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Selected Aspects of Cuba's Intellectual Property Laws

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Sanchelima Selected Aspects of Cuba's Intellectual Property Laws
SELECTED ASPECTS OF CUBA'S INTELLECTUAL
PROPERTY LAWS

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I. INTRODUCTION

It is the main purpose of this writing to address selected topics of the intellectual property laws of Cuba, to compare them with U.S. laws, when applicable, and to address potential effects on U.S. intellectual property rights.

II. BRIEF HISTORY OF CUBA

Christopher Columbus discovered Cuba during his first voyage on October 27, 1492. His third landing was on the Isle of Juana, the original name for the island. This same year marked the beginning of the Spanish occupation in Cuba, which lasted 406 years. In 1898, the United States declared war on Spain initiating the Spanish-American War. This Spanish colony was the last one to gain its independence in America, and then only

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with one last push¹ from the United States. Spain lost the war and relinquished control of Cuba to the United States as agreed on in the Treaty of Paris.²

The United States granted Cuba its independence in the year 1902. Nevertheless, the United States did not completely lose control over Cuba. According to the Platt Amendment that was drafted in 1901, the United States had the right to oversee the international commitments, economy, and international affairs of Cuba. According to this agreement the United States also had the right to establish a naval base at Guantanamo Bay. The Platt Amendment prevailed until 1934, when it was finally repealed.

In 1902 Cuba formally became known as the Republic of Cuba. Corruption, poor administration, and fiscal irresponsibility prevailed during the following years. This gave rise to several guerilla campaigns, and more specifically the offensive of Fidel Castro. In 1959 Fidel Castro and the *Fidelistas* gained control of Cuba and began a progressive dissolution of capitalism. From this year on, Cuba drifted towards socialism, and is currently a socialist country still presided over by Fidel Castro.

III. CURRENT INTELLECTUAL PROPERTY LEGISLATION

A. Patents and Utility Models

Until recently, Cuban patent laws were codified in Decree-Law 68 of May 14, 1983 of Inventions, Scientific Discoveries, Industrial Models, Marks, and Marks of Geographic Origin.³ In its introductory paragraphs, it was specified that the new laws were intended to replace the former laws considered obsolete. When passed, the new laws were considered necessary to conform to contemporary development in Cuba, the construction of socialism, the fact that Cuba was a developing country and

1. CUBA CONST. pmbi., cl. 4 (amended 1992). The Cuban Constitution acidly refers to the late U.S. intervention in 1898 since most of the war had been fought by Cubans alone. The independence war of 1868 had lasted 10 years, and subsequently, the war was restarted in 1895.

2. See Treaty of Paris, Dec. 10, 1898, U.S.-Spain, 30 Stat. 1754. It is interesting to note that Article XIII of the Treaty required that the new U.S. administration in Cuba honor and protect the patents and copyrights of Spanish citizens. *Id.* art. XIII.

3. Decreto-Ley No. 68, Mya 14, 1983, Gaceta Oficial Ext. No. 10, May 14, 1983. The 1983 law replaced the previous decree-law of Apr. 4, 1936, which in turn replaced several military orders dating back to the U.S. military intervention from 1898 to 1902.

a member of the socialist community.⁴ Considering the socialist basis of these laws, an intellectual property lawyer should be aware that the objectives sought to be advanced by such laws are materially different from those he or she normally assumes. Hence, results could be quite different when Cuban patents are litigated, if these social policies are to be advanced. This brings us to the fact that the U.S. embargo or blockade⁵ currently makes many of these considerations a mere academic exercise from a commercial standpoint. Furthermore, as in most developing countries, patent litigation is not common in Cuban courts which makes the enforceability of patent laws an open question.

On the other hand, there may be more of a practical interest in the prior art that could be generated in Cuba in the form of patents, publications, reductions to practice, and the like. Cubans are resourceful, educated, and exposed to cutting edge technology in certain areas. As described below, several multi-party treaties join Cuba with other industrialized nations providing for reciprocal rights that affect the United States more directly, and which could have great impact on U.S. patent seekers.⁶

The competent national authority administering the patent and trademark laws was the *Oficina Nacional de Invenciones, Informacion Tecnica y Marcas* (ONIITEM), which is now *La Oficina de Marcas y Patentes de Cuba*. The restrictions on Cuban citizens under the communist form of government prevent them from availing themselves of the incentives created by the characteristic exclusive rights extended by intellectual property grants. Rather, the inventors are required to go through their employers or labor centers and the authors cannot freely negotiate their copyrighted work, even if they take the initiative to register it or even promote it.

