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Sugar High

Andrew H. Fuller

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SUGAR HIGH

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ABSTRACT

Edible marijuana products in commercial marijuana markets, or “edibles,” pose a new challenge to our existing regulatory infrastructure. Marijuana has acquired increasing social and legal acceptance as a form of treatment for a variety of serious illnesses; as such, some states have been challenged to balance the availability and affordability of these treatments with the risk they pose in terms of consumer confusion.

Edibles that take the shape of traditional retail candies offer the greatest risk of consumer confusion, especially to children. Consequently, this Article proposes that courts—or, alternately, legislators—should interpret and apply the Lanham Act in a way that enables and encourages retail candy manufacturers to claim and protect the trade dress of their candy’s aesthetic designs. The risk of consumer confusion posed by state development of the marijuana market could thus be mitigated by private enforcement of trade dress protection via infringement actions brought by major candy retailers.

* Andrew H. Fuller, University of Washington School of Law, Class of 2016. Thank you to all of the faculty, students, and friends who have participated in this process with feedback and encouragement. Particular thanks are due to: Professor Signe Naeve, my faculty advisor, who provided invaluable insights and really pushed me to develop a complete idea; Brennen Johnson, my WJLTA Articles Editor, who took time and care in reviewing this Article and provided meaningful suggestions and edits; and finally, Harry Fukano, the whetstone against which my thoughts are sharpened and enriched.

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INTRODUCTION

Imagine that, one day after class, Becky comes home from a Seattle middle school and drops her bags at the door. Becky’s mother, who is on chemotherapy as a result of a recent cancer diagnosis, goes to lie down from exhaustion. Knowing that her mother will not be feeling well enough to prepare food until later, Becky decides to have a snack. Like many children, Becky loves candy—her favorites are the Sour Patch Watermelons. Becky finds a clear cellophane bag of her favorite candies in her mother’s purse while searching for a snack and quickly consumes the small bag. Instead of the Sour Patch Watermelons that Becky expects, however, she accidentally consumes a high-potency edible cannabis product—a retail candy imitator that her mother purchased to manage her chemotherapy symptoms. In short order, Becky becomes very ill and has to be taken to the hospital.

Becky’s mother represents one of the many legitimate medical marijuana users who choose to purchase edible cannabis products to manage their symptoms. This Article does not attempt to endorse or dispute the efficacy of such a course of treatment. It does, however, seek to acknowledge and address the capacity that these edible cannabis products have to create consumer confusion,

especially post-sale or end-consumer confusion. While the nation as a whole appears to be on a slow march towards the legalization of marijuana, early-adopter states like Washington are ground zero for novel legal questions which challenge our system's ability to balance regulatory concerns and regulatory affordability. For example, Colorado, another early adopter of medical marijuana, is already attempting to curb the trend of concern regarding the dangers of consumer confusion for edibles with stringent new packaging and labeling requirements.

This Article explores the potential for a non-regulatory solution to Becky's scenario—through either judicial interpretation of the Lanham Act or legislative enablement of major retail candy manufacturers—to register and protect the aesthetic designs of their famous candy products. The infringement actions that would follow the enablement of such trade dress protections would reduce consumer confusion in the marijuana edibles market.

Our current trade dress jurisprudence does not provide legal certainty to retail candy manufacturers that the aesthetic designs of their candy products are protectable intellectual property. This Article asserts that courts should, if presented with this question, hold the aesthetic design of a candy to be protectable trade dress separate from its packaging under the Lanham Act. This Article will provide an overview of the Supreme Court cases that establish the current landscape of trademark and trade dress law. Following that, the Article will briefly review Washington's legislative process to explain how the marijuana market was created. Finally, this Article will discuss the problems inherent to the market's status quo and offer potential solutions.

