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Trademark case: Tiffany and Company v. Costco Wholesale Corp., USA

Cheryl Beise (Wolters Kluwer Legal & Regulatory US) · Monday, September 21st, 2020

Costco raised triable issues of fact as to its liability for infringement and counterfeiting and whether its use of “Tiffany” to describe a ring style was fair use.

The federal district court in Manhattan erred in concluding as a matter of law that Costco’s use of the word “Tiffany” to describe diamond engagement rings amounted to willful trademark infringement and counterfeiting, warranting compensatory and punitive damages exceeding \$21 million, the U.S. Court of Appeals in New York City has ruled. The district court had a duty on summary judgment to credit evidence presented by Costco regarding its liability for trademark infringement and counterfeiting and, relatedly, its entitlement to present its fair use defense to a jury. As to liability, Costco raised triable issues of fact as to three likelihood of confusion factors—whether Costco’s customers were actually confused, whether Costco adopted Tiffany’s mark in bad faith, and whether the relevant population of consumers was sufficiently sophisticated to avoid confusion. A jury also reasonably could find that Costco used the term “Tiffany” descriptively on its point-of-sale signs, based on Costco’s evidence that “Tiffany” has a descriptive meaning independent of Tiffany’s brand. The district court’s judgment was vacated and the case remanded for trial (Tiffany and Company v. Costco Wholesale Corp., August 17, 2020, Livingston, D.).

Case date: 17 August 2020

Case number: Nos. 17-2798

Court: United States Court of Appeals, Second Circuit

A full summary of this case has been published on [Kluwer IP Law](#).

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