USPTO Releases New Examination Guidelines for Trademarks Covering Cannabis and Cannabis-Related Goods

by Reggie Pack

On May 2nd, the U.S. Patent and Trademark Office (USPTO) released new guidelines for the examination of trademarks associated with cannabis and cannabis-related goods, effectively greenlighting the registration of trademarks for hemp-derived cannabidiol (CBD).

The USPTO had previously suspended examination of trademarks which recited goods including CBD pending directive instructions regarding interpretation and implementation of the Farm Bill.

In order to federally register a trademark, use of the mark in commerce must be lawful under federal law. The USPTO will not register marks for goods or services that clearly violate federal law, regardless of whether they are legal under state law. The Controlled Substances Act (CSA) defines the drug class "marijuana" as:

all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin. 21 U.S.C. Section 802(16).

Because the CSA prohibits manufacturing, distributing, dispensing, or possessing certain controlled substances, including marijuana, the USPTO had previously refused to register trademark applications identifying goods including CBD or other marijuana extracts.

The 2018 Farm Bill, signed into law on December 20, 2018, amended the Agricultural Marketing Act of 1946 (AMA) and changed certain federal authorities related to the production and marketing of hemp. Under the 2018 Farm Bill, "hemp" is defined as:

the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol [THC] concentration of not more than 0.3 percent on a dry weight basis. Section 297A.

These changes to the AMA effectively removed hemp from the Controlled Substances Act's

(CSA) definition of marijuana, which means that cannabis plants and derivatives such as CBD which contain no more than 0.3% THC on a dry-weight basis are no longer controlled substances under the CSA.

The new USPTO trademark application examination guidelines will treat applications for hemp and hemp-derived extracts as follows:

1. For trademark applications a) filed on or after December 20, 2018 and that b) identify goods encompassing cannabis or CBD, the CSA will not be cited as grounds for refusal, but *only if* the goods are derived from hemp as defined under the 2018 Farm Bill. As such, if an applicant's goods are derived from hemp, the identification of goods must specify that they contain less than 0.3% THC.
2. For applications a) filed before December 20, 2018 and that b) identify goods encompassing CBD or other cannabis products, registration will be refused due to unlawful use or lack of bona fide intent to use in lawful commerce under CSA. Such applications did not have a lawful basis to support registration at time of filing because the goods violated federal law.

If an application for hemp-derived cannabis products was filed before December 20, 2018, the goods are now potentially lawful if derived from hemp and as such the examining attorney will provide the applicant with the option to amend their application as follows:

1. The filing date may be amended to "December 20, 2018". The applicant must specifically state for the record that such a change to the filing date is being authorized.
2. The applicant must establish a valid filing basis.
    1. If the application was originally filed based on use of the mark in commerce under Section 1(a) of the Trademark Act, the applicant will be required to amend the basis to intent to use the mark in commerce under Section 1(b).
3. Because of the new legal definition of hemp, the applicant will also be required to amend the identification of goods to specify that the CBD or cannabis products contain

less than 0.3% THC.

The application must satisfy all of the amendment requirements stated above in order for its mark to be considered for registration. Alternatively, the applicant may either choose to abandon their previously filed application and file a new application, or respond to the stated refusal by submitting arguments and evidence against the refusal.

Service mark applications for services involving cannabis and cannabis production will be examined in a similar way to the trademark applications for goods including cannabis as stated above. Specifically, the examining attorney will review the application for compliance with the CSA and the 2018 Farm Bill. The USPTO will continue to refuse registration where the identified services in an application involve cannabis that meets the definition of marijuana (>0.3% THC on a dry-weight basis) and encompass activities prohibited under the CSA, such as manufacturing, dispensing, or possessing cannabis that meets the definition of marijuana. Applicants refused registration under the CSA (i.e. applications submitted before December 20, 2018) will have the same options to amend to comply with numbers 1-3 listed above. Applicants will also have the option to abandon their current application and file a new application, or elect to respond to the stated refusal by submitting evidence and arguments against the refusal.

For applications that recite services involving the cultivation or production of cannabis that is hemp within the meaning of the 2018 Farm Bill, the examining attorney will issue inquiries into the applicant's authorization to produce hemp. Applicants will be required to provide additional statements for the record to confirm that their activities meet the requirements of the 2018 Farm Bill with respect to the production of hemp. The 2018 Farm bill requires hemp to be produced under license or authorization by a state, territory, or tribal government in accordance with a plan approved by the USDA for the commercial production of hemp.

To date, the USDA has not circulated regulations, created its own hemp-production plan, or approved any state or tribal hemp-production plans.

Applicants should be aware that even if the identified goods are now considered legal under the CSA, not all goods for CBD or hemp-derived products are lawful following the 2018 Farm Bill. Such goods may also be subject to use restrictions under the Federal Food Drug and Cosmetic Act (FDCA) and the U.S. Food and Drug Administration (FDA). The 2018 Farm Bill explicitly preserved the FDA's authority to regulate products containing cannabis or cannabis-derived compounds under the FDCA, therefore the FDA and FDCA regulations should be consulted before introducing cannabis and cannabis-derived products into interstate commerce.