

No. 05-417

---

---

**In the Supreme Court of the United States**

---

EMPRESA CUBANA DEL TABACO, AKA CUBATABACO,  
PETITIONER

*v.*

GENERAL CIGAR COMPANY, INC., ET AL.

---

*ON PETITION FOR A WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT*

---

**BRIEF FOR THE UNITED STATES AS AMICUS CURIAE**

---

PAUL D. CLEMENT  
*Solicitor General  
Counsel of Record*

PETER D. KEISLER  
*Assistant Attorney General*

EDWIN S. KNEEDLER  
*Deputy Solicitor General*

JEFFREY P. MINEAR  
*Assistant to the Solicitor  
General*

DOUGLAS N. LETTER

JONATHAN H. LEVY  
*Attorneys*

*Department of Justice  
Washington, D.C. 20530-0001  
(202) 514-2217*

---

---

## QUESTIONS PRESENTED

1. Whether the court of appeals correctly concluded that petitioner, which could not acquire ownership of a United States trademark by operation of law because of the Cuban Assets Control Regulations, 31 C.F.R. 515.101 *et seq.*, could also not obtain relief based on an unpreserved claim under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), for consumer confusion arising from respondents' non-infringing use of that trademark.

2. Whether the court of appeals correctly concluded that, if there were a conflict between the Cuban Assets Control Regulations and the United States' treaty obligations under Article 6<sup>bis</sup> of the Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 (Aug. 12, 1970), the regulations would control.

3. Whether the court of appeals correctly concluded, in accordance with its prior decision in *Havana Club Holding, S.A. v. Galleon S.A.*, 203 F.3d 116, 124 (2d Cir.), cert. denied, 531 U.S. 918 (2000), that petitioner may not assert claims under Articles 7 and 8 of the General Inter-American Convention for Trade Mark and Commercial Protection, Feb. 20, 1929, 46 Stat. 2918, 2920, through Section 44(b) and (h) of the Lanham Act, 15 U.S.C. 1126(b) and (h).

**TABLE OF CONTENTS**

	Page
Statement .....	1
A. The Cuban Assets Control Regulations .....	2
B. The proceedings in this case .....	3
Discussion .....	8
A. The court of appeals correctly concluded that the Cuban Assets Control Regulations prevented Cubatabaco from acquiring ownership of the COHIBA trademark in the United States .....	8
B. The other issues that the court of appeals discussed do not present any question warranting this court’s review .....	9
Conclusion .....	19

**TABLE OF AUTHORITIES**

Cases:

<i>All England Lawn Tennis Club (Wimbledon) Ltd. v. Creations Aromatiques, Inc.</i> , 220 U.S.P.Q. 1069 (TTAB 1983) .....	13
<i>Almacenes Exito S. A. v. El Gallo Meat Mkt., Inc.</i> , 381 F. Supp. 2d 324 (S.D.N.Y. 2005) .....	14
<i>Auer v. Robbins</i> , 519 U.S. 452 (1997) .....	15
<i>Breard v. Greene</i> , 523 U.S. 371 (1998) .....	17
<i>Buti v. Perosa, S.R.L.</i> , 139 F.3d 98 (2d Cir.), cert. denied, 525 U.S. 826 (1998) .....	13
<i>De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate</i> , No. 04 Civ. 4099, 2005 WL 1164073 (S.D.N.Y. May 18, 2005) .....	12
<i>Grupo Gigante SA de CV v. Dallo &amp; Co.</i> , 391 F.3d 1088 (9th Cir. 2004) .....	12

IV

Cases–Continued:	Page
<i>Havana Club Holding, S.A. v. Galleon S.A.</i> , 203 F.3d 116 (2d Cir.), cert. denied, 531 U.S. 918 (2000) .....	2, 4, 8, 15, 18
<i>ITC Ltd. v. Punchgini, Inc.</i> , 373 F. Supp. 2d 275 (S.D.N.Y. 2005) .....	13
<i>Maison Prunier v. Prunier’s Rest. &amp; Cafe, Inc.</i> , 288 N.Y.S. 529 (1936) .....	14
<i>Moseley v. V Secret Catalogue, Inc.</i> , 537 U.S. 418 U.S. (2003) .....	12
<i>Mother’s Rests. Inc. v. Mother’s Other Kitchen, Inc.</i> , 218 U.S.P.Q. 1046 (TTAB 1983) .....	15
<i>Park’N Fly, Inc. v. Dollar Park &amp; Fly, Inc.</i> , 469 U.S. 189 (1985) .....	13
<i>Person’s Co., Ltd. v. Christman</i> , 900 F.2d 1565 (Fed. Cir. 1990) .....	13, 14
<i>Reid v. Covert</i> , 354 U.S. 1 (1957) .....	17
<i>Regan v. Wald</i> , 468 U.S. 222 (1984) .....	2
<i>Vaudable v. Montmartre, Inc.</i> , 193 N.Y.S.2d 332 (1959) .....	13, 15
 Treaties, statutes and regulations:	
General Inter-American Convention for Trade Mark and Commercial Protection, Feb. 20, 1929, 46 Stat. 2907:	
Art. 7, 46 Stat. 2918 .....	4, 8, 9
Art. 8, 46 Stat. 2920 .....	4, 8, 9
Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 (Aug. 12, 1970) .....	
Art. 6 <sup>bis</sup> , 21 U.S.T. 1640 .....	<i>passim</i>

