

Unique Designs Sues Signet over Product Recall



US jewelry wholesaler Unique Designs has sued Signet Jewelers amid a dispute over customer refunds.

The [New Jersey-based supplier](#), which claims to be the US's largest wholesale supplier of fine jewelry, began selling jewelry to Signet in 2007 or 2008, according to the November 6 filing with the US District Court for the Northern District of Ohio. Under their contract, Unique would design jewelry and submit samples to Signet for approval.

Some of these samples were mass-produced by an overseas third-party supplier through an arrangement that Unique has since terminated. Many of the items Signet agreed to purchase were supposed to contain artificial gemstones, the filing continued.

However, in 2020, Signet complained to Unique that certain items failed laboratory tests. "Limited" samples of artificial stones in fact comprised glass rather than nanocrystal, Unique said. Signet said this did not match its advertised description of the jewelry,

which had claimed the stones were lab-created nanocrystals, the lawsuit continued.

“Despite there having been only limited sampling, Signet unilaterally decided to recall all items sold with such stones without receiving any customer complaints,” Unique claimed. “Signet refunded all customer money relating to purchased jewelry containing the above-referenced stones, instructed customers to keep the items originally purchased, and — to its own sales benefit — gave all those customers \$100 gift cards to be used toward the purchase of other Signet jewelry.”

Signet, the US’s [largest jewelry retailer](#), reasoned that this process would alleviate losses from potential false-advertising claims, Unique explained. No such claims have been brought, according to the supplier.

The retailer then expensed this process as a setoff against money it owed to Unique for items purchased, Unique said. Unique protested this, as their contract “required Signet to either reject and return items to Unique at its expense, or to pay for the items sold,” the filing continued.

An “adequate” mitigation would have been to send all affected customers replacements with nanocrystal gems at no charge, which would have only cost Unique around \$200,000, the lawsuit added. Instead, Signet’s refunds to customers totaled more than \$800,000, and the gift cards doubled that amount to around \$1.6 million, Unique added.

Signet already owed more than \$2.2 million to Unique, the lawsuit said. After it reduced that by \$1.6 million — in a setoff that Unique considered improper — it still owed Unique nearly \$600,000, the document continued.

Unique is suing Signet on several counts, including multiple breaches of contract, unjust enrichment, conversion of personal property (meaning it claims Signet took Unique’s property for itself), and fraud. Unique claims Signet owes it nearly \$2.3 million despite demands for payment.

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