is still banned by the U. S. Controlled Substances Act, trademark protection is unavailable for marks that relate directly to growing, distributing or selling marijuana.

Businesses may have the option of state registration of marks or reliance on common law rights. Some states that have legalized marijuana allow state registration of trademarks associated with cannabis businesses. Although such registration does not provide protection on a national level, it can be used to dissuade competitors from using a similar mark, since searches of prospective marks will reveal the state registration. State registration can provide evidence of prior use in a state action for infringement. In the event the federal government changes its stance on marijuana as an illegal controlled substance, and there is a dispute in the trademark office over priority for purposes of federal registration, the state registration might be useful in combination with other evidence to support prior use.

Another option available is to file U.S. applications for goods and services ancillary to the marijuana business. Registration has been granted for such marks, but only when the goods and services listed in the application are capable of being used outside of the marijuana context. For example, Tommy Chong's company filed an intent-to-use application for the mark CHONG'S CHOICE, in

connection with “Herbs for medicinal purposes; Medicinal herb extracts; Medicinal herbs; Medicinal herbs in dried or preserved form; Plant and herb extracts sold as components of medicated cosmetics; *none of the foregoing containing cannabis*”, and this application has been allowed. The same company owns a federal registration for CHONG’S CHOICE in connection with clothing and for such smoking-related products as cigarette papers, tobacco jars, lighters, ashtrays, and vaporizers. Companies providing information or educational services related to marijuana have also successfully registered marks in connection with publications such as HIGH TIMES. Such registrations do not protect use of the marks in connection with the actual distribution or sale of products containing cannabis, but they can be useful in protecting the brand as a whole.

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