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NORTHERN DISTRICT OF CALIFORNIA

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12 MARK ANTHONY INTERNATIONAL, SRL  
13 and AMERICAN VINTAGE BEVERAGE,  
14 INC.

14 UNITED STATES DISTRICT COURT  
15 NORTHERN DISTRICT OF CALIFORNIA

RS

16 MARK ANTHONY INTERNATIONAL, SRL, a  
17 Barbados corporation, and AMERICAN  
18 VINTAGE BEVERAGE, INC., a Delaware  
19 corporation,

No. 12 2105  
COMPLAINT FOR DECLARATORY  
JUDGMENT

18 Plaintiffs,

19 vs.

20 JACK DANIEL'S PROPERTIES, INC., a  
21 Delaware corporation,

22 Defendant.

24 Plaintiffs Mark Anthony International, SRL and American Vintage Beverage, Inc.  
25 (collectively, "Mark Anthony"), by their attorneys, Debevoise & Plimpton LLP and Reed Smith  
26 LLP, for their complaint against Jack Daniel's Properties, Inc. ("JDPI"), allege upon personal  
27 knowledge with respect to themselves and their own acts, and upon information and belief as to all  
28 other matters, as follows:

REED SMITH LLP  
A limited liability partnership formed in the State of Delaware

**Preliminary Statement**

1  
2 1. This is a declaratory judgment action. Mark Anthony seeks a declaration that it has the  
3 right to manufacture, distribute, market and sell in the United States a margarita-flavored malt  
4 beverage under the trademark CAYMAN JACK, and to register the CAYMAN JACK trademark  
5 with the United States Patent and Trademark Office. The CAYMAN JACK mark is unlikely to  
6 cause confusion in any way with JDPI's JACK DANIEL'S marks. But JDPI has nonetheless  
7 opposed Mark Anthony's application to register the CAYMAN JACK trademark and has threatened  
8 to file a lawsuit against Mark Anthony to prevent the use of the CAYMAN JACK mark in  
9 commerce, thus creating significant risks for Mark Anthony's imminent national launch of the  
10 CAYMAN JACK product.

11 2. CAYMAN JACK products have been available on a test-market basis since December  
12 2010, and are now being sold in fifteen states. During this test-market period, the CAYMAN JACK  
13 product has enjoyed strong sales and has won the loyalty of consumers. Significantly, throughout  
14 these fifteen months, Mark Anthony has not learned of a single incident of confusion between its  
15 CAYMAN JACK products and JDPI's JACK DANIEL'S products. Nevertheless, and despite the  
16 absence of any evidence of actual confusion, JDPI has objected to Mark Anthony's registration and  
17 use of the CAYMAN JACK trademark, presumably on the basis that JDPI thinks it has sole  
18 ownership of the word "JACK" in connection with the sale of any alcoholic beverage. That  
19 proposition is demonstrably untrue, though, because JDPI has tolerated, and even expressly  
20 consented to, numerous other alcoholic products sold using the word "JACK" in their names.

21 3. Furthermore, given the completely different trade dress of the products (as shown  
22 below), and other factors, confusion is highly unlikely. The JACK DANIEL'S beverages are sold in  
23 25 ounce (750 ml) or larger bottles that are more than twice the size of the 11.5 ounce bottles used  
24 for the CAYMAN JACK product. The bottle shapes are vastly different (a tall, square bottle versus  
25 a short, round stubby bottle); the color schemes are vastly different (black and white versus blue and  
26 green); the fonts are vastly different (old fashioned versus contemporary); and the label designs are  
27 vastly different. The products themselves also are vastly different: one is a brown-colored whiskey  
28 (spirit) and the other is a white-colored malt beverage (beer).

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11.5 ounce  
beer bottle



25 ounce or larger  
spirits bottle

4. The marketing and promotion strategy for the CAYMAN JACK brand further confirms that confusion is unlikely. Mark Anthony is targeting the high-end ready-to-drink market with its CAYMAN JACK product, not the spirits market. Mark Anthony's marketing for its CAYMAN JACK beverages highlights the product's connection to the Caribbean, a theme that is infused throughout all promotional materials and that is completely distinct from JDPI's marketing strategy, which emphasizes that JACK DANIEL'S whiskey is an authentic, old fashioned whiskey made in Lynchburg, Tennessee.

