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Top Ten Reasons US Companies Need to Protect Their Brands in Cuba Now

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Every company, regardless of size, has a name and/or a trademark. Often, that name or trademark is a company's most valuable asset, and should be protected as such. Yet, historically, protection of trademarks in Cuba has not been high on the agendas of US companies. Protection of US trademarks in Cuba currently is possible, is relatively simple, and is a smart and strategic business move due to the softening of relations between the United States and Cuba. This article provides the top 10 reasons to seek protection of trademarks in Cuba now.

10. Cuba Is a First-to-File Jurisdiction

The first party to file for a trademark registration in Cuba is the first party to obtain exclusive rights in the underlying trademark in Cuba. This is different from the US use-based system, under which a party's rights in a trademark are based on actual use of that mark in commerce, regardless of registration.

Without the requirement for use, (1) a US company that has not yet entered the Cuban market can still lock up protection of its brand, and (2) an unauthorized third party (Cuban or not) can do the same. Even absent underlying use and good will, a third

party "troll" could obtain exclusive rights to a legitimate US brand in Cuba. Thus further underscoring the need to file now.

9. Because They Can...

It is relatively easy for a US company to file an application for trademark protection in Cuba—indeed, it is no more complicated than filing in the more common jurisdictions of expansion, such as Europe, Canada, or Mexico. The only requirement is that a Cuban lawyer must handle the actual filing before the Cuban Office of Intellectual Property (OPCI). An application can be filed in Cuba on a number of bases, including under the Madrid Protocol, an existing foreign application or registration, or a direct Cuban national application.

8. ...And So Can Others

Without demonstrating any actual interest, use, or bona fide intent to use a mark in Cuba, unauthorized third parties (they could be Cuban or foreign national companies or individuals, distributors, manufacturers, suppliers, etc.) can file an application and register a trademark in Cuba, thus acquiring exclusive and prior rights to that trademark in Cuba.

By way of example, one particular Cuban individual, having no apparent affiliation with or authorization from any US entity, has stockpiled trademark applications for more than 65 well-known US brands, for himself, among them, CHASE, JOHN DEERE, and PIXAR.

7. There Is a Three-Year Window of Time before a Cuban Registration Is Vulnerable for Non-Use

Again, unlike the United States, there is no use requirement to substantiate registration of a trademark in Cuba, and a Cuban registration is not vulnerable to attack based on non-use until three years after the date of filing. The burden is on interested

parties—and not the OPCI—to seek cancellation of a Cuban trademark registration based on non-use. So, for a US company that may not be “on the ground” yet in Cuba, and may not be for some time (if at all), the risk of attack on a registration for non-use should not be considered prohibitive.

6. Cuba Is an Open Market with Interested Consumers

US brands have significant appeal in certain foreign jurisdictions, and this is particularly true where such brands have been inaccessible previously. Cuba is a nation of approximately 11 million consumers and is situated less than 100 miles from the United States, and only about 330 miles from Miami. Cuban kids are into Taylor Swift and “The Big Bang Theory.” They play baseball on streets lined with antique Chevys. The US influence on popular culture in Cuba is undeniable, despite more than 50 years of the trade embargo. US brands undoubtedly are marketable in Cuba.

5. The Opening of US Travel and Tourism in Cuba Means More Americans in Cuba Who Want to See US Brands

Let’s face it. US tourists want to see familiar brands when traveling abroad. They want to experience the authentic culture and history of Havana while sipping a Starbucks coffee. A relaxation of restrictions on US travel (already begun) and tourism (on the horizon) in Cuba means more Americans in Cuba, seeking familiar US brands.

4. Cost of Proactive Registration Is Reasonable

The government fees for filing a trademark application in Cuba are only US \$300 for one mark in up to three classes (compare this with the US government fees of about US \$275 per mark per class). Cuban counsel fees for preparation and filing of the application will vary, but typically are in the neighborhood of US \$700. This means an application for a registration of a trademark in Cuba probably will take only about a US \$1,500 bite out of a company’s budget. When you consider the protection afforded to what is arguably a company’s most valuable asset, and the

potential risks and costs of *not* having a registration in Cuba, the return on investment is staggering.

3. But Cost of “Rescuing” a Brand from Unauthorized Registration Is Not

If a US company discovers its brand has been registered in Cuba by an unauthorized party, it will be faced with the challenge of either proving the renown of its mark in Cuba and/or proving non-use of the mark by the third party registrant. In either case, the burden of proof is on the US company and will require that US company to put up substantial evidence and arguments to support its claims. In the case of a company trying to prove the renown of its brand in Cuba, there is an obvious challenge in that the brand likely never actually has been used in connection with goods or services offered in Cuba.

2. With Limited Exception, Registration in Cuba Is the Only Way to Get Exclusive Rights in a Brand There

As noted above, Cuba is a first-to-file jurisdiction. The first to file an application and obtain a registration for a trademark generally is the first to acquire exclusive rights to that trademark in Cuba. For a US company seeking exclusive rights to its mark in Cuba, this is a fantastic prospect. Unfortunately, the same goes for an unauthorized third party looking to secure exclusive rights in a trademark purely to hold those rights hostage.

1. Why Not?

Registration in Cuba is relatively easy, inexpensive, and low-risk. Failing to register in Cuba can create major headaches, can be costly, and may present significant risks. For US companies that have not yet, but plan to, enter the Cuban market, protection of a trademark there is critical. For US companies with no current plans to enter the Cuban market, these companies must ask themselves: How much pain might be caused by an unauthorized third party hijacking our brand in Cuba? If the answer registers on the pain scale at all, that company should be giving serious consideration to protection of its marks in Cuba, without delay.

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