

THIS OPINION IS
NOT A PRECEDENT
OF THE T.T.A.B.

Oral Hearing
July 25, 2006

Mailed:
June 7, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

iMedica Corporation

v.

Medica Health Plans

Opposition No. 91159617

Medica Health Plans

v.

iMedica Corporation

Cancellation No. 92043288

Eric D. Paulsrud of Leonard, Street and Deinard for Medica Health Plans.

Mark R. Leonard of Davis & Leonard, LLP for Imedica Corporation.

Before Quinn, Holtzman and Zervas, Administrative Trademark Judges.

Opinion by Zervas, Administrative Trademark Judge:

This consolidated case involves (i) an opposition proceeding brought by iMedica Corporation ("iMedica")

against the registration of application Ser. No. 76370729 ("the '729 application") filed by Medica Health Plans ("MHP"); and (ii) a cancellation proceeding brought by MHP against the continued registration of Registration No. 2834742 ("the '742 registration") owned by iMedica.

In the opposition, iMedica has opposed registration of the mark IMEDICA (in typed form) in the '729 application, filed February 13, 2002 under Section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b), for the following services, as amended:

"physician, hospital, clinic and pharmacy referral services provided via a global computer network" in International Class 35;

"providing on-line messaging among computer users concerning health and medical information; transmission of secure messaging between doctors, nurses, medical staff and patients and other computer users; providing on-line transmission of medical and insurance records" in International Class 38; and

"providing a web site on a global computer network featuring medical, drug and health information, namely, diagnostic advice, symptoms, conditions, treatment, prevention, medical news, tips and advice on health topics, health risks, nutrition and immunization; health care in the nature of a health maintenance organization via a global computer network" in International Class 44.¹

¹ iMedica has not opposed the International Class 36 services in the '729 application, i.e., "administration of prepaid healthcare plans, healthcare plan administration services, underwriting healthcare plan[s]; underwriting insurance for prepaid healthcare."

In the notice of opposition, iMedica claims ownership of application Serial No. 75774749 ("the '749 application") for the mark IMEDICA (in typed form), which ultimately registered as the '742 registration and which is the subject of MHP's petition to cancel.² iMedica filed the '749 application on August 13, 1999, and the mark registered on April 20, 2004 for the following services:

"online ordering of medical supplies; providing information in the field of medical office management via a global computer network; providing medical office administrative records via a global computer network" in International Class 35; and

"providing information in the fields of medicine, clinical practice and patient care to others via a global computer network; providing medical and patient records to others via a global computer network" in International Class 42.

The registration claims first use anywhere and first use in commerce on February 8, 2001 for the services in both International Classes. iMedica further asserts in the notice of opposition that it has used the mark IMEDICA in interstate commerce at least as early as February 15, 2000, which is prior to the filing date of MHP's application; and that MHP's use and registration of its mark is likely to cause confusion, mistake or deception that MHP's services are those of iMedica or are otherwise endorsed, sponsored or approved by iMedica under Sections 2(a) and 2(d) of the

² We deem the notice of opposition to have been amended to allege the '742 registration.

Trademark Act, 15 U.S.C. §§ 1052(a) and 1052(d). MHP has filed an answer admitting that the parties' marks are identical, answer at ¶ 6, but denying other salient allegations of the notice of opposition.

In the cancellation proceeding in which MHP seeks to cancel the '742 registration for IMEDICA, MHP has asserted ownership of numerous registrations and applications consisting of, or containing the term MEDICA for various services; that it has a family of MEDICA marks; that it has prior use since at least as early as February 12, 1991; and that confusion is likely to be caused by iMedica's use of its registered mark.³ MHP filed status and title copies of various registrations with its petition to cancel. iMedica, in its answer, has denied the salient allegations of the petition to cancel, but has admitted that the trade channels of MHP's IMEDICA mark which is the subject of the opposition are identical to those of its mark.

³ Because neither party has briefed the Section 2(a) claim, the Section 2(a) claim is moot.

MHP also alleged dilution under the Federal Dilution Act, 15 U.S.C. § 1125(c), in the petition to cancel, but withdrew its claim at p. 7 of its first brief. We hence give MHP's dilution claim no further consideration.

