

BULKY DOCUMENTS

(exceeds 300 pages)

Proceeding/Serial No: 91165519

Filed: 8-7-07

Title: Daposer's Corporation Habanos

S.A. Motion for Summary

Part 4 **of** 4

UNITED STATES PATENT AND TRADEMARK OFFICE

SERIAL NO. 76/168197 Don Rivera, Inc.		APPLICANT		PAPER NO.	
MARK HABANOS REV AND DESIGN			ADDRESS: Commissioner for Trademarks 2900 Crystal Drive Arlington, VA 22202-3513 www.uspto.gov		
ADDRESS MARK PERLMAN MARK PERLMAN PA 1820 EAST HALLANDALE BEACH BLVD HALLANDALE BEACH FL 33009		ACTION NO. 01	MAILING DATE 04/17/01	If no fees are enclosed, the address should include the words "Box Responses - No Fee."	
FORM PTO-1525 (5-00)		U.S. DEPT. OF COMM. PAT. & TM OFFICE		Please provide in all correspondence: <ol style="list-style-type: none"> 1. Filing Date, serial number, mark and Applicant's name. 2. Mailing date of this Office action. 3. Examining Attorney's name and Law Office number. 4. Your telephone number and ZIP code. 	

A PROPER RESPONSE TO THIS OFFICE ACTION MUST BE RECEIVED WITHIN 6 MONTHS FROM THE DATE OF THIS ACTION IN ORDER TO AVOID ABANDONMENT.
 For your convenience and to ensure proper handling of your response, a label has been enclosed. Please attach it to the upper right corner of your response. If the label is not enclosed, print or type the Trademark Law Office No., Serial No., and Mark in the upper right corner of your response.

RE: Serial Number: 76/168197

The examining attorney refuses registration on the Principal Register because the mark is primarily geographically deceptively misdescriptive. Trademark Act Section 2(e)(3), 15 U.S.C. Section 1052(e)(3); TMEP section 1210.06. "Habano" is defined as "of / from Havana". Collins Spanish Dictionary, 508 (6th ed, 2000)(copy enclosed).

The primary significance of the term "Habanos" is geographic. The applicant's goods do not come from this place. The mark is geographically deceptively misdescriptive because the public would believe that the goods do come from Havana, Cuba. *In re Loew's Theatres, Inc.*, 769 F.2d 764, 226 USPQ 865 (Fed. Cir. 1985) and *In re Bacardi & Co. Ltd.*, 48 USPQ2d 1031(TTAB, 1997).

The examining attorney refuses registration because the mark consists of or comprises deceptive matter in that purchasers would mistakenly believe that the goods originate in Havana, Cuba, when they do not and base the purchase of the goods upon that mistaken belief. Trademark Act Section 2(a), 15 U.S.C. Section 1052(a). See *In re Budge Mfg. Co.*, 857 F.2d 773, 8 USPQ2d 1259 (Fed. Cir. 1988); *In re Perry Mfg. Co.*, 12 USPQ2d 1751 (TTAB 1989); *In re Shapely, Inc.*, 231 USPQ 72 (TTAB 1986); TMEP section 1203.02.

The primary significance of the term "Habanos" is geographic. The public is likely to believe that the goods come from this place. Furthermore, this belief would materially influence consumers to

purchase the goods. *In re House of Windsor, Inc.*, 221 USPQ 53 (TTAB 1983), *recon. denied*, 223 USPQ 191 (TTAB 1984). See TMEP sections 1210.04 and 1210.07.

Although the examining attorney has refused registration, the applicant may respond to the refusal to register by submitting evidence and arguments in support of registration.

The applicant must submit a concise description of the mark. 37 C.F.R. Section 2.37; TMEP section 808 et seq. The statement may be in the following form:

The mark consists of the wording "Habanos Rey" and design of a crown, and the design of the islands of Cuba and Hispaniola all in an oval.

The applicant must indicate whether "Rey" has any significance in the relevant trade, any geographical significance or any meaning in a foreign language. 37 C.F.R. Section 2.61(b).

The examining attorney has searched the Office records and has found no similar registered or pending mark which would bar registration under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d). TMEP section 1105.01.



David C. Reihner, Examining Attorney
Law Office 107,
Telephone 703-308-9107 ext. 169



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October 2, 2001

TRADEMARK LAW OFFICE 107
Serial Number: 76/168197
Mark: HABANOS REY & DESIGN

Please Place on Upper Right Corner
*of Response to Office Action ONLY**

David C. Reihner, Esquire
Trademark Examining Attorney
Law Office 107
2900 Crystal Drive
Arlington, VA 22202-3513

Re: Trademark Registration of "Habanos Rey" and design
SERIAL NUMBER: 76/168197

Dear Mr. Reihner:

Please consider this my formal response to your April 17, 2001 letter requesting further information pertaining to the above referenced pending Trademark application. A copy of your letter is annexed hereto as Exhibit 'A'.

Your April 17, 2001 letter states that registration of the above referenced mark on the Principal Register has been refused because the mark is primarily geographically decriptively misdescriptive. More particularly, your letter states that the public would mistakenly believe that the applicant's goods come from Havana, Cuba when, in fact, they do not.

However, the argument contained in your April 17, 2001 is incorrect. The applicant's goods, namely cigars are made from cuban seed tobacco (seeds originating from Cuba). The remaining goods: cigar, cutters, matches, tobacco lighters not for land vehicles and not of previous metal and ashtrays not of previous metal are items associated with the cuban seed cigars.

Because the applicant's goods are made from or are associated with cuban seed tobacco, the mark is not geographically descriptively misdescriptive and the public would not be mistaken in believing that the applicant's goods come (at least in part) from Havana, Cuba.

