

Tiffany & Co. v. Costco Wholesale Corp.: Cut, Clarity, Carat, Color, and Costco?

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I. OVERVIEW

Diamonds are forever, but the “Tiffany” trademark faces genericide.¹ Tiffany and Company and Tiffany (NJ) LLC (together, Tiffany) is a leading purveyor of fine jewelry, including diamond engagement rings.² Founder Charles Lewis Tiffany’s quintessential multi-pronged diamond setting, the “Tiffany Setting,” is a celebrated feature of contemporary trade literature.³ Synonymous with luxury, Tiffany maintains ninety-seven trademark registrations related to the company name and stylizations thereof.⁴ In November 2012, Costco Wholesale Corporation (Costco), a subscription-based warehouse retailer, sold otherwise unbranded diamond engagement rings using the trademarked term “Tiffany.”⁵ Notably, Costco’s promotional materials incorporated “Tiffany” absent the modifier “setting,” “set,” or “style.”⁶ In response, Tiffany criticized Costco’s product disclosures, citing deceptive business practice and trademark infringement in violation of the Lanham Act.⁷ Pending litigation, Costco issued a clarification to relevant purchasers, insisting its signage had “used the word ‘Tiffany’ to indicate that [the associated] ring had a Tiffany-style pronged setting.”⁸

1. See *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 84 (2d Cir. 2020).
2. *Id.* at 81.
3. *Id.*
4. *Id.*
5. *Id.*
6. *Id.*
7. *Id.* at 82.
8. *Id.*

Ironically, Tiffany filed formal opposition on Valentine’s Day, 2013 in the United States District Court for the Southern District of New York.⁹ In relevant parts, Tiffany asserted claims of trademark infringement, unfair competition, false and deceptive business practices, and false advertising in violation of the Lanham Act and New York law.¹⁰ Costco counterclaimed for partial cancellation of the “Tiffany” trademark, citing a fair use affirmative defense under the Lanham Act.¹¹ The wholesaler argued that use of “Tiffany,” as an industry-recognized descriptor of pronged diamond settings, is descriptive and thereby exempt from infringement liability.¹² Following discovery, Tiffany filed a renewed motion for summary judgment to dismiss Costco’s counterclaim and declare liability as a matter of law.¹³ The United States District Court for the Southern District of New York granted Tiffany’s summary judgment motion in its entirety, holding that Costco failed to raise genuine issues of material fact “as to any of the factors relevant to the infringement analysis.”¹⁴ Rather, Tiffany demonstrated a likelihood of confusion sufficient to warrant summary judgment and compensatory damages.¹⁵ On review *de novo*, Costco principally challenged the analysis of three infringing factors: actual confusion of the Costco consumer, adoption of the “Tiffany” mark in bad faith, and the sophistication of the relevant population of purchasers.¹⁶ The United States Court of Appeals for the Second Circuit *held* that Costco raised triable questions as to likelihood of customer confusion and, relatedly, its entitlement to present a fair use defense to a jury. *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 84 (2d Cir. 2020).

II. BACKGROUND

A. *Summary Judgment: Standards of Appellate Review*

Dispositive pre-trial motion practice bars review of untenable legal claims in furtherance of expeditious litigation.¹⁷ Pursuant to Rule 56 of the Federal Rules of Civil Procedure, summary judgment is proper in (1) the

9. *Id.*

10. *Id.*

11. *Id.*

12. *Id.*

13. *Id.*

14. *Id.*

15. *Id.* at 83.

