

Battling trade mark piracy in Cuba

With diplomatic relations between the US and Cuba slowly being restored, many US companies are keen to register their trade marks in Cuba. But, says **Erica Gould**, they need to watch out for pirates who have got there first

The recent restoration of diplomatic relations between the United States and Cuba has sparked the interest of US companies in protecting their intellectual property in Cuba. While an exception under current US sanctions allows US companies to file and maintain Cuban trade mark registrations, many trade mark owners have not seen any benefit in doing so until now, since other US sanctions block the ability to trade. Although the embargo remains, the Obama administration has amended the Cuban Assets Control Regulations (CACR) and Export Administrations Regulations (EAR) and further changes in policy are on the table. Trade mark pirates have been quick to take advantage of the evolving landscape. As an example, a Cuban individual recently filed 65 Cuban applications for third-party logo trade marks that are well known in the US and throughout the world. That person was not alone, and more are likely to follow.

After being inactive in Cuba for more than half a century, or never having been present before, the best way for US companies to deal with trade mark piracy is to take pre-emptive action by securing Cuban trade mark registrations. But for some trade mark owners, it may already be too late. Since Cuba is a first-to-file country, it may seem at first glance that US trade mark owners without Cuban registrations have no recourse to prevent a pirate from stealing their spot on the registry. Fortunately, Cuban trade mark law provides several means for challenging trade mark applications under these circumstances, namely in the absence of a prior application or registration. This article addresses a number of grounds for opposing Cuban trade mark applications, and the potential effects of the US case *Empresa Cubana del Tabaco v General Cigar Co, Inc*, No 13-1465 (Fed Cir

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Improved diplomatic relations between the United States and Cuba are likely to lead to more companies seeking to protect their IP rights in the central American country. While US companies can file for trade mark registrations in Cuba, many have not done so as US sanctions block their ability to trade there. That has left the market open to trade mark pirates to file applications corresponding to marks that are well known in the US and internationally. While the best way to avoid that problem is to file trade mark applications pre-emptively, there are opportunities to challenge such bad faith applications, and the continuing US case *Empresa Cubana* is expected to shed more light on the usefulness of the Pan-American Convention. In addition, copyright may be relevant in protecting some types of trade marks. Despite the political uncertainty, therefore, there is reason to hope that valid rights will be upheld.

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2014) on oppositions based on the General Inter-American Convention for Trade Mark and Commercial Protection (also known as the Washington Convention or the Pan-American Convention).

Protecting famous marks

Cuba is a party to almost all international IP treaties, and local legislation has been structured to satisfy international obligations. When Cuba joined the World Trade Organization (WTO) in 1999, it modified its trade mark law by enacting Decree Law No 203, which meets the requirements of the TRIPs Agreement. (Procedural regulations related to Decree Law No. 203 are provided under Resolution Number 63/2000.) As a contracting party to TRIPs, Cuba is also a party to the Paris Convention, which provides for the protection of famous trade marks under Article 6 *bis*. In compliance with the Convention, the famous marks doctrine is implemented through Article 17.1 (d) of Decree Law No 203, which prohibits registration of a trade mark that is a total or partial reproduction of a notorious mark belonging to a third party, when their use could: (1) cause a risk of confusion or association with the notorious mark; (2) cause a risk of diluting the distinctiveness of the notorious mark or its commercial value or fame; or (3) unjustly benefit from the fame of the notorious mark.

Proving that a mark is famous in Cuba, however, can be somewhat challenging for US companies, since the embargo prohibits them from using their marks in Cuba. Furthermore, because many Cuban nationals have limited internet access, evidence of online marketing is given little weight, if any, unlike in many other countries where a trade mark's online presence is considered an effective method of reaching international consumers. For this reason, lawyers need to be creative in arguing the fame of a US trade mark under the Paris Convention. In some cases, it might work to show that a trade mark has been registered and used worldwide for an extended period of time, particularly in countries where Cuban nationals often travel. Further, a mark could be considered famous in Cuba if a particular sector of the Cuban population is familiar with the trade mark. For example, it may be that those belonging to a particular profession have specialised knowledge of international brands within a certain industry, due to the nature of their work.

