

1 BUCHALTER
A Professional Corporation
2 MICHAEL L. MEEKS (SBN: 172000)
FARAH P. BHATTI (SBN: 218633)
3 CHRISTINA L. TRINH (SBN: 307879)
18400 Von Karman Avenue, Suite 800
4 Irvine, CA 92612-0514
Telephone: 949.760.1121
5 Fax: 949.720.0182
Email: mmeeks@buchalter.com; fbhatti@buchalter.com;
6 ctrinh@buchalter.com

7 Attorneys for Plaintiff
THE VINEYARD HOUSE, LLC

8
9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**

11
12 THE VINEYARD HOUSE, LLC,
13 Plaintiff,
14 vs.
15 CONSTELLATION BRANDS U.S.
OPERATIONS, INC.,
16 Defendant.

Case No.

COMPLAINT FOR:

- 17 (1) **FEDERAL FALSE**
- 18 **ADVERTISING AND FALSE**
- 19 **DESIGNATION OF ORIGIN;**
- 20 (2) **DECLARATORY RELIEF;**
- 21 (3) **CANCELLATION OF**
- 22 **TRADEMARKS;**
- 23 (4) **FALSE ADVERTISING STATE**
- 24 **LAW; AND**
- 25 (5) **UNFAIR BUSINESS**
- 26 **PRACTICES**

DEMAND FOR JURY TRIAL

27 Plaintiff THE VINEYARD HOUSE (“TVH”) alleges as follows:

28 **GENERAL BACKGROUND**

1. TVH and Defendant Constellation Brands U.S. Operations Inc. own land in a particular area of Oakville, Napa Valley, California. While both parties own different parcels of land, which are not contiguous, the land at one time was all under the ownership of Hamilton Walker Crabb (“Crabb”), and some of the land of

1 each party was owned by Crabb upon his death. Crabb was widely recognized as
2 one of the most significant pioneer winemakers in Napa Valley and during his
3 ownership of what is now part of the TVH and Constellation properties, Crabb
4 operated the To Kalon Vineyard Company using the said properties (hereinafter
5 referred to as “To Kalon estate”) to facilitate his operations. Crabb’s “To Kalon”
6 wine was distributed throughout the United States and won several national and
7 international awards and gained notoriety prior to the turn of the 20th century.
8 Given the notoriety of the “To Kalon” mark and its historical significance as it
9 relates to Napa Valley, even after Crabb’s death and subsequent purchase of the To
10 Kalon estate by the Churchills and others, the “To Kalon” mark has remained a
11 valuable geographical designation even today. Because of the historical
12 significance and importance of the “To Kalon” name as a geographical indication
13 of a location in Napa Valley as it relates to the To Kalon estate, and as a vineyard
14 designation¹, all those who own land that was a part of the original estate (as
15 defined herein) should be given rights to enjoy use of the name.

16 2. Through this action, TVH seeks to prevent Constellation from
17 continuing to deceptively use its TO KALON trademark in a manner that is
18 confusing to consumers and deceives them into purchasing wine that may or may
19 not originate from the original To Kalon estate. In fact, Constellation brands
20 certain of its wines as TO KALON even though Constellation owns land that was
21 not a part of the original To Kalon estate and is rather a part of the Robert Mondavi
22 Winery. Such marking is deceptive and geographically misdescriptive of the origin
23 of the goods, especially given that the Alcohol and Tobacco Tax and Trade Bureau
24 (“TTB”) has enumerated rules and regulations regarding the manner in which

25 _____
26 ¹ A vineyard designation is used to denote the single vineyard from which a wine is produced.
27 While a vineyard designation is often owned by one party that owns a particular vineyard, in this
28 instance, given the historical use and context of To Kalon, the vineyard designation TO KALON
can be claimed by multiple parties who own portions of Crabb’s To Kalon estate which Crabb
owned at his death. Each such owner should be able to fairly use TO KALON in connection with
its wine.

1 vineyard designations can appear, specifically stating that where the name of a
2 vineyard is used, 95% of the wine must be produced from primary winemaking
3 materials grown on the named vineyard. 27 C.F.R. § 4.39(m). Constellation's so
4 called "To Kalon Vineyard" includes land that was not a part of the original To
5 Kalon estate and therefore, this designation is false. Constellation's "To Kalon
6 Vineyard" also includes land that was not owned by Crabb during his lifetime or
7 upon his death. TVH seeks to enjoin Constellation from using TO KALON in
8 connection with land that was not a part of the original and historic To Kalon estate.
9 Constellation must also be enjoined from making any further false statements with
10 regard to its To Kalon property and rights in the trademark, which it should never
11 have been granted.

12 3. Constellation fraudulently obtained and maintained Federal Trademark
13 Registrations for marks containing the TO KALON name. In inducing the
14 Trademark Office to provide the registrations, the Robert Mondavi Winery, the
15 original owners of the trademark registrations, represented that To Kalon had no
16 historical meaning or significance in the wine industry. Such statement was clearly
17 false given the publicly available materials that clearly show that the Robert
18 Mondavi Winery was aware of the historical significance of the geographic name
19 and wanted to profit off of the same while preventing others who were also rightful
20 owners of the To Kalon estate from doing the same. After fraudulently obtaining
21 trademark registrations for TO KALON, Constellation has not only prevented
22 others from using TO KALON but has filed for additional appellations of the mark
23 in an attempt to expand its trademark hold on the term and to further prevent any
24 use by third parties with legitimate rights to the name. Through this action, TVH
25 seeks to cancel Constellation's trademark registrations based on fraud on the
26 Trademark Office.

27 4. TVH is also seeking declaratory relief that it has the right to use the
28 term TO KALON or a variation thereof ("H.W. Crabb's To-Kalon" or "H.W.

1 Crabb's ToKalon Valley Vineyard") as a vineyard designation and in any other
2 manner to accurately describe the historical nature and geographical location of
3 TVH's property as it relates to H.W. Crabb and the use of To Kalon in connection
4 with the property. In the past, Constellation filed lawsuits against other owners of
5 property that had been a part of the historical To Kalon estate, claiming that its
6 ownership of the TO KALON trademark would prevent others from being able to
7 use the term. TVH asserts that it has a fair use right to use "H.W. Crabb's To
8 Kalon" in connection with its property, and thereafter its wine, as such property was
9 a part of the original To Kalon estate and such statement would be a truthful and
10 accurate description of the same.

