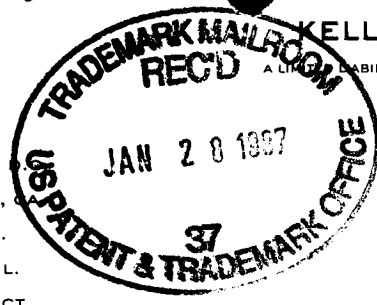


SUA

HAB



KELLEY DRYE & WARREN LLP  
A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

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FACSIMILE  
(212) 808-7897  
TELEX 12369

# 33

January 28, 1997

**VIA EXPRESS MAIL EG179580885US**

Box TTAB--NO FEE  
Assistant Commissioner for Trademarks  
2900 Crystal Drive  
Arlington, Virginia 22202-3513

Re: *Galleon, S.A., et al. v. Havana Club Holding, S.A., et al.*, Cancellation No. 24,108

Dear Sir or Madam:

We are writing to notify you that one of the respondents in the above-referenced cancellation proceeding, Havana Club Holding, S.A., and the licensee of the respondent, Havana Club International, S.A., has initiated a federal trademark infringement action, *Havana Club Holding, S.A., and Havana Club International, S.A. v. Galleon, S.A., Bacardi-Martini U.S.A., Inc., Gallo Wine Distributors, Inc., G.W.D. Holdings, Inc. and Premier Wine and Spirits*, Index No. 96 Civ. 9655 (SAS), against two of the petitioners in the instant cancellation proceeding, Galleon, S.A., and BACARDI-MARTINI U.S.A., INC.

Defendants in the federal infringement action (who are also petitioners in the aforementioned cancellation proceeding) have counterclaimed among other things, for cancellation of the plaintiffs' purported registration for the trademark HAVANA CLUB and Design for rum, Reg. No. 1,031,651, the same registration and mark at issue in the instant

January 28, 1997

cancellation proceeding, and have based their counterclaims on the same grounds that have been asserted in the T.T.A.B. proceeding.

I have enclosed copies of the federal complaint and answer with affirmative defenses and counterclaims. Since disposition of the case by the federal court should be dispositive of all the issues raised in the cancellation proceeding, we respectfully submit that the cancellation proceeding should be suspended in accordance with Trademark Rule 2.117.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Bernheim".

Jennifer Bernheim

Enclosures (2).

January 28, 1997

bcc:

Katina Mezulanik  
Vice President and General Counsel  
Bacardi & Company Limited

Frederick J. Wilson, III  
General Counsel and Secretary  
BACARDI-MARTINI U.S.A., INC.

William R. Golden, Jr.

Ignacio E. Sanchez

Margaret Ferguson



(PLACE AN x IN ONE BOX ONLY)

ORIGIN

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred From (Specify Dist.)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judge Judgment

(PLACE AN x IN ONE BOX ONLY)

BASIS OF JURISDICTION

- 1 U.S. PLAINTIFF
- 2 U.S. DEFENDANT
- 3 FEDERAL QUESTION (U.S. NOT A PARTY)
- 4 DIVERSITY

IF DIVERSITY, INDICATE CITIZENSHIP BELOW. (28 USC 1332, 1441)

CITIZENSHIP OF PRINCIPAL PARTIES (FOR DIVERSITY CASES ONLY)

(Place an [X] in one box for Plaintiff and one box for Defendant)

	PTF	DEF		PTF	DEF		PTF	DEF
CITIZEN OF THIS STATE	[ ]	[ ]	CITIZEN OR SUBJECT OF A FOREIGN COUNTRY	[ ]	[ ]	INCORPORATED and PRINCIPAL PLACE OF BUSINESS IN ANOTHER STATE	[ ]	[ ]
CITIZEN OF ANOTHER STATE	[ ]	[ ]	INCORPORATED or PRINCIPAL PLACE OF BUSINESS IN THIS STATE	[ ]	[ ]	FOREIGN NATION	[ ]	[ ]

PLAINTIFF(S) ADDRESS(ES) AND COUNTY(IES) (Calendar Rule 4(A))

Havana Club Holding, S.A.  
 6, Rue Heine  
 L - 1720  
 Luxembourg

Havana Club International, S.A.  
 Calle A  
 entre 13 y 15  
 Verdado  
 Havana  
 Cuba

DEFENDANT(S) ADDRESS(ES) AND COUNTY(IES) (Calendar Rule 4(A))

See attached sheet

DEFENDANT(S) ADDRESS UNKNOWN

REPRESENTATION IS HEREBY MADE THAT, AT THIS TIME, I HAVE BEEN UNABLE, WITH REASONABLE DILIGENCE, TO ASCERTAIN THE RESIDENCE ADDRESSES OF THE FOLLOWING DEFENDANTS:

Check one: THIS ACTION SHOULD BE CLASSIFIED:

- Expedited
- Standard
- Complex
- Unknown

Check one: THIS ACTION SHOULD BE ASSIGNED TO:

- WHITE PLAINS
- FOLEY SQUARE

(DO NOT check either box if this is a PRISONER PETITION.)

