Exhibits

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

	x	
	:	Cancellation No. 24,108
GALLEON S.A.,	:	
BACARDI-MARTINI U.S.A., INC., and	:	
BACARDI & COMPANY LIMITED,	:	
	:	
Petitioners,	:	
	:	
-against-	:	
	:	
HAVANA CLUB HOLDINGS, S.A. and	:	
HAVANA RUM & LIQUORS, S.A. d/b/a H.R.L.,	:	
S.A.,	:	
	:	
Respondents.	:	
	x	

MEMORANDUM OF LAW IN SUPPORT OF PETITIONERS' MOTION TO RESUME PROCEEDINGS, TO SUBSTITUTE PARTIES AND FOR SUMMARY JUDGMENT

TRADEMARK TRIAL AND APPEAL BOARD
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TABLE OF CONTENTS

Page

I. PRELIMINARY STATEMENT 1

II. BACKGROUND FACTS 3

A. Facts Established In *Havana Club* Litigation 3

B. Facts Ascertainable From USPTO Records 6

III. INTRODUCTION TO ARGUMENT 7

IV. ARGUMENT 8

A. Cancellation No. 24,108 Should Be Resumed With Cubaexport Substituted As The Respondent 8

B. Summary Judgment Is Warranted And The USPTO Must Cancel The Extant U.S. HAVANA CLUB Registration As It Was Not Renewed By Cubaexport Prior To The Expiration Of The Statutory Renewal Period 9

V. CONCLUSION 15

TABLE OF AUTHORITIES

CASES

Brittingham v. Jenkins, 914 F.2d 447 (4th Cir. 1990) 10

Celotex Corp. v. Catrett, 477 U.S. 317 (1986) 9

Ex parte Firmenich & Co., 137 U.S.P.Q. 476 (Comm'r Pats. 1963) 12

Federated Department Stores, Inc. v. Motie, 452 U.S. 394 (1981) 3, 8

Havana Club Holding, S.A. v. Galleon, S.A., No. 96 Civ. 9655, slip op. (S.D.N.Y. filed Oct. 20, 1997) (Partial Judgment) 1

Havana Club Holding, S.A. v. Galleon, S.A., 974 F. Supp. 302 (S.D.N.Y. 1997) 3

Havana Club Holding, S.A. v. Galleon, S.A., 62 F. Supp. 2d 1085 (S.D.N.Y. 1999) 3

In re Caldon Co. Ltd. Partnership, 37 U.S.P.Q. 2d 1539 (Comm'r Pats. 1996) 12, 13 14

In re Culligan International Co., 915 F.2d 680 (Fed. Cir. 1990) 12

In re Holland American Wafer Co., 737 F.2d 1015 (Fed. Cir. 1984) 11, 12

In re Michael Stern & Co., Inc., 199 U.S.P.Q. 382 (Comm'r Pats. 1978) 12

In re Precious Diamonds, Inc., 635 F.2d 845 (C.C.P.A. 1980) 14

In re Trademark Application of Ronald George Dandar, No. 97-503, 2000 TTAB LEXIS 317 (T.T.A.B. May 11, 2000) 12

In re Weider, 212 U.S.P.Q. 947 (Comm'r Pats. 1981) 14

Matsushita Electric Industrial Co. Ltd. v. Zenith Radio Corp., 475 U.S. 574 (1986) 9

Sweats Fashions Inc. v. Pannill Knitting Co., 833 F.2d 1560 (Fed. Cir. 1987) 9

STATUTES

15 U.S.C.A. § 1051(a) (West 1997) 9

15 U.S.C.A. § 1057(b) (West 1997) 10

15 U.S.C.A. § 1058 (West 1997) 13, 14

15 U.S.C.A. § 1059 (West 1997) 10, 11

15 U.S.C.A. § 1119 (West 1997) 9

15 U.S.C.A. § 1126 (West 1997) 6

37 C.F.R. § 2.146(a)(5) 12

37 C.F.R. § 2.148 12

37 C.F.R. § 2.181(a)(1) 12

Fed. R. Civ. P. Rule 56 9

MISCELLANEOUS

Restatement (Third) Unfair Competition § 18 (1993) 6

TMBP § 510.02(b) 8

TMBP § 512 8

TMBP § 528 9

I.

