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

Proceeding no.	92025859
Party	Defendant General Cigar Co., Inc.
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Submission	Appeal or Cross-Appeal of Final Board Decision
Notice of appeal to	Civil Action in United States District Court
Name of U.S. district court (if applicable)	Eastern District of Virginia
Case number (if known)	1:23-cv-00227
Certificate of service	The undersigned hereby certifies that a copy of this submission has been served upon all parties, at their address of record by Email on this date.
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Date	02/20/2023
Attachments	General Cigar Notice of Review To TTAB - FILE VERSION.pdf(703962 bytes)

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

In the matter of Trademark Registration No. 1147309
For the mark COHIBA
Date registered: February 17, 1981

AND

In the matter of Trademark Registration No. 1898273
For the mark COHIBA
Date registered: June 6, 1995

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	:	
EMPRESA CUBANA DEL TABACO, d.b.a.	:	
CUBATABACO,	:	
Petitioner,	:	Cancellation No. 92025859
v.	:	
GENERAL CIGAR CO., INC.,	:	
Respondent.	:	
-----	X	

**RESPONDENT GENERAL CIGAR CO., INC.’S NOTICE OF REVIEW BY CIVIL
ACTION**

On December 20, 2022, the Trademark Trial and Appeal Board (the “Board”) issued a final Decision (the “Decision”) granting in part the Amended Petition of Petitioner Empresa Cubana del Tabaco d.b.a Cubatabaco (“Cubatabaco”) to cancel trademark registrations U.S. Reg. Nos. 1,147,309 and 1,898,273 for the mark COHIBA for cigars, owned by Respondent General Cigar Company, Inc. (“General Cigar”). 380 TTABVUE 1- 42.

On February 20, 2023, pursuant to 15 U.S.C. § 1071(b)(1) and 37 C.F.R. § 2.145(c), General Cigar initiated a civil action in the United States District Court for the Eastern District of Virginia, Alexandria Division, for review of the Decision. This action was assigned the following case name and case number: *General Cigar Company, Inc. v. Empresa Cubana del Tabaco d.b.a.*

Cubatabaco, Civil Action No. 1:23-cv-00227 (E.D. Va.) (the “Action”). A copy of General Cigar’s Complaint in the Action is attached hereto as **Exhibit A**.

This filing serves as notice, pursuant to 15 U.S.C. § 1071(b)(2) and 37 C.F.R. § 2.145(c)(3), that General Cigar has initiated a civil action for review of the Board’s Decision.

Dated: February 20, 2023

Respectfully submitted,

By: /s/ Joshua Schwartzman

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CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused to be served a true and correct copy of the foregoing: RESPONDENT GENERAL CIGAR CO. INC.'S NOTICE OF REVIEW BT CIVIL ACTION by transmitting copies by electronic mail dated February 20, 2023, to Petitioner's counsel:

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Date: February 20, 2023

/s/ Joshua Schwartzman

Exhibit A

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

GENERAL CIGAR COMPANY, INC.,

Plaintiff,

v.

EMPRESA CUBANA DEL TABACO, D.B.A.
CUBATABACO.

Defendant.

CASE NO:

JURY TRIAL DEMANDED

Plaintiff General Cigar Company, Inc. (“General Cigar” or “Plaintiff”) for its Complaint against Defendant Empresa Cubana del Tabaco, d.b.a. Cubatabaco (“Cubatabaco” or “Defendant”), alleges as follows:

NATURE OF ACTION

1. General Cigar seeks two forms of relief in this *de novo* action. First, this is an appeal from a December 20, 2022 post-trial decision (the “Decision”) of the Trademark Trial and Appeal Board (the “TTAB”) in an *inter partes* cancellation proceeding (the “Proceeding”) brought by Cubatabaco. A copy of the Decision is attached as Exhibit A. The Decision was adverse to General Cigar: it cancelled two U.S. trademark registrations (one issued in 1981 and the other in 1995) owned by General Cigar for the mark COHIBA used in connection with cigars (the “Registrations”).¹

¹ Under TTAB regulations, the order of cancellation is stayed during the pendency of this appeal. *See* Trademark Trial and Appeal Board Manual of Procedure § 806.

2. Congress allows a losing party in a TTAB *inter partes* registration decision to appeal by way of a *de novo* action in federal district court rather than an appeal to the Federal Circuit. Section 21(b)(1) of Lanham Act, 15 U.S.C. § 1071(b)(1); 37 C.F.R. 2.145(c). In such an action, all legal conclusions made by the TTAB are reviewed *de novo*, and the law applied is that of the Circuit where the district court sits (here, the Fourth Circuit). The plaintiff in the action also is entitled to plead new related claims so that all disputes regarding cancellation of a registration can be decided in a single action. General Cigar has opted to both appeal from the Decision and to obtain complete relief from Cubatabaco's attack on its Registrations by initiating this *de novo* action.²

3. First, the Decision should be reversed for legal error, specifically the TTAB's failure to apply settled principles of preclusion. At trial, Cubatabaco asserted five separate legal grounds for cancellation of General Cigar's COHIBA Registrations. However, the TTAB found for Cubatabaco on only one of those grounds, arising under Article 8 ("Article 8") of the General Inter-American Convention for Trade Mark and Commercial Protection, 46 Stat. 2907 (the "Inter-American Convention" or "IAC"). The TTAB found, as facts, that Cubatabaco used a "Cohiba" mark for cigars in Cuba before General Cigar first applied to register that mark in the U.S., and that General Cigar had knowledge of the "use, employment, registration, or deposit" of that use before applying to register the COHIBA mark in the United States. From these factfindings, the TTAB concluded as matters of law that General Cigar's registrations for COHIBA violated Article 8 of the IAC and that under U.S. law, a U.S. trademark registration may be cancelled on the basis of such a violation. It therefore ordered cancellation of General Cigar's registrations "in due course."

² Venue in the Eastern District of Virginia is mandatory for this appeal, because Cubatabaco, the adverse party in the TTAB proceeding, is a foreign (Cuban) corporation. 15 U.S.C. § 1071(b)(4).

4. However, years before the TTAB trial, Cubatabaco had already litigated and lost an identical claim for cancellation of the Registrations under Article 8 of the IAC. Shortly after filing its petition in the Proceeding in January 1997, Cubatabaco sued General Cigar in the Southern District of New York, claiming that Cubatabaco, not General Cigar, owned the U.S. rights to the COHIBA trademark and that General Cigar's sales of COHIBA cigars were an "infringing" use (the "Federal Action"). Its complaint sought an injunction against General Cigar's sales of COHIBA-branded cigars and cancellation of the COHIBA registrations, and repeated the claims Cubatabaco asserted months earlier in the Proceeding. *See Empresa Cubana del Tabaco d.b.a. Cubatabaco v. Culbro Corp., et al*, 97-cv-8399, (Dkt. No. 1) (S.D.N.Y. Nov. 12, 1997).³ The district court's power to decide the issue of cancellation in infringement litigation was concurrent and co-equal with the TTAB's power to decide that issue in cancellation proceedings. *Compare* 15 U.S.C. § 1119 *with* 15 U.S.C. § 1067. Congress gave the courts that power so that all disputes regarding a trademark, including the right of registrability, can be decided in one litigation.

5. It was so obvious that the Federal Action would finally determine the dispute over the Registrations that Cubatabaco asked the TTAB to suspend the Proceeding, representing that the determination of the Federal Action "will be dispositive of all the issues in the instant Cancellation Proceeding, including the issue of entitlement to registration." *Empresa Cubana del Tabaco v. General Cigar Co., Inc.*, 11 TTABVUE 1 (Nov. 25, 1997).

6. One of Cubatabaco's claims in the Federal Action sought cancellation of General Cigar's registrations of the COHIBA mark on the basis of an alleged violation of Article 8 of the IAC. This was the same cancellation claim that Cubatabaco had already asserted in the

³ Culbro Corp. was a predecessor company to General Cigar.

Proceeding. Cubatabaco then moved the federal court for partial summary judgment on this Article 8 issue, arguing that under the reasoning of prior TTAB decisions, Article 8 in itself provided basis for cancellation of a U.S. trademark registration. However, the district court rejected this argument, and instead agreed with General Cigar that U.S. law does not recognize Article 8 as a basis for cancellation of a U.S. registration. Its final judgment dismissed Cubatabaco's Article 8 claim with prejudice. *See Empresa Cubana Del Tabaco v. Culbro Corp.*, 213 F. Supp. 2d 247, 282 (S.D.N.Y. 2002). Cubatabaco cross-appealed from this aspect of the judgment to the United States Court of Appeals for the Second Circuit. The Second Circuit affirmed the dismissal of the Article 8 claim and rejected Cubatabaco's other arguments for cancellation of the Registrations. *See Empresa Cubana Del Tabaco v. Culbro Corp.*, 399 F. 3d 462, 483 (2d. Cir. 2005). The United States Supreme Court then denied Cubatabaco's petition for certiorari. *Empresa Cubana del Tabaco v. General Cigar Co., Inc.*, 547 U.S. 1205 (2006).

7. Given this final federal judgment, the doctrine of issue preclusion plainly barred Cubatabaco from relitigating its losing Article 8 claim in the Proceeding. All elements of the doctrine were satisfied: Cubatabaco fully briefed and argued its Article 8 cancellation claim in the Federal Action; the Article 8 claim was decided against Cubatabaco by the district court judgment and was necessary to the judgment; and Cubatabaco had the opportunity to appeal from the judgment, which became final upon denial of certiorari review.

8. This court should reverse the TTAB's decision and vacate its order of cancellation. As General Cigar argued to the TTAB, as a matter of law, the final Federal Action judgment dismissing Cubatabaco's Article 8 claim precludes Cubatabaco from later asserting an Article 8 cancellation claim against the same registrations in the TTAB. The Court should conclude that the TTAB committed legal error by sustaining, rather than dismissing, the Article 8 claim.

9. Second, General Cigar seeks a final resolution to its 26-year-old trademark dispute with Cubatabaco over General Cigar's rights to own U.S. COHIBA registrations. It therefore asks the Court to declare that Cubatabaco has no other legal basis for cancellation of General Cigar's COHIBA registrations and declare that General Cigar's COHIBA registrations are valid.

10. At trial in the Proceeding, Cubatabaco argued a number of separate grounds for cancellation of the COHIBA registrations besides IAC Article 8, including fraud, abandonment, likelihood of confusion with a mark used by Cubatabaco in the U.S. under § 2(d) of the Lanham Act, 28 U.S.C. § 1052(d), and misrepresentation under §14(3) of the Lanham Act, 28 U.S.C. § 1064(3). General Cigar's brief argued that the law required dismissal of all of these cancellation claims, and that Cubatabaco had failed to sustain its burden of proof on the likelihood of confusion brand of its § 2(d) claim. The TTAB, however, decided only Cubatabaco's Article 8 claim, and did not consider any of Cubatabaco's other claims or conduct any fact-finding other than that related to the Article 8 claim.

11. A plaintiff taking a *de novo* court appeal from a TTAB decision may assert additional claims that are related to the mark in dispute. 15 U.S.C. § 1071(b)(1).

12. Therefore, General Cigar seeks a declaration that Cubatabaco cannot prevail on any of the cancellation grounds asserted at the TTAB trial. Cubatabaco's 26-year long attack on General Cigar's lawful COHIBA trademark registrations has already consumed much party and judicial time and expense. Unfortunately, reversal of the Decision alone may not end the dispute: even then Cubatabaco could try to return to the TTAB and seek to reargue its unaddressed trial claims for cancellation.⁴ If it succeeded in having the TTAB hear those grounds and prevailed at a second trial, General Cigar would appeal by a new *de novo* action in this Court.

⁴ General Cigar reserves the right to argue, if necessary, that the Lanham Act does not permit a remand from federal court to the TTAB.

13. Fortunately, this winding road can be bypassed here. The provision of the Lanham Act that authorizes General Cigar to bring this civil action in federal court also authorizes it to assert additional claims related to the disputed mark(s) so that all such disputes can be decided in one action. *See Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 109 USPQ2d 1291, 1295 (4th Cir. 2014). General Cigar asks the Court to issue a declaratory judgment finding that Cubatabaco cannot assert such claims because they are either (a) precluded or otherwise legally barred, or (b) Cubatabaco cannot sustain its burden of proof on those claims. There can be no dispute that a real, ongoing controversy between Cubatabaco and General Cigar regarding each claim exists, and clouds General Cigar’s trademark rights, in a way sufficient to authorize the granting of relief under the Declaratory Judgments Act. Counts II-V of this Complaint specify the basis for granting declaratory relief against each claim.

PARTIES

14. Plaintiff General Cigar Company, Inc. is a Delaware corporation with a principal place of business at 2100 East Cary Street, Suite 200, Richmond, Virginia, 23223.

15. General Cigar, founded in 1906, is one of the world’s foremost manufacturers and marketers of premium, hand-made cigars.

16. General Cigar is the owner of two United States trademark registrations: (1) an incontestable registration for the standard word mark COHIBA for cigars, issued by the United States Patent and Trademark Office (“USPTO”) on February 17, 1981, as U.S. Reg. No. 1,147,309; and (2) a registration for the stylized mark **COHIBA**, issued by the USPTO on June 6, 1995, as U.S. Reg. No. 1,898,273. These two registered marks are referred to collectively herein as the “COHIBA Marks” and the two registrations are referred to collectively herein as the “Registrations.” The Registrations are appended to this Complaint as Exhibits B-C.

17. Since February 1978 (with a hiatus in shipments to distributors and retailers between 1987 and November 1992), General Cigar, including through its predecessor the Culbro Corporation, has exclusively used and enforced the Registrations in the United States and its territories in connection with the sale and offering of cigars made of non-Cuban tobacco in the U.S. General Cigar sells its COHIBA cigars to approximately 3,500 wholesalers and retailers, who in turn sell the cigars to U.S. cigar consumers. Since 1997, when General Cigar converted the COHIBA to a “super-premium” cigar brand, it has sold millions of COHIBA cigars in the U.S., earning revenues from COHIBA sales exceeding \$100 million. Since 1997, General Cigar has spent in excess of \$10 million in advertising and promoting COHIBA cigars to American cigar smokers and millions of dollars more in enforcing the Registrations. For example, General Cigar has sued infringers and worked with U.S. customs authorities to bar entry of counterfeit COHIBA cigars into the U.S.

18. Defendant Empresa Cubana del Tabaco d.b.a. Cubatabaco is a Cuban company established by Cuban Law No. 1191 of 1966 and is organized under the laws of Cuba with its principal place of business in Havana, Cuba.

19. Upon information and belief, Cubatabaco is the Cuban state tobacco monopoly. Upon information and belief, Cubatabaco and a sister company, Habanos S.A., have sold “Cohiba”-branded cigars of Cuban origin, exclusively outside of the U.S. Under the Cuban Asset Control Regulations promulgated by the United States pursuant to Section 5(b) of the Trading with the Enemy Act of 1917 (the “Cuban Embargo”), and subsequently codified by the LIBERTAD Act (22 U.S.C. § 6021 *et seq.*), Cubatabaco is legally barred from selling or advertising any Cuban-origin cigar in the U.S., including its “Cohiba”-branded cigars. Neither Cubatabaco nor Habanos S.A. has *ever* sold a “Cohiba”-branded cigar in the U.S. Moreover, Cubatabaco cannot reasonably

expect to be able to legally sell “Cohiba”-branded cigars at any foreseeable point in the future due to the Cuban Embargo.

JURISDICTION AND VENUE

20. This is an action arising under the Lanham Act, 15 U.S.C. § 1051 *et seq*, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201, 2202.

21. This Court has subject matter jurisdiction: (a) under 15 U.S.C. §§ 1119 and 1121, in that this is an action involving a mark registered under the Lanham Act; (b) under 28 U.S.C. §§ 1331 and 1338(a), in that this matter involves an action arising under the laws of the United States, and arises under the federal Lanham Act; (c) 15 U.S.C. § 1071(b)(1), in that this action is a civil action seeking review of a TTAB decision; and (d) under 28 U.S.C. §§ 2201 and 2202, because General Cigar seeks a declaration of rights regarding an actual case and controversy between the parties.

22. Because Cubatabaco resides in Cuba, a foreign country, and was the adverse party in the TTAB proceeding, this Court has personal jurisdiction over Cubatabaco under 15 U.S.C. § 1071(b)(4).

23. Venue is appropriate in this District and Division under 28 U.S.C. §§ 1391(b)(3) and (c)(3), and mandatory in this District because Cubatabaco does not reside in the United States and is subject to the personal jurisdiction of this Court. 15 U.S.C. § 1071(b)(4).

FACTS COMMON TO ALL CLAIMS

A. The Cuban Embargo

24. By law and regulation, cigars of Cuban origin, including the “Cohiba” cigar which, upon information and belief, Cubatabaco sells in other countries, may not be sold or advertised in the U.S.

