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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In re U.S. Trademark Application Applicant: Santa Cruz Tobacco Co., Inc.	Serial No. 77/129,912 Filed: March 13, 2007 Mark: **GRAN HABANO**

VIA EXPRESS MAIL
Office of the General Counsel
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, Virginia 22313-1450

NOTICE OF APPEAL TO UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Applicant, Santa Cruz Tobacco Co., Inc., by its attorneys, hereby appeals, pursuant to 15 U.S.C. § 1071 and Trademark Rule 2.145(a), to the United States Court of Appeals for the Federal Circuit from the final decision dated October 13, 2015 affirming the examiner's decision to refuse the mark. A copy of the decision is attached herewith.

Three (3) copies of this filing are being filed with the Clerk of the Court of Appeals for the Federal Circuit along with the required filing fee.

12-14-2015
U.S. Patent and Trademark Office #72

Respectfully submitted,

GREENBERG TRAURIG, LLP

Steven J. Wadyka, Jr.
2101 L Street, N.W.
Suite 1000
Washington, D.C. 20037
Phone: (202) 331-3105

Counsel for Applicant/Appellant
Santa Cruz Tobacco Co., Inc.

CERTIFICATE OF SERVICE

I hereby certify that on December 14, 2015, a true and correct copy of the foregoing Notice of Appeal to United States Court of Appeals for the Federal Circuit was served via First Class U.S. Mail, postage prepaid, to the TTAB:

Trademark Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1451 Alexandria, VA 22313-1451

Date: December 14, 2015

Steven J. Wadyka, Jr.

GREENBERG TRAURIG LLP
OCT 16 2015
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This Opinion is not a Precedent of the TTAB

Hearing Date: September 30, 2015 Mailed: October 13, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In Santa Cruz Tobacco Co., Inc.

Serial No. 77129912

Steven J. Wadyka Jr. of Greenberg Traurig LLP,
for Santa Cruz Tobacco Co., Inc.

David C. Reihner, Trademark Examining Attorney, Law Office 111,
Robert L. Lorenzo, Managing Attorney.

Before Bucher, Zervas, and Ritchie,
Administrative Trademark Judges.

Opinion by Ritchie, Administrative Trademark Judge:

On March 13, 2007, Santa Cruz Tobacco Co., Inc. ("Applicant") filed an application to register on the Principal Register the mark **GRAN HABANO** in standard character format for goods identified as "cigars made from Cuban seed tobacco," in International Class 34.[1] The application disclaims the exclusive right to

[1] Application Serial No. 77129912, filed under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), alleging July 28, 1997 as the date of first use anywhere and in commerce.

use the term "Habano" apart from the mark as shown,[2] and contains a translation statement as follows: "The foreign wording in the mark translates into English as The Great Havanan."

The Trademark Examining Attorney refused registration under Section 2(e)(3) of the Trademark Act of 1946, 15 U.S.C. § 1052(e)(3), on the ground that Applicant's proposed mark is primarily geographically deceptively misdescriptive.[3]

When the refusal was made final, Applicant appealed and requested reconsideration. After the Trademark Examining Attorney denied the Request for Reconsideration, the appeal was resumed. The appeal is now fully briefed. The Board conducted an oral hearing on September 30, 2015.

Primarily Geographically Deceptively Misdescriptive

The elements of a Section 2(e)(3) geographically deceptively misdescriptive claim are as follows:

> (1) the primary significance of the mark is a generally known geographic location;
>
> (2) the goods or services do not originate in the place identified in the mark;

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[2] With its November 19, 2007 Response to Office Action, Applicant made a claim of Section 2(f) acquired distinctiveness in the alternative, but did not pursue this in subsequent filings with the Office. We therefore deem the claim to be waived. In any event, Applicant's dates of first use and first use in commerce are July 28, 1997. We note that a Section 2(e)(3) refusal may not be overcome with a Section 2(f) claim unless dates of first use are prior to December 8, 1993, the date of the NAFTA Implementation Act. *See In re Boyd Gaming Corp.*, 57 USPQ2d 1944, 1947 (TTAB 2000).