DATE

SIGNATURE OF ATTORNEY OF RECORD

ADMITTED TO PRACTICE IN THIS DISTRICT

[ ] NO  
[x] YES (DATE ADMITTED Mo. 10 Yr. 73)

RECEIPT #

Michael Krinsky, Esq.

Attorney Bar Code # 4503

Magistrate Judge is to be designated by the Clerk of the Court.

Magistrate Judge \_\_\_\_\_ is so Designated.

James M. Parkison, Clerk of Court by \_\_\_\_\_ Deputy Clerk, DATED \_\_\_\_\_.

B  
JUDGE SPILBERG

96 CIV 9655

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

\_\_\_\_\_ x

HAVANA CLUB HOLDING, S.A. and :  
 HAVANA CLUB INTERNATIONAL, S.A., :  
 :  
 Plaintiffs, :  
 :  
 - against - :  
 :  
 GALLEON S.A., BACARDI-MARTINI USA, INC., :  
 GALLO WINE DISTRIBUTORS, INC., :  
 G.W.D. HOLDINGS, INC. :  
 and PREMIER WINE AND SPIRITS, :  
 :  
 Defendants. :  
 \_\_\_\_\_ x

#2

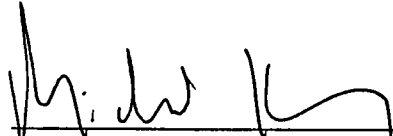
CIVIL ACTION NO. 1  
 S. D. N. Y.  
 DEC 21 1996  
 FILED  
 DISTRICT COURT

Pursuant to Rule 9 of the General Rules of the Southern District of New York and to enable judges and magistrates of the court to evaluate possible disqualification or recusal, the undersigned attorney of record for plaintiffs certifies that the following are corporate parents of both plaintiffs:

Havana Rum & Liquors, S.A. Calle 44, No. 305 entre 5ta y 3yrs A Playa, La Habana Cuba	Pernod Ricard, S.A. 142 Boulevard Haussman 75008 Paris France
---	--

There are no subsidiaries or affiliates of plaintiffs.

December 20, 1996

  
 Michael Krinsky (MK4503)  
 Rabinowitz, Boudin, Standard, Krinsky, Lieberman  
 740 Broadway, 5th floor  
 New York, New York 10003-9518

Defendants' Addresses and Counties (Calendar Rule 4(A))

Galleon S.A.  
49 Collins Avenue  
Nassau  
Commonwealth of the Bahamas

Bacardi-Martini U.S.A., Inc.  
c/o CT Corporation System  
1633 Broadway  
New York, New York 10019  
New York County

G.W.D. Holdings, Inc.  
48-18 Northern Boulevard  
Long Island City, NY 11101  
Kings County

Gallo Wine Distributors, Inc.  
48-18 Northern Boulevard  
Long Island City, New York 11101  
Kings County

Premier Wine & Spirits  
345 Underhill Boulevard  
Syosset, New York 11791  
Nassau County

B MICHAEL KRINSKY (MK 4503)  
CAROLINE RULE (CR 6503)  
RABINOWITZ, BOUDIN, STANDARD,  
KRINSKY & LIEBERMAN, P.C.  
740 Broadway - Fifth Floor  
New York, New York 10003  
(212) 254-1111

ORIGINAL

96 CIV 9655

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

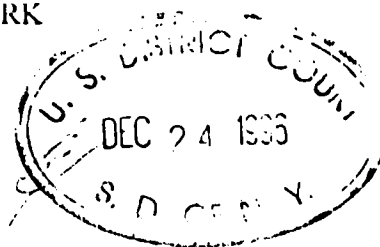
\_\_\_\_\_  
HAVANA CLUB HOLDING, S.A. and  
HAVANA CLUB INTERNATIONAL, S.A.,

Plaintiffs,

- against -

GALLEON S.A., BACARDI-MARTINI USA, INC.,  
GALLO WINE DISTRIBUTORS, INC.,  
G.W.D. HOLDINGS, INC.  
and PREMIER WINE AND SPIRITS,

Defendants.  
\_\_\_\_\_



CIVIL ACTION NO.

