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Cohiba: Not Just Another Name, Not Just Another Stogie: Does General Cigar Own a Valid Trademark for the Name Cohiba in the United States

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COHIBA: NOT JUST ANOTHER NAME, NOT JUST ANOTHER STOGIE: DOES GENERAL CIGAR OWN A VALID TRADEMARK FOR THE NAME "COHIBA" IN THE UNITED STATES?

I. INTRODUCTION

Cuban Cohiba cigars are widely regarded as the world's finest cigars. Crafted from the "selection of the selection" of Cuba's tobacco,[1] cigar aficionados[2] clamor for the opportunity to enjoy Cohibas. Cohiba cigars are not, and have never been, legally available in the United States because the economic embargo against Cuba[3] took effect prior to the creation of Cohiba by Avelino Lara in 1968.[4] In 1978, Culbro, a U.S. corporation, filed a trademark application for the name Cohiba in the United States Patent and Trademark Office (PTO).[5] At the same time, Culbro began limited marketing and sales[6] of Cohiba cigars made from Dominican Republic tobacco.[7] Because of the embargo, Cuba did not register the Cohiba name in the United States, nor did it oppose Culbro's registration of Cohiba in 1978.[8] At present, Culbro owns the rights to the Cohiba name in the United States.

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1. James Suckling, *The Legend of Cohiba-Cigar Lovers Everywhere Dream of Cuba's Finest Cigar*, CIGAR AFICIONADO, Autumn 1992, at 42 (quoting Cohiba's creator, Avelino Lara).

2. A cigar "aficionado" is a connoisseur or "enthusiast" of fine cigars; *see* WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 36 (1986).

3. *See* Proclamation No. 3447, 27 Fed. Reg. 1085 (1962) (initiating the economic embargo against Cuba).

4. *See* Suckling, *supra* note 1, at 42; *see also* Larry Rohter, *Castro's Cigar, A Namesake, and the Smell of Trouble*, N.Y. TIMES, Nov. 7, 1997, at A4.

5. *See* General Cigar Co., Inc. v. Global Direct Mktg., 988 F. Supp. 647, 651 (S.D.N.Y. 1997).

6. *See id.* at 651–2.

7. *See id.* at 652.

8. *See* Juan O. Tamayo, *Cuba Files Rum and Cigar Trademark Challenges in U.S.*, MIAMI HERALD, May 15, 1997, at A24.

In recent years, there have been questions raised concerning the continuing enforcement of the embargo against Cuba.[9] This potential change in circumstances prompted Cuba's government tobacco company to seek cancellation[10] of General Cigar's (Culbro's assignee)[11] Cohiba trademark in the United States. Empresa Cubana del Tabaco (hereinafter Cubatabaco) asserts that General Cigar willfully committed acts of trademark infringement and trademark dilution regarding the Cohiba name.[12] In addition, Cubatabaco claims that Culbro/General Cigar's use of the Cohiba name violates the provisions of several international treaties to which both the United States and Cuba are parties.[13] This Comment discusses the merits of Cubatabaco's trademark infringement and dilution claims, as well as its treaty claims, in its pending action in the Southern District of New York to cancel Culbro/General Cigar's Cohiba trademark. Part II provides background into the development of Cohiba cigars both in Cuba and by Culbro/General Cigar and highlights the basis for the current dispute. Part III discusses the applicable trademark laws, including the Lanham Act,[14] New York State Trademark Dilution Law,[15] the Paris Convention for the Protection of Industrial Property (hereinafter Paris Convention),[16] and the General Inter-American Convention for Trade Mark and Commercial Protection (hereinafter Pan American Convention).[17] Part IV discusses the

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9. *See* G.A. Res. 53/4, U.N. GAOR, 53rd Sess., U.N. Doc. A/RES/53/4, at 1 (1998) (the most recent of the U.N. General Assembly resolutions voting that the United States should end its embargo against Cuba); *see also* S. 1413, 105th Cong. (1997); Anthony Goodman, *U.S. Urged by Record U.N. Vote to End Cuba Embargo*, CUBANET NEWS, (last modified Nov. 6, 1997) <http://www.netpoint.net/~cubanet/Cnews/y97/nov97/ 06e4.htm> (U.N. vote virtually unanimous).

10. *See* Complaint at para. 1, Empresa Cubana del Tabaco v. Culbro Corp., No. 97 Civ. 8399 (RWS) (S.D.N.Y. Nov. 12, 1997) [hereinafter Complaint].

11. *See General Cigar*, 988 F. Supp. at 652. Culbro assigned the Cohiba trademark to its subsidiary, General Cigar, in 1987. *See id.*

12. *See* Complaint at para. 1. The Complaint alleges thirteen different claims for relief. This Comment only discusses the several mentioned in the text (the infringement, dilution, and treaty claims). *See generally id.*

13. *See id.* at paras. 42–45, 49–52.

14. 15 U.S.C. §§ 1051–1127.

15. N.Y. GEN. BUS. § 360-l (McKinney 1999).

16. Paris Convention for the Protection of Industrial Property, July 14, 1967, art. 6bis, 21 U.S.T. 1629, 1640 [hereinafter Paris Convention].

17. General Inter-American Convention for Trade Mark and Commercial Protection, Feb. 20, 1929, arts. 7, 8, 46 Stat. 2907 [hereinafter Pan American Convention].

application of the laws, as well as possible outcomes of the pending litigation. Part V concludes that Cubatabaco should prevail on its treaty claims, whereas much closer questions exist regarding the infringement and dilution claims.

II. BACKGROUND: BASIS FOR THE PRESENT DISPUTE

Cohiba is the name of a brand of cigars created in Cuba during the 1960s.[18] Cuban President, Fidel Castro, originally gave Cohiba cigars as gifts to foreign dignitaries.[19] Quickly, Cohibas became world-famous due to their superior quality.[20] In fact, the Cuban Government takes great pride in the quality of its cigars.[21] Cohiba cigars are considered a national treasure.[22]

In the early 1970s, Cubatabaco began selling Cohiba cigars in diplomatic stores in Havana, where the majority of customers were foreign diplomats, foreign journalists, and employees of foreign companies.[23] Cubatabaco registered the Cohiba trademark in Cuba in 1972.[24] By the early 1980s, Cohiba cigars were commercially available in many countries throughout the world.[25] Cubatabaco has registered the Cohiba name as a trademark in 115

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18. *See* Suckling, *supra* note 1, at 42.
19. *See A Conversation with Fidel*, CIGAR AFICIONADO, Summer 1994, at 55.
20. *See* Suckling, *supra* note 1, at 42 (discussing the Cuban Cohiba, Suckling writes, "what was once considered the smoke of world leaders became the cigar of the world cognoscenti. Today, its unique bright yellow, white and black band became a symbol of success in much of the world.").
21. *See A Conversation with Fidel, supra* note 19, at 48. Castro indicated that he considers cigars to be one of Cuba's most important exports and that the quality of its cigars brings prestige to Cuba. *See id.*
22. *See Inside Cuban Cigars*, CIGAR AFICIONADO, Spring 1994, at 76. In an interview, Francisco Padron, the Director of Cubatabaco said, "I have orders directly from Fidel. He has said that I mustn't deliver cigars that are not the best quality. He says that they represent the image of the best quality of Cuba. So we never do anything but deliver the best quality." *Id.*
23. *See* Plaintiff's Memorandum of Law in Support of the Setting of a Date for a Hearing on a Preliminary Injunction and for an Order of Expedited Discovery at 3, Empresa Cubana del Tabaco v. Culbro Corp., No. 97 Civ. 8399 (RWS) (S.D.N.Y. Nov. 25, 1997) [hereinafter Plaintiff's Memorandum of Law].
24. *See id.* at 4.
25. *See* Rohter, *supra* note 4, at A4. According to Rohter, representatives from Cuba's tobacco marketing division, Habanos S.A., contend that Cohibas hit the market in 1981. *See id.*

countries.[26] Cuban Cohibas have never been legally available in the United States because the embargo banning trade with Cuba went into effect in 1962, prior to the creation of Cohiba.[27] As such, Cuba never registered the Cohiba name in the United States, although it could have.[28]

