

J. SCOTT GERIEN, State Bar No. 184728  
 JOY L. DURAND, State Bar No. 245413  
 DICKENSON, PEATMAN & FOGARTY  
 1455 First Street, Suite 301  
 Napa, California 94559  
 Telephone: (707) 252-7122  
 Facsimile: (707) 255-6876

Attorneys for Plaintiff  
 SUTTER HOME WINERY, INC.

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

Sutter Home Winery, Inc.,

Plaintiff,

vs.

Shmaltz Brewing Company, LLC,

Defendant.

CASE NO.

**COMPLAINT**

- 1. Federal Trademark Infringement**
- 2. Federal Unfair Competition**
- 3. Federal Dilution**
- 4. California Unfair Competition**
- 5. California Dilution**
- 6. California False or Misleading Statements**
- 7. Common Law Trademark Infringement**
- 8. Common Law Unfair Competition**

**DEMAND FOR JURY TRIAL**

Plaintiff, Sutter Home Winery, Inc. (“Sutter Home” or “Plaintiff”), for its complaint against Defendant, Shmaltz Brewing Company, LLC (“Shmaltz” or “Defendant”), alleges as follows:

**NATURE OF ACTION**

1. This is an action to redress violations of the federal Lanham Act for infringement of a federally registered trademark (15 U.S.C. §1114), federal unfair competition (15 U.S.C. §1125(a)), federal dilution (15 U.S.C. §1125(c)), California unfair competition (Cal. Bus. & Prof. Code §17200), California dilution (Cal. Bus. & Prof. Code §14247), the dissemination of false and misleading statements (Cal. Bus. & Prof. Code §17500) and

1 common law trademark infringement and unfair competition, as the result of willful and  
2 unauthorized use by Defendant of colorable imitations of Plaintiff's trademark, as more  
3 fully set forth hereinafter. Plaintiff seeks preliminary and permanent injunctive relief  
4 restraining Defendant's infringement of Plaintiff's trademark, monetary damages,  
5 attorneys' fees and related relief.

### 6 7 **THE PARTIES**

- 8 2. Plaintiff, Sutter Home Winery, Inc., is a California corporation with its principal place  
9 of business located at 100 St. Helena Highway South, St. Helena, California 94574.
- 10 3. Upon information and belief, Defendant, Shmaltz Brewing Company, LLC, is a New  
11 York limited liability company with its principal place of business located at 6 Fairchild  
12 Square, Clifton Park, New York 12065.

### 13 14 **JURISDICTION AND VENUE**

- 15 4. This Court has subject matter jurisdiction over Plaintiff's claim under and pursuant to  
16 15 U.S.C. §1121 and 28 U.S.C. §1338(a), as the claims arise under the federal Lanham  
17 Act, 15 U.S.C. §§1116-1127. This Court also has pendent jurisdiction over all related  
18 claims herein in accordance with 28 U.S.C. §1338(b).
- 19 5. Upon information and belief, Defendant, either directly or through its agents, transacted  
20 business in the State of California and within this judicial district, as more specifically  
21 set forth below, and expected or should reasonably have expected its acts to have  
22 consequence in the State of California and within this judicial district.
- 23 6. Venue is proper in this district pursuant to 28 U.S.C. §1391(b), as Defendant is doing  
24 business in this judicial district and therefore may be found in this district, and/or as a  
25 substantial part of the events giving rise to the claims alleged herein occurred in this  
26 judicial district, and/or the infringement occurred in this judicial district.

27 ///

28 ///

**INTRADISTRICT ASSIGNMENT**

7. Pursuant to Civil Local Rule 3-2(c) this is an intellectual property matter which is to be assigned on a district-wide basis.