11 THE PARTIES

12 5. Plaintiff The Vineyard House LLC is a California Limited Liability
13 Company with its principal place of business at 1581 Oakville Grade, Oakville, CA
14 94562. Jeremy Justin Nickel is the President of Plaintiff. Mr. Nickel currently
15 owns approximately 43 acres of land in Napa Valley. Part of his estate,
16 approximately 17 acres, was historically a part of Crabb's To Kalon estate which
17 was founded in the late 19th century, was owned by Crabb upon his death and
18 during Crabb's lifetime was designated as a part of the To Kalon Vineyard
19 Company. The To Kalon Vineyard Company name was also used by the
20 subsequent purchasers, the Churchills, to reference this part of the property. TVH
21 currently makes wines under THE VINEYARD HOUSE trademark.

22 6. Defendant Constellation Brands U.S. Operations Inc. is a New York
23 Corporation with its principal place of business at 235 North Bloomfield Road,
24 Canandaigua, New York 14424. Constellation owns the Robert Mondavi Winery
25 in Napa Valley, which owns hundreds of acres of land, part of which was the
26 original To Kalon estate. Plaintiff is informed and believes and on that basis
27 alleges that Constellation sells more than approximately 40 million cases of wine
28

1 annually, and that Constellation uses the “TO KALON” designation or a variation
2 thereof on some of this wine.

3 JURISDICTION AND VENUE

4 7. This Court has jurisdiction over this action pursuant to 15 U.S.C.
5 §1064 (cancellation of trademark registration); 15 U.S.C. §1121 (action arising
6 under the Lanham Act); 28 U.S.C. §1331 (federal question); 28 U.S.C. §1338(a)
7 (any Act of Congress relating to trademarks); 28 U.S.C. §1338(b) (action asserting
8 a claim of unfair competition joined with a substantial and related claim under the
9 trademark laws); 28 U.S.C. §1367 (supplemental jurisdiction); and 28 U.S.C.
10 §§2201-2202 (declaratory judgment).

11 8. Venue is proper in this district pursuant to 28 U.S.C. §1391 because
12 Defendant does business in this district and performs acts in this district that
13 constitute false advertising and false designation of origin. In addition,
14 Constellation resides in this district. Venue is also proper as Defendant’s contact
15 with this district would be sufficient to subject it to personal jurisdiction if the
16 district were a separate state. TVH does business in this district and has suffered
17 harm in this district, and a substantial part of the events giving rise to the claims
18 alleged herein occurred in this district.

19 GENERAL ALLEGATIONS

20 9. “To Kalon” is the name of one of Napa Valley’s oldest and historic
21 vineyards. To Kalon was also used in connection with Crabb’s estate as a whole,
22 was used to identify the properties he owned at his death, and subsequently in
23 connection with property owned by the To Kalon Vineyard Company, which was
24 owned not only by Crabb but also subsequent to acquisition of Crabb’s property, by
25 the Churchill family.

26 10. Hamilton Walker Crabb is widely recognized as one of the most
27 significant pioneer winemakers in Napa Valley. Crabb traveled to California in
28 1853 to mine gold in the Sierra Nevada and eventually settled as a farmer near

1 Hayward in Alameda County. He moved to the Oakville area in Napa Valley
2 shortly after the Civil War and purchased 240 acres at the northwest corner of
3 Highway 29 and Walnut Lane in 1868. Crabb originally focused on growing
4 Muscat of Alexandria grapes for raisins but after realizing the quality of the soil on
5 his property in 1872, he switched from table to wine grapes and christened his new
6 winery Hermosa Vineyards. By 1878, he planted half his property with wine
7 grapes. The following year, he expanded his property to 359 acres after purchasing
8 an adjacent 119-acre parcel. By the end of the decade, Crabb had transformed his
9 359-acre estate into one of the largest, most productive wineries in Napa Valley and
10 perhaps the state. Joining the ranks of venerated winemakers such as Charles Krug
11 and Jacob Schram, Crabb's prolific output transformed Napa Valley into a premier
12 wine region in California in the 1880s, both in quality and quantity of wine
13 produced.

14 11. In 1886, H.W. Crabb rebranded his winery as the To-Kalon Winery
15 Company. He is widely quoted as saying that "the name To Kalon is Greek and
16 means the highest beauty, or highest good, but I try to make it the boss vineyard."²
17 (See Attached at Exhibit A). Under the To Kalon label, Crabb's wine won
18 numerous awards at many national and European expositions. Crabb established a
19 nationwide distribution network, which allowed him to ship bulk and case goods to
20 his wine agencies located throughout the East Coast, Midwest, and other locations.
21 He turned "To-Kalon" into a national brand.

22 12. Crabb was regularly featured in newspapers, magazines, and trade
23 publications both as a prominent winemaker and for his model winery, which grew
24 to encompass a large winery building, distillery, cooperage, and steam powered
25 crushers and water pumps. In 1886, the *St. Helena Star* described To Kalon estate
26 as presenting "the appearance of a young town, in fact being more of a place than

27 ² Frona Eunice Wait, *Wines & Vines of California or a Treatise on the Ethics of Wine Drinking*
28 (San Francisco: The Bancroft Company, 1889; reprint, Berkeley, CA: Howell-North Books,
1973), 108.

1 many a California city.”³ In addition to the *St. Helena Star*, he routinely appeared in
2 other publications such as the *Napa Register*, *Napa Daily Journal*, *San Francisco*
3 *Chronicle*, *Pacific Rural Press*, *Pacific Wine and Spirit Review*, *San Francisco*
4 *Merchant*, and *Breeder and Sportsman* throughout the late 19th century. He was
5 featured in every major publication on Napa County’s history from the 1870s to
6 1890s.⁴

7 13. Crabb was known for his viticultural experimentation and for planting
8 one of the largest varieties of vines in the nation, importing approximately 300 to
9 400 varieties from across the United States and Europe. His work attracted the
10 attention of the Board of the State Viticultural Commissioners, the University of
11 California, and later the U.S. Department of Agriculture, which each operated an
12 experimental viticultural station within the To Kalon estate. He served on many
13 viticultural committees and boards, including the Board of the State Viticultural
14 Commissioners; presented at viticultural trade meetings; and authored numerous
15 publications, including a chapter in George Husmann’s *American Grape Growing*
16 *and Wine Making*.⁵ He was regarded as an authority on viticulture, enology, and
17 soil quality and sold his cuttings to winemakers throughout the state.