Statutes and regulations—Continued:	Page
Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Pub. L. No. 104-114, Tit. I, § 102, 110 Stat. 794 (22 U.S.C. 6032(h)) . . . . .	2
Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 . . . . .	12
Lanham Act, 15 U.S.C. 1051 <i>et seq.</i> :	
§ 33(a), 15 U.S.C. 1115(a) . . . . .	13
§ 43(a), 15 U.S.C. 1125(a) . . . . .	<i>passim</i>
§ 44(b), 15 U.S.C. 1126(b) . . . . .	4, 7, 8, 18
§ 44(e), 15 U.S.C. 1126(e) (2000 & Supp. II 2002) . . . .	13
§ 44(h), 15 U.S.C. 1126(h) . . . . .	4, 7, 8, 18
Trading with the Enemy Act, 12 U.S.C. 95a (§ 5(b)) . . . . .	2
31 C.F.R.:	
Sections 515.101 <i>et seq.</i> . . . . .	2
Section 515.201 . . . . .	16
Section 515.201(b)(1) . . . . .	2
Section 515.310 . . . . .	3
Section 515.311(a) . . . . .	3
Section 515.317 . . . . .	3
Section 515.318 . . . . .	3
Section 515.527 . . . . .	13
Section 515.527(a)(1) . . . . .	3
Section 515.802 . . . . .	2
Section 538.514(a)(2) . . . . .	14
Section 560.509 . . . . .	14

Miscellaneous:	Page
4 J. Thomas McCarthy, <i>McCarthy on Trademarks and Unfair Competition</i> (4th ed. 2006) .....	12

# In the Supreme Court of the United States

---

No. 05-417

EMPRESA CUBANA DEL TABACO, AKA CUBATABACO,  
PETITIONER

*v.*

GENERAL CIGAR COMPANY, INC., ET AL.

---

*ON PETITION FOR A WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT*

---

**BRIEF FOR THE UNITED STATES AS AMICUS CURIAE**

---

This brief is submitted in response to the Court's order inviting the Solicitor General to express the views of the United States. In the view of the United States, the petition for a writ of certiorari should be denied.

## STATEMENT

Petitioner Cubatabaco, a Cuban enterprise, sued respondents General Cigar Co., Inc. and General Cigar Holdings, Inc.—which are affiliated, foreign-controlled, United States corporations—under a variety of theories challenging respondents' use of the COHIBA trademark in the sale of cigars in the United States. The United States District Court for the Southern District of New York, in a series of rulings, granted Cubatabaco relief under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), on its claim of trademark infringement, but rejected Cubatabaco's other claims. See Pet. App. 76a-82a. The court of appeals reversed the

district court's grant of relief under Section 43(a) of the Lanham Act and affirmed the district court's denial of other relief. *Id.* at 1a-48a. The court of appeals based its decision primarily on its determination that the United States' Cuban Assets Control Regulations (CACRs), 31 C.F.R. 515.101 *et seq.*, prevent Cubatabaco from acquiring ownership of the COHIBA trademark in the United States.

#### A. The Cuban Assets Control Regulations

The United States has issued and periodically revised the CACRs to implement its Cuban trade embargo. The Department of the Treasury initially promulgated the CACRs in 1963 pursuant to Section 5(b) of the Trading with the Enemy Act of 1917, as amended, 12 U.S.C. 95a. See *Regan v. Wald*, 468 U.S. 222, 225 (1984). In 1996, Congress ratified the CACRs as part of a broader enactment addressing Cuban issues. See Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Pub. L. No. 104-114, Tit. I, § 102, 110 Stat. 794 (codified at 22 U.S.C. 6032(h)). The CACRs are intended to “prevent any Cuban national or entity from attracting hard currency into Cuba by selling, assigning, or otherwise transferring rights subject to United States jurisdiction.” *Havana Club Holding, S.A. v. Galleon S.A.*, 203 F.3d 116, 124 (2d Cir.), cert. denied, 531 U.S. 918 (2000). The Secretary of the Treasury has delegated authority for administering the CACRs to the Office of Foreign Assets Control (OFAC). See 31 C.F.R. 515.802.

