

# New USPTO Trademark Examination Guidelines: Federal Trademark Registrations Available for Hemp and Certain Hemp-Derived Products

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The US Patent and Trademark Office's ("USPTO") May 2, 2019 Trademark Examination Guide 1-19, "Examination of Marks for Cannabis and Cannabis-Related Goods and Services after Enactment of 2018 Farm Bill" provides new opportunities for obtaining federal trademark registrations for non-ingestible hemp-derived products. However, they do not allow for the federal registration of trademarks for any form of cannabis for human or animal consumption or any cannabis products with THC levels above 0.3%.

## **USPTO Examination of Cannabis Marks**

The USPTO refuses registration of marks that are not lawfully used in US commerce. Up until December 20, 2018, *all cannabis* was a Schedule 1 substance under the Controlled Substances Act ("CSA"). Because cannabis

was not federally legal, trademark examiners were refusing federal registration of marks for cannabis products. Triggered by such indicia as marijuana leaf logos and strain names, examiners would ask specific questions about the goods offered under the mark to determine if they must refuse registration.

By contrast, the USPTO has been registering marks for ancillary goods and services as well as those that specifically exclude cannabis. Examples of "ancillary" registrations include Reg. No. 5643956 for SKUNK DOCTOR for "odor neutralizing sprays for the removal of cannabis smoke odor" and Reg. No. 5165759 for FARM TO FEELING for "providing information pertaining to the benefits of medicinal use of cannabis." Examples of registrations that specifically exclude cannabis are Reg. No. 5662389 for DOOBIE DIRT for composts, fertilizers and soils "not for use with growing marijuana," and Reg. No. 5556224 for WILDSEED for essential oils that exclude "goods containing cannabis and/or cannabinoids, such as but not limited to, tetrahydrocannabinols (thc), cannabinols (cbn), and/or cannabidiols (cbd)."

## **2018 Farm Bill**

The Agricultural Improvement Act of 2018 (the "Farm Bill") brings monumental change by removing hemp from the list of controlled

substances under the CSA and legalizing its production as an agricultural commodity (subject to various regulations and licenses to grow). The Farm Bill defines "hemp" as any part of the cannabis sativa L. plant and derivatives with a THC concentration of less than 0.3% on a dry weight basis.

The Farm Bill is a marketer's dream. The marketplace is now flooded with commercially available hemp-derived CBD products, even in states where cannabis (with higher THC concentrations) is still illegal. Restaurant chains like Protein Bar & Kitchen offer CBD oil in shakes, and CVS and Walgreens announced that they will be selling hemp-derived CBD products nationally. However, major impediments to securing federal trademark registrations for many of these products remain.

## **New PTO Examination Guides**

Here are the most important details of the new Examination Guides:

1. The USPTO will no longer automatically reject applications that cover CBD or cannabis goods that are hemp-derived (*i.e.*, <0.3% THC) ("Hemp Products"), so long as they were filed on or after the effective date of the Farm Bill, *i.e.*, December 20, 2018.
2. If a trademark application for Hemp

Products was filed before December 20, 2018, the USPTO will refuse registration. Because the Farm Bill was not in effect, a CSA-based refusal will issue. To overcome the refusal, the USPTO will allow the applicant to amend the filing date to December 20, 2018. If the application was based on use of the mark in commerce, the filing basis needs to change to intent to use. This means that upon registration, the effective date priority date for the trademark will be December 20, 2018, rather than a possibly earlier actual date of use. The description of goods also will need to be amended to indicate that under the new legal definition of hemp, the THC levels are under 0.3%. The USPTO then will conduct a new search to determine if any confusingly similar marks were filed before the amended December 20, 2018 filing date, as this could be an additional basis for rejection.

3. Even if the Hemp Products are legal under the CSA, the USPTO will still refuse registration of marks for (i) *foods*, (ii) *beverages*, (iii) *dietary supplements* and (iv) *pet treats* containing CBD (even if hemp-derived) because they are not yet legal under the federal Food Drug and Cosmetic Act ("FDCA"). The Farm Bill specifically preserved the FDA's

ability to regulate cannabis and cannabis-derived products. To date, the FDA has not approved any therapeutic over-the-counter cannabis (including hemp) product. (For more information, see the FDA FAQs about Cannabis and Cannabis-Derived Products at <https://www.fda.gov/news-events/public-health-focus/fda-regulation-cannabis-and-cannabis-derived-products-questions-and-answers>.)

4. For trademark applications relating to the cultivation or production of cannabis that falls under the 2018 Farm Bill's < 0.3% definition of hemp, the USPTO will require additional statements demonstrating legality of the hemp production under the 2018 Farm Bill. However, the USDA still needs to promulgate regulations for states' hemp production. To address this, the 2018 Farm Bill allows for continued operation under the 2014 Farm Bill until 12 months after the establishment of the USDA plan and regulations.

Strong brands will be crucial in the marketing and sale of cannabis products. In addition to distinguishing products, brands also educate consumers about product quality and features. For example, consumers know that Prius cars are affordable hybrids, and Ferrari cars are expensive and fast. As the market

develops, cannabis brands will take on similar attributes and become just as well known.

Obtaining federal trademark protection for brands confers important legal benefits on those seeking to build and enforce their brands. While certain products will continue to be refused registration under the new Examination Guides, opportunities exist. Profitable consumer products, like cosmetics, are noticeably absent from the "no-registration list." Sellers of cannabis products seeking to build strong brands therefore should monitor USPTO developments, so they can strategically build their trademark portfolios.