16. *Id.*

17. *See* FED. R. CIV. P. 56(a).

absence of genuine dispute as to any material fact, and (2) where the movant is entitled to judgment as a matter of law.¹⁸ The adjudicating authority must review supporting factual positions “through the prism of the substantive evidentiary burden” and resolve ambiguity in favor of the non-movant.¹⁹ Operatively, subdivision (a) requires the relevant court to disclose reason for grant or denial of summary judgment for appellate or subsequent trial court proceedings.²⁰ However, the standard of review for summary judgment is formally *de novo*, according no deference to the district courts’ resolutions of law.²¹

By contrast, the Second Circuit reviews the record of asserted factors to summary judgment *de novo* and with “atypical deference.”²² Though amenable to plenary scrutiny, the Second Circuit has resolved “findings with respect to predicate facts underlying [the claim] . . . with ‘considerable deference’ to the district court.”²³ Criticized as an inherently outcome-determinative review of summary judgment, considerable deference minimizes examination of the evidentiary record anew.²⁴ As promulgated in *Kelly-Brown v. Winfrey*, an application of marginal scrutiny does not “comport with the general standard of review . . . at summary judgment.”²⁵ In *Kelly-Brown*, the court noted, in lieu of its formal responsibility to review summary judgment *de novo*, the Second Circuit “may be alone in affording this atypical deference.”²⁶ Though it is well-settled that appellate courts review grant of summary judgment *de novo*, the Second Circuit’s discretionary application of considerable deference is unresolved.²⁷

18. *Id.*

19. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 254 (1986).

20. FED. R. CIV. P. 56(a) (citing the 2010 Advisory Committee Notes, as amended).

21. *See Jones v. Cnty. of Suffolk*, 936 F.3d 108, 114 (2d Cir. 2019).

22. *See id.*; *see also Playtex Prods., Inc. v. Ga.-Pac. Corp.*, 390 F.3d 158, 162 (2d Cir. 2004).

23. *Playtex Prods.*, 390 F.3d at 162; *see also Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 478 (2d Cir. 1996); *Lois Sportswear, U.S.A., Inc., v. Levi Strauss & Co.*, 799 F.2d 867, 873 (2d Cir. 1986).

24. *Kelly-Brown v. Winfrey*, 659 F. App’x 55, 58 n.3 (2d Cir. 2016) (summary order).

25. *Id.*

26. *Id.*; *see Nola Spice Designs v. Haydel Enters., Inc.*, 783 F.3d 527, 536 (5th Cir. 2015); *Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc.*, 186 F.3d 311, 315 (3d Cir. 1999) (“We review the district court’s order granting summary judgment *de novo*, and we apply the same test the district court applied in the first instance.”).

27. *Kelly-Brown*, 659 F. App’x at 58 n.3 (“Noting that it is not obvious how . . . a court would go about employing [considerable deference] in reviewing a grant of summary judgment, we leave exploration of these questions to a future case.”).

B. Infringement Under the Lanham Act

Section 43(a) of the Lanham Act proscribes federal trademark infringement for protection of persons engaged in commerce against unfair competition.²⁸ As originally enacted, Section 43(a) granted statutory relief for claims of deceptive conduct, including representation of “words or other symbols tending falsely to describe or represent the same.”²⁹ In contemporary jurisprudence, registrants of goods or services under the Lanham Act may claim infringement against actions “likely to cause confusion” with the owner’s mark.³⁰ Bona fide infringement requires a petitioner establish “‘a probability of confusion’ . . . affecting ‘numerous ordinary prudent purchasers.’”³¹ A consumer need not regard the registrant owner as the source of the appropriated goods or services.³² Rather, mere deceit as to affiliation, connection, identification or sponsorship, proven by a preponderance of the evidence, is sufficient.³³

If a claim merits protection, likelihood of confusion is reviewed in accordance with the law of the relevant circuit.³⁴ The Court of Appeals for the Second Circuit considers the eight factors as articulated in *Polaroid Corp. v. Polarad Electronics Corp.*: (1) the strength of the trademark, (2) the degree of similarity between the petitioners’ mark and the defendant’s alleged imitative use, (3) proximity of the products and their competitiveness with one another, (4) likelihood the petitioner will “bridge the gap” and develop a product for sale in the defendant’s market, (5) evidence of actual consumer confusion, (6) evidence the defendant adopted the imitative term in bad faith, (7) the respective quality of the products, and (8) the sophistication of the relevant consumer.³⁵ In

28. See 15 U.S.C. § 1125.

29. *Id.* § 1125(a).

30. *Id.* § 1125(a)(1)(A); see also *Sports Auth., Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 960 (2d Cir. 1996) (“To succeed on its Lanham Act claims, TSA must show that it has a valid mark that is entitled to protection under the Lanham Act and that Prime’s actions are likely to cause confusion with TSA’s mark.”).

31. *Star Indus., Inc. v. Bacardi & Co., Ltd.*, 412 F.3d 373, 383 (2d Cir. 2005) (quoting *Gruner + Jahr USA Publ’g v. Meredith Corp.*, 991 F.2d 1072, 1077 (2d Cir. 1993)).

32. *Id.* at 383-84 (citing *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204-05 (2d Cir. 1979)).

33. *Id.* at 383.

34. See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961); *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 462-63 (3d Cir. 1983); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984).

35. *Polaroid Corp.*, 287 F.2d at 495; see also § 1125(a)(1).

valuation thereof, no single factor is dispositive in a trademark infringement action.³⁶

In consideration of prong six, an alleged infringer acts in bad faith when exploiting “the good will and reputation of a senior user by adopting the mark with the intent to sow confusion between the two companies’ products.”³⁷ Moreover, prior knowledge of a senior user’s mark does not presuppose malintent to capitalize upon the reputation of the senior user.³⁸ The Second Circuit held in *Nora Beverages, Inc. v. Perrier Group of America, Inc.*, that knowledge of “the successful features of another’s product” and imitation thereof for purposes of fair market competition is permissible, absent consumer confusion.³⁹ Though willfully deceptive conduct may raise a “presumption of consumer confusion,” evidence of a licit intent to compete may permit a “free ride.”⁴⁰ However, if the allegedly infringing mark is identical to the senior user’s, “there is great likelihood of confusion of source,” and the defendant carries the burden of persuasion.⁴¹

In consideration of prong eight, sophistication of the relevant consumer is that of an “ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods.”⁴² Consumer sophistication obviates finding a likelihood of confusion, whereby the more sophisticated purchaser is less susceptible to marketplace ambiguities.⁴³ Likewise, for goods and services of greater value, the consumer “may be expected to educate themselves sufficiently to recognize the respective brand names, [and] to understand the respective stature of the two companies.”⁴⁴ For example, in *J.R. Wood & Sons, Inc. v. Reese Jewelry Corp.*, the Second Circuit held that a purchaser of a

36. *Polaroid Corp.*, 287 F.2d at 495 (“Even this extensive catalogue does not exhaust the possibilities—the court may have to take still other variables into account.”).

37. *Star Indus., Inc. v. Bacardi & Co., Ltd.*, 412 F.3d 373, 388 (2d Cir. 2005).

38. *Sports Auth., Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 964 (2d Cir. 1996).

39. *Nora Beverages, Inc. v. Perrier Grp. Of Am., Inc.*, 269 F.3d 114, 124 (2d Cir. 2001) (quoting *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 745 (2d Cir. 1998)).

40. *Id.*; see also *George Basch Co., v. Blue Coral, Inc.*, 968 F.2d 1532, 1541 (2d Cir. 1992).

41. *Kiki Undies Corp. v. Promenade Hosiery Mills, Inc.*, 411 F.2d 1097, 1101 (2d Cir. 1969).

42. *Star Indus., Inc.*, 412 F.3d at 390 (quoting *Sports Auth., Inc.*, 89 F.3d at 965).

43. *Id.*; see *Manhattan Indus., Inc. v. Sweater Bee by Banff, Ltd.*, 627 F.2d 628, 631 (2d Cir. 1980) (“[T]he likelihood of confusion may decrease as the sophistication of the relevant purchasers increases.”).

44. *Star Indus., Inc.*, 412 F.3d at 390.

diamond engagement ring will be “most discriminating,” in lieu of the substantive cost and celebratory occasion.⁴⁵ Though consumer sophistication may be proven by direct evidence, including expert opinion and survey, the Second Circuit permits sole consideration of the “nature of the product or its price.”⁴⁶

C. *Affirmative Fair Use*

Federal trademark law exempts unlicensed descriptive use of a registered mark.⁴⁷ Though registration confers an “exclusive right to use [a] mark on or in connection with the goods or services specified,” the registration is subject to the defenses enumerated in Section 1115 of the Lanham Act.⁴⁸ Under the Act, a fair use doctrine precludes appropriation of descriptive language through trademark registration.⁴⁹ Pursuant to Section 1115(b), persons accused of infringing an incontestable mark may cite descriptive fair use thereof, for “some possibility of consumer confusion must be compatible with fair use, and so it is.”⁵⁰ An affirmative fair use defense requires the alleged infringer show that use was made “(1) other than as a mark, (2) in a descriptive sense, and (3) in good faith.”⁵¹

First, use of the term “as a mark” distinguishes goods or services “from those manufactured or sold by others and [indicates] the source of the goods.”⁵² A review of the evidentiary record for use of a mark “as a symbol to attract public attention” considers placement in any manner on the goods, on tags or labels affixed thereto, or on documents associated with the goods or sale thereof.⁵³ As opined in *Kelly-Brown*, the Second Circuit may reference advertising or promotional materials related to the product and their degree of repetition for use as a mark in the ordinary course of trade.⁵⁴ As provided, the factors for use “as a mark” are not dispositive and oblige consideration in the aggregate.⁵⁵

45. *J.R. Wood & Sons, Inc. v. Reese Jewelry Corp.*, 278 F.2d 157, 159 (2d Cir. 1960).

46. *Star Indus., Inc.*, 412 F.3d at 390.

47. *See* 15 U.S.C. § 1115.

48. *Id.* § 1125(a) (accompanying language was amended in 1988).

49. *Id.* § 1115(b); *see Kelly-Brown v. Winfrey*, 717 F.3d 295, 308 (2d Cir. 2013) (internal citations omitted).

50. *KP Perm. Make-Up, Inc. v. Lasting Impressions I, Inc.*, 543 U.S. 111, 121-22 (2004).

51. *Kelly-Brown*, 717 F.3d at 308; *see* 15 U.S.C. § 1115(b)(4) (2002).

52. § 1127.

53. *Id.*; *Kelly-Brown*, 717 F.3d at 308 (quoting *JA Apparel Corp. v. Abboud*, 568 F.3d 390, 400 (2d Cir. 2009)).

54. *Kelly-Brown*, 717 F.3d at 310.

55. *Id.* at 311.

Second, use of a term in the “descriptive sense” names the qualities and characteristics of a product or service in the abstract, without suggesting sponsorship or affiliation of the senior user.⁵⁶ A federally registered term may become “generic” if “widely disseminated as to form some degree of association in the public’s mind between the phrase and the product.”⁵⁷ Failing distinctiveness under the Lanham Act, a generic term is available to competitor use without consequence and subject to cancellation procedures.⁵⁸ For example, in *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond’s USA Co.*, the Second Circuit held as descriptive the phrase “Seal it with a Kiss” for use to “describe an action that the sellers hope the consumers will take, using their product.”⁵⁹ Accordingly, so long as use of the term observes “good faith” intent only to describe the challenged products or services, the non-registrant is entitled to affirmative fair use under the Lanham Act.⁶⁰

III. COURT’S DECISION

In the noted case, the Court of Appeals for the Second Circuit addressed the precedential ambiguity promulgated in *Kelly-Brown*, reviewing likelihood of confusion formally *de novo*.⁶¹ According no deference to the district court’s balancing of the *Polaroid* factors, the Second Circuit held that Costco raised factual questions as to actual confusion of the Costco consumer, imitation with deceptive intent, and the sophistication of the relevant population in commerce.⁶² Rather, proffered evidence regarded “Tiffany,” for use “as a mark” in the sale of diamond engagement rings, as seemingly descriptive in the jewelry trade.⁶³ Thus, Costco was entitled to raise a fair use defense of the Tiffany moniker, preclusive of summary judgment.⁶⁴

56. See *Cosmetically Sealed Indus. v. Chesebrough-Pond’s USA Co.*, 125 F.3d 28, 31 (2d Cir. 1997).

57. *Id.*

58. See *id.*; see also § 1064 (“A petition to cancel a registration of a mark . . . may . . . be filed . . . at any time if the registered mark becomes the generic name for the goods or services . . .”).

59. *Cosmetically Sealed Indus.*, 125 F.3d at 30.

60. See *id.* at 31.

61. *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74, 86 (2d Cir. 2020); see *Kelly-Brown v. Winfrey*, 659 F. App’x 55, 58 n.3 (2d Cir. 2016) (ruling by summary order).

62. *Tiffany & Co.*, 971 F.3d at 91.

63. *Id.* at 94.

64. *Id.* at 92.

First, the court determined that it would review the district court's rulings on summary judgement *de novo*, resolving subsidiary conclusions underlying each *Polaroid* factor.⁶⁵ Citing precedent in *Playtex Products, Inc. v. Georgia-Pacific Corp.*, the court recognized the Second Circuit's grant of "considerable deference" to a district court's factual findings under each *Polaroid* factor.⁶⁶ In response, the court held that a legal judgment, "determin[ing] whether a mark has the degree of strength necessary to weigh in favor the party claiming infringement," is not immune from appellate review.⁶⁷ Rather, a district court's factual inferences in cases of trademark infringement are not afforded "greater discretion that it would have in a non-trademark case to resolve disputed issues if fact."⁶⁸ Therefore, use of "considerable deference" is an impermissible expansion of the district court's license to make factual findings on summary judgement beyond limited circumstances that support a single conclusion.⁶⁹

Second, the court relegated analysis of trademark infringement to the second prong of the test set forth in *Sport's Authority, Inc., v. Prime Hospitality Corp.*⁷⁰ The second prong requires balancing the eight *Polaroid* factors to determine whether Costco's use of "Tiffany" generated a likelihood of consumer confusion as to Tiffany's registered mark.⁷¹ Assigning error in the district court's ruling on summary judgement, the court reviewed Costco's contrary evidence in the aggregate, including its argument on rebuttal, the factual record, and the survey of its expert Dr. Russel S. Winer.⁷²

In consideration of whether use of "Tiffany" generated actual consumer confusion as a matter of law, the court held that Costco's contrary evidence was sufficient to raise a question of triable consequence for the jury.⁷³ In particular, Costco argued that Tiffany's asserted evidence was *de minimus* of consumer confusion and criticized the methodology of

65. *Id.* at 83.

66. *Id.* at 85; *see Playtex Prods., Inc. v. Ga.-Pac. Corp.*, 390 F.3d 158, 162 (2d Cir. 2004).

67. *Tiffany & Co.*, 971 F.3d at 86 n.7 (citing *Patsy's Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 216 (2d Cir. 2003)).

68. *Id.* at 85 (citing *Patsy's Brand, Inc.*, 317 F.3d at 216.).

69. *Id.*

70. *Id.* at 84 n.4 (noting registration of "Tiffany" as "conclusive evidence of the validity of the registered mark" and Tiffany's ownership thereof) (citing 15 U.S.C. § 1115); *see Sports Auth., Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 960 (2d Cir. 1996).

71. *Tiffany & Co.*, 971 F.3d at 84; *see Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961).

72. *Tiffany & Co.*, 971 F.3d at 87-89.

73. *Id.* at 87.

a report submitted by Tiffany's expert, Dr. Jacoby, as "fatally flawed due to 'artificial, contrived and biasing' stimuli that 'ignore[d] the reality of the customer purchase process.'"⁷⁴ Resolving factual inferences in favor of Costco, the court held that the "putative shortcomings on which the district court relied" were insufficient to find consumer-confusion in favor of Tiffany.⁷⁵

