

High Stakes:
Marijuana Brands and the USPTO's "[Lawful] Use" Registration Criterion

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I. Introduction

In his history of Prohibition, author Daniel Okrent writes about the black market's effects on American drinking habits:

Speakeasy liquor could have been anything from single-malt Scotch smuggled by way of Nassau to diluted embalming fluid. . . . In the saloon era, calling for liquor by brand name was almost unheard of; in the speakeasy era, it became a habit, first as a means of protecting oneself from alcohol of questionable origin, and secondarily as a way of expressing one's level of taste. . . . When he was building his own brand, Tommy Dewar publicized the perilous alternative—the liquor of unknown provenance he once characterized as “squirrel whiskey,” so called because, he said “it will make men nutty and climb trees. It will send the average Sunday School teacher walking ten miles through three feet of snow to shoot his own parson.” Naturally, there was an alternative: Drink Dewar's! Decades later, many of the liquor industry's best-known brands owed their prominence to the ubiquity of Prohibition-era rotgut.¹

During Prohibition, in a black market flooded with back-alley moonshine and poisonous “denatured” industrial alcohol,² consumers clung to trademarks as a shorthand for quality. Unfortunately, counterfeiting was predictably widespread, as bootleggers routinely refilled bottles of brand-name imports with whatever they could lay their hands on.³ “[I]n too many place,” Okrent writes, “if you ordered Brand X, you got Brand X; if you ordered Dewar's or Gordon's, you paid twice as much—and got Brand X.”⁴

Nearly a century later, a similar situation has arisen. Twenty-three U.S. states and the District of Columbia have passed laws legalizing marijuana for medical use, and four states and D.C. have legalized the drug for recreational use as well.⁵ Several other states are expected to vote on

¹ Daniel Okrent, *LAST CALL: THE RISE AND FALL OF PROHIBITION*, 209-210 (Scribner 2010).

² Edward Behr, *PROHIBITION: THIRTEEN YEARS THAT CHANGED AMERICA*, 163 and 222 (Arcade Publishing 1996).

³ *Id.* (noting that in 1926, over 660,000 gallons of often-lethal industrial alcohol found their way into the black and grey alcohol markets). Such activities continue even today. See Robert M. Tobiasse, *The “Fake Alcohol” Situation in the United States: The Impact of Culture, Market Economics and the Current Regulatory Systems* (2014) at 21-22, available at http://www.ciclt.net/ul/ncbwwa/The_Fake_Alcohol_Situation_in_the_United_States.pdf.

⁴ Okrent, *supra* note 1, at 211.

⁵ See Miriam D. Trudell, *Marijuana in the U.S.—Some States Let You Smoke It, But You Can't Register a Trademark for It at the USPTO*, *INTABulletin*, Vol. 70, No. 14 (August 1, 2015), http://www.inta.org/INTABulletin/Pages/Marijuana_in_the_US_7014.aspx

legalization in 2016.⁶ Yet, sale, distribution and possession of the drug remain Class 1 felonies under the Controlled Substances Act (CSA).⁷

Due to this continuing prohibition, cannabis is stuck in the era of the speakeasy. Consumers confront toxic pesticides and other dangers⁸ and struggle to evaluate goods that are exceptionally variable in quality and price.⁹ Names of particular cannabis strains serve as *de facto* brands, but there is no mechanism ensuring the authenticity of purported varieties, and supposed markers of quality like “Jack Herer” and “OG Kush” are probably largely meaningless.¹⁰

There is enormous incentive to develop reliable cannabis brands, to create what cannabis entrepreneurs hope will be the Dewar’s and Gordon’s of the post-prohibition marketplace.¹¹ And, indeed, as discussed in Part II, an explosion of cannabis-related trademark applications over the last six years attests to the perceived need among cannabis businesses to protect the goodwill associated with their products.

Under current U.S. trademark law, as interpreted and implemented by the U.S. Patent and Trademark Office (USPTO), it is not possible to obtain a federal trademark registration in connection with marijuana since such registrations are held to violate the USPTO’s rule that trademarks must be in “lawful use in commerce” (referred to herein as the Lawful Use Rule).¹² As explained in Part III, the Lawful Use Rule is questionable as a matter of statutory construction, but it is well established by decades of case law emanating from the Trademark Trial and Appeal Board (TTAB).

The rule is also questionable as a matter of public policy, since encouraging trademark infringement with respect to cannabis products does not appear serve the purposes of either the Lanham Act or the CSA. As explored in Part IV, cannabis brand owners can still rely on the common law’s protection, register their trademarks with state agencies or attempt to secure federal protection in connection with ancillary goods and services. But the inability to obtain a

⁶ California, Nevada, Maine, Arizona and Massachusetts are all expected to consider legalizing recreational marijuana use in 2016. *2016: The Marijuana Election*, NEWSWEEK (August 1, 2015), available at <http://www.newsweek.com/marijuana-election-358238>.

⁷ 21 U.S.C. §§812, 841(a)(1), 844(a).

⁸ Andy Campbell, *Dangerous Pesticides Are Being Found In Colorado’s Weed*, THE HUFFINGTON POST, http://www.huffingtonpost.com/entry/colorado-marijuana-pesticides_5655fcf4e4b079b28189fb8c

⁹ According to crowdsourced data gathered by the website priceofweed.com, the price per ounce of “low quality” marijuana around August, 2011 was \$138.12, compared with \$377.02 for “high quality” marijuana, Matthew Zook, Mark Graham and Monica Stephens, *Data Shadows of an Underground Economy: Volunteered Geographic Information and the Economic Geographies of Marijuana* (Floating Sheep Working Paper) (August 30, 2011), available at <https://drive.google.com/file/d/0B0eDX6K2hsNeZDJiNTkwZDQtMmVIZC00NTQ1LTlmMWQtYjQ1YzBhMzdhY2Ez/view>.

¹⁰ Dennis Romero, *Marijuana Strains like OG Kush Are Meaningless, Expert Says*, L.A. WEEKLY (Dec. 3, 2013), available at <http://www.laweekly.com/news/marijuana-strains-like-og-kush-are-meaningless-expert-says-4173909>.

¹¹ See Robert Klara, *Who Will Become the Starbucks of Pot?*, AD WEEK (July 27, 2014), available at <http://www.adweek.com/news/advertising-branding/who-will-become-starbucks-pot-159145>

¹² See Trudell, *supra* note 5.

USPTO registration remains a crucial shortcoming. Without it, cannabis manufacturers have significantly less incentive to invest in quality, safety and sustainability. Consumers are at perpetual risk of being misled. And a patchwork field of conflicting trademark claims is being sown that will encourage wasteful litigation as the cannabis market expands.

The Lawful Use Rule has not been extensively addressed by federal courts (with the notable exception of the Ninth Circuit), and the possibility remains that it might be struck down upon appeal. Until then, or until the situation is addressed by Congress, cannabis brands are unlikely to be afforded the same protection as other marks used in interstate commerce.

II. Trademark Activity in the U.S. Cannabis Industry

A. Cannabis Brands Generally

In 2014, the kind-of-legal market for cannabis (sales permitted under state law) drew in revenues estimated at over \$2 billion.¹³ With U.S. black market sales estimated at anywhere between \$10 billion and \$120 billion annually,¹⁴ the size of this quasi-legitimate industry is expected to expand dramatically in the coming years.¹⁵

Cannabis branding is in its infancy but expanding rapidly.¹⁶ Despite the present barriers to interstate expansion, numerous companies, such as Colorado-based Dixie Elixers, are positioning themselves to become national brands.¹⁷

At the same time, the industry is showing increasing interest in protecting and enforcing its trademarks. Thus far, the majority of high-profile trademark infringement claims have been brought by owners of non-cannabis brands.¹⁸ For example, in June, 2014, Hershey sued Colorado edibles-maker Tincturebelle over several THC-laced parody brands (including HASHEE's (REESE's) and GANJA JOY (ALMOND JOY)).¹⁹ Similarly, a few months later, MGM sued a Nevada medical dispensary to prevent their use of the name M'LIFE (alleged to be similar to the casino's "M Life" guest rewards program).²⁰ However, there are also sporadic cases of cannabis businesses attempting to protect their own goodwill, generally in the context of former partners or employees vying for control of a brand.²¹

¹³ Anne Holland, *New Forecast: U.S. MMJ and Recreational Cannabis Sales to Hit \$8 Billion by 2018*, MARIJUANA BUSINESS DAILY (April 4, 2014), <http://mjbizdaily.com/new-forecast-u-s-medical-marijuana-and-recreational-cannabis-sales-to-hit-8-billion-by-2018/>

¹⁴ Ariel Nelson, *How Big Is The Marijuana Market?*, CNBC (April 20, 2010), <http://www.cnbc.com/id/36179677>

¹⁵ Holland, *supra* note 13.

¹⁶ See Klara, *supra* note 11.

¹⁷ Rob Reutman, *Dixie Elixirs Wants to Become the First National Marijuana Brand*, ENTREPRENEUR (June 2014), available at <http://www.entrepreneur.com/article/233885>.

¹⁸ See Notes 19-20, *infra*.

¹⁹ *The Hershey Company v. Tincturebelle, LLC*, 14-cv-01564 (Dist. CO) (June 3, 2014).

²⁰ *MGM Resorts International v. M'Life, Inc.*, 14-cv-01510 (Dist. NV) (Sept. 17, 2014).

²¹ A marijuana edibles firm, Green Cross Colorado, LLC, recently sued a former employee in state court, claiming, among other things, infringement of its EDI-PURE trademark. George Demopoulos, *Claiming copycat candies*,

A more obvious sign of the cannabis industry's interest in trademarks is the swell in applications to the USPTO for registration of marks in connection with goods or services involving marijuana.