18 14. In 1889, Crabb purchased a 168-acre parcel of land from William
19 Baldrige, a part of which now belongs to Plaintiff. The entire 526-acre property
20 was known as the To Kalon estate, and he continued his prolific output through his
21 death in March 1899.

22 15. After his death in 1899, Crabb’s 526-acre estate was sold at auction to
23 E.S. Churchill. Most historians consider the land owned by Crabb at his death to be

24 ³ “Viticultural,” *St. Helena Star*, August 6, 1886.

25 ⁴ C.A. Menefee, *Historical and Descriptive Sketch Book of Napa, Sonoma, Lake, and Mendocino*
26 (Napa, CA: Reporter Publishing House, 1873); *Illustrations of Napa County California with*
Historical Sketch (Oakland, CA: Smith & Elliot, 1878); *History of Napa and Lake Counties,*
California (San Francisco: Slocum, Bowen & Co., 1881); *A Memorial and Biographical History*
of Northern California (Chicago: The Lewis Publishing Co., 1891).

27 ⁵ H.W. Crabb, “Viticulture in Napa County, California,” in *American Grape Growing and Wine*
28 *Making, with Contributions from Well-Known Grape Growers*, ed. George Husmann (New York:
Orange Judd Company, 1880), 169-173.

1 considered the original To Kalon. Such definition is used in this complaint to
2 define “To Kalon estate.” The To Kalon estate includes part of the parcel now
3 owned by TVH. In 1902, E.S. Churchill deeded the property to his wife Mary W.
4 Churchill. Mary W. Churchill transferred the property to the To-Kalon Vineyard
5 Co. The To Kalon brand continued to be known for its quality wine and to win
6 awards in the first decades of the 20th Century. Napa Valley maps show the
7 Plaintiff’s parcel of land, which belonged to the Churchills, designated as the TO
8 KALON VINEYARD COMPANY (See attached at Exhibit B).

9 16. In 1943, Mary Churchill sold the approximate 526 acres that had
10 comprised To-Kalon Vineyard Company to Martin Stelling Jr., a wealthy San
11 Francisco steel manufacturer. Following Martin Stelling’s death in 1950, the estate
12 was broken up and sold in pieces. A small portion (including the Far Niente
13 vineyard and TVH’s property) was inherited by Martin Stelling’s son, Doug
14 Stelling.

15 17. In 1984, Harold Gilliland (Gil) Nickel purchased TVH’s property from
16 Robert L. and Sharon L. Lieff who had bought the property from Stelling
17 Vineyards. Following Gil Nickel’s death, TVH became the owner of a 43-acre
18 property, of which 17 acres clearly dates back to Crabb and the original To Kalon
19 estate comprised of land which Crabb owned at the time of his death.

20 18. Portions of Crabb’s To Kalon estate are also now owned by various
21 third parties, including Constellation, Beckstoffer Vineyards , and the University of
22 California at Davis. The entire 526-acre property continues to be referred to as “To
23 Kalon.” As used herein, “To Kalon estate” shall refer to the 526-acre vineyard that
24 was founded, owned, and made famous by Crabb prior to the turn of the 20th
25 century, and which was owned by Crabb upon his death. It has been argued that the
26 MacDonald family and the Detert family own a portion of To Kalon. However, the
27 MacDonald and Detert properties were not part of To Kalon given that Crabb only
28

1 owned the properties for 1 month and apparently bought the same to aid a family
2 member. Crabb did not own the Detert and MacDonald properties upon his death.

3 19. Throughout the 20th century, the term TO KALON was a known
4 geographical area amongst consumers of wine. There were several maps (attached
5 at Exhibits B & C) which reference TO KALON and the TO KALON VINEYARD
6 CO. and many of those maps include a portion of Plaintiff's property noted as a part
7 of the original To Kalon Vineyard Company.

8 20. Use of the TO KALON mark did not cease after the property was sold
9 to the Stellings in 1943. In fact, TO KALON VINEYARD was used on letterhead
10 between 1943-1950 to designate the property (attached at Exhibit D). In addition, a
11 map dated 1950 commissioned by Caroline Bishop Stelling, the widow of Martin
12 Stelling Jr., clearly shows use of TO KALON in connection with the property
13 (attached at Exhibit C).⁶ A Swiss colony postcard dated 1951-1953 shows use of
14 "Tokalon Vineyards" as a prominent landmark along Highway 29 in Napa (see
15 attached at Exhibit C). And in 1977, Douglas B. Stelling filed a DBA for "Far
16 Niente and Tokalon." The notice was published in the paper four times and was set
17 to expire on December 31, 1982. (See attached at Exhibit E). Therefore, it is clear
18 that even up until the end of the 20th century, To Kalon was a term familiar and well
19 known as a geographical area.

20 **Mondavi Fraudulently Obtained Federal**

21 **Trademark Registrations for TO KALON Trademarks**

22 21. On June 9, 1987, Robert Mondavi Winery Corporation ("Mondavi")
23 filed an application to register TO KALON for wine. The application claims a date
24 of first use of May 7, 1987 in interstate commerce and included a wine label
25 featuring the wording TO-KALON to support such use.
26

27 ⁶ Caroline Bishop Stelling apparently recognized the monetary value of the TO KALON label and
28 sought to brand the entire Stelling land as "To Kalon" even though not all of it was a part of
Crabb's actual estate.

1 22. On October 29, 1987, the U.S. Patent and Trademark Office issued an
2 office action requesting Applicant Robert Mondavi Winery Corporation to “indicate
3 whether TO-KALON can be translated, and/or whether that term has any meaning
4 or significance in the relevant trade or industry.”

5 23. On November 21, 1987, attorneys for Robert Mondavi Winery
6 Corporation filed a response stating that TO-KALON cannot be translated and has
7 no present meaning or significance in the relevant trade or industry. They further
8 stated that “Prior to the turn of the 20th Century, there was a winery in the Napa
9 Valley which used the name ‘Tokalon.’ Upon information and belief, that winery
10 was sold off in parcels during the first fifteen to twenty years of the 20th Century
11 and use of the name was discontinued. Accordingly, although the name has some
12 historical significance, it has no current meaning or significance in the wine
13 industry.”