It is through state owned corporations that most of the business activity takes place. Again, the commercial activity of Cuba may not be of consequence, but their research undertakings have gone beyond those of

4. *Id.* at 81. The socialist community no longer exists as such today. The characteristics of the development in Cuba are quite different from those of 1983. The construction of socialism has probably reached its maximum point since there is nothing else for Cubans to socialize. Ironically enough, it may be that de-socialization has begun for selected industries, but only foreigners are allowed to participate. If that is indeed true, the only assertion that remains true is that Cuba is a developing country.

5. The United States has maintained that its foreign policy towards Cuba is a bilateral matter, an embargo. Cuba has taken the position that U.S. extraterritorial acts constitute a violation of international law and that its actions constitute a blockade. The international community has sided with Cuba, according to the votes taken on the issue in the United Nations since 1992.

6. U.S. law provides that patents granted overseas and other activities abroad can bar patentability in the United States. 35 U.S.C. §§ 102-103 (2001).

comparable countries, especially in biotechnology and other cutting edge areas. It is reasonable to assume that with the attention patent laws have received in the international business arena, the indifference towards the laws of Cuba and inventive activity should not be discarded even if the U.S. embargo remains in place. The U.S. industries may suddenly find a Caribbean Taiwan within a few miles of its shores.

B. Trademarks

In May 2000, Decree-Law 68 was repealed, in part to accommodate the new Decree-Law 203 for Trademarks and Other Distinct Signs.⁷ This legislation is quite advanced by all standards, even though Cuba has a closed market inherent in a communist centralized economy.⁸ It is noteworthy that the new legislation recognizes fragrances, sounds, colors, and three-dimensional objects as protectable mark.⁹ This is particularly interesting for a country where there is practically no advertising media and most people have not experienced being a consumer.

The new law also adds provisions for preliminary relief, even *ex parte*, and customs enforcement measures. These new provisions are intended to bring the country in line with the requirements of the World Trade Organization's Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement.¹⁰ The preliminary relief could take the form of a temporary restraining order or seizure.¹¹ These orders can last up to twenty days. A judicial action needs to be instituted before their expiration if the applicant wants to maintain continuity in its effect. The preliminary relief can also be obtained through an *ex parte* application.¹² Similarly, preliminary customs injunctive relief is valid for ten days and, for good cause, can be extended for another ten days. In both instances, a bond

7. Decreto-Ley No. 203, Dec. 24, 1999, Gaceta Oficial Ext. No. 3, May 5, 2000. Decree-laws are different from laws; the former are not passed by the entire parliamentary body but rather by the State Council which is a subset of the full assembly.

8. After the triumph of the revolutionary government in 1959, all private enterprises were nationalized with the exception of some small tracts of land kept by farm workers. More recently, there has been a proliferation of state and mixed state-private enterprises. However, their creation and limitations still respond to a centralized economic system. Consequently with the exception of those in high positions who have traveled abroad, there is practically no consumer culture in Cuba.

9. *Id.* art. 3.

10. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS — RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 81 (1994) [hereinafter TRIPS Agreement].

11. Decreto-Ley No. 203, art. 131.

12. *Id.* art. 130.

needs to be posted to guarantee any damages in the event the proceedings were not justified. These procedures are similar to those used in most countries to fight piracy. There have been no cases yet using these new provisions to the best of the knowledge of the author.

The test for deciding whether a mark is registrable over other previously registered marks or applications is not clear. The new law uses different terms in connection with this keystone issue in trademark law. The United States test basically includes a determination of whether purchasers are likely to be confused as to the source of goods or services. The U.S. Patent and Trademark Office, in its administrative examinations, follows this test with relatively minor variations.¹³ The new Cuban trademark law uses different language for this concept. In Article 42, a mark registration owner is granted the right to exclude others who use designations that could cause the registrant an economic harm, and it is understood that "probability of confusion is presumed" for identical marks used for identical services or goods.¹⁴ In Article 57, the words "risk of confusion" are used in the context of a registration annulment proceeding.¹⁵ Article 17.1(d) refers to "risk of confusion" and "wrongful association."¹⁶ In the U.S. legal system, with its characteristic significant deference to judicial precedents, the different words could be tantamount to a quagmire, with the judiciary second-guessing of legislative intent with no debate record. In civil code countries such as Cuba this is not as important since the codified laws are interpreted *de novo* for each case. This author believes, however, that the subtle differences between possibilities and probabilities will not preoccupy Cuban jurists in this field in the foreseeable future.