COMPLAINT FOR INJUNCTIVE RELIEF  
AND FOR DISGORGEMENT OF PROFITS

Plaintiffs by their undersigned counsel and for their Complaint against defendants  
aver as follows:

PRELIMINARY STATEMENT

1. This action for injunctive relief and disgorgement of defendants' profits is  
brought by Havana Club Holding, S.A., owner of the trademark HAVANA CLUB, which is  
registered with the United States Patent and Trademark Office for use on rum products; and by



Havana Club International, S.A., which is Havana Club Holding, S.A.'s exclusive licensee for use of the HAVANA CLUB trademark worldwide.

2. Plaintiffs' HAVANA CLUB trademark has been used worldwide since 1973 to identify the Cuban-origin HAVANA CLUB rum currently sold and distributed by plaintiff Havana Club International, S.A. and previously sold and distributed by plaintiffs' Cuban predecessors.

3. In their first cause of action, plaintiffs allege that defendants have, in violation of United States trademark laws, specifically Section 32 of the Lanham Act, 15 U.S.C. § 1114, used in commerce a reproduction, copy or colorable imitation of plaintiff Havana Club Holding, S.A.'s registered HAVANA CLUB trademark in connection with a rum product in a manner likely to cause confusion, or to cause mistake, or to deceive as to the nature, quality and source or origin of that rum.

4. In their second cause of action, plaintiffs allege that the defendants' use of the "Havana Club" trademark on a Bahamian rum violates Section 43 of the Lanham Act, 15 U.S.C. § 1125, which prohibits the use in commerce of false designations of origin, false descriptions and false representations.

**JURISDICTION AND VENUE**

5. This Court has jurisdiction of this action pursuant to 15 U.S.C. § 39, which provides that the district courts of the United States shall have original jurisdiction over actions arising under the trademark laws of the United States, the Lanham Act, 15 U.S.C. § 1051 *et seq.* The Court also has jurisdiction under 28 U.S.C. § 1338, which confers on district courts original jurisdiction of actions arising under any Act of Congress relating to trademarks, and of claims

of unfair competition when joined, as here, with substantial and related claims under the trademark laws.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1391. Galleon S.A. is an alien which may be sued in any district, 28 U.S.C. § 1391(d); and Bacardi-Martini U.S.A., Inc., Gallo Wine Distributors, Inc., G.W.D. Holding Co., Inc. and Premier Wines & Spirits Inc. are all residents of this district within the meaning of 28 U.S.C. §§ 1391(b) and (c). In addition, venue is proper in this district because a substantial part of the events giving rise to plaintiffs' claims occurred here.

#### PARTIES

7. Plaintiff Havana Club Holding, S.A. is a corporation incorporated under the laws of Luxembourg, with its principal place of business at 6, Rue Heine, L-1720, Luxembourg.

8. Plaintiff Havana Club International, S.A. is a company organized under the laws of the Republic of Cuba, with its principal place of business at Calle A, entre 13 y 15, Verdado, Havana, Cuba.

9. Defendant Galleon S.A. is a company organized under the laws of the Commonwealth of the Bahamas, with its principal place of business at 49 Collins Avenue, Nassau, Commonwealth of the Bahamas.

10. Defendant Bacardi-Martini U.S.A., Inc. is a corporation organized under the laws of the State of Delaware. It is authorized to do business in the State of New York pursuant to New York's Business Corporation Law and has an address and registered agent for service of process with the Southern District of New York.

11. Upon information and belief, there is common ownership and control of defendant Galleon S.A. and defendant Bacardi-Martini U.S.A., Inc.

12. Bacardi-Martini U.S.A., Inc. does business under the name Exclusive Import Company.

13. Defendant Gallo Wine Distributors, Inc. and defendant G.W.D. Holdings, Inc. are corporations organized under the laws of the State of New York and maintain a principal place of business in the State of New York. Their principal address is in Long Island City, New York and an additional address at which they do business is in Syosset, New York. Defendants Gallo Wine Distributors, Inc. and G.W.D. Holdings, Inc. are either related companies or the same business entity operating under two different designations.

