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SWRA HAILS MICHIGAN JUDGE'S RULING ON RETAILERS AND WINE SHIPPING

Ruling Rejects Claim that Supreme Court's 2005 Wine Decision Only Applied to Wineries

(Sacramento, CA)—In a preliminary ruling in an important case concerning consumer access to wine, a Michigan District Court Judge mirrored Specialty Wine Retailer Association's (SWRA) long held claim that out-of-state retailers must be treated on an equal footing with in-state retailers concerning the issue of direct-to-consumer shipping of wine. The ruling affirms, contrary to many wine distributors' and states' claims, that equality in wine shipping must apply to retailers as well as to wineries.

Since the 2005 *Granholm v. Heald* Supreme Court decision concerning wine shipping, many wine wholesalers and states have argued that the decision applied only to out-of-state wineries because wineries brought the cases. They further argued, most recently in Illinois, that this meant out-of-state retailers could be prohibited from shipping into a state while in-state wine retailers could ship in the state freely. Specialty Wine Retailers Association has vehemently opposed this type of protectionist and anti-consumer reasoning in states across the country.

“Arguing wine retailers can be discriminated against with regard to shipping, while wineries may not, is like saying after *Brown v. Board of Education* the state could still discriminate against Hispanics, but not African-Americans, because there was no Hispanic party to the *Brown* case,” said Tom Wark, Executive Director of Specialty Wine Retailers Association. “Just as in *Brown*, we are dealing with a simple constitutional principle that cannot be compromised for the purpose of fattening wine distributors' wallets.”

TIDE TURNING IN FAVOR OF CONSUMERS AND FREE TRADE IN WINE

Judge Denise Page Hood, in her ruling on the State of Michigan's motion to dismiss a lawsuit challenging just such discrimination against wine retailers, came down on the side of the SWRA and consumer rights when she wrote:

“The Court will not construe *Granholm* to explicitly exclude out-of-state retailers from the Supreme Court's holding solely because the Supreme Court makes no mention of them in its opinion.... In *Granholm*, the Supreme Court focused more on discrimination against out-of-state economic interest and access to out-of-state markets, rather than, specifically, on out-of-state wine producers.”

The case in question, *Siesta Market v. Granholm* (the second wine case in which Michigan Governor Jennifer Granholm is a named defendant), was brought by the legal team of Alex Tanford and Robert Epstein, who are also involved along with SWRA in a similar case in Texas challenging a near identical case of discrimination against out-of-state retailers. Judge Hood's view of *Granholm v. Heald* applying to retailers as well as to wineries is in contrast to a recent decision in a New York District Court that appeared to ignore the *Granholm* decision altogether.

We are seeing the tide turn when it comes to consumer rights and wine shipping,” said Wark. “We expect to see further legal victories for consumer and retailers rights as well as more legislatures ignoring the wine distributors' calls for prohibitions on consumers' ability to purchase wine from out-of-state retailers just to protect the wholesalers' special interest.”

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Contact:

Tom Wark, Specialty Wine Retailers Association
707-935-4424 • twark@specialtywineretailers.org