I. DEVELOPMENT OF TRADEMARK & TRADE DRESS PROTECTIONS

Trademark and trade dress are forms of intellectual property protection governed by the Lanham Act.¹ The Lanham Act's primary regulatory purpose is to minimize consumer confusion

¹ 15 U.S.C. § 1125(a) (2012).

while preventing unfair competition.² In this vein, trade dress has been used as protection for distinctive packaging designs.³ For example, the orange, black, and yellow wrapper for Reese's Peanut Butter Cups is a protectable packaging design, using a combination of trademark and trade dress; the wordmark is protected under trademark law, and the wrapper's general design and color scheme are protected under trade dress law. However, the aesthetic design of the actual Reese's cup candy currently may not be protectable under either trademark or trade dress law. While the Supreme Court rarely hears cases involving trademark or trade dress, three landmark decisions—*Qualitex*,⁴ *Two Pesos*,⁵ and *Samara*⁶—have shaped trade dress protection.

Prior to *Qualitex*, courts generally held that color alone could not qualify for trademark protection, based on readings of an older iteration of the Lanham Act.⁷ *Qualitex* overturned a Ninth Circuit ruling and resolved a circuit split by extending trademark protection to color where it could be shown that the color in question had taken on a secondary meaning within the market.⁸ At present, proof of secondary meaning requires a showing that consumers in the claimant's market associate the claimant's distinctive color or package design with a specific business and its products.⁹

Two Pesos further established that, when inherently distinctive, an aesthetic design can be protectable trade dress even without proof of secondary meaning in the market.¹⁰ Building off of the Court's precedent in *Two Pesos*, *Samara* created a distinction between product packaging and product aesthetic design within

² 15 U.S.C. § 1127 (2006).

³ Trade dress is broader in terms of the scope of what can be protected under the concept, but trademark is arguably the more extensive protection.

⁴ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

⁵ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

⁶ *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000).

⁷ *Qualitex Co.*, 514 U.S. at 171–73.

⁸ *Id.* at 166.

⁹ *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983).

¹⁰ *Two Pesos, Inc.*, 505 U.S. at 784–85.

trade dress protection.¹¹ The *Samara* Court held that product packaging could be inherently distinctive, and therefore protectable, even without proof of secondary meaning.¹² However, a product's aesthetic design alone could *not* qualify as inherently distinctive, and would thus require secondary meaning in order to be protectable trade dress.¹³

A. Trademark Protection for Color

The Supreme Court has established that the applicable scope for trademark protection under the Lanham Act is broad.¹⁴ In *Qualitex Co. v. Jacobson Products Co.*, the Court granted exclusive use of a specific color to a company that had become associated with that color in its market.¹⁵ Qualitex, the plaintiff, used a specific shade of gold-green for the pads that it sold to dry cleaning stores. A rival company, Jacobson Products, began using a similar color to Qualitex's gold-green for their pads.¹⁶ Qualitex filed suit against Jacobson, alleging trademark infringement and unfair competition.¹⁷

During trial, Jacobson argued that granting trademark protection to a color would create "shade confusion" for competitors.¹⁸ The protection of one color could result in not only one color's exclusion from commercial use, but the exclusion of many shades which could be perceived as too similar to a trademarked color.¹⁹ External factors can affect how colors are perceived, Jacobson claimed; these might create scenarios in which competitors' colors could be perceived as infringing in certain lights.²⁰ Jacobson also asserted that allowing for the exclusive

¹¹ *Samara Bros.*, 529 U.S. at 206.

¹² *Id.*

¹³ *Id.* at 215.

¹⁴ *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995).

¹⁵ *Id.* at 159.

¹⁶ *Id.* at 161.

¹⁷ *Id.*

¹⁸ *Id.* at 167.