5. Mark Anthony's sales and consumer response in the test markets have been overwhelmingly positive. Therefore, the natural next step is to launch CAYMAN JACK products nationwide. Mark Anthony developed a business plan that will bring CAYMAN JACK products to 75 percent of the national market by June. However, Mark Anthony's ability to sustain the launch of the CAYMAN JACK brand, and persuade retailers nationally to devote shelf-space to this new product, is threatened by the specter and threat of litigation by JDPI. For that reason, Mark Anthony seeks a declaration from this Court granting it the right to register the CAYMAN JACK trademark and sell products under that mark.



**The Parties**

6. Plaintiff Mark Anthony International, SRL (“MAI”) is a corporation organized and existing under the laws of Barbados with its principal place of business at Rendezvous Road, Worthing, Christ Church, Barbados.

7. Plaintiff American Vintage Beverage, Inc. (“AVBI”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 159 South Jackson St. Suite 400, Seattle, WA 98104.

8. MAI licenses the use of its trademarks to AVBI. AVBI is responsible for marketing and distributing CAYMAN JACK products in the United States.

9. For nearly two decades, MAI, directly and through its subsidiaries and agents, has been developing and selling ready-to-drink products throughout Canada and the United States.

10. Upon information and belief, defendant Jack Daniel’s Properties, Inc. is incorporated under the laws of the State of Delaware with its principal place of business in this District at 4040 Civic Center Drive, Suite 528, San Rafael, CA 94903. JDPI sells various JACK DANIEL’S brand whiskeys and some pre-made whiskey-based cocktails under the label “Jack Daniel’s Country Cocktails.”

**Jurisdiction and Venue**

11. This Court has original jurisdiction over the subject matter of this action pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338. Personal jurisdiction over Defendant is proper by virtue of its residing in the District and transacting and doing business in the District.

12. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because Defendant resides in this District under 28 U.S.C. § 1391(c), potential witnesses reside in this District and Defendant regularly conducts business in this District.

**CAYMAN JACK**

13. Through market research, Mark Anthony realized that margaritas are one of the country’s most popular drinks, and yet there were virtually no margarita-flavored drinks in the ready-to-drink marketplace. Because it believed there was an opportunity to develop a line of malt-based

1 margaritas that would be dominant in the marketplace, Mark Anthony developed the product now  
2 known as CAYMAN JACK as a high-end complement to its “Mike’s Hard Lemonade: The Classic  
3 Margarita” product. The product is a margarita-flavored ready-to-drink malt beverage that was  
4 designed to appeal to modern, high-end consumers, including through the use of organic and natural  
5 ingredients. CAYMAN JACK beverages are made with organic limes, 100% blue agave nectar,  
6 pure cane sugar, and the “purest of malt bases”; they do not contain any artificial lime flavorings or  
7 chemicals or high fructose corn syrup. This formulation allows Mark Anthony to promote  
8 CAYMAN JACK beverages in the ultra premium ready-to-drink market and to attract a more  
9 affluent customer base, one concerned with avoiding synthetic food products.

10 14. Mark Anthony performed extensive consumer testing before naming the CAYMAN  
11 JACK product. One of the initial names considered was “Black Cayman.” Mark Anthony was  
12 dissatisfied with that concept, and the name was later changed to CAYMAN JACK. Mark Anthony  
13 believed that “Cayman Jack” better evokes the Caribbean theme of the brand and would facilitate the  
14 development of a fictional character who could be the representative of the brand. Even after  
15 developing the name CAYMAN JACK, Mark Anthony continued to perform consumer surveys to  
16 assess the consumer response to the name. In one survey, CAYMAN JACK was tested against  
17 Coyote Springs, Del Rey Bay, Black Fin, Catalina Cove, and Casa Miramar as alternative names.  
18 Overwhelmingly, consumers responded more favorably to the CAYMAN JACK name; in fact, sixty-  
19 four percent of those surveyed found it to be the most appealing name. Notably, these consumers  
20 liked the name because it reminded them of the Caribbean islands or because it sounded exotic and  
21 like a tropical drink, not because they associated it in any way with the JACK DANIEL’S brand.

