

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

COINTREAU CORPORATION,

Plaintiff,

v.

PURA VIDA TEQUILA COMPANY, LLC,
and LA MADRILEÑA S.A. DE C.V.,

Defendants.

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CIVIL ACTION
NO. _____

COMPLAINT AND JURY DEMAND

Plaintiff COINTREAU CORPORATION (“Plaintiff”) files this Complaint against Defendants PURA VIDA TEQUILA COMPANY, LLC and LA MADRILEÑA S.A. DE C.V. (collectively “Defendants”), alleges as follows, upon personal knowledge as to its own actions and upon information and belief as to the actions of Defendants:

I. PARTIES

1. Plaintiff is a New Jersey corporation with a principal place of business located at 1290 Avenue of the Americas, New York, New York 10104.

2. Upon information and belief, Defendant Pura Vida Tequila Company, LLC is a Texas limited liability company with a principal place of business located at 5847 San Felipe, Houston, Texas 77057.

3. Upon information and belief, Defendant La Madrileña S.A. de C.V. is a foreign company with a principal place of business located at Av. Insurgentes Sur # 800, Piso 17 Col. Del Valle, México, Distrito Federal 03100.

II. JURISDICTION AND VENUE

4. This is an action in which Plaintiff seeks pecuniary and injunctive relief from the various acts of Defendants arising under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*, and common law. Defendants' illegal acts have irreparably harmed the goodwill and reputation of Plaintiff, and have caused Plaintiff significant damage.

5. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §1331, and 28 U.S.C. § 1338(a), as this action involves federal questions regarding the Defendants' violations of federal law, including the Lanham Act.

6. Venue is proper in this district pursuant to 28 U.S.C. §§1391(b) and (c) because a substantial part of the events or omissions giving rise to this action occurred in this District and Defendant Pura Vida Tequila Company, LLC resides in the State of Texas.

III. FACTUAL BACKGROUND

History of the COINTREAU Brand and Trademark Registrations

7. COINTREAU is one of the oldest brands of orange liqueur in the world. Its history dates from 1849, when Adolphe and Edouard-Jean Cointreau, famous master confectioners, established a distillery in Angers, France to create spirits using local fruits.

8. In 1875, Edouard Cointreau, son of Edouard-Jean, distilled a spirit from sweet and bitter orange peel, with a highly crystalline robe, which was a major novelty for the time.

9. Edouard Cointreau also invented the square-shaped amber-colored container, the modern version of which still remains the signature of COINTREAU liqueur to this day.

10. The first bottles of COINTREAU were sold in 1875. The first bottle of COINTREAU was sold in the United States at least as early as 1885.

11. Since Plaintiff's inception it has vigorously protected its famous COINTREAU trademarks by seeking and obtaining U.S. Trademark Registrations as well as registrations around the world, and by vigorously policing its rights in those registrations. Plaintiff, which is indirectly owned by the French company, Remy Cointreau, S.A., was established in 1941 to own and enforce the COINTREAU trademarks in the United States.

12. Specifically, Plaintiff is the owner of multiple U.S. trademark registrations for marks at issue in this litigation, some of which date from at least as early as 1935 and are based on first use of the COINTREAU trademarks at least as early as 1885.

13. Plaintiff's oldest registration for a mark in issue in this litigation is the valid, incontestable trademark registration for COINTREAU, U.S. Registration No. 329,662 ("COINTREAU word mark"). A copy of the registration certificate for the COINTREAU word mark is attached hereto as Exhibit "A."

14. Plaintiff is also the owner of valid, incontestable trademark registrations for the shape of the bottle containing Plaintiff's orange liqueur ("COINTREAU bottle shape mark"), namely the configuration of a squat, square bottle, U.S. Registration Nos. 328,869, 1,331,180, and 2,181,719. Copies of the registration certificates for the COINTREAU bottle shape mark are attached hereto as Exhibit "B."

15. Plaintiff is also the owner of the valid and incontestable trademark registration for the banner contained in the label which appears on the COINTREAU liqueur ("COINTREAU banner mark"), which was registered in 1936, U.S. Reg. Nos. 334,360. A copy of the registration certificate for the COINTREAU banner mark is attached hereto as Exhibit "C." (The above referenced COINTREAU word mark, COINTREAU bottle shape mark, and COINTREAU banner mark shall be collectively referred to as the "COINTREAU Marks.")