¹⁹ *Id.*

²⁰ *Id.*

commercial use of a color would create a disadvantage for competitors in the market.²¹

The Court dismissed Jacobson's arguments by rejecting its contention that color would require courts to engage in an infringement analysis substantially different from that employed in other trademark cases.²² Jacobson's "shade confusion" argument failed, the Court said, because courts already engaged in difficult contextual reviews of trademarked words, and color was not so difficult a proposition by comparison.²³ The Court also stated that "color depletion" was not likely to be a serious concern, given the broad spectrum of available alternatives.²⁴ If the circumstance should arise where color depletion or scarcity became a concern, "the trademark doctrine of 'functionality' . . . would seem . . . to prevent the anticompetitive consequences that Jacobson's argument posits."²⁵

Ultimately, the Supreme Court reasoned that, since Qualitex's color served no functional purpose other than to signal a brand association to consumers, the protection of its gold-green color was a valid exercise under the Lanham Act.²⁶

B. Trade Dress Protection for "Distinctive" Aesthetic Design

The Supreme Court has held that a trade dress design's level of distinctiveness correlates to the level of protection afforded to that design: the more distinctive, the more protectable. In *Two Pesos, Inc. v. Taco Cabana, Inc.*, the Court upheld the lower court's decision to use specific classifications for determining the distinctiveness of a design.²⁷ The *Abercrombie & Fitch Co. v. Hunting World, Inc.* scale of distinctiveness sets a range of

²¹ *Id.* at 168.

²² *Id.* at 166–70.

²³ *Id.* at 167.

²⁴ *Id.* at 168.

²⁵ *Id.* at 169.

²⁶ *Id.* at 165.

²⁷ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

distinctiveness for courts to follow.²⁸ The “classes” of distinctiveness are, ordered from weakest to strongest: generic, descriptive, suggestive, and arbitrary or fanciful.²⁹ Generic and descriptive marks are not typically protectable without further showings, but suggestive, arbitrary, or fanciful marks are almost always protectable.³⁰

The *Two Pesos* decision allowed a Mexican restaurant to protect its décor as inherently distinctive trade dress.³¹ The Taco Cabana restaurant chain used its aesthetic design, here a Mexican décor and layout, in all of its Texas locations.³² Two Pesos, a competing Mexican restaurant chain, opened locations throughout Texas using an aesthetic design very similar to Taco Cabana’s.³³ In response, Taco Cabana filed a trade dress infringement suit against Two Pesos.³⁴

At trial, the jury was provided with instructions consistent with the court’s previous interpretations of distinctiveness and secondary meaning in infringement actions.³⁵ The jury returned a verdict for Taco Cabana, finding:

Taco Cabana has a trade dress; taken as a whole, the trade dress is nonfunctional; the trade dress is inherently distinctive; the trade dress has not acquired a secondary meaning in the Texas market; and the alleged infringement creates a likelihood of confusion on the part of ordinary customers as to the source or association of the restaurant’s goods or services.³⁶

²⁸ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

²⁹ *Id.*

³⁰ *Id.*

³¹ *Two Pesos, Inc.*, 505 U.S. at 776 (1992).

³² *Id.* at 765.

³³ *Id.*

³⁴ *Id.* at 765–66.

³⁵ *Id.* at 770.

³⁶ *Id.* at 766.

Two Pesos argued that the jury's finding that there was no secondary meaning proved that Taco Cabana's trade dress was not inherently distinctive and therefore should not be protected.³⁷ In so doing, Two Pesos relied heavily on Second Circuit jurisprudence, which consistently requires a showing of secondary meaning to protect trade dress.³⁸

On appeal, however, the Supreme Court rebuffed the appellant's argument primarily on the basis that Two Pesos' own brief supported the idea that restaurant trade dress could be inherently distinctive and qualify for protection without secondary meaning.³⁹ The Court then affirmed the Fifth Circuit's approach when it applied the *Abercrombie* classifications to determine distinctiveness,⁴⁰ grounding its rationale in section 43(a)⁴¹ of the Lanham Act.⁴² Essentially, the Court held that the Second Circuit's requirement for a showing of secondary meaning added requirements for trade dress protection that were not required by the Lanham Act.⁴³ Consequently, the Court affirmed the Fifth Circuit's ruling and held that an aesthetic design could qualify for protection even without a showing of secondary meaning, so long as that design was inherently distinctive.⁴⁴

C. Packaging Design & Product Aesthetic Design Distinction

Wal-Mart Stores, Inc. v. Samara Bros., the most recent of these Supreme Court opinions, created a distinction within trade dress jurisprudence between product packaging and the aesthetic design

³⁷ *Id.* at 770.

