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Subject: U.S. TRADEMARK APPLICATION NO. 77129912 - GRAN HABANO - 130171.01010 - EXAMINER BRIEF

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**UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO)**

<p><b>U.S. APPLICATION SERIAL NO.</b> 77129912</p> <p><b>MARK:</b> GRAN HABANO</p>	
<p><b>CORRESPONDENT ADDRESS:</b> STEVEN J WADYKA JR  GREENBERG TRAURIG LLP  2101 L STREET NW  WASHINGTON, DC 20037</p>	<p><b>GENERAL TRADEMARK INFORMATION:</b> <a href="http://www.uspto.gov/trademarks/index.jsp">http://www.uspto.gov/trademarks/index.jsp</a></p> <p><b>TTAB INFORMATION:</b> <a href="http://www.uspto.gov/trademarks/process/appeal/index.jsp">http://www.uspto.gov/trademarks/process/appeal/index.jsp</a></p>
<p><b>APPLICANT:</b> SANTA CRUZ TOACCO CO., INC.</p>	
<p><b>CORRESPONDENT'S REFERENCE/DOCKET NO:</b>  130171.01010</p> <p><b>CORRESPONDENT E-MAIL ADDRESS:</b>  dcipmail@gtlaw.com</p>	

**EXAMINING ATTORNEY'S APPEAL BRIEF**

This as an Examiner's Statement in answer to applicant's Notice of Appeal filed August 12, 2014, and

Appeal Brief filed November 3, 2014.

### Issues

Applicant presented two issues for consideration in its Appeal Brief. They are:

1. The inferential evidence submitted by the Examining Attorney to prove the materiality factor in the test used to show that “GRAN HABANO” for cigars made from Cuban seed tobacco is primarily geographically deceptively misdescriptive has been rebutted by the direct evidence submitted by applicant.
2. In the test used to prove that a trademark is primarily geographically deceptively misdescriptive, materiality has not been demonstrated because a substantial portion of non-Spanish speaking cigar smokers in the United States would not recognize the meaning of the wording “GRAN HABANO” as denoting a geographical location.

### Factual history of the application

Applicant filed March 13, 2007, this trademark application based upon use in commerce for the proposed mark "GRAN HABANO" for cigars made from Cuban seed tobacco. Applicant included in the application a disclaimer of the word "HABANO." In the first Office action dated May 24, 2007, registration was refused under Trademark Act § 2(e)(2), under the assumption that the goods originated in Havana, Cuba. A suggestion was made that the mark could be registered under the provision of Trademark Act § 2(f); a notice was given to applicant that two trademark applications were filed prior to applicant's filing date, which might bar the registration of applicant's mark under Trademark Act § 2(d); and registration was refused under Trademark Act § 2(d) based upon U.S. Trademark Registration no. 3,066,902.

Applicant responded November 19, 2007, by submitting a claim of distinctiveness of the proposed mark and by arguing that it was not unregistrable. In Office action dated November 26, 2007, action on the application was suspended pending the outcome of U.S. Trademark Application no. 78-745,353. The refusal to register under Trademark Act § 2(d) was maintained and applicant was notified that pending Trademark Application no. 78-782,911 had been abandoned. The suspension of action was withdrawn June 14, 2010, noting that pending Trademark Application no. 78-745,353 had been abandoned and that

the refusal to register under Trademark Act § 2(d) was maintained. But more importantly, registration was refused under Trademark Act § 2(e)(3) because applicant's mark was considered to be primarily geographically deceptively misdescriptive under Trademark Act § 2(e)(3). Correspondingly, the inapplicable refusal to register under Trademark Act § 2(e)(2) was withdrawn. The reason for the new refusal was that a mark containing a Cuban place name, "HAVANA CLUB," for cigars made from Cuban seed tobacco had been determined by the Trademark Trial & Appeal Board (Board) to be unregistrable under Trademark Act § 2(e)(3). See: *Corporacion Habanos S.A. v. Anncas Inc.*, 88 USPQ2d 1785 (TTAB, 2008). The Board indicated that no longer would a mark containing a Cuban place name for cigars made from Cuban seed tobacco be registered because the use of tobacco derived from tobacco seeds originating in Cuba prior to 1960 to make cigars would be indicative of the fact that Cuba was the source of the goods. Cuban seed tobacco was too unrelated to Cuba for the cigars made from that tobacco to be identified as Cuban goods. *Anncas*, supra, 1793.