PRELIMINARY STATEMENT

Petitioners, Bacardi & Company Ltd., formerly Galleon, S.A., and Bacardi U.S.A., Inc., formerly Bacardi-Martini U.S.A., Inc., (collectively hereinafter: "Bacardi"), respectfully submit this memorandum of law in support of their Motion to Resume Proceedings in Cancellation No. 24,108, to Substitute Parties and for Summary Judgment that is being filed with this memorandum.

On October 26, 2001, Nicholas P. Godici, Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office (the "USPTO") issued an Order To Show Cause why the Director of the USPTO should not now rectify the USPTO's records to reflect the Order of Judge Shira Scheindlin dated October 20, 1997[1] (the "Cancellation Order": a copy of which is attached as Exhibit A) invalidating the recorded assignments of U.S. Registration No. 1,031,651 of the trademark HAVANA CLUB for "rum" (the "U.S. HAVANA CLUB Registration") and canceling the extant registration.

On January 15, 2002, after having considered the parties' submissions in response to the Order To Show Cause, Anne H. Chasser, Commissioner for Trademarks, issued a Notice (the "Notice") stating that "the records of the USPTO will be rectified to reflect the [Cancellation Order] invalidating the recorded assignments [of the U.S. HAVANA CLUB Registration from Empresa Cubana Exportadora De Alimentos y Productos Varios, S.A. ("Cubaexport") to Havana Rum & Liquors, S.A. ("HRL") and from HRL to Havana Club Holdings, S.A. ("HCH")].[2]

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1 *Havana Club Holding, S.A. v. Galleon, S.A.*, No. 96 Civ. 9655, slip op. (S.D.N.Y. filed Oct. 20, 1997) (Partial Judgment).

2 The recorded assignments were as follows:

(1) Reel: 1104 Frame: 0046

Assignor: Empresa Cubana Exportadora De Alimentos y

Accordingly, the USPTO's registration records will also be rectified to conform with the assignment records." That Notice, however, inexplicably failed to refer to the most critical aspect of the Cancellation Order – cancellation of the extant U.S. Registration No. 1,031,651 of the mark HAVANA CLUB in the name of HCH.

The District Court unambiguously ordered that:

> 8. Any rights that Havana Club Holding, S.A. may have had, may have or claims to have had in the Registration of the HAVANA CLUB trademark (U.S. Reg. No. 1,031,651) from forever until today are hereby canceled.

In the United States, a certificate of registration merely confers a presumption of ownership of the registered mark, and the District Court has declared, without room for equivocation, that HCH's presumption of ownership is eviscerated. The U.S. HAVANA CLUB Registration, therefore, must be expunged from the records of the USPTO as no registration can persist on the USPTO records once a final judgment has decreed that the record holder, in fact, owns no interest in the registered mark. The renewal application and declaration of non-use filed by HCH with respect to that registration must be stricken as well. The same logic that requires deletion of the HCH assignments as nullities since HCH never became the owner of the U.S. HAVANA CLUB Registration also calls for deletion of all subsequent filings by HCH with respect to that registration as nullities.

HCH was, in fact, deleted from the records of the USPTO as record holder of Registration No. 1,031,651, although the Notice is silent on that point. Without citing any

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Productos Varios, S.A. DBA Cubaexport
Assignee: Havana Rum and Liquors, S.A.
(2) Reel: 1129 Frame: 0428
Assignor: Havana Rum and Liquors, S.A.
Assignee: Havana Club Holdings, S.A. DBA HCH, S.A.

authority for this action, however, the name of Cubaexport was substituted by the USPTO for HCH as the record holder of the U.S. HAVANA CLUB Registration. Cubaexport was, at best, left by the Cancellation Order with a claim to whatever rights it had in that registration on or around January 1994 but the Cancellation Order explicitly acknowledged that any rights claimed by Cubaexport may have been "lost as a result of acts or omissions of Cubaexport." (*See* Cancellation Order at ¶ 10). Cubaexport has elected not to pursue any ownership claim, but, in any event, Registration No. 1,031,651 expired as a result of Cubaexport's omissions in failing to file a renewal application. The USPTO has no power under the Lanham Act to ignore that omission and list U.S. Registration No. 1,031,651 as being presently owned by Cubaexport.