16. The registrations for the COINTREAU Marks are in full force and effect.

COINTREAU's Market Presence Today

17. COINTREAU dominates the U.S. market in its product category (orange liqueur). Today, an estimated 13 million bottles of COINTREAU are sold each year, in more than 200 countries.

18. Ninety percent of the production of COINTREAU is exported.

19. COINTREAU is the second most popular orange liqueur by volume of sales in the United States.

20. COINTREAU is the second largest imported orange liqueur in the United States behind Grand Marnier and represents approximately 30% market share of the imported premium orange liqueurs category.

21. COINTREAU's closest competitors are Grand Marnier and Patron Citronge, both of which have distinctive bottle designs and name recognition.

22. In the relevant market, and particularly with respect to imported premium liqueurs, bottle shapes are used to distinguish products from each other and to cultivate consumer recognition and identification of the bottle shape with a particular producer.

23. In the United States, within the total orange cordial category, COINTREAU represents approximately 11% of total category volume.

24. In the United States, COINTREAU is the only large brand growing within the orange liqueurs category with a rate of growth over fiscal year 2011/2012 at 7%.

25. According to records of the National Alcohol Beverage Control Association, and of the Distilled Spirits Council of the United States, the total category volume breakdown of the Orange Cordials Market Share through March 2012 was as follows:

Cointreau: 11.46%
Grand Marnier: 26.49%
Patron Citronge: 1.09%
Combined domestic triple sec brands: approximately 61%

26. A spreadsheet reflecting the Orange Cordials Market Share through March 2012 is attached hereto as Exhibit “D”.

27. COINTREAU is priced at a significant premium within the category at approximately \$40 per one liter bottle. COINTREAU is comparably priced to Grand Marnier.

28. As a result of the long and continued use of its COINTREAU Marks, and as evidenced by its market position, Plaintiff is considered one of the premier manufacturers of orange liqueur and the COINTREAU Marks have come to represent high quality, integrity, authenticity and goodwill not only in the United States but around the world, and are associated exclusively with Plaintiff.

The Fame of the COINTREAU Marks

29. The COINTREAU Marks are famous in the United States, and indeed, throughout the world as a result of the extensive advertising, promotion and sales of COINTREAU-branded orange liqueur over Plaintiff’s more than 150 year history.

30. Plaintiff has advertised its products bearing the COINTREAU Marks through, among other things, television, print, the internet, social media sites and its own website (www.cointreau.com).

31. For each of the past five years Plaintiff has spent in excess of seven million dollars annually in the United States to promote its orange liqueurs.

32. Plaintiff’s sales of COINTREAU-branded orange liqueurs attest to the success of its marketing efforts. For each of the past five years, in the United States alone, Plaintiff has earned in excess of 37 million dollars from sales of its orange liqueurs bearing the COINTREAU Marks.

33. Also evidencing of the fame and brand recognition Plaintiff has enjoyed in its COINTREAU Marks, Plaintiff has received the most industry awards for orange liqueur in the world and in the United States. For the past seven years alone, COINTREAU has received over seventeen awards for product excellence.

34. Furthermore, COINTREAU regularly receives unsolicited press coverage in various media sources across the United States, further demonstrating the fame of its COINTREAU Marks. Attached hereto as Exhibit “E” are examples of articles and publications through which COINTREAU received recognition and accolades.

35. The volume and frequency of the appearance of the COINTREAU Marks in a variety of media publications demonstrate the worldwide recognition of the COINTREAU name and iconic bottle shape. Attached hereto as Exhibit “F” are spreadsheets showing the variety of publications and descriptions of published material advertising COINTREAU in the United States in 2011 and 2012, in such publications as *The New Yorker*, *The New York Times*, *The Wall Street Journal*, *The Huffington Post*, *Elle.com*, *Wine Enthusiast*, *MSN.com*, *Yahoo! News*, and *USA Today.com*.

36. As set forth in the spreadsheets, media impressions are well into the hundreds of millions.

37. Contributing to the fame of the COINTREAU Marks, celebrity Dita Von Teese has been under contract with Plaintiff since July 2007, and has represented the brand for nearly five years.

38. Dita Von Teese’s advertising of the brand includes the ad campaign, Cointreau MargaDita, a reinvention of the classic margarita, which has achieved recognition across the United States.