B. The Explosion of Cannabis-related U.S. Trademark Applications

The recent upsurge in cannabis-related trademark activity before the USPTO is tough to overstate.²²

The oldest record related to marijuana in the USPTO's Trademark Status & Document Retrieval (TSDR) database belongs to the Upjohn Company. From 1931 to 2002, the pharmaceutical manufacturer held a registration for its UPJOHN house mark in connection with a variety of drugs, including "cannabis extract."²³ But between Upjohn's 1931 application and roughly the second half of 2009, trademark applications related to marijuana were few and far between.²⁴ Before June 30, 2009, only 120 applications mention cannabis or marijuana, and, of these, only about 30 seem to refer to goods that would be prohibited under the CSA,²⁵ as opposed to, for example, the National Organization for the Reform of Marijuana Laws' long-standing 1973 registration for NORML in Class 42 (educational services).²⁶ With the single exception of the Upjohn registration, no trademark registration appears to have issued during this period in connection with products that would be prohibited by the CSA.²⁷

On February 25, 2009, however, U.S. Attorney General Eric Holder announced that the federal Drug Enforcement Administration (DEA) would no longer raid medical-marijuana facilities in the 13 states that had then legalized the practice.²⁸ A few months later, there was a sudden spike

edibles maker goes to court, BUSINESSDEN (October 21, 2015), available at <http://www.businessden.com/2015/10/21/claiming-copycat-candies-edibles-maker-goes-to-court>. See also *ComfyTree Enterprises, LLC v. Foster*, Opposition No. 91219637 (applications filed by former employee for the marks COMFYTREE and CANNABIS ACADEMY).

²² A spreadsheet of all trademark applications in the TSDR database containing the words "marijuana," "cannabis," or "THC" within the identification of goods and services as of December 14, 2015 is available upon request from the author. This list, containing 1,261 entries, is doubtless both underinclusive and overinclusive. For example, it does not account for cannabis-related applications that may use more general, obscure or euphemistic terms for the relevant goods and services. At the same time, it captures applications for marks related to anti-drug awareness services and the like, which have little relevance to the subject of this paper. This method's shortcomings notwithstanding, however, the numbers are striking.

²³ U.S. Registration No. 289473. Prior to the 1937 Marihuana Tax Act, cannabis-derived medicines were commonplace in the U.S. pharmaceutical industry. See Maureen Meehan, *Big Pharma Companies Were the Original Medical Pot Sellers*, HIGH TIMES (April 10, 2015). Of course, despite a renewal filed as recently as 1993 (apparently without amending the registration's listed goods), it is doubtful that the Upjohn Company had actually used its mark in connection with cannabis extracts in quite some time.

²⁴ *Id.* Note, however, that many older trademark applications and registrations are unavailable *via* TSDR. Upjohn's 289473 registration, therefore, may be unique not because it is the only pre-Marihuana-Tax-Act trademark for cannabis-based pharmaceuticals but because it is the only one that has been renewed into the modern era.

²⁵ See Note 22, *supra*.

²⁶ U.S. Registration No. 997137.

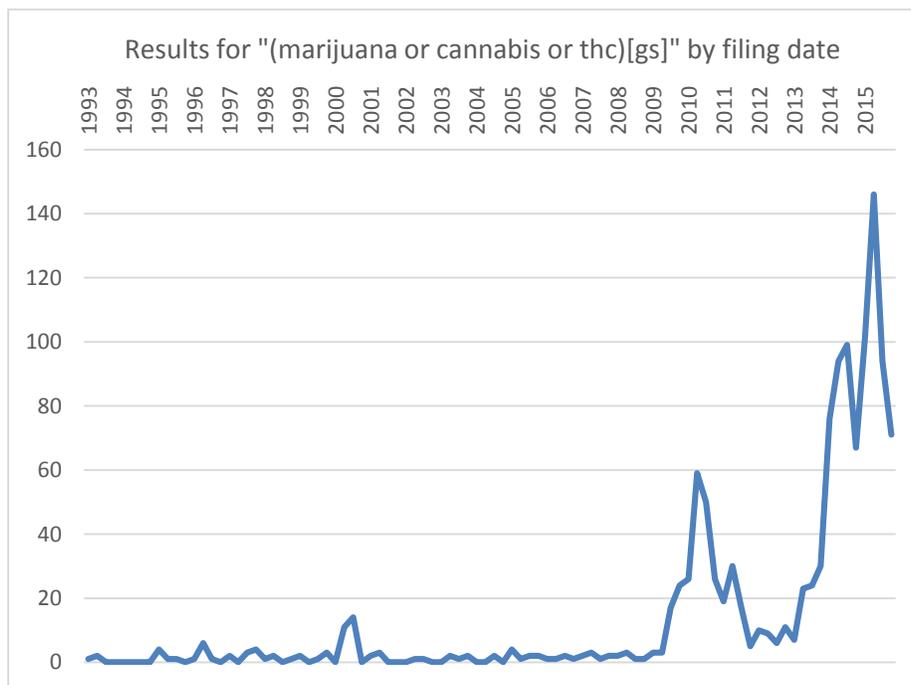
²⁷ See Note 22, *supra*.

²⁸ Bob Egelko, *U.S. to Yield Marijuana Jurisdiction to States*, SAN FRANCISCO CHRONICLE (February 27, 2009), available at <http://www.sfgate.com/health/article/U-S-to-yield-marijuana-jurisdiction-to-states-3170760.php>

in trademark interest around cannabis products. Between June 30, 2009 and the end of 2010, over 200 new applications referring to “cannabis” or “marijuana” rolled in, more than in the whole 139-year history of the U.S. trademark register up to that point.²⁹

The floodgates were truly opened on April 1, 2010, when the USPTO suddenly created a new entry in its Identification of Goods and Services Manual for “[p]rocessed plant matter for medicinal purposes, namely medical marijuana,” a seeming endorsement of cannabis trademarks.³⁰ Over the next 6 months alone, the USPTO received 109 applications related to marijuana.³¹ On July 13, 2010, the USPTO removed the entry, calling it a “mistake,”³² and the level of new applications cooled.³³

It was temporary. In 2014 and 2015, the USPTO received over 700 applications for cannabis-related trademarks, once again exceeding, within 2 years, the total number of applications up to that point.³⁴



C. Description of Registered Cannabis Marks and Pending Applications

²⁹ The first U.S. trademark was registered in 1870. USPTO, *Some Well-Known U.S. Trademarks Celebrate One Hundred Years* (June 15, 2000), <http://www.uspto.gov/about-us/news-updates/some-well-known-us-trademarks-celebrate-one-hundred-years> (last visited November 20, 2015). Of course, as noted at note 24, *supra*, some 19th- and early 20th-century cannabis registrations may not have survived to be archived in the TSDR.

³⁰ See Justin Scheck, *Patent Office Raises High Hopes, Then Snuffs Them Out*, WALL STREET JOURNAL (July 19, 2010), available at <http://www.wsj.com/articles/SB10001424052748704682604575368783687129488>.

³¹ Note 22, *supra*.

³² Scheck, *supra* note 30.

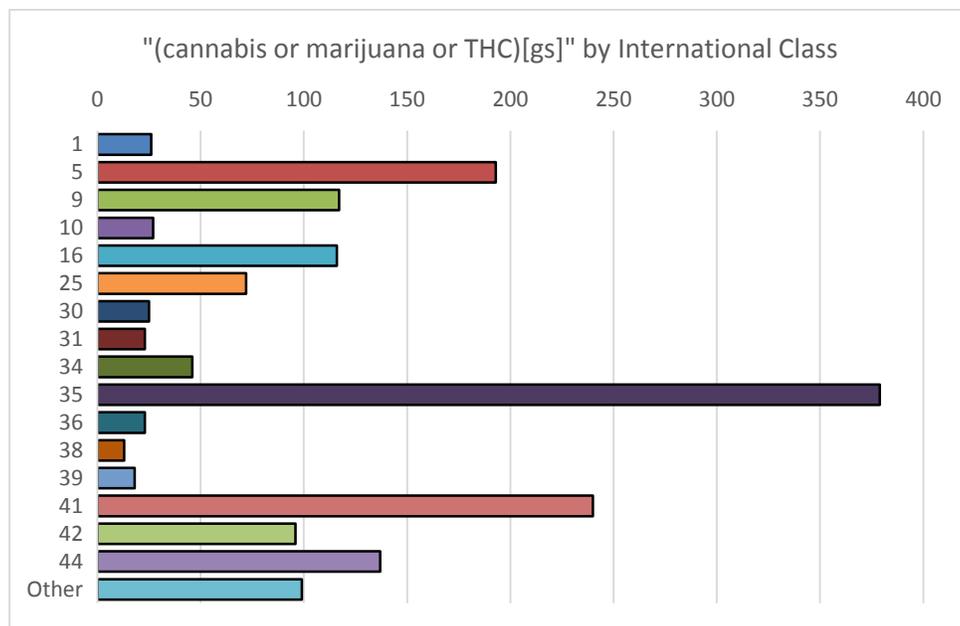
³³ Note 22, *supra*.

³⁴ *Id.* See also Appendix 1

An examination of the international classes into which these applications fall indicates that a majority of applicants are seeking registration in connection with secondary cannabis-related services rather than directly in connection with the cannabis products themselves. 379 applications seek registration in Class 35.³⁵ A cursory sampling of these applications suggests that some are marks used for retail sale of cannabis, but many are for business-to-business support services such as consulting, marketing or directory services.³⁶

240 applications are for Class 41 educational or entertainment services: informational websites, conferences, seminars, contests, etc.³⁷ Most of these applicants are no doubt simply providers of content related to the cannabis industry and cannabis culture, successors to established brands like HIGH TIMES and the CANNABIS CUP,³⁸ but it is likely that some are marijuana manufacturers or dispensaries, attempting to register their brand by claiming to provide educational services by means of their website.³⁹

The third most common class used is Class 5. 193 applications use this class, and—with the exception of a smattering of applications identifying drug-test kits—these are primarily related to the sale of marijuana itself.⁴⁰



Perhaps the most telling statistic regarding these applications is their low registration rate. Despite the increasing volume of applications, cannabis-related trademark owners have had a

³⁵ See Appendix 2.

³⁶ See Note 22, *supra*.

