

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Application No. 76/079,967, filed on June 28, 2000, published in the Official Gazette on June 18, 2002.



COSTCO WHOLESALE CORPORATION, a Washington corporation,  
Opposer,  
v.  
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey Corporation, and KIRKLAND RANCH, LLC, a California LLC,  
Applicant.

10-15-2002

U.S. Patent & TMOfc/TM Mail Rpt Dt. #58

NOTICE OF OPPOSITION

No.

TRADEMARK TRIAL AND APPEAL BOARD  
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Costco Wholesale Corporation, a Washington corporation (“Opposer”), believes it will be damaged by registration of the mark, KIRKLAND RANCH, shown in Application Serial No. 76/079,967 in Class 33 (the “Application”) and hereby opposes registration of the Application.

As grounds of opposition, it is alleged that:

1. On information and belief, the owner of the Application is The Prudential Insurance Company of America, a corporation organized under the laws of the state of New Jersey. Opposer understands that the Application was originally filed by Kirkland Ranch, LLC, a California limited liability company, and that Kirkland Ranch, LLC may be the beneficial owner of the Application. Because Opposer does not know the exact nature of the

relationship between The Prudential Insurance Company of America and Kirkland Ranch, LLC with respect to the Application, Opposer has named both parties and will refer to them collectively herein as "Applicant."

2. Applicant seeks to register the mark, KIRKLAND RANCH, as a trademark for "wine" in Class 33. Applicant has alleged first use of the KIRKLAND RANCH mark on December 15, 1998 and in commerce on March 2, 1999.

3. Opposer was incorporated in 1983 for the purpose of operating membership retail and wholesale warehouse stores. Since its inception, Opposer has very successfully operated retail/wholesale stores selling a broad range of top-quality name brand and selected private label goods at low prices to individuals and businesses purchasing for commercial use, personal use or resale. Opposer's stock has been traded publicly since 1985.

4. Opposer operates 295 membership warehouse stores in the U.S. and has over 31 million authorized cardholders in the U.S. Opposer's annual sales in fiscal 2002 were nearly \$38 billion. Though Opposer uses very little traditional media advertising, it has received extensive media coverage and has gained widespread consumer recognition as one of the United States' premier retail sales operations with a reputation for low prices and high quality goods.

5. In addition to its inventory of many nationally branded products, Opposer has developed high quality private label products for sale through its warehouse stores. Opposer's private label products cover a wide variety of categories, including prepared and fresh food, beverages, personal care products, over-the-counter pharmaceuticals, and many other products for personal and household use.

6. Beginning in 1994, Opposer developed a series of KIRKLAND trademarks to identify many of its private label products. Opposer's KIRKLAND trademarks acquired significant notoriety due to Opposer's substantial and extensive use of KIRKLAND as a "house mark." As part of its KIRKLAND house mark program, Opposer used marks such as KIRKLAND, KIRKLAND SALON, KIRKLAND PREMIUM, KIRKLAND CAFE, KIRKLAND ORCHARDS, KIRKLAND CONFECTIONS, and KIRKLAND PHARMACEUTICAL.

7. In mid-1995, Opposer began to introduce KIRKLAND SIGNATURE as a private label trademark for a wide variety of its private label products including a wide variety of food products and fresh food items (including cheese, nuts, snack food, and different kinds of party platters), cookware, clothing and footwear, personal care products, over-the-counter pharmaceuticals, vitamins and dietary supplements. Opposer's KIRKLAND SIGNATURE trademark has quickly gained significant recognition through promotions, substantial sales, and the significant size of Opposer's operations.

8. Opposer is the owner of the trademark registrations for KIRKLAND SIGNATURE in Classes 29, 30, and 32 on the Principal Register identified below. In addition, Opposer owns numerous additional registrations for KIRKLAND SIGNATURE for other goods in Classes 1, 3, 4, 5, 6, 7, 8, 9, 11, 12, 16, 18, 20, 21, 24, 25, 27, 28 and 31.

<u>Mark</u>	<u>Number/ Filing Date</u>	<u>Class - Description</u>
KIRKLAND SIGNATURE	2,133,430 3/23/95	29 - Dairy products, excluding ice cream, ice milk and frozen yogurt; domestic and imported cheeses; meat; poultry; fish; shellfish; prepared entrees consisting primarily of meat, fish, poultry and/or vegetables; processed and/or shelled nuts; cut or sliced vegetables; vegetable salads; salads except macaroni, rice, and pasta salad; snack mixes consisting primarily of processed nuts, processed fruits, and/or crackers; candied nuts.