39. Indeed, the July 2011 launch of MargaDita in Dallas, Texas was widely publicized in various media sources. Media reports and articles related to the Texas launch of MargaDita are attached hereto as Exhibit “G.”

40. As a result of Plaintiff’s expenditure of millions of dollars to promote its orange liqueurs sold under the COINTREAU Marks, and the success it has enjoyed as evidenced by the millions of dollars in sales of the product in the United States, the COINTREAU Marks are distinctive, have become well known, indeed famous, to the trade and members of the purchasing public, and have established substantial goodwill such that the public associates and identifies products bearing the COINTREAU Marks as coming from a single source.

Defendants’ Wrongful Conduct

41. Defendants have transported, distributed, advertised, marketed, offered for sale, and/or sold products infringing on the COINTREAU Marks.

42. In a blatant attempt to trade off the hard-earned goodwill and reputation of the COINTREAU Marks, Defendants imported into California and Texas an orange liqueur in a squat, square shaped bottle with the mark CONTROY depicted within a banner. Attached hereto as Exhibit “H” is a picture of the CONTROY liqueur bottle.

43. CONTROY is manufactured by La Madrileña S.A. de C.V., and has been imported into the United States through Pura Vida Tequila Company, LLC for distribution throughout the State.

44. CONTROY is an orange liqueur and, as a result, would be a competitor with COINTREAU in the marketplace. CONTROY is priced well below the COINTREAU product, at approximately \$20 a bottle.

45. The word CONTROY is aurally and visually so similar to the word COINTREAU that it will cause confusion in the marketplace.

46. Defendants undoubtedly chose the name CONTROY because of this similarity. Other major brands in the product category have names totally dissimilar to Plaintiff's (e.g. Grand Marnier, Patron Citronge, Saint Germain, Marie Brizard, and Gran Gala).

47. Furthermore, the similarity of the words CONTROY and COINTREAU, coupled with the use of the word CONTROY depicted within a banner on a squat, square shaped bottle containing orange liqueur, will undoubtedly cause confusion among prospective consumers and was no doubt designed for this purpose.

48. Because CONTROY will be sold and offered for sale for substantially less than the price of COINTREAU, the resulting confusion with a lower-priced product will damage the reputation of Plaintiff and dilute the strength of its famous COINTREAU brand.

49. Defendants are not licensed by Plaintiff, and are not authorized by Plaintiff to use or incorporate the COINTREAU Marks onto any of Defendants' goods.

50. Defendants' use of the CONTROY mark and bottle commenced well after Plaintiff's use and extensive worldwide advertising of the COINTREAU Marks.

51. The continued offering for sale and sale of infringing goods by Defendants will lead to confusion as to the source between Defendants' product and the genuine COINTREAU product. Additionally, such actions will dilute the distinctiveness of the COINTREAU Marks by blurring consumers' exclusive association of those marks with COINTREAU and will tarnish COINTREAU's reputation both in the trade and with the purchasing public because the CONTROY products are less expensive.

52. Defendants' use of the word CONTROY, depicted within a banner, and a virtually identical bottle shape to that used by COINTREAU has the effect of injuring Plaintiff by deceiving, misleading, and confusing Plaintiff's customers and the public in general as to whether Plaintiff is the source, sponsor or otherwise associated with the CONTROY products.

53. Defendants have caused these infringing products to enter into commerce or to be transported or used in commerce.

IV. CAUSES OF ACTION

COUNT I

Violation of Section 32(1) of the Lanham Act

54. Plaintiff repeats the allegations contained in Paragraphs 1 through 53, as though same were set forth at length herein.

55. Defendants' distribution, advertisement, offering for sale, and sale of liqueurs bearing the CONTROY mark and/or bottle shape shown in Exhibit "H" has caused and is likely to continue to cause confusion, to cause mistake, or to deceive, in violation of Section 32(1) of the Lanham Act (15 U.S.C. § 1114(1)).

56. Defendants' use of the CONTROY mark and bottle commenced well after Plaintiff's use and extensive worldwide advertising of the COINTREAU Marks.

57. The word CONTROY is, in aural and visual impression, so similar to the word COINTREAU that it will cause confusion in the marketplace.

58. Furthermore, the similarity of the word CONTROY to COINTREAU coupled with the use of the word CONTROY depicted in a banner on a squat, square shaped bottle containing orange liqueur, will undoubtedly cause confusion among prospective consumers.