The CACRs broadly prohibit transactions involving property in which Cuba or a Cuban national has an interest, including “[a]ll dealings in, including, without limitation, transfers, withdrawals, or exportations of, any property or evidences of indebtedness or evidences of ownership of property by any person subject to the jurisdiction of the United States.” 31 C.F.R. 515.201(b)(1). The regulations define the term “transfer”



very broadly, 31 C.F.R. 515.310, and they define the term “property” to include trademarks, 31 C.F.R. 515.311(a).

The CACRs identify two broad categories of exceptions to the prohibitions: (1) general licenses, contained within the CACRs themselves; and (2) specific licenses, which OFAC grants in response to specific requests. See 31 C.F.R. 515.317, 515.318. The general licenses include provisions that govern “[c]ertain transactions with respect to United States intellectual property” and provide, among other things, that:

Transactions related to the registration and renewal in the United States Patent and Trademark Office or the United States Copyright Office of patents, trademarks, and copyrights in which the Government of Cuba or a Cuban national has an interest are authorized.

31 C.F.R. 515.527(a)(1). In addition, Cubatabaco had obtained a specific license allowing it to pursue judicial remedies related to the COHIBA trademark. See Pet. App. 28a.

#### **B. The Proceedings In This Case**

1. Cubatabaco exports Cuban tobacco products, including premium cigars sold under the COHIBA trademark. In 1969, Cubatabaco filed an application to register the COHIBA mark in Cuba, and, in the 1970s, Cubatabaco registered the COHIBA mark in Cuba and other countries. Cubatabaco began exporting COHIBA cigars to countries other than the United States in 1982. Cubatabaco apparently considered registering its COHIBA trademark in the United States in 1983, but decided not to do so upon learning that respondents had already registered the COHIBA trademark in the United States. Cubatabaco, however, did register a different trademark —BEHIQUE—in the United States in 1985. Cubatabaco employed the same trade dress for the BEHIQUE mark that it used for the COHIBA mark elsewhere. Cubatabaco did not take any steps against

respondents' use of the COHIBA mark at that time. Pet. App. 7a.

Respondents became aware of the Cuban COHIBA trademark in the late 1970s. They obtained the United States registration of that mark in 1981, based on a first use in 1978, and sold cigars bearing the COHIBA mark until 1987. Pet. App. 7a. In 1992, after several magazines published articles containing favorable comments about Cuban COHIBA cigars, respondents resumed use of the COHIBA mark on a new premium cigar, and they filed a new application to register the COHIBA mark in the United States. The United States Patent and Trademark Office (USPTO) granted the unopposed application in 1995. *Id.* at 8a. Two years later Cubatabaco commenced proceedings before the USPTO and its Trademark Trial and Appeal Board (TTAB) to cancel respondents' registration. *Id.* at 9a. Cubatabaco then filed this suit against respondents, seeking injunctive relief and monetary damages under the Lanham Act, various treaties respecting trademarks, and New York law. *Id.* at 9a-10a.

2. The district court addressed Cubatabaco's claims through a series of orders before and after a bench trial. Before trial, Cubatabaco stipulated to the dismissal of its claims under Section 43(a) of the Lanham Act for false representation of source of origin and deceptive advertising. Pet. App. 10a & n.1. Also before trial, the district court dismissed Cubatabaco's claims under Articles 7 and 8 of the General Inter-American Convention for Trade Mark and Commercial Protection (Inter-American Convention), Feb. 20, 1929, 46 Stat. 2918, 2920. The court ruled, in accordance with the Second Circuit's decision in *Havana Club Holding, supra*, that Cubatabaco's claims under the Inter-American Convention are not related to the repression of unfair competition and, therefore, cannot be asserted under Section 44(b) and (h) of the Lanham Act. Pet. App. 11a-12a, 238a-245a.

After the bench trial, the district court held that Cubatabaco had a protectable mark and that respondents' use of that mark

was likely to cause consumer confusion as to the origin or sponsorship of its cigars. See Pet. App. 180a-217a. The district court applied the “common-law ‘well-known’ or ‘famous marks’ doctrine,” which was “first recognized” in Article 6<sup>bis</sup> of the Paris Convention for the Protection of Industrial Property, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 (Aug. 12, 1970). Pet. App. 181a; see *id.* at 12a-13a.

The district court concluded that, by the time respondents resumed use of the COHIBA mark in November 1992, the Cuban COHIBA mark had obtained a secondary meaning in the United States market. Pet. App. 199a-200a. Therefore, by operation of the famous marks doctrine, “Cubatabaco had a legally protectable right to the mark at that time.” *Id.* at 200a. The court also concluded that “there is a likelihood of confusion between the Cuban COHIBA and [respondents’] COHIBA.” *Ibid.* The district court accordingly concluded that Cubatabaco was entitled to relief under Section 43(a) of the Lanham Act, ordered the cancellation of respondents’ COHIBA registration, and enjoined respondents from further use of the mark. *Id.* at 76a-82a, 223a-224a.