Another interesting aspect of the new trademark law can be found in Title III, Chapter V, Sections Two and Three. Section Two refers to a procedure for annulment of mark registrations based, *inter alia*, on the existence of superior relative rights of third parties such as the owners of previously filed applications or registered marks, or even famous marks that became notorious prior to the junior mark.¹⁷ Section Three deals with cancellation procedures and is primarily concerned with general rights of consumers, such as injecting terms into the public domain or the characterization of products as generic.¹⁸ Section Two, dealing primarily

13. *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1360-61 (C.C.P.A. 1973).

14. Decreto-Ley No. 203, art. 42.

15. *Id.* art. 57.

16. *Id.* art. 17.1(d).

17. Decreto-Ley No. 203, arts. 57-58.

18. *Id.* arts. 59-63.

with private rights, does not have a statute of limitation while there is a statute of limitation under Section Three. This contrasts with U.S. trademark laws where the consumer generally has rights superior to the property rights of the mark owner. This peculiarity may be a legislative lapse in a society that is primarily concerned with collectivism over private property rights.

Cuba is a member of most, if not all, treaties that relate to the protection of intellectual property rights.¹⁹ Membership in these treaties is a source of much needed hard currency for the embargoed blocked country.²⁰ But beyond that, these treaties have been instrumental in injecting trademark concepts into state owned companies and especially those entities concerned with exports. Until a few years ago, Cuba did not police its marks, or did so reluctantly. This has changed with well publicized U.S. cases like those involving the marks "Havana Club" and "Cohiba." The old thinking, still kept by many Cuban jurists, is that it is an exercise in futility to try to enforce Cuban trademark rights in the United States. However, this attitude has changed lately as Cuban executives become more knowledgeable on intellectual property matters.

The cases litigated in Cuba typically do not progress beyond the trial level. Most of them involve appeals from administrative registration refusals. Because of the disappearance of private enterprise following the revolution of 1959, many cases involve facts relating to consumer expectations that have not occurred in four decades. One of these cases involved the U.S. mark "Kool Aid."²¹ The Cuban Intellectual Property Office sought to cancel the registration for nonuse and, on appeal, the court²² excused the nonuse based on force majeure, the U.S. economic blockade, and reversed the administrative decision of the Office. In sum, it remains to be seen how the Cuban Intellectual Property Office will apply the new trademark law and how the courts will interpret and enforce it.

19. Cuba is a member of the Paris Convention, General Inter-American Convention, World Trade Organization, the Madrid Agreement, and the Madrid Protocol, among others.

20. The controversy of whether the U.S. embargo blockade laws are bilateral or unilateral measures has been debated for many years in many fora.

21. Kraft Foods, Inc. v. Oficina Cubana de la Propiedad Intelectual, Judgment No. 428, 2a Sala, Civil and Adm. Provincial Tribunal, Aug. 31, 1998.

22. All appeals from the Cuban Patent and Trademark Office are reviewed by Provincial Court for La Habana.

C. Copyrights

Current Cuban copyright laws are found in Law No. 14 of December 28, 1977.²³ This law gives the Ministry of Culture the responsibility of governing and administering Cuban copyrights. This law was bolstered by Decree No. 20 of February 21, 1978, which created the National Center for Copyrights (Centro Nacional de Derecho de Autor, or CENDA), and by several resolutions issued by the Ministry of Culture implementing certain practices and regulations.²⁴ Law No. 14 was passed by the National Assembly of the People's Power (Asamblea Nacional del Poder Popular), the one-chamber legislative body of Cuba, based on Article 39 of the Cuban Constitution.²⁵ Chapter V of the Cuban Constitution deals with education and culture, and in part says that the state promotes and orients education, culture, and science in all of its manifestations.²⁶ This chapter also states that creative artistic creation is free provided its contents are not contrary to the Revolution.²⁷

IV. INTERNATIONAL TREATIES

Cuba is a member of most multilateral international treaties in effect that relate to intellectual property law. Its international commitments include the Paris Convention for the Protection of Intellectual Property, the Locarno Agreement Establishing and International Classification for Industrial Designs, the Patent Cooperation Treaty, the Convention Establishing the World Intellectual Property Organization, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, the Madrid Agreement for the Repression of False or Deceptive Indications of Sources on Goods, the Madrid Agreement Concerning the International Registration of Marks and its Protocol, the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, the Nice Agreement Concerning the International Classification of Goods and Services for the

23. Ley No. 14, Dec. 28, 1977, Gaceta Oficial Ord. No. 9, Dec. 30, 1977. This law expressly revoked and replaced earlier intellectual property laws dating back as far as the Colonial Spanish Law of Intellectual Property of Jan. 10, 1879.