³⁷ Appendix 2.

³⁸ U.S. Registration No. 4647833; U.S. Registration No. 2289974.

³⁹ See Part IV.B, *infra*.

⁴⁰ See Note 22, *supra*, and Appendix 2.

difficult time actually obtaining U.S. registrations. The ratio of pre-registration abandonments to live registrations is almost 3:1,⁴¹ as opposed to approximately 3:5 for the USPTO as a whole in recent years.⁴² There are also a large number of applications that have been pending for longer than the USPTO's 10-month average, suggesting greater-than usual hurdles for cannabis-related applicants.⁴³

III. The Lawful Use Rule

A. Background

While other factors might contribute to the seemingly low registration rate for cannabis-related trademarks (these applicants might be disproportionately likely to proceed *pro se*, for example), there's an obvious explanation for the vast graveyard of dead applications. The USPTO considers marks used in connection with distribution of marijuana to be unregistrable.⁴⁴

This policy is a relatively recent development and evolved over time. Before 2009, the issue simply didn't come up very much.⁴⁵ When it did, the listing of "marijuana" among an application's identified goods was apparently not considered a bar to registration.⁴⁶ While no registration ever issued directly in connection with selling pot, in many cases this seems to reflect little more than a loss of interest on the part of the applicants, rather than an outright refusal by the USPTO.⁴⁷

Even when marijuana's legal status was flagged as a potential issue, earlier USPTO Actions demonstrate a hesitant approach towards examining these marks, insisting, for example, that "Applicant must further confirm that [Applicant's State] permits the use in commerce of

⁴¹ 183 versus 524 as of Dec 14, 2015. See Note 22.

⁴² The USPTO granted 1,241,098 registrations between 2010 and 2014. 729,085 applications were abandoned in the same period. USPTO Performance and Accountability Report, Fiscal Year 2014 (hereinafter "USPTO Report FY 2014"), at 157, available at <http://www.uspto.gov/about/stratplan/ar/USPTOFY2014PAR.pdf>.

⁴³ On Dec. 14, 2015, a search of TESS for all such live applications filed before Feb. 14, 2015 but not yet published for opposition { (*cannabis or marijuana or the*)[gs] and `FD < "20150215" and `RN = "0" and (live)[ld] not `PO > "20150215" } yielded 99 results. The average total pendency of a trademark application in 2012, 2013, and 2014 was 10.2, 10.0 and 9.8, respectively. USPTO Report FY 2014, at 58.

⁴⁴ TMEP §907

⁴⁵ See Part II.A *supra*.

⁴⁶ See e.g. MENDO RX REMEDIES (+design), Serial No. 78669994 (for "medical marijuana" in Class 5) (abandoned after failing to respond to Feb 6, 2008 Office Action requesting disclaimer of RX and REMEDIES and other minor amendments); FARMACOPIA, Serial No. 76652417 (for "marijuana for medical use" and Class 10 for "marijuana related products for medical use" in Class 5) (abandoned after failing to respond to June 22, 2006 Office Action requesting minor amendments).

⁴⁷ *Id.*

[medical marijuana]”⁴⁸ or must “indicate how it intends to make lawful use of the mark on the goods in interstate commerce” without citing any particular reasoning or authority.⁴⁹

As trademark interest from the U.S. cannabis industry skyrocketed towards the end of 2009, however, a specific USPTO policy towards marijuana emerged. In October, 2011, Section 907 of the Trademark Manual of Examining Procedure (TMEP) was revised to explicitly discuss the drug.⁵⁰ The current version of TMEP §907 states that:

[E]vidence indicating that the identified goods or services involve the sale or transportation of a controlled substance or drug paraphernalia in violation of the Controlled Substances Act (“CSA”), 21 U.S.C. §§801-971, would be a basis for issuing an inquiry or refusal. Subject to certain limited statutory exceptions, the CSA makes it unlawful to manufacture, distribute, or dispense a controlled substance; possess a Schedule I controlled substance; or sell, offer for sale, or use any facility of interstate commerce to transport drug paraphernalia. See 21 U.S.C. §§ 812(b)(1)(B), 841(a)(1), 844(a), 863. Note that, regardless of state law, marijuana and its psychoactive component, THC, remain Schedule I controlled substances under federal law and are subject to the CSA’s prohibitions.⁵¹

This policy change killed a number of pending applications that had earlier been seemingly given a pass.⁵² Since its implementation, Section 1 of the Trademark Act, the Controlled Substances Act generally and TMEP §907 have been consistently cited against trademarks identifying use in connection with marijuana.

B. Origin and development of the Lawful Use Rule

TMEP 907 is an explication of Trademark Rule 2.69: “When the sale or transportation of any product for which registration of a trademark is sought is regulated under an Act of Congress, the

⁴⁸ DR. GREENTHUMB, Serial No. 76682527 (for “Medical Cannabis” in Class 5) (abandoned after failing to respond to Jan. 16, 2008 Office Action requesting clarification of goods’ legal status and minor amendments application).

⁴⁹ MEDICAL MARIJUANA FARMACY...COMPASSIONATE CAREGIVERS, Serial No. 78478624 (unspecified class for “Cannabis and Cannabis-related products for medicinal use”) (abandoned after failing to respond to May 11, 2005 Office Action requesting further information and minor amendments application)

⁵⁰ Compare TMEP (Seventh Edition, October 2010) §907 and TMEP (Eighth Edition, October 2011) §907.

⁵¹ TMEP (July 2015) §907

⁵² CANNABALM, Serial No. 77508206 (for “Balms for medical purposes containing cannabis, sold through restricted medical channels of trade” in Class 5) (“lawful use in commerce” refusal issued in April 11, 2011 Office Action, after five previous Office Actions failed to raise this issue); GO GREEN BEAR, Serial No. 77937070 (for “Wholesale and retail store services featuring medicinal marijuana” in Class 35) (“lawful use in commerce” refusal issued in Jan. 11, 2011 Office Action, after application had been approved for publication); See also HUMBOLDT FARMS, Serial No. 85029555 (for “Processed plant matter for medicinal purposes, namely, medical marijuana” in Class 5) (accepted Sep. 23, 2010 USPTO offer to refund filing fees due to “mistakenly included entries” in ID Manual).

Patent and Trademark Office may make appropriate inquiry as to compliance with such Act for the sole purpose of determining lawfulness of the commerce recited in the application.”⁵³

The statutory authority cited alongside Rule 2.69 is the very first sentence of the Lanham Act, Section 1(a)(1), which begins “The owner of a trademark used in commerce may request registration of its trademark [. . .]”⁵⁴ This short phrase is in turn subject to the slim extrapolation of Section 45, which explains that “[t]he term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark” and that “[t]he word ‘commerce’ means all commerce which may lawfully be regulated by Congress.”⁵⁵

Despite these unqualified definitions, in a series of opinions beginning in the late 1960’s and appearing sporadically over the last half-century, the Trademark Trial and Appeal Board (TTAB) has endorsed the idea that “use in commerce” in the Lanham Act means “*lawful* use in commerce” (or sometimes “use in *lawful* commerce”),⁵⁶ a rule that some federal courts have also adopted, albeit much more recently.⁵⁷

One of the earliest such opinions is the TTAB’s 1968 ruling in *In re Stellar*.⁵⁸ *Stellar* concerned a trademark application for the mark JETFRESH for an aerosol mouth freshener.⁵⁹ Registration for this mark was refused after the USPTO’s Examiner determined that the label submitted as a specimen of use failed to list the product’s net contents as required by the Federal Food, Drug and Cosmetic Act.⁶⁰

The Board upheld this determination, stating that “[i]t seems evident that the term ‘commerce’ whenever and wherever used in the trademark statute must necessarily refer to ‘lawful

⁵³ 37 C.F.R. §2.69. See also Thomas G. Field, Jr., *The Fourth Dimension in Labeling: Trademark Consequences of an Improper Label – Part I*, 25 FOOD DRUG COSM. L.J. 348, 352 (1970) (referring the history of Rule 2.69 as old but unenlightening). However, before the TTAB cases discussed *infra* notes 57, *et seq.*, Rule 2.69 was not necessarily interpreted as a basis for refusing a registration. *Id.* at 352-353.

⁵⁴ 15 U.S.C. §1051(a)(1)

⁵⁵ 15 U.S.C. §1127

⁵⁶ *E.g.*, *In re Stellar Int'l, Inc.*, 159 USPQ 48 (TTAB 1968); *Clairol Incorporated v. Holland Hall Products, Inc.*, 165 USPQ 214 (TTAB 1970); *HORANY v. HAYS*, 176 USPQ 316 (TTAB 1972); *In re Cook, United, Inc.*, 188 USPQ 284 (TTAB 1975); *In re Silenus Wines, Inc.*, 189 USPQ 533 (TTAB 1975); *In re Pepcom Industries, Inc.*, 192 USPQ 400 (TTAB 1976); *Geraghty Dyno-Tuned Products, Inc. v. Clayton Manufacturing Company*, 190 USPQ 508 (TTAB 1976); *Satinine Societa in Nome Collettivo di S.A. e M. Usellini v. P.A.B. Produits et Appareils de Beaute*, 209 USPQ 958 (TTAB 1981); *The Clorox Company v. Armour-Dial, Inc.*, 214 USPQ 850 (TTAB 1982); *In re Garden of Eatin' Inc.*, 216 USPQ 355 (TTAB 1982); *Pennwalt Corporation v. Sentry Chemical Company*, 219 USPQ 542 (TTAB 1983); *General Mills Inc. v. Health Valley Foods*, 24 U.S.P.Q.2d 1270, 1274 (T.T.A.B. 1992); *In re Midwest Tennis & Track Co.*, 29 USPQ2d 1386 (TTAB 1993); *John W. Carson Found. v. Toilets.com, Inc.*, 94 USPQ2d 1942 (TTAB 2010); *Nationstar Mortg. LLC v. Ahmad*, 112 USPQ2d 1361 (TTAB 2014).