³⁸ *Id.* at 772–73.

³⁹ *Id.* at 771.

⁴⁰ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). For the *Two Pesos* Court's discussion of *Abercrombie*, see *Two Pesos, Inc.*, 505 U.S. at 773.

⁴¹ At the time this case was heard, it was still 43(a) of the Lanham Act. It can now be found under 15 U.S.C. § 1125(a) (2012).

⁴² *Two Pesos, Inc.*, 505 U.S. at 774.

⁴³ *Id.* at 774–75.

⁴⁴ *Id.* at 776.

of a product itself.⁴⁵ Designer and manufacturer of children's clothing Samara Brothers⁴⁶ was notified that a specific line of its clothing designs had been copied and was being sold in Wal-Mart stores for significantly less than Samara Brothers' price at many clothing retailer locations.⁴⁷ Samara Brothers sent cease-and-desist letters to Wal-Mart and several others, alleging trade dress infringement.⁴⁸ On appeal, Wal-Mart argued that Samara Brothers' designs were not inherently distinctive and therefore did not qualify for trade dress protection unless secondary meaning could be shown.⁴⁹

The Supreme Court held that product design could not gain trade dress protection through inherent distinctiveness alone.⁵⁰ Product design, the Court stated, almost always serves a purpose beyond simply branding the product.⁵¹ If the Court allowed Samara Brothers' product designs to qualify as protectable trade dress, it could cause harm to consumers by creating uncertainty for competitors in the market.⁵² Consequently, the Court held that to qualify for trade dress protection for a product design, secondary meaning must be shown.⁵³

II. RISE OF THE MARIJUANA EDIBLES MARKET IN WASHINGTON

In 1998, Washington State became the second state to break with the federal schema on marijuana regulation.⁵⁴ Washington State voters passed Initiative 692 by a 59% to 41% majority,⁵⁵

⁴⁵ Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 214–15 (2000).

⁴⁶ *Id.* at 207.

⁴⁷ *Id.* at 208.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.* at 213.

⁵¹ *Samara Bros.*, 529 U.S. at 213.

⁵² *Id.*

⁵³ *Id.* at 216.

⁵⁴ David Schaefer, *Initiative 692—States Back Medical Marijuana*, SEATTLE TIMES (Nov. 4, 1998), <http://community.seattletimes.nwsources.com/archive/?date=19981104&slug=2781533>.

⁵⁵ See S. Journal, 56th Leg., Reg. Sess. 4 (Wash. 1999).

which took from 69.51A.005 of the Revised Code of Washington: “[t]he People find that humanitarian compassion necessitates that the decision to authorize the medical use of marijuana by patients with terminal or debilitating illnesses is a personal, individual decision, based upon their physician’s professional medical judgment and discretion.”⁵⁶

While I-692 is a departure from the complete ban still in place federally, the initiative did not create a legal avenue for qualifying patients under I-692 to purchase medical marijuana.⁵⁷ Consequently, qualifying patients were forced to resort to the black market to purchase their ostensibly legal medicine.⁵⁸ Proponents of medical marijuana lobbied the Washington State Legislature for a solution to this legal “catch-22.” These proponents suggested the creation of regulated medical dispensaries to legitimize access to medical marijuana.⁵⁹ Thus Senate Bill 5073 was drafted and subsequently passed in 2011.⁶⁰ The bill was intended to legitimize the medical dispensaries that had previously operated in a grey area of the law and to allow others to follow such a business model.⁶¹

While Senate Bill 5073 passed, the proposal was partially vetoed by then-governor Christine Gregoire.⁶² Gregoire negated the sections of SB 5073 that created a patient registry system and provided a prosecutorial exemption for patients under that

⁵⁶ Washington State Medical Use of Marijuana Act, ch. 2, § 2, 1999 Wash. Sess. Laws 1, 2.