**ALLEGATIONS COMMON TO ALL CLAIMS**

8. Plaintiff is the owner of the trademark MENAGE A TROIS for wine, as well as the owner of an incontestable federal trademark registration for MENAGE A TROIS for wines in International Class 33 (U.S. Trademark Registration No. 3,147,087), issued on September 26, 2006 as well as an incontestable federal trademark registration for MENAGE A TROIS for alcoholic beverages except beers in International Class 33 (U.S. Trademark Registration No. 3,974,306) issued on June 7, 2011 (the “MENAGE A TROIS Mark”). Plaintiff and its predecessor-in-interest have used the MENAGE A TROIS Mark on and in association with wine since as early as August 6, 1997, long prior to the acts of Defendant complained of herein.
9. Plaintiff’s MENAGE A TROIS Mark is arbitrary when used in association with wine and therefore is inherently distinctive.
10. Plaintiff produces various wines from California and elsewhere under its MENAGE A TROIS brand, including red wines, white wines, rose wines and sparkling wines. MENAGE A TROIS brand wines are offered for sale to the public in all fifty states, including the state of California. Since 2004, Plaintiff has sold over two hundred thirty-three million (233,000,000) bottles of MENAGE A TROIS brand wine nationwide. In 2015 alone, Plaintiff sold over thirty-two million (32,000,000) bottles of MENAGE A TROIS wine.
11. Since 2009, Plaintiff’s dollar sales of its MENAGE A TROIS brand have been in excess of one billion dollars (\$1,000,000,000). In 2015, Plaintiff’s sales of its MENAGE A TROIS wine were in excess of one hundred ninety-three million dollars (\$193,000,000).

///

12. According to Nielsen U.S. Food/Drug/Liquor 52 weeks report ending November 5, 2016, Plaintiff's MENAGE A TROIS brand is the fastest growing Top Ten wine brand in the United States.
13. Since 2009, Plaintiff has expended well over twenty million dollars (\$20,000,000) in advertising and marketing its MENAGE A TROIS brand, including direct marketing, promotions, sponsorships, wine tastings, catalog and print advertisements, website production, and point of sale materials.
14. Plaintiff's MENAGE A TROIS brand wine has been reviewed or featured in many national publications, a small sampling of which includes *The Wine Enthusiast*, *Wine Spectator*, *The San Francisco Chronicle*, *The Press Democrat*, *New York Times*, *Boston Globe*, *The Chicago Tribune*, *The Miami Herald*, *Fort Worth Star Telegram*, *The Idaho Statesman*, *Minneapolis Star Tribune*, *The Anchorage Daily News*, *Charlotte Observer*, *Wines & Vines*, *Market Watch*, *Beverage Dynamics*, an *Wine Business Monthly*. This widespread media coverage of Plaintiff's MENAGE A TROIS brand is further evidence of the strength of its MENAGE A TROIS Mark.
15. Plaintiff's MENAGE A TROIS brand was named wine brand of the year in 2009 by the Beverage Industry publication *Market Watch* and has been identified as the "Top Momentum Brand" by Information Resources Inc., based on dollar and volume sales, sales growth and market share during 2009. Plaintiff was the recipient of the *Impact Magazine* "Hot Brands" award in 2006, 2007, 2009, 2010 and 2011 for the MENAGE A TROIS brand based on its position as an established brand that had grown at least 10% for the past 3 calendar years and the "Blue Chip" award in 2014 for posting ten consecutive years of U.S. volume growth and generating at least \$25 million in gross margin. Beverage Information Group also awarded Plaintiff's MENAGE A TROIS brand the Rising Star Award in 2015 for notable growth in volume, the Fast Track Brand award in 2010 and 2011 for being an established brand in the marketplace for at least 5 years with at least 100,000 cases sold within the year and at least double digit growth rate for the past 4 years, and the Established Growth Brand award in 2012,