[3] Registration was also refused on other grounds, including Section 2(a) of the Trademark Act, which were subsequently withdrawn. The case was suspended several times during prosecution.

(3) purchasers would be likely to believe the goods or services originate in the geographic place identified in the mark; and

(4) the misrepresentation would be a material factor in a substantial portion of the relevant consumers' decision to buy the goods or use the services.

In re Spirits International, N.V., 563 F.3d 1347, 90 USPQ2d 1489, 1490-95 (Fed. Cir. 2009); *In re California Innovations, Inc.,* 329 F.3d 1334, 66 USPQ2d 1853, 1858 (Fed. Cir. 2003).

Primary Significance

With regard to the first prong, Applicant's translation statement for GRAN HABANO is "The Great Havanan." The Examining Attorney submitted entries from *The Columbia Gazetteer of North America (2005)* and *The Britannica Encyclopedia Online,* as well as *Wikipedia,* and a dictionary definition from *encarta.msn.com* that Havana is the largest city and a major port in the West Indies, and the political, economic, and cultural center of Cuba. *See also Corporacion Habanos S.A. v. Anncas Inc.,* 88 USPQ2d 1785, 1791 (TTAB 2008) (finding HAVANA CLUB primarily geographically deceptively misdescriptive for "cigars made from Cuban seed tobacco"). While not disputing this, Applicant argues two points. First, Applicant argues that its consumers will not translate the mark into English. Second, Applicant argues that the term "habano" has another, non-geographic meaning.

Regarding the first assertion, Applicant submitted a declaration from owner/manager George Rico, stating as follows, "Cigars are not only for Spanish speaking customers. Most of the customers in the United States are not originally

Latin or native Spanish speakers. The same is true of those customers who have purchased GRAN HABANO cigars." August 12, 2014 Response to Office Action, p.12. Applicant further submitted declarations from eleven customers, stating that they are not native Spanish speakers (a twelfth, David P. Diaz, did not so state[4]). Applicant also included declarations from thirteen cigar retailers and distributors, who attested that their customers are typically not originally Latin or native Spanish speakers. August 12, 2014 Response to Office Action, pp. 16-108. We note that speakers of Spanish in the United States are not limited to native speakers of Spanish; there are also others who have learned Spanish as a second language. *See Corporacion Habanos S.A. v. Guantanamera Cigars Co.*, 102 USPQ2d 1085 (TTAB 2012) (finding materiality element met, and GUANTANAMERA primarily geographically deceptively misdescriptive for cigars):

> The record includes data from the 2007 U.S. Census showing that almost 35 million people in the United States over age five (12.3% of the population of the United States) speak Spanish at home[5] . . . Tens of millions more people in the United States have received Spanish language instruction in school. See, e.g., federally-funded studies in 1997, 2000 and 2008, showing over five million public school students studying Spanish in 2000 and in 2008, and 70% of students studying a foreign language were taking Spanish.

Id. at 1097

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[4] Mr. Diaz also attested to having been to Applicant's facility, and appears to have met Applicant's owner, Mr. Rico, although Mr. Rico attested specifically that "The customers I meet at trade shows are not Latin or of Latin descent." August 12, 2014 Response to Office Action, p. 12. There is no evidence in the record establishing that Mr. Rico has met all of his potential customers or how he becomes aware of the ethnicity or descent of those customers he has met.

[5] According to *census.gov*, the numbers for 2012 are comparable and growing, at 13%. The Board may take judicial notice of census data. *In re Tokutake Indus. Co.*, 87 USPQ2d 1697, 1700 n.1 (TTAB 2008).