⁵⁷ Michael Wagar, *INITIATIVE 692: Initiative Would Legalize Marijuana for Medical Use*, KITSAP SUN (Oct. 14, 1998), http://web.kitsapsun.com/archive/1998/10-14/0038_initiative_692__initiative_would_.html.

⁵⁸ *Id.*

⁵⁹ Engrossed Second Substitute S.B. 5073, 62d Leg., Reg. Sess. (Wash. 2011) [hereinafter ESSSB 5073].

⁶⁰ *Id.*

⁶¹ Jonathan Martin, *Medical-Pot Dispensaries in Legal Limbo; Cities Shut Them Down*, SEATTLE TIMES (Mar. 24, 2011, 9:25 PM), <http://www.seattletimes.com/seattle-news/medical-pot-dispensaries-in-legal-limbo-cities-shut-them-down/>.

⁶² Washington State Medical Use of Cannabis Act, ch. 181, sec. 501, § 69.51A.060(6), 2011 Wash. Sess. Laws 1345, 1358 (codified at WASH. REV. CODE § 69.51A.060(6) (Supp. 2011)).

registry.⁶³ Nevertheless, the partially-vetoed bill, which seemingly allowed for the formation of “collective gardens,”⁶⁴ passed without the strictures of the intended registry system.⁶⁵

In spite of what was arguably a legislative failure,⁶⁶ existing medical dispensaries continued to operate in a grey area of the law.⁶⁷ While not legalized by the passage of SB 5073, Washington State saw an increase in the production of cannabis products.⁶⁸ One provision of SB 5073 that did not survive Gregoire’s veto would have specifically allowed for the possession and use of such cannabis products, and specifically included edible cannabis products, referred to as edibles.⁶⁹ Impetus and legality notwithstanding, edibles were—and still are—becoming big business in Washington.⁷⁰

III. EDIBLES MASQUERADING AS FAMOUS RETAIL CANDIES

Among the plethora of marijuana products available to consumers in Washington, edibles pose the highest risk of end-consumer confusion. Due partly to lingering stigma⁷¹ and partly to

⁶³ ESSSB 5073, *supra* note 59.

⁶⁴ Medical dispensaries have used the “collective gardens” as a justification for operation under the law. *See* Russ Belville, *Washington Bans Collective Medical Marijuana Gardens*, HIGH TIMES (Apr. 28, 2014), <http://www.hightimes.com/read/washington-bans-collective-medical-marijuana-gardens>.

⁶⁵ ESSSB 5073, *supra* note 59.

⁶⁶ A failure insofar as the legislation failed to create a Washington marketplace in which dispensaries operated with clear legal boundaries or frameworks.

⁶⁷ *See* Jacob Sullum, *With Pot Legal, the Days of Washington’s Medical Marijuana Dispensaries are Numbered*, FORBES (Nov. 21, 2013, 5:32 PM), <http://www.forbes.com/sites/jacobsullum/2013/11/21/with-pot-legal-the-days-of-washingtons-medical-marijuana-dispensaries-are-numbered/>.

⁶⁸ *See* Jonathan Martin, *Medical Marijuana: ‘Medibles’ Industry Thrives, Lacks Safety Regulations*, SEATTLE TIMES (Oct. 7, 2012, 9:55 PM), <http://www.seattletimes.com/seattle-news/medical-marijuana-medibles-industry-thrives-lacks-safety-regulations/>.

⁶⁹ ESSSB 5073, *supra* note 59.

⁷⁰ *See* Martin, *supra* note 68.

⁷¹ Joan L. Botorff et al., *Perceptions of Cannabis as a Stigmatized*

customer demand,⁷² many edibles are intentionally mimicking the likenesses of traditional retail candies and foods.⁷³ It is unlikely that a consumer would be similarly confused by marijuana in its traditional dried plant form. While edibles have a legitimate role in the marketplace, significant concerns remain regarding the risk of consumer confusion. Between point-of-sale consumer confusion and end-consumer confusion, this Article asserts that end-consumer confusion is the more likely and has more potential to cause harm. The distinction between a point-of-sale consumer and an end-consumer may give rise to questions about marketplace distinctions between candy and edible marijuana products—but this does not lessen the inherent risk to non-purchasing end-consumers. This consumer confusion consequentially results in a legitimate consumer safety risk posed by these products—notably to children.⁷⁴

Figure 1 - Retail



Figure 2 - Bulk



Medicine: A Qualitative Descriptive Study, HARM REDUCTION J. 10, 2 (2013), <http://doi.org/10.1186/1477-7517-10-2>.