- 1           2013, and 2014 for being a top seller, moving a minimum of 400,000 cases a year.
- 2           16. As evidenced by Plaintiff's sales and media attention for the MENAGE A TROIS
- 3           brand, Plaintiff owns extremely valuable goodwill in its MENAGE A TROIS Mark and
- 4           the mark has extraordinary financial value.
- 5           17. As a result of the wide, continuous advertising and distribution of Plaintiff's MENAGE
- 6           A TROIS wine since as early as 1997, the MENAGE A TROIS Mark has also acquired
- 7           distinctiveness among wine consumers and is famous.
- 8           18. Upon information and belief, Defendant Shmaltz is a brewery that uses the mark
- 9           MANNAGE A TROIS for a variety 12-pack of three different SKUs of Shmaltz beer.
- 10          19. Upon information and belief, Shmaltz produces, distributes and sells its beer to various
- 11          retailers that sell beer throughout the U.S. and in California, including in this judicial
- 12          district.
- 13          20. On March 23, 2016, Plaintiff's counsel sent Defendant a demand letter requesting that
- 14          it cease all use of the MANNAGE A TROIS mark. Defendant never responded to such
- 15          letter.
- 16          21. On April 12, 2016, Plaintiff's counsel forwarded the March 23, 2016 demand letter to
- 17          Maria A. Savio, Esq. of Gottlieb, Rackman & Reisman, the attorney listed on Shmaltz's
- 18          trademark registrations, to put her on notice of Plaintiff's claims. Ms. Savio never
- 19          responded to such letter.
- 20          22. On September 29, 2016, Plaintiff's counsel sent Defendant a final demand letter.
- 21          Defendant never responded to such letter.
- 22          23. Defendant adopted and/or used the MANNAGE A TROIS mark in commerce after
- 23          Plaintiff's adoption and use of its MENAGE A TROIS Mark.
- 24          24. Defendant's MANNAGE A TROIS mark is confusingly similar to Plaintiff's
- 25          MENAGE A TROIS Mark, given that the marks are virtually identical, are similar in
- 26          sight and sound, share the similar terms MANNAGE/MENAGE in association with the
- 27          identical term "A TROIS" and use such marks on similar goods, namely, alcoholic
- 28          beverages. The goods under the respective marks also travel through the same channels

1 of distribution, are advertised and marketed through the same channels and are sold to  
2 the same consumers of alcoholic beverages.

3 25. Use of the MANNAGE A TROIS mark by Defendant is likely to confuse consumers  
4 into believing that Defendant's MANNAGE A TROIS beer is affiliated with,  
5 associated with, connected to, or sponsored by Plaintiff, and Defendant will unjustly  
6 benefit from such association.

7 26. Upon information and belief, the beer labeled with the MANNAGE A TROIS mark  
8 continues to be sold in the market.

9 27. Defendant's infringing use of the MENAGE A TROIS Mark has unjustly increased the  
10 profitability of Defendant's MANNAGE A TROIS brand to the detriment of Plaintiff  
11 and at no cost to Defendant.

12 28. Plaintiff will be further harmed as consumers will purchase the MANNAGE A TROIS  
13 beer believing it to be affiliated with, associated with, connected to, or sponsored by  
14 Plaintiff and thereby forego purchase of the MENAGE A TROIS wine, resulting in loss  
15 of sales to Plaintiff from Defendant's unfair competition.

16 29. Defendant's continued infringing use of the confusingly similar MANNAGE A TROIS  
17 mark will financially harm Plaintiff by diminishing the value of Plaintiff's MENAGE A  
18 TROIS Mark.

19 30. Defendant's continued use of the MANNAGE A TROIS mark will also diminish the  
20 value of Plaintiff's famous MENAGE A TROIS mark through blurring further causing  
21 harm to Plaintiff.

22 31. Unless restrained by this Court, Defendant will continue to unfairly compete with  
23 Plaintiff by using the MANNAGE A TROIS mark, wherefore Plaintiff is without  
24 adequate remedy at law.

25 32. This case is an exceptional case entitling Plaintiff to treble damages and attorneys' fees,  
26 and Defendant's conduct further entitles Plaintiff to punitive damages.

27 ///

28 ///

**FIRST CAUSE OF ACTION**

(Federal Trademark Infringement under 15 U.S.C. §1114)

33. Plaintiff restates and reavers the allegations of Paragraphs 1 through 32, inclusive, and the acts of Defendant asserted therein as if set forth in full as part of this Cause of Action.

