

## Trademarks Hinge On Cuban Embargo

*Moorpark cigar company determined to take case to Supreme Court.*

By **AMY STULICK** Staff Reporter

Moorpark's **Kretek International Inc.** is at the center of a trademark dispute – potentially one of many stemming from the Cuban trade embargo.

Last month, Kretek, a tobacco importer, won an important round in its ongoing trademark dispute with two Cuban state-owned tobacco companies. The companies filed motions to dismiss Kretek's trademarks, but the motions were denied by the U.S. Trademark Office.

Kretek's win could encourage other U.S. companies to establish their rights to Cuban trademarks by opening legal cases, the company said in a statement.

"It's fascinating to see the tension that exists between a company that wants to retain their trademark rights but can't lawfully, and another company that has been able to sell lawfully and wants to clear the decks so that it can register a trademark," said **Tal Grinblat**, attorney at **Lewitt Hackman** in Encino. "The question is whether, because of the trade embargo, it's an excusable nonuse of the mark."

A trial scheduled for late 2020 will allow Kretek to argue that the Cuban companies forfeited their trademarks by not using it in the U.S. market because of the 55-year-old embargo, which remains in effect. While the Cubans can't sell their cigars in the U.S., and Kretek can't sell



**Authentic?:** Box of Cuban Rounds distributed by importer Kretek International.

in Cuba, the state-owned companies, **Corporacion Habanos SA** and **Empresa Cubana del Tabaco**, opened the legal dispute by asserting their right to the trademarks through the motions.

Brands such as Kretek's Cuban Rounds and Havana Bay are at the center of trademark claims. About 8 million Cuban Rounds have been sold in convenience stores as well as food and drug mass retailers.

"Cuban Rounds is a success under Kretek International's watch, and a foreign government should not be able to act as a bully and take that away from us," said **Mark Cassar**, chief executive of Kretek. "Our battle for trademark rights may be lengthy and

could go all the way to the United States Supreme Court, but we are confident that we will prevail."

Kretek's Cuban Rounds use Cuban seed tobacco and are rolled and bunched using Cuban methods, but the tobacco and wrappers are from other countries, including Nicaragua and the Dominican Republic.

Trademark Office examiners will consider factors, like where filler and wrappers originated, in the dispute. If an examiner believes a trademark will cause consumer confusion or is deceptive – such as the word "Cuban" in the name – it could be grounds for trademark refusal, Grinblat said.

Either way, it's not a clear win for Kretek yet.

"They had a procedural win. The case was not dismissed outright; they (Cubans) still have a chance to pursue their claim, and we'll see what happens," added Grinblat. "It's possible the (examiners) board will look at it and say these Cuban companies really did have an excusable nonuse of their mark because of the embargo."