We note further that there is nothing in Applicant's identification of goods that limits the universe of consumers to those who do not speak Spanish. Rather, in view of the foregoing, and because Applicant's goods are directed to the general adult population, and that the Spanish speaking population in the United States is large, we may infer that Spanish-speaking adults purchase cigars generally, and Applicant's cigars in particular. *Id.* Indeed, the percentage of Hispanics in the United States who smoke cigars is comparable to the percentage of those in the overall population who smoke cigars (1.1% compared to 2.1%).[6]

There is no evidence in the record which militates against our conclusion that the large number of Spanish-speaking adults, many whom of course would have ties or contacts to areas in which cigars are produced, would be likely purchasers of cigars. We noted in *Corporacion Habanos S.A. v. Guantanamera Cigars Co.,* 102 USPQ2d at 1097, that applicant in that case had undertaken advertising and marketing in Spanish via its website, among other things. Applicant here distinguishes this case, with a declaration stating, "Applicant's advertising and marketing has always been in English." Rico Decl., August 12, 2014 Response to Office Action p12. This, however, does not undermine our finding that numerous other consumers of Applicant's goods, are nevertheless likely to speak or understand Spanish. We find that a substantial portion of consumers of Applicant's

[6] In this regard, we take judicial notice of A Report of the Surgeon General 1998: Tobacco Use Among U.S. Racial/Ethnic Minority Groups; *http://www.cdc.gov/tobacco/data_statistics/sgr/1998/complete_report/pdfs/complete_report.pdf See Clemmons v. Bohannon,* 918 F.2d 858 (10th Cir. 1990), *vacated on other grounds,* 956 F.2d 1523 (10th Cir. 1992 *en banc*).

goods, as identified in its application, are likely to stop and translate Applicant's GRAN HABANO mark as "The Great Havanan." *See In re Spirits,* 90 USPQ2d at 1491-92 ; *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondee en 1772,* 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005).

Regarding the second assertion, Applicant argues that the term "habano" has a descriptive, non-geographical meaning in the cigar industry. In particular, Applicant states that "habano" is "a descriptive term that is used in the cigar industry to identify a specific type of wrapper for cigars. It can be grown in several countries, though a popular choice is Nicaragua." Rico Decl., August 12, 2014 Response to Office Action, p.13-14. While the term may have other meanings, we find that the primary significance of the mark is, as stated above, of a geographic location, and the first element of the test is satisfied.

Origin

As noted, Applicant's identification of goods is "cigars made from Cuban seed tobacco." The Board has stated in this regard:

> We find that there is an insufficient connection between Cuban seed tobacco, which is descended from tobacco seeds taken from Cuba many decades ago, and Havana to support a finding that cigars made from Cuban seed tobacco come from or originate in Havana. This is particularly the case because the record in this case shows that cigars from Cuban seed tobacco share few, if any, qualities or characteristics of genuine or 100% Cuban cigars.

Corporacion Habanos S.A. v. Anncas Inc., 88 USPQ2d at 1793.

Similarly here, Applicant's owner/partner Wolfan Grateron has attested that "Applicant is a cigar manufacturer located in Miami, Florida with cigar leaf

production and cigar manufacturing facilities located in Honduras, Nicaragua, Colombia and other Central and South American countries." December 14, 2010 Response to Office Action, p.614. He further attested that the GRAN HABANO tobacco is "cultivated, grown and rolled in Applicant's farming operations in Honduras and includes parts, such as the wrapper from Applicant's other farming operations in Nicaragua, Mexico, Costa Rica, Colombia, Panama and elsewhere." *Id.* Finally, Mr. Grateron confirmed that the only link with Cuba is that "Applicant's tobacco seed is descended from the original tobacco seed grown in Cuba prior to the Cuban Revolution in 1962," *id.*, a link we have found to be too tenuous to establish as the "origin" of the goods. The second element of the test is satisfied.

Goods/Place Association

The third element is an inquiry into whether the mark is used in connection with goods that purchasers are likely to believe are connected with the location in question, when in fact they are not. *See In re Compania de Licores Internacionales S.A.*, 102 USPQ2d 1841, 1846-1847 (TTAB 2012) (finding OLD HAVANA primarily geographically deceptively misdescriptive for rum).