In Office Actions dated December 21, 2010, and December 22, 2010, action on the application was suspended because a final resolution of the case of *Guantanamera Cigars Co. v. Corporacion Habanos S.A.*, 98 USPQ2d 1078 (D.D.C. 2010), ("GUANTANAMERA" for tobacco, namely, cigars), bearing upon

geographically deceptively misdescriptive tobacco-related marks, was still pending. Since the case had been remanded to the Trademark Trial & Appeal Board for further action and the resolution of the application had a bearing upon this application, action was suspended. The refusals to register under Trademark Act §§ 2(d), 2(a), and 2(e)(3) were maintained. After the resolution of the *Guantanamera*, case, (*Corporacion Habanos S.A. v. Guantanamera Cigars Co.*, 102 USPQ2d 1085 (TTAB, 2012)), the suspension of action in this application was withdrawn February 12, 2014. The refusals to register under Trademark Act §§ 2(a), and 2(d) were withdrawn and the refusal to register under Trademark Act § 2(e)(3) was made final.

Applicant submitted August 12, 2014, a Request for Reconsideration after the Final refusal. The request to withdraw the refusal to register in applicant's Request for Reconsideration was denied August 8, 2014. Correspondingly, applicant filed its Notice of Appeal August 12, 2014, and Appeal Brief November 3, 2014.

Insufficient evidence to prove materiality

Applicant contends that the inferential evidence submitted by the Examining Attorney to prove the materiality factor in the test used to show that “GRAN HABANO” for cigars made from Cuban seed tobacco is primarily geographically deceptively misdescriptive has been rebutted by applicant’s direct evidence.

A mark is primarily geographically deceptively misdescriptive if the following is shown:

- (1) The primary significance of the mark is a generally known geographic place or location.
- (2) The goods for which applicant seeks registration do not originate in the geographic place identified in the mark.
- (3) Purchasers would be likely to make a goods-place association; that is, purchasers would be likely to believe that the goods originate in the geographic place identified in the mark.
- (4) The misrepresentation regarding the geographic origin of the goods would be a material factor in a significant portion of the relevant consumers’ decision to buy the goods in question.

*See In re Miracle Tuesday, LLC*, 695 F.3d 1339, 1343, 104 USPQ2d 1330, 1332 (Fed. Cir. 2012) (citing *In re Cal. Innovations Inc.*, 329 F.3d 1334, 1341, 66 USPQ2d 1853, 1858 (Fed. Cir. 2003)); *see also In re Spirits Int'l, N.V.*, 563 F.3d 1347, 1353, 90 USPQ2d 1489, 1493 (Fed. Cir. 2009) (holding that the test for materiality incorporates a requirement that a “significant portion of the relevant consumers be deceived”).

In the final refusal to register dated February 12, 2014, evidence obtained from the internet taken from dictionaries, the Columbia Gazetteer of the World, Encyclopedia Britannica, and various articles relating to Cuban cigars was made of record. Further, reliance was made upon the case of *Corporacion Habanos S.A. v. Anncas Inc.*, 88 USPQ2d 1785 (TTAB, 2008) (“HAVANA CLUB” unregistrable for cigars made from Cuban seed tobacco), in which more than sufficient evidence was submitted to show that the geographical location Havana, Cuba, was a known geographical location, which was neither remote nor obscure, and was a place where tobacco is produced, and famous cigars originate.