Further, MHP has alleged that iMedica filed false requests for extension of time to file a statement of use on five separate occasions. Petition to cancel at ¶ 14. To the extent that MHP is alleging fraud, because the parties have not briefed MHP's fraud claim, we consider it to have been waived by MHP.

Both parties have filed briefs in both the opposition and the cancellation. The Board held an oral hearing on July 25, 2006.

Background

MHP is both an insurance company and a managed care organization that does business in Minnesota, western Wisconsin, North Dakota and South Dakota. Its customer membership is approximately 1.2 million members and it has about 50 percent market share in the Minneapolis/St. Paul metropolitan area.

iMedica is a technology company that provides electronic record management products and services for physicians to better manage their practices. iMedica's sole product is PhysicianSuite, comprised of software and hardware that allows physicians to work more efficiently by allowing patient records to be prepared and managed electronically instead of with pen and paper. With PhysicianSuite, medical staff within an office may communicate via instant messaging and allow doctors to access information via the Internet and review referral letters. iMedica has had fewer than 25 customers and those customers are located in several states in the United States including Minnesota, but not Wisconsin, Iowa and North and South Dakota.

The Record

In addition to the pleadings and the status and title copies of the pleaded registrations submitted with the petition to cancel, the record contains MHP's first and second notices of reliance which include, inter alia, iMedica's discovery responses; and iMedica's first notice of reliance which includes, inter alia, MHP's discovery responses. The record also contains the testimony, with exhibits, of (i) iMedica's two witnesses, namely, Dr. Charles Koo, iMedica's founder, former president and CEO, and current chief technology officer; and Dr. Michael Sullivan of Freeman Sullivan and Company, iMedica's expert witness; and (ii) MHP's three witnesses, namely, John A. Bunge, president of Legal Market Research, Inc., MHP's expert witness; Robert Longendyke, MHP's senior vice president of marketing and communications; and Scott Booher, MHP's chief information officer ("CIO") and senior vice-president. Additionally, the parties have stipulated to the admission of certain evidence, namely, TARR copies of certain registrations and an advertisement for iMedica's services.

Preliminary Matters

Motion to Amend Notice of Opposition

On August 10, 2005, the Board denied iMedica's contested motion (filed May 23, 2005) to amend its notice of

opposition to add a claim of no bona fide intent to use MHP's mark in commerce to the extent that the motion seeks relief under Fed. R. Civ. P. 15(a), but deferred consideration of the motion to the extent that it seeks relief under Fed. R. Civ. P. 15(b). Approximately three months after the Board's order, i.e., on November 1, 2005, MHP questioned its witness Mr. Booher in his testimonial deposition regarding MHP's bona fide intent to use the mark in commerce, asking among other questions "... at the time the IMEDICA trademark application was filed on February 13, 2002, did Medica Health Plans have a bona fide intent to use the mark in commerce in the United States ...?" Booher dep. at p. 12. In view of MHP's questioning of Mr. Booher, which occurred after the Board's August 10, 2005 order, we find that the issue of no bona fide intent to use the mark in commerce was tried by the implied consent of the parties. We accordingly grant iMedica's motion to amend and consider the notice of opposition amended to include a claim of no bona fide intent to use the mark in commerce.

Evidentiary objections

Both parties have raised objections to some of the evidence submitted by the other party. Each objection is discussed below.

1. MHP objects to iMedica's attempted "correction" of Dr. Koo's testimony. Dr. Koo testified as follows:

Q. Okay, sitting here today, do you know if there, in your opinion, would be any confusion if Medical Health Plans was to use the name iMedica as part of their business?

Mr. Leonard: Object to the extent that it calls for a legal conclusion. You can answer, Charlie.

The Witness: No.

Mr. Paulsrud: Q. You don't have any opinion?

A. No, I don't think it causes any confusion.

Koo dep. at pp. 59-60. iMedica has filed a "correction sheet" to the deposition transcript in which Mr. Koo sought to change his answer to the first question above from "no" to "yes" and the second question from "No, I don't" to "Yes, I do." The Board does not permit any changes to a testimony deposition which are substantive in nature and which, in effect, changes the testimony after the fact. See *Marshall Field & Co. v. Mrs. Fields Cookies*, 25 USPQ2d 1321 (TTAB 1992), citing *Cadence Industries Corp. v. Kerr*, 225 USPQ 331 (TTAB 1985); *Entex Industries, Inc. v. Milton Bradley Co.*, 213 USPQ 1116 (TTAB 1982). Because iMedica's proposed changes are substantive, MHP's objection is well taken and is sustained. Dr. Koo's testimony remains as he originally stated in his testimonial deposition.