14. Defendant Premier Wine and Spirits Inc. is a d.b.a. of Gallo Wine Distributors, Inc. or G.W.D. Holdings, Inc. and has a business address in Syosset, New York 11791.

### FACTUAL ALLEGATIONS

#### The HAVANA CLUB Trademark

15. Plaintiff Havana Club Holding, S.A. is the owner of the United States registration, No. 1,031,651, of the trademark HAVANA CLUB and design for use in connection with rum.

16. The rum symbolized by the registered HAVANA CLUB trademark is Cuba's premier rum. HAVANA CLUB rum has been exported from Cuba under the HAVANA CLUB trademark since 1973.

17. The HAVANA CLUB mark was registered in the United States in 1976 by the then owner of the Cuban HAVANA CLUB rum business, Empresa Exportadora de Alimentos y Productos Varios ("Cuban Export Enterprise of Food and Various Products"), known by the acronym Cubaexport. The mark was registered under Section 44 of the Lanham Act, 15 U.S.C. § 1126, on the basis of Cubaexport's 1974 registration of the mark in Cuba.

18. The United States registration of the HAVANA CLUB mark was renewed by Havana Club Holding, S.A. for a period of ten years from January 27, 1996, pursuant to Section 9 of the Lanham Act, 15 U.S.C. § 1059.

19. The United States Treasury Department's Cuban Assets Control Regulations, 31 C.F.R. Part 515, specifically permit trademarks in which Cuban entities have an interest to be filed, registered and maintained in the United States Patent and Trademark Office, 31 C.F.R. § 515.527.

20. Havana Club Holding, S.A. has the exclusive right to use the registered HAVANA CLUB trademark in commerce in the United States on or in connection with rum, the goods specified in the registration.

21. A true and accurate copy of the registration certificate of the HAVANA CLUB mark is attached hereto as Exhibit A and is incorporated herein by reference. True and accurate copies of photographs of the front and back of a bottle of HAVANA CLUB rum sold and distributed by Havana Club International, S.A. are attached hereto as Exhibit B and are incorporated herein by reference.

22. The dominant feature of the registered HAVANA CLUB mark and design are the words "HAVANA CLUB."

23. These words are prominently displayed at the top of the design and occupy a quarter of the design's height.

24. The words "HAVANA CLUB" in the registered mark are accompanied by a smaller drawing of the "Giraldilla" or Herald which is a traditional symbol of the city of Havana, Cuba.

25. Under the HAVANA CLUB trademark, HAVANA CLUB rum has been exported successfully from Cuba around the world. The principal markets for HAVANA CLUB rum are Western Europe, Canada, and Mexico. The rum symbolized by the HAVANA CLUB mark is sold in more than twenty countries, including Spain, the Canary Islands, Germany, Italy, France, Andorra, Denmark, Austria, Sweden, Finland, Hungary, the United Kingdom, Mexico, Bolivia, Peru, Chile, Argentina, Panama, Guatemala, Cosa Rica and Canada

26. From 1973 through 1995, worldwide sales of Cuban HAVANA CLUB rum amounted to more than 130 million bottles, and bulk sales of millions of liters.

27. Since 1973, the owners of the HAVANA CLUB rum business have intended to sell HAVANA CLUB rum in the United States as soon as it is legally possible to do so. The rum is not presently sold in this country for the sole reason that the United States Treasury Department's Cuban Assets Control Regulations, 31 C.F.R. Part 15, prohibit its importation except as accompanying baggage of a United States visitor returning from Cuba, 31 C.F.R. § 515.560(c)(3).

28. Since 1977, a substantial number of bottles of HAVANA CLUB rum have been imported into the United States from Cuba as accompanying baggage of United States

visitors returning from Cuba. Over 400,000 such bottles have been imported into the United States.

29. In 1993, a decision was made to increase still further the already substantial exports of HAVANA CLUB rum from Cuba by reorganizing Cuba's HAVANA CLUB rum business to incorporate a foreign partner. To that end, an agreement was reached with the French company, Pernod Ricard, S.A., a major international distributor of spirits:

- a. To form Havana Club Holding, S.A. with 50% equity interest and representation on its board of directors to be held by a newly formed Cuban company, Havana Rum & Liquors, S.A., and 50% equity interest and board representation to be held by Pernod Ricard, S.A.; and
- b. Contemporaneously to form Havana Club International, S.A. with 50% interest and corresponding board representation to be held by both Havana Rum & Liquors, S.A. and Pernod Ricard, S.A. through direct holdings and through their holdings in Havana Club Holding, S.A.