<u>Mark</u>	<u>Number/ Filing Date</u>	<u>Class - Description</u>
KIRKLAND SIGNATURE	2,192,372 11/6/97	29 - Yogurt.
KIRKLAND SIGNATURE & Design	2,196,095 1/26/98	29 - Dairy products, excluding ice cream, ice milk and frozen yogurt; domestic and imported cheeses; meat; poultry; fish; shellfish; prepared entrees consisting primarily of meat, fish, poultry and/or vegetables; processed and/or shelled nuts; cut or sliced vegetables; vegetable salads; salads except macaroni, rice, and pasta salad; snack mixes consisting primarily of processed nuts and/or processed fruits; yogurt; candied nuts.
KIRKLAND SIGNATURE	2,464,040 3/23/95	29 - Edible oils.
KIRKLAND SIGNATURE	2,508,127 11/22/99	29 - Edible oils, potato chips, meatballs, jerky, honey ham, smoked salmon, fruit-based snack foods.
KIRKLAND SIGNATURE & Design	2,547,574 1/26/98	29 - Fruit based snack food; dried fruit; processed fruits; processed vegetables; edible oils.
KIRKLAND SIGNATURE	2,133,429 3/23/95	30 - Bakery goods; bread; rolls; cakes; pies; fruit pies; cheesecake; Danish pastries; cookies; biscotti; candy; chocolate; chocolate covered nuts; chocolate covered raisins; chocolate truffles; jelly beans; frozen yogurt; coffee.
KIRKLAND SIGNATURE	2,195,960 11/6/97	30 - Muffins; croissants; focaccia.
KIRKLAND SIGNATURE & Design	2,196,091 1/26/98	30 - Bakery goods; bread; rolls; cakes; pies; fruit pies; cheesecake; Danish pastries; cookies; biscotti; candy; chocolate; chocolate covered nuts; chocolate covered raisins; chocolate truffles; jelly beans; frozen yogurt; coffee; muffins; croissants; focaccia; chocolates.
KIRKLAND SIGNATURE	2,309,500 3/23/95	30 - Frozen confections; ravioli; ice cream.
KIRKLAND SIGNATURE & Design	2,559,126 1/26/98	30 - Doughnuts; bagels; grain-based chips; tortilla chips; snack mixes consisting primarily of crackers; rice-based snack foods; cereal-based snack foods; popped popcorn; prepared entrees consisting primarily of pasta or rice; enchiladas; lasagna; ravioli; pizza; pasta; frozen confections; ice cream.
KIRKLAND SIGNATURE	2,127,876 3/23/95	32 - Fruit juices; fruit drinks.
KIRKLAND SIGNATURE & Design	2,196,090 1/26/98	32 - Fruit juices; fruit drinks.
KIRKLAND SIGNATURE & Design	2,547,572 1/26/98	32 - Fruit juice concentrates; sports drinks.

9. Opposer has also frequently promoted its KIRKLAND SIGNATURE private label products in its monthly magazine for its members, *The Costco Connection*, and by

displays in its stores. Directly and indirectly *The Costco Connection* reaches an enormous number of consumers with a U.S. circulation of over 3 million. Seeing so many promotions of various KIRKLAND SIGNATURE products reinforces in the minds of consumers the association between the KIRKLAND SIGNATURE trademark and Opposer.

10. In addition to acquiring notoriety through widespread exposure of the KIRKLAND trademarks to consumers, Opposer's KIRKLAND SIGNATURE trademark has also acquired notoriety through substantial sales of products bearing the marks. Through fiscal year 2001, Opposer has sold over \$15 billion worth of its KIRKLAND SIGNATURE products in the U.S. Sales figures of this magnitude represent many millions of individual purchases, each of which reinforces the association of the KIRKLAND SIGNATURE trademark with Opposer in the minds of consumers. As general consumer goods that are used in homes and offices, KIRKLAND SIGNATURE products are seen and used by millions of additional consumers who may not be Costco members or cardholders.

11. These membership, sales, and promotional figures evidence substantial recognition of Opposer's KIRKLAND SIGNATURE trademarks by tens of millions of its members and other consumers.

12. Subject to local laws and regulations, Opposer sells a wide variety of wine and alcohol in its U.S. warehouses. Opposer has particularly emphasized wine sales by means of, among other things, a monthly article in *The Costco Connection* by David Andrew, Opposer's in-house wine expert. By virtue of its careful selection and promotion of wines, Opposer has become a significant wine retailer in the U.S.

13. Opposer's KIRKLAND SIGNATURE mark is famous and is therefore entitled to a broad scope of protection.

14. Applicant's KIRKLAND RANCH mark is confusingly similar to Opposer's KIRKLAND SIGNATURE mark. The dominant feature of the KIRKLAND RANCH mark is "KIRKLAND," which is identical to the dominant portion of Opposer's KIRKLAND SIGNATURE mark.

15. The goods for which Applicant seeks registration of the KIRKLAND RANCH mark are closely related to the fresh and prepared food items on which Opposer uses the KIRKLAND SIGNATURE mark.