34. Defendant's above-averred actions constitute use in commerce of a reproduction, counterfeit, copy or colorable imitation of Plaintiff's registered mark in connection with the sale, offering for sale, distribution or advertising of goods or services on or in connection with which such use is likely to cause consumer confusion, deception or mistake as to source, sponsorship or approval of the Defendant's aforesaid goods or services in violation of 15 U.S.C. §1114.

**SECOND CAUSE OF ACTION**

(Federal Unfair Competition under 15 U.S.C. §1125(a))

35. Plaintiff restates and reavers the allegations of Paragraphs 1 through 34, inclusive, and the acts of Defendant asserted therein as if set forth in full as part of this Cause of Action.

36. The Defendant's above-averred actions constitute use in commerce of a word, name or device and false designation of origin which is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection or association of Defendant with Plaintiff or as to the origin, sponsorship or approval of the goods offered in connection therewith in violation of 15 U.S.C. §1125(a).

**THIRD CAUSE OF ACTION**

(Federal Dilution under 15 U.S.C. §1125(c))

37. Plaintiff restates and reavers the allegations of Paragraphs 1 through 36, inclusive, and the acts of Defendant asserted therein as if set forth in full as part of this Cause of Action.

38. The Defendant's above-averred actions constitute use in commerce of a mark or trade name which creates an association with Plaintiff's famous mark such that the

1 distinctiveness of Plaintiff's famous mark is impaired and Defendant's actions are  
2 likely to cause dilution through blurring in violation of 15 U.S.C. §1125(c).

3 **FOURTH CAUSE OF ACTION**

4 (State Unfair Competition under Cal. Bus. & Prof. Code §17200)

5 39. Plaintiff restates and reavers the allegations of Paragraphs 1 through 38, inclusive, and  
6 the acts of Defendant asserted therein as if set forth in full as part of this Cause of  
7 Action.

8 40. The Defendant's above-averred actions constitute unlawful, unfair or fraudulent  
9 business acts or practices in violation of Cal. Bus. & Prof. Code §17200.

10 **FIFTH CAUSE OF ACTION**

11 (California Dilution under Cal. Bus. & Prof. Code §14247)

12 41. Plaintiff restates and reavers the allegations of Paragraphs 1 through 40, inclusive, and  
13 the acts of Defendant asserted therein as if set forth in full as part of this Cause of  
14 Action.

15 42. The Defendant's above-averred actions constitute use in commerce of a mark or trade  
16 name which creates an association with Plaintiff's famous mark such that the  
17 distinctiveness of Plaintiff's famous mark is impaired and Defendant's actions are  
18 likely to cause dilution through blurring in violation of Cal. Bus. & Prof. Code §14247.

19 **SIXTH CAUSE OF ACTION**

20 (False or Misleading Statements under Cal. Bus. & Prof. Code §17500)

21 43. Plaintiff restates and reavers the allegations of Paragraphs 1 through 42, inclusive, and  
22 the acts of Defendant asserted therein as if set forth in full as part of this Cause of  
23 Action.

24 44. The Defendant's above-averred actions constitute the dissemination and making of  
25 untrue or misleading statements, which by the exercise of reasonable care should have  
26 been known to be false or misleading, in violation of Cal. Bus. & Prof. Code §17500.

27 ///

28 ///



**SEVENTH CAUSE OF ACTION**

(Common Law Trademark Infringement)

45. Plaintiff restates and reavers the allegations of Paragraphs 1 through 44, inclusive, and the acts of Defendant asserted therein as if set forth in full as part of this Cause of Action.

46. The Defendant's above-averred actions constitute trademark infringement and passing off in violation of the common law of California.

**EIGHTH CAUSE OF ACTION**

(Common Law Unfair Competition)

47. Plaintiff restates and reavers the allegations of Paragraphs 1 through 46, inclusive, and the acts of Defendant asserted therein as if set forth in full as part of this Cause of Action.