2. iMedica has objected under Fed. R. Evid. 602 to Mr. Booher's testimony on the ground that he does not have personal knowledge of the subject matter of his testimony as it concerns MHP's contention that it has a bona fide

intention to use IMEDICA in commerce; and that "the testimony improperly calls for a legal conclusion." iMedica's opposition brief at p. 7. According to iMedica, Mr. Booher testified that he was not responsible for the decision to file an application and is not aware of the status of MHP's trademark. Booher dep. at pp. 27, 28 and 33. However, Mr. Longendyke testified that the ultimate decision to adopt IMEDICA as a trademark was made by a team consisting primarily of Mr. Longendyke and the CIO. Longendyke dep. at p. 37. Mr. Booher testified that he was the CIO; that he was involved, although "on the periphery"; and further that he "was part of that decision [but] not the ultimate decisionmaker." Booher dep. at pp. 27 and 33. In view of this testimony, we find that iMedica's objection on the basis that Mr. Booher did not have personal knowledge is not well taken and overrule its objection on this basis.

With respect to iMedica's objection that the questioning of Mr. Booher was conclusory in that Mr. Booher merely repeated "Yes, we do" in response to leading questions on bona fide intent, and that the questions asked for a legal conclusion, we overrule these objections. We construe the questions as asking "did MHP intend to use the mark in commerce when it filed its application?" Also, iMedica's attorney only objected to one of such questions at

trial, and did not object at all to the leading nature of the questions during trial.

However, mindful of iMedica's objections, we give Mr. Booher's testimony the weight it is due on the question of MHP's bona fide intent to use IMEDICA in commerce.

3. iMedica objects to Mr. Bunge's expert report (Exhibit A to Mr. Bunge's deposition) involving a likelihood of confusion survey based on the *Eveready* protocol that Mr. Bunge conducted and his opinion testimony regarding the survey. iMedica maintains that the survey is unreliable and inadmissible and that Mr. Bunge's testimony fails to meet the standards required by Fed. R. Evid. 702. In the survey, Mr. Bunge identified the relevant universe for his survey as "medical professionals in medical offices who are responsible for making decisions on which medical services to purchase for their practices," and contacted all 917 physician offices in the Minneapolis/St. Paul, Minnesota area. Fifty-seven respondents participated in his survey. They were shown "a packet of two advertising materials for iMedica Corporation, obtained from iMedica's internet web site, (a two page, 4-color piece titled iMedica PhysicianSuite® describing iMedica Corporation and an 8 page, color piece that describes PhysicianSuite)" Exhibit A to Bunge dep. at p. 2. Eight respondents, or about 14 percent, indicated "that the company that puts out

those products or services also puts out insurance products, or that the company that puts out those products or services is associated with Medica Health Plans or that the company was authorized by Medica Health Plans to put out the products or services." *Id.*

We find that the small number of survey participants, i.e., slightly greater than six percent, raises a question as to the overall validity of the survey results. Mr. Bunge has acknowledged that the number of participants was small. However, MHP maintains that the survey is proper because Mr. Bunge took the effort to verify that the sample size was representative of the population surveyed.⁴ According to his testimony, the respondents represented sixteen different medical fields; and Mr. Bunge had "no reason to believe that any other specialty would perceive these issues any differently than those we surveyed." Bunge dep. at p. 24. For this reason, we do not find that the survey has no probative value in view of the small number of survey participants; rather, we find that it is not entitled to great weight. See R. Leighton, *Using Daubert-Kumho Gatekeeping to Admit and Exclude Surveys in Lanham Act*

⁴ According to Dr. Sullivan, the guidelines set forth at p. 245 in the Federal Judicial Center's *Reference Manual on Scientific Evidence* (2d ed. 2000) recommends that researchers "describe the actions they took to attempt to verify that the completed sample was representative of the population under study" if response rates are lower than 90 percent. Sullivan report at unnumbered p. 3.