14 24. As stated above, in 1950, Caroline Bishop Stelling commissioned a
15 map which clearly shows use of TO KALON in connection with the vineyard (See
16 attached Exhibit C). Such map includes the holdings and land of Robert Mondavi
17 to which the Robert Mondavi Winery Corporation lays claim as TO KALON.⁷
18 Mondavi falsely claimed that the name was discontinued during the first fifteen to
19 twenty years of the 20th Century. It is clear from the attached evidence that the
20 mark was continuously used and was known as a geographical area at least until
21 1982, five (5) years before Mondavi filed its application.

22 25. Throughout the 20th century, Crabb and To Kalon’s significance
23 within the Napa Valley wine industry continued to be recognized in a wide array of
24 publications. These include *History of Solano and Napa Counties California*
25 (1912); *American Wines* (1941); *Vines in the Sun* (1949); “Historic Napa County
26 Wine Growers” (1951); “The Settlement Geography of the Napa Valley” (1961); *A*

27 ⁷ Again, the map commissioned by Caroline Stelling included land that was not a part of the
28 original TO KALON as it was clear that use of the name had monetary value. The map itself
does not designate the actual TO KALON estate or what can be claimed as such.

1 *History of the Napa Viticultural District* (1965); *History of Napa Valley: Interviews*
 2 *and Reminiscences of Long-Time Residents* (1981); and *Winemaking in California*
 3 (1983).⁸

4 26. In December 1963, the *Pacific Coast Review* published an article on
 5 Peter & Robert Mondavi and the Charles Krug Winery. The article discusses the
 6 history of the Charles Krug Winery and its acquisition by the Mondavi family. The
 7 article also states that the Mondavis acquired the “historic To Kalon
 8 vineyard...from Mr. and Mrs. Ivan N. Schoch. These nearly 500 acres of vines in
 9 bearing are considered one of the most outstanding vineyards in California. The
 10 original owner, Hamilton Walker Crabb, ranked with Krug among the immortal
 11 pioneers.”⁹

12 27. In January 1969, the *San Francisco Chronicle* published an article
 13 stating that Robert Mondavi “announces the purchase of 250 acres of the adjoining
 14 Tokalon Vineyards.”¹⁰ The following month, a *Wines and Vines* article published a
 15 separate article on the Robert Mondavi Winery’s acquisition of 250 acres of “the
 16 famed To Kalon Vineyard.”¹¹

17 28. There is also ample evidence to show that Mondavi knew of the fame
 18 and geographical indications of the TO KALON name. It appears that Mondavi
 19 twice commissioned research to be done on TO KALON, once in 1966 by Francis
 20 Gould and then again in 1979 by William Heinz.

21 ⁸ Tom Gregory, *History of Solano and Napa Counties California* (Los Angeles: Historic Record
 22 Company, 1912); Frank Schoonmaker and Tom Marvel, *American Wines* (New York: Duell,
 23 Sloan and Pearce, 1941); Idwal Jones, *Vines in the Sun* (New York: William Morrow &
 24 Company, 1949); Irving McKee, “Historic Napa County Wine Growers,” *California:*
 25 *Magazine of the Pacific* (September 1951); William James Ketteringham, “The Settlement
 26 Geography of the Napa Valley,” (Master’s thesis, Stanford University, 1961); Ernest P.
 27 Peninou, *A History of the Napa Viticultural District* (1965, reprint, Santa Rosa, CA: Nomis
 28 Press, 2004); *History of Napa Valley: Interviews and Reminiscences of Long-Time Residents*,
 vol. 3 (St. Helena, CA: Napa Valley Wine Library Association, 1981); Ruth Teiser and
 Catherine Harroun, *Winemaking in California* (New York: McGraw-Hill Book Company,
 1983).

⁹ Francis R. Gould, “Charles Krug—Wines in the Traditional Manner” *Pacific Coast Review*
 (December 1963).

¹⁰ “Mondavi Winery,” *San Francisco Chronicle*, January 14, 1969.

¹¹ “Big Vineyard Buy in Napa Valley,” *Wines and Vines* (February 1969).

1 29. Mondavi had commissioned Francis Gould, the author of the *Bottles*
2 *and Bins* newsletter for Charles Krug Winery, to perform research regarding TO
3 KALON in 1966. Gould had written a letter to Joan Ingalls at the Wine Institute,
4 dated August 22, 1970, stating that Charles I. Daniels, Vice President of the Robert
5 Mondavi Winery “believes this property was once owned by Crabb and may be in
6 fact the original To-Kalon Vineyard.” In 1970, Daniels signed a receipt for copies
7 of documents pertaining to Kalon loaned by Gould. In addition, there are notes
8 from a wine course held at the Mondavi Winery in 1969, which reference To-
9 Kalon. (See attached at Exhibit F).

10 30. In or around 1979, Tim Mondavi had asked William Heinz, a noted
11 wine historian to author “The Vineyards of Wine of H.W. Crabb, Oakville, CA and
12 his To-Kalon Label.” It appears that the research was commissioned by Mondavi to
13 establish “To Kalon” as an appellation. An appellation is defined as a legally
14 defined and protected geographical indication. In the correspondence from Heinz
15 to Mondavi, Mondavi was informed that the Robert Mondavi Winery was not the
16 only owner of the To Kalon estate and that they had only purchased part of the
17 original property. Heinz recommended that “what obviously is required here is to
18 trace through county deed books, the acquisition of lands by Crabb, and then how
19 this was broken up to various owners and WHAT PART THE ROBERT
20 MONDAVI WINERY NOW OWNS.” (See attached at Exhibit G). Based on this
21 correspondence, it is clear that the “To Kalon” mark was well known and should
22 have clearly been well known to Mondavi as at least a geographical indication
23 based on the report commissioned by them and provided by William Heinz.
24 Furthermore, it is evident that the Mondavis did not want to pursue the appellation
25 as 1) they knew they did not own all of the original To Kalon estate 2) they did not
26 want other third parties to be able to use TO KALON and wanted to reserve
27 exclusive rights to use the name (which if it became an appellation, all rightful
28 owners of the To Kalon estate would be able to use) and 3) wanted to use TO

1 KALON with parts of its property that were not a part of the original To Kalon
2 estate.

3 31. In the late 1970s and 1980s, To Kalon was referenced in conjunction
4 with the partnership between Robert Mondavi and Baron Philippe de Rothchild in
5 the Opus One Winery venture. In 1981, Bob Logan and Charlie Williams wrote to
6 Robert Mondavi describing the soil quality of To Kalon parcels of land under
7 consideration for the Opus One venture. A 1984 *San Francisco Chronicle* article
8 featuring Opus One states that the joint venture purchased “grapes for its first few
9 vintages from Mondavi’s prime Tokalon vineyard.”¹² In the draft text for an Opus
10 One promotional brochure published in 1987, Robert Mondavi handwrote “Tokalon
11 Bench” in the description of his winery, indicating he considered it to be a valuable
12 marketing moniker.