48. The Defendant's above-averred actions constitute a false designation of origin in violation of the common law of California.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff requests that judgment be entered as follows:

1. That Defendant, its principals, partners, franchisees, agents, employees, licensees, affiliates, distributors, producers, any parent and subsidiary companies, attorneys and representatives and all of those in privity with or acting under its direction and/or pursuant to its control, be preliminarily and permanently enjoined and restrained, from directly or indirectly:
  - a. Using the mark MANNAGE A TROIS, or any term or mark confusingly similar to the MENAGE A TROIS mark, in connection with the advertisement, promotion, distribution, offering for sale or selling of alcohol beverages, or products or services related to alcohol beverages;
  - b. Performing any acts or using any trademarks, names, words, images or phrases that are likely to cause confusion, to cause mistake, to deceive or

1 otherwise mislead the trade or public into believing that Plaintiff and  
2 Defendant are one in the same or are in some way connected or that Plaintiff  
3 is a sponsor of Defendant or that the goods of Defendant originate with  
4 Plaintiff or are likely to lead the trade or public to associate Defendant with  
5 Plaintiff;

6 2. That Defendant be required to file with the Court, and serve on Plaintiff, a  
7 statement under oath evidencing compliance with any preliminary or permanent  
8 injunctive relief ordered by the Court within fourteen (14) days after the entry of  
9 such order of injunctive relief;

10 3. That Defendant, its principals, partners, franchisees, agents, employees, licensees,  
11 affiliates, distributors, producers, any parent and subsidiary companies, attorneys  
12 and representatives and all of those in privity with or acting under its direction  
13 and/or pursuant to its control, be required to deliver up for destruction all  
14 advertising, promotional materials, point of sale materials, labels, caps, corks,  
15 neckers, packaging, and any other materials bearing the infringing mark together  
16 with all artwork, plates, molds, matrices and other means and materials for making  
17 and reproducing the same;

18 4. That Defendant be ordered to recall infringing MANNAGE A TROIS beer in the  
19 marketplace from retailers;

20 5. That Defendant be ordered to pay Plaintiff monetary damages for the harm resulting  
21 from infringement of Plaintiff's mark, in an amount to be determined at trial;

22 6. That Plaintiff's damages be trebled and that Defendant be order to pay Plaintiff's  
23 attorneys' fees on the basis that this is an exceptional case;

24 7. That Plaintiff be awarded punitive damages as a result of Defendant's conduct;

25 ///

26 ///

27 ///

28 ///

1        8.        That Plaintiff have such other and further relief as this Court shall deem just and  
2                   proper on the merits.

3        Dated: November 28, 2016

Respectfully submitted,

DICKENSON, PEATMAN & FOGARTY

By

J. Scott Gerien

Joy L. Durand

1455 First Street, Suite 301  
Napa, California 94559  
Telephone: 707-252-7122  
Facsimile: 707-255-6876

Attorneys for Plaintiff,  
Sutter Home Winery, Inc.

DICKENSON PEATMAN & FOGARTY

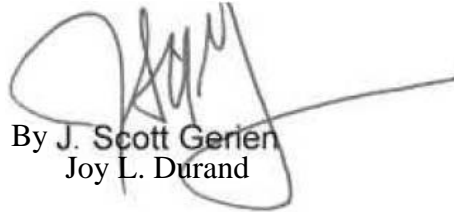
DEMAND FOR JURY TRIAL

Plaintiff hereby requests a trial by jury in this matter.

Dated: November 28, 2016

Respectfully submitted,

DICKENSON, PEATMAN & FOGARTY



By J. Scott Gerien  
Joy L. Durand

1455 First Street, Suite 301  
Napa, California 94559  
Telephone: 707-252-7122  
Facsimile: 707-255-6876

Attorneys for Plaintiff,  
Sutter Home Winery, Inc.

DICKENSON PEATMAN & FOGARTY