22 15. Once the name was selected, Mark Anthony further developed the Cayman Jack fictional  
23 character. The brand’s story is based on the character Cayman Jack, who sailed through the tropical  
24 seas in search of the perfect margarita. During his journeys, Cayman Jack discovered the perfect  
25 ingredients and then crafted the perfect margarita, made from natural ingredients that are harvested  
26 on small farms. The story and motivation of this fictional character is fully integrated into the  
27 marketing and packaging of the CAYMAN JACK brand. The picture of a sailboat in the  
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1 advertisements represents Cayman Jack, searching the Caribbean for the perfect margarita. The  
2 character's story has a strong presence on both the website and the cardboard six-pack cartons.

3 16. The product design highlights the Caribbean theme. The design includes a deep sky-blue  
4 color scheme, a lime green color band to reflect the margarita flavor, images of palm trees and, of  
5 course, a prominent image of the brand's logo, the cayman – which is a crocodilian common in  
6 Central and South America. The bottles are packaged for sale in cardboard six-pack cartons. Each  
7 single-serving bottle is short and stubby and has a hand-blown look and feel. This Caribbean motif  
8 is carried throughout, from the bottles, to the cartons, to the displays and on through to the  
9 advertisements.

10 17. Cayman Jack test marketing began in Louisiana in December of 2010, expanded to  
11 Houston in January of 2011, and has since expanded to fifteen states. Cayman Jack has been very  
12 successful in the test markets. Therefore, Mark Anthony intends to launch Cayman Jack nationally,  
13 and it will be in 75 percent of the nationwide market by June.

14 **JDPI's Attempt to Block the CAYMAN JACK Trademark**

15 18. On October 20, 2009, Mark Anthony filed Application Serial No. 77/850,939 to register  
16 the mark CAYMAN JACK for flavored brewed malt-based alcoholic beverages in the nature of beer  
17 and prepared alcoholic cocktails. The application was examined by the United States Patent and  
18 Trademark Office ("USPTO") and found to be entitled to registration and published in the Official  
19 Gazette on March 9, 2010.

20 19. The fact that the USPTO believed CAYMAN JACK to be entitled to registration is  
21 wholly unsurprising given the prevalence of other "Jack" named drinks in the marketplace. The  
22 JACK DANIEL'S mark already coexists with other "Jack" named alcoholic beverages, including  
23 PANAMA JACK and CALICO JACK for rums; CACTUS JACK for tequila; PAPA JAC for  
24 alcoholic cocktails; YUKON JACK for liqueur; SCRUMPY JACK for cider; DEADEYE JACK,  
25 THIRSTY JACK, BLACK JACK STOUT, JACK RABBIT PALE ALE and JACK'S PUMPKIN  
26 SPICE ALE for malt beverages; HONEYJACK for mead and hydromel; and BLACKJACK  
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1 PASTURE, JUMPIN JACK and BLACKJACK WINES for wines. A sample of these products is  
 2 shown below:



20. Nonetheless, JDPI filed a notice of opposition on September 3, 2010. Since then, JDPI,  
 27 through its counsel, has repeatedly reserved all rights to file infringement claims, and represented  
 28

1 to Plaintiffs' counsel that JDPI will seek to enjoin the sale of CAYMAN JACK if Plaintiffs decide to  
2 pursue a national launch, as they are now doing.