In 1978, Culbro filed a trademark application to register the Cohiba name with the PTO.[29] At approximately the same time, Culbro began marketing limited quantities of a Cohiba cigar made in the Dominican Republic.[30] A set of notes from a December 12, 1977 Culbro meeting indicate that Culbro was aware that Cohiba was the name of the personal brand of cigars that Fidel Castro smoked.[31] In addition, a second set of notes dated December 14, 1977 state "COHIBA - sell in Cuba - brand in Cuba - Castro's brand cigars."[32] These notes provide evidence that Culbro knew, prior to their Cohiba trademark application, that Cohiba was a Cuban cigar brand. Culbro decided, however, to utilize the name on its own product.[33] In fact, in 1994, Edgar Cullman, Sr., the Chairman of Culbro, acknowledged that if trade with Cuba opened, Culbro "want[ed] to have a position with Cohiba."[34]

In 1981, the PTO approved Culbro's Cohiba trademark application.[35] In 1987, Culbro assigned the Cohiba trademark to its subsidiary, General Cigar.[36] General Cigar ceased manufacturing Cohiba between 1988 and 1991, due to waning interest in cigars.[37] Because of the cigar craze during the 1990s,

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26. *See* Plaintiff's Memorandum of Law at 4.
27. *See* Proclamation No. 3447, 27 Fed. Reg. 1085 (1962).
28. *See* Thomas V. Mulrine, *Intellectual Property Court Watch-Trademark/Rights of Non-Party*, 4 INTELL. PROP. STRATEGIST 10 (1998). *See also* Lanham Act, 15 U.S.C. § 1126 (e) (1994); Plaintiff's Memorandum of Law at 8–9. The United States, by virtue of its treaty obligations to Cuba, permits registration of trademarks by Cuban entities and refuses to cancel such registered trademarks for nonuse because of the embargo; *see* discussion *infra* Part III.
29. *See* General Cigar Co. v. Global Direct Marketing, 988 F. Supp. 647, 651 (S.D.N.Y. 1997).
30. *See id.* at 652.
31. *See id.* at 651.
32. *Id.* at 661.
33. *See id.* at 651, 661.
34. Interview with Edgar Cullman, Sr., CIGAR AFICIONADO, Autumn 1994, at 66.
35. *See General Cigar*, 988 F. Supp. at 652.
36. *See id.*
37. *See id.* at 653.

however, General Cigar relaunched the Cohiba cigar and reapplied for a Cohiba trademark in the United States in 1992.[38] The PTO granted the trademark in 1995.[39]

At present, the Cuban Government cannot sell Cohiba cigars in the United States because of the continuing enforcement of the economic embargo against Cuba.[40] There is strong sentiment among some commentators, however, urging the U.S. Government to terminate the embargo.[41] In each of the last seven years, the United Nations General Assembly passed a resolution requesting termination of the United States' economic embargo against Cuba.[42] In fact, in 1997, the vote on the resolution was virtually unanimous.[43] Furthermore, Senator Richard Lugar (Iowa) introduced a bill in the Senate calling for substantial reform of U.S. policy on unilateral economic sanctions.[44] Hence, the United States may soon reconsider the continued enforcement of the Cuban embargo. If the embargo is lifted, Cuban cigars will, theoretically, be available in the United States. Because General Cigar owns the Cohiba name in the United States, however, Cuban Cohibas will not be available unless Cubatabaco and General Cigar establish a licensing agreement. Based on the pride that the Cuban Government takes in its Cohiba cigars, such an agreement is not likely to occur.

Witnessing world sentiment in its favor, as well as the five-year deadline for a trademark cancellation action under § 1064 (1) of the Lanham Act,[45] the Cuban Government is on the offensive regarding the Cohiba trademark in the United States. In 1997, Cubatabaco filed cancellation actions against General Cigar and

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38. *See id.*

39. *See id.*

40. *See* Proclamation No. 3447, 27 Fed. Reg. 1085 (1962). *See generally*, Anthony M. Solis, *The Long Arm of U.S. Law: The Helms-Burton Act*, 19 LOY. L.A. INT'L & COMP. L.J. 709 (1997); *see also* Andreas F. Lowenfeld, *Agora: The Cuban Liberty and Democratic Solidarity (Libertad) Act-Congress and Cuba: The Helms-Burton Act*, 90 AM. J. INT'L L. 419, 422 (1996).

41. *See, e.g.*, Mario M. Cuomo, *Helms-Burton Bill: A Sound Solution? U.S. Should End Embargo Against Cuba Immediately*, 215 N.Y.L.J., Feb. 20, 1996, at S1; *see also, e.g.*, Lowenfeld, *supra*, note 40, at 422.

42. *See* G.A. Res. 53/4, *supra* note 9, at 1.

43. *See* Goodman, *supra* note 9.

44. *See* S. 1413, 105th Cong. (1997).

45. *See* Lanham Act, 15 U.S.C. § 1064(1) (1994) (allowing a party to petition for cancellation of a registered trademark within five years of the trademark's registration).

its Cohiba trademark in both federal court in the Southern District of New York and the PTO.[46] Cubatabaco claims that General Cigar committed trademark infringement by registering the Cohiba name and selling Cohiba cigars in the United States.[47] In addition, Cubatabaco asserts that Cohiba is a famous name and that General Cigar's use of it constitutes trademark dilution, violating both § 1125(c) of the Lanham Act[48] and New York State Dilution Law.[49] Cubatabaco also states claims based on Article 6bis of the Paris Convention[50] and Articles 7 and 8 of the Pan American Convention.[51] These are international treaties concerning trademark registration to which both the United States and Cuba are parties.[52] This Comment addresses the merits of Cubatabaco's infringement, dilution, and treaty claims in its lawsuit in the Southern District of New York.

III. TRADEMARK LAW

Cubatabaco relies on several sources of trademark law in its lawsuit against General Cigar.[53] First, Cubatabaco's trademark infringement claim is governed by § 1125 (a) of the Lanham Act.[54] Second, for trademark dissolution claim, Cubatabaco relies, in part, on Section 360-1 of the New York General Business Laws.[55]

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46. *See* Complaint at para. 1.
47. *See id.*
48. *See id.*
49. *See* N.Y. Gen. Bus. § 360-l (McKinney 1999).
50. Paris Convention, art. 6bis.
51. Pan American Convention, arts. 7, 8, 46 Stat. at 2907.
52. *See* Complaint at para. 1.
53. *See id.*
54. *See* Lanham Act, 15 U.S.C. § 1125 (a)(1)(A). The Lanham Act provides that:

> [a]ny person who, on or in connection with any goods . . . , uses in commerce any word, term, name. . . , or any false designation of origin, . . . which is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, . . . by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to damaged by such act.

Id.

55. *See* N.Y. GEN. BUS. § 360-l (McKinney 1999). This section provides that:

> likelihood of injury to business reputation or of dilution of the distinctive quality of a mark . . . shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered . . . ,

Third, Cubatabaco relies on several international treaties to which both the United States and Cuba are parties. These include the Paris Convention for the Protection of Industrial Property[56] and the Pan American Convention.[57] The following sections describe the applicable sources of law upon which Cubatabaco relies. In addition, these sections discuss relevant United States case law addressing the various statutory provisions and treaties.

A. The Lanham Act

The Lanham Act is the primary source of federal regulations governing the registration and use of trademarks.[58] The Act provides guidelines for the registration of trademarks, causes of action for misuse, and remedies. Specific provisions relevant to Cubatabaco's suit are discussed below. In terms of Cubatabaco's cancellation action against General Cigar, § 1064 provides that a party may petition to cancel the registration of a trademark if that party believes it has been or will be damaged by defendant's registration of that mark.[59]

1. Trademark Infringement

Trademark infringement is a common type of injury in trademark law. Trademark infringement occurs when one party adopts a trademark that is the same or similar to an existing mark such that the relevant purchasing public is likely to be confused, mistaken, or misled as to the source of the product.[60] The Lanham Act provides a cause of action for infringement[61] and a remedy of injunctive relief.[62] Monetary damages are usually unavailable unless the infringing party intended to confuse or mislead the

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> notwithstanding the absence of competition between the parties or the absence of confusion as to the source of the goods. . . .

