

JEWELRY

Costco ordered to pay Tiffany & Co. \$19.4M following lawsuit

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Tiffany engagement ring setting in rose gold. Image credit: Tiffany

By STAFF REPORTS

Following a 2013 lawsuit, warehouse club Costco has been ordered by a federal judge in New York to pay U.S. jeweler Tiffany & Co. \$11.1 million, plus interest.

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On Valentine's Day 2013, Tiffany sued Costco for selling approximately 2,500 rings that the warehouse described as "Tiffany." Costco feels that the term, used to describe an engagement ring setting, has become a generic phrase to market jewelry, and that it was not selling knock-off Tiffany designs ([see story](#)).

The name game

Although the rings sold at Costco were not counterfeit jewelry, Tiffany feels that consumers who purchased the item may have been duped by the false identification.

Tiffany-cut prong engagement rings have been designed by the jeweler for the past 130 years and are backed by a lifetime guarantee. The design, always accompanied by the branded and iconic Tiffany blue box, is sourced and manufactured to strict specifications to meet the brand's level of quality standards ([see story](#)).

On Aug. 14, U.S. District Judge Laura Taylor Swain ruled that Tiffany should receive \$11.1 million, plus interest. The amount suggested represents triple the loss profit from Costco's IP mishap.



Tiffany sought to protect its trademark in its suit against Costco. Image credit: Tiffany

Last fall, Tiffany was also awarded \$8.25 million in damages by a jury. Costco is expected to pay \$19.4 million for carrying "Tiffany" rings at its stores.

"Judge Swain's decision validates the strength of the Tiffany trademark and the value of our brand, and most importantly, sends a clear and powerful message to Costco and others who infringe the Tiffany mark," the jeweler said in a statement.

"Tiffany is much more than a name. It stands for responsible sourcing, exacting standards and exceptional craftsmanship," the brand said. "We brought this case because we felt a responsibility to protect the value of customers' purchases and to ensure that Costco's customers were not misled about their purchases.

"It is critically important that the Tiffany name not be used to sell any engagement ring that is not our own."

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