

ESTTA Tracking number: **ESTTA212107**

Filing date: **05/16/2008**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91165519
Party	Plaintiff Corporacion Habanos, S.A.
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Date	05/16/2008
Attachments	Habanos.Opposer.Evidence Response.pdf (8 pages)(37862 bytes)

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CORPORACION HABANOS, S.A.,)	
)	
Opposer,)	Opposition No. 91165519
)	
v.)	
)	
ANNCAS, INC.,)	
)	
Applicant.)	

OPPOSER’S RESPONSE TO APPLICANT’S STATEMENT OF EVIDENTIARY
OBJECTIONS AND REPLY TO APPLICANT’S RESPONSE TO OPPOSER’S
STATEMENT OF EVIDENTIARY OBJECTIONS

PLEASE TAKE NOTICE THAT Opposer Corporacion Habanos, S.A. (“Opposer” or “Habanos, S.A.”), pursuant to 37 C.F.R. § 2.123(k) and T.B.M.P. §§ 707.02(c), 707.03(c), 801.03, hereby files its separate Response To Applicant’s Statement Of Evidentiary Objections and Reply To Applicant’s Response To Opposer’s Statement Of Evidentiary Objections:

I. RESPONSE TO APPLICANT’S STATEMENT OF EVIDENTIARY
OBJECTIONS

Applicant does not object to any of Opposer’s evidence, other than limited objections to certain of the testimony of Richard B. Perelman, Opposer’s expert in connection with the U.S. cigar industry, and to two exhibits introduced through his testimony. Although not clear, the objections appear to be to certain of the testimony Mr. Perelman gave at 34-38, 40-41, 45, 49, 52, and 54 (the grounds for objection were sometimes not stated). Applicant’s Statement of Evidence Objections (“App. Obj.”), at 2. Mr. Perelman’s expertise on the U.S. cigar industry is established in his trial testimony and in his expert report. Perelman Tr. 8-25; Perelman Ex. 2 ¶¶ 1-6 (Expert Report, including *curriculum vitae*). As stated therein, for over a decade, Mr.

Perelman has published annually a comprehensive guide on the cigar brands in the United States, *Perelman's Pocket Cyclopedia of Cigars*. His website, www.cigarcyclopedia.com, is the first or second largest cigar information website in the U.S. In connection with these and other cigar-related publications, Mr. Perelman has spent thousands of hours with growers, manufacturers, distributors and retailers, and is widely regarded as extremely knowledgeable about cigars. Applicant all but concedes that Mr. Perelman is an expert on the U.S. cigar industry, has in no way impeached that expertise, and indeed, it is unlikely there is anyone in the U.S. with greater expertise than Mr. Perelman. Mr. Perelman does not claim to be a tobacco grower or to be an expert in consumer marketing, and none of his testimony upon which Opposer has relied concerns those matters.

Applicant objected to facts the expert was asked to assume as “speculative.” Perelman Tr. 34. First, the assumed facts were taken directly from Applicant’s own testimony, that the cigars were going to be created with something called “Cuban seed tobacco,” “there was no specification of the tobaccos other than to be called Cuban seed,” and that the “Cuban seed” tobaccos did not come from Cuba, “but were of seeds that may have come from Cuba at some time in the distant past, but not recently.” Perelman Tr. 33:24-34:22. *See* Opposer’s Trial Brief (Opp. Br.) at 15-16. Experts, of course, routinely rely on “assumed facts” and answer hypotheticals based on those assumed facts.¹

¹ Although Applicant claims to object to “hypothetical questions,” App. Obj. at 2, it never objected on that ground during Mr. Perelman’s testimony, and it does not now identify any hypothetical question to which it objects on that basis.

Applicant's objection based on lack of foundation to two questions concerning tobacco grown from seeds that are many generations descended from seeds taken from Cuba, Perelman Tr. 37-38, likewise should be overruled, as Applicant's own testimony clearly establishes that foundation. Opp. Br. 15-16. Applicant's objection of "improper foundation" to whether Mr. Perelman is "aware of the factors in the growth of tobacco *that are widely considered within the industry important* in terms of the quality and characteristics of the tobacco," *id.* at 54 (emphasis added), is also without basis. Mr. Perelman testified that manufacturers, distributors and growers "have taken great pains with me to educate me about the ways they" develop, grow, cure and age tobacco, *id.*; *see also id.* at 15, and so he plainly has a basis to testify to the factors that *the industry* considers important.

