

## It's All in the Bag – Fendi Counterfeiter Held Liable for Willful Infringement

---

January 10, 2013

**The U.S. Court of Appeals for the Second Circuit recently awarded Fendi at least \$12.3 million in damages, finding that the trademark infringement of importer Ashley Reed Trading, Inc. was willful.** The ruling upholds the district court's decision which found that the importer willfully sold counterfeit handbags and other luxury goods from Fendi to U.S. discount luxury retailers.

The Court concluded that Ashley Reed ignored signs that the alleged Fendi bags it purchased were actually fakes. Some of those warnings included a cease and desist letter sent to the importer by Fendi in 2001 and multiple lawsuits filed by other designers in 2000 and 2001. Despite these red flags, "the record shows that Ashley Reed failed to adequately inquire about the authenticity and original sources of the goods they purchased."

The Court held Ashley Reed liable for two years of counterfeit good sales, although the evidence suggested the counterfeiting may have occurred over a five year period. The award represents an amount which is three times Ashley Reed's profits during that two year period.

Kimberly A. Berger  
+1.313.496.7912