⁵⁷ *CreAgri, Inc. v. USANA Health Sciences, Inc.*, 474 F.3d 626 (9th Cir. 2007); *United Phosphorus, Ltd. v. Midland Fumigant, Inc.*, 205 F.3d 1219 (10th Cir. 2000); *Southern California Darts Ass'n v. Zaffina*, 762 F. 3d 921 (9th Cir. 2014); *FN Herstal, S.A. v. Clyde Armory, Inc.*, 12-cv-00102 (M.D. Ga. 2015).

⁵⁸ *Stellar*, 159 USPQ 48.

⁵⁹ *Id.*

⁶⁰ *Id.* at 49.

commerce.”⁶¹ Two brief explanations were given for inferring this extra word into the Lanham Act. First, the Board inferred that “no trademark rights can accrue” from “unlawful shipments,” apparently because registerable marks must be used “in commerce which may lawfully be regulated by Congress.”⁶²

If this truly was the Board’s premise, it’s a puzzling one. After all, Congress may lawfully regulate all manner of unlawful commerce.⁶³ A contemporary law review article, in reference to *Stellar*’s proposition that the Patent Office lacks the power to recognize trademark rights arising from unlawful commerce, pointed out that “not only does the Patent Office have such power, it also does not have the power to refuse to exercise it. A contrary conclusion seems neither supportable in law nor in practice.”⁶⁴

Stellar’s second explanation was more straightforward: applying the statute as written would “place the Patent Office in the anomalous position of accepting as a basis for registration a shipment in commerce which is unlawful under a statute specifically controlling the flow of such goods in commerce.”⁶⁵ In other words, it would feel weird.

The Lawful Use Rule was followed in a number of subsequent TTAB decisions, in which the Board stated that trademark registration could be denied if the applicant’s commercial use violated not only the Food Drug and Cosmetic Act,⁶⁶ but also the Federal Insecticide, Fungicide and Rodenticide Act,⁶⁷ the Federal Meat Inspecting Act,⁶⁸ the Federal Alcohol Administration Act,⁶⁹ the Fair Packaging and Labeling Act,⁷⁰ the Federal Clean Air Act,⁷¹ the Amateur Sports Act of 1978,⁷² professional licensing requirements,⁷³ and an injunction issued by the U.S. Court for the Eastern District of Michigan.⁷⁴ In general, when they provide any justification for the Lawful Use Rule beyond noting that “it is settled,”⁷⁵ these decisions merely cite *Stellar*’s concern about creating an “anomaly.”

There has been far less discussion of the rule by Article III courts. In a 1987 opinion, *Gray v. Daffy Dan's Bargaintown*, the Federal Circuit remarked in an off-handed way that “[a] valid

⁶¹ *Id.* at 51.

⁶² *Id.*

⁶³ That “regulation may sometimes appropriately assume the form of prohibition” has been a basic tenet of Constitutional Law since at least *Champion v. Ames*, 188 U.S. 321, 358 (1903).

⁶⁴ Thomas G. Field, Jr., *The Fourth Dimension in Labeling: Trademark Consequences of an Improper Label – Part II*, 25 FOOD DRUG COSM. L.J. 372, 379 (1970).

⁶⁵ *Stellar*, 159 USPQ at 51.

⁶⁶ *Clorox*, 214 USPQ at 851; *Horany*, 176 USPQ at 317; *Clariol*, 165 USPQ at 220 ; *Pepcom*, 192 USPQ at 401;

⁶⁷ *Pennwalt*, 219 USPQ at 544.

⁶⁸ *Cook*, 188 USPQ at 288.

⁶⁹ *Silenus Wines*, 189 USPQ at 535.

⁷⁰ *Santinine*, 209 USPQ at 966.

⁷¹ *Dyno-tuned*, 190 USPQ at 511.

⁷² *Midwest Tennis*, 29 USPQ2d at 1386.

⁷³ *Ahmad*, 112 USPQ2d at 1374.

⁷⁴ *Toilets.com*, 94 USPQ2d at 1945.

⁷⁵ *Midwest Tennis*, 29 USPQ2d at n.2.

application cannot be filed at all for registration of a mark without ‘lawful use in commerce.’”⁷⁶ However, it is important to note that *Daffy Dan*’s concerned entitlement to concurrent use under Section 2(d) of the Lanham Act and did not involve any alleged violation of a federal statute or implicate Rule 2.69 in any way.⁷⁷ Unlike Section 1, Section 2(d) of the Lanham Act actually contains the words “lawful use in commerce” in its description of the requirements for concurrent use.⁷⁸ Indeed, this is one reason some scholars have argued that inferring the qualifier “lawful” elsewhere violates basic rules of statutory construction.⁷⁹ It seems likely that the term “lawful use” in 2(d) (as well as Section 23, concerning supplemental registration) means something closer to “good faith use,” emphasizing that, while such use of a mark need not be exclusive, bad faith, such as knowledge of another’s prior use, precludes concurrent and supplemental registration.⁸⁰ This is the context in which the *Daffy Dan*’s court used the term.⁸¹ As precedent supporting the Lawful Use Rule, *Daffy Dan*’s therefore seems less than definitive.⁸²

Nevertheless, in 2000, the Court of Appeals for the 10th Circuit cited *Daffy Dan*’s in *United Phosphorus v. Midland Fumigant* for the proposition that “shipping goods in violation of federal law cannot qualify as the ‘use in commerce’ necessary to establish trademark rights.”⁸³ However, this brief piece of *dicta* was not subjected to any significant discussion, since there was no evidence on record that the appellee’s commercial use was unlawful in the first place.⁸⁴

It was not until the 9th Circuit’s 2007 decision in *CreAgri v. USANA Health Sciences* that a federal court tackled the Lawful Use Rule in any meaningful way.⁸⁵ Noting that the issue was one of first impression in its jurisdiction, the court nevertheless chose to adopt the TTAB’s policy:

The rationale for this rule is twofold. First, as a logical matter, to hold otherwise would be to put the government in the "anomalous position" of extending the benefits of trademark protection to a seller based upon actions the seller took in violation of that government's own laws. See *In re Stellar*, 159 U.S.P.Q. at 51. It is doubtful that the trademark statute— passed pursuant to Congress's power under the Commerce Clause— "was . . . intended to recognize . . . shipments in commerce in contravention of other regulatory acts promulgated [by Congress] under [that same constitutional provision]."

⁷⁶ 823 F.2d 522, 526 (Fed.Cir. 1987).

⁷⁷ *Id.*

⁷⁸ 15 U.S.C. §1052(d).

⁷⁹ Field, *supra* note 54, at 355-356.

⁸⁰ *Id.* at 357. See also notes 131-133 and accompanying text, *infra*.

⁸¹ 823 F.2d 522, 526 (Fed.Cir. 1987).

⁸² The case has been cited approvingly in subsequent Federal Circuit cases, *Ultracashmere House, Ltd. v. Springs Mills, Inc.*, 828 F. 2d 1580, 1583 (Fed. Cir. 1987); *Action Temporary Services v. Labor Force, Inc.*, 870 F. 2d 1563, 1565 (Fed. Cir. 1989). *But see* notes 131-138 and accompanying text, *infra*.

⁸³ *United Phosphorus*, 205 F. 3d at 1225.

⁸⁴ *Id.*

⁸⁵ *CreAgri*, 474 F.3d at 630.

Id. Second, as a policy matter, to give trademark priority to a seller who rushes to market without taking care to carefully comply with the relevant regulations would be to reward the hasty at the expense of the diligent.⁸⁶

A few district courts have followed the 9th Circuit's lead,⁸⁷ though these cases tend to treat the rule as an affirmative defense to trademark infringement akin to unclean hands (referred to as the "unlawful use doctrine" or "unlawful use defense") rather than a prerequisite to registerability pursuant to Section 1(a).⁸⁸ In addition, drawing on doctrines developed in TTAB cases (though not consistently acknowledged in subsequent TTAB cases) and discussed in *CreAgri*, these courts have instituted a two qualifications to the unlawful use defense: (1) there must be a nexus between the violation alleged and the use of the mark; and (2) the violation must be material, i.e. of "such gravity and significance that the usage must be considered unlawful—so tainted that, as a matter of law, it could create no trademark rights."⁸⁹

Though the doctrine has evolved, the thrust of this accumulated caselaw remains relatively clear: a business that violates one law shouldn't be able to claim rights under a different law. Exactly why this is so remains less clear.

C. Application of the Lawful Use Rule to Marijuana

Either a refusal or request for information based on the Lawful Use Rule is almost certain to issue in connection with any application identifying marijuana or cannabis. In addition to Section 907 of the USPTO's own examination manual, applicants should expect citations to *Stellar*, *Clorox*, *Midwest Tennis*, and *Daffy Dan's*.⁹⁰

These actions will also cite the CSA, 21 U.S.C. §§812, 841(a)(1), and 844(a), which prohibits, among other things, distributing marijuana. While the CSA has a less direct connection to trademark use than marketing regulations like FDA labeling requirements (*Stellar*, *Clorox*) or

⁸⁶ *Id.*

⁸⁷ *Dessert Beauty, Inc. v. Fox*, 617 F. Supp. 2d 185, 190 (S.D.N.Y. 2007), *aff'd*, 329 F. App'x 333 (2d Cir. 2009) (defendant's burden of proving unlawful use not met); *FN Herstal, S.A. v. Clyde Armory, Inc.*, 3:12-cv-102 (M.D. Ga. 2015) (defendant's burden of proving unlawful use not met). *See also*, *Southern California Darts Ass'n v. Zaffina*, 762 F. 3d 921 (9th Cir. 2014) (defendant's burden of proving unlawful use not met);

⁸⁸ "The unlawful use defense—which has its origins in the common law doctrine of 'unclean hands,'—is therefore a way of preventing the government from having to extend the benefits of trademark protection to a seller who violates that government's laws." *Dessert Beauty*, 617 F. Supp. 2d at 190 (citing *Erva Pharm.*, 755 F.Supp. at 39 and n.1).