24. Decreto No. 20, Feb. 21, 1978, Gaceta Oficial Ord. No. 7, Feb. 28, 1978.

25. See CUBA CONST. art. 39. There is an error in the official text of the law which makes reference to Article 38 when it should be Article 39. This was confirmed with legal personnel at CENDA.

26. *Id.*

27. *Id.*

Purposes of the Registration of Marks, the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks, the Nairobi Treaty on the Protection of the Olympic Symbol, the Strasbourg Agreement Concerning the International Patent Classification, and the Berne Convention for the Protection of Literary and Artistic Works.²⁸ Other intellectual property treaties Cuba is a party to include the Universal Copyright Convention,²⁹ the Inter-American Trademark Convention of 1923,³⁰ the Pan American Trademark Convention,³¹ and the Buenos Aires Convention of 1910.³² Finally Cuba has signed two intellectual property treaties that are not yet in force: the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs,³³ and the Patent Law Treaty.³⁴

Many of these international treaties provide a source of hard currency to the signatory states, and sometimes even without requiring any filings. For instance, under the Patent Cooperation Treaty designated countries are entitled to a portion of the fees paid in the course of filing patents. The World Intellectual Property Organization regularly distributes these fees and provides technical support to Patent and Trademark Offices in developing countries.

Therefore, and in view of the limited internal use for the characteristic exclusive rights granted by intellectual property grants, it is clear that for Cuba the incentives for accepting these major commitments are short-term needs for hard currency, technical support, and compliance with the applicable provisions of the TRIPS Agreement. The longer term benefits

28. All of these treaties are administered by the World Intellectual Property Organization. The full text of the treaties, and the signatories to each, are available on-line. World Intellectual Property Organization Treaties, *available at* <http://www.wipo.org/treaties/index.html> (last visited Mar. 13, 2003).

29. Universal Copyright Convention, Sept. 6, 1952, 6 U.S.T. 2731, 216 U.N.T.S. 132. This treaty predates the Revolution; it is interesting to note that Cuba was not a signatory to the later 1971 Convention.

30. Inter-American Convention for the Protection of Commercial, Industrial, and Agricultural Trademarks and Commercial Names, Apr. 28, 1923, 44 Stat. 2494.

31. General Inter-American Convention for Trademark and Commercial Protection, with Protocol on the Inter-American Registration of Trademarks, and Final Act of the Pan American Trademark Conference, Feb. 20, 1929, 46 Stat. 2907, 124 L.N.T.S. 357.

32. Convention for the Protection of Patents of Invention, Designs and Industrial Models, Aug. 20, 1910, 28 Stat. 1811, 155 L.N.T.S. 179.

33. The text of the act is available on-line. Geneva Act, *available at* http://www.wipo.int/hague/en/legal_texts/wo_haa_t.htm (last visited Mar. 13, 2003); *see also* <http://www.wipo.org/treaties/documents/english/pdf/u-page33.pdf> (last visited Mar. 13, 2003) (for a list of signatories).

34. The treaty text and list of signatories are on-line. Patent Law Treaty, *available at* <http://www.wipo.org/treaties/ip/plt/index.html> (last visited Mar. 13, 2003).

of stimulating inventors, authors, and business persons to invent, create, and improve on the quality of their goods and services is as distant as in the other similarly situated developing countries in the region. One exception, however, could be the biotechnology field, where the state has devoted extraordinary resources.

V. CONCLUSION

In sum, Cuba has had intellectual property laws on its books since its colonial days, and judging by its membership in most multilateral international treaties in this field, it has created an impressive infrastructure for the protection of intellectual property rights. However, the enforcement of these rights remains unknown in the event that its economy is liberalized. Other developing countries with free market economies also have advanced intellectual property laws, but piracy is rampant and lack of intellectual property culture and respect prevent their enforcement. With respect to intellectual property enforcement, these developing countries are driven by different forces than those driving developed countries. However, whether foreign countries enforce their laws or not, the intertwined network of international commitments transmit important effects and limitations in our organic laws that need to be taken into consideration.