25. In 1963, the United States Government issued regulations substantially prohibiting commerce between the U.S. and Cuba, which are commonly known as the “Cuban Embargo.” The Cuban Embargo prohibits person(s) subject to U.S. jurisdiction from transporting, importing, or otherwise dealing in or engaging in any transaction with respect to merchandise that is either: (i) of “Cuban origin”; (ii) located in or transported from or through Cuba; or (iii) made or derived in whole or in part of any article which is the growth, product, or manufacture of Cuba. *See* 31 C.F.R. §§ 515.101, *et seq.* Because cigars made with Cuban-grown tobacco fall within this ban, it has been illegal for the last sixty years for such cigars to be imported into or sold in the U.S.

26. In 1996, Congress codified the Cuban Embargo in the Cuban Liberty and Democratic Solidarity Act of 1996 (the “LIBERTAD Act”). *See* 22 U.S.C. § 6021, *et seq.*, including specifically § 6032(h) (“Codification of economic embargo”).

B. Parallel Brands in the U.S. Cigar Industry

27. After the Fidel Castro regime came to power in Cuba in 1960, the Cuban government expropriated existing cigar businesses, taking possession of their businesses and assets (including their intellectual property), and ousting their owners.

28. Many expropriated cigar owners and their families fled to countries like the United States or the Dominican Republic to reestablish their cigar businesses. They resumed manufacturing and selling cigars in the U.S. using non-Cuban tobacco, while using the same trademarks and trade dress they had exploited in Cuba.

29. The U.S. courts rejected suits by the Cuban government seeking to prohibit the exiled Cuban owners from using their trademarks and trade dress. *See, e.g., F. Palicio y Compania v. Brush*, 256 F. Supp. 481, 487-88, 150 USPQ 607, 611-12 (S.D.N.Y. 1966), *aff’d*, 375 F.2d 1011

(2d Cir. 1967); *Menendez v. Faber, Coe & Gregg, Inc.*, 345 F. Supp. 527, 552, 174 USPQ 80, 85 (S.D.N.Y. 1972).

30. Many of the exiled Cubans later sold their cigar businesses and associated trademarks to existing U.S. cigar manufacturers, including General Cigar's predecessor-in-interest Culbro Corporation. General Cigar and its competitors have continued to sell non-Cuban cigars in the U.S. using the marks and often the trade dress of the original Cuban brands.

31. In the meantime, Cubatabaco (the Cuban state tobacco monopoly), through its licensees and distributors, began selling outside the U.S. Cuban cigars, using the same marks and trade dress that they had expropriated from the original owners.

32. This phenomenon of "parallel brands" is a peculiar feature of the cigar market and well-known to U.S. premium cigar consumers. There are dozens of cigar brands that are sold exclusively in the U.S. (and its territories) by entities unaffiliated with Cuba using non-Cuban tobacco, while those same cigar brands are sold outside the U.S. exclusively by Cubatabaco and its licensees (i.e., Habanos S.A.) using Cuban tobacco. Some of these cigar brands include some of the most well-known premium cigars sold in the U.S., including Montecristo, Partagas and Romeo y Julieta. Although the Cohiba mark did not originate until after Fidel Castro came to power, Cohiba is also regarded in the U.S. as a parallel brand, since non-Cuban cigars under that mark are sold in the U.S. by General Cigar, and Cuban cigars under the mark are sold in other countries by Cubatabaco and its licensees.

C. The Premium Cigar Industry

33. The U.S. cigar market is broadly divided into the following two cigar segments: (1) mass-market cigars, which are machine-made; and (2) premium cigars, which are hand-rolled

typically with all-natural long filler tobacco, then wrapped in a tobacco leaf known as “wrapper” tobacco.

34. The filler in premium cigars is typically “long leaf”, meaning that the strips of tobacco are the same length as the cigar itself, whereas the filler in machine-made cigars is typically shredded, lesser quality tobacco.

35. Premium cigars are prized among U.S. cigar consumers and are therefore sold at a significantly higher price point than mass-market cigars. The lowest priced premium cigars are sold at retail for at least \$5.00 per cigar, although many premium cigars are sold at retail above \$10.00 per cigar. Machine-made cigars, however, can retail for less than \$1.00 per cigar.

36. Premium cigars suffered from a drastic and sustained decline starting in the mid 1960’s. It is estimated that between the mid-1960’s and the early 1990’s, consumption of cigars in the U.S. declined by approximately 66%. Cigar magazine *Cigar Aficionado* later stated that by 1992, “American cigar consumption was spiraling to all-time lows.”

37. However, towards the end of 1992 there was a sudden and dramatic improvement in the U.S. cigar market, which became known as the “cigar boom.” In fact, by 1996 imports of premium cigars in the U.S. nearly tripled that of 1992.

D. General Cigar’s Adoption, Use, and Prosecution of the COHIBA Marks

38. General Cigar sells many brands of cigars and from time to time introduces new brands that it hopes will appeal to U.S. cigar consumers.

39. In February 1978, General Cigar decided to adopt “COHIBA” as a brand for a new cigar. At that time, a General Cigar official had heard second-hand that U.S. State Department official had been given a cigar called “Cohiba” by Cuban officials. General Cigar had no knowledge of whether Cohiba-labeled Cuban cigars were being sold.

40. Consistent with common practices of trademark owners in 1978, General Cigar, in February and June 1978, shipped boxes of mass-market cigars labeled “COHIBA” to retailers, who then sold the cigars to the public. After making the first of these shipments, General Cigar, on March 13, 1978, filed an application to register the “COHIBA” word mark with the USPTO. The mark was published for opposition on November 4, 1980, and the USPTO issued a registration for the mark on February 17, 1981 as U.S. Reg. No. 1,147,309. This Registration is sometimes referred to in this Complaint as the “First Registration.”

41. Between 1978 and 1982 General Cigar shipped thousands of COHIBA-branded cigars to its retailers. The number of cigars shipped increased substantially beginning in 1982, when General Cigar began to use the COHIBA mark on its pre-existing Canario D’Ono “upscale bundle” premium cigar, manufactured in the Dominican Republic. General Cigar also provided in-store advertisements for its COHIBA cigars between 1982-1987.

42. Specifically, between 1982 and 1987 General Cigar shipped COHIBA-branded cigars in the following amounts: (i) 1982 (November and December): 90,000; (ii) 1983: 323,000; (iii) 1984: 118,000; (iv) 1985: 70,000; (v) 1986: 5,000; and (vi) 1987: 3,000. While General Cigar always intended to relaunch COHIBA as a brand for a high-end premium cigar, the ever-declining state of the cigar market did not allow it to launch of a new premium branded cigar during this period.

43. On July 16, 1986, General Cigar filed in the USPTO a Declaration under Sections 8 and 15 of the Trademark Act seeking “incontestability” status for its COHIBA mark registered in the First Registration. The Declaration stated, among other things, that: (i) the mark was still in use by General Cigar; and (ii) the mark was in continuous use in interstate commerce by General

Cigar for five consecutive years from February 17, 1981 to July 16, 1986, in connection with cigars.

44. At the time this Declaration was filed, General Cigar had made continuous sales of a COHIBA-branded cigar from 1978 to retailers, who in turn sold those cigars to the public. General Cigar believed that it made a continuous commercial use of the COHIBA mark during the five-year period stated in the Declaration and had received legal advice from its trademark counsel that its use qualified as “continuous use” as declared in the Section 8 & 15 Declarations. General Cigar thus believed the statements regarding use in its Declaration to be truthful.

45. However, the U.S. premium cigar market continued to decline and by 1987, General Cigar had concluded that it should temporarily discontinue sales of the COHIBA cigar until market conditions improved and the COHIBA could be relaunched. It resumed sales of a COHIBA cigar in November 1992, a few months after the U.S. “cigar boom” began.

46. The evidence presented by General Cigar to the TTAB showed that General Cigar never intended to abandon its mark during the 1987-1992 period, including: (i) internal strategy discussions throughout the period about converting the COHIBA from a “bundled” to a super-premium cigar, to be sold in wooden boxes as one of General Cigar’s primary cigars; (ii) discussions with outside counsel starting in April 1989 (and lasting until 1992), whether General Cigar could relaunch a COHIBA-branded cigar using the Cuban Cohiba trade dress; (iii) its decision not to include COHIBA in a list of over 30 cigar trademark registrations that would not be renewed; and (iv) its continued enforcement of the registered COHIBA mark against third-party infringers.

47. In November 1992, at the very beginning of the “cigar boom,” General Cigar promptly resumed substantial sales of a COHIBA-branded cigar, shipping the following quantities

to cigar merchants: (i) 1992: 5,600; (ii) 1993: 50,000; (iii) 1994: 49,000; (iv) 1995: 101,000; (v) 1996: 96,000; and (vi) 1997 (for the first three months): 27,000.

48. This COHIBA cigar was a “transitional” premium cigar sold through two national cigar retailers, Alfred Dunhill and Mike’s Cigar’s. It was General Cigar’s intention to use the COHIBA mark for a “super-premium” cigar; however, such a cigar, which would use aged tobaccos, required time to develop, and business conditions had only just begun to improve. Moreover, the cigar boom had caused a worldwide shortage of available aged premium non-Cuban tobacco, so General Cigar could not have satisfied market demand for a new super premium COHIBA.

49. On December 30, 1992, General Cigar filed a second application with the USPTO to register a stylized version of the COHIBA mark under 15 U.S.C. §1051(b), citing a first use in commerce date in another form dating back to February 1978. The application was published for opposition on April 12, 1994, allowed on July 5, 1994, and after General Cigar filed specimens of use on June 5, 1995, the USPTO registered General Cigar’s stylized COHIBA mark on June 6, 1995, as U.S. Reg. No. 1,898,273. This Registration is sometimes referred to below as the “Second Registration.”

50. By 1996, aged premium non-Cuban tobacco supplies had become more available. Accordingly, General Cigar prepared a marketing plan for 1997 that set forth General Cigar’s plan to release a new super-premium COHIBA-branded cigar at the 1997 Retail Tobacco Dealers Association (RTDA) convention. General Cigar did not plan to market its new COHIBA cigar as having a Cuban connection, but instead focused on evoking a sophisticated “1950’s-style” lifestyle mood.

51. General Cigar also developed and marketed a new, distinctive trade dress for the super-premium COHIBA launch featuring a red dot in the middle of the “O” of COHIBA, which was used on the cigar band and box. The cigar bands and boxes created by General Cigar included states of origin for the country of manufacture (*e.g.*, Dominican Republic, Honduras, Nicaragua). Ultimately, General Cigar has launched a host of COHIBA sub-brands (a common practice in the premium cigar industry), to allow it to reach different segments of the U.S. premium cigar consumer market; the sub-brands include (i) COHIBA Red Dot; (ii) COHIBA Black; (iii) COHIBA Macassar; (iv) COHIBA Nicaragua; (v) COHIBA Luxury Selection; (vi) COHIBA Blue; (vii) COHIBA Royale; (viii) COHIBA Spectre; (ix) COHIBA Connecticut; and (x) COHIBA Silencio.

52. Since 1997, when General Cigar first released COHIBA as a super-premium cigar General Cigar has sold over one hundred million dollars’ worth of COHIBA cigars in the U.S. and has spent over ten million dollars marketing the COHIBA cigar to U.S. customers.

53. General Cigar has also spent millions of dollars in legal fees enforcing its exclusive ownership of the COHIBA Marks against infringers and counterfeiters. For example, General Cigar has filed numerous lawsuits against counterfeiters and has worked with the United States Customs and Border Protection Agency to seize counterfeit COHIBA cigars, boxes, ashtrays, lighters, and cigar cutters.

E. Cubatabaco’s Alleged Use, Adoption, and Registration of a Cohiba Mark.

54. Upon information and belief, on or about September 28, 1969, Cubatabaco filed an application in Cuba with the Oficina Cubana de la Propiedad Industrial for the below logo for a stylized design of an Indian head dress and “Cohiba” as a verbal element in connection with cigars.



55. Upon information and belief, on May 30, 1972, a registration issued for this logo for Cohiba cigars with the Cuban Registration No. 1,110,044.

56. Upon information and belief, Cubatabaco never made a commercial use of this logo in connection with its Cohiba cigars, and when this Registration was up for renewal in 1987, Cubatabaco failed to renew it, abandoning this registration. General Cigar was never aware that Cubatabaco made a commercial use of this mark.

57. Upon information and belief, on March 6, 1972, Cubatabaco filed an application in Cuba with the Oficina Cubana de la Propiedad Industrial for the word mark “Cohiba” in connection with tobacco, cigars, cigarillos, and other cigar related categories. Upon information and belief, the Cuban trademark authorities issued a registration for that mark on June 30, 1980 under Cuban Registration No. 1,111,059. Under Section 44(d) of the Lanham Act, 15 U.S.C. § 1126(d), Cubatabaco could have obtained priority in the United States had it filed an application to register the “Cohiba” mark within six months of filing its Cuban registration in 1972, but it chose not to avail itself of the rights provided to foreign mark owners by U.S. law.

58. Upon information and belief, Cubatabaco filed an application to renew this registration on July 1, 1996. However, under Cuban law, that renewal was not timely. Consequently, upon information and belief, Cubatabaco abandoned the Cuban “Cohiba” mark as of January 1, 1996. Cubatabaco, therefore, did not own any registered “Cohiba” mark in Cuba at the time it sought to register that mark in the U.S. or at the time it petitioned the TTAB to cancel General Cigar’s Registrations.

59. Upon information and belief, as early as July 1983, Cubatabaco discussed with its outside counsel the possibility of registering the “Cohiba” word mark in the U.S. However, upon information and belief, by August 1984, Cubatabaco learned that General Cigar had registered the COHIBA mark in the U.S.

60. Cubatabaco’s conduct for the next twelve years indicated that it knew it had no right to register a Cohiba mark in the U.S. and demonstrates laches. Upon information and belief, between 1985 and 1996, Cubatabaco filed eighteen trademark registrations in the U.S. for other cigar marks, but did not file any application to register the Cohiba mark. During this period, Cubatabaco also engaged and consulted with U.S. trademark attorneys about protecting its intellectual property rights in the U.S.

61. Upon information, in 1987, Cubatabaco learned that General Cigar had filed a Declaration of Use and Incontestability under Sections 8 and 15 of the Lanham Act for the First Registration in 1986, and discussed challenging General Cigar’s rights to the COHIBA trademark in the U.S. However, it chose not to take any action against General Cigar’s registered rights.

62. In the early 1990s, General Cigar representatives had several interactions with Cubatabaco’s representatives, in which Cubatabaco indicated that it did not object to General Cigar owning and registering the COHIBA Marks in the U.S.

63. For example, in November 1992, counsel for General Cigar met with an in-house attorney for Cubatabaco, and the latter acknowledged that General Cigar owned the COHIBA name in the U.S., but stated that Cubatabaco would object if General Cigar used the trade dress associated with Cubatabaco’s Cohiba cigar (General Cigar has never used such a trade dress). The Director of Cubatabaco also told the General Cigar counsel that trademarks are not important to

Cubatabaco. The Director indicated that when the Cuban Embargo ended, Cubatabaco expected that companies in the U.S. with Cuban-origin cigar marks would have to sell the marks back to Cubatabaco and get distribution rights or else Cubatabaco would just sell cigars under a new name. In 1993, the same Director said in an interview that “We are not going to fight with somebody else because he owns the brand name of Cohiba or Montecristo in America. We have been living without that for a long time.”

64. In 1993, Cubatabaco received samples of General Cigar’s COHIBA cigars, but it did not file an opposition to General Cigar’s Second Registration when it was published for opposition in April 1994 or then seek to cancel the First Registration.

65. Not until a decade after becoming aware of General Cigar’s use and registration of the COHIBA mark in the United States, did Cubatabaco change its mind and legal tactics. On January 15, 1997, Cubatabaco filed an application in the U.S. to register a stylized Cohiba word mark in connection with tobacco, cigars, and other cigar-related goods. Registration was initially refused by the USPTO on the basis of General Cigar’s prior Registrations, and the application has been suspended pending the resolution of the resolution of the cancellation proceeding concerning the COHIBA Marks. Obviously anticipating that registration would be refused by the USPTO on the basis of General Cigar’s senior Registrations, Cubatabaco, on the same day it filed its application, January 15, 1997, also filed a petition in the TTAB to cancel General Cigar’s Registrations.

66. Cubatabaco has never used its Cohiba mark in commerce in the United States.

COUNT I (concerning the First and Second Registrations)

**REVIEW AND REVERSAL OF THE TTAB DECISION AND VACATUR OF THE
TTAB’S CANCELLATION ORDER
(15 U.S.C § 1071(b)(1) AND 37 C.F.R. § 2.145)**

67. Count I seeks review of the TTAB Decision (attached hereto as Exhibit A), reversal of that decision for legal error, and vacatur of the TTAB's order of cancellation. General Cigar repeats and realleges the allegations of Paragraphs 3-8 and 38-66 as though fully set forth herein.

68. Because the TTAB erroneously failed to give the judgment in the Federal Action preclusive effect, it is necessary to summarize elements of the procedural history of the Federal Action. General Cigar reserves the right to supplement these facts during the action.