The Examining Attorney submitted evidence that Cuba is highly regarded for its premium cigars, which are often manufactured in or near Havana. This is illustrated by the following excerpts from the February 12, 2014 Final Office Action:

> Britannica Academic Edition: Havana: Manufacturing: Despite efforts by the Castro government to spread Cuba's industrial activity to all parts of the island, Havana remains the centre of much of the nation's industry. The traditional sugar industry, upon which the island's economy has been based for three centuries, is centered elsewhere on

the island and controls some three-fourths of the export economy. But light manufacturing facilities, meatpacking plants, and chemical and pharmaceutical operations are concentrated in Havana. Other food-processing industries are also important, along with shipbuilding, vehicle manufacturing, and production of alcoholic beverages (particularly rum), textiles, and tobacco products, particularly the world-famous Havana cigars.
Britannica.com

The World's Largest Cigar Store: Cuban tobacco is acknowledged as among the finest in the world. Cuba's best tobacco-growing area is the Vuelta Abajo, part of the Pinar del Rio region area in western Cuba. In general, Cuban tobacco is strong and full-bodied, with spicy and aromatic flavors. It is also renowned for its suppleness. Most factories of premium hand-rolled cigars are located in or near Havana, Cuba's capital city.
Jrcigars.com

Cuba is the largest of the Greater Antilles and westernmost country in the West Indies and lies strategically at the entrance of the Gulf of Mexico, with the W section only 90 mi/145 km S of Key West, Florida. . . . There are many fine seaports – Havana (the chief import point) . . .
High-quality tobacco is grown, especially in the Vuelta Abajo region of Pinar del Rio province.
The Columbia Gazetteer of North America (2005)

Alumna's photos show how Cuba's world-renowned cigars are crafted: By Sheezan Bakali; It is almost impossible to get hold of a box of world-renowned Cuban cigars in the United States, and few American travelers visit Cuba. But Cornell alumna Helen Kleinberg '48 is one who has been to Cuba and back, and she has captured the making of the much coveted Cuban cigar in photos now on exhibit at the School of Industrial and Labor Relations. . . .
At the factory, Kleinberg documented modern-day workers following the time-old tradition of hand rolling cigars. "I was told that a box of 25 fine Cuban cigars that cost approximately $125 U.S. in Cuba will sell for $650 in New York City.," Kleinberg wrote in her description of the exhibit.
news.cornell.edu; Chronicle Online January 30, 2008

National Cigar Museum: Cuban Life & Boxes: A national Cigar Museum Exhibit: Cuba: The largest island in the Caribbean, located at

the entrance to the Gulf of Mexico. It was on Cuba that Columbus first heard of people smoking, although he had already been presented with dried tobacco leaves, which he did not know how to use, on San Salvador. . . . Cuba is rightly renowned for its cigar tobacco. . . . Vuelta Abajo tobacco is the standard against which all other cigar tobaccos are measured. Tobacco from this and other regions of Cuba provided the original seed from which nearly all modern cigar tobaccos have been developed.
Nationalcigarmuseum.com

How to Spot Fake Cuban Cigars: Everyone knows that Cuban cigars are the most coveted cigars, renown worldwide for their smoothness and rich flavors. Indeed Cuban cigars are so prized that many illegitimate dealers have been known to sell fake Cubans to unsuspecting cigar smokers. How do you tell if what you have is a fake or the real thing?
smokers-express.net

Historical Museum of South Florida: by Tina Bucuvalas:
hand rolled Cuban cigars are world renowned for their excellence. With the U.S. embargo on Cuban products, many small cigar-rolling businesses opened in Miami. Most of those who own or work in these operations learned the trade in Cuba, and some come from families that have made cigars for generations. Techniques and methods remain largely the same, with a few exceptions. Miami cigars are not made exclusively of Cuban tobacco, and some cigar sizes have been altered to satisfy the tastes of an American clientele.
www.hmsf.org/collections-tropical-traditions.htm as that website appeared in 2008.