As a result of the foregoing, the applicant requests that the trademark examiner reconsider the applicant's request for registration of the mark and permit said mark to be registered on the principal register.

In the event that the trademark examiner determines that only the cigars may properly be registered, the applicant requests that the listing of goods be amended as follows:

Handwritten: ["cigars made from Cuban seed tobacco"]

Further, the applicant requests that the following disclaimer be made a part of the application:

"NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE 'HABANOS' APART FROM THE MARK AS SHOWN"

Next, your April 17, 2001 letter requests that the applicant submit a concise description of the mark. The description should read as follows:

"The mark consists of the wording 'Habanos Rey' and design of a crown, and the design of the islands of Cuba and Hispaniola all in one oval"

Finally, your letter requests whether the word 'Rey' has any significance in the relevant trade, any geographical significance or any meaning in a foreign language. The word 'Rey' as translated in the Spanish language means 'king'. It has no significance in the relevant trade nor does it have any geographical significance.

Should you require additional information feel free to contact the undersigned at your convenience.

Sincerely,

STEPHANE DUPONT, ESQ.
Attorney for Applicant, Don Rivera, Inc.
MP/srd

Enclosure

Handwritten note: The whole disclaimer was cancelled by Amendment so there is no longer a problem.

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

BAC

Cancellation No. 22,881

Jose Ma. Arechabala
Rodrigo

v.

Havana Rum and Liquors,
S.A., dba H.R.L., S.A.,
and Havana Club Holding,
S.A., dba HCH, S.A.,
joined as party defendant

OCT 19 1995

PAT. & T.M. OFFICE

Before Rice, Simms and Hanak, Administrative Trademark
Judges.

By the Board:

Jose Ma. Arechabala Rodrigo, an individual residing in
Madrid, Spain, on May 9, 1994, has petitioned to cancel
Registration No. 1,031,651¹ for "rum" for the mark shown
below:



¹Issued January 27, 1976, based on Section 44(e) of the
Trademark Act (ownership of Cuban Reg. No. 110,353 dated
February 12, 1974.) Registrant disclaimed "Havana" and "Fundada
en 1878" apart from the mark as shown. The drawing is lined for
the color gold. Registrant filed two Section 8 affidavits of
use, on January 13 and 25, 1982. The first affidavit, which
refers to the mark as "still in use...", and refers to an
"attached specimen" (which is not currently in the registration
file), was accepted by this Office and it remains in the
registration file. The second affidavit of use was returned to
registrant's attorney with a letter dated June 9, 1982,
explaining that only one Section 8 affidavit is necessary.

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The involved registration issued to Empresa Cubana Exportadora de Alimentos y Productos Varios, dba Cubaexport (a Cuban company, hereinafter Cubaexport or original registrant). On January 10, 1994 Cubaexport assigned the mark to Havana Rum and Liquors, S.A, dba H.R.L., S.A. (a Cuban company, hereinafter HRL); and on June 22, 1994, HRL assigned the mark to Havana Club Holding, S.A., dba HCH, S.A. (a Luxembourg company, hereinafter Havana Holding). The Board instituted the petition to cancel in the name of HRL as respondent. Havana Holding was subsequently joined as a party defendant by Board order dated April 26, 1995.

As grounds for its petition to cancel petitioner alleges that he has a bona fide intent-to-use the mark HAVANA CLUB for distilled liquors in the United States, and he has filed an intent-to-use application (Serial No. 74/522,925); that respondents' mark includes the words HAVANA CLUB which are identical to the words applicant seeks to register, and rum is a distilled liquor; that petitioner anticipates that his application will be refused registration based on Reg. No. 1,031,651²; and that the owner of Registration No. 1,031,651 "has long abandoned the registered mark in the United States".

In its answer, respondents admitted that "petitioner's application for registration of the trademark HAVANA CLUB should be rejected", and respondents otherwise denied the

²Petitioner's application Serial No. 74/522,925 (filed May 2, 1994) is currently in suspended status in Law Office 107.

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salient allegations of the petition to cancel. Respondents raised the affirmative defenses of petitioner's lack of standing because the term "Havana" is of primary geographic significance and petitioner's mark is not registrable as it is geographically misdescriptive and deceptive because he is not in Cuba, and his goods would not originate in Cuba; that petitioner has no standing because respondents' HAVANA CLUB rum--because of use in foreign countries, including Spain (where petitioner resides)--is famous in the United States, and therefore, if petitioner commenced use of his mark for his goods it would be confusingly similar to respondents' famous mark; that respondents' non-use of their mark is excusable due to the legal impossibility of exporting respondents' goods to the United States; and that all owners of the involved registration have at all times intended to use the mark on the goods in the United States as soon as it is legally possible to do so.

This case now comes up on respondents' motion for summary judgment on the issue of petitioner's lack of standing, and on the issue that respondents have not abandoned their mark; and on petitioner's cross-motion for summary judgment on the same two issues.

Generally, summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). The purpose of summary judgment is to avoid an unnecessary

trial where additional evidence would not reasonably be expected to change the outcome. See *Pure Gold, Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624, 222 USPQ 741 (Fed. Cir. 1984). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). The evidence must be viewed in a light favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1993); *Lloyd's Food products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); and *Old Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

In certain cases, however, even though disputes remain with respect to certain material facts, summary judgment may be granted, so long as all factual disputes are resolved in favor of the losing party and inferences drawn from the undisputed facts are viewed in the light most favorable to the losing party. See *Larry Harmon Pictures Corp. v. The William's Restaurant Corp.*, 929 F.2d 662, 18 USPQ2d 1292, 1293 (Fed. Cir. 1991); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986) ("The evidence of the non-movant is to be believed, and all justifiable inferences are to be drawn in his favor."); and *Bishop v. Wood*, 426 U.S. 341, footnote 11 (1976) ("In granting summary judgment for respondents,

the District Court was required to resolve all genuine disputes as to material facts in favor of petitioner.")