3. On appeal, respondents argued for the first time that the CACRs prevented Cubatabaco from acquiring United States trademark rights through the famous marks doctrine. Pet. App. 16a. The court of appeals invited the United States, which had not previously participated in the case, to file a brief as amicus curiae addressing whether the CACRs barred Cubatabaco’s acquisition of the COHIBA mark in the United States through the famous marks doctrine. *Id.* at 17a. The United States filed a letter brief as amicus curiae in response to that inquiry. See *id.* at 51a-75a (letter brief).

The United States explained in its letter brief that Cubatabaco’s acquisition of ownership rights in the COHIBA mark in this country through the famous marks doctrine would be a transfer of United States property to a Cuban entity by

operation of law and that the CACRs would prohibit such a transfer. Pet. App. 61a-68a. Consequently, Cubatabaco did not acquire the ownership rights in the COHIBA mark in the United States and could not bring an infringement action. *Ibid.* The United States also suggested, however, that the CACRs would not prohibit a court from granting most of the relief that the district court had provided (including the cancellation of respondents' COHIBA registration and the injunction barring respondents from using the COHIBA mark) under another legal theory, such as a claim based on consumer confusion over origin of the goods, that did not rely on respondents' infringement of a United States trademark. *Id.* at 58a, 68a-74a.

The court of appeals affirmed in part, reversed in part, and remanded the case for entry of a judgment rejecting all of Cubatabaco's claims. Pet. App. 5a-6a, 48a. The court of appeals determined that it should address the impact of the CACRs, even though respondents had failed to raise that issue before the district court, because it implicates an issue of significant public concern respecting the Nation's policy toward Cuba. *Id.* at 18a. The court concluded, without addressing the validity *vel non* of the famous marks doctrine, that the CACRs prevent a Cuban entity from acquiring United States trademark rights through such a doctrine. *Id.* at 18a-19a. The court agreed with the United States that the CACRs generally prohibit the unlicensed transfer of United States trademarks to Cuban entities, *id.* at 21a-22a, 24a-26a, that the prohibition extends to transfers by operation of law, such as through the famous marks doctrine, *id.* at 25a-26a, and that Cubatabaco could point to no general or specific license authorizing Cubatabaco to acquire the United States rights to the COHIBA trademark through the famous marks doctrine, *id.* at 27a-28a.

The court of appeals further concluded, however, contrary to the United States' suggestion, that Cubatabaco could not obtain relief based on a claim of consumer confusion over the origin of

the goods, apart from trademark infringement, under Section 43(a) of the Lanham Act. Pet. App. 30a-35a. The court first observed that Cubatabaco had not made such a claim in the district court. It noted that Cubatabaco had initially asserted several Section 43(a) claims that did not depend on trademark infringement (such as false advertising), but Cubatabaco later stipulated to dismissal of those claims with prejudice. *Id.* at 31a. The court then concluded that, even if Cubatabaco had made a Section 43(a) claim based squarely on consumer confusion as to origin, without claiming ownership rights in the United States trademark, the claim should be rejected:

Cubatabaco cannot obtain relief on a theory that [respondents'] use of the mark causes confusion, because, pursuant to our holding today, [respondents'] legal right to the COHIBA mark has been established as against Cubatabaco. [Respondent] has a right to use the mark in the United States because it owns the mark in the United States.

*Id.* at 34a. The court explained that, because the CACRs prevented Cubatabaco from acquiring the United States ownership rights in the COHIBA mark, Cubatabaco should not be able to achieve what would be, as a practical matter, the “same transfer” through the “more circuitous” route of a Section 43(a) claim that does not require ownership of the United States mark, but only consumer confusion about the origin of the goods. *Id.* at 35a. See *id.* at 19a (“to grant this relief would entail a transfer of property rights in the COHIBA mark to Cubatabaco in violation of the embargo”).

The court of appeals also rejected Cubatabaco’s contention that it was entitled to relief under Article 6<sup>bis</sup> of the Paris Convention, as implemented through Section 44(b) and (h) of the Lanham Act. Pet. App. 35a-39a. Because the CACRs prevent Cubatabaco from acquiring the United States COHIBA mark through the famous marks doctrine or excluding respondents

from using the mark in the United States, the court did not interpret Article 6<sup>bis</sup> and Section 44(b) and (h) to require cancellation of respondents' mark or an injunction against its use in those circumstances. *Id.* at 38a. The court further observed that, to the extent that there might be an “irreconcilable conflict” between the CACRs and the Paris Convention, the CACRs should control because Congress “reaffirmed and codified” those regulations in 1996—after the United States approved the 1967 Stockholm revisions of the Paris Convention—through the LIBERTAD Act. Pet. App. 38a-39a. Finally, the court of appeals rejected Cubatabaco's claims under Articles 7 and 8 of the Inter-American Convention, reiterating its previous holding in *Havana Club Holding, supra*, that such claims cannot be asserted through Section 44(b) and (h) of the Lanham Act. Pet. App. 39a-43a.

