

Client Alert

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The Survey Says: TIFFANY Is Not Generic for a Ring Setting

By Jennifer Lee Taylor and Sabrina Larson

Last week, the Southern District of New York granted summary judgment to Tiffany & Co. on its trademark infringement claim against Costco Wholesale Corporation for selling rings advertised under the TIFFANY mark. *Tiffany & Co. v. Costco Wholesale Corp.*, No. 1:13-cv-01041 (S.D.N.Y. Sept. 8, 2015).

Tiffany had sued Costco after learning that it was displaying rings next to signs reading “Platinum Tiffany .70 VS2” and “Platinum Tiffany VS2.1.” Costco counterclaimed, asserting that “Tiffany” is a generic term for a type of ring setting. Costco also raised fair use as an affirmative defense.

Tiffany unsuccessfully filed an early summary judgment motion on Costco’s genericness counterclaim. The court denied that motion, holding that factual disputes existed as to the meaning of the terms “Tiffany” and “Tiffany setting” in the minds of the general public.

Tiffany later filed another summary judgment motion for infringement and counterfeiting, and on Costco’s genericness counterclaim and fair use defense. With its motion, Tiffany presented a survey with 464 respondents. When shown the word “Tiffany” in materials similar to Costco’s point of sale signage, nearly 4 out of 10 consumers believed that “Tiffany” was being used as a brand name. Another 3 out of 10 said they thought it was both a brand name and a descriptive word.

To oppose Tiffany’s motion, Costco challenged Tiffany’s survey methodology. It also proffered the testimony of several experts that “Tiffany” is the sole word in the English language to describe a particular style of ring setting. The experts further opined on the long history of the generic use of “Tiffany” to describe such settings. Costco additionally offered dictionary definitions and expert testimony from a senior consultant to Dictionary.com.

The court held as a matter of law that Costco’s sale of rings advertised as “Tiffany” rings satisfied all of the factors giving rise to a likelihood of confusion, especially bad faith. It also rejected Costco’s arguments that “Tiffany” is a generic term and that Costco was entitled to claim fair use.

The court noted that Costco proffered no evidence raising a material issue of fact regarding whether “the primary significance of the Tiffany mark to the relevant public is as a generic descriptor or a brand identifier.” The court explained that the “question of ‘primary significance’ is the key to a determination of genericism.” Relying on Tiffany’s survey, the court granted summary judgment on Costco’s genericness counterclaim.

The court’s decision is a good reminder that survey evidence can be extremely helpful in establishing whether a term is perceived as a trademark, a descriptive term, or a generic product category. It can also be helpful in establishing whether trade dress is protectable. Although surveys can be very expensive to conduct and are

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frequently susceptible to attack on a variety of grounds, they may make the difference between winning and losing trademark and trade dress cases. Had Tiffany conducted a survey before filing its first summary judgment motion on genericness, it might have prevailed the first time, rather than needing to renew its summary judgment motion on that issue.

If you have any questions regarding trademark surveys, or descriptive or generic marks, please contact one of the members of our trademark group.

Contact:

Jennifer Lee Taylor

(415) 268-6538

jtaylor@mofo.com

Sabrina Larson

(415) 268-6348

slarson@mofo.com

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