Based on the evidence submitted by the parties, we find (i) that there is no genuine issue of material fact on the question of petitioner's standing and petitioner is entitled to summary judgment on that issue; and (ii) that there is no genuine issue of material fact as to the question of abandonment and respondents are entitled to judgment as a matter of law on that issue.

Turning first to the question of petitioner's standing, respondents argue that petitioner has no standing to bring this petition to cancel as a matter of law because (i) petitioner cannot register his mark, HAVANA CLUB (for distilled liquors), as it is geographically misdescriptive and deceptive if applied to goods not originating from Cuba, and it cannot originate from Cuba as petitioner cannot import distilled liquors from Cuba to the United States due to the Trading With The Enemy Act [50 USC App. 5(b)] and the Cuban Assets Control Regulations (31 CFR §515); and (ii) petitioner cannot register his mark in the United States since respondents' mark, HAVANA CLUB for rum, has achieved sufficient public recognition in the United States, based on respondents' use outside the United States, to establish that respondents have superior rights in the mark within the United States, despite the unavailability of respondents' goods in the United States.

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On the question of standing petitioner contends, inter alia, that his mark is not geographically misdescriptive and that respondents' goods are being offered for production in countries other than Cuba; that he has a pending intent-to-use application which was refused registration under Section 2(d) of the Trademark Act based on respondents' registration; that his grandfather began the business of manufacturing and selling rum under the mark HAVANA CLUB in Cuba in the early 1900s (but the company was expropriated in 1960); that petitioner has an interest beyond that of the general public (i.e., he is not a mere intermeddler); that there is no requirement under the law that a plaintiff have any pending application, or that a plaintiff prove entitlement to a registration in order to have standing; and that standing requirements have been liberally construed.

As evidence petitioner submitted his declaration in which he avers that his grandfather started a business manufacturing and selling rum under the mark HAVANA CLUB in Cuba in the early 1900s; that from approximately 1934 to 1960 his family's business (Jose Arechabala, S.A.) exported HAVANA CLUB rum to the United States; that in 1960 the family business was expropriated by the Cuban government, forcing the cessation of the business and expelling family members from Cuba; and that had it not been for the expropriation of the business by the Cuban government, the family business would have continued exporting HAVANA CLUB rum to the United States.

In order to establish that there is no genuine issue of material fact as to standing, a plaintiff must prove that he is not a mere intermeddler, i.e., that he has a personal interest in the outcome of the case beyond that of the general public. See *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987); and *Lipton Industries Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). One method by which a plaintiff may establish standing is to prove that it filed an application and that a rejection was made based on defendant's registration. Of course, a party does not have standing solely because of the allegations in its pleading. Rather, these allegations must be proven. See the Lipton case, *supra*, at page 189.

In this case petitioner alleged ownership of an intent-to-use application, and that he believed his application would be refused registration based on Registration No. 1,031,651. (Respondents admitted in their answer that petitioner's application should be rejected.) Petitioner stated within the arguments in his brief in support of his cross-motion for summary judgment that his application was specifically refused registration in an Office Action dated October 5, 1994. Respondents submitted a photocopy of the October 5, 1994 Office Action refusing registration to .

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petitioner's application Serial No. 74/522,925, based on, inter alia, respondents' Registration No.1,031,651.³

There is no genuine issue of material fact regarding the existence of petitioner's standing.

Respondents' argument that petitioner cannot be damaged because he cannot register his mark in the United States is not persuasive. There is no requirement that actual damage be pleaded and proved (at trial or on summary judgment) in order to establish standing or to prevail in an opposition or cancellation proceeding. See TBMP §303.03. Respondents' argument is speculative as to the possibilities of ultimate refusals to register in petitioner's pending application.

Further, respondents' reliance on the case of Coup v. Vornado Inc., 9 USPQ2d 1824 (TTAB 1988) is misplaced because that case involved the plaintiff's failure to show that it had acquired any rights in the mark VORNADO for reconditioned fans which were manufactured by another party, and plaintiff had not used the mark as a trademark for fans. That is a situation unrelated to the case at hand.

Accordingly, respondents' motion for summary judgment on the issue of petitioner's standing is denied, and petitioner's cross-motion for summary judgment on the issue of standing is granted.

Turning now to the issue of abandonment of the involved registration, respondents contend that they are entitled to

³See the declaration of Caroline Rule, respondents' attorney, submitted on June 15, 1995--paragraph 5, and exhibit C thereto.

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summary judgment arguing that they have not used the mark in the United States only because U. S. law prohibits respondents' use of the mark in the United States; that the Cuban Assets Control Regulations (31 CFR Part 515) forbid (i) importation of goods from Cuba or of Cuban origin into the United States, and (ii) any trademark in which a Cuban entity has, at any time since July 8, 1963 had any interest, to be used in the United States; that because use is prohibited by law, respondents' nonuse is excusable nonuse as a matter of law; and that all of the three successive owners of the involved registration have always intended to use the mark in commerce with the United States as soon as it is allowed by law, and they have never intended to abandon the mark.

