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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

HealthFirst, Inc.
v.
Greenville Hospital System

Opposition No. 106,208
to application Serial No. 75/158,941

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Inc.

John B. Hardaway, III of Nexsen Pruet Jacobs & Pollard, LLC
for Greenville Hospital System.

Before Seeherman, Holtzman, and Drost, Administrative
Trademark Judges.

Opinion by Drost, Administrative Trademark Judge:

Greenville Hospital System (applicant) has applied to
register the mark HEALTHFIRST (typed) for:

Providing health care benefit plans for other[s],
health care cost containment, health care cost review,
health care utilization and review services, hospital
management, medical cost management, medical referrals,
and physician referrals in International Class 35

Insurance administration, administration of employee
benefit plans, administration of pre-paid health care
plans, administration of preferred provider plans,
underwriting insurance for pre-paid health care,
administration of pre-paid health care plans,

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organizing pre-paid health care plans, and medical insurance underwriting in International Class 36

Health clubs and physical fitness instruction in International Class 41

Health care, health care in the nature of HMOs, health care, namely, assisting individuals to stop smoking, providing health and medical information, supplying prescription drugs to health plan participants for the funding organization, hospitals, emergency medical assistance, medical clinics, maintaining files and records concerning the medical condition of individuals, medical counseling, rental of medical equipment, medical laboratories, medical research, medical testing, medical services, in vitro fertilization, physical fitness consultation, physical rehabilitation, physical therapy, and physician services in International Class 42¹

HealthFirst, Inc. (opposer) has opposed the registration of applicant's mark. In its notice of opposition, opposer alleges that it has used the marks HEALTHFIRST and design and HEALTHFIRST WHERE THE CARE STARTS and design since 1993. It also claims that it will be damaged because "[i]f two entities are entitled to provide identical services under similar marks, there is a likelihood that the public will be confused." Notice of Opposition, p. 4. Applicant denied the salient allegations of the notice of opposition.

The Record

The record consists of the following items: the file of the involved application; the trial testimony deposition

¹ Serial No. 75/158,941 filed August 30, 1996. The application contains an allegation of a bona fide intention to use the mark in commerce.

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of opposer's senior vice-president, Thomas W. Bergdall, with accompanying exhibits; copies of opposer's interrogatories and applicant's answers to interrogatories; excerpts of South Carolina laws, the file wrapper of applicant's Registration No. 1,683,958 and printouts from the USPTO's database, and copies of applicant's license agreements. Applicant has submitted the trial testimony deposition of applicant's former employee, Cornelia Outten, with accompanying exhibits²; copies of the file wrappers of opposer's trademark applications (Serial. Nos. 75/117,694 and 117,256) and copies of applicant's interrogatories and opposer's responses.

Likelihood of Confusion

The parties in this case essentially concede that there is a likelihood of confusion here and the central issue is the question of who has priority. See Opposer's Brief at 6 ("Accordingly, there is a likelihood of confusion between the respective marks"); Applicant's brief at 1 ("Both parties agree that there is a likelihood of confusion between Applicant's HEALTHFIRST mark and Opposer's

² Opposer's objection to this deposition on the ground that it has not been verified is overruled. Applicant has submitted the signature of the witness. Accord Tampa Rico Inc. v. Puros Indios Cigars Inc., 56 USPQ2d 1382, 1383 (TTAB 2000) ("[W]hile it is clear that Mr. Reyes did not sign his deposition as Trademark Rule 2.123(e)(5) requires, it is equally clear that this defect is curable: applicant is ordered to send Mr. Reyes a copy of the Spanish language transcript for his signature").

HealthFirst mark") (emphasis deleted).³ Indeed, there is little doubt that when applicant's HEALTHFIRST mark in typed form is used on the same health care services associated with opposer's HEALTHFIRST mark and design, there would be a likelihood of confusion. In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). See also Recot, Inc. v. Becton, 214 F.3d 1322, 54 USPQ2d 1894, 1896 (Fed. Cir. 2000). Moreover, although the application covers services in four classes, it is clear that opposer has based its opposition on the likelihood of confusion with respect to opposer's health care services. Therefore, we proceed to the central question of priority.⁴

Priority

Opposer does not allege ownership of a registration, rather it relies on its common law rights in the marks HEALTHFIRST and design for health care services. In that case, "the decision as to priority is made in accordance with the preponderance of the evidence." Hydro-Dynamics Inc. v. George Putnam & Company Inc., 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987).