59. Upon information and belief, the activities of the Defendants in selling such infringing products have been done with the express intention of confusing, misleading, and deceiving purchasers and members of the public into believing they are purchasing COINTREAU products.

60. Defendants' activities were committed willfully, knowingly, maliciously, and in conscious disregard of Plaintiff's legal rights.

61. Plaintiff has no adequate remedy at law. Defendants' conduct has caused, and, if not enjoined, will continue to cause immediate and irreparable damage to Plaintiff's trademark rights, business, reputation, and goodwill in a manner that cannot be adequately calculated or compensated in money damages alone.

62. Due to Defendants' violations of the Lanham Act, Plaintiff is entitled to injunctive relief, actual, compensatory and punitive damages in an amount to be determined at trial, attorneys' fees, costs and disbursements.

COUNT II

Violation of the Section 43(c) Lanham Act (Federal Trademark Dilution Act)

63. Plaintiff repeats the allegations contained in Paragraphs 1 through 62, as though same were set forth at length herein.

64. Section 43(c) of Lanham Act, known as the Federal Trademark Dilution Act, provides that "the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury."

65. The COINTREAU Marks are famous and known worldwide and throughout the United States.

66. The COINTREAU Marks have been in use for over 150 years.

67. Defendants' use of the CONTROY mark and/or bottle shape is likely to cause dilution by blurring the exclusive association consumers have when exposed to the COINTREAU Marks, that is consumer identification of the COINTREAU Marks as originating from a single source, namely Plaintiff.

68. Therefore, Defendants' use of the CONTROY mark and/or bottle shape is likely to blur the distinctiveness of the COINTREAU Marks.

69. Moreover, because Defendants use the CONTROY mark and bottle shape in connection with a lower priced product, Defendants' use of such mark and/or bottle shape is likely to cause dilution by tarnishing the reputation Plaintiff has built up and enjoys in its superior quality liqueurs sold under the COINTREAU Marks.

70. Plaintiff has no adequate remedy at law. Defendants' conduct has caused, and, if not enjoined, will continue to cause immediate and irreparable damage to Plaintiff's trademark rights, business, reputation, and goodwill in a manner that cannot be adequately calculated or compensated in money damages alone.

71. Due to Defendants' violations of the Federal Trademark Dilution Act, Plaintiff is entitled to injunctive relief, actual, compensatory and punitive damages in an amount to be determined at trial, attorneys' fees, costs and disbursements.

COUNT III

Violation of Section 43(a) of the Lanham Act

72. Plaintiff repeats the allegations contained in Paragraphs 1 through 71, as though same were set forth at length herein.

73. Section 43(a) of the federal Lanham Trademark Act provides:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact or false or misleading representation of fact, which — (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or — (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act. 15 U.S.C.A. § 1125(a).

74. Defendants' distribution, advertisement, offering for sale, and sale of liqueurs bearing the CONTROY mark and/or bottle shape constitute false designations of origin, which are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of the Defendants' product with COINTREAU, or as to the origin, sponsorship, or approval of the Defendants' products by Plaintiff, in violation of Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)).

75. Upon information and belief, the activities of the Defendants in selling such infringing products have been done with the express intention of confusing, misleading, and deceiving purchasers and members of the public into believing they are purchasing COINTREAU products.

76. Defendants' actions have continued in spite of the Defendants' knowledge that the use of any of Plaintiff's trademarks, or any reproductions, counterfeits, copies, or colorable imitations of such trademarks, is in violation of Plaintiff's rights.

77. Defendants' actions were committed willfully, knowingly, maliciously, and in conscious disregard of Plaintiff's legal rights.

78. Plaintiff has no adequate remedy at law. Defendants' conduct has caused, and, if not enjoined, will continue to cause immediate and irreparable damage to Plaintiff's trademark rights, business, reputation, and goodwill in a manner that cannot be adequately calculated or compensated in money damages alone.

79. Due to Defendants' violations of the Lanham Act, Plaintiff is entitled to injunctive relief, actual, compensatory and punitive damages in an amount to be determined at trial, attorneys' fees, costs and disbursements.

COUNT IV

Common Law Trademark Infringement and Unfair Competition Claim Under Texas Law

80. Plaintiff repeats the allegations contained in Paragraphs 1 through 79, as though same were set forth at length herein.