⁷² Judy Mottl, *Pot Edibles Taking the Cake Now that Medicinal Marijuana Is on the Books*, TECH TIMES (July 18, 2014, 8:00 AM), <http://www.techtimes.com/articles/10736/20140718/pot-edibles-burgeoning-cottage-industry-facing-growing-demand-regulatory-action.htm>.

⁷³ Matt Ferner, *10 Marijuana Edibles That Could Pass as 'Real' Food*, HUFFINGTON POST (Oct. 15, 2013, 3:21 PM), http://www.huffingtonpost.com/2013/10/15/marijuana-edibles_n_4098967.html.

⁷⁴ Dan Frosch, *Colorado Grapples With Risks From Edible Marijuana*, WALL ST. J. (May 9, 2014 6:50 PM), <http://www.wsj.com/articles/colorado-grapples-with-risks-from-edible-marijuana-1399675707>.

Nowhere is this concern for consumer confusion and safety more valid than in the edible market's reproduction of certain retail candies. At the beginning of this Article, Becky and her mother were posed as hypothetical victims of this flavor of consumer confusion. While the chain of events envisioned may seem unlikely, some edible manufacturers are obviously and intentionally copying famous retail aesthetic designs.⁷⁵ It does not take more than a cursory Google search to come up with news stories about reports of cannabis infused candy making its way into the hands of children, even in states where medical marijuana has not yet been approved.

Sour Patch Watermelon candies, for instance, are ubiquitous and can be found in grocery stores, gas stations, malls, and big-box retail department stores. These candies are roughly one inch in length by half an inch in width. They are predominately dark pink in color, with a small amount of green coloring representing the rind of a watermelon. The color of these candies is muted by a white powdery sugar substance that coats each wedge-shaped piece. Figures 1⁷⁶ and 2⁷⁷ above show the packaging of Sour Patch Watermelon candies, retail and bulk respectively. To show the level of imitation present in this product group, Figures 3⁷⁸ and 4⁷⁹ show Watermelon Tarts made by cannabis product manufacturer EdiPure.

⁷⁵ See *All Products*, EDIPURE, <http://edipure.com/all-products/> (last visited May 28, 2016).

⁷⁶ *Retail Sour Patch Brand Sour Watermelon Candies*, AMAZON.COM, http://www.amazon.com/gp/product/B005VPSZG0/ref=s9_dcbhz_bw_d0_g325_i1_sh (last visited May 28, 2016).

⁷⁷ *Bulk Sour Patch Brand Sour Watermelon Candies*, AMAZON.COM, http://www.amazon.com/gp/product/B004CH6HJU/ref=s9_dcbhz_bw_g325_i3_sh (last visited May 28, 2016).

⁷⁸ *EdiPure Watermelon Tarts*, CANNABUZZ (Jan. 23, 2014), <http://cannabrand.tumblr.com/post/74318324695/edipure-watermelon-tarts>.

⁷⁹ *CBD Watermelon Tarts*, EDIPURE, <http://edipure.com/products/cbd-watermelon-tarts/> (last visited May 28, 2016).

Figure 3



Figure 4



Under the *Abercrombie* classification, the aesthetic design of Sour Patch Watermelon candies should be classified as either a suggestive or arbitrary mark, and therefore protectable. Given the design's strong resemblance to a length-wise watermelon slice, the shape of the Sour Patch Watermelon candies is arguably more of a descriptive mark. Additionally, the candy's shape has likely acquired secondary meaning in the market as a Sour Patch brand candy.

