



ARE Trademark Law Alert: Normalization of US Relations With Cuba Opens New Possibilities and Dangers to US Brand Owners

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(December 19, 2014). On December 17, 2014, President Obama announced that the United States would begin to normalize its diplomatic relations with Cuba. This dramatic reversal of the more than 50 years of hostility between the two countries has not been completely unheralded. For example, following the withdrawal of subsidies from the Soviet Union after its collapse in 1991, the Cuban government has been passing measures to ameliorate the effects of the US embargo and to bolster its economy. Thus, leaving aside the issue of trademarks owned by US companies and registered in Cuba prior to the Cuban Revolution, since 1995 US companies have been able to apply for new trademarks in Cuba.

However, few US companies have taken advantage of this opportunity to protect their brands in Cuba. This is a direct result of the 1963 US embargo on Cuba, which effectively severed direct business relations between the two countries. Now that normal diplomatic relations will be resumed, given Cuba's proximity to Florida, the inexpensive costs of labor, and the industriousness of the Cuban people, direct business relations are poised to boom. Whether this potential is fulfilled or not depends in large part on the communist Cuban government's future economic policies.

As regards trademarks, Cuba's current law is not particularly unusual. It was enacted in 1983 and is based on Civil Law "first to file" principles. Thus, the first owner to have registered its trademark should prevail in any legal conflict regarding that mark. Registrations are valid for 10 years and may be renewed for successive 10 year periods. The mark must be used on the specified goods or services within 3 years of registration, or the registration will be subject to invalidation for non-use. Cuba is also a signatory to a number of familiar international trademark conventions, including the Paris Convention, Madrid Agreement, and the Nice Agreement.

This means that while the future blossoming of a more capitalist economy in Cuba may or may not be certain, we can be sure that trademark pirates will once again fly the Jolly Roger on the Spanish Main. Given Cuba's future business potential, third parties can be expected to thoroughly review the U.S. Patent and Trademark Office's public records and then expeditiously file trademark applications for US brand owners' marks in the Cuban Office of Intellectual Property. Because Cuba's trademark law is based on "first to file" principles, this will put these modern day pirates in a good position to force US brand owners to pay large amounts of money to "ransom" their valuable marks in the event that doing business in Cuba



becomes a viable possibility.

Given the sweeping scope of the potential change in business relations between the United States and Cuba, and the likelihood that modern day trademark pirates will take this opportunity to obtain Cuban registrations for the marks of US companies, now is a good time for US companies with a long-term interest in Cuba to review their trademark portfolio to ensure their brands are protected in that country.

Please feel free to contact us to learn how to protect your trademark rights in Cuba and take advantage of the new business possibilities while avoiding any pitfalls.

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