30. Pursuant to this reorganization plan, all of the assets associated with the HAVANA CLUB rum business, including the HAVANA CLUB trademark, were transferred by Cubaexport to Havana Rum & Liquors, S.A., which then transferred them to Havana Club Holding, S.A.; and Havana Club International, S.A. was granted an exclusive license to sell HAVANA CLUB rum and to use the HAVANA CLUB trademark in connection therewith.

31. The United States registration of the HAVANA CLUB trademark, together with the goodwill of the business symbolized by that mark, were transferred along with all the other assets of the HAVANA CLUB rum business. The assignments of the United States

registration from Cubaexport to Havana Rum & Liquors, S.A. and from Havana Rum & Liquors, S.A. to Havana Club Holding, S.A. were duly registered with the United States Patent and Trademark Office. The United States Treasury Department's Office of Foreign Assets Control has licensed said assignments.

32. The rum symbolized by the HAVANA CLUB trademark has been the same identical rum since it was first exported from Cuba in 1973. It has been manufactured in the same facilities, by the same workforce, using ingredients from the same sources, and according to the same standards, for this entire period.

33. By contractual obligation with the rum's producer, the rum symbolized by the HAVANA CLUB trademark and distributed by Havana Club International, S.A. will continue to be rum of the same quality and manufactured according to the same standards in Cuba from Cuban ingredients as the rum previously distributed by plaintiffs' Cuban predecessors.

34. United States consumers are likely to associate rum with Cuba. Cuba is known to United States consumers as a geographical location that is the source of rum. There is a goods/place association between rum and Cuba.

35. United States consumers are likely to associate rum with the Caribbean. The Caribbean is known to United States consumers as a geographical location that is the source of rum. There is a goods/place association between rum and the Caribbean.

36. Havana Club Holding, S.A.'s HAVANA CLUB trademark is widely recognized by American consumers to symbolize the following:

- a. A rum of Cuban origin;
- b. A rum of high quality;

c. The distinctive character and quality of the HAVANA CLUB rum sold and distributed by Havana Club International, S.A. under license from Havana Club Holding, S.A., and previously sold and distributed by Cubaexport; and

e. The source of HAVANA CLUB rum, i.e. a Cuban company which, together with its predecessors, has sold, promoted and ensured the character and quality of HAVANA CLUB rum for twenty-four years.

37. HAVANA CLUB rum enjoys a widespread, favorable reputation in the

United States.

38. This reputation has been established in a number of ways, including:

a. Sales of HAVANA CLUB rum to United States visitors to Cuba over the course of twenty-four years, both for their consumption in Cuba and, since 1977, for importation into the United States as accompanying baggage upon their return;

b. Exposure of tourists and visitors to Cuba, including visitors from the United States, to HAVANA CLUB rum through promotional campaigns, billboards and advertising in Cuba over the course of twenty-four years. There have been approximately 600,000 visits by United States persons to Cuba since 1973 and most of these visitors have been exposed to HAVANA CLUB's promotion;

c. Repeated, extensive, continuous and widespread mention and discussion of HAVANA CLUB rum in United States newspapers and periodicals since



1973, both in stories dealing generally with Cuba and in stories about rum.

In addition, similar articles mentioning HAVANA CLUB rum have appeared frequently in international media distributed in the United States; and

d: The prominent and laudatory mention of HAVANA CLUB rum in a major United States film, *The Firm*, released by Paramount Pictures in 1993 and viewed by well over 20 million United States consumers.

39. Over the last five years alone, the United States circulation of periodicals carrying mentions of HAVANA CLUB rum has been well over 10 million. Many more millions of United States readers have read about HAVANA CLUB rum since 1973.

#### Defendants' Use Of A "Havana Club" Mark

40. At the end of October, 1996, plaintiffs learned that bottles of rum bearing the name "Havana Club" produced in the Commonwealth of the Bahamas were being imported for sale in the United States without plaintiffs' authority.

41. Said rum is produced by defendant Galleon S.A. in the Bahamas. It is being imported into the United States exclusively by defendant Bacardi-Martini U.S.A., Inc. Bacardi-Martini U.S.A., Inc. distributes the Bahamian "Havana Club" rum in the United States through wholesalers. In New York, Bacardi-Martini's wholesaler is a business entity owned and operated by defendants Gallo Wine Distributors, Inc. and G.W.D. Holdings, Inc. under the d.b.a. of defendant Premier Wine and Spirits (hereinafter collectively "Premier Wine and Spirits").