Id.

56. *See* Paris Convention, 21 U.S.T. at 1629.

57. *See* Pan American Convention, 46 Stat. at 2907.

58. *See generally* Lanham Act, 15 U.S.C. §§ 1051–1127 (1994).

59. *See id.* § 1064. The word "mark" is periodically used herein as a short form for the word "trademark."

60. *See* Eric A. Prager, *The Federal Trademark Dilution Act of 1995: Substantial Likelihood of Confusion*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 121, 122 (1996).

61. *See* Lanham Act, 15 U.S.C. § 1125 (a)(1)(A) (1994).

62. *See id.* § 1116.

public.[63]

To state a prima facie case of trademark infringement under 15 U.S.C. § 1125(a), a plaintiff must demonstrate that the defendant's use of the trademark is likely to confuse consumers.[64] A likelihood of confusion exists where consumers believe that the plaintiff sponsored or approved of the defendant's use of the plaintiff's name.[65]

First, to determine whether an infringement occurred, a court must decide what degree of protection to afford the plaintiff's trademark.[66] This determination depends on the "distinctiveness" of the trademark.[67] Typically, trademarks are segregated into four categories: generic, descriptive, suggestive, and arbitrary or fanciful.[68] A generic mark simply defines a product and receives no protection.[69] A descriptive mark describes a characteristic of a product and receives narrow protection if the mark acquires a secondary meaning.[70] A mark acquires secondary meaning when the consumer associates the name of the product with its source, rather than with the product itself.[71]

A suggestive, arbitrary, or fanciful mark is inherently distinctive and is thus afforded the highest degree of protection.[72] A suggestive mark metaphorically alludes to a product[73] and

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63. *See id.* § 1117 (b).

64. *See* North Am. Graphics, Inc. v. North Am. Graphics of U.S., Inc., No. 97 Civ. 3448, 1997 U.S. Dist. LEXIS 8107, at *6 (S.D.N.Y. June 10, 1997).

65. *See* Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 204–5 (2d Cir. 1979).

66. *See North Am. Graphics*, 1997 U.S. Dist. LEXIS 8107 at *6.

67. *See id.* at *6–7 (citing Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976)).

68. *See id.*

69. *See id. See also Trademark Basics: A Guide for Business*, International Trademark Association (William M. Borchard, ed.) (last modified Dec. 23, 1998) <http://www.inta.org/tmbasics.htm> [hereinafter *Trademark Basics*]. An example of a generic trademark would be to refer to a brand of cigar as "Cigar." *See id.*

70. *See* Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 10 (2d Cir. 1976).

71. *See* Bristol Myers-Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1040 (2d Cir. 1992); *see also Trademark Basics*, *supra* note 69. An example of a descriptive mark that acquired secondary meaning is "Rich n' Chips" for chocolate chip cookies. *See Trademark Basics*, *supra* note 69.

72. *See Abercrombie & Fitch*, 537 F.2d at 11.

73. *See id.*

describes some attribute or benefit of a product.[74] An arbitrary or fanciful mark has no relation to a product and is essentially an invented name.[75]

Once a court determines the level of protection afforded to a trademark, it will then assess the likelihood of consumer confusion between the plaintiff's and the defendant's marks.[76] The factors used to determine whether the public is likely to be confused by an allegedly infringing trademark are described in *Polaroid Corp. v. Polarad Electronics Corp.*[77] The *Polaroid* factors include: 1) the strength of the plaintiff's mark;[78] 2) the degree of similarity between the two marks;[79] 3) the competitive proximity of the two marks;[80] 4) the existence of actual confusion;[81] 5) the likelihood that the plaintiff will "bridge the gap" between the two markets;[82]

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74. *See Trademark Basics*, *supra* note 69. An example of a suggestive mark is "Coppertone." *See id.*

75. *See Abercrombie & Fitch*, 537 F.2d at 11 n.12.

76. *See* Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 871 (2d Cir. 1986).

77. 287 F.2d 492, 495 (2d Cir. 1961). Federal courts located in the Southern District of New York, where Cubatabaco's lawsuit is pending, use these factors. *See also* General Cigar Co. v. Global Direct Marketing, 988 F. Supp. 647, 663 (S.D.N.Y 1997).

78. *See General Cigar*, 988 F. Supp. at 663 (quoting *Lois Sportswear*, 799 F.2d at 873). "The strength of the mark depends on its distinctiveness, or more precisely, 'its tendency to identify the goods sold under the mark as emanating from a particular source.'" *Id.*

79. *See* W.W.W. Pharmaceutical v. Gillette Co., 984 F.2d 567, 573 (2d Cir. 1993). A court, in considering whether the similarity between the marks will cause confusion among potential purchasers, will look to the characteristics and appearance of the products and logos themselves. *See id.*

80. *See Lois Sportswear*, 799 F.2d at 874. This factor addresses whether plaintiff's and defendant's products are available in similar markets. In fact, the court in *Lois Sportswear* stated that, where the products are in separate markets, a greater likelihood of confusion exists because it appears as though the plaintiff expanded into a distinct market. *See id.* According to the *Lois Sportswear* court, "[w]e are trying to determine if it is likely that consumers mistakenly will assume that either appellants' jeans somehow are associated with or made by appellee." *Id.* The court in *Kookai S.A. v. Shabo*, 950 F. Supp. 605, 608 (S.D.N.Y. 1997), however, held that, where both plaintiff and defendant target the same audience, there is a substantial likelihood of confusion based on this factor.

81. *See Lois Sportswear*, 799 F.2d at 875. Actual confusion is not required to prevail under the Lanham Act. Plaintiff need only show a *likelihood* of confusion. Actual confusion is difficult to prove. If proven through surveys or reliable anecdotal evidence, actual confusion is highly probative. *See id.*

82. *See Kookai*, 950 F. Supp. at 608. *See also Lois Sportswear*, 799 F.2d at 874. A court assesses the likelihood of whether the plaintiff will enter the defendant's market, or the defendant will enter the plaintiff's market. In *Lois Sportswear*, the Second Circuit Court stated that "if the owner of a trademark can show that it intends to enter the market of the alleged infringer, that showing helps to establish a future likelihood of confusion as

6) the defendant's good or bad faith in adopting the mark;[83] 7) the quality of defendant's product;[84] and 8) the sophistication of the relevant purchasers.[85] No one of these factors is determinative. A court balances these factors "in a non-mechanical way" to determine the likelihood of consumer confusion.[86] If the balancing of these factors indicates that an appreciable number of ordinarily prudent cigar consumers will likely be confused or misled as to the source of General Cigar's Cohiba, Cubatabaco will establish its prima facie case and be entitled to injunctive relief.[87]

B. Trademark Dilution[88]

New York State Law protects against dilution of distinctive trademarks.[89] Dilution occurs when a trademark's ability to identify a particular product diminishes over time.[90] Anti-dilution statutes protect a trademark's selling power[91] and prevent the "gradual whittling away of a firm's distinctive trade-mark or name."[92] There are two major categories of dilution: tarnishment and blurring.[93] Tarnishment of a plaintiff's mark occurs when a defendant uses a plaintiff's mark in association with inferior products, obscenity, or illegal activity.[94] Blurring occurs where a defendant uses or modifies a plaintiff's mark in such a way that the

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to source." *Lois Sportswear*, 799 F.2d at 874.