³ Subsequent quotations from the parties' papers will likewise not set the marks out in bold as the parties do.

⁴ While opposer alleges that the mark HEALTHFIRST is weak, it is not clear what relevance that argument has in this case. The parties have agreed that there is confusion. Even if they did not, confusion would still be likely when virtually the same word mark HEALTHFIRST is used on the same services, even if the mark is weak.

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Opposer and applicant agree that opposer has used its mark on health care services since 1994. See Applicant's Brief at 9 ("Since September 1994, Opposer or an affiliate have used the mark HealthFirst to provide managed health care plans"). Opposer has alleged that it began using the mark before that time. "Opposer has used the HEALTHFIRST mark, through its predecessor in interest, the Greater New York Hospital Association, in December 1992 in recruiting member hospitals. Since 1993, Opposer began using the HealthFirst mark for the same purpose and subsequently, in September of 1994 used the mark in connection with the successful conclusion of contracts between HealthFirst, Inc. and the City of New York." Opposer's Brief at 7-8. Opposer's allegation of a date of first use earlier than September 1994 is not supported by the record. Opposer's witness testified that "HealthFirst first became active in offering services to members in September of 1994... I am confident in the September of 1994 date." Bergdall dep. at 10-11.⁵ The evidence of an earlier date of use is not persuasive. The witness's testimony was vague and it was not based on the witness's own experience. See Bergdall dep. at 12 ("At some point in their discussions to organizing this hospital-controlled managed-care company,

⁵ The witness became senior vice-president of opposer in August of 1995. Bergdall Dep. at 6. Prior to that, he was an attorney for the City of New York. Bergdall dep. at 38.

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they began using the name HealthFirst... It wouldn't be based on my recollection. From my conversations with Paul and primarily Pat Wang, at Greater New York, I know that it was in late 1992, because it was - everyone has clear recollections"). It is not even clear how the mark was used. See Bergdall dep. at 41 ("What would have been used in 1992, to my knowledge and belief, was using this as a name to recruit hospitals to join in this common enterprise to form this managed care company. There was no public advertisements. There was no program that was offered to the public").⁶ Therefore, based on the evidence of record we conclude that opposer has established September of 1994 as its priority of use date for its health care services. Opposer does not allege that it has used the mark on all the services that are in the opposed application and it has not established an earlier priority date for any other service.

The September 1994 date is significant because applicant filed its intent to use application on August 30, 1996, and unless applicant had used the mark prior to that filing date, opposer would have priority. Zirco Corp. v. American Telephone and Telegraph Co., 21 USPQ2d 1542, 1544 (TTAB 1991) ("[T]here can be no doubt but that the right to

⁶ Perhaps because of the vagueness of the evidence, opposer subsequently argues that the "evidence of record is clear as to Opposer's rights, it has used the mark HealthFirst since 1993." Opposer's Br. at 17.

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rely upon the constructive use date comes into existence with the filing of the intent-to-use application and that an intent-to-use applicant can rely upon this date in an opposition brought by a third party asserting common law rights"). However, an applicant can establish a priority date earlier than its application's filing date. Corporate Document Services inc. v. I.C.E.D. Management Inc., 48 USPQ2d 1477, 1479 (TTAB 1998) ("[A]n intent-to-use applicant is entitled to rely upon actual use, or use analogous to trademark use, prior to the constructive use date of the intent-to-use application"). When an applicant attempts to prove a date of first use earlier than the date alleged in its use-based application, it must establish this date by clear and convincing evidence. Martahus v. Video Duplication Services Inc., 3 F.3d 417, 7 USPQ2d 1846, 1852 n.7 (Fed. Cir. 1993) ("VCDS alleges use prior to the date that it apparently listed in its registration application as its date of first use, i.e., prior to May of 1985, and therefore VCDS has the burden of establishing that use by clear and convincing evidence instead of mere preponderance of the evidence"); Hydro-Dynamics, 1 USPQ2d at 1773 ("Where an applicant seeks to prove a date earlier than the date alleged in its application, a heavier burden has been imposed on the applicant than the common law burden of preponderance of the evidence"). Even if the same standard

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is applied to applicants who seek to establish a date of actual use prior to the intent-to-use application's filing date, we find that applicant's evidence is sufficient to establish its priority in this case.