42. In the foregoing manner, the Bahamian "Havana Club" rum is being offered for sale in New York and elsewhere in the United States.

43. Upon information and belief, such sales of Bahamian "Havana Club" rum commenced in 1996.

44. Premier Wine and Spirits lists as available for purchase by retailers and wholesalers the Bahamian "Havana Club" rum in *Beverage Media, Metro New York*. This trade magazine is published in New York City and is the principal trade magazine in which liquor and wine wholesalers and distributors in the New York metropolitan area list brands and prices and provide ordering information for the trade.

45. Through this and other mechanisms, the Bahamian "Havana Club" rum is being offered for sale and is being sold to consumers in New York.

46. A true and accurate copy of photographs of the the front and back of two bottles of the Bahamian "Havana Club" rum are attached hereto as Exhibit C and incorporated herein by reference.

47. The words "Havana Club" are the dominant feature of both the front and back labels of the Bahamian "Havana Club" rum.

48. On both the front and back labels, the words "Havana Club" are placed in the top half of the label. The words occupy one-quarter of the length of the front label, and one-fifth of the length of the back label.

49. On both the front and back labels, the words "Havana Club" are four times larger than any other wording on the label.

50. Also appearing on the front label of bottles of Bahamian "Havana Club" rum is a sketch of the Malecon, the famous seafront boulevard in Havana, Cuba.

51. The neck label, which also appears on the front of the bottles, emphasises that the rum is "imported" and states that it is "Caribbean Rum."

52. Cuba is an island in the Caribbean Sea, but the Commonwealth of the Bahamas is not in the Caribbean Sea.

53. The only notification that the rum is produced in the Bahamas is on the back labels of the bottles. There the words "Product of Bahamas" appear positioned below the words "Havana Club," in lettering only one-seventh the size of the "Havana Club" lettering. The words "Product of Bahamas" are printed in a color similar to that of the background of each label, whereas the words "Havana Club" are printed in a color which strongly contrasts with and stands out from the background.

54. The front label and the neck label of the bottles of Bahamian "Havana Club" rum do not indicate that the rum is produced or originates in The Bahamas. Nor do these labels contain any indication of origin other than that indicated by the dominant use of the name "Havana Club," the sketch of the Malecon, and the use of the word "Caribbean."

55. Bottles of liquor are typically displayed to consumers in retail liquor stores with only the front of the bottle displayed.

56. Defendants Galleon S.A. and Bacardi-Martini U.S.A. Inc., had actual knowledge of Havana Club Holding's United States registration of the HAVANA CLUB trademark long prior to their adoption and use of their "Havana Club" mark on their Bahamian rum.

57. In fact, in July 1995, defendants Galleon S.A. and Bacardi-Martini U.S.A., Inc., together with Bacardi & Co., Ltd., a Liechtenstein company with its principal place of

business in The Bahamas, brought a petition in the Trademark Trial and Appeals Board to cancel Havana Club Holding, S.A.'s registration of the HAVANA CLUB trademark. The cancellation proceeding is pending.

**AS AND FOR A FIRST CAUSE OF ACTION:  
TRADEMARK INFRINGEMENT UNDER SECTION 32  
OF THE LANHAM ACT, 15 U.S.C. § 1114**

58. Plaintiffs repeat each and every allegation set forth in paragraphs 1 through 57 of this complaint as if fully set forth herein.

59. Defendants commenced to use and are using the term "Havana Club" as a trademark in connection with the sale, offering for sale, distribution and advertising of rum.

60. Defendants did so without the knowledge or consent of plaintiffs.

61. The "Havana Club" mark used by defendants is a colorable imitation of and confusingly similar to plaintiffs' HAVANA CLUB mark.

62. Defendants' conduct constitutes infringement of plaintiff Havana Club Holding, S.A.'s registered HAVANA CLUB mark.

63. Defendants' use of the "Havana Club" mark on their Bahamian rum is likely to cause confusion, or to cause mistake, or to deceive.