83. *See Kookai*, 950 F. Supp. at 608. Bad faith exists where a defendant uses plaintiff's mark with the intent of capitalizing on plaintiff's reputation and consumer goodwill, or simply where the defendant intends to confuse the public. *See id.*

84. *See id.* at 609. This factor focuses on whether the good reputation associated with plaintiff's mark can be weakened by defendant's use of the same or similar mark on an inferior product. *See id.*

85. *See Id.* Courts generally presume that more sophisticated purchasers are less likely to be confused by similar marks. *See id.*

86. Paddington Corp. v. Attiki Importers & Distributors, Inc., 996 F.2d 577, 584 (2d Cir. 1993).

87. *See* Plaintiff's Memorandum of Law at 22 n.23.

88. Cubatabaco asserts dilution claims pursuant to 15 U.S.C. § 1125(c) and N.Y. GEN. BUS. § 360-l (McKinney 1999).

89. *See* N.Y. GEN. BUS. § 360-l.

90. *See* Prager, *supra* note 60, at 123.

91. *See* Sally Gee, Inc. v. Myra Hogan, Inc., 699 F.2d 621, 624–5 (2d Cir. 1983).

92. Allied Maintenance Corp. v. Allied Mechanical Trades, Inc., 369 N.E. 2d 1162, 1166 (N.Y. 1977).

93. *See* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows Corp., 937 F. Supp. 204, 209 (S.D.N.Y. 1996).

94. *See id.*

mark no longer serves as a unique identifier of the plaintiff's product.[95] In its lawsuit, Cubatabaco alleges dilution by blurring.[96] Therefore, this Comment only addresses blurring.

Pursuant to New York Law, a plaintiff must prove several elements in order to prevail on a dilution by blurring claim. First, the mark must be distinctive or famous and capable of being diluted.[97] Second, a plaintiff must show that the defendant's use of the trademark is likely to cause dilution.[98] Consumer confusion about the source of the products or competition between the products is not required.[99]

To determine whether a mark is distinctive or famous, the Second Circuit often looks to the strength of the mark element from the *Polaroid* trademark infringement analysis.[100] The Southern District of New York may use the list of factors enumerated in the Lanham Act's anti-dilution section.[101] Alternatively, courts may assess distinctiveness by determining whether a mark acquired secondary meaning.[102]

To assess the likelihood of dilution by blurring, the Second Circuit uses the following factors:[103] 1) the similarity between the marks,[104] 2) the similarity of the products covered by the marks,[105] 3) the sophistication of the consumers,[106] 4) predatory intent,[107] 5)

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95. *See id.*

96. *See* Complaint at para. 76.

97. *See* Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1030 (2d Cir. 1989) (Sweet, J., concurring). An extremely strong mark capable of being diluted is one that possesses inherent or acquired distinctiveness. *See id. See also supra* Part III.A.1.

98. *See Mead Data Central*, 875 F.2d. at 1030.

99. *See id.*

100. *See id.*; *see also supra* Part III.A.1.

101. *See* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B. E. Windows Corp., 937 F. Supp. 204, 210 n.8 (S.D.N.Y. 1996); *see also infra*, note 126 (a list of the factors enumerated in 15 U.S.C. § 1125(c)(1) to determine whether a mark is famous or well known).

102. *See Mead Data Central*, 875 F.2d at 1030; *see also* Bristol Myers-Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1040 (2d Cir. 1992).

103. *See Mead Data Central*, 875 F.2d at 1026 (Sweet, J., concurring).

104. *See id.* at 1035. There must be similarity between the marks for dilution to be possible. Exact identity of the marks is not required. The greater the similarity between the marks, however, the greater the likelihood of dilution. A lack of similarity may be enough to defeat a dilution claim. *See id.*

105. *See id.* at 1036. The greater the similarity of the products, the greater the likelihood of dilution. *See id.*

106. *See id.* at 1036–7. The greater the sophistication of the relevant consumers, the

renown of the senior mark,[108] and 6) renown of the junior mark.[109] If the plaintiff establishes blurring, the court issues an injunction preventing the defendant from using the mark.

C. International Convention Provisions

Section 1126 (b) of the Lanham Act states that a party, whose country of origin is a party to any treaty or convention relating to trademarks to which the United States is also a party, is entitled to the benefits of the Lanham Act to the extent necessary to give effect to the provisions of such treaty or convention.[110] This raises the question of whether the provisions of the Paris Convention and the Pan American Convention are currently in force in the United States. The District Court in the Southern District of Florida held that the Paris Convention is a self-executing treaty.[111] More importantly, the Second Circuit suggested that "no special legislation was necessary to make the [Paris] Convention effective . . ." in the United States.[112] Also, in 1940, the United States Supreme Court, held that the Pan American Convention is self-executing.[113] Therefore, the provisions of these treaties are in force and applicable in the United States.[114]

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lower the possibility that defendant's use of the mark will reduce the distinctiveness of plaintiff's mark. *See id.*

107. *See id.* at 1037. Predatory intent, if established, increases the likelihood of dilution. Predatory intent requires more than knowledge of plaintiff's prior use of the mark at issue. To establish predatory intent, plaintiff must prove that defendant adopted the mark at issue and intended to benefit commercially from the association with plaintiff's mark. *See id.*

108. *See id.* at 1038. The fame of plaintiff's mark effects consumer perception of both the plaintiff's and defendant's products. The fame of plaintiff's mark, as it effects consumer perception, directly bears upon the ability of defendant's mark to blur plaintiff's mark. *See id.*

109. *See* Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows, Corp., 937 F. Supp. 204, 213 (S.D.N.Y. 1996). "Where the fame of the junior mark is non-existent, the likelihood of finding dilution by blurring is minimal." *Id.*

110. *See* Lanham Act, 15 U.S.C. § 1126 (b) (1994).

111. *See* Davidoff Extension S.A. v. Davidoff Int'l, Inc., 221 U.S.P.Q. (BNA) 465, 467 (S.D. Fla. 1983); *see also* Laborotorios Roldan, C. por A. v. Tex Int'l, Inc., 902 F. Supp. 1555, 1568 n.15 (S.D. Fla. 1995).

112. Vanity Fair Mills, Inc. v. T. Eaton Co. Ltd., 234 F.2d 633, 640 (2d Cir. 1956).

113. *See* Bacardi Corp. v. Domenich, 311 U.S. 150, 161 (1940). U.S. Supreme Court Chief Justice Hughes stated that "[t]his treaty on ratification became a part of our law. No special legislation in the United States was necessary to make it effective." *Id.*

114. *See* Office of the Legal Advisor, U.S. Dept. of State, Treaties in Force, 376–77, (1997).

1. The Paris Convention

Article 6bis of the Paris Convention states that "[t]he countries of the Union undertake ... at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered ... to be well known ..."[115] The purpose of the Article is to provide protection against trademark pirates who register trademarks in a particular country thereby preempting foreign owners of well known marks from using their marks in that particular country.[116] This is referred to as a "reputation without use" scenario.[117] The exceptional protection afforded well known marks is justified by the desire to prevent unfair competition through acts of trademark piracy.[118]

The United States has no legislation to specifically afford protection to well known marks that are not registered with the PTO.[119] There is, however, United States case law holding that well known marks, not registered in the United States, can be protected.[120] Furthermore, the language of Article 6bis,[121] taken together with the Article's underlying legislative intent,[122] suggests that well known marks not registered in the United States should be protected.

The law in the United States regarding reputation-without-use situations is unsettled.[123] Clearly, the mark at issue must be well known in the United States;[124] but whether a mark is well known depends upon a variety of factors. Virtually any evidence probative of fame will be accepted.[125] Section 1125(c)(1) of the Lanham Act provides a list of factors to consider in determining if

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115. Paris Convention, art. 6bis.

116. *See* FREDERICK W. MOSTERT, FAMOUS AND WELL-KNOWN MARKS 19 (1997).

117. *Id.*

118. *See* G.H.C. BODENHAUSEN, GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY 90 (1968).

119. *See* MOSTERT, *supra* note 116, at 423.

120. *See* Maison Prunier v. Prunier's Restaurant & Café, Inc., 288 N.Y.S. 529 (1936); *see also* Vaudable v. Montmartre, Inc., 193 N.Y.S.2d 332 (1959).

121. *See* Paris Convention, art. 6bis.