Applicant states in its Appeal Brief that it is a Florida corporation with its principal office located in Miami, Florida, and applicant's "cigars are produced at its cigar leaf production and cigar manufacturing facilities located in Honduras, Nicaragua, Colombia, and other Central and South American countries" (Applicant's Appeal Brief, Pg. 2, par. no. 1). Applicant further states that "the term 'Havana' is a generally known geographical location" and "that a goods-place association exists between cigars and Havana, Cuba" (Applicant's Appeal Brief, Pg. 12, par. 3). Since applicant in the original application translated "HABANO" to mean "HAVANAN," which means "from Havana" (Final refusal, Pg. 4, par. 2); and applicant's goods do not originate from Havana; and Havana is a generally known location where cigars are produced; the first three prongs of the test used to prove that applicant's mark is primarily geographically deceptively misdescriptive has been proved. Indeed, the Court of Appeals has stated that "we have held that 'the goods-place association often requires little more than a showing that the consumer identifies the place as a known source of the product.'" *In re Miracle Tuesday LLC*, 104 USPQ2d 1330, 1333 (Fed. Cir. 2012). Further, applicant states that it does not challenge the determination that "Havana" is a known location and that a goods-place association exists between cigars and Havana, Cuba (Applicant's Appeal Brief, Pg. 12, par. 3).

The fourth prong of the test is where applicant takes exception to the refusal to register. “[T]o establish a prima facie case of materiality there must be some indication that a substantial portion of the relevant consumers would be materially influenced in the decision to purchase the product ... by the geographic meaning of the mark.” *Miracle Tuesday*, supra, 1334. Further, the Court of Appeals indicated that “a non-English language mark can be evidence that the product in question is targeted at the community of those who understand that language. In such cases, the relevant consuming public will be composed of those who are members of that targeted community, and, as a result, people who speak the non-English language could comprise a substantial portion of the relevant consumers.” *Spirits*, supra, 1495. In the final refusal to register (Pg. 5, par. 2) it was determined that Havana, Cuba, was famous for cigars and that the Spanish language meaning of “GRAN HABANO” would be understood by Spanish speaking cigar purchasers in the United States and they “would be materially influenced in the decision to purchase applicant’s cigars due to the geographic meaning of the mark in the Spanish language.” *Corporacion Habanos S.A. v. Guantanamera Cigars Co.*, 102 USPQ2d 1085, 1104 (TTAB, 2012). Since the factual situation in this application is highly similar to the facts in the *Guantanamera*, case, supra, it would appear that materiality has been demonstrated. However, applicant asserts that the direct evidence it

submitted with the Request for Reconsideration overcomes the proof of materiality by inference provided by the Examiner (Applicant's Appeal Brief, Pg. 14, par. 3).

In order to overcome the inferential evidence that purchasers would likely be deceived by the mark's misrepresentation of a goods/place association because the place named in the mark is famous as the source of the goods, applicant has submitted signed declarations by applicant's owner and manager, George A. Rico, thirteen declarations from distributors and retailers of applicant's goods, and twelve declarations from individual customers to show "that the term 'habano' is not a material factor in a customer's decision to buy 'GRAN HABANO' cigars" (Applicant's Appeal Brief Pg. 6, par. no. 18). It is further stated that "[a]pplicant reached out to its customer base through social media, blogs, and website to request sworn declarations. Applicant received the signed declarations by fax, email and mail and forwarded them directly to counsel. Mr. Rico was personally involved in and supervised this process" (Applicant's Appeal Brief, Pg. 6, par. no. 18). What weight shall these submissions be given?

George A. Rico, the owner and manager of applicant, submitted with the Request for Reconsideration dated August 12, 2014, thirteen declarations from distributors and retailers of applicant's goods. Mr. Rico indicated in his declaration (Pg. 5, par. no. 20) signed August 11, 2014, and submitted August 12, 2014, with the Request for Reconsideration that he was personally involved in producing the declarations; in soliciting by social media, blogs, and websites declarations from the distributors and retailers of applicant's goods; in the reception of the declarations; and in the transmission of the declarations to his counsel. The nub of the submitted declarations centers on the assertion by applicant that the term "habano" has no material influence on applicant's customers in their purchase of applicant's cigars (Rico declaration dated August 12, 2014, Pg. 4, par no. 16). The same assertion is contained in the signed declarations submitted by applicant's retailers and distributors, which are found in paragraph 17 of each standard form declaration.