Petitioner argues that respondents admit that there has been no use of their mark in the United States for 19 years; that petitioner has established a prima facie case of abandonment under Section 45 of the Trademark Act, and the burden shifts to respondents to show that they have not abandoned the mark under the law; that respondents' showing of an intent not to abandon the mark is not the proper legal test, but rather, respondents must show an intent to resume use continually from 1976 to the present; that respondents intend to "warehouse" the mark HAVANA CLUB for rum and have done so for 19 years; that the Cuban Assets Control Regulations are "permanent", whereas stoppages of use for war, prohibition, etc. have been temporary in nature; that

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respondents have not produced concrete "marketing plans, advertising programs, shipment plans and distribution plans" for the 1970s, 1980s, or the 1990s; that respondents have not done all that is commercially reasonable to undertake use in the United States because one of Cubaexport's (the original registrant) officers became a member of the Cuban Ministry of Finance from 1980 to 1988 and, with Cuban officials seeking foreign investors to produce rum, it would have been "commercially reasonable for Cubaexport to meet conditions necessary to have the Trade Regulations lifted"; that Cubaexport's assignment of the mark to HRL evidenced its intent to divest itself of the mark (as a potential or inchoate property right); that HRL's subsequent assignment of the mark only five months later negates any realistic intent of HRL to use the mark in the United States; that HRL assigned the mark to Havana Holding, a Luxembourg company⁴, which could then trade with the United States, except that Havana Holding immediately licensed the mark with a world-wide exclusive license to Havana Club International, S.A. (a Cuban company), thus again negating the right to trade with the United States; that Havana Holding does not control the

⁴In its papers petitioner requested that the Board take judicial notice of two separate matters: (i) that the registration is owned today by a Luxembourg company when "earlier it was, in essence and reality, owned by the Cuban Government under its communistic form of government and economy", and (ii) that "with respect to Cuba, the American public recognizes Havana as the city and capital of Cuba rather than the name of a province". Petitioner's requests that we take judicial notice of those facts are denied because such matters are not appropriate for judicial notice. See TBMP §712.

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involved in the HAVANA CLUB rum business; that continuous and systematic quality control has been in place since Cubaexport began to make the product, including use of CubaControl, S.A., which enforces specifications for the production of HAVANA CLUB rum; that the licensing agreement with Havana International, S.A. obligates the licensee to "maintain the same quality for which the mark has stood"; that members of the Cuban Ministry of Foreign Trade as well as executives of Cubaexport held discussions with representatives of U. S. companies interested in marketing HAVANA CLUB rum in the United States (including PepsiCo Wines and Spirits International); and that petitioner has not proven abandonment, and respondents have proven that their nonuse is excusable nonuse as a matter of law because it is legally impossible for them to use their mark in the United States, and the presumption of abandonment cannot arise.

Respondents submitted the declarations of, inter alia, Miguel Antonio Pria Grosó, an officer of Cubaexport from 1972 to 1980 (two declarations); Vidal Manuel Prieto Espina, managing director of HRL; Luis Francisco Perdomo Hernandez,

The licensing agreement between Havana Club Holding, S.A. (licensor) and Havana Club International, S.A. (licensee) specially includes the following wording: (i) "...whose quality corresponds to the specifications of exportable rum, particularly to that of the rum marketed under the 'Trade name' (HAVANA CLUB)", that the licensee agrees to "organize the manufacturing of the 'Products' in accordance with the specifications of the 'Trade name'", the licensee must "keep independent and detailed accounts of the operations completed in relation to the 'Products'", and the licensor has the right to inspect during normal business hours with 48 hours prior notice.

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vice chairman of the board of Havana Holding (two declarations); Maria Del Carmen Abarrategui Goicolea, commercial director of Havana International, S.A. (two declarations); Marta E. Sosa Brizuela, legal advisor to HRL; Philip J. Brenner, professor at the School for International Service of the American University, specializing in the study of United States-Cuban relations; and Sandra Levinson, executive director of the Center for Cuban Studies, Inc., a not-for-profit educational organization in New York; and the affidavit of Sergio Campagnola, executive vice president and general sales manager of the motion picture division of Paramount Pictures Corporation.

Abandonment of a mark is defined in Section 45(1) of the Trademark Act as "when its use has been discontinued with intent not to resume such use". The statute also states that "nonuse for two consecutive years shall be prima facie evidence of abandonment". Once nonuse for two consecutive years has been shown, then the owner of the mark has the burden to demonstrate that circumstances do not justify the inference of intent not to resume use. See *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); and *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). The presumption of

⁷Section 45(1) of the Trademark Act has been amended by P.L. 103-465, which increases from two to three years the period of time of nonuse that constitutes prima facie evidence of abandonment. This provision is effective January 1, 1996.

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abandonment is readily rebutted by a showing that nonuse is due to special circumstances which excuse nonuse and is not due to any intention to abandon the mark. See Jerome Gilson, Vol. 1, Trademark Protection and Practice, §3.06[3] (1995).

The Court of Customs and Patent Appeals (the predecessor court to the Court of Appeals for the Federal Circuit) stated in the case of *American Lava Corporation v. Multronics, Inc.*, 461 F.2d 836, 174 USPQ 107 (1972) that "Proof that a mark has not been used for two or more consecutive years makes out a prima facie case that it has been abandoned, ... but the inference of abandonment is readily rebutted by a showing similar to that permitted" under Section 9(a) of excusable nonuse. The court also recognized that the Trademark Act of 1946 "evidences a more lenient attitude toward nonuse than the 1905 Act".