#### DISCUSSION

The court of appeals correctly concluded that the Cuban Assets Control Regulations (CACRs) prevented Cubatabaco from acquiring, through the famous marks doctrine, the ownership of the COHIBA trademark in the United States. Cubatabaco does not seek this Court's review of the court of appeals' decision on that central issue in the case, which in any event does not conflict with any decision of this Court or another court of appeals. Cubatabaco instead asks this Court to review other issues that are either novel, case-specific, or both. Those issues do not warrant this Court's review.

**A. The Court Of Appeals Correctly Concluded That The Cuban Assets Control Regulations Prevented Cubatabaco From Acquiring Ownership Of The COHIBA Trademark In The United States**

The court of appeals reviewed a district court decision holding that Cubatabaco had a legal right, under the rarely-invoked famous marks doctrine, to obtain cancellation and an

injunction against the use of the COHIBA trademark in the United States, notwithstanding respondents' registration of that mark. The court of appeals did not resolve, however, whether the famous marks doctrine would otherwise apply in this case, because it appropriately addressed the dispositive question of whether the CACRs would allow Cubatabaco's acquisition of the United States trademark by that doctrine. The court of appeals agreed with the United States' views, set out in its letter brief as *amicus curiae*, on that question. The court correctly concluded that Cubatabaco does not own the United States rights to COHIBA because the CACRs prohibit transfers of trademarks by operation of law. See Pet. App. 24a-28a. The court recognized that the CACRs generally bar such transfers of property, *id.* at 24a-26a, and that Cubatabaco did not have a general or specific license allowing the acquisition, *id.* at 27a-28a. Cubatabaco does not challenge that principal holding of the court of appeals, which in any event presents a question of first impression and necessarily does not conflict with any decision of this Court or any other court of appeals. See Pet. i.

**B. The Other Issues That The Court Of Appeals Discussed Do Not Present Any Question Warranting This Court's Review**

Cubatabaco seeks this Court's review concerning Cubatabaco's right to other relief, based on theories not dependent upon ownership of a United States trademark, under Section 43(a) of the Lanham Act, Article 6<sup>bis</sup> of the Paris Convention, and Articles 7 and 8 of the Inter-American Convention. See Pet. i. Cubatabaco argues that its asserted right to relief under those alternative theories raises important issues of deference to the Executive (Pet. 12-22), treaty abrogation (Pet. 22-26, 28-29), and trademark protection (Pet. 26-28). Cubatabaco's arguments, which take issue with the court of appeals' discussion of unusual factbound matters ancillary to the court of appeals' central

holding in the case, do not give rise to any question that warrants this Court's review.

1. Cubatabaco first seeks resolution of a matter that it did not initially raise in the court of appeals, but the United States, as *amicus curiae*, noted in its letter brief. See Pet. App. 30a. The United States observed that, while the CACRs prohibit Cubatabaco from obtaining the United States rights to the COHIBA trademark, the CACRs do not necessarily preclude a court from awarding certain other relief under Section 43(a) of the Lanham Act, because “it does not appear that the acquisition of a U.S. trademark by Cubatabaco is a necessary predicate for [those] remedies.” *Id.* at 68a. The United States explained that, while Section 43(a) is usually invoked by the holder of a United States trademark, there may be a “limited category of section 43(a) actions in which the plaintiff need not prove that it holds the valid United States trademark in order to obtain the remedies of cancellation of the defendant's registration and injunction against the defendant's use of the mark.” *Id.* at 70a. The court of appeals rejected that possibility in this case, concluding that it would effectively result in the “same transfer” of property rights that the CACRs forbid. *Id.* at 35a. The court of appeals' rejection of that theory, while in error, does not present a matter warranting this Court's review.

a. The United States' letter brief, which precipitated the court of appeals' discussion, addressed only the abstract question of whether the CACRs would bar all Section 43(a) relief and not the separate question of whether Cubatabaco had properly preserved a possible Section 43(a) claim not based on ownership of the United States trademark. The court of appeals expressly recognized, however, that “Cubatabaco did not litigate this Section 43(a) claim in the District Court.” Pet. App. 31a. The court explained that it nevertheless would address the possibility of such a claim because, if respondents had not been tardy in raising their CACR-based objections, “Cubatabaco might have



litigated in the District Court a claim of the type imagined by the United States.” *Ibid.* The court of appeals’ discussion of a possible claim that Cubatabaco did not assert in the district court, the district court neither reached nor resolved, and the court of appeals reached only because it addressed another unpreserved issue that is not included in the petition, does not arise in a concrete context that would be appropriate for review by this Court. See *id.* at 30a-35a.