It has been determined that an affidavit by a company officer submitted to support a contention is given little weight because the officer is an interested party to the trademark matter at hand. *In re David Crystal, Inc.*, 132 USPQ 1 (CCPA, 1961). Further, assertions by retailers of a producer's goods cannot serve to establish that purchasers, who do not have retailers' specialized knowledge about the products

identified with a specific mark of the producer, would recognize a designation as an indication of origin.

*In re Semel*, 189 USPQ 285, 288 (TTAB, 1975). Or stated in the negative, a designation does not serve as an indication of origin, or would influence the purchase of goods. Further, “[t]here is no indication ... that the declarants are knowledgeable in trademark law or that they otherwise understand and are familiar with such technical concepts as mere descriptiveness, distinctiveness and the definition of a trademark.” *In re Pennzoil Products Co.*, 20 USPQ2d 1753, 1759 (TTAB, 1991). Here, the conclusions by the retailers and distributors of applicant’s goods that the term “habano” would not materially influence customers to buy applicant’s cigars identified with the proposed mark “GRAN HABANO” are beyond the knowledge of the retailers and distributors and are to be given little weight.

Turning to the declarations signed by purchasers of applicant’s cigars, each declaration contains the same statement relating to the term “habano” as was contained in the declarations signed by the retailers and distributors of applicant’s goods. The declarations, which are a form of survey, are to be evaluated for their probative value based on factors including the design of the survey, the questions asked, and the experience of the surveyor. *In re Hotels.com LP*, 91 USPQ2d 1532 (Fed. Cir. 2009). Here, the survey appears to have been designed by applicant’s officer, George A. Rico. He requested

responses from certain people to sign the declarations, and he received the declarations and forwarded them to his counsel. The design of the survey does not appear to be done in an unbiased manner, what influence applicant's officer had in the procuring of the signatures of those who signed the declarations cannot be determined, the total number of purchasers approached by applicant to sign a declaration and the number of those people who did not sign a declaration are not known, and the total number of declarations received by applicant's officer that were not passed along to applicant's counsel (for whatever reason) is unknown. Further, as was noted above relating to the declarations signed by applicant's retailers and distributors, "[t]here is no indication ... that the declarants are knowledgeable in trademark law or that they otherwise understand and are familiar with such technical concepts as mere descriptiveness, distinctiveness and the definition of a trademark." *In re Pennzoil Products Co.*, 20 USPQ2d 1753, 1759 (TTAB, 1991). Here, the drafting, procurement, and analysis of the purchaser declarations appear to be flawed so that an accurate assessment of the understanding of purchasers relating to applicant's goods identified by applicant's proposed mark cannot be determined.<sup>1</sup> All told, the declarations submitted by applicant are to be given little weight.

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<sup>1</sup> 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 32.158-32.196 (4<sup>th</sup> ed. 2005).

### Relevant purchasers

Applicant asserts that in the refusal to register under Trademark Act § 2(e)(3) the test used to prove that applicant's proposed trademark is primarily geographically deceptively misdescriptive, materiality was not shown by the Examining Attorney because a substantial portion of non-Spanish speaking cigar smokers in the United States would not recognize the meaning of the wording "GRAN HABANO" as denoting a geographical location. Applicant claims that the burden of establishing the scope of the relevant consumers, who would be deceived by the designation "GRAN HABANO" for cigars made from Cuban seed tobacco, has not been determined (Applicant's Appeal Brief, Pg. 10, pars. 1 & 2). Applicant asserts that the true consumers of applicant's goods are non-Spanish speakers and they would not be influenced into purchasing applicant's goods because the proposed mark is in the Spanish language (Applicant's Appeal Brief, Pg. 20, par. 1).