Bacardi also moves the Board to resume proceedings in Cancellation No. 24,108, and to substitute Cubaexport as respondent. As the Cancellation Order establishes, Cubaexport, not HCH, was the sole claimant to the U.S. HAVANA CLUB Registration and thus was the real party in interest when the cancellation proceeding was initiated. Finally, Bacardi further moves for summary judgment because there is no genuine issue of material fact and Registration No. 1,031,651 must be cancelled as a matter of law.

II.

BACKGROUND FACTS

A. Facts Established In *Havana Club* Litigation

Jose Arechabala, S.A. ("JASA"), a Cuban corporation headquartered in Cardenas, Cuba, succeeded to the Arechabala family rum business founded in the late 1800's.[3] In the early 1930's, JASA adopted and used the trademark HAVANA CLUB for rum produced mainly for

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[3] These facts are taken from the findings of the District Court published at 974 F. Supp. 302 (S.D.N.Y. 1997) and 62 F. Supp.2d 1085 (S.D.N.Y. 1999) and must be taken as established by the USPTO. Similarly, the conclusions of law are *res judicata* and cannot

export to the United States. Sales of JASA's HAVANA CLUB rum began in the United States at least as early as 1934. In that year, Cuban Registration No. 53,614 of the mark HAVANA CLUB was issued to JASA for "alcohol, rum, etc." On May 14, 1935, the trademark HAVANA CLUB for "Ethyl alcohol, rum, etc." was registered by JASA under No. 324,385 in the USPTO. On June 16, 1936, JASA registered the trademark HAVANA CLUB and Design for "rum, etc." in the USPTO under No. 335,919.

During the years from 1934 to 1960, JASA continued to export, distribute, and sell HAVANA CLUB rum in the United States. JASA's HAVANA CLUB rum was produced in both Cuba and Puerto Rico. "Havana Club" was also used by JASA as a trade name to identify that part of its business dealing with the production and sale of HAVANA CLUB rum.

In the Fall of 1960, the Castro regime promulgated Law No. 890 which by its terms expropriated the physical assets, property, accounts and business records of JASA. That same year, JASA assets were seized at gun point by Cuban special forces. No compensation was ever paid directly or indirectly to JASA or its owners by the Cuban government for the physical and intangible assets confiscated, including the HAVANA CLUB mark. These assets were worth at least 25 million dollars (4,000 pesetas) in 1960.

Cuba soon began selling HAVANA CLUB rum made in the confiscated JASA distillery. In the 1960's, all the registrations of the HAVANA CLUB trademark formerly owned by JASA were put in the name of Cubaexport, a state-owned foreign trade enterprise. In 1974, Cubaexport applied to the USPTO to register the trademark HAVANA CLUB under Section 44 of the Lanham Act, based on a Cuban registration of that mark. The U.S. HAVANA CLUB Registration issued to Cubaexport for an initial term of 20 years in 1976.

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be reconsidered at this point. *See Federated Dep't Stores, Inc. v. Motie,* 452 U.S. 394, 398 (1981).

The rights to the HAVANA CLUB trademark for rum in the United States and the U.S. HAVANA CLUB Registration were purportedly transferred by Cubaexport first to HRL, another Cuban company, and then to HCH in late 1993. The worldwide rights to the trademark HAVANA CLUB, including ostensibly the rights to distribute HAVANA CLUB rum in the United States, were transferred from Cubaexport to HRL by assignment deed dated October 29, 1993. Also transferred to HRL were all of the assets associated with the HAVANA CLUB rum business. The personnel from Cubaexport handling the rum business were transferred from Cubaexport to HRL. The files of the rum business went as well. Thereafter, HRL transferred all the worldwide rights it had to the trademark HAVANA CLUB to HCH, also ostensibly including the U.S. trademark rights, the U.S. HAVANA CLUB Registration, and any associated goodwill. It is undisputed that Cubaexport ceased all sales of HAVANA CLUB rum outside of Cuba prior to 1994.

