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## Lawsuits seek to let shops nationwide ship wine here

Cyril Penn

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California residents may be able to order wine from retail stores around the country if several lawsuits filed in the state are successful.

"The goal is not lawsuits, but opening the national wine market to retailers through a permit system, just as wineries have done," said John Hinman, an attorney with Hinman & Carmichael LLP, a firm that is working with the recently formed Specialty Wine Retailers Association.

The suits are based on the U.S. Supreme Court ruling last year on direct shipping, in which states were forbidden from having different shipping laws for in-state and out-of-state wineries.

As a result of a similar lawsuit in Texas, a preliminary injunction was issued last month that allows out-of-state retailers to sell directly to Texas consumers.



Chronicle / Craig Lee

In California, cases have been filed on behalf of individual retail plaintiffs in Los Angeles County, Oakland and San Jose.

According to J. Alexander Tanford, a law professor at Indiana University, parties in the Los Angeles case have already presented a judge with alternative proposals for dealing with the issue.



"I gather that the California attorney general has already conceded that California's law is unconstitutional under Granholm (the May 2005 Supreme Court decision on direct shipping) because it allows in-state retailers to ship but not out of state," Tanford said. "As usual, the fight is over what to do about it."

Unlike the other California complaints, the case filed in Los Angeles challenges laws preventing citizens in other states from sending wine into California.

Tanford said he and Indianapolis attorney Robert Epstein, who together filed the suit in Michigan that led to the Supreme Court's ruling, are continuing to look at wine shipping laws that states have enacted in their most recent legislative sessions. Some have created yearly production limits on eligibility for direct sales -- limits that typically happen to be just a bit higher than the capacity of the largest in-state winery, Tanford says.

Some states have also limited shipping of wine to on-site purchases. Tanford pointed out that the only wineries "on-site" in a given state will be local wineries.

"There are 20 other states with case limits, production limits, on-site sales limits, or ridiculously high fees for situations that will have the practical effect of continuing to keep most out-of-state wineries out of the market," said Tanford. "We are looking through the laws of those states, and there will be litigation in some of them," he said.

**Cosentino purchase:** Cosentino Signature Wines in Yountville has purchased St. Helena's Lorenza-Lake Winery and its Blockheadia Ringnosii brand from founder Michael Ouellette.

Blockheadia, which does not own vineyards or a winery, specializes in ultra-premium Napa Valley Zinfandel, Petite Sirah and Sauvignon Blanc. Ouellette will remain as director of operations at Blockheadia. Cosentino Signature Wines produces the Cosentino Winery, CE2V Estate Winery and Crystal Valley Cellars brands.

**Koves-Newland sold:** Koves-Newland Vineyards and Winery in Napa Valley has been acquired by L'Attitude Wines, owned by Bob Williamson of Half Moon Bay. Terms were not disclosed.



**People:** Paul Dolan has been elected board chairman of the Wine Institute for the 2006-2007 fiscal year. An Oakland native, he spent 27 years at Fetzer Vineyards as winemaker and later president. He founded Mendocino Wine Co. in 2004 with partner Tim Thornhill. San Francisco's Wine Institute is a public policy advocacy group for California wineries with offices in Sacramento, Washington, D.C., six other U.S. cities and 11 foreign countries.

Wines & Vines magazine in San Rafael has hired wine publishing veteran Jim Gordon as editor. He founded californiawineweb.com, a new online magazine focused on the wines of California, and was editor in chief for Sonoma-based Wine Country Living magazine, vice president of content for drinks.com and spent 12 years as managing editor for Wine Spectator magazine in San Francisco and New York.

Wines & Vines, which covers all aspects of the grape and wine industry, is part of Wine Communications Group, which also publishes Wine Business Monthly and Wine Business Insider.

Dominique Demarville, the chef de cave (chief winemaker) for Champagne Mumm in France, is moving to take over a similar position at Veuve Clicquot. His deputy, Didier Mariotti, has been promoted to chef de cave at Mumm.

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