To the contrary, in the final refusal to register "GRAN HABANO" for cigars made from Cuban seed tobacco, the relevant group of consumers of cigars in the United States to whom applicant's goods were directed was determined to be Spanish speaking cigar purchasers. The analysis used was in conformity with the requirements for materiality stated by the Court of Appeals in *In re Spirits International N.V.*, 90

USPQ2d 1489 (Fed. Cir. 2009) (“MOSKOVSKAYA” for vodka). Since the mark was in Russian, in that case, and the product was vodka, the Court indicated that, “the relevant consuming public will be composed of those who are members of that targeted community, and, as a result, people who speak the non-English language could comprise a substantial portion of the relevant consumers.” *Spirits*, supra, 1495.

Since the proposed mark in this application is in the Spanish language, the targeted community was determined to be Spanish speaking cigar purchasers. This determination was also in conformity with the case of *Corporacion Habanos S.A. v. Guantanamera Cigars Co.*, 102 USPQ2d 1085 (TTAB, 2012). In *Guantanamera*, at 1097, the Board stated, “[b]ecause the mark in issue in this case is a Spanish term, we must consider in connection with the question of materiality, at a minimum, whether Spanish speakers in the United States are a substantial portion of the intended audience (or purchasers) for applicant’s goods, and, if so, whether they would be materially influenced in the decision to purchase applicant’s goods by the geographic meaning of the mark.” Using Spanish speaking purchasers of cigars as the intended audience for applicant’s goods, materiality was found.

Applicant then objected to the intended audience being Spanish speaking cigar purchasers in its Request for Consideration submitted August 12, 2014, by indicating that the relevant portion of cigar purchasers

for applicant's goods was non-Spanish speaking cigar smokers in the United States (Request for Reconsideration, Pg. 6, par. 2). This objection was addressed in Argument 2 on pg. 2 of the Denial of the Request for Reconsideration. Because "HABANO" looks and sounds similar to "HAVANA" and appears to be a derivation of that word and the word "GRAN" appears to be a misspelling of "GRAND," purchasers, who do not speak Spanish, would see "GRAN HABANO" and associate those words with the English language words "grand Havana" or "great Havana". *In re Jonathan Drew Inc.*, 97 USPQ2d 1640 (TTAB, 2011) ("KUBA KUBA" for cigars, tobacco and related products refused registration under Trademark Act § 2(e)(3)). Correspondingly, a substantial portion of the non-Spanish speaking cigar purchasers in the United States would likely be deceived by applicant's mark into believing that the cigars come from Havana, Cuba, when they do not. Whether the relevant purchasers addressed by applicant's mark for the sale of its goods are Spanish speakers or English speakers, the result is the same.

### Summary

In the Final Refusal to register and the Denial of the Request for Reconsideration, the elements necessary to prove that applicant's proposed mark, "GRAN HABANO," for cigars made from Cuban seed tobacco were satisfied. The primary significance of the proposed mark is a known geographic location

that is neither remote nor obscure; the goods for which applicant seeks registration do not originate in the geographic location identified in the mark; purchasers would be likely to make a goods-place association and believe that the cigars made from Cuban seed tobacco originate in the geographic place identified in the mark; and the misrepresentation regarding the geographic origin of the goods would be a material factor in a significant portion of the relevant consumers' decision to buy the goods in question. In addition, applicant's direct evidence of cigar purchaser perceptions and assertion that the relevant purchasers of applicant's goods were not addressed in the refusal to register, showing that materiality has not be proved, have been shown to be unpersuasive. Correspondingly, the refusal to register under Trademark Act § 2(e)(3) has been demonstrated to be on a solid foundation.

#### Conclusion

For the reasons stated above, those contained in the Office actions and the Denial of the Request for Reconsideration, and the evidence of record, the refusal to register applicant's proposed mark under Trademark Act § 2(e)(3) should be affirmed.

Respectfully submitted,

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