13 32. Robert Mondavi was a prolific public speaker, and in 1983, he gave a
14 presentation at the Napa Valley Wine Symposium on Sauvignon Blanc wine, which
15 he had rebranded as Fume Blanc. In his speech, he discussed the first plantings of
16 Sauvignon Blanc wines in Napa Valley: “Both Keith Bowers of the University of
17 California Extension Service and the wine historian, William Heintz, speculate that
18 H.W. Crabb of Tokalon Vineyards was already growing Sauvignon Blanc among
19 his 300 varietals at the same time, if not before, [Charles] Wetmore’s documented
20 cuttings arrived in California.”¹³

21 33. Robert Mondavi gave an in-depth interview to the author of *Robert*
22 *Mondavi of the Napa Valley*, written by Cyril Ray and published in 1984. This book
23 was written 3 years before the filing of any trademark applications for TO KALON
24 by the Robert Mondavi Winery. The book clearly uses TO KALON to
25 geographically reference the property owned by Robert Mondavi Winery, stating
26

27 ¹² Moira Johnston, “A Marriage Made in Napa,” *San Francisco Chronicle*, April 22, 1984.

28 ¹³ *Transcription of Oral Tapes of the Napa Valley Wine Symposium, Silverado Country Club, 1983* (Napa Valley Wine Symposium, 1983).

1 that the “600-acre vineyard adjoining the winery is still To Kalon.”¹⁴ (See attached
2 at Exhibit H). Clearly, in 1984, TO KALON was still being used to reference this
3 particular piece of property. Therefore, the statements denying any significance of
4 the term in the trademark application was intentionally false.

5 34. In his remarks at a service for Mr. Ivan Schoch after his death in 1995,
6 Mr. Robert Mondavi referred to the To Kalon in a geographically descriptive
7 manner, referring to them as the “To-Kalon Vineyards in Oakville, the historic
8 vineyards originally planted by Napa Valley’s winemaking pioneer, H.W. Crabb.”
9 Mr. Mondavi also seems to admit that the Robert Mondavi Winery does not own
10 the entirety of the To Kalon estate, stating that “Today, this internationally-
11 renowned vineyard surrounds our Robert Mondavi Winery and is the source of fruit
12 for the finest Cabernet Sauvignon and Fume Blanc wines.” (See Exhibit I)

13 35. In his 1998 book, *Harvests of Joy: How the Good Life Became Great*
14 *Business*, Robert Mondavi states that he had “first encountered To Kalon during
15 one of our early expansion phases at Krug” and that Louis M. Martini, Sr. had
16 urged him to “take a look at the To Kalon Vineyard in Oakville” and that he was
17 told by Mr. Martini that “that darn place To Kalon is one of the finest places in
18 California for cabernet sauvignon.”¹⁵ Mr. Mondavi continues to refer to the area as
19 the To Kalon or To Kalon property throughout his book, clearly using the term as a
20 geographical indication and not a brand name. (See attached at Exhibit J).

21 36. Contrary to Defendant’s assertions in its Trademark Application, use
22 of TO KALON was not discontinued during the first ten to twenty years of the 20th
23 Century. In fact, in 1977, the ATF informed Sharon Lieff that the tradename TO
24 KALON was used until 1965 by the California Champagne Co. dba Mt. Diamond
25 Cellars. (See attached at Exhibit K).

26
27 ¹⁴ Cyril Ray, *Robert Mondavi of the Napa Valley* (London: Heinemann/Peter Davies, 1984).

28 ¹⁵ Robert Mondavi, *Harvests of Joy: How the Good Life Became Great Business* (San Diego, CA: Harcourt Brace & Company, 1998).

1 37. On December 10, 1992, Robert Mondavi made a statement at a hearing
2 in order to establish Oakville as a viticultural district in a proceeding before the
3 ATF which clearly shows that Mondavi was aware of the significance of TO
4 KALON and that the statements made to the U.S. Patent and Trademark Office
5 were patently false. In the hearing, Mondavi's founder, Robert G. Mondavi,
6 provided testimony stating that "In the early 1950s, Louis Martini, Sr.,...told me
7 that the grapes produced from the Oakville area, from the *To Kalon especially*,
8 produced the finest Cabernet in all of Napa Valley. Such testimony clearly shows
9 that as early as the 1950s, Mondavi knew of the significance of the term TO
10 KALON and referred to the place in 1992 as a geographical location. It is
11 important to note that when referencing TO KALON in the statement above,
12 Mondavi was not referencing only the Robert Mondavi Winery Corporation
13 property, but the original To Kalon estate, which is owned by multiple third parties
14 as defined herein.

15 38. On November 3, 1993, the Robert Mondavi Winery filed a second
16 application for TO KALON VINEYARD, claiming a first use date of August, 1988
17 and a date of first use in interstate commerce of December, 1989. Mondavi claimed
18 ownership of its prior U.S. trademark registration for TO KALON but did not make
19 any corrections to the claims of significance or translation that it had included in the
20 previous application filing for TO KALON.