⁸⁹ *Clyde Armory*, *supra* note 88, citing *General Mills*, 24 U.S.P.Q.2d at 1274, for materiality doctrine. *See also*, *CreAgri*, 474 F.3d at 631-633 (discussing the nexus and materiality doctrines but declining to explicitly adopt them); *Satinine*, 209 U.S.P.Q. at 967, (Kera, concurring) (source of nexus doctrine). *But see, e.g.*, *Midwest Tennis*, 29 USPQ2d 1386 (1993) (no mention of nexus or materiality); *Toilets.com*, 94 USPQ2d 1942 (2010) (no mention of nexus or materiality); *Ahmad*, 112 USPQ2d 1361 (2014) (no mention of nexus or materiality).

⁹⁰ *In re Stellar Int'l, Inc.*, 159 USPQ 48 (TTAB 1968); *The Clorox Company v. Armour-Dial, Inc.*, 214 USPQ 850 (TTAB 1982); *In re Midwest Tennis & Track Co.*, 29 USPQ2d 1386 (TTAB 1993); *Gray v. Daffy Dan's Bargaintown*, 823 F.2d 522 (Fed.Cir. 1987). *See, e.g.* MMJ, Serial No. 86646133 (filed May 29, 2015); HIGH ON 99, Serial No. 86613258 (filed April 29, 2015); POT BOX, Serial No. 86605980 (filed April 22, 2015).

unauthorized use of Olympic symbols (*Midwest Tennis*), if one accepts the premise of *Stellar* and its progeny, it's not much of a stretch to find a nexus between use of a mark in connection with sale of marijuana and violation of a statute that prohibits such sales.⁹¹

However, the application of TMEP 907 goes well beyond obvious CSA violations such as use in connection with "dried marijuana" in Class 5 or "Retail sale of marijuana" in Class 35. It also appears to be USPTO policy to issue an Office Action to any applicant providing business-to-business services within the cannabis industry, such as business consultation or advertising services in Class 35,⁹² software in Class 9,⁹³ and workshops and seminars in Class 41.⁹⁴ While many of these Office Actions might be resolved with a simple declaration by the applicant that its services do not violate the CSA, the legalistic nature of USPTO Actions no doubt intimidates many *pro se* applicants into abandoning their applications.

Where Office Actions take the form of requests for information rather than outright refusals, it's far from clear what these requests are intended to accomplish. It is understandable that the Trademark Office's Examining Attorneys are ill-equipped to determine which types of activities violate the CSA and which do not. Such determinations would seem to require Examiners to make complicated findings of fact and law regarding, among other things, aider and abettor culpability,⁹⁵ criminal conspiracy,⁹⁶ and the applicant's *mens rea* in providing the services.⁹⁷ But further information from the applicant on the nature of its services seems unlikely to supply the Examiner with the strict proof necessary to infer a criminal violation,⁹⁸ much less transform the Examiner into an expert on federal criminal law.

⁹¹ Judge Kera's concurrence in *Satinine*, 209 USPQ at 967, the origin of the nexus and materiality requirements, notes that "it would be unthinkable to register a mark for use on heroin." Presumably, the reason for this unthinkable-ness is that heroin is very bad.

⁹² *E.g.* WEEDFEST, Serial No. 86488378 (April 10, 2015 Office Action requesting additional information relating to applicant's "marijuana retail advertising and promotion" and "event marketing" services); PRAIRIEJUANA, Serial No. 86668700 (Nov. 5, 2015 Office Action requesting additional information relating to applicant's "Business consultation services in the fields of marijuana and industrial hemp")

⁹³ *E.g.*, Design mark, Serial No. 86651118 (Nov. 3, 2015 Office Action requesting additional information relating to applicant's "Downloadable computer software featuring a database of information regarding medical cannabis strains, therapeutic uses, indications, and effects of medical cannabis, medical cannabis dispensaries and their inventories and locations")

⁹⁴ *E.g.*, OAKSTERDAM UNIVERSITY, Serial No. 86684600 (Oct. 20, 2015 Office Action requesting additional information relating to applicant's "Education services, namely, providing classes, seminars and workshops in the field of the cannabis industry")

⁹⁵ 18 U.S.C. § 2

⁹⁶ 21 U.S. Code § 846.

⁹⁷ See *US v. Superior Growers Supply, Inc.*, 982 F. 2d 173 (6th Cir. 1992) (affirming dismissal of indictment against garden supply store accused of criminal conspiracy to manufacture marijuana).

⁹⁸ Before *Stellar*, the TTAB expressed concern about making such determinations of criminal conduct, considering that such conduct would normally need to be proved beyond a reasonable doubt. The court in *Ex parte H. ZUSSMAN & SON COMPANY*, 111 USPQ 283, 284 (Comm'r Pat. 1956) wrote that "[i]t is neither necessary nor proper for the Patent Office to consider the applicability of [allegedly violated statute] to applicant's conduct" because "this section provides criminal penalties requiring strict proof of violation."

In other cases, no additional information appears to be necessary for the USPTO’s trademark attorneys to determine that a federal felony is being committed.⁹⁹ For example, on Nov. 5, 2014, Monster Events International, Inc.’s application for the mark KUSH EXPO was refused in Class 41 for “Arranging, organizing and conducting seminars, exhibitions and trade shows in the field of medical marijuana; Education services, namely, providing seminars and classes in the field of medical marijuana.”¹⁰⁰ In issuing this refusal under Section 1 and 45, the Examiner explained that:

The specimen of record plainly indicates that applicant’s identified goods/services include items and/or activities that are prohibited by the CSA, namely, possession and use of marijuana and the provision of facilities for others to possess and use marijuana [in violation of 21 U.S.C. §856]. The applicant’s specimen indicates that it is providing a “420 Medicating Area.” As shown by the attached evidence from NoSlang.com, the term 420 refers to marijuana.¹⁰¹

In other words, purely on the basis of the applicant’s specimen and evidence supplied by the website “noslang.com,” the USPTO was able to definitively determine that (1) the “420 Medicating Area” would necessarily be used for “manufacturing, storing, distributing, or using” marijuana; (2) such activities would be unlawful if and when they occurred; (3) this area was “managed and controlled” by the applicant; (4) applicant rented, leased, profited from, or otherwise made this area available for use; (5) applicant did so knowingly and intentionally for the purpose of such unlawful activities.¹⁰²

Even if the applicant was guilty of the crime alleged, however, it’s not obvious what this has to do with the lawfulness of its use of its mark in connection with “seminars, exhibitions and trade shows.” Surely, few would argue that a fast food restaurant should forfeit its trademark rights simply because it allowed its premises to be used in violation of the CSA.¹⁰³ Where provision of the identified goods or services is not itself unlawful, it seems inappropriate for the USPTO to inquire into what other laws the applicant might have broken.¹⁰⁴ After all, if felony activity precluded a party’s trademark rights, plenty of famous brands—from SEARS (1999 fraud conviction) to CHEVRON (1992 illegal dumping conviction)—would be up for grabs.¹⁰⁵

⁹⁹ 21 U.S.C. §§812, 841(a)(1), 844(a).

¹⁰⁰ U.S. Serial No. 86400419 (filed Sept. 19, 2014).

¹⁰¹ *Id.*

¹⁰² 21 U.S.C. §856

¹⁰³ It happens. See Richie Duchon, *Two Arrested for Running Meth Lab Out of Iowa Taco Bell*, NBC NEWS (August 5, 2015), <http://www.nbcnews.com/news/us-news/two-arrested-running-meth-lab-out-iowa-taco-bell-n404301>.

¹⁰⁴ This is the essence of the nexus rule introduced by the *Satinine* concurrence. “[W]e should not refuse registration or order the cancellation of a registration because of some purely collateral defect such as the use of a container which did not comply with an ICC regulation or the failure of a party to pay an excise tax.” 209 U.S.P.Q. at 967 (Kera, concurring).

¹⁰⁵ Leslie Kaufman, *Sears to Pay Fine of \$60 Million In Bankruptcy Fraud Lawsuit*, NEW YORK TIMES (Feb. 10, 1999), available at <http://www.nytimes.com/1999/02/10/business/sears-to-pay-fine-of-60-million-in-bankruptcy-fraud-lawsuit.html>; Carlos V. Lazano, *Chevron Consents to Pay \$8-Million Fine : Environment: The company*

IV. Trademark strategies for businesses in the cannabis industry

A. State-level protection

Even in the absence of federal registration, cannabis brands may be protectable to some extent by state statutes and common law concerning trademarks, unfair competition or deceptive trade practices.¹⁰⁶ In addition, many states that have legalized marijuana for medical or recreational use allow for registration of cannabis trademarks pursuant to state trademark laws.¹⁰⁷ It's therefore common for trademark professionals to recommend that clients in the cannabis industry pursue registration of their marks within the state(s) in which they're doing business.¹⁰⁸

State registrations do in some cases have advantages compared to relying purely on common-law rights. For example, Washington's trademark statute (though not Colorado's) allows registrants to seek remedies similar to those available under the Lanham Act, such as infringer's profits, attorney's fees and treble damages.¹⁰⁹ Washington's statute (though, again, not Colorado's) also gives registrants priority over later users of the mark throughout the state.¹¹⁰ In both Washington and Colorado, as in most states, registration will at least provide constructive notice of the trademark's usage to potential infringers.¹¹¹

Nevertheless, owners of state registrations will continue to lack many of the crucial advantages of a federal trademark registration: subject-matter jurisdiction in the federal courts, presumption of validity in infringement actions, use of the registered trademark symbol and a basis for an international trademark application.¹¹²

agrees to plead guilty to 65 violations related to dumping oil and grease into the Pacific Ocean, L.A. TIMES (May 19, 1992), http://articles.latimes.com/1992-05-19/local/me-211_1_pacific-ocean

¹⁰⁶ Such protections vary by jurisdiction but generally flow from the traditional common-law principle that “a man is not to sell his own goods under the pretense that they are the goods of another man.” *Hanover Star Milling Co. v. Metcalf*, 240 US 403, 414 (1916).