b. Moreover, the court of appeals’ discussion of the hypothetical Section 43(a) claim was closely bound up with the highly unusual factual scenario before it and the application of the CACRs. The court of appeals rejected the United States’ suggestion that a Section 43(a) claim based on consumer confusion over origin, but not based on ownership of the United States mark, might lie in the circumstances of this case. The court relied, however, on its antecedent holding, which Cubatabaco does not challenge, that the CACRs barred Cubatabaco from obtaining ownership of the United States trademark under the famous marks doctrine and that respondents therefore had a priority over Cubatabaco with respect to that mark by virtue of their otherwise valid registration of the mark in the United States. See Pet. App. 33a-35a. The court’s decision accordingly is limited to the situation in which a foreign trademark owner: (i) owns a foreign mark that might meet the demanding requirements of the famous marks doctrine; (ii) has elected not to register that well known foreign mark in the United States despite the obvious advantages of doing so; and (iii) is subject to a federal law that bars the acquisition of the United States mark by operation of the famous marks doctrine. Although the United States views the court of appeals’ decision as in error, it knows of no other judicial or administrative action presenting those highly unusual circumstances, nor does it expect that such cases might arise in the future.

i. The famous marks doctrine provides protection for well known foreign trademarks that, despite not being used or registered in the United States, have obtained at least secondary meaning in this country. See *Grupo Gigante SA de CV v. Dallo & Co.*, 391 F.3d 1088, 1098 (9th Cir. 2004) (holding that *more* than secondary meaning is necessary).<sup>1</sup> The owner of a well known foreign trademark typically does not have occasion to invoke that doctrine to obtain protection in the United States because the owner of that mark has a strong commercial incentive to take direct advantage of the vibrant United States market by registering, promoting, and using its mark in this country, and the mark will typically have acquired secondary meaning through those means. Not surprisingly, few courts have had occasion to discuss the doctrine, and the contours of the doctrine are correspondingly unclear. See generally 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 29:4 (4th ed. 2006). Indeed only one court of appeals decision, *Grupo Gigante, supra*, has even decided whether this protection to well known marks is embodied in federal law, and the court of appeals in this case expressly declined to decide that question. Pet. App. 19a (“We do not reach the question of whether to recognize the famous marks doctrine.”). The doctrine has heretofore had quite limited application and no reported federal decision (other than the now-vacated district court decision below) holds that the doctrine’s requirements have been met.<sup>2</sup>

---

<sup>1</sup> A well known mark may also be entitled to other protections, apart from the famous marks doctrine as discussed in the text, that are not at issue here. See Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985; *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

<sup>2</sup> In *Grupo Gigante*, for example, the court of appeals remanded for further findings to determine whether the plaintiff’s mark met the doctrine’s requirements. See 391 F.3d at 1098. See also *De Beers LV Trade-mark Ltd. v. DeBeers Diamond Syndicate*, No. 04 Civ. 4099, 2005 WL 1164073, at \*9 (S.D.N.Y. May 18, 2005) (giving party alleging a famous mark the opportunity to prove the requisite level of fame). A larger number of

ii. An owner of a well known foreign trademark that registers or uses its mark in the United States obtains very substantial protection under United States law because the Lanham Act provides owners with an established and effective means of protecting rights obtained through registration or use. Although Cubatabaco has long faced the CACRs' restrictions on use of the mark on products sold in the United States, the CACRs do allow Cuban entities to register trademarks, a course that Cubatabaco considered but did not pursue to protect its COHIBA trademark. See Pet. App. 7a; see also 15 U.S.C. 1126(e) (2000 & Supp. II 2002) (allowing United States registration based on foreign registration); 31 C.F.R. 515.527 (general license allowing Cuban entities to register trademarks). If Cubatabaco had followed the familiar registration regime that other owners typically follow, it would have had no need to turn to an unreserved Section 43(a) claim. See Br. in Opp. 3-5; see also 15 U.S.C. 1115(a) (registration establishes a presumption of "ownership" and the "exclusive right to use the mark"); see generally *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985).

iii. Likewise, the court of appeals' decision does not implicate the right of owners not subject to the CACRs or some other extraordinary federal bar. Even the hypothetical foreign

---

cases hold simply that the mark in question was not sufficiently famous for the doctrine to apply. See, e.g., *Buti v. Perosa, S.R.L.*, 139 F.3d 98, 104 n.2 (2d Cir.), cert. denied, 525 U.S. 826 (1998); *Person's Co., Ltd. v. Christman*, 900 F.2d 1565, 1570 (Fed. Cir. 1990); *ITC Ltd. v. Punchgini, Inc.*, 373 F. Supp. 2d 275, 291 (S.D.N.Y. 2005). The government is aware of only two decisions of any kind over the past fifty years (apart from the district court decision below) finding that the doctrine's requirements were satisfied. One is a decision of a state court involving the famous Paris restaurant "MAXIM'S." See *Vaudable v. Montmartre, Inc.*, 193 N.Y.S.2d 332 (1959). The other is a decision of the Trademark Trial and Appeals Board involving the famous English tennis tournament "WIMBLEDON." See *All England Lawn Tennis Club (Wimbledon) Ltd. v. Creations Aromatiques, Inc.*, 220 U.S.P.Q. 1069 (TTAB 1983).

