

Joe Lawlor in World Trademark Review: Legal Experts React to Appeal Court's \$21 Million Damages Decision in Tiffany v. Costco

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PRACTICES Intellectual Property, Trademark and Advertising, Trademark Litigation

World Trademark Review quoted Haynes Boone Associate [Joe Lawlor](#) in an article about a recent decision by the U.S. Second Circuit of Appeals to overturn a \$21 million judgment against Costco that highlights the importance of controlling a trademark's use in the marketplace.

Here is an excerpt:

Tiffany had been awarded the sum after a summary judgment in a case that stems back to 2013. Tiffany originally filed suit after Costco began advertising for sale engagement rings, none of which were manufactured or licensed by Tiffany, next to signs advertising them as platinum "Tiffany" rings. Tiffany claimed that this was an infringement on its TIFFANY trademark, while Costco argued that it was using the word to refer to a popular style of pronged diamond settings that was not exclusive to Tiffany rings. The question of whether the term "Tiffany" had become descriptive to this extent was then sent to the courts.

Haynes Boone Associate Joseph Lawlor says: "The ruling is a helpful reminder to practitioners and litigants that these issues can be factually intensive, and not subject to summary judgment in certain circumstances."

The court's conclusion about descriptive use is an important lesson for brands, continues Lawlor: "Don't take an overly formalistic view of your rights merely by dint of a trademark registration, because the real test of infringement requires a comparison of trademark use in the marketplace and the impact of that use on consumers." He adds that the focus on the marketplace is a crucial factor that works both ways. For instance, in other cases where a defendant is not using the exact term in a different industry, "the overall impression of the defendant's marketing could nonetheless cause consumer confusion".

To read the full article, click [here](#). (Subscription required)