Applicant's claim that the meaning and use of the term "Cuban seed tobacco" in the U.S. cigar industry is outside Mr. Perelman's area of expertise, is meritless and unexplained. Tr. 35-38, 40-41, 45, 49. In fact, how manufacturers and distributors identify their products, including the types of tobaccos they claim to use, is at the heart of Mr. Perelman's knowledge and expertise, as Applicant acknowledges, App. Obj. 3, and Mr. Perelman provided extensive testimony on his expertise in this area generally and specifically as to use of the term "Cuban seed tobacco" within the U.S. cigar industry. Perelman Tr. 13-18, 35-42, 50-51.

It is unclear to what Applicant is referring in its claim that Mr. Perelman testified to "consumer perception" in a manner outside his expertise. Rather, Mr. Perelman testified to what *the U.S. cigar industry* attempts to communicate to consumers through use of the term "Cuban seed tobacco," not consumer perception. The *only* objection Applicant made on that basis is to Mr. Perelman's testimony that if *distributors or manufacturers* try to create an impression with consumers of a close nexus between Cuban tobacco or cigars and "Cuban seed tobacco," such

claims “would be false.” Perelman Tr. 52. The testimony has nothing to do with consumer perception. *See also id.* at 40-41, 49 (testimony concerning how manufacturers use “Cuban seed tobacco” to attempt to communicate to consumers claims about their cigars).

Finally, Applicant objects, in connection with Mr. Perelman’s testimony, to “any documents not authored by Mr. Perelman,” on hearsay grounds, without further explanation of the basis for that objection. App. Obj. at 2; Perelman Tr. 25, 31-32. This objection applies to Perelman Ex. 3 (an article from *Smoke* magazine), and Exhibit 2 to Perelman Ex. 2 (excerpts of testimony concerning the meaning of “Cuban seed” tobacco in an unrelated proceeding, annexed to Perelman’s Expert Report). Because nothing in these exhibits is being offered for the truth of any matter asserted therein, the exhibits are not hearsay. Rather, Mr. Perelman relied on these documents in support of his expert opinion, as experts typically do, in this particular instance concerning how the term “Cuban seed tobacco” is understood and used within the U.S. cigar industry, including by journalists, retailers, growers, and high-level executives, such as the industry’s understanding of whether and when the seeds may have come from Cuba, and the widespread understanding that the term is a joke and meaningless within the industry. Perelman Tr. 58:11-61:14; 41:9-42:8, 43:23-48:6.

II. REPLY TO APPLICANT’S RESPONSE TO OPPOSER’S STATEMENT OF EVIDENTIARY OBJECTIONS

Opposer objected to the introduction in evidence of printouts of TESS records from the USPTO website, submitted as exhibits both to William Bock’s Trial Testimony and to Applicant’s Notice of Reliance, as App. NOR 1-61, and Bock Trial Ex. 7-27, 29-68. For each of these exhibits, Applicant’s Notice of Reliance made the same assertion, that they were being proffered solely to “demonstrate[] how the word ‘Havana’ for identification of the goods, has been widely accepted in the Patent and Trademark office with regards to the cigar/industry

market”; or to “demonstrate[] how the word ‘Havana’ and the descriptive phrase ‘Cigars made from Cuban seed tobacco’ for identification of the goods, have been widely accepted in the Patent and Trademark office with regards to the cigar/industry market.”

In its Statement of Evidentiary Objections, Opposer has shown that these exhibits are inadmissible for the purpose for which they were proffered. In response, Applicant makes no defense of the admissibility of the records for the reason proffered. Instead, Applicant now claims the exhibits are being offered for two different purposes. “First, the records are offered as evidence of how the term ‘HAVANA’ (and similar words) are used by those in similar industries as Applicant.... Secondly, the TESS records are offered for the purpose of attacking Opposer’s fraud claim. The records go to Applicant’s state of mind during the Application process.” Applicant’s Response at 2.