Advertising and Trademark Cases, 92 TMR 743, 777 (200) ("In the end, however, there is no magic minimum number of respondents that will make a sample per se reliable with respect to any particular survey. Sample sizes as low as 32 respondents have been found to have some probity, but not 'great weight.'")

We also find that the survey results are questionable because the survey did not fairly sample the universe of possible respondents and is biased in MHP's favor. See 3A *Callman on Unfair Competition, Trademarks & Monopolies*, Section 21.67 (4th ed. 1983) ("The universe cannot be chosen in such a way as to bias the results in favor of either party."). Mr. Bunge only sampled medical practices in the Minneapolis/St. Paul metropolitan area, an area in which MHP maintains that it has a fifty-percent market share and where it would likely be well-known. It appears, therefore, that MHP sought to obtain responses from those respondents who knew of MHP and its business, or even who were part of medical practice groups that were providers for MHP. We reasonably conclude that such respondents would be more likely to believe that iMedica's services under the IMEDICA mark are connected to or sponsored by MHP.

Thus, iMedica's objections to Exhibit A and Mr. Bunge's testimony regarding the survey are overruled.⁵ However, we do not accord the survey and Mr. Bunge's testimony regarding the survey great weight.

4. iMedica has objected to Exhibit B to Mr. Bunge's testimonial deposition, i.e., a report concerning a 1997 survey in which Mr. Bunge participated, and Mr. Bunge's testimony on the report. The survey was conducted in connection with a claim of likelihood of confusion between MEDICA and DATAMEDICA, a third-party's mark. The purpose of the survey was "to find out whether Medica would be considered a famous name or not among health care providers." Bunge dep. at pp. 32 - 33. According to Mr. Bunge, the survey concluded that "almost nine out of every 10 respondents, were aware of Medica in 1997"; and that there is a "total level of awareness of 86 percent." Bunge dep. at pp. 33 and 116.

iMedica maintains that MHP did not include any documentation relating to or supporting the analysis and conclusions of the report on the 1997 survey with Mr. Bunge's expert report in this proceeding, as required under

⁵ The parties have discussed confidence intervals as they concern the estimated "'confusion' rate." We are persuaded that such intervals do not apply here in light of the statement in the Federal Judicial Center's *Reference Manual on Scientific Evidence* (2d ed. 2000) at p. 244 that "[c]onfidence intervals should not be computed" in the case of a convenience sample.

Fed. R. Civ. P. 26(a)(2). Additionally, iMedica maintains that Mr. Bunge's testimony does not lay a foundation to determine the reasonableness of the methodology or results of the 1997 survey which are needed to determine whether the 1997 survey is sufficiently reliable to allow it to be admitted.

Federal Rule 26(a)(2) is not applicable in Board proceedings. See TBMP §401 (2d ed. rev. 2004). Thus, we overrule iMedica's objection to Exhibit B and Mr. Bunge's testimony regarding Exhibit B. We also overrule any objection that iMedica has to Mr. Bunge's testimony regarding fame because he has relied on Exhibit B in determining that MEDICA is a famous mark. However, we do consider that there is no evidence about the reasonableness of the methodology or results of the report for determining whether the results of the 1997 survey are sufficiently reliable, and hence give Exhibit B, and Mr. Bunge's testimony regarding Exhibit B, limited weight in connection with MHP's contention that its mark is famous.

5. iMedica has objected to Exhibit C to Mr. Bunge's testimonial deposition, dated September 1993 and entitled "Twin Cities Employer Health Care Study"; and Mr. Bunge's testimony regarding Exhibit C. The "Study" - which MHP maintains was another survey - was prepared by a third party for MHP without Mr. Bunge's involvement. Because MHP has

not offered any testimony of anyone with first-hand knowledge of the survey, including any testimony as to the mechanics of how the "Study" was conducted, we sustain iMedica's objection. See Fed. R. Evid. 703. We have not considered the 1993 "Study" and Mr. Bunge's testimony on the "Study."