trademark owner that has registered and uses its famous mark abroad, but has not registered or used it in the United States, would have no need to resort to a non-infringement-based Section 43(a) remedy for consumer confusion unless the owner also faces an extraordinary federal bar on the expected operation of the famous marks doctrine. The court of appeals did not hold that, in the absence of such a bar, it would limit the Section 43(a) remedies of the owner or otherwise fail to give the foreign owner priority in this country. Its ruling on non-infringement-based Section 43(a) remedies was premised on, and designed to protect, the limits imposed by the CACRs. The federal bar at issue here, arising from the CACRs, pertains exclusively to property in which Cuba or a Cuban national has an interest, and it is therefore quite limited. Few similar laws exist, and other comprehensive sanctions regimes contain different language regarding trademarks that may not bar the operation of the famous marks doctrine. See, *e.g.*, 31 C.F.R. 538.514(a)(2) (Sudanese Sanctions Regulations authorizing “[t]he receipt of a patent, trademark, copyright or other form of intellectual property protection”); accord 31 C.F.R. 560.509 (Iranian Transaction Regulations).<sup>3</sup>

---

<sup>3</sup> State law, such as the law of unfair competition, may also provide relief in certain circumstances if consistent with federal law, including the CACRs. See *Almacenes Exito S.A. v. El Gallo Meat Mkt., Inc.*, 381 F. Supp. 2d 324, 328-329 (S.D.N.Y. 2005) (rejecting famous marks doctrine as a matter of federal law, but noting that plaintiff could maintain state causes of action for trademark dilution infringement and unfair competition); *Maison Prunier v. Prunier’s Rest. & Cafe, Inc.*, 288 N.Y.S. 529 (1936) (granting injunction against unfair competition by restaurant using the name of a foreign restaurant chain). In this case, Cubatabaco was unable to obtain relief under New York unfair competition law because the district court found that respondents did not act in bad faith. See Pet. App. 47a. But that will not always be the case, and the domestic user of a famous foreign mark may face a difficult burden in showing that it has not acted in bad faith. See, *e.g.*, *Person’s*, 900 F.2d at 1570 (noting that “there is some case law supporting a finding of bad faith where \* \* \* the foreign mark is

In sum, the court of appeals' rejection of the possibility of a Section 43(a) claim for consumer confusion, not based on infringement of the United States mark, in the narrow circumstances of this case is unlikely to be of much practical significance in the commercial world. A foreign owner of a well known trademark will not need to seek relief based on that theory unless the foreign owner has failed to register its mark in the United States and is subject to unusual federal restrictions such as the CACRs.

c. Cubatabaco mistakenly urges that this Court's review is nevertheless warranted because the court failed to defer to the Executive Branch's interpretation of its regulations. See Pet. 2, 9-10, 12-22; see also NFTC Amicus Br. 5-6, 12-13. The court of appeals, however, concurred with the government's principal submission that the CACRs prohibited Cubatabaco from obtaining the United States COHIBA trademark by operation of the famous marks doctrine, Pet. App. 26a, and it accordingly stated that it "need not determine what level of deference is owed to the U.S. Department of Treasury's interpretation of the Embargo Regulations," *ibid.* The court further suggested that, should deference be an issue, it would adhere to its prior decision in *Havana Club Holding* that "the interpretation of a provision of the Embargo Regulations 'given by the agency charged with enforcing the embargo is normally controlling.'" *Ibid.* (quoting *Havana Club Holding*, 203 F.3d at 125). The court of appeals correctly recognized the governing principles. See, e.g., *Auer v. Robbins*, 519 U.S. 452, 461 (1997).

The court of appeals parted with the government only on the question whether Section 43(a) would provide the holder of a famous mark with a remedy for consumer confusion apart from infringement of the United States trademark. The government

---

famous here") (citing *Vaudable v. Montmarte, Inc.*, *supra*, and *Mother's Rests. Inc. v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q. 1046 (TTAB 1983)).

maintains that the court of appeals erred in that respect by too quickly dismissing the possibility of such a remedy and too readily equating it with transferring ownership of the mark. Compare Pet. App. 34a-35a, with *id.* at 68a-74a. But that disagreement is limited to a very narrow question of intellectual property law, grounded in the court's interpretation of the Lanham Act in a context that has not previously been litigated, and, as noted, is unlikely to arise with any frequency.<sup>4</sup>

2. Cubatabaco urges (Pet. 22-26) this Court to resolve whether, if there is a conflict between the CACRs and the United States' treaty obligations under Article 6<sup>bis</sup> of the Paris Convention, the regulations or the treaty provisions would control. The court of appeals suggested that, if there were an irreconcilable conflict, the CACRs would prevail. Pet. App. 38a. Cubatabaco argues that the court of appeals has effectively ruled that the CACRs abrogated Article 6<sup>bis</sup> and that the court's ruling is "such an unusual judicial intrusion into the Executive's foreign affairs powers, and so threatens to embarrass the Executive in its conduct of foreign relations, that it requires review by this Court." Pet. 22. Cubatabaco, however, does not accurately characterize the government's position or the court of appeals' discussion of the issue.