The putative transfers of the U.S. rights to the HAVANA CLUB mark and U.S. HAVANA CLUB Registration were then documented through a series of assignments that were dated as of 1994 and were subsequently recorded in the USPTO. Cubaexport executed an agreement, dated January 10, 1994, under which the U.S. rights to the HAVANA CLUB mark and U.S. HAVANA CLUB Registration were assigned to HRL. HRL by deed dated June 22, 1994 assigned its interest in the HAVANA CLUB mark and the related U.S. HAVANA CLUB Registration to HCH. The recorded assignments recited that the goodwill associated with the mark and U.S. HAVANA CLUB Registration was conveyed as well. HCH then filed a renewal application for the U.S. HAVANA CLUB Registration in its own name in January 1996, containing an excusable nonuse declaration asserting that but for the embargo HCH would sell

HAVANA CLUB rum in the United States. (A copy of that renewal application is attached as Exhibit B).

The District Court held that the assignments of the HAVANA CLUB mark and the U.S. HAVANA CLUB Registration by Cubaexport to HRL and then to HCH were *void ab initio* as violations of the Trading With the Enemy Act and the Cuban Asset Control Regulations. As a result, as appears in the Cancellation Order, HCH never acquired any interest whatsoever in the HAVANA CLUB mark from Cubaexport.[4]

B. <u>Facts Ascertainable From USPTO Records</u>

It is undisputed that Cubaexport never filed the required application to renew the U.S. HAVANA CLUB Registration. Cubaexport also did not file an excusable non-use declaration in January 1996.[5]

Cubaexport's original registration was obtained under Section 44 of the Lanham Act, 15 U.S.C.A. § 1126 (West 1997), which requires a foreign registrant like Cubaexport to comply with the Lanham Act's provisions in order to acquire and maintain rights in marks registered here. *See, e.g., Restatement (Third) Unfair Competition* § 18 (1993). Cubaexport's failure to adhere to the provisions of the Lanham Act governing renewal is, therefore, also inexcusable.

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4 The District Court's Cancellation Order stated: "nothing herein shall prevent the defendants or others from contesting those rights or contending that said rights were lost as a result of acts or omissions by Cubaexport." (*See* Cancellation Order at ¶ 10). The "omissions" included the fatal failure to file a renewal application and the "acts" constituted abandonment.

5 Cubaexport contracted away the right to sell HAVANA CLUB rum in the United States should the embargo be lifted. HCH had that contractual right.

III.

INTRODUCTION TO ARGUMENT

The Cancellation Order is now a final unappealable judgment on the merits and unequivocally provides: (a) that neither HCH nor HCI ever obtained any rights whatsoever in the United States in the HAVANA CLUB mark (*See* Cancellation Order at ¶ 6), and (b) that any right HCH ever claimed in the U.S. HAVANA CLUB Registration is cancelled (*Id.* at ¶ 8).

For the reasons discussed below, there is no legal basis for Cubaexport to be recognized as the current owner of Registration No. 1,031,651 for the HAVANA CLUB trademark for rum. The invalid assignments were properly deleted from the USPTO records in accordance with the Cancellation Order. Cubaexport, therefore, was the sole claimant to ownership of U.S. Registration No. 1,031,651, during the time period when renewal was due. In this limited sense, whatever rights Cubaexport had before the null transfers were "restored" as of the 1994 date of abortive transfers. But Cubaexport never filed the mandatory renewal application for the U.S. HAVANA CLUB Registration as is required by the Lanham Act. Since HCH never was the registrant and never had a proprietary interest in the U.S. HAVANA CLUB Registration, HCH's renewal was a nullity like the assignments. It should be noted that, HCH and HCI have a clear conflict with Cubaexport due to threatened litigation by HCH and HCI against HRL, a Cuban state enterprise, like Cubaexport. (*See* Testimony of Noel Adrian, Managing Director of HCI, District Court Trial Tr., Jan. 20, 1999, at pp. 240-41, attached as Exhibit C). That deficiency cannot be cured, for the Director has no authority now to accept a renewal application by Cubaexport long after the statutory time period for filing the renewal application has expired. Consequently, U.S. Registration No. 1,031,651 of the HAVANA CLUB mark listing Cubaexport as record holder must be expunged from the records of the USPTO.