69. On January 15, 1997, Cubatabaco filed an application in the USPTO to register the mark COHIBA in its own name under Section 44(e) of the Lanham Act, 15 U.S.C. § 1126(e), based only on its 1980 registration in Cuba (Reg. No. 1,111,059). However, Cubatabaco also was aware that General Cigar already owned two Registrations for COHIBA and that the Trademark Examiner would therefore refuse registration under § 2(d) of the Lanham Act. Ultimately, registration was refused by the USPTO based on General Cigar's Registrations.

70. On the same date, January 15, 1997, Cubatabaco launched an effort to destroy General Cigar's registered U.S. rights, by filing a cancellation petition in the TTAB (the "Petition") and thereby commencing the Proceeding. Among the grounds for cancellation cited in the Petition was that General Cigar allegedly applied to register the COHIBA mark in the U.S. with knowledge of Cubatabaco's use of a Cohiba mark in Cuba, which Cubatabaco claimed was a violation of Article 8 of the IAC (1 TTABVUE 9-12, First and Second Grounds).

71. On November 12, 1997, Cubatabaco commenced the Federal Action in the U.S. District Court for the Southern District of New York. Its federal complaint (the "Federal Complaint") alleged that Cubatabaco had priority of use of the mark in the U.S. under the so-called "famous marks" doctrine and thus owned the mark, making General Cigar's use of the mark to sell cigars infringing. Cubatabaco also sought cancellation of General Cigar's two COHIBA

registrations. The Third Claim for Relief of the Federal Complaint alleged that General Cigar's use and registration of the COHIBA Marks violated violation of Articles 7 and 8 of the IAC.⁵ See *Empresa Cubana del Tabaco d.b.a. Cubatabaco v. Culbro Corp., et al*, 97-cv-8399, (Dkt. No. 1) ¶¶ 49-52 (S.D.N.Y. Nov. 12, 1997). The Federal Complaint did not allege that Cubatabaco's treaty rights under Article 8 of the IAC were enforceable in the U.S. only through a statutory provision of the Lanham Act.

72. On November 25, 1997, Cubatabaco moved to suspend the Proceeding in favor of the Federal Action and represented to the TTAB that "[t]he determination of this pending [federal] action will be dispositive of all of the issues raised in the instant Cancellation Proceeding, including the issue of entitlement to registration." Cubatabaco's motion was granted, and the Cancellation Proceeding was suspended. Cubatabaco thus made a deliberate litigation decision to pursue all of its cancellation grounds in federal court rather than in the TTAB.

73. In 2001, Cubatabaco moved for partial summary judgment in the Federal Action, asking the district court to cancel the Registrations on, among other grounds, Articles 7 and 8 of the IAC. Cubatabaco argued that General Cigar had used and registered the COHIBA mark for cigars with knowledge that Cubatabaco made prior use of that mark on cigars in Cuba, and that under Section 8, Cubatabaco had priority to register the COHIBA mark in the U.S. General Cigar opposed this motion, arguing that any right under the IAC may only be enforced through the Lanham Act, and that the Lanham Act did not encompass Article 8 of the IAC.

74. The district court rejected Cubatabaco's argument and accepted General Cigar's argument. It found that under Second Circuit precedent (*Havana Club Holding S.A. v. Galleon S.A.*, 203 F.3d 116 (2d Cir. 2000)), rights under the IAC may be enforced in the U.S. only if Section

⁵ Cubatabaco also asserted claims under Articles 20 and 21 of the IAC, but these were dismissed by the District Court and were not reasserted by Cubatabaco at trial in the Proceeding.

44(h) of the Lanham Act (15 U.S.C. § 1126(h)) makes them enforceable, and that this could occur only if an IAC provision was “related to the repression of unfair competition.” It concluded that the rights created under Article 8 of the IAC are not related to the repression of unfair competition, and therefore cannot be used to cancel a U.S. trademark registration. The court also noted that a contrary ruling would allow foreign mark owners to avoid compliance with Section 44(d) of the Act, the statute in which “Congress specifically carved out how owners of trademarks registered in other countries may obtain a U.S. registration.” 213 F. Supp. 2d at 282. The district court thus dismissed Cubatabaco’s IAC claims.

75. On March 26, 2004, following a bench trial on the remaining claims, the District Court ruled that Cubatabaco had obtained priority over General Cigar’s Registrations in the U.S. under the “famous marks” doctrine and that Cubatabaco had established a likelihood of confusion under § 2(d) of the Lanham Act. It thus sustained Cubatabaco’s claim for infringement under § 43(a) of the Lanham Act.

76. On April 30, 2004, the District Court issued a final judgment enjoining General Cigar from further use of the COHIBA Marks and ordering the Registrations to be cancelled.

77. General Cigar appealed from the portions of the final judgment that favored Cubatabaco, including the District Court’s cancellation order, to the Second Circuit. Cubatabaco cross-appealed from, *inter alia*, the district court’s dismissal of its IAC claims.

78. On February 24, 2005, the Second Circuit issued an opinion reversing the district court judgment to the extent it granted relief in Cubatabaco’s favor, but affirming that court’s dismissal of, *inter alia*, Cubatabaco’s IAC claims. It held that “we hold today that General Cigar, not Cubatabaco, owns the COHIBA trademark in the United States.” *Empresa Cubana del Tabaco v. Culbro Corp.*, 399 F.3d 462, 479 n.9 (2d Cir. 2005). With regard to Cubatabaco’s claims under

Articles 7 and 8 of the IAC, the Second Circuit held that “We agree with the District Court that Cubatabaco cannot assert claims under Articles 7 and 8 pursuant to Section 44(h) of the Lanham Act because Articles 7 and 8 do not relate to the repression of unfair competition,” and that “[t]he District Court properly dismissed” the IAC claims. *Id.* at 483. The Second Circuit agreed with General Cigar that Congress “implement[ed] treaty rights regarding priority of foreign registrants,” through Lanham Act §44(d). *Id.*

79. Cubatabaco petitioned the U.S. Supreme Court for a writ of certiorari. Its petition asked the Court to review, *inter alia*, the Second Circuit’s affirmance of the dismissal of its claims under Articles 7-8 of the IAC.

80. On June 19, 2006, the Supreme Court denied Cubatabaco’s writ of certiorari petition, resulting in a final judgment. *Empresa Cubana del Tabaco v. General Cigar Co., Inc.*, 547 U.S. 1205 (2006).

81. Following the Second Circuit’s mandate, the District Court entered judgment dismissing all of Cubatabaco’s claims. However, it did not direct dismissal of the suspended TTAB Proceeding, and denied General Cigar’s motion to amend the judgment to provide for such dismissal. *See Empresa Cubana del Tabaco v. Culbro Corp.*, 478 F. Supp. 2d 513 (S.D.N.Y. 2007). The Second Circuit held that the denial was not an abuse of discretion. *See Empresa Cubana del Tabaco v. Culbro Corp.*, 541 F.3d 476 (2d Cir. 2008).

82. In 2011, Cubatabaco moved to reopen the Cancellation Proceeding at the TTAB and was granted leave to file an Amended Petition.

83. On June 23, 2011, Cubatabaco filed its Amended Petition in the Proceeding. Its Fifth and Seventh Grounds for Cancellation asserted materially the same claims for cancellation

of the Registrations under IAC Articles 7 and 8 that had been fully and finally decided against Cubatabaco by the district court and rejected by the Second Circuit.

84. In September 2011, General Cigar moved for summary judgment dismissing the Amended Petition on the grounds that the judgment in the Federal Action deprived Cubatabaco of standing to seek cancellation of the Registrations. General Cigar also raised issue and claim preclusion arising from the federal judgment as an alternative grounds for dismissal in the event that Cubatabaco was able to establish standing.

85. On March 14, 2013, the TTAB granted General Cigar's motion for summary judgment on the basis that Cubatabaco "has no standing to maintain this proceeding and, therefore respondent [General Cigar] is entitled to judgment." The TTAB stated that "[i]n view of our finding on the threshold issue of standing, we need not reach the merits of respondent's second ground for summary judgment, *i.e.*, that petitioner's claims are precluded by the application of the doctrines of *res judicata* and *collateral estoppel*." Accordingly, the TTAB granted General Cigar's summary judgment motion solely based on Cubatabaco's lack of standing.

86. Cubatabaco appealed the decision that it lacked standing to the Federal Circuit. On June 4, 2014, the Federal Circuit issued a decision vacating the TTAB's summary judgment order, finding that Cubatabaco had standing under the Lanham Act to petition for cancellation of the Registrations, notwithstanding the federal judgment. The Federal Circuit's opinion gratuitously addressed the alternative issues of issue and claim preclusion that the TTAB had expressly not considered. In an alternate statement not necessary to reversal, it concluded that even if a federal Article III court does not have the power to cancel a registration under Article 8, a three-person panel of administrative law judges does have that power. It found that Section 17 of the Lanham Act (15 U.S.C. § 1067(a)) gives the TTAB the power to directly cancel registrations under Article

8 of the IAC, and (citing to only TTAB decisions) that the TTAB did not need to consider the “interplay [between Section 8, IAC and] Section 44(h)” which was addressed in the Second Circuit’s opinion. The Federal Circuit concluded that the Article 8 “issue” decided in the Federal Action was not the same “issue” Cubatabaco presented to the TTAB.

87. This statement was erroneous. First, the TTAB does not have greater powers to cancel a registration than a federal court has. It is settled law that the TTAB’s power to cancel a registration under Section 17 of the Lanham Act, 15 U.S.C. § 1067(a), and the federal courts’ power to cancel a registration in infringement litigation under Section 37 of the Lanham Act, 15 U.S.C. § 1119, are concurrent and equivalent. Moreover, nothing in Section 17 of the Lanham Act provision cited by the Federal Circuit, suggests that the TTAB has superior powers of cancellation over federal courts. That provision simply empowers the TTAB to determine and decide the respective rights to registration in an application to cancel the registration of a mark the same way Section 37 empowers federal courts to “order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action” in any infringement action “involving a registered mark.”

88. The Federal Circuit cited two TTAB decisions holding that the TTAB could cancel registrations under Article 8 of the IAC. But these decisions simply establish that the TTAB interprets the Lanham Act differently from the Second Circuit. They do not provide a basis for denying preclusion. A court judgment that meets the tests for issue preclusion remains preclusive in a second court or administrative body even if the precedents of the latter jurisdiction would point to a different result.

89. Following reinstatement of Cubatabaco’s claims in the Proceeding, the parties proceeded to discovery and trial based on the discovery record and additional evidence submitted

in the Federal Action. On December 20, 2022, the TTAB issued the Decision. The TTAB found in favor of Cubatabaco on its IAC Article 8 claim and rejected General Cigar's affirmative defense that Cubatabaco's IAC Article 8 claim was barred by issue or claim preclusion. The TTAB explained "[c]onsequently, we need not reach the merits of Petitioner's remaining claims" and did not address those claims.

90. Because the TTAB ruled in favor of Cubatabaco on the IAC Article 8 cancellation ground, the TTAB cancelled the Registration "in due course" (i.e., after appeal if no reversal).

91. The TTAB's refusal to apply issue or claim preclusion was legal error. For a prior judgment to be preclusive of a claim in a later action or proceeding, four elements must be met: (1) an issue of fact or law must have been presented in both the prior and current actions; (2) that issue must have been actually litigated in the prior action and determined adversely to the precluded party in a valid and final judgment; (3) determination of that issue must have been necessary and essential to the prior judgment; and (4) the parties are the same, or the precluded party's position in the prior action was fully represented by another party.

92. Each of those factors is satisfied on the record of this case. First, whether a U.S. trademark registration may be cancelled on the basis of Article 8 of the IAC was a legal issue presented for decision by Cubatabaco in its federal summary judgment motion in the district court, and materially the same issue was later presented in Cubatabaco's Amended Petition and Trial Briefs in the TTAB. Importantly, in federal court, Cubatabaco did not limit its IAC Article 8 claim to cancellation only if a provision of the Lanham Act permits that relief; rather, it asked the district court to follow the TTAB's decisions (later cited in the Federal Circuit decision and ultimately in the TTAB's Decision) and hold that Article 8 directly authorizes cancellation without the intermediary of the Lanham Act.

93. Second, this legal issue was determined adversely to Cubatabaco in a valid and final judgment. The district court conducted a painstaking analysis of Cubatabaco’s IAC Article 8 cancellation claim and concluded that Second Circuit precedent required dismissal. Its judgment expressly provided that the IAC Article 8 cancellation claim was dismissed with prejudice. Cubatabaco, cross-appealed from this portion of the judgment and, when it lost, unsuccessfully sought Supreme Court review. Cubatabaco cannot dispute that the judgment was both final and valid.

94. The third factor of issue preclusion – whether the decision of the issue was necessary and essential to the prior judgment – is clearly satisfied on the procedural record. The legal issue decided by the district court—that Article 8 does not give a foreign mark owner the right to cancel a U.S. trademark registration—was the only basis for that court’s with-prejudice dismissal of Cubatabaco’s IAC claims. *See Empresa Cubana Del Tabaco v. Culbro Corp.*, 213 F. Supp. 2d 247, 282 (S.D.N.Y. 2002).

95. Finally, the fourth factor is met, because Cubatabaco and General Cigar are parties to both proceedings.

96. Preclusion is further supported by the Supreme Court’s decision in *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138 (2015) (“*B&B Hardware*”), issued after the Federal Circuit’s ruling. It holds that “if federal law provides a single standard, parties cannot escape preclusion simply by litigating anew in tribunals that apply that one standard differently,” and that to allow a party to forum shop between forums that apply legal issues differently would “encourage the very evils that issue preclusion helps to prevent.” *B&B Hardware*, 574 U.S. at 1307. Here, there is a single standard, since both the district court and TTAB considered whether the Registrations could be cancelled under the same law, namely Article 8 of the IAC, and

Cubatabaco's re-argument of the Article 8 claim after losing in Federal Court, seeking to take advantage of the TTAB's different interpretation of Article 8, is blatant forum-shopping.

97. The TTAB Decision should be reversed, and the IAC claim found to be precluded, because to rule otherwise would effectively reward Cubatabaco for its ever-shifting forum shopping and encourage the "evils" denounced in *B&B Hardware*. It was Cubatabaco which chose to have a federal court decide its cancellation claims, when it could instead have pursued those claims before the TTAB where the IAC Article 8 claim (at least) may have been sustained. It was Cubatabaco that told the TTAB that the Federal Action would be dispositive of all of its cancellation claims. It was Cubatabaco that chose to accelerate decision on the IAC claims in the Federal Action by moving for partial summary judgment. It lost on the IAC claim in district court, lost again on appeal, and was denied review by the Supreme Court. Having opted for a federal forum on its IAC Article 8 claim and having resoundingly lost, Cubatabaco was not entitled to relitigate the same issue through the TTAB. The TTAB's refusal to apply issue preclusion here was clearly a legal error warranting reversal and vacatur.

98. Even if the IAC Article 8 claim were not precluded, it would fail on the merits.

99. First, Article 8 only provides protection if a foreign mark owner had protection for its mark in a foreign country at the time of its adversary's U.S. application. Cubatabaco did not enjoy legal protection in Cuba for the Cohiba word mark as of March 13, 1978, when General Cigar applied for its First Registration. The Cuban trademark authorities did not register that mark until June 30, 1980, more than two years later. Moreover, upon information and belief, that Cuban registration had lapsed by the time General Cigar applied for its Second Registration.

100. Second, Article 8 requires proof that the U.S. registrant, before filing its application, "had knowledge of the use, employment, registration or deposit" in the foreign country of that

mark. Cubatabaco did not “use” or “employ” the Cohiba mark in Cuba, within the meaning of Article 8, prior to March 13, 1978, and General Cigar did not have knowledge of any qualifying use or employment prior to that date.

101. Therefore, the December 20, 2022 TTAB Decision should be reversed and vacated and the Court should enter an Order:

- a) Finding that Cubatabaco’s claim for cancellation of the Registrations under Article 8 of the IAC was barred by the doctrine of issue and/or claim preclusion or fails on the merits; and
- b) Reversing the TTAB Decision cancelling the Registrations.

COUNT II (concerning the First Registration):

**DECLARATORY JUDGMENT OF NON-ABANDONMENT OF GENERAL CIGAR’S
THE FIRST REGISTRATION BETWEEN 1987-1992
(28 U.S.C. § 2201)**

102. General Cigar repeats and realleges the allegations of Paragraphs 9-13 and 36-53 as if fully set forth herein. Count II seeks declaratory relief against Cubatabaco’s claim (asserted as the First Ground For Cancellation in the Amended Petition in the TTAB and argued at trial) that General Cigar abandoned its COHIBA mark, between 1987 and 1992, and as a result the First Registration, issued in 1981, which became incontestable in 1986, should be cancelled for abandonment.

103. The abandonment doctrine exists to prevent the warehousing of marks. Under the Lanham Act provision in effect between 1987 and 1992, a statutory presumption of abandonment arises where a registered mark has not been used for two years. However, the presumption may be rebutted by the mark user by providing evidence of an intent to resume use during the period

of nonuse. If the user does rebut, the party seeking cancellation assumes a heavy burden of proving abandonment.