The United States stated in its amicus curiae letter brief that the CACRs and Article 6<sup>bis</sup> of the Paris Convention are compatible and that a Section 43(a) claim for consumer confusion,

---

<sup>4</sup> If the court of appeals' decision hampers the government's implementation of the CACRs or creates tension with the United States' obligations under Article 6<sup>bis</sup> of the Paris Convention, the government may make appropriate revisions to those regulations. Furthermore, the government has discretion to grant Cubatabaco a specific license, if deemed appropriate, to relieve the entity of the obstacles that the CACRs may pose to its assertion of trademark rights. See 31 C.F.R. 515.201. Cubatabaco has applied for a specific license to acquire retroactively the COHIBA trademark in the United States by operation of the famous marks doctrine, and this license request is pending.

without a claim of ownership of the United States trademark, would provide an avenue for obtaining the relief that Article 6<sup>bis</sup> envisions. See Pet. App. 71a-72a. Cubatabaco, however, did not preserve such a claim in this case. The court of appeals expressed its view that such a claim, in any event, would not be available, *id.* at 31a-35a, and it further stated its view that Article 6<sup>bis</sup> and Sections 44(b) and (h) of the Lanham Act would not “require cancellation of [respondents’] properly registered trademark or an injunction against its use of the mark in the United States under these circumstances,” *id.* at 38a. The court of appeals then stated that, if there were “an irreconcilable conflict” between the CACRs and Article 6<sup>bis</sup>, the CACRs would prevail. *Ibid.* The government did not address the question of what result would obtain if the CACRs and Article 6<sup>bis</sup> were in conflict. The court of appeals’ observation that the CACRs would prevail in such a situation is plainly dicta that is not likely to “embarrass the Executive in its conduct of foreign relations” (Pet. 22), especially in light of the Executive’s ability to modify the CACRs to ameliorate any perceived conflict. See note 4, *supra*.

In any event, the resolution of a hypothetical conflict between the CACRs and Article 6<sup>bis</sup> of the Paris Convention does not warrant this Court’s review. As noted above, the specific legal question here—whether the holder of a famous mark from an embargoed country can obtain the cancellation, and injunction against the use, of a competing domestic mark—is so narrow that this is the only known case involving such a question. Nor is there any broader question here worthy of this Court’s review. This Court has clearly articulated the relevant legal standard: “[W]hen a statute which is subsequent in time is inconsistent with a treaty, the statute to the extent of conflict renders the treaty null.” *Breard v. Greene*, 523 U.S. 371, 376 (1998) (quoting *Reid v. Covert*, 354 U.S. 1, 18 (1957) (plurality opinion)). The

court of appeals properly acknowledged that standard. See Pet. App. 38a.<sup>5</sup>

3. Cubatabaco urges (Pet. 28-29) that this Court should review the court of appeals' reaffirmation of its decision in *Havana Club Holding, supra*, that Sections 44(b) and (h) of the Lanham Act do not provide a basis for seeking relief under the Inter-American Convention that is not related to the repression of unfair competition. See Pet. App. 39a-43a. This Court has already declined to review the court of appeals' decision in *Havana Club Holding*, 531 U.S. 918 (2000), and nothing has changed since that time. There is no conflict among the courts of appeals on the issue. Indeed, the Second Circuit, in this decision and in *Havana Club Holding*, is the only court of appeals to address the issue. There accordingly is no basis for this Court's review of that issue.

---

<sup>5</sup> Cubatabaco suggests that the specific language of the LIBERTAD Act, together with the particular sequence of events here combine to render the court of appeals' application of *Breard* incorrect. Pet. 23-24. But even if that argument had merit, the erroneous application of a correct legal rule would not provide an appropriate basis for this Court's review.



**CONCLUSION**

The petition for a writ of certiorari should be denied.

Respectfully submitted.

PAUL D. CLEMENT

*Solicitor General*

PETER D. KEISLER

*Assistant Attorney General*

EDWIN S. KNEEDLER

*Deputy Solicitor General*

JEFFREY P. MINEAR

*Assistant to the Solicitor  
General*

DOUGLAS N. LETTER

JONATHAN H. LEVY

*Attorneys*

MAY 2006