21 39. In his 1998 book, Robert Mondavi clearly states "In Greek, To Kalon
22 means "highest quality" or "highest good." To me, that meant, simply, The Best."
23 (See attached at Exhibit J)

24 40. Mondavi failed to disclose to the U.S. Patent and Trademark Office
25 that: (a) To Kalon is the name of a geographical location in Napa and is identifiable
26 as such not only by residents of the area and consumers of wine but was also clearly
27 designated on maps; (b) that "To Kalon" is the name of a well-documented and
28 historic vineyard property; (c) that Mondavi owns a part of the historic To Kalon

1 estate but is not the sole owner of such property; (d) other owners rightfully also
2 own portions of the original To Kalon estate; (e) To Kalon is a Greek phrase that
3 was intended to be translated into “the highest beauty” by the founder of the
4 historic estate, and (f) that the TO KALON name was used for longer than just the
5 first ten to twenty years of the 20th Century.

6 41. Mondavi’s statement that the To Kalon winery was in Napa Valley
7 prior to the turn of the 20th century is completely false. Plaintiff is informed and
8 believes, and on that basis alleges that contrary to Mondavi’s representations to the
9 U.S. Patent and Trademark Office, it is clear from the maps and other relevant data
10 that To Kalon was used in connection with the actual land. The Churchills owned
11 the To Kalon Vineyard Company until 1943, at which time it was transferred to
12 Martin Stelling. Martin Stelling used “To Kalon Vineyard” in association with the
13 property until at least 1950. There is also ample evidence to show other uses via
14 companies and publications referring to “To Kalon” throughout the 1960s, 1970s,
15 and even a few years before the Mondavi’s filed their trademark application. In
16 fact, use of TO KALON persisted throughout the 20th Century as a reference to the
17 geographical area in several publications and amongst the wineries in the area,
18 including in a book about Robert Mondavi published in 1984, 3 years before the
19 Robert Mondavi Winery filed an application for the mark. Such use shows that the
20 TO KALON name continued to be used throughout the 20th Century to refer to the
21 original vineyard established by H.W. Crabb. Given that Mondavi acquired its
22 property directly from Stelling, commissioned research from 2 different people
23 regarding TO KALON, was considering TO KALON as an appellation, referenced
24 TO KALON in a geographic manner, and made statements regarding the history of
25 TO KALON in several different instances, including on its website and in several
26 speeches, Mondavi was clearly aware that use of the TO KALON name was
27 ongoing, and that other third parties also rightfully owned a part of the original To
28 Kalon estate and should be entitled to use of “To Kalon.”

1 42. The current Robert Mondavi Winery website includes a statement that
2 TO KALON is Ancient Greek for “the highest beauty.”

3 43. Plaintiff is informed and believes, and thereupon alleges, that at the
4 time Mondavi applied for the TO KALON VINEYARD application, which was
5 less than a year after the ATF hearing on the Oakville viticultural hearing, Mondavi
6 was clearly aware that the To Kalon estate was a historic vineyard that had been
7 and continues to be highly regarded throughout Napa Valley’s history and that the
8 To Kalon estate had been recognized as one of the world’s great vineyards since the
9 late 19th century all the way through the 20th century. Plaintiff is informed and
10 believes, and thereupon alleges, that Mondavi was also aware of the translation of
11 “To Kalon” to “highest beauty.” Even with this knowledge, Mondavi failed to
12 correct the records of the U.S. Patent and Trademark Office and did not provide
13 such information to the Office, such misrepresentation and intentional withholding
14 resulting in the fraudulent issuance of registrations for TO KALON and TO
15 KALON VINEYARD.

16 **TO KALON is an Actual Geographical Location which Mondavi is**
17 **Improperly Using And Which is Geographically Misdescriptive,**
18 **False and Misleading**

19 44. Crabb’s original historic To Kalon estate was made up of
20 approximately 526 acres of land. Of this land, Constellation owns approximately
21 188 acres. Constellation also owns approximately 361 acres of additional land,
22 which was not a part of the original To Kalon property. However, in its advertising
23 materials and promotional campaigns, Constellation refers to its entire property as
24 TO KALON or TO KALON VINEYARD, even though less than half is a part of
25 the original To Kalon estate.

26 45. Plaintiff is informed and believes that Constellation uses the TO
27 KALON and TO KALON VINEYARD trademarks on wine that is made from all
28 areas of the property, and not just from the historic To Kalon estate. Tim Mondavi

1 publicly stated that “The trademark allows us protection on the term To-Kalon. It
2 says it’s our right any way we choose to use it...we can use it, if we choose, to
3 bottle a wine from Nairobi.”

4 46. Under 27 C.F.R. 4.39(m), “the name of a vineyard...shall not be used
5 on a wine label unless 95 percent of the wine in the container was produced from
6 primary winemaking material grown on the named vineyard....”

7 47. The purpose of the TTB rules is to protect consumers and the integrity
8 of the products that are produced so that the designation on the bottle accurately
9 describes the origin of the wine. Under 27 C.F.R. 4.39(m), Constellation cannot
10 use the designation “To Kalon” or “To Kalon Vineyard” on a wine label unless
11 95% of the wine in the bottle was produced from grapes grown only on the part of
12 its property that was the original To Kalon estate.

13 48. The manner in which Constellation is using the To Kalon name falsely
14 suggests and misleads consumers into believing that the entire Constellation
15 Vineyard was a part of the original Crabb property as established in the 1800s, and
16 suggests and misleads consumers into believing that Constellation is the only owner
17 of To Kalon estate property and therefore, the only source of goods that can be
18 described as “To Kalon” or originating from “To Kalon.” Such statements are all
19 false.

20 49. Constellation has included such false and misleading statements in its
21 marketing of its goods. For instance, on its website, Constellation states that the To
22 Kalon Vineyard, Oakville was “[o]riginally planted in 1868....[and] has become
23 recognized as one of the finest first-growth vineyards of the world....To Kalon is a
24 historic vineyard that provides Robert Mondavi Winery with grapes for its world-
25 class Cabernet Sauvignon Reserve and Oakville District Cabernet Sauvignon, and
26 is the exclusive source of our Fume Blanc Reserve.” The website further describes
27 the “To Kalon Legacy” of Robert Mondavi. What the website and marketing
28 materials do is confuse the consumer as to what is To Kalon....Constellation clearly

1 admits that the term To Kalon refers to a historic vineyard but by obtaining a
2 trademark registration and preventing others from using the mark, Constellation is
3 misleading consumers into believing that it is the only real source of To Kalon
4 wine. This, again, is false.

