

## **Tiffany Files Against Costco for Trademark Infringement**

### **Tiffany protects customers and brand by seeking to halt sales of counterfeit diamond rings**

NEW YORK, NY (February 14, 2013)--Moving to protect its customers and its brand, Tiffany and Company, wholly owned subsidiary of Tiffany & Co. (NYSE: TIF) today filed suit against Costco Wholesale Corporation to prevent further sales of counterfeit diamond engagement rings and for damages associated with prior sales. The suit was filed in the U.S. District Court for the Southern District of New York, and alleges trademark infringement, dilution, counterfeiting, unfair competition, injury to business reputation, false and deceptive business practices and false advertising.

In November, 2012, a customer alerted Tiffany to the sale of what was promoted on in-store signs as "Tiffany" diamond engagement rings at a Costco store in Huntington Beach, California. Tiffany immediately launched an investigation, and later learned that for many years, and without Tiffany's knowledge, Costco had apparently been selling different styles of rings that it has falsely identified on in-store signage as "Tiffany." The rings are not in fact Tiffany rings, nor are they manufactured by, approved by, licensed by, or otherwise in any way properly associated with Tiffany. In this way, Costco led its members to believe they were purchasing authentic Tiffany products at significant discounts, when in fact, that was simply not true.

"We now know that there are at least hundreds if not thousands of Costco members who think they bought a Tiffany engagement ring at Costco, which they didn't. Costco knew what it was doing when it used the Tiffany trademark to sell rings that had nothing to do with Tiffany. This is not the kind of behavior people expect from a company like Costco, and this case will shed a much needed light on this outrageous behavior," said Jeffrey Mitchell of Dickstein Shapiro, Tiffany's counsel in the case. "The Tiffany brand has been damaged, Costco members have been damaged, and Costco has profited from the sale of engagement rings by misrepresenting what they were. We will get to the bottom of what Costco was up to and why, and right a terrible wrong," Mitchell added.

For more than 175 years, the Tiffany trademarks have been applied to high quality goods, including in particular high-end jewelry. Authentic Tiffany jewelry is manufactured to strict specifications, and then subjected to rigorous quality control standards to assure the public about the provenance and quality of each Tiffany item. Tiffany diamond engagement rings are then backed by a lifetime guarantee. Additionally, to protect the brand, Tiffany fine jewelry is sold only in Tiffany retail stores by trained sales professionals, and is not distributed or sold at discount through other wholesale or retail establishments. In particular, Tiffany has never sold nor would it ever sell its fine jewelry through an off-price warehouse retailer like Costco, either directly or indirectly.

To protect the public, Tiffany maintains an aggressive and rigorous intellectual property program, and regularly takes actions against counterfeiters and infringers. "What's different here from many other cases of counterfeiting," notes Mitchell "is that here customers might be more easily taken in since Costco members expect authentic brand name merchandise at discount prices at Costco. Everyone knows that buying something on a street corner or over the internet from an unknown source is risky. Until now, no one would have thought it could be risky to buy brand name merchandise from Costco as well."

Tiffany & Co. operates jewelry stores and manufactures products through its subsidiary corporations. Its principal subsidiary is Tiffany and Company. The Company operates TIFFANY & CO. retail stores and boutiques in the Americas, Asia-Pacific, Japan, Europe and the United Arab Emirates and engages in direct selling through Internet, catalogue and business gift operations. For additional information, please visit [www.tiffany.com](http://www.tiffany.com).

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