104. As alleged above, General Cigar did not abandon its COHIBA word mark between 1987 and 1992. Rather, during the nadir of the premium cigar market, it temporarily suspended sales of COHIBA cigars to retailers with the intention of resuming use of that mark on cigars once conditions in the market improved. Contemporaneous documents and testimony establish that General Cigar did not intend to abandon the mark, and in fact took steps during 1987-1992 to be ready to resume use upon improved conditions.

105. As a matter of law, General Cigar's reasonable business explanations for non-use of the COHIBA mark due to depressed market conditions, coupled with its evidence showing an intention to resume use in the foreseeable future, rebuts the statutory presumption of abandonment from non-use. Because Cubatabaco has no material evidence in support of abandonment other than the non-use, it cannot sustain its heavy burden of showing that General Cigar abandoned the COHIBA Mark between 1987 and late 1982.

106. The Court should therefore determine and declare that General Cigar did not abandon its COHIBA mark during the 1987-1992 period, and that the First Registration is therefore not subject to cancellation on the grounds of abandonment.

COUNT III (concerning the First Registration):

**DECLARATORY JUDGMENT THAT GENERAL CIGAR'S SECTION 8 AND 15
DECLARATIONS FOR THE FIRST REGISTRATION DID NOT CONSTITUTE FRAUD
ON THE USPTO
(15 U.S.C. §1064; 28 U.S.C. § 2201)**

107. General Cigar repeats and realleges the allegations of Paragraphs 9-13 and 36-53 as if fully set forth herein. Count III seeks relief against Cubatabaco's claim (asserted as the Third Ground For Cancellation in the Amended Petition and argued by it at trial) that General Cigar filed

a false Section 8 and 15 Declaration in connection with renewal of the First Registration with the intent to defraud the USPTO, and that as a result, the First Registration should be cancelled.

108. To prevail on this fraud claim, Cubatabaco must carry the heavy burden of proving every element of fraud, including falsity, the materiality of the false statement, and scienter (an intent to deceive the USPTO), by clear and convincing evidence. It cannot sustain this rigorous and heavy burden.

109. The gist of Cubatabaco's argument is that the volume of COHIBA-branded cigars sold by General Cigar between 1981-1986 was insufficient to constitute "continuous use" of the mark during that five-year period, and that the Declaration, which averred "continuous use in interstate commerce [of the COHIBA mark] from February 17, 1981 to the present" was knowingly false. The facts, however, show that under trademark law prevailing at the time, and under a number of appeals court decisions, General Cigar's sales were sufficient to satisfy the continuous use requirement of the Lanham Act.

110. Second, Cubatabaco cannot show any evidence that General Cigar willfully intended to defraud the USPTO by making the continuous use statement. General Cigar's trademark manager at the time, who executed the Declaration and who was responsible for maintaining nearly 400 trademarks, testified that he believed the sales met the continuous use requirement – and that belief, as alleged above, is supported by legal authority.

111. Accordingly, Cubatabaco cannot sustain its burden of proving that General Cigar did not make a continuous use of the COHIBA mark between 1981 and 1986 and that General Cigar filed the Declaration knowing that the Declaration contained false information in it.

112. Alternatively, the First Registration may not be cancelled because as a matter of law, even fraudulent statements in a Section 15 declaration do not permit cancellation of the underlying registration.

113. The Court should therefore determine and declare that the Section 8 and 15 Declaration filed by General Cigar in connection with the First Regulation was valid and not fraudulent, or alternatively that any misstatement therein does not legally permit cancellation of the First Registration.

COUNT IV (concerning the Second Registration):

**DECLARATORY JUDGMENT THAT GENERAL CIGAR DID NOT DELIBERATELY
MISREPRESENT THE SOURCE OF ITS CIGARS AS ORIGINATING IN CUBA AND
THAT THE SECOND REGISTRATION MAY NOT BE CANCELLED UNDER
SECTION 14(e) OF THE LANHAM ACT
(15 U.S.C. §1064(3); 28 U.S.C. § 2201)**

114. General Cigar repeats and realleges the allegations of Paragraphs 9-13 and 24-53 as if fully set forth herein. Count IV seeks relief against Cubatabaco's claim (asserted as the Eighth Ground For Cancellation in the Amended Petition and argued by it at trial) that General Cigar applied for and obtained U.S. Reg. No. 1,898,273 to capitalize on or exploit the renown of the Cuban Cohiba in the U.S., and therefore misrepresented the source of the General Cigar COHIBA cigars; which mandates the cancellation of the Second Registration General Cigar U.S. Reg. No. 1,898,273 under Lanham Act § 14(3), 15 U.S.C. § 1064(3).

115. Because trademarks are territorial, a Lanham Act § 14(3) claim does not lie against a party who simply uses on goods the same mark as a foreign mark owner. The claim lies only in the most egregious circumstances, where the defendant in marketing, trade dress, etc., deliberately makes material statements or does acts in connection with the mark that substantially misrepresent the origin of the goods.

116. Cubatabaco cannot carry its burden under § 14(3). None of General Cigar's consumer-facing advertising makes any claim that the General Cigar COHIBA cigars are of Cuban origin or has any historical connection with Cuba, much less that they originate with Cubatabaco. The word, "Cuba," "Cuban," or "Havana" do not appear in any General Cigar advertising, with the exception of occasionally identifying certain tobacco seed as "cuban seed," as do many other cigar manufacturers when describing a tobacco seed variety that originated in Cuba and has since been planted in many other countries.

117. General Cigar also identifies its cigars and their containers by country of origin and explains the origins of the tobacco leaf and filler in marketing as coming from the Dominican Republic, Honduras, Nicaragua, Brazil, as appropriate.

118. Accordingly, the Court should determine and declare that General Cigar did not misrepresent the source of its COHIBA cigars in applying to register, registering, marketing or selling those cigars, and that the Second Registration may therefore not be cancelled under § 14(3) of the Lanham Act, 15 U.S.C. § 1064.

COUNT V (concerning the Second Registration):

**DECLARATORY JUDGMENT THAT THE SECOND REGISTRATION SHOULD NOT
BE CANCELLED UNDER SECTION 2(d) OF THE LANHAM ACT.
(15 U.S.C. §1052(d); 28 U.S.C. § 2201)**

119. General Cigar repeats and realleges the allegations of Paragraphs 9-13 and 24-66 as if fully set forth herein. Count V seeks relief against Cubatabaco's claim (asserted as the Sixth Ground For Cancellation in the Amended Petition and argued by it at trial) that the Second Registration should be canceled under § 2(d) of the Lanham Act.

120. Section 2(d) permits cancellation of a contestable mark by one who has previously used a mark in U.S. commerce, where the use of the mark by the registrant in connection with the goods is likely to cause confusion or mistake, or to deceive.

121. Cubatabaco cannot establish a § 2(d) claim against the Second Registration for three reasons. First, rights under § 2(d) are premised on a plaintiff's priority of use of a mark in U.S. commerce, but Cubatabaco has never used the "Cohiba" mark in U.S. commerce and cannot claim priority of use over the filing date of General Cigar's second COHIBA registration. Second, Cubatabaco did not make substantial "analogous use" of the mark in the United States, and in any event did not follow any claimed analogous use with actual use of the mark, as the law requires of a § 2(d) claimant. Third, even if Cubatabaco could establish priority of use, it cannot prevail on the other branch of § 2(d), that is, it cannot prove that General Cigar's use of the COHIBA mark was likely to confuse an appreciable number of U.S. premium cigar consumers into believing that those cigars originated with Cubatabaco or in Cuba. Its trial proof in the TTAB was totally inadequate to establish the confusion element, and it cannot submit any additional evidence in this action that will satisfy its burden.

122. The Court should therefore determine and declare that Cubatabaco cannot obtain cancellation of the Second Registration under § 2(d) of the Lanham Act.

PRAYER FOR RELIEF

WHEREFORE, General Cigar respectfully requests that this Court enter judgment:

- A. Reversing the December 20, 2022 Decision of the TTAB;
- B. Vacating the TTAB's order cancelling General Cigar's COHIBA Registrations, Reg. Nos. 1,147,309 and 1,898,273, and determining that those Registrations remain valid and subsisting;

C. Determining and declaring that Cubatabaco cannot prevail on its claim for cancellation that General Cigar abandoned its First Registration, U.S. Reg. No. 1,147,309;

D. Determining and declaring that Cubatabaco cannot establish the elements of fraud on the USPTO by the required clear and convincing evidence, and that it therefore cannot carry the burden of proof on its claim for cancellation of the First Registration based on statements in General Cigar's July 16, 1986 Section 8 and 15 Declaration for the First Registration, U.S. Reg. No. 1,147,309; or alternatively, that any knowingly false statement in the Section 8 and 15 Declaration would not permit cancellation of the First Registration;

E. Determining and declaring that Cubatabaco cannot establish a right to cancellation of the Second Registration, U.S. Reg. No. 1,898,273, under § 14(3) of the Lanham Act, 15 U.S.C. § 1064(3);

F. Determining and declaring that Cubatabaco cannot establish a right to cancellation of the Second Registration, U.S. Reg. No. 1,898,273, under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d);

G. Ordering the Director of the USPTO to take actions consistent with the Court's decision;

H. Determining that this case is exceptional, and ordering Cubatabaco to pay General Cigar's costs of this action, together with reasonable attorneys' fees; and

I. Granting any other relief the Court deems just and necessary.

Dated: February 20, 2023

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Exhibit A

THIS OPINION IS A PRECEDENT OF THE
TTAB

Oral Hearing Held: February 1, 2022

Mailed: December 20, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

—————
Empresa Cubana Del Tabaco d.b.a. Cubatabaco

v.

General Cigar Co., Inc.

—————
Cancellation No. 92025859

—————
Michael R. Krinsky, Lindsey Frank, and David Goldstein of Rabinowitz Boudin Standard Krinsky & Lieberman PC, for Empresa Cubana Del Tabaco d.b.a. Cubatabaco.

Andrew L. Deutsch,¹ John M. Nading and Joshua Schwartzman of DLA Piper LLP US, for General Cigar Co., Inc.

—————
Before Zervas, Cataldo, and Pologeorgis,
Administrative Trademark Judges.

Opinion by Pologeorgis, Administrative Trademark Judge:

¹ Following briefing and the oral hearing in this matter, Mr. Deutsch withdrew as counsel of record for Respondent because of his retirement from the practice of law. *See* 379 TTABVUE.

Citations in this opinion to the briefs and other docket entries refer to TTABVUE, the Board's online docketing system. *Turdin v. Tribolite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014). Specifically, the number preceding TTABVUE corresponds to the docket entry number, and any numbers following TTABVUE refer to the page(s) of the docket entry where the cited materials appear.

Cancellation No. 92025859

Overview

Petitioner, Empresa Cubana Del Tabaco d.b.a. Cubatabaco, a Cuban company, seeks to cancel, pursuant to Section 14 of the Lanham Act of 1946, 15 U.S.C. § 1064(c), two registrations owned by Respondent General Cigar Co., Inc., a Delaware corporation, namely, Registration Nos. 1147309² and 1898273³ for the marks COHIBA (in typeset form⁴) and **COHIBA** (in stylized form), respectively, both registered on the Principal Register and both for “cigars” in International Class 34. Petitioner asserts various grounds for cancellation identified below against Respondent’s registrations, individually and collectively, including a claim under Article 8 of the Inter-American Convention for Trade Mark and Commercial Protection, 46 Stat. 2907 (1929), (hereinafter referred to as “the Pan American Convention”), to which the United States and Cuba are parties. U.S. Dep’t of State, *Treaties in Force* 534 (2020). A petitioner may seek to cancel a registration under Article 8 of the Pan American Convention if the petitioner’s mark enjoyed legal protection in another contracting state prior to the respondent’s application filing

² Issued on February 17, 1981; Section 8 affidavit (15 U.S.C. § 1058) (third 10-year) accepted/Section 9 affidavit (15 U.S.C. § 1059) granted on November 18, 2021.

³ Issued on June 6, 1995; Section 8 affidavit (15 U.S.C. § 1058) (second 10-year) accepted/Section 9 affidavit (15 U.S.C. § 1059) granted on July 6, 2015.

⁴ Prior to November 2, 2003, “standard character” drawings were known as “typed” or “typeset” drawings. *See In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1909 n.2 (Fed. Cir. 2012) (“until 2003, ‘standard character’ marks formerly were known as ‘typed’ marks.”). A typed or typeset mark is the legal equivalent of a standard character mark. TRADEMARK MANUEL OF EXAMINING PROCEDURE (TMEP) § 807.03(i) (July 2022). By definition, a standard character mark is not limited to any particular stylization, font style, size or color. *See* Trademark Rule 2.52(a), 37 C.F.R. § 2.52(a).

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date and the respondent either had knowledge of the petitioner's mark prior to filing its application or the petitioner used the mark in the U.S. prior to the respondent's filing date. For the reasons explained below, we grant the petition to cancel both of Respondent's registrations under Article 8 of the Pan American Convention.

The Pleadings

By way of its amended petition to cancel,⁵ Petitioner pleads the following grounds for cancellation:

- Claims asserted only against Respondent's Registration No. 1147309 for the mark COHIBA (in typeset form): (1) abandonment, (2) fraud, and (3) adoption of the mark in bad faith and for impermissible reasons.

- Claims asserted only against Respondent's Registration No. 1898273 for the mark **COHIBA** (stylized form): (1) likelihood of confusion under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), (2) Respondent applied for and obtained the COHIBA registration for the purpose of capitalizing on and exploiting the renown and reputation of Petitioner's COHIBA mark in the United States,⁶ (3) relief under Article 6bis of the Paris Convention for Protection of Industrial Property, and (4)

⁵ 61 TTABVUE.

⁶ We construe this ground as a claim of misrepresentation of source of the goods under Section 14(c) of the Lanham Act, 15 U.S.C. § 1064(3), because the parties tried and briefed the claim as such. *See* Petitioner's main trial brief, p. 52-54 and supporting citations to the trial record (366 TTABVUE 54-56); *see also* Respondent's main trial brief, p. 53-55 and supporting citations to the trial record (368 TTABVUE 55-57). We thus construe Petitioner's operative pleading, as amended, to include this claim. *See* Fed. R. Civ. P. 15(b). We similarly construe Respondent's operative answer to be amended to deny the salient allegations of this construed misrepresentation of source claim.

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purported claim based on the “well-known” mark doctrine.

- Claims asserted against both Registration Nos. 1147309 and 1898273: (1) claim under Articles 7 and 8 of the Pan American Convention, and (2) priority of use.⁷

Petitioner also pleads, inter alia, ownership of pending application Serial No. 75226002 for the typeset mark COHIBA for “raw tobacco; cigars; chewing tobacco; cigarettes; cut tobacco; matches; tobacco pipes not of precious metals; tobacco pipe holders not of precious metals; ashtrays not of precious metals; match boxes not of precious metals; cigar cases not of precious metals; and humidors not of precious metals” in International Class 34, filed under Section 44(e) of the Lanham Act, 15 U.S.C. § 1126(e), on the basis of its ownership of a Cuban registration of the mark

COHIBA⁸ for the same goods.⁹ Additionally, Petitioner alleges that its pending application was refused registration based on Respondent’s subject registrations on the ground that Petitioner’s mark, when used on or in connection with the identified goods, so resembles Respondent’s COHIBA marks that confusion would be likely.¹⁰

⁷ Priority of use is not a stand-alone claim, but rather one element of a likelihood of confusion claim under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d). Thus, in order to prevail on its pleaded likelihood of confusion claim against Respondent’s subject Registration No. 1898273, Petitioner must prove **both** priority of use of its pleaded mark and a likelihood of confusion. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 44-45 (CCPA 1981).

⁸ This is the manner in which the mark COHIBA is displayed on Petitioner’s Cuban trademark registration. See Petitioner’s Notice of Reliance, Exh. 1 (169 TTABVUE 164).

⁹ Petitioner’s Amended Petition to Cancel, ¶ 1 (61 TTABVUE 3).

¹⁰ *Id.* at ¶ 16 (61 TTABVUE 8).

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Respondent denied the salient allegations of the amended petition to cancel¹¹ and asserted the following “affirmative defenses”:¹²

- failure to state a claim upon which relief may be granted and failure to plead fraud with particularity;¹³
- Petitioner’s pleaded claims are barred by claim preclusion, issue preclusion, as well as the common law concept of merger and bar;
- Petitioner lacks standing to pursue its claims;¹⁴
- The Board is barred from granting the relief sought by Petitioner, as cancellation of Respondent’s COHIBA registrations would be an impermissible transfer of an interest in property to a Cuban entity in violation of the Cuban Assets Control Regulations, 31 C.F.R. § 515.201, et seq.;
- Laches, estoppel, waiver, acquiescence, and unclean hands;
- Petitioner has abandoned its pleaded mark in the United States by failing to enforce it against infringers and/or counterfeiters;
- The statute of limitations of Section 14 of the Lanham Act bars Petitioner’s claims in connection with Registration No. 1147309; and
- Petitioner failed to seek leave of the Board prior to filing its amended

¹¹ See generally Respondent’s Answer to amended Petition to Cancel (62 TTABVUE).