The Cuban Assets Control Regulations (31 CFR Part 515) prohibit, inter alia, (i) the importation into the United States of merchandise from Cuba or merchandise of Cuban origin, and (ii) the use in U.S. commerce of any trademark in which Cuba or a Cuban national has, at any time since July 8, 1963, had any interest, direct or indirect. See 31 CFR §515.201 and §515.204, and 31 CFR §515.201 and §515.311, respectively.⁸

⁸These regulations were promulgated pursuant to The Trading With The Enemy Act, 50 U.S.C. App. §5(b).

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These same regulations allow for, inter alia, filing in the United States applications for trademark registrations, prosecuting said applications, receiving registration certificates and renewal certificates, and recording any instrument affecting title to trademark registrations. See 31 CFR §515.527.

The Trademark Act allows for the registration of marks under Section 44(e) based on a mark registered in the country of origin of the foreign applicant. All registrations must have a Section 8 affidavit of use or excusable nonuse filed between the fifth and sixth years, and all registrations must be renewed at the appropriate time under Section 9 of the Trademark Act in order to remain valid and subsisting. Both the Section 8 and the Section 9 affidavits must state that the registered mark is in use in commerce, or if the mark is not in use in commerce the affidavit (of either type) must show that the nonuse is due to special circumstances which excuse the nonuse, and that it is not due to any intention to abandon the mark for the involved goods or services. See Sections 8(a) and 9(a) of the Trademark Act, and Trademark Rules 2.162(f) and 2.183(c).

It is clear under the judicial interpretation of the law that abandonment does not occur under the Trademark Act where there is a temporary forced withdrawal from the market due to causes such as war, import problems, or some other involuntary action. See J. Thomas McCarthy, Vol. 2,

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McCarthy on Trademarks and Unfair Competition, §17.04 (3rd ed. 1994). That is, when a party has not used a mark in the United States because such use is prohibited by U.S. law, that party has not abandoned the mark within the meaning of Section 45 of the Trademark Act. See *Chandon Champagne Corporation v. San Marino Wine Corporation*, 335 F.2d 531, 142 USPQ 239 (2nd Cir. 1964) ("plaintiff's forced wartime (World War II) withdrawal from the American market was not an abandonment of the mark"); *F. Palicio Y Compania, S.A., et al. v. Brush, et al.*, 256 F. Supp. 481, 150 USPQ 607, at 616 (SDNY 1966) ("there has been no claim that the former owners have abandoned the trademarks. Nor could such claim prevail."), *aff'd* at 154 USPQ 75 (2nd Cir. 1967), *cert. denied* 389 U.S. 830 (1967); *Haviland & Co., Incorporated v. Johann Haviland China Corporation*, 269 F. Supp. 928, 154 USPQ 287, at 306 (SDNY 1967); *Cuban Cigar Brands N.V. v. Upmann International Inc.*, 457 F.Supp. 1090, 199 USPQ 193, at 202 (SDNY 1978) ("the fact that plaintiff was intervened by the Cuban government and thus prevented from exporting (its goods) to this country until recently (cigars made of non-Cuban tobacco shipped from the Canary Islands) does not constitute an abandonment of the mark."); and *Menendez et al. v. Faber, Coe & Gregg, Inc., et al.*, 345 F. Supp. 527, 174 USPQ 80, at 87 (SDNY 1972) ("trademark rights are not destroyed by temporary suspension of the business to which they are appurtenant due to causes beyond the control of their owner.."), modified in *Menendez et al. v. Saks and*

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Company et al., 485 F.2d 1355, 179 USPQ 513 (2nd Cir. 1973).
See also, Carl Zeiss Stiftung dba Carl Zeiss, et al. v.
V.E.B. Carl Zeiss, Jena, et al., 293 F. Supp. 892, 160 USPQ
97 (SENY 1968), modified 433 F.2d 686, 167 USPQ 641 (2nd
Cir. 1970).

In the case before us respondents' use of their mark
has been prohibited in the United States throughout the life
of the registration, i.e., since 1976 (and before), and
petitioner characterizes the Cuban Assets Control
Regulations as "permanent".⁹ We cannot agree that this
situation is permanent. It is true that the regulations have
remained in effect for many years, but in 1977 Congress
adopted Public Law 95-223, §101(b), 91 Stat. 1626 (reprinted
in 50 USCA App. §5, Note) which provided that the embargo of
Cuba "shall terminate" in 1978, and also provided that the
President may extend the embargo for one-year periods when
it is in the national interest. Thus, the embargo expires
each year (in September) unless the President extends it for
another year. Further, the President is empowered to lift
the embargo at any time or to modify same. In fact, over

⁹Petitioner cited the case of *Silverman v. CBS, Inc.*, 870 F.2d
40, 9 USPQ2d 1779 (2nd Cir. 1989), cert. denied 492 U.S. 907
(1989), for the proposition that a mark is abandoned under the
law once use has been discontinued with an intent not to resume
use within a reasonably foreseeable future, and that respondents
are in such a situation in this case because the Cuban embargo
prohibition is "permanent". The *Silverman* case, supra, can be
distinguished from the facts in the case now before us on the
basis that the defendant in that case voluntarily ceased use of
the mark (AMOS 'n' ANDY), which is a situation totally different
from that of respondents herein, who are prohibited by law from
importing their goods from Cuba into the United States.

Cancellation No. 22881

the years the embargo regulations have been modified by the President over 70 times. See Brenner decl., pages 3-4.

The record clearly shows that for now and for the entire relevant time frame it is and has been legally impossible for respondents to use their mark in the United States. This excuses their nonuse of the mark under the Trademark Act. The record is also clear that respondents use the mark world-wide (exporting their HAVANA CLUB rum to over twenty nations), and they intend to use the mark in the United States as soon as it is legally possible to do so. As a matter of law there has been no abandonment, and there are no genuine issues of material fact regarding the question of abandonment of respondents' mark.

