Kluwer Trademark Blog

Intent-To-Use CBD Claims Go Up In Smoke

Jutta Frankfurter (Riebling) · Tuesday, March 8th, 2022

In the US an intent-to-use ("ITU") trademark application may be filed by "a person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce" later. 15 U.S.C. § 1051.The United States Patent and Trademark Office ("USPTO") has long maintained that to qualify for a federal trademark registration "use of a mark in commerce must be 'lawful'." Where the goods are illegal under federal laws, an applicant cannot use its mark on these goods in lawful commerce.

This seemingly simple policy got tested in two recent decisions, *In re Harbor Hemp Company LLC* and *In re AgrotecHemp Corp*. *In re Harbor Hemp Company LLC*, Serial Nos. 88377702 and 88377730 (January 27, 2002) and *In re AgrotecHemp Corp., Serial No. 88979905* (February 10, 2022). Both intent-to-use cases on appeal before the Trademark Trial and Appeal Board focus on this issue: whether an applicant for federal trademark registration can have a *bona fide intent* to use its mark in commerce on goods that are currently prohibited under federal law but that may, perhaps, become lawful in the future.

Harbor Hemp Co. applied to register HARBOR HEMP COMPANY for goods including non-medicated topical skin care preparations, dietary and nutritional supplements, and electronic cigarettes and cartridges, "all of the foregoing containing legal produced industrial hemp extract" and AgrotecHemp Corp. sought the registration of PUREXXXCBD for "Plant extracts for pharmaceutical purposes; vitamins; dietary supplements; all of the foregoing containing CBD solely derived from hemp containing no more than .3% THC on a dry weight basis". Judge Thomas Shaw, writing the decision for the Board in both cases, held that the applicants lacked a *bona fide* intent to use the mark in commerce because the goods listed in the applications contain cannabidiol ("CBD") and therefore are *per se* violation of the Federal Food, Drug, and Cosmetic Act (FDCA).

Under current US federal law, certain hemp products (such as Cannabidiol (CBD)) are legalized by the Agricultural Improvements Act of 2018 ("the 2018 Farm Bill") by removing them from the Controlled Substances Act (CSA) (if containing no more than 0.3% tetrahydrocannabinol (THC) on a dry-weight basis). In 2019, the USPTO clarified that applicants could now apply for federal marks related to those hemp products but warned that even if the identified goods are legal under the CSA, not all goods for CBD or hemp-derived products are lawful following the 2018 Farm Bill. Specifically, foods, beverages, dietary supplements, or pet treats containing CBD still have to clear a second legal hurdle — the FDCA.

Under the FDCA, any product intended to have a therapeutic or medical use, and any product (other than a food) that is intended to affect the structure or function of the body of humans or animals, is a drug. Drugs must generally be approved by the Food and Drug Administration (FDA). An unapproved drug cannot be distributed or sold in interstate commerce. The FDA has deemed CBD an active ingredient in an approved drug, namely Epidiolex® (cannabidiol) to treat epilepsy. Thus, the FDCA considers CBD a "drug" that when added to a "food" gives rise to a violation of federal law — even if the CBD ingredient was undisputedly lawful as derived from industrial hemp under the 2018 Farm Bill's definition.

The potential that CBD may become legal under all federal and state laws in the future did not change the fact that on the application filing dates, applicants could not lawfully introduce their goods into interstate commerce. In both cases, the Board ruled that, notwithstanding any subjective belief in a beneficial future change in law, it is legally impossible for the applicants to have the requisite *bona fide* intent to use the mark in connection with such goods at the time the ITU application as filed.

For now, it is clear that any trademark application for CBD-containing foods, dietary supplements, or nutritional supplements will be refused for registration by the USPTO. These two cases demonstrate that the refusals to register will be upheld by the Board, applying a now established pattern of disposal, finding lack of the requisite *bona fide* intent.

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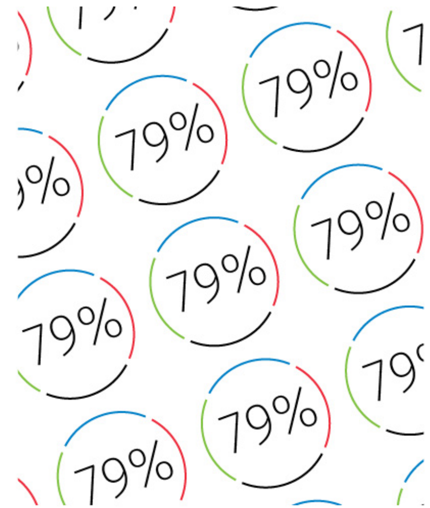

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