Applicant relies on the testimony deposition of Cornelia Outten to support its claim of an earlier date of use. The witness left the applicant in January 1995. Outten dep. at 5. Applicant asked the witness: "And if you're aware that these services were offered or not offered prior to, say, 1992, if you would just advise me as I go through the list." Outten dep. at 10. The witness was then asked about each service in the application individually. She answered in the affirmative for most of the services in the application. Outten dep. at 10-12 (Providing healthcare benefit plans for others, healthcare cost containment, healthcare cost review, healthcare utilization and review services, hospital management, medial cost management, medical referrals, physician referrals, insurance administration, administration of employee benefit plans, administration of prepaid insurance plans, underwriting insurance for prepaid healthcare, administration of prepaid healthcare plans, organizing prepaid healthcare plans, medical insurance underwriting, physical fitness instruction, primary healthcare, smoking cessation classes, providing health and medical information, emergency medical

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assistance, maintaining files and records concerning medical conditions of individuals, medical counseling, rental of medical equipment, operation of medical laboratories, medical research, medical testing, in vitro fertilization, physical fitness consultation, physical rehabilitation, physical therapy, physician services, healthcare publications and medical practice management).⁷

On cross-examination, the witness was asked to elaborate on her direct testimony and she explained that "all of those programs and services were initially offered through the Greenville Hospital System employee benefit plan and expanded into the community in 1990 when we began the enrollment of other employee groups." Outten dep. at 28. The witness also identified a brochure entitled "HealthFirst, A Partnership for High Quality Cost-effective Health Care" that she said "was used in our materials for employer groups that we were contracting with... I believe this was developed in 1990, '91, '92, that time frame." Outten dep. at 14-17. See also Outten dep. at 23-24:

In 1989, we began marketing and selling HealthFirst services to other employers within that area. I believe our second account beyond the hospital employees was Liberty Corporation, and I think their effective date was January of 1990... We provided the HealthFirst network, which was the organization of physicians, hospitals, and ancillary providers that made up the provider component; we provided to Liberty

⁷ It was clear that the witness was indicating that the "HealthFirst name was associated with" these services. Outten dep. at 12.

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assistance with health benefits design; we provided utilization management services; member services; provider services; and re-pricing services to Liberty Corporation.

The witness also explained that these services such as providing healthcare benefit plans for others and healthcare cost containment were "provided under the HealthFirst name." Outten dep. at 27. "It was the middle of '87 - June or July of 1987 is when the program known as HealthFirst became recognized by the hospital and the provider community." Outten dep. at 6-7.

In order to prevail on the issue of priority, applicant can rely on intrastate use and use analogous to trademark use prior to the intent-to-use application's filing date. Corporate Document Services, 48 USPQ2d at 1479. The evidence demonstrates that applicant was using the mark HEALTHFIRST on services that were identical to, or closely related to, opposer's services prior to opposer's date of first use of September 1994.

Opposer does offer two arguments to attempt to undercut applicant's evidence of use. First, opposer argues that the witness's testimony is contradicted by applicant's earlier answer to an interrogatory. The opposer's interrogatory asked applicant to provide the date each service identified in the applicant was provided by the applicant. Applicant responded to the interrogatory by providing a list of services and a date of first use prefaced by the statement

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"that at least the following services have been and are being provided under the HEALTHFIRST mark, either by Applicant or by Applicant's licensees." Opposer's Notice of Reliance dated January 19, 2001, Ex. 2. Applicant then indicated that numerous services including administration of employee health care benefit plans, health care cost containment, health care cost review, health care utilization and review services, hospital management, medical cost management, medical referrals, physician referrals, insurance administration, administration of employee benefit plans, administration of preferred provider plans, providing health and medical information, and maintaining files and records concerning the medical condition of individuals were provided by 1992.