Wikipedia: Havana: Havana is the capital city, province, major port, and leading commercial centre of Cuba. The city proper has a population of 2.1 million inhabitants, and it spans a total of 728.26 km2 (281.18 sq. mi), making it the largest city by area, the most populous city, and the third largest metropolitan area in the Caribbean region. . . .
Economy: The traditional sugar industry, upon which the island's economy has been based for three centuries, is centered elsewhere on the island and controls some three-fourths of the export economy. But light manufacturing facilities, meatpacking plants, and chemical and pharmaceutical operations are concentrated in Havana. Other food-processing industries are also important, along with shipbuilding, vehicle manufacturing, and production of alcoholic beverages

> (particularly rum), textiles, and tobacco products, particularly the world-famous Habanos cigars.
> *http://en.wikipedia.org/wiki/Havana*

Applicant argues that its consumers are sophisticated, and are aware that its cigars do not originate in Havana or Cuba. The declarations submitted by Applicant's thirteen retailers and distributors indicate that they consider their consumers to be "sophisticated" and to not be influenced by any belief that Applicant's GRAN HABANO cigars originate in Cuba. *See* August 12, 2014 Response to Office Action, pp.17-65. Applicant also submitted the declarations of twelve customers who self-identified as "sophisticated," and who also attested that they are not influenced by any belief that Applicant's GRAN HABANO cigars originate in Cuba. *See* August 12, 2014 Response to Office Action, pp.67-108. Applicant's identification of goods does not limit Applicant's consumers to sophisticated, knowledgeable consumers, however, but rather includes all consumers of "cigars made from Cuban seed tobacco," many or most of whom are likely to be aware of the high regard for Cuban cigars, often associated with Havana. With regard to Applicant's attestations that consumers are aware of the United States embargo on Cuba, and the inability of United States consumers to purchase Cuban cigars, our precedent is clear that such policy measures must not influence our findings. *See In re Compania de Licores Internacionales S.A.,* 102 USPQ2d at 1848; *In re Jonathan Drew, Inc.,* 97 USPQ2d 1640 (TTAB 2011) (finding KUBA KUBA primarily geographically deceptively misdescriptive for cigars, tobacco, and related products).

We find that the Examining Attorney has established a *prima facie* case of a goods/place association, which Applicant has not rebutted. The third element of the test is satisfied.

Materiality

In the fourth and final prong, we ask whether the misrepresentation would be a material factor in a substantial portion of the relevant consumers' decision to buy the goods or use the services. *In re Spirits*, 90 USPQ2d at 1490-95. Our precedent has established that, "indirect evidence is permitted, and materiality may be established by inference." *Corporacion Habanos S.A. v. Guantanamera,* 102 USPQ2d at 1098. Evidence that a place is famous as a source of the goods raises an inference in favor of materiality. *See In re Les Halles de Paris, J.V.*, 334 F.3d 1371, 67 USPQ2d 1539, 1542 (Fed. Cir. 2003). It is clear from the record that United States consumers associate high quality cigars and tobacco with Cuba and Havana.

Applicant argues that the term "habano" is not a material factor in the decision of its customers to purchase GRAN HABANO cigars, as attested to in the declarations of its thirteen retailers and distributors and twelve consumers. *See* August 12, 2014 Response to Office Action, pp. 17-108. The declarations further attest that Applicant's consumers are aware of many brands that evoke the heritage and Cuban history of cigar making, but do not presently originate in Cuba. *Id.* In this regard, Applicant submitted dozens of third-party registrations containing the term "HAVANA" or "CUBA" or variations thereof, for identifications with cigars or cigar-related goods. Similarly, Applicant points to its own prior (now cancelled)

Registration No. 2208629 for GRAN HABANO for "cigars made from Cuban seed tobacco," registered on the Principal Register on December 8, 1998, with a disclaimer of the term "habano." We note that the aforementioned were registered prior to the 2007 decision *Corporacion Habanos S.A. v. Anncas Inc.*, 88 USPQ2d at 1793, and are not relevant to our analysis herein.