¹² *Id.* (62 TTABVUE 24-26).

¹³ The asserted defenses of failure to state a claim and that a particular claim (in this instance, fraud) is not properly pleaded are not true affirmative defenses because they relate to an assertion of the insufficiency of the pleading of Petitioner’s claims rather than a statement of a defense to a properly pleaded claim. See *Hornblower & Weeks Inc. v. Hornblower & Weeks Inc.*, 60 USPQ2d 1733, 1738 n.7 (TTAB 2001). They hence are given no further consideration.

¹⁴ Lack of standing, now referred to as entitlement to a statutory cause of action (as discussed more fully below), is also not a true affirmative defense because “[t]he facts regarding standing . . . are part of [a plaintiff’s] case and must be affirmatively proved.” *Apollo Med. Extrusion Techs., Inc. v. Med. Extrusion Techs., Inc.*, 123 USPQ2d 1844, 1848 (TTAB 2017) (quoting *Lipton Ind., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982)). It hence is not given any further consideration.

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pleading and therefore the amended pleading should be dismissed.¹⁵

Petitioner stated in its main trial brief that it is not pursuing its pleaded Article 6bis and “well-known” mark doctrine claims.¹⁶ Thus, these claims are waived. *In re Google Techs. Holdings, LLC*, 980 F.3d 858, 2020 USPQ2d 11465, at *3 (Fed. Cir. 2020) (waiver is the intentional relinquishment or abandonment of a known right). In addition, because Respondent discussed only issue preclusion in its brief, it has waived its other affirmative defenses. *Alcatraz Media Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1753 n.6 (TTAB 2013) (affirmative defense not argued in brief deemed waived), *aff'd mem.*, 565 F. App'x 900 (Fed. Cir. 2014); *NT-MDT LLC v. Kozodaeva*, 2021 USPQ2d 433, at *5 n.8 (TTAB 2021) (citing *Alcatraz Media*). The parties participated in an oral hearing on the case on February 1, 2022.

The Record

The record includes the pleadings, as amended, and, by operation of Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), the files of Respondent's registrations. The parties each have submitted an extensive volume of evidence, including, by stipulation of the parties¹⁷ and as approved by the Board,¹⁸ evidence submitted in a federal civil action

¹⁵ By order dated June 23, 2011, *see* 60 TTABVUE, the Board noted that Petitioner indicated in its March 28, 2011 communication its intent to file an amended pleading, *see* 54 TTABVUE, and, therefore, the Board allowed Petitioner time to do so. Thus, Respondent's purported “affirmative defense” that Petitioner failed to seek leave of the Board prior to filing its amended pleading is unavailing and will not be further considered.

¹⁶ 366 TTABVUE 9.

¹⁷ 89 TTABVUE.

¹⁸ 91 TTABVUE.

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between the parties, as discussed more fully below. Petitioner's submissions are listed in Appendix A of Petitioner's trial brief¹⁹ and Respondent's submissions are listed in Appendix A of Respondent's trial brief.²⁰

We note that some of the evidence proffered by the parties has been designated confidential and filed under seal. We will discuss only in general terms the relevant evidence submitted under seal, if necessary and appropriate. However, to the extent that either party improperly designated testimony and evidence as confidential, we are not bound to maintain the asserted confidential designation. Trademark Rule 2.116(g), 37 C.F.R. § 2.116(g) (“[t]he Board may treat as not confidential that material which cannot reasonably be considered confidential, notwithstanding a designation as such by a party.”); *see also Made in Nature, LLC v. Pharmavite LLC*, 2022 USPQ2d 557, at *12 (TTAB 2022) (“If a party over-designates material as confidential, the Board will not be bound by the party's designation, and will treat as confidential only testimony and evidence that is truly confidential and commercially sensitive trade secrets.”); *Kohler Co. v. Honda Giken Kogyo K.K.*, 125 USPQ2d 1468, 1475 (TTAB 2017) (citing *Noble House Home Furnishings, LLC v. Floorco Enters., LLC*, 118 USPQ2d 1413, 1416 n.21 (TTAB 2016)).

We additionally note that the parties have submitted printouts from various websites downloaded from the Internet. Although admissible for what they show on their face, *see* Trademark Rule 2.122(e)(2), 37 C.F.R. § 2.122(e)(2), if the parties seek

¹⁹ 365 TTABVUE 58-77 (confidential version) and 366 TTABVUE 58-77 (redacted version).

²⁰ 367 TTABVUE 59-70 (confidential version) and 368 TTABVUE 59-70 (redacted version).

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to rely on the contents of the webpages for the truth of any assertion made therein, the statements in the websites are hearsay unless supported by testimony or other evidence. Fed. R. Evid. 801(c); *WeaponX Performance Prods. Ltd. v. Weapon X Motorsports, Inc.*, 126 USPQ2d 1034, 1038 (TTAB 2018); *Safer, Inc. v. OMS Invs., Inc.*, 94 USPQ2d 1031, 1039-40 (TTAB 2010); TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (“TBMP”) § 704.08(b) (2022) (“The probative value of Internet documents is limited. They can be used to demonstrate what the documents show on their face. However, documents obtained through the Internet may not be used to demonstrate the truth of what has been printed.”).

Evidentiary Objections

Both parties lodged extensive evidentiary objections on various grounds, including relevancy and hearsay.²¹ As a general matter, “the Board is capable of weighing the relevance and strength or weakness of the objected-to testimony and evidence, including any inherent limitations,” and keeping in mind “the various objections raised by the parties” in determining the probative value of objected-to testimony and evidence. *Kohler Co. v. Honda Giken Kogyo K.K.*, 125 USPQ2d at 1478 (citing *Luxco*,

²¹ See Appendix B of Petitioner’s Main Brief (365 TTABVUE 78-127 (confidential version) and (366 TTABVUE 78-127 (redacted version)); see Appendix B of Respondent’s Main Brief (367 TTABVUE 71-126 (confidential version) and (368 TTABVUE 71-126 (redacted version)). The parties also objected to certain evidence on the ground of lack of foundation. However, objections that the submitting party failed to establish the proper foundation for evidence are procedural in nature and must be raised promptly to allow an opportunity to cure. *Moke America LLC v. Moke USA, LLC*, 2020 USPQ2d 10400, at *4 (TTAB 2020); *The Wet Seal, Inc. v. FD Mgmt., Inc.*, 82 USPQ2d 1629, 1637 n. 16 (TTAB 2007). Because the foundation objections were raised only in the trial briefs, they are waived as untimely. *Sabhnani v. Mirage Brands, LLC*, 2021 USPQ2d 1241 (TTAB 2021); *Pass & Seymour, Inc. v. Syrelec*, 224 USPQ 845, 846 (TTAB 1984).

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Inc. v. Consejo Regulador del Tequila, A.C., 121 USPQ2d 1477, 1479 (TTAB 2017)).

Suffice it to say, we have considered all of the testimony and exhibits submitted by the parties. In doing so, we have kept in mind the various objections raised by the parties, and we have accorded, to the extent necessary and appropriate, whatever probative value the subject testimony and exhibits merit.

Procedural History of Proceeding

On January 15, 1997, Petitioner filed its original petition to cancel.²² In lieu of filing an answer to the original complaint, Respondent filed a motion to dismiss on the ground that Petitioner, as a Cuban entity, was purportedly required to obtain a specific license from the U.S Department of Treasury's Office of Foreign Assets Control (OFAC) in order to commence this proceeding but failed to do so.²³ Prior to reaching the merits of Respondent's motion to dismiss, the Board became aware of a federal civil action between the parties before the United States District Court for the Southern District of New York and required the parties to submit copies of the civil action pleadings.²⁴ By order dated January 28, 1998, the Board suspended this cancellation proceeding pending the final disposition of the civil action.²⁵ The civil action concluded in July of 2010. A review of the disposition of the civil action is

²² 1 TTABVUE.

²³ 5 TTABVUE. In a communication filed on March 23, 2011, Respondent advised the Board that, in light of the federal litigation between the parties, Respondent's motion to dismiss is no longer viable. *See* 53 TTABVUE. As such, Respondent further advised that it is withdrawing its motion to dismiss without prejudice. *Id.* Accordingly, we give no further consideration to Respondent's motion to dismiss.

²⁴ 10 TTABVUE.

²⁵ 15 TTABVUE.

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warranted, in light of the operative pleadings of this case.

Prior to filing its federal complaint, Petitioner requested a special license from OFAC to commence litigation against Respondent in a federal district court for its use of the COHIBA mark. In October of 1997, OFAC agreed and granted Petitioner a special license to “initiate legal proceedings in the U.S. courts and to otherwise pursue their judicial remedies with respect to claims to the COHIBA trademark.” *See Empresa Cubana Del Tabaco, d.b.a. Cubatabaco v. Culbro Corp., Gen. Cigar Co., Inc. and Gen. Cigar Holdings, Inc.*, 399 F.3d 462, 73 USPQ2d 1936, 1945 (2d Cir. 2005). On November 12, 1997, Petitioner commenced the civil action in the U.S. District Court for the Southern District of New York.²⁶ In its civil complaint, Petitioner alleged that Respondent’s use of the COHIBA mark constituted trademark infringement, trade dress infringement, false designation of source of origin, unfair competition, misappropriation and violation of the Federal Trademark Dilution Act under the Lanham Act, international conventions,²⁷ and New York State law, including New York State common law.²⁸ Petitioner requested that the district court grant, among other relief, an order canceling Respondent’s subject registrations.²⁹

During the civil action proceeding, Petitioner stipulated to the dismissal with

²⁶ 11 TTABVUE 5-21.

²⁷ Petitioner brought claims under (1) Sections 6bis and 10bis, as well as Article 10, of the Paris Convention for Protection of Industrial Property, (2) Articles 7, 8, 20 and 21 of the Pan American Convention under Section 44(h) of the Lanham Act, 15 U.S.C. § 1126(h), and (3) Article 22 of the Trade-Related Aspects of Intellectual Property Rights (TRIPS). *Id.*

²⁸ *Id.*

²⁹ *Id.*

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prejudice of its TRIPS claim, the claim that Respondent violated Article 10 of the Paris Convention, and claims under Section 43(a) of the Lanham Act for false designation of origin and deceptive advertising in light of the U.S. Court of Appeals for the Second Circuit's decision in *Havana Club Holding S.A. v. Galleon S.A.*, 203 F.3d 116 (2d Cir. 2000).³⁰ See *Empresa Cubana de Tabaco v. Culbro Corp.*, 123 F. Supp. 2d 203 (S.D.N.Y. 2000).

Respondent thereafter moved for summary judgment in the civil action to dismiss Petitioner's complaint on the basis of estoppel, acquiescence, and laches due to Petitioner's alleged long delay in challenging Respondent's use and registrations of the COHIBA trademark. Petitioner cross-moved (1) to strike Respondent's affirmative defenses of estoppel, acquiescence, and laches; and (2) for partial summary judgment on its claims of abandonment and under Articles 7 and 8 of the Pan American Convention, Article 6bis of the Paris Convention for the Protection of Industrial Property ("Paris Convention"), New York common law, and the Federal Trademark Dilution Act.

Ruling on the parties' cross-motions for summary judgment, the district court (1) granted Petitioner's motion for summary judgment, in part, on its abandonment claim finding Respondent abandoned its COHIBA mark for a period of time and failed to establish an intent to resume use and therefore cancelled Respondent's Reg. No. 1147309 (the standard character COHIBA mark); (2) denied Petitioner's motion for

³⁰ The stipulation stated that the dismissal was with prejudice, except that dismissal would be without prejudice if the U.S. Supreme Court reversed or vacated certain portions of the Second Circuit's decision in *Havana Club*.

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summary judgment, in part, on the grounds that (i) material issues of fact exist as to whether Respondent intentionally infringed upon Petitioner's COHIBA mark, and (ii) material issues of fact exist as to whether Petitioner's COHIBA mark was well known in the United States at the time Respondent registered its COHIBA mark; and (3) denied Respondent's motion for summary judgment on its asserted equitable affirmative defenses and granted Petitioner's cross-motion for summary judgment, in part, to dismiss these affirmative defenses. *Empresa Cubana Del Tabaco v. Culbro Corp.*, 123 F. Supp. 2d 247 (S.D.N.Y. 2002). Additionally, the district court dismissed Petitioner's claims under (1) Articles 7 and 8 of the Pan American Convention brought under Section 44(h) of the Lanham Act, 15 U.S.C. § 1126(h), and (2) Article 6bis of the Paris Convention because these international conventions did not confer a right to sue for unfair competition separate from the Lanham Act. *Id.*³¹

On March 26, 2004, the district court, after a bench trial, dismissed Petitioner's claims for New York common-law unfair competition and misappropriation, finding that bad faith was an essential element of these claims, and that there was no evidence that Respondent selected or used the COHIBA mark in bad faith. *See Empresa Cubana Del Tabaco, d.b.a. Cubatabaco v. Culbro Corp.*, 70 USPQ2d 1650 (S.D.N.Y. 2004). The district court also dismissed Petitioner's claims for violation of

³¹ The district court denied motions by both Petitioner and Respondent to reconsider the district court's disposition of the parties' cross-motions for summary judgment. *See Empresa Cubana de Tabaco v. Culbro Corp.*, 2002 WL 31251005 (S.D.N.Y. Oct. 8, 2002). Additionally, on March 12, 2003, the district court struck Respondent's inadequate defense of abandonment and permitted it to amend its answer to assert an adequate abandonment defense, and excluded the testimony of two late-disclosed witnesses. *See Empresa Cubana de Tabaco v. Culbro Corp.*, 213 F.R.D. 151 (S.D.N.Y. 2003).

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the Federal Trademark Dilution Act and the New York anti-dilution statute, and for trade dress infringement, deceptive trade practices, trade dress dilution and false advertising. *Id.* at 1692-96.

The district court, however, found in favor of Petitioner on its Lanham Act Section 43(a) claim for trademark infringement. *Id.* at 1692. It concluded that by 1992, when Respondent applied for its second registration for the COHIBA mark, Petitioner had acquired priority rights in the mark COHIBA in the United States over Respondent under the well-known or famous marks doctrine. *Id.* It based this finding upon its previous holding that Respondent had lost its priority by abandoning use of the COHIBA mark in 1987 and not resuming such use until 1992. *Empresa Cubana Del Tabaco v. Culbro Corp.*, 123 F. Supp. 2d at 269. However, according to the district court, by 1992 Petitioner's COHIBA mark had become famous in the United States and was associated with Petitioner's cigars. The district court stated that Petitioner had rights in the mark that were superior to those of Respondent and these rights precluded Respondent from obtaining its second registration for the COHIBA mark, i.e., Registration No. 1898273. 70 USPQ2d at 1692. The district court also found that there was a likelihood of U.S. consumer confusion between Petitioner's COHIBA mark used in connection with Petitioner's associated goods and Respondent's COHIBA mark and its associated goods. *Id.* at 1689.

In view of these findings, the district court ordered the cancellation of Respondent's Registration No. 1898273 for the mark COHIBA, enjoined Respondent from further use of the COHIBA mark, and ordered Respondent to recall all goods

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being offered for sale under the COHIBA mark. *Id.*; *Empresa Cubano Del Tabaco v. Culbro Corp. and General Cigar Co., Inc.*, 2004 WL 925647 (S.D.N.Y. Apr. 30, 2004).

Respondent appealed to the U.S. Court of Appeals for the Second Circuit from the adverse portions of the district court's judgment. Petitioner cross-appealed from those portions of the district court's pretrial orders and the district court's judgment that had dismissed some of Petitioner's claims.

On February 24, 2005, the Second Circuit reversed the district court's finding of trademark infringement. *See Empresa Cubana Del Tabaco, d.b.a. Cubatabaco v. Culbro Corp., Gen. Cigar Co., Inc. and Gen. Cigar Holdings, Inc.*, *supra*. It vacated the district court's cancellation of Respondent's second registration, and the injunctive and recall relief ordered by the district court.³² The Second Circuit based its reversal on the Cuban Asset Control Regulations ("CACR"), 31 C.F.R. § 515.201, *et seq.*, which codify the terms of the United States' economic embargo on Cuba. The CACR prevents Cuban entities from selling cigars in the United States. 73 USPQ2d at 1938. The Second Circuit further held that (1) "absent a general or specific license" from OFAC, Section 515.201(b) of the CACR "prohibits the transfer of property rights, including trademark rights, to a Cuban entity by a person subject to the jurisdiction of the United States." 73 USPQ2d at 1944. It also found that forbidden property

³² The Second Circuit did not address the district court's conclusion that Respondent had abandoned its first COHIBA registration, effectively dismissing the issue as moot. *Empresa Cubana del Tabaco v. Culbro Corp.*, 73 USPQ2d at 1943. ("We also do not decide whether the District Court properly found that [Respondent] had abandoned its mark between 1987 and 1992. We have no need to decide that issue because even if [Respondent] did abandon its mark, it owns the mark now because it resumed use of the mark in November 1992 and [Petitioner] is unable, in light of the embargo, to establish that it acquired rights to the mark in the interval.").

