

The Ever Evolving Registrability of Trademarks for CBD Products

Examining attorneys at the U.S. Patent and Trademark Office (USPTO) are citing a recent 2020 decision by the Trademark Trial and Appeal Board (TTAB) to support the position that trademarks for many products (particularly ingestible products) containing cannabidiol (CBD) are not registrable with the USPTO. More specifically, examining attorneys have cited *In re Stanley Brothers Social Enterprises, LLC*, 2020 U.S.P.Q.2d 10658 (TTAB 2020) for the proposition that CBD does not fall within the Food Drug and Cosmetic Act (FDCA)'s exception for drugs or biological products "marketed in food ... before any substantial clinical investigations involving the drug or the biological product have been instituted."¹ These are words that most, if not all, USPTO trademark refusals for CBD-related goods and services recite. Is this exception actually capable of being successfully invoked, or is it a fluff statement made by examiners in the hopes that the applicant will fold and abandon their application?

In *Stanley*, Stanley Brothers Social Enterprises, LLC (the applicant) appealed the USPTO's refusal to register U.S. Trademark Application Serial No. 86568478 for the mark CW in connection with "Hemp oil extracts sold as an integral component of dietary and nutritional supplements" in International Class 5. The applicant put forth three counterarguments in favor of registration, including invoking the argument that the aforementioned exception to the FDCA applies to applicant's goods. The TTAB found the applicant's counterargument was not supported by probative evidence.

In support of that counterargument, applicant cited to, and relied upon, a 2016 press release from the Hemp Industries Association (HIA) to support their claim that applicant's goods fit within the FDCA exception for drugs or biological products that were marketed in food before substantial clinical trials were instituted. The press release stated, amongst other things, that the HIA's position is that legal hemp products containing CBD were marketed as foods and dietary supplements long before cannabidiol formulations or products were submitted to the FDA for testing as a "new drug." The TTAB found the press release unpersuasive, as applicant failed to provide any underlying evidence to support the HIA's position. The TTAB further stated that "[a] trade group's unadorned statement of a 'position' (as opposed to fact), unsupported by any evidence, is an insufficient basis upon which to make a finding of fact." See *Stanley* at pg. 16.

Thus, the TTAB ruled that the applicant failed to provide probative evidence to support the proposition that CBD products fall within the relevant FDCA exception and rejected the argument that ingestible CBD goods were lawful because they were marketed and sold prior to clinical investigations. Importantly, however, the TTAB did not rule that certain CBD products cannot fall within the enumerated exception. Rather, the board's opinion in *Stanley* left open the possibility that an applicant could successfully argue that the FDCA exception applies to any CBD products, including ingestible CBD products, as long as the applicant provides probative evidence supporting the position that such goods were marketed in food before substantial clinical trials were instituted.

Epidiolex® is a prescription drug containing CBD that is used for the treatment of rare forms of epilepsy. Per the USPTO, Epidiolex® is the only "cannabis-derived drug" that has been approved by the FDA. The FDA commenced clinical trials for Epidiolex® on June 8, 2015.² The USPTO now uses the existence of those Epidiolex® clinical trials as the basis to refuse registration of trademarks that are used in connection with various CBD products.

However, hemp, as well as CBD, has been known and used for decades, if not longer.³ More importantly, CBD has been marketed and/or sold in the United States towards the end of 2012 (if



Ashley G. Kessler

Member

akessler@cozen.com
Phone: (212) 883-2221
Fax: (646) 461-2081



Jonathan E. Gale

Member

jegale@cozen.com
Phone: (305) 397-0819
Fax: (305) 720-2246

Industry Sectors

- Cannabis

not earlier), and throughout 2013 and 2014, a fact that is reflected throughout the internet, including, but not limited to, evidence readily available on the Internet Wayback Machine.^{4 5 6 7}

Therefore, since products containing CBD were marketed and sold prior to the initiation of the Epidiolex® clinical trials, those goods should logically fall within the aforementioned exception to the FDCA. And yet, the USPTO's position regarding the lawfulness and registrability of many goods containing CBD holds tight, and those goods are still deemed unlawful and unregistrable. Those in the industry are hopeful that *Stanley* presents an avenue for applicants to obtain federal registrations for their CBD goods and services. However, it is unknown whether the USPTO will, when provided with the requisite probative evidence, actually accept the argument that such goods and services fall within the FDCA exception, or whether *Stanley* merely represents another instance of the ever-shifting goalposts as the hemp, cannabis, and CBD industry continues to evolve.

DISCLAIMER: Cannabis is still classified as a Schedule I controlled substance by the U.S. Drug Enforcement Agency, and as such it remains a federal crime to grow, sell, and/or use cannabis. Any content contained herein is not intended to provide legal advice to assist with violation of any state or federal law.

¹ See, 21 U.S.C. § 331(l)(1).

² See, <https://clinicaltrials.gov/ct2/show/record/NCT02224560?view=record>.

³ See, <https://ministryofhemp.com/blog/cbd-history/>. ("Further research [into CBD] continued in the 1960s ... Finally, British pharmacologists released the first CBD oil meant for therapeutic use.")

⁴ See, <https://www.prnswire.com/news-releases/medical-marijuana-inc-portfolio-company-canchew-biotechnologies-inc-announces-shipment-of-canchew-gum-free-product-sample-184264071.html>.

⁵ See, <https://web.archive.org/web/20130507122638/https://www.medicalmarijuanainc.com/>.

⁶ See, <https://web.archive.org/web/20130823002529/http://realscientificchempoil.com/index.php/products>.

⁷ See, <https://web.archive.org/web/20130910101226/http://dixiebotanicals.com/>.