Applicant’s attempt to recast the purpose of the exhibits should be rejected, and even if considered, the records are equally inadmissible for the newly-minted purposes. Pursuant to 37 C.F.R. § 2.122(e), a party submitting printed publications and official records, including applications or registrations not subject to the proceedings, must “indicate generally the relevance of the material being offered.” TBMP § 704.03. While the relevance of the exhibits does not need to be stated with particular detail, the adverse party and the Board must be able to rely on the proponent’s representation as to what issue the exhibits are claimed to be relevant. This requirement is defeated if the proponent can simply change the rationale after the adverse party has challenged the exhibits’ admissibility.

Here the exhibits were originally proffered to show how the word “Havana” “for identification of the goods” or “Havana” and “Cigars made from Cuban seed tobacco” “for identification of the goods,” “have been widely accepted in the [PTO].” This purpose is very

different from, and in fact, unrelated to, “how the term ‘HAVANA’ (and similar words) are used by those in similar industries as Applicant,” or to show “Applicant’s state of mind during the Application process.”

Even if these new purposes are considered, the TESS records are inadmissible for both purposes. Nothing in these printouts show how the word “Havana” is “used by those in similar industries as Applicant.” Notably, Applicant proffered only one unauthenticated page showing an advertisement for one mark, a gimmicky flavored cigar called “Havana Honeys,” Bock Tr. Ex. 28, and conceded he had never seen most of the marks in the TESS reports in the market. Opp. Br. 23-24 & n.10. In the one case cited by Applicant, a section 2(d) case involving food marks using “fiber,” the Board stated that “the term ‘fiber’ ... is a readily understood and commonly used *generic* term in the food industry,” and held that “third party registrations *are not evidence of use*”; the Board further relied on testimony and exhibits “attesting to widespread use of the term ‘fiber’ for food products,” and “numerous third-party uses of ‘fiber’ in connection with food products.” *General Mills, Inc. v. Healthy Valley Foods*, 24 U.S.P.Q.2d 1270, 1277 (T.T.A.B. 1992) (emphasis added). It was in that context that the Board considered 171 registrations and applications that used the term “fiber,” in rejecting the opposer’s confusion claim based on the applicant also using “fiber” in its mark.

The TESS reports are likewise irrelevant to Opposer’s claim that Applicant violated its duty to disclose material facts to the PTO when Applicant amended its goods to add the term “made from Cuban seed tobacco” to “cigars.” First, the record clearly establishes Applicant’s *own* knowledge of its “Cuban seed tobacco” claim and its failure to disclose any of this information to the Board, *see* Opp. Br. 45-47, regardless what others had done. That Applicant may have been aware that PTO Examiners were deceived and confused about claims to “Cuban

seed tobacco” and a false connection to Cuba or Cuban tobacco or cigars, cannot excuse its own actions. Second, Applicant’s state of mind is not dispositive of the fraud claim, as no specific intent to defraud the PTO is required. *See id.* at 45-46, citing cases. Third, even if deemed admissible for this claimed purpose, Applicant has submitted no evidence that it relied on or was even aware of any of the proffered applications or registrations when it amended its identification of goods, and does not now identify a single record that it now claims it relied upon (numerous of the records concern marks applied for after Applicant’s application). Indeed, Applicant makes the wholly inconsistent (and inaccurate) claim in its Trial Brief that prior to its application, the PTO had a “standard office practice” of accepting marks with “Havana” without “Cuban seed tobacco” claims, and the first that Applicant heard of a “requirement” to claim Cuban seed tobacco was in connection with its application and the PTO’s Office Action. App. Br. 6-7; Bock Tr. 99:3-101:11. Thus, the records could not possibly be relevant to Applicant’s “state of mind” as to the PTO’s acceptance of the term “Cuban seed tobacco.” Finally, the relevant issue is not the PTO’s acceptance of “Cuban seed tobacco,” but of Applicant’s use of that term to overcome the section 2(e)(3) refusal to register.

Applicant fails to explain why the cases Opposer cites on the inadmissibility of the exhibits are inapplicable here simply because those cases were not *inter partes* proceedings.

Applicant otherwise does not respond to Opposer’s objections to other exhibits and testimony. *See* Opposer’s Statement of Evidentiary Objections, ¶¶ 9-12.

Dated: May 16, 2008

Respectfully submitted,

/David B. Goldstein/

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Opposer's Response to Applicant's Statement Of Evidentiary Objections and Reply to Applicant's Response to Opposer's Statement Of Evidentiary Objections was emailed to, and was served upon, Applicant by mailing, postage prepaid, first class United States mail, on May 16, 2008 to:

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