Accordingly, petitioner's motion for summary judgment on the issue of abandonment is denied, and respondents' motion for summary judgment on the issue of abandonment is granted. The petition to cancel is dismissed.


J. E. Rice


R. L. Simms



E. W. Hanak
Administrative Trademark
Judges, Trademark Trial
and Appeal Board

RAD-24

21 FAX 212 674 4614

RABINOVITZ ET.AL

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

AUG 19 1996

FAC Nos. C-152409, C-152468

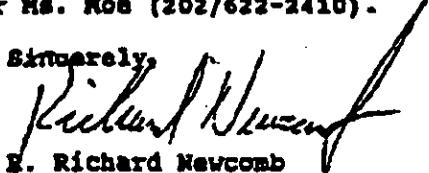
Dear Mr. Krinsky:

This is in response to your letters of July 3 and July 22, 1996, addressed to Serena Moe, Deputy Chief Counsel of the Office of Foreign Assets Control. In your letters you ask two questions concerning the authorization contained in § 515.527 of the Cuban Assets Control Regulations, 31 C.F.R. Part 515 (the "Regulations"). First, you ask whether this section authorizes Cuba to file an opposition to the registration of a new trademark on the grounds that the new trademark interferes with Cuba's right in its registered trademark based on likely consumer confusion. Second, you ask whether Cuba may bring a petition to cancel the prior registration of a trademark related to its efforts to register a trademark.

The authorization contained in § 515.527 and the parallel provisions of § 515.528 are intended to provide reciprocal protection for the intellectual property of Cuba and the United States. Both of the processes you describe in your correspondence concern available legal means to protect trademarks in the United States. For this reason, the authorization contained in § 515.527 may be relied on to file an opposition to the registration of a new trademark or to petition to cancel a prior registration of a trademark where these actions relate to the protection of a trademark in which Cuba or a Cuban national general license has an interest.

If you have any further questions concerning this matter, please call me (202/622-2510) or Ms. Moe (202/622-2410).

Sincerely,


E. Richard Newcomb
Director
Office of Foreign Assets Control

Michael Krinsky, Esq.
Rabinovitz, Boudin, Standard, Krinsky & Lieberman, P.C.
740 Broadway at Astor Place
New York, New York 10003-9518

HAB00583

Declaration of Translation

Debra Evenson declares under penalty of perjury under the laws of the United States that the following is true and correct:

1. I am a lawyer, licensed to practice law in the State of New York, and am of counsel to the law firm Rabinowitz, Boudin, Standard, Krinsky & Lieberman, P.C. I was professor of law at DePaul University School of Law from 1980-1993 where I taught comparative international law. I am fluent in the Spanish language.

2. I translated the following document from its original Spanish into English:

Cuba: SENTENCIA NUMERO 428, 31 de agosto de 1998, Sala Segunda de lo Civil y de lo Administrativo del Tribunal Provincial Popular de la Ciudad de La Habana (KOOL-AID).

I attach hereto a copy of the original document in Spanish and the translation thereof which is a true and correct translation into English.

3. Because of the exigencies of time, I am sending this declaration by fax and will send the original signed declaration by express courier.

Signed this 3rd day of February of 2002


DEBRA EVENSON

ADMT: No. 582-97

JUDGES:

**CARMEN HERNANDEZ PEREZ
JORGE TERRY MENENDEZ
ISMANY CATANEDA LIMA
ELIBYS MACHIRAN CASAMAYOR
EVANGELINA FRANCIA ANDRADE**

DECISION NUMBER: 428

In the City of Havana, on August 31, 1998.

REVIEWED by the Second Chamber of Civil and Administrative Law of the Provincial People's Court of the City of Havana, the Administrative process number five hundred eighty two of nineteen hundred ninety seven, filed by KRAFT FOODS, INC with legal domicile at Kraft Court, Glenview, Illinois, 60025, United States, represented by the attorney Zahyly Ramirez Cabrera against the Cuban Office of Industrial Property represented by the attorney Augusto Perera Esquijerosa.

WHEREAS: In the demand the following facts are established: although it is true that the law in force in the material mandates the obligatory distinctive use, imposing a declaration of nullification of exclusive rights derived from this registration; it is well known from other legislation which governs, and derived from the practical application of this precept, that where "non use" is due to causes of force majeure not imputable to the will of the owner of the trademark registration, this fact should result in sufficient valid legal cause for not declaring the nullification of rights. In such cases, it has been the practice of the Office to accept causes of force majeure in order not to declare the nullity of a registration of a trademark that could not be used during the legal term required for such purposes, provided that such omission is due to circumstances beyond the will of the owner, as established in article 5.C, subsection first of the Paris Convention for the protection of Industrial Property of March 20, 1883, as modified by Estocolmo of July 14, 1967, of which our country is a signatory since 1904, and which is transcribed as follows: "C.-1) If in a country the use of a registered mark is obligatory, the registration shall not be annulled