Several of the declarants also note that they buy GRAN HABANO cigars because of a "preference for Nicaraguan tobacco," *id.* at 42 (Worley decl.), or for "Dominican, Nicaraguan, American, and Honduran cigars." *Id.*, at 99 (Myers decl.). Applicant's owner attested that "Applicant's customers are not interested in Cuban cigars because Cuban cigars are one dimensional." Rico decl., *Id.* at 12.[7] Overall, we find that Applicant has established that at least some of the cigar-smoking public may indeed prefer cigars that do not originate from Cuba, and that some of the cigar-smoking public is accustomed to being exposed to brands that include terms that evoke Cuban heritage.

We note, however, that as indicated above, Applicant's identification of goods is not limited to the subset of consumers represented by the declarations submitted. In particular, there is strong evidence of record that Havana, Cuba is associated with highly-desirable premium tobacco products including cigars, which, as noted, creates a presumption of materiality for purchasers. *See Corporacion Habanos S.A.*

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[7] It is not clear how he would have this knowledge, or they would have that experience, since all of Applicant's customers and retailers/distributors uniformly attested that it is impossible to obtain Cuban cigars in this country, August 12, 2014 Response to Office Action pp. 17-108.

v. Guantanamera 102 USPQ2d at 1098; *see also In re Compania de Licores Internacionales S.A.,* 102 USPQ2d at 1851. A rebuttal to this evidentiary finding would be objective proof that cigars from Havana have no "particular quality, reputation or other characteristic" supporting this status. The evidence presented by the Examining Attorney has created a presumption which Applicant, despite its voluminous evidence of record, has not rebutted. The fourth element of the test is satisfied.

Conclusion

We find the primary significance of GRAN HABANO to be associated with Havana, the capital of Cuba, a geographical location that is generally known to United States consumers. We find that a substantial number of relevant consumers will stop and translate the mark as "The Great Havanan." Due to the famous and highly-regarded tobacco and cigar industry in Cuba, centered in Havana, consumers will make a goods/place association, which is to say that consumers will mistakenly believe that Applicant's "cigars made from Cuban seed tobacco" originates from Havana, when in fact it does not. Finally, because of the renown of cigars originating in Havana, Cuba, the geographic origin of the cigars would be a material factor for a significant portion of the relevant consumers in their decision to buy the cigars.[8]

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[8] Although it is not necessary to tie our decision to the history of geographical indicators or the responsibilities of the United States under multilateral trade agreements like NAFTA, we note that Applicant cites to Anne Gilson LaLonde, "*You Are Not Going to Believe This! Deception, Misdescription and Materiality in Trademark Law,*" 2012. Given the various twists and turns in this Board's interpretations of § 2(e)(3) since 1993, as outlined so well in

In view of the above, the Examining Attorney has established that GRAN HABANO is primarily geographically deceptively misdescriptive under Section 2(e)(3) of the Trademark Act.

Decision: The Section 2(e)(3) refusal to register Applicant's mark is affirmed.

Ms. Gilson LaLonde's article, we find that our result in the case at bar is totally consonant with the spirit of the NAFTA Implementation Act. By international treaties and domestic statutes, the U.S. has agreed it cannot register a mark containing a geographical indicator if it would mislead the public as to the geographical origin of goods sold under that mark. Accepting Applicant's arguments, any manufacturer or merchant could skirt this statutory bar by having a carefully selected subset of its retailers distributors, and customers submit form declarations saying that despite the widespread fame of a geographical area, "we personally are not actually misled because we know better." Acceding to that result would amount to poor jurisprudence on the part of this tribunal, to say nothing of the resulting difficulties created in the relationships with our nation's trading partners.