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transfers include transfers by operation of law. 73 USPQ2d at 1945-46.

The Second Circuit found it unnecessary to decide whether the Lanham Act incorporated the “famous marks” doctrine, because even if it were incorporated, Section 515.201(b)(2) of the CACR “clearly bars [Petitioner’s] acquisition of the COHIBA mark through the famous marks doctrine.”³³ 73 USPQ2d at 1946. The Second Circuit held that Petitioner was not authorized to acquire any rights in the COHIBA mark under any general license in effect previously or at the time of the opinion. 73 USPQ2d at 1947. The court also concluded that the special license granted to Petitioner by OFAC, which allowed Petitioner to sue Respondent in U.S. courts, “does not authorize transfers of property barred by the Regulations,” and thus could not support acquisition of the COHIBA mark by Petitioner via the famous mark

³³ After oral argument but prior to issuing its decision, the Second Circuit invited the United States Departments of Justice and Treasury (“government”) to submit a brief as amicus curiae addressing the question of whether the Cuban embargo regulations barred Petitioner’s acquisition of the COHIBA mark in the United States via the famous marks doctrine. 73 USPQ2d at 1942. On November 12, 2004, the government filed its letter brief. *Id.* There, the government asserted that the embargo regulations bar Petitioner’s acquisition of the mark via the famous marks doctrine and that the district court’s finding of trademark infringement under Section 43(a) must therefore be reversed. *Id.* In addition, the government reasoned that the portion of the district court’s order requiring Respondent to deliver merchandise and other materials bearing the COHIBA mark to Petitioner is barred by the regulations. *Id.* According to the government, however, the regulations do not bar the portion of the district court’s order that cancels Respondent’s registration and enjoins its use of the COHIBA mark. *Id.* at 1942-43. The government noted that Petitioner’s ownership of the U.S. COHIBA mark is not required for a Section 43(a) claim, and expressed the view that, given the district court’s factual findings, the cancellation of Respondent’s mark and the injunction against Respondent’s use of the mark is appropriate relief. *Id.* at 1943. On December 3, 2004, the parties filed letter briefs responding to the amicus curiae letter brief filed by the government. *Id.* Petitioner asserted that the government correctly concluded that it was entitled to the relief ordered by the district court under Section 43(a) of the Lanham Act. *Id.* Respondent agreed with the government’s conclusion that the embargo regulations barred Petitioner’s acquisition of the mark through the famous marks doctrine, but asserted that the government is incorrect in its claim that Petitioner is nonetheless entitled to relief under Section 43(a) of the Lanham Act. *Id.*

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doctrine. *Id.*

The Second Circuit also rejected the argument that, even if Petitioner could not acquire the COHIBA mark in the United States, it was still entitled to obtain cancellation of Respondent's registration of the COHIBA mark and an injunction preventing Respondent from using the mark in the United States on the basis of alleged consumer confusion. The Second Circuit specifically held that,

granting [Petitioner] the injunctive relief sought would effect a transfer of property rights to a Cuban entity in violation of the embargo. There is no contest that, as matters stand, [Respondent] has the full panel of property rights in the COHIBA mark, including the right to exclude or limit others seeking to use the mark in the United States... As it is exactly this brand of property right transfer that the embargo prohibits, we cannot sanction a grant of injunctive remedy to [Petitioner] in the form of the right, privilege and power to exclude [Respondent] from using its duly registered mark... [T]his limitation on judicial authority applies equally to [Petitioner's] Lanham Act and Paris Convention claims.

73 USPQ2d at 1947.

The Second Circuit also found that, inasmuch as Respondent was the owner and sole rightful user of the COHIBA mark in the United States due to its valid registration for the mark, Petitioner could not obtain relief on the basis that Respondent's use of the COHIBA mark is likely to cause confusion in the United States. 73 USPQ2d at 1949. The Second Circuit concluded that Petitioner's claims "against [Respondent's] use of its duly registered COHIBA mark cannot succeed as a matter of law." *Id.*

The Second Circuit further found that Article 6bis of the Paris Convention and Sections 44(b) and 44(h) of the Lanham Act do not require "cancellation of [Respondent's] properly registered trademark" or an injunction against use of the

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mark. 73 USPQ2d at 1950. It also affirmed the district court's dismissal of Petitioner's claims under Articles 7, 8, 20 and 21 of the Pan American Convention and Article 10bis of the Paris Convention. 73 USPQ2d at 1950-53. Additionally, the Second Circuit affirmed the district court's dismissal of Petitioner's other claims, including its dismissal of New York unfair competition and misappropriation claims on the grounds that Respondent had not acted in bad faith. 73 USPQ2d at 1954.

The Second Circuit remanded the case to the district court for entry of an order (1) dismissing all of Petitioner's remaining claims, and (2) "vacat[ing] those portions of the District Court's order that cancel[led] [Respondent's] registration," enjoined Respondent from use of the COHIBA mark, and required recall of COHIBA-labeled products and corrective notices. 73 USPQ2d at 1954. The Second Circuit issued its judgment as a mandate on February 8, 2006, after the U.S. Supreme Court denied Petitioner's petition for a writ of certiorari. *See Empresa Cubana Del Tabaco, aka Cubatabaco v. General Cigar Co., Inc.*, 547 U.S. 1205 (2006). The district court then dismissed all remaining claims. *Empresa Cubana Del Tabaco v. Culbro Corp.*, No. 97 Civ. 8399 (S.D.N.Y. May 15, 2006).

A later proceeding in the federal civil action requires brief mention. In 2006, Respondent moved to amend the district court's final order of dismissal to include an instruction to the Director of the USPTO to dismiss this cancellation proceeding and to direct that Petitioner's pending application for the mark COHIBA be abandoned. The district court denied Respondent's motion to amend as untimely. *Empresa Cubano Del Tabaco dba Cubatabaco v. Culbro Corp. and General Cigar Co.*, 478 F.

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Supp. 2d 513 (S.D.N.Y. 2007). On appeal, the Second Circuit affirmed, finding that Respondent's request was based on an estoppel theory. *Empresa Cubano Del Tabaco dba Cubatabaco v. Culbro Corp., General Cigar Co., Inc., and General Cigar Holdings, Inc.*, 541 F.3d 476, 88 USPQ2d 1125, 1128 (2d Cir. 2008). Specifically, the Second Circuit stated that "we see no reason why it was an abuse of discretion for the district court simply to tell [Respondent] to raise its estoppel claim before the [US]PTO and let the agency decide, subject to review by the Federal Circuit, what preclusive effect should be given to our decision in *Empresa V*, if any."³⁴ 88 USPQ2d at 1128.

Following the conclusion of the federal civil action, the Board resumed this proceeding on June 23, 2011.³⁵ Soon thereafter, Respondent filed a motion for summary judgment on the grounds that (1) Petitioner lacks standing to pursue this cancellation proceeding, and (2) Petitioner's asserted claims are precluded by the doctrines of claim and issue preclusion.³⁶ The Board granted Respondent's motion for summary judgment solely on the ground of lack of standing.³⁷ While acknowledging that standing is generally conferred on a plaintiff whose pleaded pending application has been refused registration under Section 2(d) of the Lanham Act based on

³⁴ The "Empresa V" decision identified in this quote pertains to the Second Circuit's 2005 decision on the appeal of the district court judgment in *Empresa Cubana Del Tabaco, d.b.a. Cubatabaco v. Culbro Corp., Gen. Cigar Co., Inc. and Gen. Cigar Holdings, Inc.*, described above.

³⁵ 60 TTABVUE.

³⁶ 64 TTABVUE.

³⁷ 75 TTABUVE.

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defendant's subject registration, as is the case here, the Board nonetheless found that Petitioner, in this instance, could not avail itself of such circumstances as a basis for its standing to pursue this case.³⁸ More specifically, because the Second Circuit held that "[t]here is no contest that, as matters stand, [Respondent] has the full panel of proprietary rights in the COHIBA mark, including the right to exclude or limit others seeking to use the mark in the United States," *see* 73 USPQ2d at 1947, the Board concluded that there was no genuine dispute of material fact that Petitioner lacked a legitimate commercial interest in the COHIBA mark in the United States and that, as a result, its belief in damage resulting from an alleged likelihood of confusion under the Lanham Act or any international conventions between its asserted mark and Respondent's mark, or under any other legal theory, was unfounded.³⁹

On May 9, 2013, Petitioner filed a notice of appeal to the U.S. Court of Appeals for the Federal Circuit of the Board's decision granting summary judgment for lack of standing.⁴⁰ On June 4, 2014, the Federal Circuit issued a decision holding that "[b]ecause this court finds that [Petitioner] has a statutory cause of action to petition the Board to cancel [Respondent's] Registrations, and that issue and claim preclusion do not bar [Petitioner's] Amended Petition to cancel the Registrations, this court vacates the Board's decision and remands for further proceedings consistent with this opinion." *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d

³⁸ *Id.* at 14.

³⁹ *Id.* at 14-16.

⁴⁰ 76 TTABVUE.

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1058, 1059 (Fed. Cir. 2014). More specifically, the Federal Circuit held that “[b]ecause the USPTO refused [Petitioner’s] registration based on a likelihood of confusion with [Respondent’s] Registrations, [Petitioner] has a real interest in cancelling the Registrations and a reasonable belief that the Registrations blocking its application are causing it damage. [Petitioner] therefore has a cause of action under the Lanham Act to seek cancellation of the Registrations.” 111 USPQ2d at 1062. Additionally, the Federal Circuit emphasized that Section 515.527 of the CACR, 31 C.F.R. § 515.527, specifically authorizes Cuban entities to engage in transactions “related to the registration and renewal” of trademarks in the [USPTO] and “may be relied on ... to petition to cancel a prior registration of a trademark where these actions relate to the protection of a trademark in which Cuba or a Cuban national general license has an interest.” *Id.* (citation omitted). The court further reasoned that this regulation, and the related proceedings at the Board, gave Petitioner a “legitimate commercial interest” in the COHIBA mark such that a finding of standing before the Board was appropriate. *Id.*

The Federal Circuit also found that there is no issue or claim preclusion with regard to **any** of the claims asserted by Petitioner in its amended petition to cancel. *Id.* at 1063. With regard to Petitioner’s claim under Articles 7 and 8 of the Pan American Convention, the Federal Circuit stated that, “[i]n the district court litigation, [Petitioner] claimed relief under Articles 7 and 8 pursuant to Sections 44(b) and 44(h) of the Lanham Act.” *Id.* The Federal Circuit further noted that, “[r]elying on *Havana Club Holding S.A. v. Galleon S.A.*, 203 F.3d 116, 124 [53 USPQ2d 1609,

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1614] (2d Cir. 2000), the Second Circuit rejected that argument, holding that Petitioner's Pan American Convention claims were not related to the repression of unfair competition and therefore did not fall within the ambit of Section 44(h)." *Id.*

The Federal Circuit explained that Petitioner's assertion in this Board proceeding is that the Board can cancel registrations directly under Article 8, pursuant to the Board's jurisdiction under Section 17(a) of the Lanham Act, 15 U.S.C. § 1067(a). *Id.* The Federal Circuit concluded that, unlike in the federal civil action, the Board need not consider the interplay of the Pan American Convention with Section 44(h) of the Lanham Act and, in any event, noted that the Second Circuit did not address whether Petitioner could request that the Board cancel the registrations directly under those same Pan American Convention provisions. *Id.* Thus, the Federal Circuit held that issue preclusion did not bar Petitioner's claim under Articles 7 and 8 in this Board proceeding. *Id.*

As noted, the Federal Circuit also held that claim preclusion does not bar the claims asserted in Petitioner's amended petition to cancel because the Second Circuit never issued a final judgment on the merits of Petitioner's cancellation claims. 111 USPQ2d at 1065. The Federal Circuit further found that the transactional facts involved in the Second Circuit decision differ from those in the cancellation proceeding before the Board. *Id.* Specifically, the Federal Circuit noted that the Second Circuit decided that, under the CACR, Petitioner could not enjoin Respondent from using the COHIBA mark because it would entail a prohibited transfer of property to a Cuban entity. *Id.* In the proceedings before the Board, however, the

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Federal Circuit found that Petitioner need not own the mark to cancel Respondent's registrations under Section 14 of the Lanham Act, 15 U.S.C. § 1064. *Id.* In other words, "the CACR's effect before the Board is necessarily different." *Id.* Thus, the Federal Circuit ruled that claim preclusion does not bar any of the claims asserted in Petitioner's amended petition to cancel, including the claim brought under Articles 7 and 8 of the Pan American Convention. *Id.*

Entitlement to a Statutory Cause of Action

Entitlement to a statutory cause of action is a threshold issue in every inter partes case. *See Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 2020 USPQ2d 10837, at *3 (Fed. Cir. 2020) (citing *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 109 USPQ2d 2061, 2067 n.4 (2014)). A party in the position of plaintiff may seek to cancel the registration of another's mark where such cancellation is within the zone of interests protected by the statute, 15 U.S.C. § 1064, and the plaintiff's reasonable belief in damage is proximately caused by registration of the defendant's mark. *Corcamore, LLC v. SFM, LLC*, 978 F.3d 1298, 2020 USPQ2d 11277, at *6-7 (Fed. Cir. 2020).⁴¹

An entitlement to a statutory cause of action is generally conferred on a plaintiff whose pleaded pending application has been refused registration under Section 2(d) of the Lanham Act based on a defendant's subject registration. *See, e.g., Great Seats*

⁴¹ Board decisions have previously analyzed the requirements of Sections 13 and 14 of the Trademark Act, 15 U.S.C. §§ 1063-64, under the rubric of "standing." Despite the change in nomenclature, our prior decisions and those of the Federal Circuit interpreting Section 13 and 14 remain applicable. *See Spanishtown Enters., Inc. v. Transcend Res., Inc.*, 2020 USPQ2d 11388, at *2 (TTAB 2020).

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Ltd. v. Great Seats, Inc., 84 USPQ2d 1235, 1237 (TTAB 2007); *Cerveceria Modelo S.A. de C.V. v. R.B. Marco & Sons, Inc.*, 55 USPQ2d 1298, 1299 (TTAB 2000); *Hartwell Co. v. Shane*, 17 USPQ2d 1569, 1570 (TTAB 1990).

The evidence of record includes Petitioner's pending application for the mark COHIBA,⁴² as well as the Office Action refusing registration based on Respondent's subject registrations.⁴³ The Federal Circuit already determined that because Petitioner's pleaded pending application has been refused registration based on Respondent's registrations and the general license under CACR permits a Cuban entity to seek cancellation,⁴⁴ Petitioner is entitled to pursue a statutory cause of action to seek cancellation of Respondent's subject registrations.⁴⁵

Article 8 of the Pan American Convention

A. Background

We now turn to a general discussion of the Pan American Convention. The United States participated in a number of International Conferences of American States with

⁴² Petitioner's Notice of Reliance, Exh. 1; 169 TTABVUE 162-63.

⁴³ Petitioner's Notice of Reliance, Exh. 1; 169 TTABVUE 152-160.

⁴⁴ In further support of its entitlement to a statutory cause of action, Petitioner submitted a letter from OFAC dated August 19, 1996, stating that § 515.27 of CACR permits a Cuban entity to seek cancellation of a U.S. registered mark where this action relates to the protection of a trademark in which Cuba or a Cuban national general licensee has an interest. 169 TTABVUE 170.

⁴⁵ Once a petitioner meets the requirements for a statutory cause of action on one claim, it can rely on any available statutory grounds for cancellation set forth in the Lanham Act. *See, e.g., Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1877 (TTAB 2011) (because petitioners demonstrated their standing – now entitlement to a statutory cause of action – as to at least one ground, they may assert any other legally sufficient claims including those under Section 2(a), the Pan American Convention and fraud).

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respect to trademarks during the early twentieth century. These conferences resulted in several multi-lateral trademark conventions to which the United States became a party, including the “General Inter-American Convention for Trade Mark and Commercial Protection of Washington, 1929,” which is known informally as the Pan American Convention. Cuba is also a party to the Pan American Convention.⁴⁶ The Pan American Convention pertains to trademarks, trade names, unfair competition, and false indications of geographical origin or source. The beneficiaries under the Pan American Convention are defined as (1) nationals of contracting states, and (2) domiciled foreigners who own a manufacturing or commercial establishment or an agricultural development in any of the contracting states.

The Board’s seminal decision pertaining to the Pan American Convention is *British-American Tobacco Co. v. Phillip Morris Inc.*, 55 USPQ2d 1585 (TTAB 2000). In that case, the Board denied the respondent’s motion to dismiss the petition to cancel and held that the Board had the requisite jurisdiction to consider the petitioner’s claim brought under Article 8 of the Pan American Convention in a cancellation proceeding.

Consistent with the U.S. Supreme Court’s decision in *Bacardi Corp. of Am. v. Domenech*, 311 U.S. 150, 161, 47 USPQ 350, 355 (1940), the Board noted that the Pan American Convention is self-executing and, therefore, became U.S. law upon ratification, requiring no special implementing legislation. *British-American*

⁴⁶ Additional signatories to the Pan American Convention are Colombia, Peru, Guatemala, Haiti, Honduras, Nicaragua, Panama, and Paraguay.