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ADMTVO No. 582-97

except after an equitable term of time and the interested part does not justify the causes of the inaction." That with the triumph of the Cuban Revolution in 1959, the sales of the product associated with the mark KOOL-AID became unstable; however, its final withdrawal from the Cuban market was irremediably related to the economic embargo imposed by the government of the United States of America against our country and worsened over the years by its most opprobrious manifestations known as the Torricelli Law and the Helms Burton Law; which prohibit and persecute all North American companies and their subsidiaries that trade in products with our country, or simply sell them in Cuba. Therefore, in spite of the fact that my client has never abandoned its interest in the trademark registration KOOL-AID, it can only make use of it in Cuba to the extent permitted by the government of the United States of America; the embargo law prohibiting use with which is has not shown agreement is totally beyond its will and deprives it of the possibility of selling its products in a market in which it had sold commercially under this trademark since 1949, and where the mark was commonly known among the public consumer, associated with a quality which made it particularly preferred by housewives. That the trademark KOOL-AID, from the time it obtained its base registration in the United States of America, has been registered in numerous countries and widely sold, including in our country during its first ten years of validity. Large investments of time and money on the part of the original owner and of its successors, namely GENERAL FOODS CORPORATION; KRAFT, INC. up through its current owner: KRAFT FOODS, INC., resulted in the fact that said mark has acquired the condition of indisputable notoriety among the public consumers of different parts of the world, including the Cuban consumer. It is petitioned that the demand be granted, revoking the contested resolution and proceeding in conformity with the interests set forth in the claim.

WHEREAS: The response to the demand by the Administration denied it, opening the process to proof within the legal term of time, admitting the presentation of documentary and testimonial proofs by the parties as appear in their respective files of proof.

WHEREAS: After instructing the parties and having sought the celebration of the hearing, which took place with the appearance of the lawyers of both parties, the process concluded for decision.

WHEREAS: In this process the legal prescriptions were observed.

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ADMTVO No. 582-97

THE JUDGE LIC. CARMEN HERNANDEZ PEREZ BEING IN CHARGE for the court.-

CONSIDERING: That from the analysis of the administrative files and appreciation of the documentary proof presented taking into account the legal norms which govern its efficacy, it has been proved that: the trademark KOOL-AID impugned by the Resolution declaring its nullity was registered in Cuba by the then Direction of Industrial Property on the tenth of December of 1949, having been renewed the twentieth of August of nineteen hundred sixty-six, the eighth of September of nineteen hundred eighty one and the sixteenth of July of nineteen hundred ninety six, after having been transferred by the merger of the two owning entities to the named KRAFTS FOODS, INC.; that notwithstanding that in its ninth whereas clause the resolution refers to the latter as having violated the legislation in force for not having sold any product, when it is certain that said mark of North American origin, as others that continue to be registered in the Cuban Office of Industrial Property, are affected totally or partially in their sales due to the economic embargo to which Cuba is subjected by the government of the United States of North America, which constitutes a cause of force majeure and without affecting the notoriety of the same as demonstrated in the proceedings; and that it is not valid to raise the failure to answer in the time required since the law does not establish that.

CONSIDERING: That on the basis of that expressed above in conformity with that set forth in articles one hundred thirty nine, subsection seven, one hundred forty one and one hundred fifty four of Decree-Law sixty eight of the fourteenth of May of nineteen hundred eighty three together with article five C, subsection first of the Paris Convention for the protection of Industrial Property of the twentieth of March of nineteen hundred eighty three, of which our country is a signatory, it is decided that the Resolution does not conform to law, for which reason the opposition formulated by the respondent party is rejected, and the demand to revoke the same is declared granted, without imposition of costs.

WE DECIDE: We reject the opposition articulated by the respondent party and we declare GRANTED the demand and we revoke Resolution number one thousand seven hundred fifty three of nineteen hundred ninety six dated twenty ninth of July of nineteen hundred ninety six issued by the Cuban Office of Industrial Property to which the governing files

FROM :

FAX NO. :

Feb. 04 2002 09:52AM P10

are returned in order that, in the term of THIRTY DAYS, it may issue a new resolution which does not grant the request for nullification of the trademark KOOL-AID with registration number 84 141, without costs.

WE SO RULE, ORDER AND SIGN.

CBB

HAB00159

ADMIV. NO. 582-97

JURADOS:
 CARMEN HERNANDEZ PEREZ
 JORGE PEREZ HERNANDEZ
 ISMARY CASTELLANA LIMA
 ELIBES MACHIRAN CASABAYOR
 EVANGELINA FRANCISIA ABRIL

DEMANDA NÚMERO: 477
 en la Ciudad de La Habana, a 21
 de agosto de 1998.-----
 Promovida por la Sala Segunda de
 lo Civil y de lo Administrativo
 del Tribunal Provincial Po-
 pular de Ciudad de La Habana.

el proceso Administrativo número quinientos ochenta y dos de mil
 novecientos noventa y siete, seguido por KRAFT FOODS, INC con do-
 micilio legal en Kraft Court Glenview, Illinois, 60025, Estados-
 Unidos representado por la letrada Rosaly Romáez Cabrera contra
 la Oficina Cubana de la Propiedad Industrial representada por el
 letrado Augusto Perera Esquivel.-----

RESUMEN: Que en la demanda se establecen los siguientes he-
 chos; si bien es cierto que la ley vigente en la materia prescri-
 be la obligatoriedad del uso distintivo; no es de una declara-
 ción de caducidad de los derechos exclusivos derivados de este
 registro; es ampliamente conocido a partir de lo que en otras
 legislaciones se regula, y derivado de la aplicación práctica de
 este precepto; que en caso de que el "no uso" se debiere a cau-
 sas de fuerza mayor no imputables a la voluntad del titular del
 registro mercantil; este supuesto resultaría como suficientemen-
 te válido legalmente para no declarar la caducidad. En tales ca-
 sos, ha resultado práctica de los oficios, el aceptar estos cau-
 sales de fuerza mayor para no declarar la caducidad de un regis-
 tro mercantil que no hubiese sido usado durante el término legal-
 requerido a tal fin; siempre que tal omisión se debiere a cir-
 cunstancias ajenas a la voluntad del titular, así y como lo esta-
 blece el artículo 5.º, apartado primero del Convenio de París pa-
 ra la protección de la Propiedad Industrial de 20 de marzo de
 1883, en su revisión de Estocolmo de 14 de julio de 1967, del
 cual nuestro país es firmante desde 1964, y el cual transcribi-
 mos a continuación: "C. -1) Si en un país hace obligatoria la
 utilización de la marca registrada, el registro no podrá ser anu-