IV.

ARGUMENT

A. Cancellation No. 24,108 Should Be Resumed With Cubaexport Substituted As The Respondent

Cancellation No. 24,108 was suspended pending the outcome of the federal litigation between the parties that resulted in the Partial Judgment in *Havana Club Holding, S.A. v. Galleon S.A.*, 96 Civ. 9655 (SS), which is at issue here. That litigation has long since concluded, appeals have been taken, and a final decision on the merits has been entered. This judgment is final and cannot be challenged in this tribunal. *See Federated Dep't Stores, Inc. v. Motie,* 452 U.S. 394, 398 (1981) ("A final judgment . . . precludes the parties or their privies from relitigating issues that were or could have been raised in that action."). Accordingly, pursuant to TBMP §510.02(b), Cancellation No. 24,108 should now be resumed in order to give final effect to the Cancellation Order.

Cubaexport should be substituted as the respondent in the resumed cancellation proceeding pursuant to TBMP § 512 because the assignments of the U.S. HAVANA CLUB Registration have been stricken from the USPTO's records and HCH, the respondent of record in that proceeding, never owned the registration at issue. The only party, under the mandate of the Cancellation Order, with an arguable interest in Registration No. 1,031,651 when the cancellation proceeding was originally brought was Cubaexport. Moreover, the USPTO now erroneously lists Cubaexport as the owner of said registration and on January 17, 2002, served Cubaexport with its Notice of that date. Therefore, Cubaexport should be substituted as the respondent since Cubaexport, not HCH, is the real party-in-interest.

B. Summary Judgment Is Warranted And The USPTO Must Cancel The Extant U.S. HAVANA CLUB Registration As It Was Not Renewed By Cubaexport Prior To The Expiration Of The Statutory Renewal Period

Summary judgment is appropriate where "there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law." Rule 56(c), Fed. R. Civ. P. The summary judgment procedure is regarded as "a salutary method of disposition," and the Board does not hesitate to dispose of cases on summary judgment when appropriate. *See Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 1562 (Fed. Cir. 1987); TBMP § 528.01.

Bacardi, as movant, must show that "there is an absence of evidence to support the nonmoving party's case." *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986). When the moving party has carried its burden, the nonmoving party "must do more than simply show that there is some metaphysical doubt as to the material facts." *Matsushita Elec. Indus. Co. Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). Rule 56(e) "requires the nonmoving party to go beyond the pleadings and by [its] own affidavits, or by the 'depositions, answers to interrogatories, and admissions on file,' designate 'specific facts showing that there is a genuine issue for trial.'" *Celotex*, 477 U.S. at 324. The dispositive facts here are beyond challenge.

The Cancellation Order pursuant to 15 U.S.C.A. § 1119 (West 1997) states: (a) that HCH's claimed rights as the registrant of the U.S. HAVANA CLUB Registration are canceled (*see* Cancellation Order at ¶ 8); (b) that HCH never acquired any ownership rights whatsoever in that registration (*id.* at ¶ 6); and (c) that the assignments were null and void (*id.* at ¶ 4).[6] Under the statutory scheme for maintaining marks set forth in the Lanham Act, these

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6 The term "registrant" both in its ordinary sense and as used in the Lanham Act connotes ownership of the registered mark and the related federal registration. *cf.* 15 U.S.C.A. § 1051(a) (West 1997) (emphasis added) ("The *owner* of a trademark used in commerce

rulings require that Registration No. 1,031,651 of the HAVANA CLUB mark be stricken in its entirety from the USPTO's records. *See Brittingham v. Jenkins*, 914 F.2d 447, 458 (4th Cir. 1990) (successful challenge to registrant's ownership of mark led to cancellation of registration).

