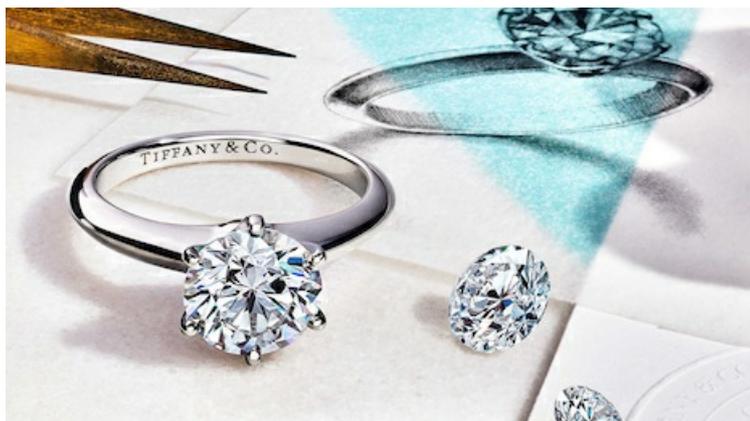


JEWELRY

Tiffany & Co. trademark infringement victory reversed by federal appeals court

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A classic Tiffany solitaire engagement ring. Image credit: Tiffany & Co.

By LUXURY DAILY NEWS SERVICE

U.S. jeweler Tiffany & Co. is responding after a federal appeals court overturned a years-old ruling in an ongoing trademark infringement and counterfeiting lawsuit against Costco Wholesale Corp.

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On Aug. 17, the Second Circuit Court of Appeal reversed a 2015 decision from the U.S. District Court for the Southern District of New York that found Costco liable for trademark infringement after labelling unbranded diamond ring settings as "Tiffany." The ruling was reversed on the basis that the initial lawsuit should have been presented to a jury, rather than decided by the District Court judge.

Ruling reversal

Tiffany & Co. first sued Costco in early 2013, after the warehouse retailer sold approximately 2,500 rings that described as "Tiffany." Costco countersued, arguing that "the word tiffany is a generic term for ring settings comprising multiple slender prongs extending upward from a base to hold a single gemstone."

The items available at Costco were "tiffany-cut" rings and did not include the luxury jeweler's signature blue packaging. However, consumers may have thought that the pieces were the unbranded versions of Tiffany rings ([see story](#)).

After Costco was ruled liable by the district court in 2015, a civil jury awarded Tiffany both damages and punitive damages.



Tiffany & Co. has introduced a more modern engagement ring. Image credit: Tiffany & Co.

In 2017, a federal court in New York awarded jeweler Tiffany & Co. \$19.35 million \$3.7 million in profits, trebled for bad faith infringement to \$11.1 million, \$8.25 million in punitive damages and attorney's fees against Costco. The \$3.7 million was the amount recommended by the jury as Costco's profits, nearly four times the profits under Costco's calculations ([see story](#)).

The reversal, preceded by Costco's appeal, voids that ruling.

"We continue to believe that the District Court was correct in its findings, and that the jury's finding on damages, which resulted in a \$21 million award for Tiffany & Co., is a clear indicator of the strength of the Tiffany brand, and of the jury's outrage over Costco's actions," said Leigh Harlan, senior vice president, secretary and general counsel at Tiffany & Co., in as statement. "We have no qualms about trying this case again, and remain confident that a jury will find counterfeiting and infringement upon retrial, just as the District Court judge originally ruled."

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