..2

AV IVI. 582-37

lado sino después de un plazo equitativo y si el interesado no justifica las causas de la inacción. que con el triunfo de la Revolución cubana en 1959, las ventas de este producto asociado a la marca KOOL-AID sufrieron una desestabilización; sin embargo su retirada final del mercado cubano viene irremediablemente asociada al bloqueo económico implementado por el gobierno de los Estados Unidos de América contra nuestro país y recrudecido a través de los años con sus manifestaciones más oprobiosas conocidas como Ley Torricelli y Ley Helms Burton; las cuales prohíben y persiguen a toda compañía norteamericana y sus subsidiarias que comercien sus productos con nuestro país, e igualmente los vendan en Cuba. De tal forma, a pesar de que mi cliente nunca ha abandonado su interés en el registro mercantil KOOL-AID, sólo pudo hacer uso de éste en Cuba, en tanto lo fue paralizado por el gobierno de los Estados Unidos de América; actuando así en su contra, una ley de bloqueo totalmente ajena a su voluntad; y con la cual no ha mostrado conformidad; una vez que le ha lastreado la posibilidad de vender sus productos en un mercado que desde 1949 había explotado comercialmente a través de este marca, y donde éste último era comúnmente conocido entre el público consumidor, asociado a una calidad que lo hacían particularmente preferible por las masas de consumidores. que la marca KOOL-AID desde que obtuvo su registro básico en Estados Unidos de América, ha sido registrada en numerosos países y completamente comercializada, incluyendo nuestro país, durante sus diez primeros años de vigencia. Este hecho ha determinado tras larga inversión de tiempo y dinero por parte de su titular original y los que le sucedieron, a saber: KRAFT FOODS CORPORATION; KRAFT, INC; hasta su actual titular: KRAFT FOODS, INC., que dicho distintivo haya adquirido una condición de indiscutible notoriedad entre el público consumidor de diferentes partes del mundo, incluida el consumidor cubano, solicitando finalmente que se declare con lugar la demanda, revocándose la resolución combatida y proceda conforme se interesa en la retención.

RESUMEN: Que contestada la demanda por la Administración la negó, obrándose el proceso a prueba por término legal, practicándose la que fue admitida a las partes documental y testifical que aparecen en sus respectivos cuadernos.

RESULTADO: Que conferida instrucción a las partes y habiéndose solicitado celebración de vista, esta se celebró compareciendo las representaciones letradas de ambas partes, quedó el proceso concluso para sentencia.

RESULTADO: Que en este proceso se observaron las prescripciones legales.

v.3

RESOLUCIÓN N. 504-97

SIENDO PORQUE LA JU. A. MAR. DEMANDA LA REVOCACIÓN DE LA RESOLUCIÓN N. 2 por el turno de...

CONSIDERANDO: que del análisis de los expedientes administrativos y apreciación de la prueba documental practicada teniendo en cuenta las normas legales que rigen su eficacia se ha acreditado que la marca KOOL-AIR que por la resolución que se impugna se declara su caducidad se encuentra registrada en Cuba por la entonces Dirección de la Propiedad Industrial desde el día de diecinueve de 1949, siendo renovada el veinte de agosto de mil novecientos sesenta y seis, ocho de septiembre de mil novecientos ochenta y uno y dieciséis de julio de mil novecientos noventa y seis, después de haberse acordado a la fusión de las dos entidades titulares en la nombreada EMPRESA 1996, lo no obstante en su noveno por ciento refiere la resolución que esta última ha violado la legislación vigente al no haber comercializado producto alguno, cuando lo cierto es que dicha marca de origen norteamericano, como otras que continúan registradas en la Oficina Cubana de la Propiedad Industrial, ven afectadas total o parcialmente su comercialización debido al embargo económico de que es objeto Cuba por parte del gobierno de los Estados Unidos de Norteamérica, lo que constituye una causa de fuerza mayor y sin que ello pueda afectar la notoriedad de la misma, la cual se pide demostrar en el proceso, no siendo válido arguir la no contestación en tiempo del requerimiento pues la Ley no lo establece.-----

CONSIDERANDO: que por lo antes expuesto de conformidad con lo establecido en los artículos ciento treinta y nueve inciso siete, ciento cuarenta y uno y ciento cincuenta y cuatro del Decreto Ley sesenta y ocho de octubre de mayo de mil novecientos ochenta y tres en relación con el artículo cinco C apartado primero del Convenio de París para la protección de la Propiedad Industrial de veinte de marzo de mil novecientos ochenta y tres, del cual nuestro país es firmante, se concluye que la resolución impugnada no se ajusta a derecho, por lo que desestimando la oposición que formuló la parte demandada, procede declarar con lugar la demanda revocando aquella, sin imposición de costas.-----

FALLAMOS: Desestimamos la oposición que articuló la parte demandada, y declaramos HABER LUGAR a la demanda y revocamos la impugnada Resolución número mil setecientos cincuenta y tres de mil novecientos noventa y siete de fecha veintinueve de julio de mil novecientos noventa y siete dictada por la Oficina Cubana de la Propiedad Industrial a lo que se devolverán los expedientes administrativos para que en el término de 2 (DOS) MESES dicte nueva resolución que no acceda a la solicitud de caducidad de la marca