Marck Marianne Form 4 February 17, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue.

See Instruction

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1(b).

(Last)

(City)

1. Title of

Security

(Instr. 3)

1. Name and Address of Reporting Person * Marck Marianne

(First)

(Middle)

C/O BLUE NILE, 705 5TH AVE. S.

SUITE 900

(Street)

(State)

(Month/Day/Year)

SEATTLE, WA 98104

2. Issuer Name and Ticker or Trading

Symbol

BLUE NILE INC [NILE] 3. Date of Earliest Transaction

(Month/Day/Year)

02/15/2011

4. If Amendment, Date Original

Filed(Month/Day/Year)

(Zip) 2. Transaction Date 2A. Deemed

> Execution Date, if TransactionAcquired (A) or Code

3.

(Month/Day/Year) (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

4. Securities

Following Reported (A) Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of 8 **Underlying Securities** (Instr. 3 and 4)

OMB APPROVAL

3235-0287

January 31,

2005

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Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

Senior VP of Technology

6. Ownership

Form: Direct

(D) or Indirect Beneficial

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

(I)

(Instr. 4)

below)

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

(9-02)

Indirect

Issuer

below)

Person

5. Amount of

Securities

Owned

Beneficially

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

Director

Applicable Line)

X_ Officer (give title

Estimated average

burden hours per

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. | - | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | | | |
|-----------------------------|------------------------------------|------------|------------------|---------|---|--|-----|---------------------|--------------------|-----------------|-------------------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (Right to Buy) | \$ 56.62 | 02/15/2011 | | A | | 12,500 | | <u>(1)</u> | 02/14/2021 | Common Stock | 12,500 |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Marck Marianne C/O BLUE NILE 705 5TH AVE. S. SUITE 900 SEATTLE, WA 98104

Senior VP of Technology

Signatures

/s/ Lauren Neiswender, Power of Attorney

02/17/2011

Date

**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) 25% of the option shares vest on February 15, 2012 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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