The USPTO deleted the assignments to HCH from the USPTO records and also, without referring to this action in its Notice, deleted HCH's name as the holder of the U.S. HAVANA CLUB Registration. But the USPTO, *sub silentio*, apparently regarded HCH's renewal application as valid. However, the renewal affidavit filed by HCH must also be treated as a nullity because if HCH was not the registrant and never acquired any ownership interest of any kind in the subject registration – as the District Court decided – then HCH could not as matter of law renew that application. HCH's renewal application was a dead letter just like the assignments, so the U.S. HAVANA CLUB Registration expired in 1996. Consequently, there can be no valid U.S. Registration No. 1,031,651 in the name of Cubaexport on the USPTO records now, more than five years after the statutory period for renewal lapsed.

Since Cubaexport was the sole claimant to rights in the U.S. HAVANA CLUB Registration, that registration would have had to have been renewed by Cubaexport no later than April 27, 1996. The statutory time period set forth in the Lanham Act, 15 U.S.C.A. § 1059 (West 1997), requires that a complete renewal application must be filed as follows:

> (a) Each registration may be renewed for periods of ten years from the end of the expiring period upon payment of the prescribed fee and the filing of a verified application therefor, setting forth those goods or services recited in the registration on or in connection with which the mark is still in use in commerce and having attached thereto, a specimen or facsimile showing current use of the mark, or showing that any nonuse is due to special circumstances which excuse such nonuse and it is not due to any

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may apply to register his or her trademark ..."); 15 U.S.C.A. § 1057(b) (West 1997) ("A certificate of registration of the mark ... shall be *prima facie* evidence ... of the registrant's ownership of the mark.").

> intention to abandon the mark. Such application may be made at any time within six months before the expiration of the period for which the registration was issued or renewed, or it may be made within three months after such expiration on payment of the additional fee herein prescribed.[7]

The U.S. HAVANA CLUB Registration for "rum" issued for a period of 20 years on January 27, 1976. Cubaexport was, therefore, obligated to file its renewal application during the period beginning on July 27, 1995 and ending, with the benefit of the three month additional extension period, on April 27, 1996.[8]

No renewal affidavit has ever been filed by Cubaexport as is ascertainable by judicial notice of the USPTO's own records. Although Cubaexport was notified by the District Court of the Summary Judgment against HCH, Cubaexport has not, since the Cancellation Order was issued, even tried to file a renewal application of its own (The undisputed facts established in the *Havana Club* litigation shows Cubaexport could not make a justifiable non-use declaration without perjuring itself). The USPTO cannot under the Lanham Act accept a renewal affidavit from Cubaexport for the U.S. HAVANA CLUB Registration that was filed after the April 27, 1996 statutory deadline.

Cubaexport's indisputable failure to file a renewal application is fatal to any claim that the U.S. HAVANA CLUB Registration should somehow be metaphysically maintained in Cubaexport's name. The ineluctable fact is that Cubaexport did not apply to renew the mark on or before April 27, 1996. In *In re Holland Am. Wafer Co.,* 737 F.2d 1015, 1018 (Fed. Cir. 1984), the Federal Circuit held that for a registration to be renewed, a complete renewal application

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[7] 15 U.S.C.A. § 1059 was modified effective October 30, 1999 in accordance with the Trademark Law Treaty Implementation Act. As of the time that the renewal application had to be filed for the U.S. HAVANA CLUB Registration, however, the statutory language noted above was in effect.

must be submitted within the statutorily-prescribed time period. The contents of the renewal application, the court stated, must include, *inter alia*, an affidavit by the owner of the mark. "Timeliness set by statute is not a minor technical defect which can be waived by the Commissioner." *Id.* at 1018.

