

Cannabis Businesses in Ohio Challenge State on Strict Cannabis Limits

Ohio Cannabis Companies Sue Regulators Over Strict Rules

Seven Ohio cannabis businesses are suing state regulators, alleging that restrictive product and advertising rules undermine the state's voter-approved legalization law and create unnecessary obstacles for licensed operators.

The lawsuit, filed September 17 against the Ohio Division of Cannabis Control (DCC), includes plaintiffs Cleveland-based Ancient Roots, Akron-based Fire Rock, and five additional licensed marijuana businesses. According to The Columbus Dispatch, the operators argue that current regulations conflict with the law passed by voters in November 2023, which legalized adult-use cannabis statewide.

Legalization Meets Regulatory Friction

Recreational marijuana sales began in August 2024, generating more than \$702 million in the program's first year. But cannabis businesses say that progress has been stifled by the state's reliance on outdated medical marijuana regulations.

Brian Wingfield, co-founder of Ohio Cannabis Co., one of the plaintiffs, told The Columbus Dispatch that the industry is not developing as expected.

"I thought we would've seen a little bit of growth and more people would know and understand what's going on," Wingfield said. "It would be a lot nicer if we were running under a recreational program."

Operators claim the DCC has created confusion by applying medical program restrictions to recreational businesses, leaving consumers and companies alike unsure of what is permitted under the law.

Advertising Restrictions at the Center of Dispute

Court documents detail how state officials have blocked cannabis companies from using certain marketing language. In one instance, Ohio Cannabis Co. was told it could not use the phrase "Merry Christmas" in advertisements or promote holiday sales, because state regulators deemed holidays too closely associated with children.

Other restrictions involve product naming. The lawsuit alleges that regulators rejected several cannabis strain names—including Strawberry Shortcake, Kandy Kane, and Shadow Realm—because they reference flavors or imagery not naturally found in cannabis, which the state believes could appeal to minors.

Ohio cannabis operators argue that these rules create inconsistencies with industry standards nationwide, where many brands use creative naming and seasonal promotions without issue.

Slow Rulemaking Process Adds Pressure

Under Issue 2, the voter-approved legalization law, the DCC was required to issue dual-use licenses for existing medical operators by September 2024, along with rules governing licensing, advertising, product standards, and other areas of compliance.

Business owners argue that rulemaking has been slower than expected, with regulations rolled out piecemeal and often in ways that conflict with the intent of legalization.

“Because there is no current statutory framework, the DCC is constantly moving the goalposts, preventing licensees like us from having a fair shot to operate in the free market,” Wellspring Fields CEO Mark Hobson said in an affidavit.

The DCC has declined to comment on the lawsuit, citing the ongoing litigation.

Industry Implications and Next Steps

The legal challenge underscores the tension between Ohio’s voter-backed legalization framework and the state’s cautious approach to regulation. Cannabis business owners say strict advertising and product restrictions not only limit their ability to compete with illicit markets but also confuse customers and slow overall growth.

If the lawsuit succeeds, Ohio could be compelled to loosen restrictions and realign regulations with the adult-use program approved by voters. That outcome would likely accelerate product innovation, marketing campaigns, and brand development—key factors for businesses competing in a national cannabis market expected to reach \$46 billion by 2028.

For now, the case reflects broader national challenges in states where legalization laws and regulatory enforcement remain at odds. Ohio’s cannabis industry, while showing strong early sales, continues to navigate an uncertain path toward stability and full compliance.

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