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Banned or brand?

KATHLEEN LAVINE | BUSINESS JOURNAL

Sabrina Stavish, shareholder with Denver-based Sheridan Ross PC, says that since marijuana is becoming legal in Colorado, trademarking product names might be possible at the state level, but not recognized federally.

Can a marijuana marketing strategy be protected?

■ With Colorado ironing out restrictions on marijuana sales, some may consider opening a pot shop. But with the product still illegal at the federal level, how do you protect your company's brand?

BY HEATHER DRAPER
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So you're rolling out a new retail marijuana operation in Colorado, under the state's new law legalizing the sale of small amounts of pot.

How do you trademark your name and your products?

Marijuana is still a controlled substance and is illegal to buy or sell under federal law, so local attorneys say getting a federal trademark or patent on actual marijuana products would be impossible. But they say there are other ways for marijuana retailers to protect their brand in Colorado, once the state allows retail marijuana outlets to open — after it figures out how to best regulate them. No stores are expected to be open until early 2014.

"The bottom line is that you can't register a trademark with the federal government that is connected with marijuana sales," said Sabrina Stavish, shareholder with Denver-based Sheridan Ross PC. "But at the state level, there would be no prohibition against a trademark registration."

Colorado voters in November approved Amendment 64 — the law that allows Coloradans over 21 to grow, cultivate or sell small amounts of marijuana — but local intellectual property attorneys have been dealing with the issue for several years because medical marijuana dispensaries began to open in 2005, five years after the state approved the sale of medical marijuana, Stavish said.

"I've had it come up on numerous occasions," she said. "I've not filed for a trademark on the state level, but I'm not aware of any reason you couldn't. You can fill out an application at the Secretary of State's Office, but there is not an examination pro-

cess like there is on the federal level."

The fee to register a trademark in Colorado is \$30, and it will provide some brand protection at the state level.

But filing a trademark registration with the state doesn't provide any protection or trademark rights in addition to those already created under state common law, said Lindsey Rothrock, an IP attorney at Denver-based Moyer White LLP.

Businesses can establish a trademark right in their geographic area by continually using it, she said, but it couldn't hurt to file with the state.

"As long as they're within the state and complying with state laws, I would generally say to file a statement of trademark registration [with the state]," Rothrock said. "I would also advise them that a state registration does not give them any rights in addition to the rights they've already established by using the mark. It merely puts others on notice of the trademark rights they are claiming in the mark."

Jeffrey H. Kass, shareholder in the Denver office of Polsinelli Shughart PC, said marijuana businesses in Colorado also could work around the inability to get federal trademarks on marijuana itself by registering other products related to the industry.

"There are thousands of things you can get trademarks on that are related to the marijuana industry but are not illegal," Kass said. "There's a whole slew of things, T-shirts, magazines, they could trademark so they could enforce it against others using the name."

But Kass cautioned that he'd give businesses a primer on trademark law so they'd understand what are strong brand names and what are not.

For example, he said, you can't trade-

mark a generic term if it relates to the actual product. So Apple is a strong trademark for a computer, but you couldn't trademark an actual apple with that name.

"If someone wanted to put out some pot called Mary Jane, they wouldn't be able to get that trademark, even if it were legal, because it's slang for marijuana," Kass said.

He would advise against descriptive trademarks, such as "Get High," because those also are hard to trademark.

But trademarks that are simply suggestive but not descriptive, like "Brain Freeze" or "Blue Dream," might work. "Those are entitled to trademark protections," Kass said, "and can be some of the best because they can be a play on words."

Finally, arbitrary names that have nothing to do with the product — like calling a marijuana-related product "Red Wolf" — are protected as well, he said.

"But those aren't always the best ones to use because it takes a lot of advertising to explain," Kass said.

David A. Toy, counsel at the Denver office of Hogan Lovells, said the same is true of patents — if marijuana retailers were able to patent one of their products.

"You couldn't have trademark protection on a plant variety. You'd have to seek a patent for protection on the strain itself," Toy said. "The name couldn't be the name of the plant. What I've read as an example, is that Strawberry Kush is a name of a plant variety, so you'd have to call the plant something else, like Charlie Sheen."

Toy said the federal patent office briefly accepted trademark applications for medical marijuana in 2010, but closed that window pretty quickly after "tons of applications came into the federal government."

He sees intellectual property rights around marijuana becoming more of an issue in Colorado after retail sales get going in coming years.

"I certainly think it's a relevant issue; I think we'll see more and more of it," Toy said.

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