122. *See* BODENHAUSEN, *supra* note 118, at 90.

123. *See* MOSTERT, *supra* note 116, at 432.

124. *See id.*

125. *See id.* at 428.

a mark is famous.[126] Other factors, such as sales figures, consumer surveys or feedback, unsolicited awards, press reports, or other unsolicited publicity are also relevant in determining whether a mark is well known.[127] The Court in *Maison Prunier v. Prunier's Restaurant & Café, Inc.*, held that a defendant's deliberate use of a plaintiff's name is "some evidence at least of plaintiff's wide repute."[128] In the end, a court balances the probative evidence to determine whether a plaintiff's mark is well known.

In addition to establishing that a mark is well known, to prevail in a reputation-without-use case, a plaintiff also needs to prove that the defendant intentionally copied the plaintiff's mark as a means of capitalizing on the plaintiff's reputation and consumer goodwill.[129] Mere knowledge by a defendant of a plaintiff's foreign use of a trademark is insufficient for purposes of showing bad faith.[130] Where the defendant purposefully adopts a mark that is substantially similar to the plaintiff's well known mark, the defendant is attempting to deceive the public into believing that the defendant is, in some way, connected to or authorized by the plaintiff.[131] There is no requirement, however, that the plaintiff and the defendant be in direct competition.[132]

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126. The factors include:

> A) the degree of inherent or acquired distinctiveness of the mark; B) the duration and extent of use of the mark in connection with the goods ... with which the mark is used; C) the duration and extent of advertising and publicity of the mark; D) the geographical extent of the trading area in which the mark is used; E) the channels of trade for the goods ... with which the mark is used; F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought; G) the nature and extent of use of the same or similar marks by third parties; and H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

Lanham Act, 15 U.S.C. § 1125 (c)(1)(A-H) (1995).

127. *See* MOSTERT, *supra* note 116, at 428–29.

128. Maison Prunier v. Prunier's Restaurant & Café, Inc., 288 N.Y.S. 529, 537 (1936).

129. *See id.* at 531.

130. *See* Person's Co., Ltd. v. Christman, 900 F.2d 1565, 1568, 1570 (Fed. Cir. 1990). The court held that knowledge of a mark's use outside of U.S. commerce does not preclude good faith adoption and use of the identical mark in the United States prior to entry of the foreign user into the domestic market. The court did, however, suggest that where a foreign user's mark is famous in the United States, the case for bad faith is stronger. *See id.*

131. *See Maison Prunier*, 288 N.Y.S. at 534.

132. *See id.* at 533; *see also* Vaudable v. Montmartre, Inc., 193 N.Y.S.2d 332, 335 (1959).

Thus, where the defendant copies the plaintiff's well known mark in bad faith, the plaintiff will likely be entitled to relief.[133]

2. Pan American Convention

Article 7 of the Pan American Convention provides that an owner of a mark protected in one of the treaty nations has the right to oppose the use of an interfering mark in any other of the treaty nations.[134] The owner may employ all legal means necessary to prevent the interfering use of its mark.[135] In the United States, the owner of a foreign mark can enforce Article 7 in federal court.[136] The foreign mark must be registered or protected in a treaty nation.[137]

Article 8, the parallel provision to Article 7, allows a plaintiff to cancel a defendant's interfering mark registered in a treaty country.[138] Cancellation requires that the defendant possessed knowledge of the plaintiff's use, or registration of, the mark in a treaty country.[139] Thus, if Party A (a national of a treaty country) knows that Party B is using A's mark in another treaty country, and can show that Party B knew of Party A's prior use or registration of the mark, then Party A can employ all legal means available in Party B's country to stop Party B's use of the mark.[140] This differs from the reputation-without-use scenario in that only a defendant's knowledge of plaintiff's prior use is necessary. There is no requirement of bad faith. Also, the text of Articles 7 and 8 do not require that use of Party A's mark is necessary within the jurisdiction where enforcement is sought.[141]

IV. Evaluation of the Possible Outcomes of the Dispute

An interesting issue raised by General Cigar is whether Cubatabaco has standing to bring the lawsuit.[142] Cubatabaco

133. *See* MOSTERT, *supra* note 116, at 432.
134. *See* Pan American Convention, art. 7, 46 at Stat. 2907.
135. *See id.*
136. Federal question subject matter jurisdiction covers treaties to which the United States is a party. *See* 28 U.S.C. § 1331 (1994).
137. *See* Bacardi Corp. v. Domenich, 311 U.S. 150, 163 (1940).
138. *See* Pan American Convention, art. 8, 46 at Stat. 2907.
139. *See id.*
140. *See id.*
141. *See id.*
142. *See* Answer and Counterclaim of Defendants, Affirmative Defenses at 10, para. 9,

asserts that General Cigar's use of the Cohiba name injured Cubatabaco's reputation and future earning potential in the United States.[143] This Comment will not address this issue in detail. It should be mentioned, however, that Cubatabaco may have standing based on the PTO's denial of Cubatabaco's application to register the Cohiba name in the United States.[144]

A. Infringement Claim

The first step in the infringement analysis is to determine the level of protection afforded to the plaintiff's mark.[145] Here, Cubatabaco asserts that its Cohiba trademark is arbitrary, in that it does not suggest the nature of the product.[146] As such, Cubatabaco asserts that it is entitled to "the most protection the Lanham Act can provide."[147] The counter argument, however, is that because "cohiba" is the Taino Indian word for tobacco,[148] the name is merely descriptive, and thus entitled to no protection.[149] It is likely, however, that the Cohiba name has developed secondary meaning among the U.S. cigar-smoking public based on the stature of the Cuban version[150] and the extensive publicity it receives.[151] Furthermore, since the Taino dialect is virtually

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Empresa Cubana Del Tabaco v. Culbro Corp., No. 97 Civ. 8399 (RWS) (S.D.N.Y. Dec. 5, 1997).

143. *See* Complaint at para. 39.

144. *See* Aerogroup Int'l, Inc. v. Marlboro Footworks, Ltd., 977 F. Supp. 264, 266 (S.D.N.Y. 1997). The Court stated that "in order to establish standing to cancel a trademark registration, all the Lanham Act requires is that the cancellation petitioner plead and prove facts showing a "real interest in the proceeding. . ." *Id.* (citing Int'l Order of Job's Daughters v. Lindeburg & Co., 727 F.2d 1087, 1092 (Fed. Cir. 1984).

145. *See* North Am. Graphics, Inc. v. North Am. Graphics of U.S., Inc. (No. 97 Civ. 3448), 1997 U.S. Dist. LEXIS 8107 at *6.

146. *See* Plaintiff's Memorandum of Law at 24.

147. Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 257 (2d Cir. 1987).

148. *See* Plaintiff's Memorandum of Law at 3. "Cohiba" is the Taino Indians' word for tobacco. The Taino Indians are an obscure and ancient Cuban tribe. *See id.*

149. *See North Am. Graphics*, 1997 U.S. Dist. LEXIS 8107 at *6–7.

150. *See id.* The name "Cohiba" is so well known among the cigar-smoking public that, when uttered, Cuban cigars come to mind. *See* Suckling, *supra* note 1, at 42.

151. *See* Declaration of Jessica Heyman para. 3 (taken Nov. 21, 1997), Order to Show Cause for Preliminary Injunction Hearing and Expedited Discovery, Empresa Cubana Del Tabaco v. Culbro Corp., No. 97 Civ. 8399 (RWS) (S.D.N.Y. Nov. 25, 1997) [hereinafter Heyman Declaration]. The Declaration reports that the Cuban Cohiba has been the subject of over 700 articles in magazines and newspapers of general circulation in the United States. *See id.*

unknown in the United States, the name Cohiba will likely be deemed arbitrary. Thus, Cubatabaco's Cohiba mark should receive the highest degree of protection.