¹⁰⁷ See Sean K. Clancy, *Branded Bud or Generic Ganja? Marijuana Trademarks in Washington*, 18 *Lewis & Clark L. Rev.* 1063, 1082 (2014)

¹⁰⁸ Hillary Bricken, *Dude, Where's My Marijuana Trademark?*, ABOVE THE LAW (March 19, 2015), <http://abovethelaw.com/2015/03/dude-wheres-my-marijuana-trademark>; Molly M. Crandall, *Trademark Law Leaves Legal Marijuana Sellers High And Dry*, LAW360 (August 27, 2014), <http://www.law360.com/articles/570649/trademark-law-leaves-legal-marijuana-sellers-high-and-dry>; Kieran G. Doyle, *Trademark Strategies for Emerging Marijuana Businesses*, 21 *WESTLAW JOURNAL INTELLECTUAL PROPERTY* 2 (May 14, 2014)

¹⁰⁹ Wash. Rev. Code § 19.77.150. Colorado's trademark statute, in contrast, provides for no such remedies, relying exclusively on the state's common law. Colorado Revised Statutes 7-70-103(2) (2015).

¹¹⁰ Wash. Rev. Code § 19.77.900. Registration in Colorado, in contrast, “does not confer upon the registrant any substantive right.” Colorado Revised Statutes 7-70-103(2) (2015).

¹¹¹ See Bricken, *supra* note.

¹¹² See Andrew Stockment, *Trademarks 101 Part 2: The Benefits of Federal Registration*, AMERICAN BAR ASSOCIATION, http://www.americanbar.org/groups/young_lawyers/publications/the_101_201_practice_series/trademarks_101_part_2_the_benefits_of_federal_registration.html

Most importantly, the significance of these state registrations stops, at best, at the state borders. Cannabis businesses therefore need to worry about another party adopting their trademarks in one of the growing number of other jurisdictions where their product is (kind of) legal. If, like many in this young industry, they haven't yet managed to scale their operations or overcome the significant regulatory hurdles to entering interstate commerce, they may not have many options for defending their brands, since most state trademark registries do not allow for intent-to-use applications.

As more and more states legalize marijuana and the industry continues to grow, it seems very likely that U.S. cannabis consumers will encounter identical marks being used by completely unrelated businesses in different parts of the country.¹¹³ Moreover, if the Controlled Substances Act is ever amended to remove marijuana as a Schedule I drug,¹¹⁴ we should expect to see a trademark landrush and a thicket of conflicting claims that may take years of litigation to unravel.¹¹⁵

B. U.S. registration in connection with other goods or services

The other strategy routinely identified for cannabis brand owners is to pursue a federal registration for their trademark in connection with non-CSA-prohibited goods and services.¹¹⁶ Such goods or services would need to be part of the business's ordinary course of trade and not offered merely to provide a basis for registration; otherwise, an Examiner can and should issue a Section 1 refusal due to lack of bona fide use.¹¹⁷ But, for example, if a THC-infused bakery also manufactures non-THC cookies or a dispensary also provides informational services related to cannabis strains on its website, the business might plausibly register its trademarks in connection with these ancillary activities, hoping to cast a protective halo around its core products.¹¹⁸

There are problems with this tactic. First, as discussed in Part III.C, *supra*, the USPTO applies additional scrutiny to trademarks that seem related to marijuana in any way.¹¹⁹ If the Examining Attorney determines, through her own independent research, that an applicant is a purveyor of marijuana, the burden may be on the applicant to prove that its marks are in lawful use notwithstanding its collateral violations of the CSA.¹²⁰ For example, Indus Holding Company's application for the mark ALTAI in connection with "Online medical cannabis resources; Public

¹¹³ See 15 U.S.C. §1127.

¹¹⁴ Both candidates for the 2016 Democratic presidential nomination have endorsed rescheduling the drug. Tom LoBianco, *Bernie Sanders files marijuana bill in Senate*, CNN POLITICS (Nov. 5, 2015), <http://www.cnn.com/2015/11/04/politics/bernie-sanders-legal-marijuana/>; Dan Mercia, *Hillary Clinton proposes loosening restrictions on marijuana*, CNN (November 17, 2015), <http://www.cnn.com/2015/11/07/politics/hillary-clinton-marijuana>.

¹¹⁵ Doyle, *supra* note 109.

¹¹⁶ See articles discussed in note .

¹¹⁷ See

¹¹⁸ *Id.*

¹¹⁹ See notes, and accompanying text.

¹²⁰ *Id.*

advocacy to promote awareness of the need for assuring patients safe access to affordable medical cannabis; Educational services in the field of alternative therapies” was refused because the Examiner determined that the company was also involved in manufacturing THC-infused chocolates.¹²¹

More importantly, if a business does manage to obtain a registration of ancillary goods or services, the scope of this registration will not be ideal. The priority, presumptions and other benefits of a federal registration apply only to the goods and services identified.¹²² In an infringement action against a competing cannabis business, the registrant would bear the burden of proving that its informational services or baked goods are sufficiently related to marijuana that consumers might assume an affiliation. This could be especially problematic if, during the prosecution of its application, the registrant has made statements in response to a refusal or request for additional information to the effect that its identified good or services are unrelated to its CSA-prohibited activities.¹²³

Nevertheless, there is much to be said in favor of this advice. Outside a courtroom, the scope of a trademark registration is often less important than the fact of the registration itself. Registrants would still be entitled to use the registered trademark symbol. They would still be able to cite the registration number in demand letters. In an infringement action, the registrant would still be able to rely on the protection of its registration, so long as the goods and services in contention were deemed related to the registered goods and services, a credible position if the plaintiff has itself been using the mark simultaneously for both.¹²⁴ Moreover, if the prohibition of marijuana-related registrations is ever lifted, ownership of related registrations is likely to be persuasive, though not conclusive, evidence of a brand owner’s priority of use.

C. Appeal

¹²¹ ALTAI (+design), Serial No. 86660138 (filed Jun. 11, 2015, Office Action issued Nov. 5, 2015).

¹²² See *Mushroom Makers, Inc. v. RG Barry Corp.*, 580 F. 2d 44, 48 (2nd Cir. 1978) (“even if a mark is registered, the presumption of an exclusive right to use it extends only so far as the goods or services noted in the registration certificate”). Of course, this is not to say that a registration cannot confer an exclusive right to use the mark in connection with goods and services related to those identified in the registration. See note 125, *infra*.

¹²³ See e.g., Bay Area Green Cross Dispensary Inc.’s registration for THE GREEN CROSS for “Providing a website featuring medical cannabis resources, namely, providing online medical information pertaining to medicinal cannabis,” Reg. No. 4752250 (June 9, 2015) (application file contains statement that the registrant’s identified services “involve the provision of information on how to obtain, grow, or otherwise procure marijuana, marijuana-based preparations, or marijuana extracts or derivatives, synthetic marijuana, or any other illegal controlled substances”). MARIJUANA FOR SALE, Reg. No. 4805740 (registered Sept. 1, 2015) (registrant’s application file contains the statement, “No, the identifiable [sic] services do not include or involve the sale, distribution, delivery or dispensing of marijuana, marijuana-base preparations, marijuana extracts, or the like”). One would certainly expect to see such declarations come up in an infringement action against a seller of marijuana.

¹²⁴ See *Interstellar Starship Services, Ltd. v. Epix Inc.*, 184 F. 3d 1107, n.1 (9th Cir. 1999) (“the reach of [the trademark registration] does not affect its validity as a mark. Rather, the likelihood of confusion analysis deals with the similarity of products and services and the likelihood of expansion in product lines.”); *Synergistic Intern., LLC v. Korman*, 470 F. 3d 162, 173 (4th Cir. 2006) (“the PTO’s registration of a suggestive mark should be broadly construed, and the appropriate reading is not limited to the text of the mark’s registered purpose.”).

As of December 20, 2015, none of the refusals issued for cannabis-related applications appear to have been appealed. Given the novelty of the facts, the tenuous statutory basis for the USPTO's position and the lack of precedent in many jurisdictions, this is a viable option for a party willing to make the substantial investments necessary.

An Examiner's refusal would first need to be appealed to the TTAB.¹²⁵ Where the Examining Attorney has either mistakenly applied the CSA to lawful activities or where the unlawful activities identified are collateral to the applicant's use of its mark, the TTAB might be convinced to reverse the refusal.¹²⁶ Since the CSA provides for criminal penalties, there is a persuasive case to be made that Examiners should proceed cautiously, refusing registration only when the good or service identified in the application constitutes a *per se* violation of the statute, such as manufacture or sale of marijuana.¹²⁷

For dispensaries, growers and manufacturers of THC-infused products, on the other hand, a TTAB appeal is unlikely to provide a satisfactory outcome. Cannabis applications may present a slightly different set of facts than those which led to *Stellar* and its progeny—for example, the majority of these decisions involve federal laws that directly and explicitly regulate the marking of the products involved as opposed to simply prohibiting the products themselves—but the weight of TTAB precedent and the breadth of the language used therein suggests that the Board is unlikely to order registration of a trademark used for marijuana absent some change in the law.¹²⁸

The best hope for these applicants probably lies in seeking review of the TTAB's decision in federal court, either by direct appeal to the Court of Appeals for the Federal Circuit or by filing suit in a district court with the appropriate jurisdiction.¹²⁹

The issue would arguably be a novel one for the Federal Circuit. While the Federal Circuit's decision in *Gray v. Daffy Dan's Bargaintown* is often cited as support for the USPTO's Lawful

¹²⁵ TMEP § 1501.

¹²⁶ On the other hand, the TTAB's affirmance rate of *ex parte* appeals generally is consistently high. *See, e.g.* John L. Welch, *What is the Likelihood of TTAB Affirmance of a Section 2(d) Likelihood of Confusion Refusal?*, THE TTABLOG (Jan. 22, 2014), http://thettablog.blogspot.nl/2014/01/what-is-likelihood-of-ttab-affirmance_22.html.