While the Director, under Trademark Rules 2.146(a)(5) and 2.148, has some limited discretion in an "extraordinary situation" to waive "any requirement of the rules . . . not being a requirement of the Statute," 37 C.F.R. § 2.148; *see also* 37 C.F.R. § 2.146(a)(5); *In re Caldon Co. Ltd. Partnership*, 37 U.S.P.Q.2d 1539, 1541 (Comm'r Pats. 1996), the Director has no power to waive an explicit statutory requirement such as the deadline for filing renewal applications. *See id.*; *see also In re Trademark Application of Ronald George Dandar*, No. 97-503, 2000 TTAB LEXIS 317, at*1 (T.T.A.B. May 11, 2000). Specifically, "[t]he Commissioner cannot extend, suspend, or waive the time for filing a complete application for renewal for any reason." *In re Trademark Application of Ronald George Dandar*, 2000 TTAB LEXIS 317, at*4; *see also In re Culligan Int'l Co.*, 915 F.2d 680, 681 (Fed. Cir. 1990); *In re Holland Am. Wafer Co.*, 737 F.2d at 1018; *In re Michael Stern & Co., Inc.*, 199 U.S.P.Q. 382, 383 (Comm'r Pats. 1978); *Ex parte Firmenich & Co.*, 137 U.S.P.Q. 476, 477 (Comm'r Pats. 1963).

In any event, Cubaexport's failure to file a renewal application was no simple mistake. The assignment from Cubaexport to HCH was held by the District Court to violate U.S. law and regulations enforcing the total trade embargo on Cuba, so there are no equitable factors favoring Cubaexport. HCH's own filing of a renewal affidavit was not inadvertent; it was deliberate and was intertwined with a knowing violation of U.S. law. The renewal application by

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8 The statutory period for filing a renewal application for a registration that issued or was last renewed prior to November 16, 1989 is twenty years from the date of issuance or the last renewal. *See* 37 C.F.R. § 2.181(a)(1).

HCH, a stranger to the registration, was ineffective and null and void as a matter of law just as the assignments to HCH were treated as null and void and of no force and effect. There is no basis whatsoever in law or equity for the USPTO to regard HCH's filing as Cubaexport's.

Only Cubaexport, the putative owner of the U.S. HAVANA CLUB Registration in 1996, lawfully had the power to file the renewal affidavit. The case of *In re Caldon Co. Ltd. Partnership*, 37 U.S.P.Q.2d 1539 (Comm'r Pats. 1996), dealt with the issue of whether the filing of a declaration pursuant to Section 8 of the Lanham Act, 15 U.S.C.A. § 1058, executed by an officer of an affiliated corporation of the actual owner could be "corrected" after the expiration of the statutory time period for making such a filing. The registration in question, which issued on April 4, 1989, had been assigned by the original registrant to Caldon Company Limited Partnership ("Caldon Partnership"). The assignment to Caldon Partnership was duly recorded in the USPTO. Caldon Partnership was statutorily required to file an affidavit or declaration of continued use or excusable nonuse between the fifth and sixth year after the date of registration (i.e., between April 4, 1994 and April 4, 1995). On September 19, 1994, a declaration of continued use was inadvertently filed by Caldon, Inc., a separate legal entity from Caldon Partnership. By letter dated March 16, 1995, the Affidavit Renewal Examiner at the USPTO notified Caldon, Inc. that acceptance of the renewal affidavit was withheld because the records of the USPTO showed title to the registration in the name of Caldon Partnership but added that evidence of ownership in the name of Caldon, Inc. could be submitted. In a petition filed May 30, 1995 (after the close of the sixth year), Caldon Partnership asked that the USPTO accept the originally-filed declaration as "corrected" by the actual owner--Caldon Partnership. The petition was denied and the registration ordered canceled because:

> That statute specifically requires that the affidavit be filed by 'the registrant,' prior to the expiration of the sixth year after the date of

> registration. The term 'registrant' includes both the original registrant, and a person who has acquired ownership through proper transfer of title. . . . *[I]f the party who filed the affidavit was not the owner of the registration at the time the affidavit was filed, a substitute affidavit in the name of the true owner cannot be filed unless there is time remaining in the statutory filing period.*

Id. at 1541 (emphasis added) (citing *In re Precious Diamonds, Inc.*, 635 F.2d 845 (C.C.P.A. 1980); *In re Weider*, 212 U.S.P.Q. 947 (Comm'r Pats. 1981)).