The next step in the infringement analysis is to determine whether there is a likelihood of confusion between Cubatabaco's and General Cigar's Cohiba cigars.[152] The District Court in the Southern District of New York will apply the *Polaroid* factors.[153]

First, as to the strength of Cubatabaco's Cohiba mark, Cubatabaco may argue that the Cuban mark is very well known among the relevant purchasing public (U.S. cigar smokers). Cubatabaco advertised extensively throughout the world for over twenty years and Cohiba Cigars have been the subject of numerous articles in magazines such as *Time*, *Newsweek*, and *Cigar Aficionado*.[154] Therefore, Cubatabaco contends that Cohiba developed tremendous consumer recognition.[155] Cubatabaco asserts that Culbro/General Cigar deliberately copied its mark, and that act, in and of itself, constitutes persuasive evidence that the Cohiba name is associated with substantial recognition and goodwill.[156]

Most experienced cigar smokers, however, probably know that Cuban cigars are illegal in the United States, that the General Cigar Cohiba, therefore, is not a Cuban cigar.[157] Registration of a trademark (in this case General Cigar's Cohiba registration) creates a presumption that the trademark is distinctive and should receive the highest level of protection.[158] Therefore, while Cubatabaco's Cohiba is arguably an extremely strong mark, the court may find countervailing factors (i.e., General Cigar's existing trademark registration) that diminish its strength in the United States. Thus, the strength of Cubatabaco's Cohiba mark favors

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152. *See North Am. Graphics*, 1997 U.S. Dist. LEXIS 8107 at *6.

153. *See* General Cigar Co., Inc. v. Global Direct Marketing, 988 F. Supp. 647, 663 (S.D.N.Y. 1997).

154. *See* Plaintiff's Memorandum of Law at 24; *see also* Heyman Declaration at para. 3.

155. *See* Plaintiff's Memorandum of Law at 24.

156. *See id.; see* also Parrot Jungle, Inc. v. Parrot Jungle, Inc., 512 F. Supp. 266, 270 (S.D.N.Y. 1981).

157. *See* Interview with Maurice Karroum, Proprietor of Palisades Cigar Co., in Pacific Palisades, Cal. (Jan. 21, 1999) (Mr. Karroum reported that there are consumers who inquire as to whether General Cigar's Cohiba is the "real thing," i.e., a Cuban Cohiba).

158. *See General Cigar*, 988 F. Supp. at 663 (citing Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 871 (2d Cir. 1986)).

Cubatabaco, but not as much as it would if General Cigar lacked a United States registration.

Second, the similarity of the marks and the products is extremely high. The products are both cigars. The names are identical. The labels on the cigars were very similar in design until 1998, when General Cigar changed the band on its cigar. The typeface used to spell out "Cohiba" on General Cigar's new label remains quite similar to the typeface used on Cubatabaco's label.[159] This factor weighs in Cubatabaco's favor.

Third, General Cigar may assert that because Cuban cigars cannot be sold in the United States, there is no competitive proximity between the two products. General Cigar's Cohiba is sold primarily in the United States, while Cubatabaco's Cohiba is not, technically, commercially available in the United States. Cuba's Cohiba cigars, are, however, available in the United States either through the black market[160] or through persons who travel to Cuba legally and bring back less than $100.00 of Cuban cigars.[161] In addition, Cubatabaco asserts, based on the treaty provisions and § 1126 of the Lanham Act, that its cigars do not need to be commercially available in the United States to receive protection against, what it claims, is General Cigar's unauthorized use of the Cohiba name in the United States.[162] Furthermore, there is evidence that consumers are not entirely sure that General Cigar's Cohiba is not associated with the Cuban version.[163] So, technically, while the products may not be in direct, competitive proximity, there are situations where Cuban Cohiba cigars are legally present in the United States and consumer confusion about the origin of the cigars exists. Nevertheless, this factor does not

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159. *See* Plaintiff's Memorandum of Law at 6.

160. *See* Jason Vest, *Psst! Want Cheap Cubans?*, U.S. NEWS & WORLD REP., Apr. 14, 1997, at 63.

161. *See* Dept. of the Treasury-U.S. Customs Service, *Cuban Cigar Update* (visited Aug. 8, 1998) <http://www.ustreas.gov/ travel/cigars.htm>.

162. *See* Plaintiff's Memorandum of Law at 25; *see generally also* Vaudable v. Montmartre, Inc., 193 N.Y.S.2d 332 (1959).

163. *See* Interview with Maurice Karroum, supra note 157; *see also* Lois Sportswear U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 874 (2d Cir. 1986). In *Lois Sportswear*, the court held that the presence of the defendant's designer jeans, which had a similar stitching pattern to the plaintiff's jeans, in a different market segment than the plaintiff's jeans, increased the likelihood of consumer confusion. *See Lois Sportswear*, 799 F.2d at 874. Here, the fact that Cubatabaco's cigars do, at times, legally arrive in the United States, leads to confusion between Cubatabaco's Cohiba and General Cigar's Cohiba.

favor either party to any significant extent.

Fourth, Cubatabaco does not allege any specific instances of actual confusion.[164] Cigar smokers are generally quite sophisticated and know that Cuban cigars are both illegal in the United States and difficult to obtain. In addition, they may be familiar with the Dominican Cohiba made by General Cigar. On the other hand, because cigars are currently quite popular and there are many newcomers to the world of cigars, it is likely that some consumers may believe that General Cigar's Cohiba is actually the Cuban version. In fact, at least one cigar proprietor reports that consumers have asked whether the General Cigar Cohiba on the shelf is Cuban.[165] Thus, while sophisticated cigar consumers likely know that a Cohiba on the shelf is not Cuban, there is a subpopulation of cigar smokers who may be confused or unclear as to whether the General Cigar Cohiba on the shelf is a Cuban cigar. Therefore, this *Polaroid* factor can be construed in either party's favor. It will depend on how much evidence of actual confusion Cubatabaco provides.

Fifth, at present, because of the embargo, Cubatabaco cannot legally sell their products in the United States.[166] There is sentiment, however, that the embargo should end.[167] Furthermore, the Cuban Government desires an end to the embargo[168] and probably desires to enter the United States market. Thus, according to *Lois Sportswear*, Cubatabaco's intent to enter the United States market could create a future likelihood of confusion.[169] At present, however, the likelihood of Cubatabaco entering the United States market is remote because of the embargo. Therefore, this factor favors General Cigar.

Sixth, with regards to bad faith, some issues do exist surrounding Culbro's adoption of the Cohiba name. In late 1977, internal meetings at Culbro illustrate its awareness that Cohiba was the name of a Cuban cigar.[170] In fact, when General Cigar re-

164. *See* Plaintiff's Memorandum of Law at 23–29.

165. *See* Interview with Maurice Karroum, *supra* note 157.

166. *See* Proclamation No. 3447, 27 Fed. Reg. 1085 (1962).

167. *See* G.A. Res. 53/4, *supra* note 9; *see also* Cuomo, *supra* note 41, at S6.

168. *See A Conversation with Fidel, supra* note 19, at 56.

169. *See* Lois Sportswear, U.S.A. v. Levi Strauss & Co., 799 F.2d 867, at 874 (2d Cir. 1986); *see also* Kookai S.A. v. Shabo, 950 F. Supp. 605, 608 (S.D.N.Y. 1997).

170. *See* General Cigar Co., Inc. v. Global Direct Marketing, 988 F. Supp. 647, 651, 661

registered its Cohiba trademark in 1992, the likelihood that Culbro knew about Cuba's Cohiba was substantial because, by then, Cuban Cohibas were commercially available in a large number of countries[171] and substantial publicity surrounded the Cuban Cohiba.[172] The Second Circuit stated that "'actual or constructive knowledge' of the prior user's mark . . . may indicate bad faith."[173] Furthermore, the court stated that "where such prior use is accompanied by similarities so strong that it seems plain that deliberate copying has occurred, we have upheld findings of bad faith."[174] Finally, because Culbro had an infinite choice of names to choose for its cigar, the fact that it chose "Cohiba," raises suspicions of bad faith.[175] Therefore, this factor weighs in Cubatabaco's favor.

