Alert

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COZEN O'CONNOR

First to File, First to Amend or First to Use Hemp Products

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It has been five months since the U.S. Patent and Trademark Office (USPTO) clarified how it will handle trademarks for hemp and hemp-derived CBD products, yet it seems like trademark examining attorneys are (rightfully so) still scratching their heads with how to interpret federal guidelines. In fact, the trademark office is so overwhelmed and inundated with the number of applications pertaining to cannabis, CBD, and hemp products that it has dedicated an entire department of examining attorneys whose sole focus is to handle these types of applications. No other obvious instance in history comes to mind that required such a dedication of resources by the USPTO. And, this is only for the applications that outwardly fall into this category. Many more non-descript applications for "edible oils" and "dietary supplements" do not make it before these special-case examiners until a Statement of Use is filed by the applicant, reflecting how the applicant is actually using the mark in commerce. At which point the application is booted to one of the dedicated examiners.

Even within a specialized review process, the conundrum surrounding priority and dates of use has yet to come to a head.

To recap, goods subject to the Food and Drug Administration regulation (ingestibles and goods having medicinal properties) are being refused on the grounds that they are not lawful in commerce; non-ingestible hemp goods can be registered if the filing date is amended to December 20, 2018, (the date that hemp-related applications were considered lawful). Applications filed on an actual use-in-commerce basis will be forced to amend the application to an intent-to-use basis, and/or amend its date of first use in commerce to December 20, 2018.

How will the USPTO handle priority in situations in which multiple applicants are claiming the same filing date and use in commerce date for similar marks?

The fact pattern is as follows: There is a pending application for the mark CANNA REG A, which was filed in February 2018 that also claims a first use in commerce date of February 2018. There is a second pending application owned by a different party for the mark CANNA REG B, which was filed in March 2018, also claiming a first use in commerce date of March 2018. According to the guidelines, both applications must amend the filing date to December 20, 2018. Logically, the first applicant should receive priority, but there is no confirmation that will be the case. To date, trademark examiners rely on the applicant's filing date (down to the minute) when determining priority of a filed application. Following the publication of the USPTO's Examination Guide that addressed cannabis and cannabis-related trademarks after the passage of the 2018 Farm Bill, will there be a rush to the USPTO to amend filing dates to December 20, 2018?

If examiners cannot look to the filing date for clarity, what other means will they look at to streamline the process? Or in such situations/disputes, will the USPTO give priority to whichever application has a lower serial number (meaning whichever applicant initially filed their application first)?

There is no clear answer, but it is worrisome to think that the first applicant to amend will have priority.

Also, suppose the examining attorney for the second-filed application (CANNA REG B) doesn't view the application as being one within the scope of the Farm Bill and require an amended filing date? Perhaps the goods set forth in CANNA REG B were drafted in a manner that based on the subjective analysis conducted by the examining attorney results in a finding that the applicant doesn't need to amend its filing date. (Applicant has applied for "essential oils" with no indication that same may include CBD). Once the application filing date has been amended for CANNA REG

A, the examiner must conduct a secondary search for conflicting marks and it is entirely possible that a later filed application, like CANNA REG B, will be cited against it (despite being the second to file).

Also looming is the position taken by the Examination Guide requiring applicants to convert their CBD and hemp-related applications to intent-to-use applications. Plainly, this means that even though applicants have been using a mark on their products for years, in the eyes of the USPTO, applicants must nonetheless claim that there is only an "intention to use" the mark in commerce, and therefore go through the rigmarole of filing a statement of use in order to turn the application into a registration. While there were initial rumblings that the government would back off this requirement entirely, and applications filed on a use-in-commerce basis would potentially remain unchanged aside from the amended filing date, it seems that recent office actions have come out somewhere in the middle — now requiring both an amended filing date and an amended date of **use in commerce** — of December 20, 2018.

While no formal update to the guidelines has been issued, applicants should expect that applications for hemp goods filed prior to December 20, 2018, will neither be able to take advantage of that filing date, nor claim a date of first use in commerce prior to the day hemp was declassified under the Controlled Substances Act.

Future applicants may even be able to avoid such a refusal entirely by claiming a date of first use in commerce not earlier than December 20, 2018. Further, trademark applications provide a space where applicants must indicate a date of "first use anywhere," in addition to the claimed "date of first use in commerce." While, until now, this date has been largely marginalized among practitioners, and oftentimes mimics the first use in commerce date, the cannabis and hemp industries may very well bring to life the importance of accurately documenting this date on the application, as it will be the only opportunity for hemp applicants to put others on notice of its earliest use of the mark. Consider it like asserting common law rights within a federal application should litigation ultimately ensue.

The foregoing nuances surrounding priority of federal trademark applications for hemp products has resulted in a situation where CANNA REG B can potentially claim a date of first use in commerce well before that of CANNA REG A, despite being unequivocally second in line.

Office actions interpreting the Examination Guide and refusing registration are rolling in, but we are only at the inception of seeing these injustices play out on paper. While not presently at the forefront, as applicants are scrambling to attend to other requirements proposed by the trademark office, six months from now these priority issues will ostensibly — pun intended — take priority.

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