The Pan-American Convention

Cuba is also a party to the Pan-American Convention. Article

7 of the Convention offers much broader protection than the Paris Convention, as it does not require that the senior trade mark be famous. Under Article 7 of the Pan-American Convention, the owner of a trade mark protected and used in one member state (the US) may oppose an application for an interfering mark by a third party in another member state (Cuba), if the third party *had knowledge* of the existence and continuous use of the senior mark. (Grounds for cancelling a trade mark registration are separately addressed in Article 8 of the Convention.) Thus, although the fame of a trade mark may help to show that an applicant had knowledge of a senior mark, it is not essential. Moreover, the Pan-American Convention is self-executing, so the exact language of the treaty is directly enforceable in all member countries, including Cuba. Oppositions based on Article 7 have been successful in Latin America, particularly in Colombia and Peru. Although these decisions are not binding in Cuba, they may be persuasive.

How the Cuban Trade Mark Office will apply the Pan-American Convention in deciding oppositions by US companies is difficult to predict. A continuing case in the US, *Empresa Cubana* (noted above), may affect how the Cuban Trade Mark Office interprets the treaty. Both parties in this case manufacture and distribute cigars under the Cohiba trade mark, *Empresa Cubana del Tabaco* being a nationally owned Cuban company, and *General Cigar* a US company. By way of background, the US Patent and Trademark Office rejected a trade mark application by *Empresa* for *Cohiba* based on *General Cigar*'s prior registrations for *Cohiba*. *Empresa* filed an infringement action against *General Cigar* seeking, *inter alia*, to cancel *General Cigar*'s registrations under Article 8 of the Pan-American Convention. Whether or not the registrations will be cancelled under the Convention has not yet been decided, since the matter was originally dismissed based on lack of standing. The case has been remanded to the Trademark Trial and Appeal Board of the USPTO to decide the arguments under the Pan-American Convention, and at the time of writing we await a decision. Although the *Cohiba* case does not directly involve an opposition filed under Article 7, the outcome could well reflect the US's stance on whether the Pan-American Convention is enforceable and whether the rights of Cuban trade mark owners will be recognised in the US. The TTAB's decision could have a lasting impact on the rights of US trade mark owners in Cuba, since the Cuban Trade Mark Office may choose to decide oppositions based on the Convention in a reciprocal manner.

Copyright

Copyright infringement can also be the basis for an opposition in Cuba. Under Article 17.1 (h) of Decree Law No 203, a mark cannot be registered when use of the applicant's trade mark would infringe a third party's copyright. Since Cuba is also a contracting party to the Berne Convention, it is not necessary to obtain a copyright registration in Cuba in order to enforce the copyright. Furthermore, under the Berne Convention, a copyrighted work recognised in one member country (the US) must be recognised in another member country (Cuba), and afforded the same protections as nationally owned copyrighted works. This basis for opposing could be useful when dealing with applications for design marks/logos, as in the case of the

trade mark pirate who filed 65 Cuban applications for logo trade marks, mentioned above.

Bad faith

In Cuba, as a general principle of law, a trade mark cannot be registered in bad faith. Furthermore, there is a presumption of good faith when a trade mark application is examined, absent proof to the contrary. Although bad faith is not specifically listed as a ground for opposition in Decree Law No 203, it is addressed in Article 57, which states that a trade mark registration can be cancelled if the trade mark is famous in Cuba and the application was filed in bad faith. Along these same lines, Article 17.1 of Decree Law No 203 provides that an opposition can be filed when it is evident that a trade mark application was filed to perpetrate, facilitate or strengthen an act of unfair competition.

Use all weapons in your arsenal

We cannot predict with any certainty how the Cuban Trade Mark Office will approach the issue of trade mark piracy as relations between the US and Cuba evolve. For this reason, when filing an opposition, it is best to assert all grounds available in a given case, in the hope that one of them will provide a basis for deciding in favour of the legitimate owner. As mentioned above, to avoid this issue entirely, it is important for US companies to take pre-emptive

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action in Cuba by registering any trade marks that could be targeted by pirates. In addition to the piracy threat, when the Cuban market becomes available to US companies, the Cuban Trade Mark Office will likely be flooded with applications, which may result in additional unanticipated obstacles. Given Cuba's well-developed legislation on the protection of trade marks, its high participation in international treaties, and the Cuban Trade Mark Office's apparent reputation for fairness, we have reason to hope that the first trade mark pirates will be stopped in their tracks, deterring others from following in their footsteps.



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