81. Defendants' unauthorized use of Plaintiff's COINTREAU Marks constitutes common law trademark infringement and unfair competition, in violation of Texas law.

COUNT V

Injury to Business Reputation or Trademark/Dilution Under Texas Law TEX. BUS. & COM. CODE § 16.29

82. Plaintiff repeats the allegations contained in Paragraphs 1 through 81, as though same were set forth at length herein.

83. Defendants' imitation, reproduction, counterfeiting, copying and/or use of the COINTREAU Marks has injured and, unless enjoined, is likely to continue to injure Plaintiff's business reputation and/or dilute the distinctive quality of the COINTREAU Marks in violation of TEX. BUS. & COM. CODE § 16.29.

84. Defendants' diluting actions have been intentional or with a reckless disregard for or willful blindness to Plaintiff's rights, such that Defendants willfully intended to injure Plaintiff's business reputation and/or dilute the distinctive quality of the COINTREAU Marks.

85. Plaintiff has no adequate remedy at law. Defendants' conduct has caused, and if not enjoined, will continue to cause immediate and irreparable damage to Plaintiff's trademark rights, business, reputation, and goodwill in a manner that cannot be adequately calculated or compensated in money damages alone.

86. Due to Defendant's violations of Texas law, Plaintiff is entitled to injunctive and equitable relief.

COUNT VI

Misappropriation

87. Plaintiff repeats the allegations contained in Paragraphs 1 through 86, as though same were set forth at length herein.

88. Plaintiff developed its COINTREAU Marks and reputation through extensive time, skill, labor, and money. Defendants have used Plaintiff's name and reputation in competition with Plaintiff to gain a special advantage.

89. Defendants gained a particular advantage because they were not burdened with the expense incurred by Plaintiff in developing Plaintiff's name and reputation.

90. By their actions, Defendants have gained a financial benefit for themselves and have caused commercial damage to Plaintiff.

91. Plaintiff has been damaged by Defendants' acts in an amount to be proven at trial. Plaintiff is also entitled to injunctive and equitable relief against Defendants.

V. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following relief:

1. A preliminary and permanent injunction restraining the Defendants from:
 - (a) Directly or indirectly infringing Plaintiff's registered or common-law trademarks in any manner, including but not limited to, manufacturing, distributing, advertising, selling, or offering for sale any products that infringe such trademarks or trade dress; and
 - (b) Using the COINTREAU Marks or any reproduction, counterfeit, copy, or colorable imitation of such mark in connection with the manufacture, distribution, advertising, display, marketing, sale, offering for sale, or other use of any product; and
 - (c) Using any trade dress, labeling, or bottle design which is a reproduction, counterfeit, copy, or colorable imitation of COINTREAU's trade dress for its products in connection with the manufacture, distribution, advertising, display, marketing, sale, offering for sale, or other use of any product; and
 - (d) Using any word, term, name, symbol, or device, or any combination thereof, on any product or its packaging or labeling or using any false designation of origin, false, or misleading description of fact, or false or misleading representation of fact, which is likely to cause confusion, or to cause mistake or to deceive as to the affiliation, connection, or association of a defendant with Plaintiff or as to the origin, sponsorship, or approval of a defendant's goods by Plaintiff; and

2. An Order that Plaintiff be authorized to seize any other products that reproduce, copy, counterfeit, imitate, or bear any of Plaintiff's trademarks, trade names, logos, designs, or trade dress, which are in Defendants' possession, custody, or control; and

3. An accounting of Defendants' profits realized in connection with the sale of counterfeit or infringing products, and an award in such amount to Plaintiff; and

4. An award to Plaintiff of exemplary damages; and

5. A recovery of compensatory punitive damages for Defendants' willful and malicious actions; and

6. An Order deeming this case an exceptional case pursuant to 15 U.S.C. § 1117(a) and (b), and that Defendants be deemed liable for and be ordered to pay Plaintiff, in addition to the aforesaid damages, Plaintiff's costs and attorneys' fees, and that the amount of actual damages be trebled; and

7. Such other and further relief as the Court may deem just and necessary.

VI. JURY DEMAND

Pursuant to Fed. R. Civ. P. 38(b), Plaintiff hereby demands a trial by a jury on all issues so triable.

Respectfully submitted,

s/ Megan K. Dredla

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