

MEMORANDUM

To: USPTO

From: Coleman Alguire, Associate Attorney

Date: September 26, 2019

Re: USPTO Response to Office Action – Bioactive Refers to the Substances - 87771007

Summary

- Cannabis-Related Goods Refusal – Based on Evidence – Not in Lawful Use in Commerce.
- Advisory – Amendment to Identification of Goods if Changing Filing Date

Cannabis-Related Goods Refusal – Based on Evidence – Not in Lawful Use in Commerce.

Registration is refused because the applied-for mark is not in lawful use in commerce.

Trademark Act Section 1 and 45 U.S.C. §§1051, 1127; see TMEP §907.

To qualify for federal trademark registration, the use of a mark in commerce must be lawful. *Gray v. Daffy Dan’s Bargaintown*, 823 F.2d 522, 526, 3 USPQ2d 1306, 1308 (Fed. Cir. 1987) (stating that “[a] valid application cannot be filed at all for registration of a mark without ‘lawful use in commerce’”); TMEP §907; see *In re Stellar Int’l, Inc.*, 159 USPQ 48, 50-51 (TTAB 1968); *Coahoma Chemical Co., Inc. v. Smith*, 113 USPQ 413 (Com’r Pat. & Trademarks 1957) concluding that the “use of a mark in connection with unlawful shipments in interstate commerce is not use of a mark in commerce which the [Office] may recognize.”). Thus, the goods to which the mark is applied must comply with all applicable federal laws. See *In re Brown*, 119 USPQ2d 1350, 1351 (TTAB 2016) (citing *In re Midwest Tennis & Track Co.*, 29 USPQ2d 1386, 1386 n.2 (TTAB 1993) (noting that “[i]t is settled that the Trademark Act’s requirement of ‘use in commerce,’ means a ‘lawful use in commerce’”)); *In re Pepcom Indus., Inc.*, 192 400, 401 (TTAB 1976); TMEP §907.

According to the Examiner’s Office Action Letter dated July 8, 2019, the evidence of record indicates that the items or activities to which the proposed mark will be applied were unlawful under the federal Controlled Substances Act (CSA), 21 U.S.C. §§801-971, as of January 25, 2018 the date on which the application was filed.

The CSA prohibits, among other things, manufacturing, distributing, dispensing, or possessing certain controlled substances, including marijuana and any material or preparation containing marijuana 21 U.S.C. §§812, 841(a)(1), 844(a); see also 21 U.S.C. §802(16) (defining “[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 ever compound, manufacture, alt, derivative, mixture, or preparation of such plant, its seeds or resin” (subject to certain exceptions)).

According to the Examiner's Office Action Letter dated July 8, 2019, in this case the specimen of record plainly indicates that the applicant's identified goods include items that are prohibited by the CSA, namely, the goods contain hemp oil. The wording "hemp oil" is broad enough to encompass goods that contain CBD or other unlawful marijuana extract.

In order for an application to have a valid basis that could properly result in a registration, the use of the mark has to be lawful. *See In re Pepcom Indus., Inc.*, 192 USPQ 400, 401 (TTAB 1976) Because use of the applied-for mark in connection with such goods was not lawful as of the filing date, applicant did not have a bona fide intent to lawfully use the applied-for mark in commerce in connection with such goods. *See In re JJ206, LLC*, 120 USPQ2d 1568, 1569 (TTAB 2016) ("where the identified goods are illegal under the federal Controlled Substances Act (CSA), the applicant cannot use its mark in lawful commerce, and 'it is a legal impossibility' for the applicant to have the requisite bona fide intent to use the mark"); TMEP §907.

On December 20, 2018 the 45th President of the United States signed H.R. 2, the 2018 Farm Bill into law. Section 12608 of the 2018 Farm Bill states:

SEC. 12608. CONFORMING CHANGES TO CONTROLLED SUBSTANCES ACT. (a) IN GENERAL. – Section 102 (16) of the Controlled Substances Act (21 U.S.C. 802 (16)) is amended – (1) by striking "(16) The" and inserting "(16)(A) Subject to subparagraph (B), the"; and (2) by striking "Such term does not include the" and inserting the following: "(B) The term 'marijuana' does not include – "(i) hemp, as defined in section 297A of the Agricultural Marketing Act of 1946; or "(ii) the". (b) TETRAHYDROCANNABINOL. – Schedule I, as set forth in section 202(c) of the Controlled Substances Act (21 U.S.C. 812(c)), is amended in subsection (c)(17) by inserting after "Tetrahydrocannabinols" the following: ", except for tetrahydrocannabinols in hemp (as defined under section 297A of the Agricultural Marketing act of 1946)".

This section of the Agricultural Improvement Act of 2018 exempts hemp as defined in Section 297A from the Controlled Substances Act. Section 297A states:

SEC. 297A. DEFINITIONS. "In this subtitle: "(1) Hemp. - - The term 'hemp' means 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 concentration of not more than 0.3 percent on a dry weight basis."

Due to the changed circumstances the goods and/services that are represented by the applied for mark are now lawful. According to *Examination Guide 1-19 Examination of Marks for Cannabis and Cannabis-Related Goods and Services after Enactment of the 2018 Farm Bill* (<https://www.uspto.gov/sites/default/files/documents/Exam%20Guide%201-19.pdf>.) The Applicant can state for the record that they wish to desire, they may amend the filing date. In the

event of such an amendment, the examining attorney will conduct a new search of the USPTO records for conflicting marks based on the later application filing date. TMEP §§206.01, 1102.03.

In this the Applicant will amend the filing date to December 20, 2018 under the guidance of *Examination Guide 1-19*.

Advisory – Amendment to Identification of Goods if Changing Filing Date

The identification of goods will need to be clarified if the Applicant chooses to amend the filing date, as explained above. See 37 C.F.R §2.32(a)(6); TMEP§1401.01.

Applicant will adopt the following identifications, as recommended in the Examiner’s Office Action Letter dated July 08,2019:

International Class 1: Pharmaceutical grade white mineral oil used in the further manufacture of pharmaceuticals containing or derived from cannabis with delta-9 THC concentration of not more than 0.3% on a dry weight basis

International Class 5: Dietary supplement drink mixes; Dietary supplements; the aforementioned goods containing cannabis with a delta-9 THC concentration of not more than 0.3% on a dry weight basis.