Secondary meaning can be shown through the amount and types of advertising, the volume of products sold, the length of the trademark's use, and via consumer surveys.⁸⁰ If the product design of the Sour Patch Watermelon candies did not carry secondary meaning in the market, and in fact could not be protected, it seems likely that a generic candy manufacturer would have copied the aesthetic design of Sour Patch's Watermelon candies to compete for market share. Given the legal landscape for product design following *Samara*, this does not seem to be the case. Nice! Sour Watermelon Slices, for example, are a generic brand's attempt to capitalize on the market demand for sour watermelon candies.⁸¹ Unlike EdiPure's Watermelon Tarts,⁸² however, Nice! Sour Watermelon Slices are markedly different in design and

⁸⁰ *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983).

⁸¹ *Nice! Slices Watermelon*, WALGREENS, <http://www.walgreens.com/store/c/nice!-slices-watermelon/ID=prod6212672-product> (last visited May 28, 2016).

⁸² See *supra* Figures 3–4.

appearance, as seen in Figure 5. Nice!’s candies are triangular rather than wedge-shaped and have significantly more green coloration than either the Sour Patch or EdiPure candy design. Additionally, Nice!’s candies are less muted in coloration, as the sugary coating used is less opaque and powdery.

Figure 5



Like Jacobson in *Qualitex*, EdiPure may argue that other candy manufacturers would be disadvantaged in the market by virtue of aesthetic design depletion if trade dress protection were extended to Sour Patch Watermelon candies. Based on the Supreme Court’s dismissal of Jacobson’s color depletion and shade confusion arguments in *Qualitex*, however, this argument is unlikely to succeed. While it is true that there are only so many ways a candy manufacturer could create a watermelon-shaped candy that appeals to the market, courts already make difficult decisions when assessing infringement claims in many other contexts. EdiPure’s circumstances are hardly radically different from Jacobson’s.

Other marijuana product manufacturers—and indeed the broader marijuana market—should be invested in the removal of retail imitators such as EdiPure from the market. The bad press generated by consumer confusion does not support efforts to legitimize medical marijuana among communities and legislative bodies. Consequently, it is imperative to develop potential solutions to this marijuana market issue.

IV. NON-REGULATORY MARKET CORRECTION VIA TRADE DRESS PROTECTION ENABLEMENT & ENFORCEMENT

The Lanham Act does not require revision to extend trade dress protection to the design of a candy; it merely needs to be reconsidered. If retail candy manufacturers are enabled to protect and enforce the trade dress of their candy designs, the financial burden of solving the market's potential consumer confusion would shift from the government to private parties. The legalization of marijuana requires that states develop regulatory frameworks and enforcement strategies for new markets. Washington State, already plagued with budgetary issues, is unlikely to be financially capable of mobilizing the resources necessary to enforce even lenient regulation.⁸³ Even if Washington did pass regulations specifically for edibles, the resulting increase in the cost of enforcement would likely be passed to the patients in the form of increased consumption tax. While this may seem a reasonable or acceptable solution, it disregards the fact that edibles are often medicine for patients who need to manage severe pain, chemotherapy side effects, and even seizures in adolescents.⁸⁴ Increased costs thus ultimately decrease the availability and affordability of treatment to patients in need.

Extending trade dress protection to the aesthetic design of retail candy manufacturers' candy products may prove an attractive non-regulatory solution. If courts reconsider the Lanham Act's language to allow for the protection of aesthetic design, no legislative action would be necessary to achieve the desired market correction. Given surety of their legal protections, retail candy manufacturers may be more motivated to assert trade dress

⁸³ See *Shutdown Looms for Wash. State Employees Due to Budget Woes*, KGW-TV (June 13, 2015, 9:27 AM), <http://www.kgw.com/story/news/politics/2015/06/23/shutdown-looms-for-wash-state-employees-due-to-budget-woes/29160735/>.