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Tobacco, 55 USPQ2d at 1589. As such, the Board concluded that the Pan American Convention has the same force as a federal statute and provides remedies independent of the Lanham Act. *Id.*

The Board in *British-American Tobacco* then considered whether Article 8 created a cause of action within the Board’s subject matter jurisdiction. The Board reasoned that since it was authorized under Section 17 of the Lanham Act, 15 U.S.C. § 1067,⁴⁷ to determine the registrability of marks in the context of ex parte appeals and inter partes proceedings, it had the requisite jurisdiction to consider a claim brought before it under Article 8 because that article expressly related to the registrability of marks. *Id.* Lastly, the Board found that a finding of jurisdiction did not violate the doctrine of territoriality but rather constituted an exception to the doctrine explicitly created by the Pan American Convention.⁴⁸ *Id.*

Article 8 states:

When the owner of a mark seeks the registration or deposit of the mark in a Contracting State other than that of origin of the mark and such registration or deposit is refused because of the previous registration or deposit of an interfering mark, he shall have the right to apply for and obtain the cancellation or annulment of the interfering mark upon proving, in accordance with the legal procedure of the country in which cancellation is sought, the stipulations in Paragraph (a) and those of either Paragraph (b) or (c) below:

⁴⁷ Section 17(a) of the Lanham Act, 15 U.S.C. § 1067(a), provides that “[i]n every case of interference, opposition to registration, application to register as a lawful concurrent user, **or application to cancel the registration of a mark**, the Director shall give notice to all parties and **shall direct [the] Trademark Trial and Appeal Board to determine and decide the respective rights of registration.**” (emphasis added). 15 U.S.C. § 1067(a).

⁴⁸ “Under the territoriality doctrine, a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark.” J. Thomas McCarthy, 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 29:1 (5th ed. March 2022 update). In contrast, “the ‘universality’ theory posits that a mark signifies the same source wherever the mark is used in the world.” *Id.*

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- (a) That he enjoyed legal protection for his mark in another of the Contracting States prior to the date of the application for the registration or deposit which he seeks to cancel; and
- (b) That the claimant of the interfering mark, the cancellation of which is sought, had knowledge of the use, employment, registration or deposit in any of the Contracting States of the mark for the specific goods to which said interfering mark is applied, prior to adoption and use thereof or prior to the filing of the application or deposit of the mark which is sought to be cancelled; or
- (c) That the owner of the mark who seeks cancellation based on a prior right to the ownership and use of such mark, has traded or trades with or in the country in which cancellation is sought; and that goods designated by his mark have circulated and circulate in said country from a date prior to the filing of the application for registration or deposit for the mark, the cancellation of which is claimed, or prior to the adoption and use of the same.

46 Stat. 2907.

B. Petitioner's arguments regarding Article 8 claim

Petitioner seeks to register the mark COHIBA in the United States, a “contracting state” other than that of origin of Petitioner’s mark, i.e., Cuba. The record demonstrates that the USPTO refused to register Petitioner’s COHIBA mark based on Respondent’s subject registrations. Here, Respondent’s subject registrations constitute “interfering” marks pursuant to the plain meaning of Article 8. *Cf. Diaz v. Servicio de Franquicia Pardo’s S.A.C.*, 83 USPQ2d 1320 (TTAB 2007) (finding that the registered mark at issue was an “interfering” mark within Article 7 on the ground that it was identical and for the same goods as the mark of the party invoking the

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Convention, and that the registered mark was cited by the USPTO against that party's application for registration or relied upon in opposition to the application). Therefore, the record establishes that the preamble of Article 8 is satisfied.

With regard to subsection (a) of Article 8, the application filing date of Respondent's first standard character U.S. COHIBA registration was March 13, 1978. The application filing date for Respondent's U.S. stylized COHIBA mark was December 30, 1992. The record shows that Petitioner enjoyed legal protection in Cuba for the mark COHIBA prior to these dates. Petitioner applied to register the mark in Cuba in 1969 and the registration issued in 1972.⁴⁹ The record also demonstrates that COHIBA-branded cigars were being produced in Cuba in significant and increasing numbers between 1970 and 1980,⁵⁰ and, from 1970 through March 13, 1978, were sold (a) at two retail outlets in Havana; (b) at Havana's main hotels; (c) at Havana's upscale restaurants; (d) to the Council of State (which includes the office of the Cuban President); and (e) to other Cuban state enterprises, which in turn sold the cigars to government institutions.⁵¹ Cuba's then-President Fidel Castro, gifted COHIBA cigars

⁴⁹ Declaration of Adargelio Garrido de la Grana, a Cuban citizen and lawyer responsible for the registration and maintenance of trademarks owned by Petitioner, ¶¶ 2-3, (190 TTABVUE 233-235).

⁵⁰ See Deposition transcript of Mercedes Gonzalez Vasquez, Petitioner's Director of Businesses, pp. 32:24, 33:1-20 (343 TTABVUE 647-649). In an abundance of caution, we refer to Petitioner's unit sales in general terms because while the deposition transcript of Mr. Vasquez itself was marked as confidential, Petitioner nonetheless filed the transcript with the Board in an unredacted format and not under seal as confidential.

⁵¹ At retail outlets: 198 TTABVUE 147-159, 343 TTABVUE 626, 652-653 and 346 TTABVUE 547, 558-563, 607-608. At hotels: 343 TTABVUE 626, 653-655, 685 and 346 TTABVUE 547, 558-560, 564, 573, 610. At restaurants: 198 TTABVUE 147-159, 343 TTABVUE 282, 299. To the Council of State and Cuban enterprises: 198 TTABVUE 147-159, 343 TTABVUE 626, 656-657, 662-663 and 344 TTABVUE 1071, 1079-1093). Numerous U.S. travelers observed

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purchased by the Council of State throughout the 1970s⁵² to U.S. persons.⁵³ Cuban government bodies⁵⁴ gifted COHIBA cigars to U.S. persons,⁵⁵ and the Cuban diplomatic missions in New York and Washington, D.C. gifted COHIBA cigars to U.S. persons at receptions.⁵⁶ Because Respondent filed its applications after Petitioner had registered and began use of its COHIBA mark in Cuba, subsection (a) of Article 8 is satisfied.

We now turn to Article 8 subsection (b)'s requirement that "the claimant of the interfering mark ... had knowledge of the use, employment, registration or deposit in any of the Contracting States of the mark for the specific goods ... prior to adoption and use thereof or prior to the filing of the application or deposit of the mark which is sought to be cancelled." The record includes evidence that Respondent had knowledge of Petitioner's use of the mark COHIBA as a cigar brand in Cuba since at

COHIBA cigars on sale at hotels and retail outlets during these years. 343 TTABVUE 998, 1022, 1024 1033; 343 TTABVUE 282-300; 346 TTABVUE 98, 107, 131-132; and 346 TTABVUE 631, 639-642.

⁵² 343 TTABVUE 626, 656-661, 673 (heads of state); 319 TTABVUE 400-411 (heads of state); 343 TTABVUE 626, 673 (when traveling abroad); 345 TTABVUE 253, 296-297 (at Conference of Non-Aligned in Havana).

⁵³ *See e.g.*, 339 TTABVUE 188-198 (gifts to numerous U.S. journalists and political personalities); 343 TTABVUE 998, 1024-1027 (gifts to Saul Landau and Dan Rather of CBS); 346 TTABVUE 98, 114-119 (gifts to leader of Minnesota Chamber of Commerce delegation for Vice President Mondale and Senator Humphrey).

⁵⁴ 339 TTABVUE 188, 195 (wide range of institutions); 345 TTABVUE 253, 271-275 (sports federation); 343 TTABVUE 998, 1028 (Foreign Ministry).

⁵⁵ 339 TTABVUE 188, 195.

⁵⁶ 343 TTABVUE 998, 1028-1029, 1037, 1071-1074, 1079-1080 (routinely distributed at receptions and as gifts).

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least as early as December 12, 1977.⁵⁷ Specifically, the record includes two of Respondent's internal memoranda, both dated December 12, 1977, which are maintained by Respondent in its internal files by a person responsible for Respondent's trademark registration applications and maintenance.⁵⁸ Portions of these memoranda contained notations which state that COHIBA (1) is sold in Cuba, (2) is a "brand in Cuba," (3) is "presently used in Cuba," and (4) is "Castro's brand cigar."⁵⁹

The record also includes additional evidence that Respondent likely knew of Petitioner's use of COHIBA as a cigar trademark in Cuba even before the creation of the internal memoranda discussed above. A month prior to the creation of the December 12, 1977 memoranda, i.e., on November 15, 1977, Forbes Magazine published an article titled "Help From Havana? The U.S. Cigar Industry is in Bad Odor. Can Cuban Tobacco Help it Relight?," reporting that Cuban COHIBA was one of the "brands" that "CubaTabaco . . . is now developing" for export.⁶⁰ Edgar Cullman, Sr., Respondent's Chair and President, received Forbes Magazines and admitted that he "must have read" the article.⁶¹ His son, Edgar Cullman, Jr., Respondent's Executive Vice-President and later President,⁶² testified that the article would have

⁵⁷ 198 TTABVUE 142-145, 194 TTABVUE 134-137 (confidential).

⁵⁸ 346 TTABVUE 161, 171-175, 479-486; 319 TTABVUE 289-291.

⁵⁹ 198 TTABVUE 142-145.

⁶⁰ 192 TTABVUE 62-66.

⁶¹ 342 TTABVUE 1460, 1467-1468, 1499, 1500.

⁶² 341 TTABVUE 2 and 4.

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come to management's attention.⁶³ It was the "type of article that would have been circulated to the industry" by the Cigar Association of America.⁶⁴ This evidence persuades us that Respondent, at a minimum, had constructive or imputed knowledge of Petitioner's use of its COHIBA mark in Cuba prior to filing its underlying applications for its subject registered marks. *See e.g., Helton v. AT&T*, 709 F.3d 343 (4th Cir. 2013) (corporate entities have constructive knowledge of the contents of their records); *NorthStar Aviation, LLC v. Alberto*, 332 F. Supp. 3d 1007 (E.D. Va. 2018) (same).

Additionally, the record demonstrates that Respondent had knowledge of Petitioner's COHIBA mark before making any use of its COHIBA mark in the United States. Although Petitioner contends that the nominal shipments Respondent made to retailers in mid-February of 1978 do not qualify as use in commerce sufficient to confer trademark rights,⁶⁵ even if we were to deem them sufficient, the elements of Article 8, subsection (b) are satisfied. With regard to both of its COHIBA registrations, Respondent's knowledge that Petitioner's COHIBA mark was a brand, and being developed for export, necessarily establishes its knowledge that COHIBA was being "used" or "employed" in Cuba prior to any use of the COHIBA mark by Respondent in the United States.

Simply put, Petitioner has proven, by a preponderance of the evidence, its pleaded

⁶³ 342 TTABVUE 976, 1104-1105.

⁶⁴ 343 TTABVUE 896, 967-969 (Kowalsky, CAA's president at the time).

⁶⁵ 366 TTABVUE 16-18; *see also* 291 TTABVUE 220.

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claim under Article 8 of the Pan American Convention.

Respondent's Arguments in Support of its Issue Preclusion Affirmative Defense

Instead of arguing the merits of the Article 8 claim and commenting on the evidence Petitioner proffers in support this claim, Respondent only contends that Petitioner's Article 8 claim is barred by the doctrine of issue preclusion and heavily relies on the U.S. Supreme Court's decision in *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 113 USPQ2d 2045 (2015) ("*B&B Hardware*"). Respondent relies on the following four requirements for issue preclusion, as stated in Section 27 of the Restatement (Second) of Judgments: (1) an issue of fact or law must have been presented in both the prior and current actions; (2) that issue must have been actually litigated in the prior action and determined adversely to the precluded party in a valid and final judgment; (3) determination of that issue must have been necessary and essential to the prior judgment; and (4) the parties are the same, or the precluded party's position in the prior action was fully represented by another party.⁶⁶

Respondent contends that all of the required elements for issue preclusion are demonstrated on the record of this proceeding.⁶⁷ As to the first element, although the Second Circuit's interpretation of Article 8 differs from the Federal Circuit and the Board, Respondent argues the Pan American Convention issue in this cancellation proceeding nonetheless is the same issue that the district court ruled on for preclusion

⁶⁶ Petitioner's Trial Brief, p. 20 (368 TTABVUE 22).

⁶⁷ *Id.* (368 TTABVUE 21).

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purposes.⁶⁸ Respondent also notes that, as stated in *B&B Hardware*, “federal law provides a single standard here”—the Pan American Convention and the Lanham Act, to the extent relevant, are the same whether interpreted by a federal court or the Board.⁶⁹ While the Board may “apply that standard differently” than the federal courts do, Respondent contends that *B&B Hardware* makes clear that Petitioner “cannot escape preclusion” because of that difference in interpretation.⁷⁰ Respondent concludes that allowing Petitioner to engage in repetitious litigation of the same issue because the Board reads the same treaty provision differently than the Second Circuit does would, in the Supreme Court’s words, “encourage the very evils that issue preclusion helps to prevent.”⁷¹

As to the other elements of issue preclusion, Respondent contends that (1) the Pan American Convention issue was fully and finally determined in the federal action, with the district court dismissing Petitioner’s claim for cancellation under Articles 7 and 8 of the Pan American Convention with prejudice and making the dismissal part of its final judgment, (2) determination of the Pan American Convention issue was necessary to the district court’s final judgment, and (3) the parties in both proceedings are the same.⁷² Thus, Respondent requests that the Board dismiss Petitioner’s claim under Article 8 of the Pan American Convention in this proceeding with prejudice

⁶⁸ *Id.* at p. 22 (368 TTABVUE 24).

⁶⁹ *Id.* (368 TTABVUE 24).

⁷⁰ *Id.* (368 TTABVUE 24).

⁷¹ *Id.* at p. 23 (citing *B&B Hardware*, 113 USPQ2d at 2054) (368 TTABVUE 25).

⁷² *Id.* (368 TTABVUE 25).

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because the doctrine of issue preclusion bars Petitioner's claim.

Respondent also argues that the Federal Circuit's *Empresa* decision holding that principles of issue and claim preclusion do not bar Petitioner's claim is not law of the case preventing the Board from applying issue preclusion as required by *B&B Hardware*.⁷³ Respondent maintains that the law of the case is a discretionary doctrine "even respecting a prior appellate decision in the case," unlike issue preclusion which is mandatory, and rests on considerations of judicial economy.⁷⁴ Respondent nonetheless acknowledges that one long recognized exception to law of the case is an intervening change in applicable authority.⁷⁵ Respondent argues that departure from a prior ruling is only justified where, since the date of the ruling, there has been a significant change in the legal atmosphere – whether in the form of new legislation, a new court decision, or even a new administrative ruling.⁷⁶ Respondent contends that the Federal Circuit's *Empresa* decision was issued before the Supreme Court's ruling in *B&B Hardware* and that the grounds on which the Federal Circuit's "cursory" Pan American Convention preclusion analysis rested are no longer valid in light of the changed "legal atmosphere" created by *B&B Hardware*.⁷⁷

Respondent acknowledges the Federal Circuit's holding that issue preclusion does

⁷³ *Id.* at p. 24 (368 TTABVUE 26).

⁷⁴ *Id.* (citing *Mendenhall v. Barber-Greene Co.*, 26 F.3d 1573, 1582, 31 USPQ2d 1001, 1007 (Fed. Cir. 1994) (368 TTABVUE 26).

⁷⁵ *Id.* (368 TTABVUE 26).

⁷⁶ *Id.* (368 TTABVUE 26).

⁷⁷ *Id.* (368 TTABVUE 26).

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not bar Petitioner's Article 8 claim in this cancellation proceeding because: (1) "unlike the federal courts, the Board can cancel registrations directly under Article 8 of the IAC, pursuant to the Board's jurisdiction under 15 U.S.C. § 1067(a), and (2) unlike in the district court, the Board need not consider the interplay with Lanham Act Section 44(h)." ⁷⁸ Respondent contends, however, that under *B&B Hardware*, this difference no longer provides a basis to deny preclusive effect to the federal judgment, because, "if federal law provides a single standard, parties cannot escape preclusion simply by litigating anew in tribunals that apply that one standard differently." ⁷⁹ Respondent claims that is precisely what Petitioner is impermissibly attempting to do here – relitigate its loss on the Pan American Convention claim in the federal action because it is now in a forum which interprets that law differently, one of the "very evils that issue preclusion helps to prevent." ⁸⁰ Thus, Respondent concludes that *B&B Hardware* created a clearly changed legal atmosphere which undermined the rationale of the Federal Circuit's *Empresa* decision and, therefore, the Federal Circuit's decision cannot be considered law of the case. ⁸¹

Resolution of Issue Preclusion Affirmative Defense

As found above, Petitioner has satisfied, by a preponderance of the evidence, all of the required elements of its claim under Article 8 of the Pan American Convention.

⁷⁸ *Id.* (citing the Federal Circuit's *Empresa* decision, 111 USPQ2d at 1064) (368 TTABVUE 26).

