

TIFFANY & CO. OUTSHINES PAUL MORELLI IN FEDERAL COURT

Philadelphia, Pennsylvania February, 2002

Jury Rejects Morelli's \$45M Copyright Claim

A jury found that Tiffany & Co., the internationally renowned designer, manufacturer and retailer of fine jewelry, was not liable for any copyright violation in connection with claims brought against it by Paul Morelli. Mr. Morelli had filed a \$45M copyright infringement lawsuit claiming that Tiffany & Co. had access to and copied a line of his jewelry. Tiffany & Co. asserted that Mr. Morelli's line of jewelry was not copyrightable and that their jewelry was created using a prior Tiffany & Co. design, not anyone else's design.

The potential damages verdict wasn't the only measure of the magnitude of the victory since any finding of copyright infringement would have resulted in a mandatory injunction barring Tiffany & Co. from continuing to sell its popular *Etoile* line of jewelry, which accounts for more than \$30 million in annual sales worldwide.

In 1987, Paul Morelli, a Philadelphia jewelry designer created what he claimed to be an original and distinctive line of jewelry consisting of various pendants, rings, bracelets, necklaces, and earrings which he called his *Sprinkled Diamond Collection*. He contended that the design was unique and readily distinguishable from the prior art. Mr. Morelli was particularly proud of the way he placed diamonds on his pieces to create what he believed was a new look and feel.

At trial, Mr. Morelli argued that Tiffany & Co. offered pieces of jewelry as part of its *Etoile* line that were identical to or strikingly similar to Mr. Morelli's pieces. Mr. Morelli argued that the Tiffany & Co. pieces had been derived from his work only after he had introduced his work to Tiffany & Co. designers at their invitation. Mr. Morelli asked the jury to find Tiffany & Co. in violation of federal copyright laws.

At trial, Tiffany & Co. presented evidence showing that Mr. Morelli's jewelry was neither original nor distinctive and therefore not copyrightable. According to Tiffany & Co. witnesses, Mr. Morelli's use of the random placement of diamonds on a geometric shape, such as a circle, was common in prior works, including pieces that Tiffany and Co. had designed years earlier. Indeed, the United States Copyright Office had refused to register Mr. Morelli's claim to copyright the jewelry at issue.

However, it was left to the jury to make the final determination as to whether Mr. Morelli's jewelry pieces were copyrightable. The jury, after deliberating for a little more than a day, found they were not, exonerating Tiffany & Co. of all liability.

Litigation Strategies, Ltd. provided jury research and strategic consultation to the Tiffany & Co. trial team led by J. Scott Kramer of Duane, Morris & Heckscher LLP of Philadelphia and Douglas C. Fairhurst of Dorsey & Whitney in New York.

- Strategic Research
- Witness Preparation
- Demonstrative Exhibits



Contact Dr. Louis Genevie at (212) 489-4949