⁸⁴ See Sam Levin, *Expots: Medical Marijuana Draws Parents to US for Their Children's Treatments*, GUARDIAN (May 9, 2016, 7:00 AM), <http://www.theguardian.com/society/2016/may/09/medical-marijuana-families-move-to-colorado-epilepsy>.

infringement claims against these marijuana edible manufacturers to protect their brand. In asserting such a claim, the retail candy manufacturers would still need to prove that the aesthetic design of their candy has achieved secondary meaning in the market and that its product's aesthetic design is non-functional.⁸⁵ Courts are best positioned to balance the anti-competitive effect of extending trade dress protection in such an instance against the risk of confusion posed to the market and consumers. This would spare the state the increased costs associated with the efforts of enforcing new regulations and spare patients the corresponding increase in product costs. By allowing retail candy manufacturers to claim and protect the trade dress of their candies' aesthetic designs, the costs associated with market correction would fall onto the candy manufacturers via infringement actions, rather than the state via regulatory enforcement.

It's even possible that candy manufacturers would create license arrangements with manufacturers like EdiPure, thus legitimizing the reproduction of their candy designs for the edible market. While such an arrangement is unlikely under current market conditions, it is not hard to imagine a not-too-distant future where marijuana markets are more broadly accepted and where such an arrangement may be more probable. Legislative involvement would be required to eliminate this possibility. This could be crafted in one of two ways: (1) by regulating the *licensing* of retail candy/food designs to medical marijuana product manufacturers; or (2) by regulating the *use* of retail candy/food designs by medical marijuana product manufacturers.

Regulating the licensing of retail candy designs in the edible market is probably the more ideal of the two options, as legislation would target the candy manufacturers rather than the marijuana product manufacturers. The number of major candy manufacturers is far fewer than the increasing number of marijuana product

⁸⁵ The aesthetic functionality doctrine precludes protection under trade dress for functional features of an aesthetic design. There are arguments to be made about the relative functionality of a candy's aesthetic design, but this is mostly beyond the scope of this Article's thrust.

manufacturers.⁸⁶ The legal impetus for following the regulation would thus be on the party not only most likely to be more concerned about regulatory compliance, but also the party able to sue unlicensed infringers. In such a situation, the retail candy manufacturer is both the gatekeeper of the design and the enforcer against those who infringe its trade dress. The second is less ideal, as it places the onus of regulatory enforcement on the state rather than on the candy manufacturers—a costly and challenging proposition in economically uncertain times.

CONCLUSION

While there is reasonable incentive to look to legislative regulatory solutions to address the edible market's consumer confusion problem,⁸⁷ it is not necessarily the only solution. The Lanham Act's purpose is to minimize consumer confusion and to prevent anticompetitive practices. Courts have repeatedly held that this balance is challenging to maintain; however, that should not mean that trade dress protection must be cabined strictly to a product's packaging. If courts were to expand their interpretation of the Lanham Act and enable trade dress protection for retail candy manufactures' candy designs, the resulting infringement actions brought against edible manufacturers who imitate retail candy designs might provide market correction at no additional cost to the state.

⁸⁶ See Emily Gray Brosious, *Marijuana Likely to Be a Leading Growth Sector for Years to Come*, SUN TIMES (May 16, 2016, 10:17 AM), <http://extract.suntimes.com/news/10/153/19529/legal-cannabis-sales-market-growth-232-percent-2015/>.

⁸⁷ Federal enforcement priorities, according to the DOJ's Cole Memo, put a premium on minor access/use. See U.S. DEPARTMENT OF JUSTICE, GUIDANCE REGARDING MARIJUANA ENFORCEMENT (2013), <https://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf>.

PRACTICE POINTERS

- Marijuana product manufacturers would be well-advised to avoid any aesthetic designs of their products and packaging that potentially infringe on the intellectual property of major retailers.
- Marijuana product manufacturers and their attorneys should preemptively prepare for market disruption as legislatures look for solutions to a growing public concern.
- Attorneys representing the intellectual property concerns of retail candy manufacturers should consider asserting trade dress protection for the aesthetic designs of their companies' candies to protect their brands.