3 21. Not only has JDPI already formally opposed Mark Anthony's trademark application and  
4 threatened civil litigation, but Mark Anthony has reason to believe that JDPI's threats are to be taken  
5 seriously. JDPI has a history of following up on its threats of litigation. For example, in November  
6 of 2010, after protracted negotiations during the pendency of proceedings before the Trademark  
7 Trial and Appeal Board ("TTAB") over the registration of the mark COCONUT JACK, JDPI filed  
8 suit against White Rock Distilleries over its use of the marks COCONUT JACK, BANANA JACK,  
9 CHERRY JACK, GRAPE JACK, ORANGE JACK, MANGO JACK, PINEAPPLE JACK and  
10 CITRUS JACK, all flavored rum drinks. Even though the parties had been engaged in months of  
11 negotiations and discovery before the TTAB, it took nearly a year for the federal case to settle (the  
12 terms of the settlement agreement are confidential). A review of the marketplace suggests that JDPI  
13 continues to tolerate various marks containing the word JACK for rum drinks as White Rock  
14 continues to offer these products for sale (*see*  
15 [http://www.whiterockdistilleries.com/our\\_brands/rums.php?product=38](http://www.whiterockdistilleries.com/our_brands/rums.php?product=38) (CALICO JACK);  
16 [http://www.whiterockdistilleries.com/our\\_brands/rums.php?product=116](http://www.whiterockdistilleries.com/our_brands/rums.php?product=116) (SPICED JACK NO.94);  
17 [http://www.whiterockdistilleries.com/our\\_brands/rums.php?product=39](http://www.whiterockdistilleries.com/our_brands/rums.php?product=39) (CAKE JACK, CHERRY  
18 JACK, COCONUT JACK, MANGO JACK, PINEAPPLE JACK, TROPICAL JACK and  
19 WHIPPED JACK)). Moreover, the CALICO JACK mark is still registered in the USPTO (U.S.  
20 Registration Number 3,501,111).

21 22. The pending proceeding before the TTAB and the ever-present threat of litigation has left  
22 a cloud hanging over Mark Anthony and the CAYMAN JACK products. Mark Anthony has made  
23 every effort to settle this matter during the pendency of the TTAB opposition, including under terms  
24 similar to those to which JDPI has agreed in the past, but JDPI has been unwilling to consider any of  
25 Mark Anthony's offers. Thus, only a declaration from this Court will dispel the cloud that hangs  
26 over Mark Anthony's desire to launch its CAYMAN JACK product nationally.

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**COUNT ONE**

**(Declaratory Relief of Non-Infringement)**

23. Mark Anthony repeats and realleges the allegations above as if set forth herein.

24. JDPI has claimed that Mark Anthony's CAYMAN JACK mark constitutes trademark infringement, and has threatened to bring a lawsuit against Mark Anthony on this basis. An actual, present and justiciable controversy has arisen between JDPI and Mark Anthony concerning the CAYMAN JACK mark.

25. Mark Anthony seeks declaratory judgment from this Court that the marketing and sale of its product does not constitute trademark infringement under the Lanham Act or other impairment of JDPI's JACK DANIEL'S trademark rights under any federal or state law.

26. Mark Anthony's trademark for CAYMAN JACK is in no way confusingly similar to the trademark JACK DANIEL'S. Mark Anthony's manufacture, distribution, sale and promotion of CAYMAN JACK products is not likely to cause confusion or mistake or to deceive consumers as to the source, origin or sponsorship of the parties' products. Consumers seeing CAYMAN JACK margarita-flavored malt beverages in the marketplace will not believe that it was sponsored by, associated with or otherwise affiliated with JACK DANIEL'S, or vice versa.

27. Mark Anthony's marketing and offering of CAYMAN JACK products for sale does not constitute infringement of the JACK DANIEL'S mark and Mark Anthony is therefore entitled to a declaratory judgment against JDPI, restraining it from any further acts in hindrance of the marketing and sale of CAYMAN JACK.

**COUNT TWO**

**(Declaratory Relief of Registration of the Cayman Jack Mark)**

28. Cayman Jack repeats and realleges the allegations above as if set forth herein.

29. JDPI has claimed that Mark Anthony's CAYMAN JACK mark should not be registered, and has filed a trademark opposition proceeding against Mark Anthony on this basis. An actual, present and justiciable controversy has arisen between JDPI and Mark Anthony concerning the CAYMAN JACK mark.



1 DATED April 26, 2012

2 REED SMITH LLP

3 DEBEVOISE & PLIMPTON LLP

4 By: Robert N. Phillips  
5 Robert N. Phillips

6  
7 Attorneys for Plaintiffs  
8 MARK ANTHONY INTERNATIONAL, SRL and  
9 AMERICAN VINTAGE BEVERAGE, INC.

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12 REED SMITH LLP

13 A limited liability partnership formed in the State of Delaware

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