5 50. Constellation's advertising and promotional materials, including its
6 website, create the false and misleading impression that it is the only owner of the
7 historic To Kalon estate and that all of its wines can be designated To Kalon, even
8 though such wines may not have originated from the original To Kalon estate.
9 Mondavi's use of the TO KALON trademarks is geographically deceptively
10 misdescriptive as the primary significance of TO KALON is geographic, and the
11 purchasers of Constellation's wines are likely to believe that they originate in the
12 historic To Kalon estate when in fact, they could actually be made from grapes
13 grown in far off places such as Nairobi.

14 **Use of To Kalon By Plaintiff would be a Descriptive Fair Use**

15 51. Plaintiff is one of several owners of land which was a part of the
16 original and historic To Kalon estate.

17 52. Because Plaintiff's land was originally owned by Crabb and was later
18 a part of the To Kalon estate and was so designated on several maps, Plaintiff has
19 the right to reasonably identify the historical nature of its property and the fact that
20 it was a part of the original and historic Crabb To Kalon estate. To Kalon is the
21 only name reasonably available to identify Crabb's historic To Kalon estate, of
22 which Plaintiff's parcel was a part. Use in this context would accurately describe
23 the characteristics, ingredients and geographic origin of Plaintiff's goods. Plaintiff
24 is seeking to use only so much of the To Kalon name as is reasonably necessary to
25 identify the origin of its property, which will not suggest any sponsorship or
26 endorsement by Mondavi.

27 53. Plaintiff's proposed use of the mark would be for purposes of
28 identifying the geographical location and significance of its property and would

1 include historical references such as the name H.W. Crabb or other terminology
2 which would clearly indicate the historical nature of the property and would do
3 nothing to suggest any sponsorship or endorsement by Constellation. As the
4 rightful owner of property that was a part of the original historic To Kalon estate,
5 Plaintiff should be allowed to make such use and identify the property in this
6 manner.

7 54. To Kalon is a geographical indication of a specific place. Under the
8 Treasury Department rules pursuant to the Federal Alcohol Administration Act
9 (TTB), an American wine may, under defined circumstances, indicate that it
10 originates from a particular geographic area. The regulation is designed to aid
11 consumers in identifying the origin of the wine and to assist the winemaker in
12 distinguishing its products from those that originate in different areas. In this
13 instance, because To Kalon is a geographical indication, and because Plaintiff's
14 property is a part of the same, Plaintiff should be allowed to use such geographical
15 indication, especially when used in connection with other wording to establish the
16 historical context of the geographical area.

17 **FIRST CLAIM FOR RELIEF**

18 **(False Advertising and False Designation of Origin - 15 U.S.C. §1125(a))**

19 55. Plaintiff repeats, realleges and incorporates by reference, as though
20 fully set forth herein, the allegations in all prior and subsequent paragraphs.

21 56. Constellation has used the terms TO KALON and TO KALON
22 VINEYARD in commerce on or in connection with its wines.

23 57. Constellation's use of TO KALON and TO KALON VINEYARD in
24 its advertising, marketing, promotional materials and on its website misrepresents
25 the nature, characteristics, qualities, and geographic origin of its wines.

26 58. Constellation's acts constitute false advertising, false designation of
27 origin, false or misleading description of fact, and false or misleading
28 representation of fact in violation of 15 U.S.C. §1125(a). Among other things,

1 Constellation's advertising, marketing, promotional materials and website create
2 the false and misleading impression that it is the sole owner of the TO KALON
3 estate and as such, is the only rightful source of such goods.

4 59. Constellation's acts as alleged herein have been deliberate, willful and
5 in bad faith, and this case constitutes an exception case justifying an award of
6 reasonable attorneys' fees pursuant to 15 U.S.C. §1117(a).

7 **SECOND CLAIM FOR RELIEF**

8 **(Declaratory Relief – Federal Law)**

9 60. Plaintiff repeats, realleges and incorporates by reference, as though
10 fully set forth herein, the allegations in all prior and subsequent paragraphs.

11 61. An actual controversy has arisen and now exists between Plaintiff and
12 Defendant concerning their rights to use of the name TO KALON. Defendant has
13 sent Plaintiff cease and desist letters regarding Plaintiff's trademark applications for
14 marks containing the TO KALON term and Defendant has demanded that Plaintiff
15 withdraw its pending applications and not use or dilute Defendant's "famous"
16 mark.

17 62. Plaintiff believes that it has the rights to use the term TO KALON as
18 part of a vineyard designation and otherwise to fairly and accurately describe the
19 geographic origin of its property which was a part of Crabb's original To Kalon
20 estate. Defendants have not in any manner acknowledged Plaintiff's rights in
21 owning a part of the original To Kalon estate. Rather, Defendants have only
22 asserted their trademark rights in the TO KALON marks against Plaintiff without
23 consideration for Plaintiff's fair use rights in the same.

24 63. Plaintiff desires a judicial determination of its and Constellation's
25 rights with respect to use of the TO KALON name. A judicial declaration is
26 necessary and appropriate at this time under the circumstances in order for Plaintiff
27 to promptly ascertain its rights and protect its interests with respect to the To Kalon
28 land which Plaintiff currently owns. Plaintiff would also like a prompt judicial

1 determination so it can determine what can be featured on labels for its next release
2 of wines.

3 **THIRD CLAIM FOR RELIEF**

4 **(Cancellation of Trademarks – Federal Law)**

5 64. Plaintiff repeats, realleges and incorporates by reference, as though
6 fully set forth herein, the allegations in all prior and subsequent paragraphs.

7 65. Constellation is the owner of U.S. Registration Nos. 1,489,619 for TO
8 KALON for wine and U.S. Registration No. 1,857,851 for TO KALON
9 VINEYARD for wine (collectively the “Trademark Registrations”).

10 66. Constellation (through the previous registrant Mondavi) has falsely
11 stated, under penalty of perjury, that “TO-KALON cannot be translated and has no
12 present meaning or significance in the relevant trade or industry.” TO KALON is
13 clearly translated as the “highest beauty” as clearly stated on Defendants’ website.
14 In addition, based on the evidence presented herein, it is clear that Defendants were
15 aware of the fame of the TO KALON name in connection with the relevant trade or
16 industry at the time the application was filed.

