

PTO's Rejection of Marks Related to Marijuana Should Be Found Unlawful

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The United States Patent and Trademark Office rejects trademark applications when it determines that the use of the mark is unlawful under the Controlled Substances Act. See *In re Brown*, 119 USPQ.2d 1350 (TTAB 2016) [In the Weeds Between Federal and State Law: Brand Name for Legal Marijuana Sales Denied Federal Registration.](#)

No statutory support for these rejections can be found in the Lanham Act, nor does any court appear to have sanctioned them. In this author's view, these rejections are unlawful, regardless of the "unlawfulness" of the conduct.

The Lanham Act defines commerce as "all commerce which may lawfully be regulated by Congress." 15 U.S.C. § 1127. The definition doesn't say that the underlying commerce must be lawful – it just specifies that Congress' regulation must be lawful. The definition makes sense in that the Commerce Clause is the constitutional basis of the Lanham Act, and the plain meaning of the definition is that the jurisdiction of the Lanham Act is as broad as Congress' power to regulate commerce, regardless of whether Congress has chosen to criminalize the commerce.

In *Gonzales v. Raich*, 545 U.S. 1 (2005), the Supreme Court upheld Congress' power to regulate marijuana under the Commerce Clause, even as to its local cultivation and use. That Congress can lawfully regulate marijuana cultivation, use, and sale is therefore beyond dispute.

The Board in *In re Brown* observed that it has "consistently held that, to qualify for a federal service mark registration, the use of a mark in commerce must be 'lawful.'" While that may be its consistent position, the Board did not explain in *Brown* how such a requirement comports with the plain meaning of the Lanham Act, which imposes no such

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requirement. Nor did it explain how its apparent transformation of the Lanham Act's definition of commerce complies with the Board's limited jurisdiction (of which it often reminds those who appear before it).

The Trademark Manual of Examining Procedure section embodying *In re Brown*, TMEP 907, adds little substantive analysis. In addition to a plethora of TTAB decisions along the lines of *In re Brown*, it cites a single federal court case that purportedly supports the PTO's position that it should determine if an applicant's use of a mark is lawful before issuing a registration. In *Gray v. Daffy Dan's Bargaintown*, 823 F.2d 522 (Fed. Cir. 1987), the court considered the 15 U.S.C. § 1052(d) requirement of "concurrent lawful use in commerce," and the timing of such lawful use. The Court opined in dicta that a mark must be in "lawful use in commerce" to obtain a valid registration, but the Court based that determination by relying on the portion of Lanham Act Section 2(d) that only applies to the unusual situation of concurrent use registrations, and not to the general and more common circumstance of non-concurrent use registrations. As a matter of statutory construction, the Lanham Act's reference to "lawful use in commerce" in connection with concurrent use registration (and in a few other specific situations) should be read to mean that Congress knew how to specify "lawful use in commerce" as a requirement for registration when it wanted, and Congress chose *not* to include that as a general requirement.

It should be noted that 37 CFR § 2.69 authorizes the PTO to inquire as to the lawfulness of commerce recited in an application. That regulation is vague in that it doesn't explicitly provide any basis for the PTO to reject an application based on the response to the inquiry, although a rejection could be appropriate in connection with a concurrent use registration and perhaps in other unusual circumstances. And perhaps most directly, a regulation cannot supplant a law enacted by Congress, and here the law provides no general basis to reject applications merely because the PTO considers the use to be unlawful.

In the present era when the executive branch may choose not to enforce or to selectively enforce various areas of federal law, it makes little sense for the PTO to apply a "lawfulness" requirement that isn't in the Lanham Act, to the detriment not only of trademark applicants, but also to the public that relies upon trademarks to avoid confusion.