

Cannabis Industry Insight--The Intent to Use Trademark Strategy Has Limits in a Trademark Opposition

10.17.2024 By [William M. Borchard](#) and [Dasha Chestukhin](#)

The winds of change portend the eventual lawfulness of cannabis products and services under U.S. Federal law.

In the meantime, in order to establish trademark rights, some cannabis companies have filed U.S. trademark applications on an intent to use basis for peripheral products or services that are lawful in the U.S. This strategy only works if you can demonstrate a legitimate intent to offer those products or services under the mark.



Background

In our 2019 article entitled [“CBD Derived from Hemp is Legal in the U.S.”](#) we reported that the prohibition on all marijuana products in the Federal Controlled Substances Act (CSA) had been amended by the 2018 Farm Bill, which permits use and sale of hemp-derived products that contain no more than 0.3% THC (dry-weight).

However, in our 2020 article entitled [“U.S. Trademark Registrations Continue to be Denied for Foods and Dietary Supplements containing Hemp-Derived CBD”](#) we reported that the U.S. Patent and Trademark Office (USPTO) still refused to register any hemp-derived foods, beverages, dietary supplements, or pet treats, because they have not yet been approved by the U.S. Food and Drug Administration and so they are not deemed to be in lawful use in U.S. commerce.

Today, the status of these matters remains unchanged. Of course, since 2020 a patchwork of state laws has continued to develop to permit local sale of some marijuana products or services.

To secure Federal registration rights for marks for cannabis products if and when legalized under Federal law, some cannabis companies have filed trademark applications in the USPTO covering ancillary products or services. Examples include baked goods, cigarette papers, or informational services.

Some of these companies have not been in a position to offer those goods or services, and instead have based these trademark applications on a claim that they have a *bona fide* intention to use their marks for those goods or services. They expect to convert their applications from intent to use (ITU) to use-based, if and when the legal situation changes.

A Case in Point

On December 20, 2018, the day the 2018 Farm Bill became law, Creative Arts By Calloway, LLC (Applicant) filed an ITU application to register REEFER MAN (REEFER disclaimed) for (1) various smoker's articles including some that contain or are intended for use with cannabis "solely derived from hemp with a delta-9 tetrahydrocannabinol THC concentration of not more than 0.3 percent on a dry weight basis," and (2) educational services "in the fields of social justice and legal education."

Allright Mind Enterprises Ltd. (Opposer) is a Canadian company that sells cannabis products *in Canada*. It also owned several pending U.S. applications, one of which was a pending U.S. ITU application filed on May 21, 2013 to register REEFERMAN GENETICS (GENETICS disclaimed) for (1) plant nutrients, plant seeds, retail stores, garden supplies and promotional goods "none of which are designed for use or primarily intended for use in the production, manufacture, processing, preparation or inhalation of Cannabis sativa L" and (2) wholesale and retail stores featuring books and clothing.

Opposer brought an opposition proceeding before the Trademark Trial and Appeal Board (TTAB) to challenge Applicant's REEFER MAN application, based on the constructive priority of the filing date of Opposer's pending ITU applications. Applicant defended by claiming that Opposer's applications were invalid, because Opposer lacked the required *bona fide* intent **to use its mark** in U.S. commerce on the listed goods and services.

As Applicant correctly pointed out, Opposer's goods were and always had been cannabis products sold only in Canada, and the goods were prohibited from sale under U.S. Federal law. Opposer did not deny these assertions. Indeed, Opposer reassured the TTAB that it would not ship its products into countries where the goods were unlawful.

Further, absent from the record was any documentary evidence or testimony to show Opposer had ever intended to use its mark in U.S. commerce for any of the lawful, non-cannabis goods or services, nor that it had taken any steps to do so. Finally, the TTAB noted that Opposer's initial U.S. application had been pending for over eleven (11) years, "an extraordinarily long time."

Accordingly, the TTAB concluded that the Opposer did not demonstrate through objective evidence that it had a “firm” intent to use its mark in U.S. commerce for the listed goods or services. Rather, the evidence indicated “**only** Opposer’s intent to reserve rights in its mark, so that it would remain at the front of the line... if the U.S. government ever changes the CSA to permit sales of cannabis and other products that currently are unlawful...but which, as far as we can tell on this evidentiary record, appear to be the only products Opposer sells.” [*Emphasis by the TTAB*].

The TTAB held the REEFERMAN GENETICS applications to be invalid. Opposer’s priority was unsupported, and therefore the opposition against the REEFER MAN application was dismissed. The TTAB also noted that once Applicant’s registration has been issued and its priority perfected, if Applicant could demonstrate a likelihood of confusion, it could then block Opposer from future registration of REEFERMAN GENETICS.

[Allright Mind Enterprises Ltd. v. Creative Arts By Colloway, LLC, Opposition No. 91273573 \(T.T.A.B. August 1, 2024\).](#)

Authors’ Note:

Our 2017 article entitled [“Client Alert - Be Ready to Prove Intent to Use or Actual Use of a Trademark”](#) foreshadowed the result in this case. As we said,

You should maintain documentation that substantiates your firm bona fide intention to use the mark, and this documentation should either predate or coincide with the filing date of the application. Otherwise, when you seek to enforce rights against a later applicant or an infringer, failure to have proof on this point could negate the reason for, and the effort and expense of, getting the registration just at the time you most need it.

When an ITU application is maintained for a prolonged period of time, it also would be desirable to have evidence of the continuing *bona fide* intent to use the mark. This could be evidence of the applicant’s actual use of its mark in the U.S., or of continuing preparations to make use of its mark in the U.S., even if that use would only be lawful under state law. Without such evidence, the applicant should be cautious about using its pending application as a basis to challenge a later-filed application.

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