

II.
JURISDICTION AND VENUE

3. This is a declaratory judgment action under 28 U.S.C. §§ 2201 and 2202 (the “Declaratory Judgment Act”) arising under the copyright laws of the United States, 17 U.S.C. § 101 et. seq. (the “Copyright Act”).

4. Defendant has demanded that Plaintiff ceases and desists from the use of Plaintiff’s product packaging labels and promotional materials in connection with a photograph allegedly owned by Defendant, and has threatened Plaintiff with suit in federal court claiming that Plaintiff’s use of such labels and materials constitutes copyright infringement under the Copyright Act such that Defendant would seek damages and other remedies under federal law.

5. Jurisdiction of the Court is founded on Title 17 of the United States Code, and on Title 28 of the United States Code, particularly 17 U.S.C. § 301 and 28 U.S.C. §§ 1331, 1338.

6. The Court has personal jurisdiction over the parties, and venue is proper in this District under 28 U.S.C. §§ 1391(b), because Defendant José-Pablo Fernández resides in this District.

III.
FACTUAL BACKGROUND

Plaintiff Sans Wine & Spirits Co.

7. Plaintiff Sans Wine & Spirits Co. (“Importer”) is an import company in the business of importing wines and liquors from various countries, including Mexico. Importer markets and sells its products to numerous wholesalers and distributors throughout the United States.

8. On August 19, 2004, Importer began importing into the United States cases of bottled EL ULTIMO AGAVE Tequila from the manufacturer, Hacienda de Oro (“Distiller”), located in Mexico. At that time, Distiller used the label depicted below showing a common image of a jimador agriculture worker with an agave plant (the “2004 Label”) on the front of tequila bottles. Importer had thin profit margins for sales of tequila in the United States in the plain glass bottle with the purple 2004 Label.



The 2004 Label

9. Importer was the first to import this brand of tequila into the United States. The Distiller used the 2004 Label for the tequila sold in Mexico long before Importer brought the tequila into the United States. Distiller applied the 2004 Label to the bottles before shipping them to Importer in the United States.

10. In or about 2008, Importer decided to enhance the brand image of the tequila purchased from the Distiller and to position it as a luxury brand. As part of the brand enhancement, Importer arranged with a bottle manufacturer in Mexico for the Distiller to use an industrial hand-blown bottle for the tequila. Importer also arranged for the Distiller to use a wooden bottle stopper with cork veneer to match other luxury brands of tequila. As part of the 2008 brand enhancement, Importer also arranged with the bottle manufacturer in Mexico for an image of an agave agricultural worker to be molded into the back of the bottle to be used for the tequila (“Bottle Impression”).

11. As part of the brand enhancement, Importer also hired an independent Mexican design firm (the “Mexican Design Firm”) to design a new bottle label for the Distiller to affix to bottles of the tequila. Importer requested the Mexican Design Firm to upgrade the 2004 Label to a luxury brand look with more prominence for the brand name EL ULTIMO AGAVE and with a soft tan color instead of the purple color of the 2004 Label. The upgraded label depicted below shows the final version of the upgraded label adopted in or about 2008 and currently used on bottles imported by Importer (the “2008 Label”).



The 2008 Label

12. The 2008 Label is printed in Mexico, is affixed to each bottle of El Ultimo Agave Tequila in Mexico by Distiller, and has been used on El Ultimo Agave Tequila packaging and promotional materials imported into the United States since about March 2009.

13. Both the 2004 Label and the 2008 Label were submitted to the U.S. Alcohol and Tobacco Tax and Trade Bureau (“TTB”) and approved for use in the United States by Importer.

Defendant’s Acts Comprising Actual Controversy

14. On December 5, 2011, counsel for Photographer transmitted a letter to Importer demanding that unless Importer immediately ceases and desists from the reproduction, display or

distribution of Plaintiff's 2008 Label, Photographer will file suit in federal court against Distiller and Importer seeking monetary remedies, destruction of Importer's products, to bar the importation of Importer's products, and other remedies under federal law.

15. A copy of Photographer's counsel's December 5, 2011 letter is attached as **Exhibit 1**.

16. In the December 5, 2011 letter, Photographer claims that he is the owner of copyrights in a photograph entitled "Jimador que Tequila" (the "Jimador Photograph") and that the reproduction and distribution of product and promotional materials with the 2008 Label constitutes infringement of his copyrights. After this letter, counsel for the Photographer made oral claims that the Bottle Impression infringed the rights of the Photographer in the Jimador Photograph.

IV.
FIRST COUNT – DECLARATORY JUDGMENT
FOR COPYRIGHT NON-INFRINGEMENT

17. The allegations of all preceding Paragraphs are re-alleged herein.

18. This is a declaratory judgment action under the Declaratory Judgment Act arising under the Copyright Act of the United States. Jurisdiction of the Court is founded on Title 17 of the United States Code, and on Title 28 of the United States Code, particularly 17 U.S.C. § 301 and 28 U.S.C. §§ 1331, 1338.

19. An actual controversy of a justiciable nature exists between Importer and Photographer involving Importer's right to make current, past and future use the 2004 Label, the Bottle Impression and the 2008 Label on its product packaging and promotional materials, which Photographer asserts infringes and violates his rights in the Jimador Photograph.

20. Plaintiff requests an Order declaring that its current, future and past importation, public display and public distribution of the product packaging and promotional material with the 2004 Label, the Bottle Impression and the 2008 Label do not infringe any rights Defendant may have in the Jimador Photograph.

V.
SECOND COUNT – DECLARATORY JUDGMENT
FOR INNOCENT COPYRIGHT INFRINGEMENT

21. The allegations of all preceding Paragraphs are re-alleged herein.

22. An actual controversy of a justiciable nature exists between Importer and Photographer involving Importer's right to continue to make and the past and future use of the 2004 Label, the Bottle Impression and the 2008 Label on its product packaging and promotional materials, which Photographer asserts infringes and violates his rights in the Jimador Photograph.

23. Before receiving notice from Photographer's counsel, Importer had no reason to know that the 2004 Label, the Bottle Impression or the 2008 Label were in any way similar to the Jimador Photograph.

24. At all times relevant to this action, Importer acted in good faith with respect to the design and use of the 2008 Label and the importation, public display and public distribution of product packaging and promotional materials with respect to the 2004 Label, the Bottle Impression and the 2008 Label.

25. Importer alternatively requests an Order declaring that its use of the 2004 Label, the Bottle Impression and the 2008 Label constitutes innocent infringement of any rights the Photographer may have in the Jimador Photograph for purposes of assessing statutory damages under 17 U.S.C. § 504(c).

PRAYER

For these reasons, Plaintiff prays for judgment against Defendant for the following:

- (a) Declaring the relief alleged in this Complaint.
- (b) Awarding its full costs of this action;
- (c) Awarding a reasonable attorney's fee as the prevailing party in this action as a part of costs under 17 U.S.C. § 505.
- (d) Awarding pre-judgment and post-judgment interest as allowed by law; and
- (e) Awarding all other relief, in law or in equity, to which Plaintiff may be entitled.

DATED this 22nd day of December, 2011.

Respectfully submitted,

s/ Paul C. Van Slyke
Paul C. Van Slyke
Attorney-in-Charge
Texas State Bar No. 20457000
S.D. Tex. No. 534
pvenslyke@lockelord.com

M. Cole Mackey
Texas State Bar No. 24062865
S.D. Tex. No. 963664
cmackey@lockelord.com
LOCKE LORD LLP
2800 Chase Tower
600 Travis
Houston, Texas 77002
(p) (713) 226 – 1200
(f) (713) 223 – 3717