17 67. Constellation (through the previous registrant Mondavi) was clearly
18 aware of the significance of the TO KALON term and the translation of the same at
19 the time of filing the Trademark Registrations. Defendant had commissioned two
20 separate studies to research the TO KALON name and were provided information
21 which is completely contrary to the statements that they made to the U.S.
22 Trademark Office in order to fraudulently obtain a trademark registration.

23 68. The statement “TO-KALON cannot be translated and has no present
24 meaning or significance in the relevant trade or industry” was made by an
25 authorized signatory of Defendant and was made with the intent to induce
26 authorized agents of the U.S. Patent and Trademark Office to grant the Trademark
27 Registrations to Defendant. The U.S. Trademark Office reasonably relied on the
28 statements made by Defendant, under penalty of perjury, even though they were

1 false and granted the Trademark Registrations to Defendant. Defendants' fraud on
2 the U.S. Patent and Trademark Office provides a basis for cancellation of the
3 Trademark Registrations.

4 69. Defendants' trademark registrations are also subject to cancellation as
5 they are deceptively misdescriptive and primarily geographically deceptively
6 misdescriptive when used on the relevant goods. Defendants use the TO KALON
7 and TO KALON VINEYARD marks on wine that includes grapes which are not
8 grown on the historical To Kalon Vineyard. Such use is deceptively misdescriptive
9 as such use misdescribes an ingredient, quality and characteristic of Defendants'
10 wines. Such use is also primarily geographically deceptively misdescriptive as the
11 primary significance of "To Kalon" and "To Kalon Vineyard" is geographic and
12 purchasers of Defendants' wines are likely to believe that the wines originate from
13 Crabb's historic To Kalon estate, when in fact, such wines are actually made from
14 grapes that were not a part of the To Kalon estate.

15 70. Plaintiff has been damaged and will continue to be damaged by the
16 continued registration of TO-KALON and TO KALON VINEYARD.
17 Accordingly, Plaintiff seeks cancellation of Defendants' Trademark Registrations.

18 **FOURTH CLAIM FOR RELIEF**

19 **(False Advertising – California Law)**

20 71. Plaintiff repeats, realleges and incorporates by reference, as though
21 fully set forth herein, the allegations in all prior and subsequent paragraphs.

22 72. Defendants' actions constitute false and misleading advertising in
23 violation of California Business & Professions Code §17500 *et seq.*

24 73. Defendant's false advertising, as detailed above, presents a continuing
25 threat to consumers and members of the public in that Defendant promotes and
26 advertises its wine through false and misleading advertising.

27 74. As a direct and proximate result of Defendants' wrongful conduct,
28 Plaintiff has been injured, and such harm will continue unless the Court enjoins

1 Defendants' actions. Plaintiff has no adequate remedy at law for Defendant's
2 continuing false advertising.

3 **FIFTH CLAIM FOR RELIEF**

4 **(Unfair Business Practices – California Law)**

5 75. Plaintiff repeats, realleges and incorporates by reference, as though
6 fully set forth herein, the allegations in all prior and subsequent paragraphs.

7 76. Defendants' acts constitute unfair competition in violation of
8 California Business & Professions Code §17200 *et seq.*

9 77. Defendants' unlawful, unfair and fraudulent business acts and
10 practices and its unfair, deceptive, untrue and misleading advertising presents a
11 continuing threat to members of the public in that Defendant intends to promote
12 and advertise its wine through such false advertising and in violation of 28 U.S.C.
13 §205.

14 78. As a direct and proximate result of Defendants' wrongful conduct,
15 Plaintiff has been injured, and such harm will continue unless the Court enjoins
16 Defendants' acts. Plaintiff has no adequate remedy at law.

17 **PRAYER FOR RELIEF**

18 **WHEREFORE**, Plaintiff respectfully demands judgment and prays the
19 Court for the following relief:

20 (1) That the Court preliminary and permanently enjoin Defendant, and any
21 officers, agents, servants, employees or attorneys of Defendant, and all others in
22 active concert or participation with it, from making, disseminating, or cause to be
23 made or disseminated in any publication or advertising devices, including the
24 internet, by public proclamation or in any other manner whatsoever, any statement
25 concerning "To Kalon" or To Kalon Vineyard" which is untrue or misleading, and
26 that is known or should be known through reasonable care to be untrue or
27 misleading, including, among other things, referring to the 230-acre Robert
28 Mondavi Vineyard as the "historic To Kalon Vineyard" and/or using the terms "To

1 Kalon” or “To Kalon Vineyard” to refer to any land other than the land that was
2 once part of Crabb’s historic To Kalon property of which Defendant now owns
3 approximately 250 acres.

4 (2) For a declaration that (i) Plaintiff has the right to use “TO KALON” as
5 a vineyard designation and otherwise to describe fairly and accurately the
6 geographic origin of its portion of Crabb’s original To Kalon property; (ii)
7 Defendants’ Trademark Registrations for TO KALON and TO KALON
8 VINEYARD do not preclude Plaintiff from using the term “Tokalon” in connection
9 with its land or wine; and (iii) Any use of TO KALON by Plaintiff be deemed a fair
10 use under all applicable trademark laws.

11 (3) For an Order cancelling Defendant’s Trademark Registrations for TO
12 KALON and TO KALON VINEYARD;

13 (4) For an award of corrective advertising, which is necessary and
14 appropriate to counteract the beliefs created and reinforced by Defendants’ false
15 and misleading advertisements, which misbeliefs are likely to linger into the future
16 absent such corrective advertising;

17 (5) For costs of suit incurred herein, including all reasonable attorneys’
18 fees pursuant to 15 U.S.C. §1117(a); and

19 (6) For other such other and further relief as the Court may deem just and
20 proper.

21 DATED: March 18, 2019

BUCHALTER
A Professional Corporation

22
23
24 By: /s/ Michael L. Meeks

MICHAEL L. MEEKS
FARAH P. BHATTI
CHRISTINA L. TRINH
Attorneys for Plaintiff
THE VINEYARD HOUSE, LLC

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

DATED: March 18, 2019

BUCHALTER
A Professional Corporation

By: /s/ Michael L. Meeks
MICHAEL L. MEEKS
FARAH P. BHATTI
CHRISTINA L. TRINH
Attorneys for Plaintiff
THE VINEYARD HOUSE, LLC