16. Opposer has offered a wide variety of food products under the KIRKLAND SIGNATURE mark since 1995. Priority is not an issue in this opposition.

17. If Applicant is allowed to register the KIRKLAND RANCH mark for the goods described in the Application and uses the KIRKLAND RANCH mark to the fullest extent allowed by such a registration, consumers, the trade and the public at large will be likely to believe that Opposer is providing the goods identified by the KIRKLAND RANCH mark.

18. If Applicant is allowed to register the KIRKLAND RANCH mark for the goods described in the Application and uses the KIRKLAND RANCH mark to the fullest extent allowed by such a registration, consumers, the trade and the public at large are likely to be confused, mistaken or deceived into believing that Opposer is somehow affiliated or associated with Applicant's goods identified by the KIRKLAND RANCH mark or that such goods are somehow sponsored or endorsed by Opposer.

19. If Applicant is allowed to register the KIRKLAND RANCH mark for the goods described in the Application and uses the KIRKLAND RANCH mark to the fullest extent allowed by such a registration, Applicant's rights in the KIRKLAND RANCH mark

will infringe Opposer's well-known KIRKLAND SIGNATURE mark and may adversely affect Opposer's reputation among consumers, vendors, and the public at large.

20. If Applicant is allowed to register the KIRKLAND RANCH mark for the goods described in the Application and uses the KIRKLAND RANCH mark to the fullest extent allowed by such a registration, Opposer will suffer damages and injury because the scope of protection for its KIRKLAND SIGNATURE mark will be unduly narrowed and it will be deprived of the full, reasonable exercise of its rights in the mark.

21. Any defect, objection or fault found with Applicant's goods offered under the KIRKLAND RANCH mark will reflect upon and seriously injure the excellent reputation Opposer has established for very similar goods offered under its KIRKLAND SIGNATURE mark. Any negative publicity, business failure or other problems with Applicant's goods offered under the KIRKLAND RANCH mark will reflect upon and seriously injure the excellent reputation Opposer has established for very similar goods offered under the KIRKLAND SIGNATURE mark.

22. The likelihood of confusion between the KIRKLAND RANCH mark and Opposer's KIRKLAND SIGNATURE mark is significantly greater in parts of the country where the KIRKLAND SIGNATURE mark is particularly well established among consumers.

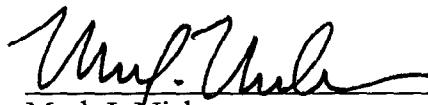
23. If Applicant is allowed to register the KIRKLAND RANCH mark for the goods described in the Application and uses the KIRKLAND RANCH mark to the fullest extent allowed by such a registration, the KIRKLAND RANCH mark will dilute the strength, notoriety and distinctive elements of the KIRKLAND SIGNATURE mark in violation of federal anti-dilution law.

WHEREFORE, Opposer prays that the Application, Serial No. 76/079,967, be rejected and the mark therein be denied registration for the goods described.

Two duplicate copies of this Notice of Opposition and the fee required in § 2.6(a)17 are enclosed herewith.

Respectfully submitted this 15<sup>th</sup> day of October, 2002.

LAW OFFICE OF MARK J. NIELSEN



Mark J. Nielsen  
Cynthia L. Doll  
Attorneys for Opposer  
Costco Wholesale Corporation


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CERTIFICATE OF EXPRESS MAILING - 37 C.F.R. § 1.10

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Date of Deposit: October 15, 2002

I hereby certify that this Notice of Opposition, with two duplicate copies, together with a \$300 check payable to the Commissioner of Patents and Trademarks, is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. § 1.10 on the date indicated above, addressed to the Commissioner of Patents and Trademarks, 2900 Crystal Drive, Arlington, Virginia 22202-3513, Box TTAB FEE



Carol H. Kimura



LAW OFFICE OF

MARK J. NIELSEN

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October 15, 2002



10-15-2002

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**VIA EXPRESS MAIL**

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Assistant Commissioner for Trademarks  
2900 Crystal Drive  
Arlington, Virginia 22202-3513

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RECEIVED BY COMM AND  
APR 11 2002

Re: Notice of Opposition  
Owner: The Prudential Insurance Company of America and  
Kirkland Ranch, LLC  
Mark: KIRKLAND RANCH  
Serial No. 76/079,967  
Opposer: Costco Wholesale Corporation

Dear Sir or Madam:

Enclosed are the following documents pertaining to the above-referenced application:

- (a) Executed Notice of Opposition (with two duplicate copies); and
- (b) A check in the amount of \$300.00, payable to the Commissioner of Patents and Trademarks, in full payment of the required filing fee. If the enclosed fee is insufficient for any reason, please charge any deficiency to Deposit Account No. 14-0395.

Respectfully submitted,

Mark J. Nielsen  
Attorney for Opposer

/chk  
Enclosures