¹²⁷ As the Board in *Satinine* stated, "Inasmuch as we have little or no familiarity with most of these acts, there is a serious question as to the advisability of our attempting to adjudicate whether a party's use in commerce is in compliance with the particular regulatory act or acts which may be applicable thereto. Rather, it seems that the better practice would be to hold that a use in commerce is unlawful only when the issue of compliance has previously been determined (with a finding of noncompliance) by an entity, such as a court or government agency, having competent jurisdiction under the statute in question, or when there has been a *per se* violation of a statute regulating the sale of a party's goods, or the rendering of his services, in commerce, as, for example, when a regulatory statute requires that a party's labels must be registered with or approved by the regulatory agency charged with administering the statute before his goods may lawfully enter the stream of commerce, and the party has failed to obtain such registration or approval (as happened in the Coahoma case)." *Satinine Societa in Nome Collettivo di S.A. e M. Usellini v. P.A.B. Produits et Appareils de Beaute*, 209 USPQ 958, 965 (TTAB 1981).

¹²⁸ *See* Part III.B, *supra*.

¹²⁹ 15 U.S.C. §1071.

Use Rule, the rule wasn't implicated in any way by the facts of that case.¹³⁰ The court's pronouncement that a "valid application cannot be filed at all for registration of a mark without 'lawful use in commerce'" may seem like a stark statement, but it was made as an aside, without any discussion or apparent consideration, in the context of interpreting a prior case's application of Section 2(d)'s concurrent use provisions.¹³¹ Moreover, in both this prior case and *Daffy Dan's*, the issue was whether the applicant's commercial use infringed the senior user's trademark rights, not whether the use violated some other federal regulation, leading to the impression that the court had something different in mind when it used the term "lawful" than did the drafters of TMEP 907.¹³²

The *dictum* in *Daffy Dan's* has been cited approvingly in at least two subsequent Federal Circuit cases, *Ultracashmere House v. Springs Mills* and *Action Temporary Services v. Labor Force*.¹³³ However, neither of these cases is exactly on point either. Like *Daffy Dan's*, *Action Temporary Services* involved concurrent use under Section 2(d).¹³⁴ The applicant's use was "unlawful" in the sense that it was alleged to have constructive notice of the prior registrant's mark when it adopted its own.¹³⁵ This supports the theory that the term "lawful" as used in Section 2(d) (and possibly also Section 23) means something like "in good faith" or "non-infringing."¹³⁶ Similarly, *Ultracashmere*, an appeal from an opposition proceeding, focused on whether the use the applicant relied upon infringed the opposer's trademark.¹³⁷ Neither case was concerned with the trademark owners' compliance with unrelated federal statutes.

While precedent in the Federal Circuit doesn't seem to preclude a reevaluation of the USPTO's lawful-use rule, at the same time, the limited statements from the court on the issue have not been especially encouraging. Cannabis businesses looking to overcome a Section 1 rejection may therefore wish to consider litigating their case in district court.

Unfortunately for many such businesses, courts in the Ninth Circuit—the most appropriate venue for parties located in the recreational-pot states of Alaska, Oregon and Washington, as well as the enormous medical-marijuana market of California—will be bound by *CreAgri v. USANA Health Sciences*.¹³⁸ The *CreAgri* court wholeheartedly adopted the TTAB's Lawful Use Rule, and the Ninth Circuit is unlikely to overturn this landmark decision so soon after it was issued.¹³⁹

¹³⁰ 823 F. 2d 522, 527 (Fed. Cir. 1987).

¹³¹ The central issue in *Daffy Dan's* generally and the cited paragraph in particular is whether a junior user of a trademark is necessarily entitled to a concurrent-use registration by virtue of use of the mark prior to the senior user's effective date of registration. *Id.* at 525-526.

¹³² *Id.*, citing *In re Beatrice Foods Co.*, 429 F.2d 466 (CCPA 1970).

¹³³ *Ultracashmere House, Ltd. v. Springs Mills, Inc.*, 828 F. 2d 1580, 1583 (Fed. Cir. 1987); *Action Temporary Services v. Labor Force, Inc.*, 870 F. 2d 1563, 1565 (Fed. Cir. 1989).

¹³⁴ *Ultracashmere*, 828 F. 2d at 1583.

¹³⁵ *Id.*

¹³⁶ *Id.*; See also, notes 77-82, *supra*, and accompanying text.

¹³⁷ *Action Temp*, 870 F. 2d at 1565.

¹³⁸ 474 F.3d 626 (9th Cir. 2007).

¹³⁹ *Id.*

Any appeal to this Circuit would therefore likely need to distinguish *CreAgri*'s fraudulent pharmaceutical packaging from the applicant's trade in semi-legal marijuana. This is not unthinkable. Again, there is a plausible distinction to be made between a law specifically regulating deceptive markings on goods and a criminal drug statute. Indeed, in the Ninth Circuit's subsequent decision in *SoCal Darts Ass'n v. Zaffina*, the court implied that unlawful conduct should not preclude trademark protection if "unrelated to the purpose of the federal trademark laws."¹⁴⁰ Still, the language of the *CreAgri* decision makes successful appeal to the courts of the Ninth Circuit a daunting proposition.

Similarly, the Tenth Circuit—which includes Colorado, interim capital of the nascent U.S. cannabis industry—seems to have tentatively endorsed the Lawful Use Rule, albeit not in as fully articulated a manner as its neighbor to the west.¹⁴¹ Several district courts around the country have also confronted the rule under the rubric of the "unlawful use defense," expressing uncertainty about whether the defense was good law in their jurisdiction.¹⁴²

Therefore, with the exception of cases within the Ninth and Tenth Circuits and (if one accepts the stray remark from *Daffy Dan's* as precedential) TTAB appeals directly to the Federal Circuit, the question of whether "use in commerce" in 15 U.S.C. §1051 means "lawful use in commerce" would be one of first impression. An applicant-appellant would face an uphill battle against the persuasive authority of *CreAgri* and decades of TTAB opinions but would not need to argue for an upheaval of existing law. In the absence of controlling authority, a district court or (upon further appeal) circuit court might be convinced to look again at the language of the Lanham Act and decide whether Congress really intended to insert a tacit additional condition to trademark registration.

The language of the Act itself certainly suggests otherwise.¹⁴³ Section 45 states unequivocally that "The word 'commerce' means *all* commerce which may lawfully be regulated by Congress" (emphasis added).¹⁴⁴ Since it is well established that Congress may lawfully regulate both lawful and unlawful commerce¹⁴⁵—including, explicitly, intrastate commerce in medical marijuana¹⁴⁶—the USPTO's insistence that cannabis trademarks are not "used in commerce" runs directly

¹⁴⁰ "Even assuming that SoCal unlawfully failed to pay taxes, its misconduct would be unrelated to the purpose of the federal trademark laws and, therefore, collateral and immaterial." *SOUTHERN CALIFORNIA DARTS ASS'N v. Zaffina*, 762 F. 3d 921, 931 (9th Cir. 2014).

¹⁴¹ *United Phosphorus, Ltd. v. Midland Fumigant, Inc.*, 205 F. 3d 1219 (10th Cir. 2000).

¹⁴² *Dessert Beauty, Inc. v. Fox*, 617 F. Supp. 2d 185, 190 (SDNY 2007) ("The Second Circuit, however, has not addressed the issue."); *Impulsaria, LLC v. United Distribution Group, LLC*, 11-cv-1220 (WD MI, October 18, 2012) ("It is unclear whether the Sixth Circuit would approve the application of the defense."); *FN Herstal, S.A. v. Clyde Armory, Inc.*, 12-cv-00102 (M.D. Ga. 2015) ("The Eleventh Circuit has not adopted the defense.").

¹⁴³ *See Field, supra* note 54, at 355 ("Support is weak, indeed, for the proposition that, wherever used, the word 'commerce' in the Trademark Act means 'lawful commerce.'")

¹⁴⁴ 15 U.S.C. §1127.

¹⁴⁵ "[R]egulation may sometimes appropriately assume the form of prohibition." *Champion v. Ames*, 188 U.S. 321, 358 (1903).

¹⁴⁶ *Gonzalez v. Raich*, 545 U.S. 1 (2005).

contrary to this definition, implying that “commerce” means only *some* commerce which may lawfully be regulated by Congress.

Moreover, *In re Stellar*’s sweeping conclusion that “the term ‘commerce’ whenever and wherever used in the trademark statute must necessarily refer to ‘lawful commerce’” yields awkward results when applied consistently.¹⁴⁷ If “commerce” always means “lawful commerce,” then what does “lawful use in commerce” mean when used in connection with concurrent use and the supplemental register?¹⁴⁸ Does “lawful use in [lawful] commerce” require an extra level of lawfulness?

Likewise, should this extra term be read into Section 32 and 43, both of which define infringement as “use in commerce” of a confusingly similar mark? In Hershey’s complaint against TinctureBelle, it stated without reservation that the edibles maker had used the allegedly infringing marks in commerce.¹⁴⁹ MGM’s complaint against the Nevada dispensary M’Life alleged likewise.¹⁵⁰ Both corporations would surely be surprised to have their claims fail on the basis that the defendants never “[lawfully] used” the infringing marks “in [lawful] commerce” as required under the Lanham Act. Yet, to hold otherwise would be to assign two different meanings to the same phrase within the same statute.

Courts have acknowledged the shaky statutory authority for the Lawful Use Rule¹⁵¹ but have nevertheless been persuaded by the conclusory statement in *Stellar* that doing otherwise would place the USPTO in the “anomalous position” of recognizing unlawful conduct as a basis for trademark registration.¹⁵² The source of this concern, though not usually articulated, is presumably the old Latin adage *ex turpi causa non oritur actio* (“from a dishonorable cause, an action does not arise”),¹⁵³ the same aphorism underlying the equitable “unclean hands” defense.¹⁵⁴ The assumption flowing from these equitable principles appears to be that legal rights simply cannot be acquired in connection with illegal conduct.¹⁵⁵

¹⁴⁷ *Id.* at 51.

