

LEGAL AND PRIVACY

## Judge dismisses racketeering claims in Gucci's Alibaba suit

August 8, 2016



*Gucci's spring/summer 2016 collection*

By STAFF REPORTS

Racketeering claims in a lawsuit brought by Kering-owned brands including Gucci and Saint Laurent against Chinese marketplace Alibaba have been dismissed.

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A U.S. judge found that allegations Alibaba conspired with counterfeiters to profit on the sale of fake handbags and other merchandise failed to prove that the merchants knew of each other or that Alibaba was able to work with them. While these claims have been dismissed, the judge's decision does not impact other pieces of the lawsuit brought last year, which seeks damages for issues including trademark infringement and unfair competition.

One for Alibaba

Kering, along with its brands Gucci and Yves Saint Laurent, filed the lawsuit in a U.S. district court in New York on May 15, 2015, stating that the online retailer has been allowing, and possibly encouraging, the sale of knock-off goods for profit. Part of the allegations surround search algorithms that help lead consumers to fakes, including "Gucci replicas" selling for \$2 per handbag ([see story](#)).

When it issued the suit, Kering released a statement, saying, "Kering maintains the highest standards of sustainability and quality and takes the protection of its world-famous brands very seriously. It takes equally seriously its obligation to protect its customers from being defrauded by counterfeiters selling goods of inferior quality.

"This lawsuit is part of Kering's ongoing global effort to maintain its customers' trust in its genuine products and to continue to develop the creative works and talents in its brands."



### *Gucci handbags*

After filing the suit, Gucci won a U.S. court order in August the same year barring Alibaba merchants from selling counterfeit goods online and requiring them to turn over financial information to Gucci's parent company Kering ([see story](#)).

Gucci's suit claimed that Alibaba joined with 14 companies to profit from the sale of counterfeits. According to [Reuters](#), the judge found that the plaintiffs did not provide facts necessary to prove the existence of such a scheme under federal racketeering law.

In his ruling, the judge said that just because two parties commit the same act of fraud on the same platform does not prove a relationship exists between them.

This suit is being closely watched, as the decisions in the case could have an impact on labels' abilities to go after counterfeiters who sell online, potentially making it easier for them to seek damages.

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