64. Defendant's use of the "Havana Club" mark on their Bahamian rum is likely to have the effect of causing consumers to be confused, mistaken or deceived about the following matters, amongst others:

- a. The nature or character of the HAVANA CLUB rum sold and distributed by Havana Club International, S.A. under license from Havana Club Holding, S.A., and previously sold and distributed by Cubaexport;

- b. The nature or character of the "Havana Club" rum sold and distributed by defendants;
- c. The quality of the HAVANA CLUB rum sold and distributed by Havana Club International, S.A. under license from Havana Club Holding, S.A., and previously sold and distributed by Cubaexport;
- d. The quality of the "Havana Club" rum sold and distributed by defendants;
- e. The geographic origin of the HAVANA CLUB rum sold and distributed by Havana Club International, S.A. under license from Havana Club Holding, S.A., and previously sold and distributed by Cubaexport;
- f. The geographic origin of the "Havana Club" rum sold and distributed by defendants;
- g. The source of the HAVANA CLUB rum sold and distributed by Havana Club International, S.A. under license from Havana Club Holding, S.A., and previously sold and distributed by Cubaexport;
- h. The source of the Bahamian "Havana Club" rum sold and distributed by defendants;
- i. Whether plaintiffs' Cuban-origin HAVANA CLUB rum is available for purchase in the United States; and
- j. Whether the Bahamian "Havana Club" rum is made, authorized, sponsored, endorsed by or otherwise connected with plaintiffs or their Cuban predecessors.

65. Confusion between defendants' Bahamian "Havana Club" rum and plaintiffs' Cuban HAVANA CLUB rum is inevitable because exactly the same name as appears in Havana Club Holding, S.A.'s registration is being used by defendants prominently on the same class of product -- rum -- for which the mark is registered.

66. Galleon S.A.'s use of the "Havana Club" name on Bahamian rum to be imported into the United States will have significant trademark-impairing effects upon United States commerce.

67. By using the "Havana Club" mark, defendants will obtain the benefit of the United States consumers' knowledge of, the favorable reputation of, and the goodwill of, the HAVANA CLUB rum business of plaintiffs and their predecessors symbolized by the registered HAVANA CLUB mark.

68. All the defendants are either primary or contributory infringers of plaintiffs' HAVANA CLUB mark.

69. Upon information and belief, defendants have profited monetarily through their use of their "Havana Club" mark.

70. Sales of the Bahamian "Havana Club" rum in the United States is causing, and will continue to cause injury to Havana Club Holding, S.A. and Havana Club International, S.A.

71. Such sales have injured and will continue to cause injury to the reputation, consumer recognition and goodwill of the HAVANA CLUB rum symbolized by the registered HAVANA CLUB trademark.

72. Such sales will impede future sales of HAVANA CLUB rum in the United States.

73. Such sales will foster the mistaken belief that Cuban origin HAVANA CLUB rum is available for purchase in the United States.

74. For this reason, and also because of consumer confusion as to nature and character, quality, and source, such sales will impede the current sales of Cuban-origin HAVANA CLUB rum to United States visitors to Cuba.

75. If defendants' use in commerce of their "Havana Club" mark on Bahamian rum is not stopped immediately, Havana Club Holding, S.A. and Havana Club International, S.A. run the risk of losing control of their mark and thus being open to a claim of abandonment of their mark.

76. United States consumers are injured and will continue to be injured by defendants' use of their "Havana Club" mark. The ways in which United States consumers are injured and will be injured include, amongst others:

- a. They will purchase the Bahamian rum because they falsely believe it to be of Cuban origin, to be the same HAVANA CLUB rum sold by Havana Club International and its predecessors for twenty-four years, and/or to be the same as the HAVANA CLUB rum mentioned continuously in United States and international media and in the motion picture *The Firm*;
- b. They will be unable to rely on plaintiffs' HAVANA CLUB trademark as signifying Cuban-origin rum and, more specifically, Havana Club International, S.A.'s Cuban rum; and

- c. When the sale of the Cuban-origin rum in the United States is permitted, they will confuse Cuban-origin HAVANA CLUB rum with the Bahamian "Havana Club" rum.

77. The injuries to plaintiffs and to United States consumers caused by defendants use of the "Havana Club" mark on Bahamian rum, including those described in paragraphs 70 through 76 *ante*, cannot be calculated or compensated in a future award of money damages. These injuries are irreparable.