¹⁴⁸ See Field, *supra* note 54, at 355-356, pointing out that reading a term from one section of a statute into another from which it has been omitted “flies in the face of a common rule of statutory construction.”

¹⁴⁹ See note 19, *supra*.

¹⁵⁰ See note 20, *supra*.

¹⁵¹ *Satinine Societa in Nome Collettivo di S.A. e M. Usellini v. P.A.B. Produits et Appareils de Beaute*, 209 USPQ 958, 965 (TTAB 1981) (“A very persuasive argument can be made for the proposition that there is in fact no statutory basis for refusing to grant a registration, or for cancelling a subsisting registration, on the ground of “unlawful use”).

¹⁵² *In re Stellar International, Inc.*, 159 USPQ 48, 51 (TTAB 1968).

¹⁵³ See *McMullen v. Hoffman*, 174 US 639, 654 (1899) (recognizing *ex turpi* as one of several related maxims, also including *Ex dolo malo non oritur action* and *Ex pacto illicito non oritur action*).

¹⁵⁴ *Precision Co. v. Automotive Co.*, 324 US 806 (1945) (recognizing the old maxim that courts of equity should refuse to aid the “unclean litigant”)

¹⁵⁵ *Stellar*, 159 USPQ at 51; *CreAgri, Inc. v. USANA Health Sciences, Inc.*, 474 F. 3d 626, 630 (9th Cir. 2007). That the unclean hands doctrine is the true basis for the lawful-use rule is more apparent in the pre-*Stellar* TTAB case *Coahoma Chemical Co., Inc. v. Smith*, 113 USPQ 413 (Comm’r Pat. 1957), where the court makes no pretense of

In addition to the fact that equitable defenses like unclean hands have not traditionally had a place in *ex parte* administrative decisions like a trademark examination, the principle of *ex turpi causa non oritur actio* has its limits. One example is adverse possession, wherein an unlawful trespasser is able to obtain title to real property after a sufficient period of time.¹⁵⁶ In copyright law, too, there is increasingly a consensus that creative works are entitled to copyright protection even if the work happens to violate other laws, such as obscenity statutes.¹⁵⁷ Undocumented workers can sue employers for discrimination under Title VII of the Civil Rights Act, even if their entitlement to these protections arose from their violation of immigration laws.¹⁵⁸ Therefore, if what is meant by “anomalous” is “unusual,” then arguably this is not so.

As for the second rationale presented by the Ninth Circuit in *CreAgri*—that “as a policy matter, to give trademark priority to a seller who rushes to market without taking care to carefully comply with the relevant regulations would be to reward the hasty at the expense of the diligent”—it’s not entirely clear what dangers the court is imagining.¹⁵⁹ If the idea is that companies will intentionally violate FDA regulations, or disregard them in their haste, simply to gain trademark priority, no evidence is presented to support this theory. In the context of marijuana, the proposition is even more dubious. Surely no court would suggest that encouraging trademark infringement amongst cannabis businesses will stem the flow of illicit drugs.¹⁶⁰

Much of the case law underlying the Lawful Use Rule is animated by a belief that there is something inconsistent about federal law upholding trademark rights where the trade involved itself violates federal law. But there is nothing obvious or self-evident about that conclusion.

basing its decision on the trademark statute, explicitly analogizing the case to cases in other areas of law where unclean hands had been applied. *Id.* at 417-418.

¹⁵⁶ See *Sharon v. Tucker*, 144 US 533 (1892) (holding that, after the requirements for adverse possession are met, a party may “stand on his adverse possession as fully as if he had always held the undisputed title of record”). The *Coahoma* decision does not appear to factor adverse possession into its sweeping conclusion: “May property rights be acquired as a result of unlawful acts? The obvious answer to the question in its simplified form is in the negative.” *Coahoma*, 113 USPQ at 418.

¹⁵⁷ *Mitchell Brothers Film Group v. Cinema Adult Theater*, 604 F. 2d 852 (5th Cir. 1979) (declining to deny copyright protection to a work found to violate obscenity law or to apply the unclean hands doctrine, noting that “the need for an additional check on obscenity is not apparent. Most if not all states have statutes regulating the dissemination of obscene materials, and there is an array of federal statutes dealing with this subject, as well . . . ‘Why should the courts add a new penalty out of their own heads by denying protection to a registered copyright which complies with every provision of the copyright act?’”), citing Zechariah Chafee, *Coming into Equity with Clean Hands*, 47 MICH.L.REV. 1065, 1068 (1947).

¹⁵⁸ *Rivera v. Nibco, Inc.*, 364 F. 3d 1057, 1066 (9th Cir. 2004).

¹⁵⁹ *CreAgri*, 474 F. 3d at 630.

¹⁶⁰ The 5th Circuit addressed the similar relationship between obscenity laws and copyright infringement in *Mitchell Brothers*. “The effectiveness of controlling obscenity by denying copyright protection is open to question. The district court thought that on the whole the long-term discouragement of the creation of obscene works would outweigh the short-term increase in the dissemination of obscene works caused by the refusal of an injunction. This theory, reached without empirical evidence or expert opinion, is at least doubtful. Many commentators disagree and are of the view that denial of injunctions against infringers of obscene materials will only increase the distribution of such works.” 604 F. 2d at 862.

This is especially true because trademark law benefits not just the trademark owner. It is also rooted in consumer protection.¹⁶¹ Trademarks reduce consumer search costs, prevent deceptive marketing and incentivize product quality and safety and sustainable manufacturing practices.¹⁶² Refusing to recognize trademarks used in unlawful commerce punishes the consumer for the sins of the manufacturer.

A compelling case can therefore be made that the Lawful Use Rule is both lacking in statutory authority and unjustified as a matter of policy. It is not unthinkable that a court might be persuaded to chuck it out.

V. Conclusion

Cannabis in the United States is a potentially enormous industry with a demonstrated enthusiasm for branding. Yet, businesses providing cannabis-related goods and services lack access to fundamental trademark protections due to the USPTO's Lawful Use Rule and its application thereof to cannabis products.

The Lawful Use Rule does not have a clear statutory source in the Lanham Act, and, in fact, appears to violate basic rules of statutory construction. It is also not well justified as a policy matter. The concern expressed in *Stellar* and *CreAgri* that the rule averts an “anomaly” in federal law does not appear to be supported by any particular evidence or to flow logically from first principles. Whether one agrees with the treatment of marijuana under the CSA or not, it is difficult to see how denying trademark protection in connection with the drug furthers the aims of prohibition. At a minimum, tasking the USPTO with enforcing drug laws that the DEA itself does not seem an odd allocation of administrative responsibility.

In the meantime, the Lawful Use Rule disincentivizes investments in safety, quality and sustainability within the U.S. cannabis industry and encourages deceptive trade practices. Given the rule's long-established application by the TTAB, however, it is likely that change will need to come from Congress or from Article III courts before cannabis brands can be adequately protected.

¹⁶¹ “The Lanham Act provides national protection of trademarks in order to secure to the owner of the mark the goodwill of his business *and to protect the ability of consumers to distinguish among competing producers.*” *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 US 189, 198 (1985) (emphasis added).

¹⁶² *Qualitex Co. v. Jacobson Products Co.*, 514 US 159, 163-164 (1995).

Appendix 1 – TSDR Results for “(marijuana or cannabis or thc)[gs]” since 1993 by quarter

Quarter	No. of applications filed
Q1 1993	1
Q2 1993	2
Q3 1993	0
Q4 1993	0
Q1 1994	0
Q2 1994	0
Q3 1994	0
Q4 1994	0
Q1 1995	4
Q2 1995	1
Q3 1995	1
Q4 1995	0
Q1 1996	1
Q2 1996	6
Q3 1996	1
Q4 1996	0
Q1 1997	2
Q2 1997	0
Q3 1997	3
Q4 1997	4
Q1 1998	1
Q2 1998	2
Q3 1998	0
Q4 1998	1
Q1 1999	2
Q2 1999	0
Q3 1999	1
Q4 1999	3
Q1 2000	0
Q2 2000	11
Q3 2000	14
Q4 2000	0
Q1 2001	2
Q2 2001	3
Q3 2001	0
Q4 2001	0
Q1 2002	0
Q2 2002	1
Q3 2002	1
Q4 2002	0
Q1 2003	0
Q2 2003	2
Q3 2003	1
Q4 2003	2
Q1 2004	0
Q2 2004	0

Q3 2004	2
Q4 2004	0
Q1 2005	4
Q2 2005	1
Q3 2005	2
Q4 2005	2
Q1 2006	1
Q2 2006	1
Q3 2006	2
Q4 2006	1
Q1 2007	2
Q2 2007	3
Q3 2007	1
Q4 2007	2
Q1 2008	2
Q2 2008	3
Q3 2008	1
Q4 2008	1
Q1 2009	3
Q2 2009	3
Q3 2009	17
Q4 2009	24
Q1 2010	26
Q2 2010	59
Q3 2010	50
Q4 2010	26
Q1 2011	19
Q2 2011	30
Q3 2011	17
Q4 2011	5
Q1 2012	10
Q2 2012	9
Q3 2012	6
Q4 2012	11
Q1 2013	7
Q2 2013	23
Q3 2013	24
Q4 2013	30
Q1 2014	76
Q2 2014	94
Q3 2014	99
Q4 2014	67
Q1 2015	101
Q2 2015	146
Q3 2015	94
Q4 2015	71

Appendix 2 - TSDR Results for “(marijuana or cannabis or the)[gs]” by International Class

Class	No. of Applications
1	26
2	0
3	9
4	6
5	193
6	5
7	5
8	2
9	117
10	27
11	4
12	0
13	0
14	5
15	0
16	116
17	0
18	5
19	0
20	1
21	10
22	3
23	0
24	5
25	72
26	2
27	0
28	7
29	5
30	25
31	23
32	10
33	1
34	46
35	379
36	23
37	2
38	13
39	18
40	9
41	240
42	96
43	3
44	137