The Cancellation Order mandates that HCH cannot be treated as the "owner" of the U.S. HAVANA CLUB Registration when the renewal was filed, because HCH never obtained any ownership interest in it ever. Moreover, the Director, as the cited cases show, has no authority to accept a new or corrected renewal application by Cubaexport now, as the statutory deadline for such a filing passed over five years ago. Cubaexport has never bothered to attempt to renew the U.S. HAVANA CLUB Registration, and there is no reason to conclude that Cubaexport claimed or claims any U.S. rights in the HAVANA CLUB mark after the abortive transfers.

Indeed, the record in the related *Havana Club* federal litigation establishes that Cubaexport, could not truthfully have filed in 1996 a verified declaration showing excusable nonuse, which declaration was the *sine qua non* of a proper renewal. Cubaexport had contractually bargained away the right to sell HAVANA CLUB rum everywhere in the world in the Convenio (the Joint Venture Agreement between the Castro government and Pernod), and the sworn testimony of Mr. Thierry Jacquillat, Pernod's CEO, confirmed that "[u]nder the Convenio, Pernod Ricard [was] the exclusive distributor worldwide of the HAVANA CLUB brand" (*See* District Court Trial Tr., Feb. 5, 1999, at p. 1460, attached as Exhibit D) throughout the renewal period. Therefore, Cubaexport could not have sworn that but for the Cuban embargo it was ready and able to sell HAVANA CLUB rum here. Accordingly, the essential requirement for a

valid renewal, that is, a truthful declaration of excusable nonuse, was not met and could not now be met by Cubaexport.

V.

CONCLUSION

For the reasons set forth above, Bacardi respectfully requests that the USPTO rectify its records by expunging all reference to U.S. Registration No. 1,031,651 of the mark HAVANA CLUB for rum.

Dated: March 15, 2002
New York, New York

Respectfully Submitted,

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Of Counsel:

Frederick J. Wilson, III, Esq.

CERTIFICATE OF MAILING

EXPRESS MAIL LABEL NO.: EJ624345515US

DATE OF DEPOSIT: March 15, 2002

The undersigned hereby certifies that on March 15, 2002 a copy of the foregoing NOTICE OF MOTION and MEMORANDUM OF LAW IN SUPPORT OF PETITIONERS' MOTION TO RESUME PROCEEDINGS, TO SUBSTITUTE PARTIES AND FOR SUMMARY JUDGMENT is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. 1.10 on the date indicated above and is addressed to Box TTAB-No Fee, Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, Virginia 22202-3513.

Michelle M. Graham

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 15, 2002 a copy of the foregoing NOTICE OF MOTION and MEMORANDUM OF LAW IN SUPPORT OF PETITIONERS' MOTION TO RESUME PROCEEDINGS, TO SUBSTITUTE PARTIES AND FOR SUMMARY JUDGMENT has been served upon:

(A) Charles S. Sims, Esq. of Proskauer Rose LLP by depositing a true copy thereof with Federal Express addressed to the aforesaid attorney at 1585 Broadway, New York, New York 10036, the address designated by said attorney for that purpose; and

(B) Michael Krinsky, Esq. of Rabinowitz, Boudin, Standard, Krinsky & Lieberman, PC by depositing a true copy thereof with Federal Express addressed to the aforesaid attorney at 740 Broadway, New York, New York 10003, the address designated by said attorney for that purpose.

Dated: March 15, 2002

Michelle M. Graham

TTAB

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May 1, 2002

VIA EXPRESS MAIL

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

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

Dear Sir/Madam:

Pursuant to the Board's order dated April 24, 2002 in connection with the above-referenced proceeding, we enclose an unbound copy of Petitioners' Memorandum of Law in Support of its Motion to Resume Proceedings, to Substitute Parties and for Summary Judgment dated March 15, 2002.

Kindly acknowledge receipt of same by stamping and returning the enclosed self-addressed postcard.

Sincerely,

Michelle M. Graham

Michelle M. Graham

TRADEMARK TRIAL AND APPEAL BOARD
02 MAY -7 PM 9:23

Enclosures

NY01/GRAHM/726103.1