⁷⁹ *Id.* at pp. 25-26 (citing *B&B Hardware*, 113 USPQ2d at 2054) (368 TTABVUE 27-28).

⁸⁰ *Id.* at p. 26 (citing *B&B Hardware*, 113 USPQ2d at 2054) (368 TTABVUE 28).

⁸¹ *Id.* (368 TTABVUE 28).

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We also find that, contrary to Respondent's position, issue preclusion does not bar Petitioner's Article 8 claim for the reasons explained below.

As previously noted, Respondent did not contest that Petitioner has satisfied the requirements for cancellation under Article 8 as to both of Respondent's subject registrations and that, under Board precedent, Article 8 claims can be asserted under Section 17(a) of the Lanham Act. Rather, Respondent only argues that issue preclusion bars this ground for cancellation, notwithstanding that the Federal Circuit expressly held that neither issue nor claim preclusion bars this claim and that its mandate is "for further proceedings consistent with this opinion." *Empresa*, 111 USPQ2d at 1064. Respondent urges the Board to disregard the Federal Circuit's mandate exclusively on the ground that *B&B Hardware* changed the governing law, even though *B&B Hardware* did not concern Section 17 of the Lanham Act, the Pan American Convention or treaty claims at all and endorsed the authority the Federal Circuit relied upon in its issue preclusion analysis.

The Federal Circuit in its *Empresa* decision held that the issue decided in the federal action—whether § 44(h) of the Act incorporated Article 8 claims—is not the same as the Article 8 issue before the Board. It ruled that "[i]ssue preclusion does not apply" because Petitioner "asserts" that "the Board can cancel registrations directly under Article 8 of the IAC [Pan American Convention], pursuant to the Board's jurisdiction under 15 U.S.C. § 1067(a) [Section 17(a) of the Lanham Act]," and therefore:

Unlike in the district court, the Board need not consider the interplay with [Lanham Act] Section 44(h). And in any event, the Second Circuit

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certainly did not address whether Cubatabaco could request that the Board cancel the registrations directly under those same IAC provisions [pursuant to the Board’s Section 17(a) jurisdiction]. Accordingly, issue preclusion does not bar Grounds 5 and 7 for cancellation of the Registrations.⁸²

Empresa, 111 USPQ2d at 1064.

As the Federal Circuit’s holding that there is no issue preclusion is within the scope of its mandate, the parties are precluded from asserting issue preclusion before the Board. *Engel Indus., Inc. v. Lockformer Co.*, 166 F.3d 1379; 49 USPQ2d 1618, 1621 (Fed. Cir. 1999) (“Unless remanded by this court, all issues within the scope of the appealed judgment are deemed incorporated within the mandate and thus are precluded from further adjudication.”) (citations omitted). Controlling authority forecloses Respondent’s position that adherence to the mandate is merely “discretionary.” *Jewelers Vigilance Comm., Inc. v. Ullenberg Corp.*, 853 F.2d 888, 7 USPQ2d 1628, 1630 (Fed. Cir. 1988) (Board “has no option but to comply with th[is court’s] mandate”). A lower tribunal “has no power or authority to deviate from the mandate.” *Id.* at 892 n.3.⁸³

Respondent places extensive reliance on *B&B Hardware* in invoking the exception

⁸² Ground 5 (against Respondent’s Reg. No. 1147309) and Ground 7 (against Respondent’s Reg. No. 1898273) both consist solely of the claim pleaded under Articles 7 and 8 of the Pan American Convention. See Petitioner’s Amended Complaint, ¶¶ 110-111 and ¶¶ 114-115 (61 TTABVUE 30-31).

⁸³ Respondent’s reliance on *Mendenhall v. Barber-Greene*, 26 F.3d 1573, 31 USPQ2d 1001 (Fed. Cir. 1994), a decision involving an appellate court’s reconsideration of its own prior decision, is misplaced and confuses “law of the case” with the mandate rule, which permits none of the flexibility that “law of the case” affords an appellate court revisiting its own prior decision. *Sacramento Mun. Util. Dist. v. United States*, 566 F. App’x 985, 995 (Fed. Cir. 2014) (“[A]n issue . . . decided by an appellate court . . . may not be reconsidered at any subsequent stage . . . , save on appeal”).

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to the law of the case for when “controlling authority has since made a contrary and applicable decision of law.” *Banks v. U.S.*, 741 F.3d 1268 (Fed. Cir. 2014). Under this exception, “[t]hree conditions must be satisfied.” *Dow Chem.Co. v. Nova Chem. Corp.*, 803 F.3d 620, 629, 115 USPQ2d 2024, 2030 (Fed. Cir. 2015). “First, the governing law must have been altered. ... Second, the decision sought to be reopened must have applied the old law. ... Third, the change in law must compel a different result[.]” *Id.* These requirements are strictly construed. *Sacramento Mun.*, 566 F. App’x at 996 (citations omitted).

Respondent has failed to persuade us that the decision in *B&B Hardware* changed “governing law” as it pertains to Petitioner’s Article 8 claim. The Federal Circuit applied the rule Respondent says *B&B Hardware* established, namely, that district court rulings have preclusive effect before the Board if ordinary issue preclusion standards are met. *Empresa*, 111 USPQ2d at 1063. Indeed, the rule *B&B Hardware* purportedly established has been settled in the Federal Circuit for quite some time. *See, e.g., Mother’s Rest, Inc. v. Mama’s Pizza, Inc.*, 723 F.2d 1566, 221 USPQ2d 394 (Fed. Cir. 1983) (holding that the TTAB properly gave preclusive effect to the Texas court’s findings of fact). However, the *B&B Hardware* decision, contrary to Respondent’s reading of the case, addressed an entirely different issue: “whether the District Court in this case should have applied issue preclusion to the [Board’s] decision,” 113 USPQ2d at 2048, not vice versa.

We also find that *B&B Hardware* did not change the standards for issue preclusion, as made clear by Respondent itself describing the Supreme Court’s

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holding as “rooted . . . in the Restatement (Second) of Judgments.” *See* Respondent’s Trial Brief, p. 20. (368 TTABVUE 22) (citing Restatement Section 27).⁸⁴ The Federal Circuit, as well as the Board, have long relied on and applied Restatement Section 27’s standards; indeed, the Federal Circuit relied on Section 27 of the Restatement’s four factors and cited its own precedents expressly applying Section 27 in its *Empresa* decision. *Empresa*, 111 USPQ2d at 1063.

Because *B&B Hardware* reaffirmed, as reflected in the Restatement, that the “ordinary elements” or factors of issue preclusion apply, *see* 113 USPQ2d at 2048, 2053, and because the Federal Circuit applied the same ordinary elements (derived from the same source), the law governing issue preclusion did not change.

Respondent also fails to show that *B&B Hardware* changed “governing law” regarding whether Section 17(a) of the Lanham Act permits the Board to consider Article 8 claims that the federal action held were not incorporated by § 44(h) of the Lanham Act. Respondent’s argument that *B&B Hardware* somehow invalidated the “grounds on which the Federal Circuit’s . . . preclusion analysis rested” by “eliminat[ing] the distinction between Board registration proceedings and court infringement proceedings” lacks plausibility: *B&B Hardware* did not concern or address the scope of the Board’s jurisdiction under Section 17(a) of the Lanham Act, Article 8 or any other treaty-based claims, or § 44 of the Lanham Act.

⁸⁴ Section 27 of the Restatement (Second) on Judgments provides as follows: When an issue of fact or law is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, the determination is conclusive in a subsequent action between the parties, whether on the same or a different claim.

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Rather, *B&B Hardware* resolved a different issue: whether a section of the Lanham Act applicable to the Board and another applicable to district courts set the same standard for likelihood of confusion, allowing the Board's finding of likelihood of confusion to have preclusive effect on likelihood of confusion in the district court. Because it found the "operative language" "essentially the same," *B&B Hardware* held the two sections set the same standard and, therefore, issue preclusion was applicable. 113 USPQ2d at 2055.⁸⁵

To the extent the *B&B Hardware* decision addressed the situation presented in this cancellation proceeding, that is, the Board must give preclusive effect to a determination of a particular issue in a civil action, it was only to favorably cite the Board's existing practice of giving preclusive effect to district court decisions in appropriate cases. *B&B Hardware*, 113 USPQ2d at 2053. Respondent suggests that *B&B Hardware* established a new test of identity between issues, under which the court must take a "broad view of what an 'issue' is."⁸⁶ But *B&B Hardware* referred to the "ordinary elements" of issue preclusion numerous times, *see, e.g., B&B Hardware*, 113 USPQ2d at 2056 (remanding to apply "ordinary elements of issue preclusion"), and the Board has held that *B&B Hardware* embraced, rather than changed, these "ordinary elements." *In re FCA US LLC*, 126 USPQ2d 1214, 1218

⁸⁵ Compare 15 U.S.C. § 1052(d) (registration may be refused if mark "so resembles" registered mark "as to be likely, when used on or in connection with the goods of the applicant, to cause confusion") with 15 U.S.C. § 1114(a)(1) (liability for infringement if party "use[s] in commerce . . . a registered mark in connection with . . . goods or services" where "such use is likely to cause confusion").

⁸⁶ Respondent's Trial Brief, pp. 21-23 (368 TTABVUE 21-23).

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(TTAB 2018) (“B&B. . . specifically conditions its holding on ‘the ordinary elements of issue preclusion’ being met.”). *B&B Hardware*’s reliance on the ordinary elements of issue preclusion—as reflected in Section 27 of the Restatement and as applied by the Federal Circuit—forecloses Respondent’s argument that *B&B Hardware* created a new identity of issues test. Indeed, such an argument lacks persuasiveness since the *B&B Hardware* decision did not concern or address the scope of the Board’s jurisdiction under §§ 17(a) and 44 of the Lanham Act, Article 8 of the Pan American Convention or any other treaty-based claims.

Respondent cannot convert this holding into a broader ruling “eliminat[ing] the distinction,” and establishing complete parity of authority, between the Board and federal district courts. *B&B Hardware* says nothing resembling this, and no issue even remotely so broad was before the Supreme Court. In other words, *B&B Hardware* provides no warrant for the Board to disregard the Federal Circuit’s decision in contravention of established practice regarding mandates emanating from that Court.

Moreover, *B&B Hardware* is irrelevant to the Federal Circuit’s holding in *Empresa*. On appeal, the Second Circuit held that Petitioner “cannot assert claims under Articles 7 and 8 pursuant to Section 44(h) . . . because Articles 7 and 8 do not relate to the repression of unfair competition” and thus did not fit within § 44(h)’s text (that a treaty national “shall be entitled to effective protection against unfair competition, and the remedies provided in this chapter for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair

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competition.”). 73 USPQ2d at 1952. By contrast, Section 17(a) of the Lanham Act does not even reference “unfair competition” and empowers the Board to “determine and decide the respective rights of registration” without any such limitation. Thus, the Federal Circuit held, “[u]nlike in the district court, the Board need not consider the interplay with [Lanham Act] Section 44(h).” 111 USPQ2d at 1064. Therefore, unlike in *B&B Hardware*, the “operative language” of the Pan American Convention claim asserted in the federal action (a claim under the Pan American Convention pursuant to Section 44 of the Lanham Act, which concerns protection of foreign nationals from unfair competition and makes available remedies for infringement in civil actions) is not “essentially the same” as the claim asserted by Petitioner in this cancellation proceeding (a claim under the Pan American Convention to cancel the registration that exists independent of the Lanham Act and is decided in accordance with the Board’s jurisdiction in Section 17 of the Lanham Act to determine rights to registration). It is entirely different.

Moreover, the Second Circuit held that to the extent its decision has any preclusive effect on this Board proceeding, Respondent could simply raise “its estoppel claim before the [US]PTO and **let the agency decide**, subject to review by the Federal Circuit, what preclusive effect should be given to our decision.” *Empresa*, 88 USPQ2d at 1128. (emphasis added). We find, based on the foregoing and the Federal Circuit’s mandate on the issue, that issue preclusion does not bar Petitioner’s claim under Article 8 of the Pan American Convention in this cancellation proceeding.

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Conclusion

We conclude that Petitioner has proven its claim to cancel Respondent's registrations under Article 8 of the Pan American Convention by a preponderance of the evidence and Respondent has failed to prove its affirmative defense that the claim is barred by the doctrine of issue preclusion. Consequently, we need not reach the merits of Petitioner's remaining claims.⁸⁷ See *Azeka Bldg. Corp. v. Azeka*, 122 USPQ2d 1477, 1478 (TTAB 2017) (Board has "discretion to decide only those claims necessary to enter judgment and dispose of the case" as its "determination of registrability does not require, in every instance, decision on every pleaded claim."); *Multisorb Tech., Inc. v. Pactive Corp.*, 109 USPQ2d 1170, 1171-72 (TTAB 2013) (citing *Am. Paging Inc. v. Am. Mobilphone Inc.*, 13 USPQ2d 2036, 2039-40 (TTAB 1989)), *aff'd*, 923 F.2d 869, 17 USPQ2d 1726 (Fed. Cir. 1990) (non-precedential)). Also, Respondent has waived its remaining affirmative defenses.

Decision: The amended petition to cancel Respondent's registrations for the typeset mark COHIBA and the mark **COHIBA** is granted under Article 8 of the Pan American Convention. The registrations will be canceled in due course.

⁸⁷ Because we do not reach Petitioner's remaining claims, including the claim of likelihood of confusion, Respondent's motion to strike the rebuttal testimony declarations and accompanying exhibits of Petitioner's witnesses Dean J. Gluth, Charles Linehan, and Susan Bailey, all of which concern Petitioner's claim of likelihood of confusion, *see* 333 TTABVUE, is deemed moot and will be given no further consideration.

Exhibit B

Int. Cl.: 34

Prior U.S. Cl.: 17

United States Patent and Trademark Office

Reg. No. 1,147,309

Registered Feb. 17, 1981

TRADEMARK
Principal Register

COHIBA

Culbro Corporation (New York corporation)
605 3rd Ave.
New York, N.Y. 10016

For: CIGARS, in CLASS 34 (U.S. Cl. 17).
First use Feb. 13, 1978; in commerce Feb. 13,
1978.

Ser. No. 161,879, filed Mar. 13, 1978.

DAVID C. REIHNER, Primary Examiner

Exhibit C

Int. Cl.: 34

Prior U.S. Cl.: 17

United States Patent and Trademark Office

Reg. No. 1,898,273

Registered June 6, 1995

**TRADEMARK
PRINCIPAL REGISTER**

COHIBA

GENERAL CIGAR CO., INC. (DELAWARE
CORPORATION)
320 WEST NEWBERRY ROAD
BLOOMFIELD, CT 06002

FOR: CIGARS, IN CLASS 34 (U.S. CL. 17).
FIRST USE 12-0-1992; IN COMMERCE
12-0-1992, FIRST USED IN COMMERCE IN AN-
OTHER FORM IN FEBRUARY 1978.

OWNER OF U.S. REG. NO. 1,147,309.
UPON INFORMATION AND BELIEF,
"COHIBA" IS A CONJUGATIVE FORM OF THE
SPANISH WORD "COHIBIR", WHICH MEANS
"TO RESTRAIN" OR "COHIBIT".

SN 74-344,349, FILED 12-30-1992.

R. G. COLE, EXAMINING ATTORNEY

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

GENERAL CIGAR COMPANY, INC.

(b) County of Residence of First Listed Plaintiff Richmond (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Kevin Fee, DLA Piper LLP (US), 500 Eighth Street, NW Washington, D.C. 20004. (202)799-4441

DEFENDANTS

EMPRESA CUBANA DEL TABACO, D.B.A. CUBATABACO

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Table with columns: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, INTELLECTUAL PROPERTY RIGHTS, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes codes like 110 Insurance, 210 Land Condemnation, 310 Airplane, 365 Personal Injury - Product Liability, 625 Drug Related Seizure, 710 Fair Labor Standards Act, 820 Copyrights, 840 Trademark, 880 Defend Trade Secrets Act of 2016, 870 Taxes (U.S. Plaintiff or Defendant), 871 IRS—Third Party, 26 USC 7609, 375 False Claims Act, 376 Qui Tam (31 USC 3729(a)), 400 State Reapportionment, 410 Antitrust, 430 Banks and Banking, 450 Commerce, 460 Deportation, 470 Racketeer Influenced and Corrupt Organizations, 480 Consumer Credit (15 USC 1681 or 1692), 485 Telephone Consumer Protection Act, 490 Cable/Sat TV, 850 Securities/Commodities/Exchange, 890 Other Statutory Actions, 891 Agricultural Acts, 893 Environmental Matters, 895 Freedom of Information Act, 896 Arbitration, 899 Administrative Procedure Act/Review or Appeal of Agency Decision, 950 Constitutionality of State Statutes.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. § 1119; 15 U.S.C. § 1125(a); 28 U.S.C. § 1332 (a) Brief description of cause: trademark infringement, unfair competition

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: [X] Yes [] No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE SIGNATURE OF ATTORNEY OF RECORD s/ J. Kevin Fee

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE