



P E N N S Y L V A N I A

TRADEMARK INFRINGEMENT

Fraud

Tiffany & Co. claimed importer did brisk business in counterfeits

SETTLEMENT **\$600,000**

CASE Tiffany (NJ) Inc. and Tiffany & Company v. Katz Imports Inc., Todd Katz, Howard Katz, Stanley Katz, No. 02-8450

COURT U.S. District Court, E.D. Pa., Philadelphia

JUDGE Petrese Tucker

DATE 11/2/2004

PLAINTIFF

ATTORNEY(S) J. Scott Kramer, Duane Morris, Philadelphia, PA (Tiffany & Company)
James B. Swire, Dorsey & Whitney, New York, NY (Tiffany & Company)

DEFENSE

ATTORNEY(S) Jack Meyerson, Law Offices of Jack Meyerson, Philadelphia, PA

FACTS & ALLEGATIONS In 2002, plaintiffs Tiffany (NJ) Inc. and Tiffany & Co. discovered that from March 1999 until November 2002, Katz Imports Inc., a jewelry retailer on Sansom Street in Philadelphia that does much of its merchant business on the Internet, was selling counterfeit Tiffany jewelry on eBay under the seller name "diamondpage" and also through the website pennsylvaniadiamondexchange.com.

Tiffany sued Katz Imports, and its principal owners, Todd Katz, Howard Katz and Stanley Katz, for trademark infringement and counterfeiting and sought a temporary restraining order and a preliminary injunction against Katz to put a halt to the fraudulent acts.

Tiffany alleged that Katz intentionally deceived consumers and caused injury to Tiffany's name and reputation. Prior to issuing the preliminary injunction, the U.S. District Court for the Eastern District of Pennsylvania issued a seizure order pursuant to which U.S. Marshals seized illicit diamond rings and bracelets on the premises of Katz Imports as well as receipts of sales revealing that Katz had engaged in numerous sales of counterfeit Tiffany jewelry.

The defendants issued general denials in their answer to the complaint, but offered no substantial defenses to the claims.

INJURIES/DAMAGES Tiffany claimed its reputation and name were infringed upon by the defendant's sale of counterfeit jewelry. Tiffany sought to enjoin further sales and disgorgement of profits earned from the sales of counterfeits, as well as other legal remedies available under state and federal laws. According to plaintiff counsel, Tiffany filed the suit as part of an ongoing program to prevent counterfeiting and trademark infringement.

RESULT The plaintiff and the defendants consented to a final judgment which makes permanent the preliminary injunction entered against Katz enjoining them from ever selling counterfeit Tiffany merchandise, as well as requiring Katz to pay Tiffany damages of \$600,000.

Michael Kowalski, chairman and chief executive officer of Tiffany, said "We are pleased to have brought a halt to another group of counterfeiters. The \$600,000 fine has been paid in full. It will go directly into the continuing efforts to thwart counterfeiters so that we can protect the public as well as our famous name and mark."

—Adam Dratch