Seventh, the quality of General Cigar's Cohiba, in terms of non-Cuban cigars, is considered quite high. They are relatively high-priced, premium cigars and *Cigar Aficionado* rates them highly.[176] Nothing, however, compares to Cuban Cohibas, as they are considered the world's finest cigar.[177] Therefore, this factor also favors Cubatabaco because its product is often considered "the best."

Lastly, cigar smokers are generally quite sophisticated. Hence, it is unlikely that, as a group, they would confuse General Cigar's product with Cubatabaco's. Cigar smokers know that the Cuban version is unavailable in the United States. Yet because of the current explosion in cigar smoking, there are new, relatively unsophisticated smokers who may not know the difference. At any rate, this factor likely weighs in General Cigar's favor.

(S.D.N.Y. 1997).

171. *See* Plaintiff's Memorandum of Law at 4.

172. *See* Heyman Declaration at para. 3.

173. Paddington Corp. v. Attiki Importers & Distributors, Inc., 996 F.2d 577, 587 (2d Cir. 1993) (quoting Mobil Oil Corp. v. Pegasus Petroleum, 818 F.2d 254, 259 (2d Cir. 1987)).

174. *Id.*

175. *See* Maison Prunier v. Prunier's Restaurant & Café, Inc., 288 N.Y.S. 529, 531 (1936).

176. *See Churchills*, CIGAR AFICIONADO, Feb. 1998, at 64 (the magazine rates cigars based on blind taste tests. The General Cigar Cohiba Churchill received a score of 89 out of a possible 100).

177. *See* Suckling, *supra* note 1, at 42.

In conclusion, it is likely that consumer confusion exists about the source of General Cigar's Cohiba. It is also entirely likely that some cigar consumers believe that General Cigar's Cohiba is the Cuban version or that Cubatabaco sanctioned General Cigar's use of the Cohiba name. The products of each party are cigars and there is strong evidence of bad faith on the part of Culbro/General Cigar. Therefore, because Cubatabaco's Cohiba mark is strong and subject to extensive protection, it is definitely possible that Cubatabaco will prevail on its infringement claim and an injunction against General Cigar's continued use of the Cohiba name will issue.

On the other hand, because of the embargo, Cuban Cohibas are not often present in places where consumers can confuse them with General Cigar Cohibas. In addition, cigar consumers' sophistication renders them less likely to confuse General Cigar's Cohiba with the "real thing." Furthermore, General Cigar has a registered trademark for the name Cohiba in the United States. This constitutes prima facie evidence of the trademark's validity and General Cigar's right to exclusive use of the mark in United States commerce.[178] Therefore, unless Cubatabaco persuades the district court that General Cigar's registration was improperly issued, General Cigar also has a strong chance of prevailing in this matter.

B. Dilution Claim

The first step in analyzing dilution by blurring is to determine whether the mark at issue is extremely strong and susceptible to dilution.[179] For purposes of this element, courts look to the analogous step in the infringement analysis.[180] Under the infringement analysis, Cubatabaco's Cohiba mark is arbitrary[181] and consumer recognition of the mark is enormous. Therefore, Cubatabaco's Cohiba mark is a strong and distinctive mark that is susceptible to dilution.[182]

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178. *See* Lanham Act, 15 U.S.C. § 1115 (a) (1994).

179. *See* Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1032–3 (2d Cir. 1989) (Sweet, J., concurring).

180. *See id.* at 1033.

181. For a discussion of the infringement analysis, *see supra* Part IV.A.

182. *See Mead Data Control*, 875 F.2d at 1034. An arbitrary mark that receives substantial publicity is capable of dilution. *See id.*

The next step in the dilution analysis is to determine whether defendant's use of the mark is likely to cause dilution by blurring.[183] The question is whether General Cigar's use of the Cohiba name diminishes the selling power of Cubatabaco's Cohiba trademark. Judge Sweet, who is the presiding judge in this lawsuit, developed a six-part test to determine the likelihood of dilution by blurring.[184]

First, there is a strong similarity between the marks, as discussed under the *Polaroid* analysis. The names are identical and the typeface used for the word "Cohiba" on each cigar's label is similar, if not identical. Because the likelihood of blurring increases as the two marks become more similar, this factor weighs in Cubatabaco's favor.

Second, the similarity of the products is unquestionable. Both parties are in the business of selling cigars. The closer the similarity of the products, the greater the likelihood of blurring.[185] Therefore, this factor also weighs in Cubatabaco's favor.

Third, because cigar buyers are generally quite sophisticated, they likely know the difference between a Cuban and a non-Cuban Cohiba and that a Cuban cigar is not a retail item available in the United States. Therefore, as a practical matter, there is little danger that Cubatabaco's Cohiba will lose its desirability or potential selling power among sophisticated cigar-smoking consumers. New, relatively unsophisticated cigar-smoking consumers, however, do not appreciate the significance of the Cuban Cohiba. Therefore, in the minds of newer consumers, Cubatabaco possesses little or no reputation or selling power susceptible to blurring. Thus, this factor strongly weighs in General Cigar's favor.

Fourth, a court will consider the predatory intent of the defendant. Under the bad faith factor of the *Polaroid* analysis, Culbro/General Cigar acted in bad faith by adopting the Cohiba name. An additional consideration relating to predatory intent stems from an interview of Edgar Cullman, Sr., where he stated that, were the embargo lifted, he wants his company to "have a position" with Cuba regarding distribution of Cuban Cohiba cigars

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183. *See id.* at 1032.
184. *See id.* at 1035 (Sweet, J., concurring); *see also supra* Part III.B.
185. *See Mead Data Control*, 875 F.2d at 1036 (Sweet, J., concurring).

in the United States.[186] This quote evinces Culbro/General Cigar's intent to profit from its adoption and registration of the Cohiba mark. Presumably, in order to act as the United States distributor of Cuban Cohibas, General Cigar would attempt to establish a licensing agreement with Cubatabaco. These findings argue strongly that Culbro/General Cigar's intent was predatory.

Fifth, Cubatabaco's Cohiba mark is world-renowned and very famous among cigar smokers.[187] It has been mentioned in hundreds of newspaper and magazine articles within the United States.[188] There is little doubt that this factor favors Cubatabaco.

Lastly, General Cigar's Cohiba mark is not as highly renowned as Cubatabaco's Cohiba mark. It receives little press attention compared to that of its Cuban counterpart, and does not enjoy the worldwide reputation of Cubatabaco's cigar.[189] In fact, General Cigar's Cohiba is primarily available in the United States. It is likely, however, that sophisticated cigar consumers are familiar with General Cigar's Cohiba, as its existence is publicized and it is commercially available in the United States.[190] Thus, although this factor seems to strongly favor Cubatabaco, the sophistication of the relevant purchasing public diminishes this factor's impact.

In conclusion, Cubatabaco stands a better chance of prevailing on its blurring claim as compared to its infringement claim. Cubatabaco's mark is very famous relative to General Cigar's. Cubatabaco's and General Cigar's trademarks and products are very similar, and in some instances, identical. There is also evidence that General Cigar acted with predatory intent regarding its registration of the Cohiba name in the United States. The strongest factor weighing against Cubatabaco, however, is consumer sophistication. Therefore, Cubatabaco's blurring claim appears strong, but General Cigar may successfully utilize its existing trademark registration, as well as the consumer sophistication rationale, to defeat Cubatabaco's claim.

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186. Interview with Edgar Cullman, Sr., *supra* note 34, at 66.

187. *See* Suckling, *supra* note 1, at 42.

188. *See* Plaintiff's Memorandum of Law at 2; *see also* Heyman Declaration at para. 3.

189. *See* Plaintiff's Memorandum of Law at 2–3; *see also* Heyman Declaration at para. 4.

190. *See* Advertisement, CIGAR AFICIONADO, February 1998, at 34–35.

C. *Paris Convention Claim*

Cubatabaco contends that the Paris Convention is currently in force in the United States, based on § 1126 of the Lanham Act.[191] General Cigar disputes Cubatabaco's assertion that the Paris Convention is currently in force in the United States.[192] The Second Circuit stated that the Paris Convention is self-executing,[193] and as such, requires no special legislation for implementation of its terms in the United States.

