

LEGAL AND PRIVACY

Saks launches countersuit against Cartier over retail renovations

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Exterior of Saks Fifth Avenue. Image credit: Saks Fifth Avenue

By STAFF REPORTS

Department store chain Saks Fifth Avenue is countersuing Cartier after the jeweler brought a suit claiming that the retailer's changes to its flagship store were hurting its business.

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Cartier's suit centers on its five-year lease for space on the first floor of Saks, which the retailer seeks to end early as part of its revamped ground level concept centered on handbags and leather goods. According to a report from *Women's Wear Daily*, Saks says it will see more than \$55 million in damages due to Cartier's refusal to move.

Hitting back

Saks Fifth Avenue's flagship location in New York has unveiled a newly designed jewelry department. Much like its beauty section, its jewelry has been moved off the first floor to allow for a more private shopping experience ([see story](#)).

As Saks makes this shift, Cartier is claiming that the intended move is impacting business and is seeking \$40 million in damages in a suit against the store. The jeweler originally signed its five-year lease in 2016, and the suit claims that Saks' promises that the construction would not interfere with its placement have not been upheld.

"Saks' actions were undertaken in bad faith for the purpose of harassing Cartier and interfering with its ability to operate in the Cartier department in the Cartier location and constitute a breach of the covenant of good faith and fair dealing," said Cartier in the complaint, which was filed with a New York court ([see story](#)).



Cartier boutique at Saks Fifth Avenue's flagship. Image credit: Cartier

Following Cartier's filing on Oct. 3, Saks filed a countersuit on Oct. 6. The retailer's suit focuses on Cartier's failing to leave the space so that a leather goods tenant could move in, thus delaying construction.

Saks claims that there is a termination provision in its leases to prevent its vendors from barring changes.

The retailer also alleges that Cartier's action is damaging its relationship with other businesses.

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