Applicant's witness confirmed that applicant used the mark on these services and, in addition, she testified that applicant also used the mark on primary health care, emergency medical assistance, medical clinics, medical counseling, rental of medical equipment, medical testing, in vitro fertilization, physical fitness consultation, physical rehabilitation, physical therapy and physician services. Outten dep. at 10-14. While applicant's witness expanded on the services for which applicant was using the mark, the testimony has not been undermined by its answer to the interrogatory.

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Opposer's second argument concerns a provision in a license agreement between applicant and a third party. The agreement indicates that applicant had filed an ITU application and that "Licensor shall convert Services described in (2), all of which are identified in the ITU application, to use-based applications as soon as reasonably feasible following implementation of one or more of these Services by Licensee." Opposer's Notice of Reliance, Ex. 3, 003677. The license is dated February 27, 1998. Apparently, opposer would have this agreement stand for the proposition that as "this license agreement was executed in February 1998, clearly no use could have taken place prior thereto." Opposer's Brief at 18.⁸ However, the evidence of record of applicant's use of the mark on various promotional items and Ms. Outten's testimony rebuts opposer's argument and indicates that this provision is not to be read as opposer maintains. It is clear that applicant had used the mark on various services well before the date of this agreement and this agreement appears to be directed to perfecting its intent-to-use application.

We also briefly discuss several other issues that opposer raises. First, opposer argues that applicant's

⁸ Opposer's argument does not take into consideration the fact that an applicant may have used a mark in intrastate commerce. As discussed previously, this type of use may be sufficient to establish priority but it would not be sufficient to justify the filing of a use-based application.

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termination of business with its primary licensee as of December 31, 1999, "acknowledges that any use by this licensee has been discontinued and that there is no intent to resume use of the mark." Opposer's Brief at 18.

Discontinuing business with a "primary" licensee hardly demonstrates that applicant has discontinued all use of the mark and that it has no intent to resume use. Opposer's evidence of abandonment of an intent-to-use application falls far short of that necessary for it to prevail. In addition, we note that opposer's allegation of abandonment would involve the period beginning after this opposition was filed (June 2, 1997). The Court of Customs and Patent Appeals has recognized that a party litigating its right to register a mark may refrain from using the mark until it is clear that the party will be permitted to register the mark. Community of Roquefort v. Santo, 443 F.2d 1196, 170 USPQ 205, 208 (CCPA 1971) (An applicant's "subsequent decision to hold further activities in abeyance pending the outcome of the opposition appears to be but a reasonable business precaution and does not demonstrate a lack of intention to market the product commercially upon successful termination of the proceeding").

Opposer also argues that the mark "HEALTHFIRST is descriptive of the services designated in the opposed application. The term "'Health' describes the area of

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services, i.e. 'health care' while the term 'First' is merely laudatory, suggesting that the owner of the mark is the first choice in health care services." Opposer's Brief at 20. Opposer was notified in a previous decision in this case that "mere descriptiveness has not been pleaded by opposer as a ground for opposition." Opinion dated May 30, 2000, p.8 n.2. Opposer continues to argue that it has pleaded descriptiveness by referring to statements in its notice of opposition that "Opposer will be denied the right to continue using the mark in a manner in which it is now legally entitled to do so" and that the application will "prevent other parties from using a similar mark." Opposer's Brief at 20. Obviously, these statements do not plead that applicant's mark is merely descriptive.⁹ Inasmuch as opposer never amended its pleadings and the issue has not been tried by express or implied consent, opposer is not entitled to prevail on this point.

Finally, opposer has included evidence that applicant has been chartered by the State of South Carolina to "provide its services for the benefit of Greenville County residents, thereby limiting the use of the mark to intrastate use." Opposer's Brief at 17. Opposer argues that applicant "is limited to intrastate commerce in

⁹ It is also noted that it is manifestly untimely to request reconsideration of the Board's determination that opposer has not pleaded mere descriptiveness as a ground for opposition.

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connection with the mark HEALTHFIRST, a use insufficient to satisfy a claim of use in interstate commerce." Id. We note that applicant's charter does not limit its operations to only the County of Greenville in South Carolina. Again, we point out that applicant has filed an intent-to-use application. Based on the evidence of record, we simply have no basis at this point to hold that applicant is prohibited from using its mark in interstate commerce.¹⁰

Decision: The opposition is dismissed.

¹⁰ Until applicant submits its Statement of Use, any other questions regarding applicant's use in commerce are premature.