Responding to the district court's conclusion that no rational fact finder could infer that Costco adopted "Tiffany" in good faith, the court held that Costco did "*not* attempt to sow confusion among its consumers."⁷⁶ Though Tiffany presented evidence of Costco's interests in emulating the luxury manufacturer's designs, the court found that Costco merely intended to borrow the successful features of Tiffany's product, plainly the "Tiffany Setting."⁷⁷ Relying on *Cadbury Beverages, Inc. v. Cott Corp.*, the court held that a reasonable jury could conclude that Costco's use of "Tiffany" was a mere "good-faith attempt to communicate to its customers the setting style of certain rings."⁷⁸ Moreover, the sophistication of the relevant Costco consumer, in particular the "most discriminating"⁷⁹ purchaser of diamond rings, would be sufficiently attentive to recognize that Tiffany "had nothing to do with Costco's diamond engagement rings."⁸⁰ Therefore, as a "high involvement transaction" requiring "substantial 'subject matter knowledge and familiarity with the relevant vocabulary,'" the court held that the relevant consumer would not identify Tiffany as the source of Costco's diamond engagement rings.⁸¹

Affording full credit to the evidence, the court found that Costco is entitled to present a descriptive fair use defense at trial.⁸² Though Tiffany made a "persuasive and essentially unrebutted" showing of public association of its brand with high-quality engagement rings, the court

74. *Id.* (noting that Tiffany proffered testimony from six customers out of the 3,349 customers of Costco's diamond engagement ring).

75. *Id.*

76. *Id.* at 89.

77. *Id.* (finding that substantial evidence indicated "Tiffany" is a generic descriptor of a particular style pronged setting).

78. *Id.*; see *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 483 (2d Cir. 1996) ("[S]ubjective issues such as good faith are singularly inappropriate for determination on summary judgment.").

79. *Tiffany & Co.*, 971 F.3d at 91 (citing *J.R. Wood & Sons, Inc. v. Reese Jewelry Corp.*, 278 F.2d 157, 159 (2d Cir. 1960)).

80. *Id.*

81. *Id.* at 90.

82. *Id.* at 92.

noted that “the same term may be put to different uses with respect to a single product.”⁸³ In response to Tiffany’s argument that use of “Tiffany” as both a source identifier and a descriptive term within the same product class leads to an “‘absurd’ result,” the court held that genericism is nothing more than the “predictable reality” of federal trademark law.⁸⁴ Plainly, registration of a mark does not preclude a finding of its use, in the “descriptive sense,” within the same industry.⁸⁵

IV. ANALYSIS

The Second Circuit’s holding in the noted case endorsed a non-deferential standard of review for summary judgment.⁸⁶ Noting the Second Circuit’s inconsistency between application of a considerable deference standard and a formal responsibility to review a district court’s conclusions of law *de novo*, the court highlighted the limited circumstances for grant of dispositive motions.⁸⁷ In consideration of the license of the district court to make factual determinations on summary judgment and the traditional standard therefor, the court held that it “ha[s] never purported to expand” such license.⁸⁸ As considerable deference is inherently outcome determinative, the court’s holding affords potential infringers another shot at the “free ride” provision under the Lanham Act.⁸⁹ Rather, in compliance with sister circuit precedent and as it pertains to likelihood of confusion, consideration of the evidentiary record anew is an additional safeguard for competitor use of terms widely disseminated in commerce.⁹⁰

However, in review of the *Polaroid* factors anew, the Second Circuit’s resolution in favor of Costco is of concern for companies with even the most aggressive of intellectual property practices.⁹¹ Though “[t]o

83. *Id.* at 91, 94 (quoting 15 U.S.C. § 1115(b)(4)).

84. *Id.* at 93-94 (citing Brief for Plaintiffs-Counter-Defendants-Appellees at 10, *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74 (2d Cir. 2020) (No. 17-2798)).

85. *Id.* at 94 (quoting *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 269 (2d Cir. 1995)).

86. *See id.* at 86.

87. *Id.* at 85.

88. *Id.* at 85-86 (noting that the district court’s judicial function at summary judgment should be confined to “determin[ing] whether there is a genuine issue for trial.”); *see Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986).