To prevail on its Paris Convention claim, Cubatabaco must establish that its Cohiba mark is well known within the United States.[194] In addition, Cubatabaco must also show that Culbro intentionally copied its mark with designs of capitalizing on its reputation and consumer goodwill.[195] As discussed in Parts IV.A and B of this Comment, Cubatabaco's Cohiba mark is well known among cigar consumers in the United States.[196] The mark is arbitrary and distinctive, it has existed for approximately thirty years, and the product it identifies is available throughout the world (except the United States).[197]

In addition, Cubatabaco receives tremendous amounts of unsolicited publicity in the United States.[198] Furthermore, Culbro deliberately adopted the Cohiba name in 1978;[199] there is no other explanation for its use of the Cohiba name other than Culbro's desire to benefit from the positive association with Cubatabaco's name and to exact profits from Cubatabaco in the form of licensing agreements were the embargo terminated. The copying of the name, alone provides strong evidence that the Cohiba name

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191. *See* Plaintiff's Memorandum of Law at 10.

192. *See* Answer and Counterclaim of Defendants at para. 45, Empresa Cubana del Tabaco v. Culbro Corp., No. 97 Civ. 8399 (RWS) (S.D.N.Y. Dec. 5, 1997) [hereinafter Answer and Counterclaim of Defendants].

193. *See* Vanity Fair Mills, Inc. v. T. Eaton Co. Ltd., 234 F.2d 633, 640 (2d Cir. 1956).

194. *See* MOSTERT, supra note 116, at 432.

195. *See* Maison Prunier v. Prunier's Restaurant & Café, Inc., 288 N.Y.S. 529, 531 (1936). This is precisely what Cubatabaco asserts in its complaint. *See* Complaint at para. 16.

196. *See supra* Parts IV.A–B ; *see also* Heyman Declaration at para. 3.

197. *See Inside Cuban Cigars, supra* note 22, at 80. In 1994, the top recipients of exports of Cuban cigars (including Cohibas) were Spain, France, the United Kingdom, Switzerland, the Middle East (as a whole), Canada, Mexico, and Brazil. *See id.*

198. *See* Plaintiff's Memorandum of Law at 2.

199. *See* General Cigar Co., Inc. v. Global Direct Marketing, 988 F. Supp. 647, 651, 661 (S.D.N.Y. 1997).

is well known.[200] Therefore, it is clear, not only that Cohiba is a famous name, but also that Culbro intentionally copied the name for its own commercial gain. Thus, Cubatabaco will likely prevail on its claim under Article 6bis of the Paris Convention.

D. Pan American Convention Claim

General Cigar also disputes Cubatabaco's assertion that the Pan American Convention is in force in the United States.[201] The United States Supreme Court held that the Pan American Convention is self-executing, and is therefore in force in the United States.[202]

The United States and Cuba are currently parties to the Pan American Convention.[203] Cubatabaco registered the Cohiba mark in Cuba in 1972.[204] Culbro registered the Cohiba name in the United States in 1978.[205] The Pan American Convention allows Cubatabaco to use all legal means available in the United States to prevent General Cigar from using the Cohiba name if Cubatabaco can show that Culbro had knowledge of Cubatabaco's use of the Cohiba mark prior to 1978.[206]

Clearly, in 1977, Culbro knew that Cohiba was a brand of Cuban cigars as evidenced by the internal meetings at Culbro in late 1977.[207] This knowledge provides a basis by which Cubatabaco can cancel General Cigar's Cohiba trademark in the United States. The exact interpretation of Articles 7 and 8 of the Pan American Convention within the United States is unclear, but if the language is taken literally, it appears that Cubatabaco may prevail on this claim.

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200. *See Maison Prunier*, 288 N.Y.S. at 537.

201. *See* Answer and Counterclaim of Defendants at para. 49.

202. *See* Bacardi Corp. v. Domenich, 311 U.S. 150, 161 (1940).

203. *See* Office of the Legal Advisor, U.S. Dept. of State, Treaties in Force, 376–77, (1997).

204. *See* Plaintiff's Memorandum of Law at 4.

205. *See* General Cigar Co., Inc. v. Global Direct Marketing, 988 F. Supp 647, 651 (S.D.N.Y. 1997).

206. *See* Pan American Convention, arts. 7, 8, 46 Stat. at 2907.

207. *See General Cigar*, 988 F. Supp. at 651, 661.

V. CONCLUSION

The Cuban people are hopeful that someday soon, they will be able to engage in trade with the United States. Cigars are one of the most desired Cuban products in the United States; simply put, they are the best. Cuba's cigar industry, and in particular the Cohiba brand, is world-famous because of its superior quality. To secure a future channel of trade for its (Cohiba) cigars, as well to protect the impeccable reputation that Cohiba enjoys around the world, Cubatabaco sued two American companies, Culbro and General Cigar, for allegedly pirating the Cohiba name for economic benefit. This Comment analyzed several of the many claims Cubatabaco raised in its lawsuit.[208]

In short, Cubatabaco has a strong chance of prevailing on its treaty claims. Cubatabaco should successfully establish the "knowledge" requirement in Article 8 of the Pan American Convention, as well as the "well known mark" requirement in Article 6bis of the Paris Convention. The issue of whether Cubatabaco can establish the "intentional copying for commercial benefit" requirement of Article 6bis and the reputation-without-use scenario presents a closer question, but one that Cubatabaco can most likely satisfy.

To briefly review, in the late 1970s, when Culbro filed an application to register the Cohiba name in the United States, it was cognizant of the fame and quality of Cuban Cohibas. Of the infinite number of possible names to use on its cigar, Culbro chose Cohiba. This, standing alone, raises great suspicion. In addition, the comments of Edgar Cullman, Sr. fortify the conclusion that, where Cohiba is concerned, Culbro's agenda is purely economic. This evidence most likely satisfies both the Pan American and the Paris Convention provisions discussed.

Cubatabaco is less likely to prevail on its infringement claim. While several factors of the likelihood of confusion analysis, such as the similarity between the marks and the products, the quality of Cubatabaco's product, and potential findings of bad faith, favor Cubatabaco, the sophistication of the consumers and the low possibility that Cubatabaco will "bridge the gap" favor General Cigar. In addition, and perhaps most importantly, General Cigar

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208. *See generally* Complaint.

owns a United States registration for the Cohiba name. The presumption of validity of the trademark and its use, established by registration, may be difficult for Cubatabaco to overcome regardless of the likelihood of confusion. Therefore, Cubatabaco will experience difficulty in prevailing on its infringement claim.

Cubatabaco's dilution claim has more merit than its infringement claim. The fact that the marks and products are very similar weighs in Cubatabaco's favor, as does the predatory intent of Culbro/General Cigar. Consumer sophistication is the only factor that weighs in Culbro/General Cigar's favor. As discussed in Part IV.B of this Comment, this factor may be quite significant in the overall analysis. Therefore, while Cubatabaco's claim is not a "sure thing" by any stretch of the imagination, it has a good chance of prevailing on the dilution claim.

Cubatabaco will likely prevail on at least one of the claims discussed in this Comment (not to mention the nine others not discussed). Cubatabaco should prevail because it spent a great deal of time and care in developing the Cohiba cigar and its associated reputation. Cuba takes enormous pride in the quality of its cigars. It is inconceivable that in 1977, Culbro came up with the Cohiba name out of thin air. Clearly, some intent existed on Culbro's part to exact commercial benefits from the name Cohiba, and that is wrong. Business may be business, but trademark and unfair competition law provides that pirating a famous name from another country for economic benefit should not be tolerated. In conclusion, Cohiba is not just another stogie; it is, in the minds of many, the world's finest cigar. As such, the name Cohiba, as originated by Cubatabaco, should be protected in the United States.[209]

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209. This case went to settlement on December 16, 1997. At the time of this writing, there have been no new developments.

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