78. Plaintiffs have no adequate remedy at law.

79. Defendants selected and used and are using the "Havana Club" mark with the intention of:

- a. Taking the benefit of the United States consumers' knowledge of, the favorable reputation of, and the goodwill of, the HAVANA CLUB rum business of plaintiffs and their predecessors symbolized by the registered HAVANA CLUB mark;
- b. Impeding the extension of plaintiffs' worldwide HAVANA CLUB rum business into the United States when it becomes legally possible for Cuban HAVANA CLUB rum to be imported into this country; and
- c. Causing and facilitating their Bahamian "Havana Club" rum to be palmed off as, or believed by consumers to be, made, authorized, sponsored, endorsed by or otherwise connected with plaintiffs or their Cuban predecessors.



**AS AND FOR A SECOND CAUSE OF ACTION:  
UNFAIR COMPETITION UNDER SECTION 43  
OF THE LANHAM ACT, 15 U.S.C. § 1125**

80. Plaintiffs repeat each and every allegation set forth in paragraphs 1 through 79 of this complaint as if fully set forth herein.

81. Defendants are using the "Havana Club" trademark in interstate commerce in a manner that constitutes false designation of origin and false or misleading representation of fact.

82. Defendants' use of the "Havana Club" trademark on Bahamian rum constitutes false designation of origin and false representation of fact because, among other reasons, such use of the mark misrepresents the nature and character, quality, geographic origin, and source of the rum by:

- a. Placing upon the rum a geographic designation denoting Havana, Cuba, when the rum is not produced in Cuba;
- b. Placing upon the rum a geographic designation denoting the Caribbean, when the rum is not produced in the Caribbean;
- c. Falsely suggesting that the rum contains Cuban-origin ingredients;
- d. Falsely suggesting that the rum has the same character as Havana Club International, S.A.'s HAVANA CLUB rum;
- e. Falsely suggesting that the rum is of the same quality as Havana Club International's HAVANA CLUB rum;
- f. Falsely suggesting that the rum originates from plaintiff Havana Club International, S.A.; and

g. Falsely suggests that the rum is authorized, sponsored or endorsed by, or otherwise connected with plaintiffs or their Cuban predecessors.

83. Defendants have used the "Havana Club" trademark in commerce with knowledge that such use constitutes false designation of origin and false or misleading representation of fact when applied to their rum.

84. Plaintiffs are doing business in the localities -- Havana, Cuba and the Caribbean -- that are falsely indicated on the labels of defendants "Havana Club" rum as being the origin of defendants' goods.

85. Plaintiffs are injured and will continue to be injured by defendants' use of using the "Havana Club" mark on Bahamian rum for the same reasons that they are injured by defendants' sale of rum bearing this mark as set forth in paragraphs 70 through 75 *ante*.

86. United States consumers are injured and will continue to be injured by defendants' actions in using the "Havana Club" mark on Bahamian rum for the same reasons that they are injured by defendants' sale of rum bearing this mark as set forth in paragraph 76 *ante*.

87. The injuries to plaintiffs and to United States consumers caused by defendants use of the "Havana Club" mark on Bahamian rum, including those described in paragraphs 70 through 76 *ante*, cannot be calculated or compensated in a future award of money damages. These injuries are irreparable.

88. Plaintiffs have no adequate remedy at law.

89. Under Section 43(b) of the Lanham Act, 15 U.S.C. 1125(b), Defendant's rum must be refused importation into the United States and may not be admitted to entry to any customhouse of the United States.

WHEREFORE, plaintiffs pray that this Court enter a judgment:

1. For a preliminary and permanent injunction restraining defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with defendants or with any of the foregoing, from:

a. Using the words "Havana Club" on rum products nor as part of any trademark, service mark, brand name, trade name or other business or commercial designation, in connection with the sale, offering for sale, distribution, advertising or promotion of alcoholic beverages, or otherwise in the alcoholic beverage business; and

b. Representing by use of the words "Havana Club" or otherwise that any alcoholic beverage manufactured, offered for sale, sold or distributed by any of the defendants is authorized, sponsored or endorsed by, or otherwise connected with, plaintiffs;

2. For an injunction directing defendants:

a. To destroy all signs, prints, packages, wrappers, containers, advertisements, promotional material, business forms, etc. in the possession or under the control of the defendants, which display the words "Havana Club," and any means of manufacturing or making the same;

4. Ordering disgorgement of defendants' profits pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117;

5. Awarding plaintiffs' their attorneys fees and the cost of this action pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117; and

6. Granting such other and further relief as this Court may deem necessary and proper under the circumstances.

Dated: New York, New York  
December 23, 1996

Respectfully submitted,

RABINOWITZ, BOUDIN, STANDARD,  
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By: 

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