89. *See Lois Sportswear, U.S.A., Inc., v. Levi Strauss & Co.*, 799 F.2d 867, 873 (2d Cir. 1986).

90. *Cosmetically Sealed Indus. v. Chesebrough-Pond’s USA Co.*, 125 F.3d 28, 31 (2d Cir. 1997); *see Nola Spice Designs v. Haydel Enters., Inc.*, 783 F.3d 527, 536 (5th Cir. 2015); *Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc.*, 186 F.3d 311, 315 (3d Cir. 1999).

91. *See Tiffany & Co.*, 971 F.3d at 95.

be sure, a reasonable jury could also *reject* Costco's evidence," the court's mere proposal that "Tiffany" possesses separate descriptive purpose within the same industry reduces the value of the Tiffany name, obviating the company's considerable expenses to maintain its federal trade registrations and police its intellectual capital.⁹² The "'absurd' result" as set forth by Tiffany's counsel is that of unprecedented genericism, whereby "Tiffany" has descriptive meaning in the fine jewelry trade.⁹³ Though relevant thereto, the court's analysis of consumer sophistication does not consider the luxury appeal of "Tiffany," in the singular, to the "bargain shopper."⁹⁴ Arguably, Costco's relevant consumer population is that of the "bargain shopper," who's sophistication upon seeing "Tiffany" adjacent a diamond engagement ring need be considered.⁹⁵

Of relevant concern is the Second Circuit's disregard for the principles set forth in *Kiki Undies Corp. v. Promenade Hosiery Mills, Inc.*⁹⁶ In *Kiki Undies Corp.*, the Second Circuit held that where "likelihood of confusion stems from the fact that the marks . . . not only similar but identical, [the Court of Appeals] is in as good a position as the trial court to determine the question of probable confusion."⁹⁷ Moreover, whether there is little or no evidence of actual confusion "is of no significance because with identical marks and similarity of use, there is great likelihood of confusion of source."⁹⁸ In the noted case, the Second Circuit expressly stated, regarding Costco's use of "Tiffany" to describe engagement rings, that "[i]t may even be the more reasonable inference that confusion was likely."⁹⁹ Therefore, in view of *Kiki Undies Corp.* and in lieu of Circuit

92. *Id.* at 94; see also *Form 10-K Tiffany & Co.*, U.S. SEC. & EXCH. COMM'N, (Mar. 22, 2019), <http://sec.report/Document/0000098246-19-000047/> ("Tiffany actively pursues those who produce or sell counterfeit TIFFANY & CO. goods through civil action and cooperation with criminal law enforcement agencies. However, counterfeit TIFFANY & CO. goods remain available in many markets because it is not possible or cost-effective to eradicate the problem. The cost of enforcement is expected to continue to rise.").

93. *Tiffany & Co.*, 971 F.3d at 93-94 (citing Brief for Plaintiffs-Counter-Defendants-Appellees at 10, *Tiffany & Co. v. Costco Wholesale Corp.*, 971 F.3d 74 (2d Cir. 2020) (No. 17-2798)).

94. See *id.* at 89-91.

95. *Id.*

96. See *Kiki Undies Corp. v. Promenade Hosiery Mills, Inc.*, 411 F.2d 1097, 1100 (2d Cir. 1969).

97. *Id.*

98. *Id.* at 1100-01 (noting that "in 'the final analysis the decision must rest on the court's conviction as to possible confusion.'").

99. *Tiffany & Co.*, 971 F.3d at 91.

precedent for “considerable deference,” the court need not remand the proceedings for further review to determine infringement liability.¹⁰⁰

Ultimately, the noted case affords Costco the ability to raise a fair use defense under the Lanham Act.¹⁰¹ Resolving precedential ambiguity in favor of *de novo* review for the predicate *Polaroid* factors, the Second Circuit has served a fair warning to companies to promote diligence in the exercise and control of their intellectual capital.¹⁰²

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100. *Id.* at 85; *see also Kiki Undies Corp.*, 411 F.2d at 1100.

101. *See generally Tiffany & Co.*, 971 F.3d at 92.

102. *Id.*

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