6. iMedica has objected to Mr. Booher's testimony regarding the meaning of the letter "i" as a term in trademarks generally and the admission of Exhibits P (search results for "i" from *AbbreviationZ*) and Exhibit Q (search results for "i" from *acronymfinder.com*). Because Mr. Booher has testified that he located and downloaded the web pages which are the subjects of Exhibits P and Q, they have been sufficiently authenticated and hence are in the record as evidence of the definition of "i" in *AbbreviationsZ* and *acronymfinder.com*. See *Raccioppi v. Appogee, Inc.*, 47 USPQ2d 1368 (TTAB 1998). As far as Mr. Booher's testimony regarding the meaning of "i" based on his experience, that testimony is admissible as to his personal definition of the term "i." However, it is not admissible to the extent that it is submitted to show how the consuming public in general regards the term "i" because Mr. Booher has not been qualified to provide testimony on how the consuming public in general regards the term "i" or on the definition of "i."

Thus, iMedica's objection is overruled in part and sustained in part. See Fed. R. Evid. 701.

7. iMedica has objected to the introduction of the *Dechert Annual Reports on Trends in Trademarks* from the years 2000, 2001 and 2002, submitted with MHP's second notice of reliance. iMedica maintains that they are not printed publications or official records, and there is no indication that they are available to the general public in libraries or of general circulation among members of the public. Because there is no indication that these 7 to 11-page reports are available to the general public in libraries or of general circulation among members of the public, or that segment of the general public which is relevant under an issue in this proceeding, the reports are not properly the subject of a notice of reliance. Because MHP has not attempted to introduce these reports through the testimony of any witnesses, iMedica's objection is sustained and these reports are not given further consideration. Trademark Rule 2.122(e), 37 CFR § 2.122(e).

8. iMedica has objected to an amicus curiae brief submitted by the International Trademark Association in *JSL Corp. v. Visa International Services Ass'n*, No. 02-1753 (9th Cir.), and MHP has stated that it does not contest its exclusion from the record. We therefore have given the amicus curiae letter brief no further consideration.

We now turn to the merits of this case, considering first MHP's petition to cancel Registration No. 2834742 pleaded by iMedica in the opposition.

Priority

As noted above, iMedica filed the '749 application for IMEDICA on August 13, 1999. This date is earlier than iMedica's November 2000 first use date of IMEDICA. See Koo dep. at pp. 15 - 21. Thus, iMedica is confined to its application filing date as the earliest date on which it can rely for priority purposes.

MHP asserts ownership of numerous registrations and applications for marks consisting of or containing the term MEDICA. Four of such registrations were filed earlier than the August 13, 1999 filing date of iMedica's '749 application. The four MHP registrations are:

Registration No. 1761828 (renewed) for the mark MEDICA (in typed form), issued on March 30, 1993 from an application filed on October 21, 1991, for "comprehensive health care plans and health plan management services" in International Class 42;

Registration No. 2113265 for the mark MEDICA (in typed form), issued on November 18, 1997 from an application filed on October 31, 1994, for "administration of prepaid healthcare plans, healthcare plan administration services, underwriting healthcare plans; underwriting insurance for prepaid healthcare" in International Class 36; and "healthcare in the nature of health maintenance organization" in International Class 42, with Section 8 affidavit accepted and Section 15 acknowledged;

Registration No. 2239358 for the mark MEDICA CALLLINK (stylized), issued on April 13, 1999 from

an application filed on December 3, 1996, for "medical consulting services, medical information services and medical resources services available via telephone" in International Class 42, with Section 8 affidavit accepted and Section 15 acknowledged; and

Registration No. 2392584 for the mark MEDICA ELECT (in typed form), issued on October 10, 2000 from an application filed on June 11, 1998, for "administration of prepaid healthcare plans; health care plan administration services; underwriting healthcare plans; underwriting insurance for prepaid healthcare" in International Class 36; and "medical services; hospitals; and health maintenance organization" in International Class 42, with Section 8 affidavit accepted and Section 15 acknowledged.

MHP has entered a status and title copy of each of these four registrations into the record.

Because the filing dates of the applications underlying MHP's pleaded registrations for the MEDICA, MEDICA CALLINK and MEDICA ELECT marks are prior to the earliest date of use on which iMedica is entitled to rely, that is the August 13, 1999 filing date of the '749 application, MHP's priority has been established. See *Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281 (TTAB 1998) (plaintiff must show that it was the first to use the mark or, if no evidence of prior use is presented by a defendant and the plaintiff owns a registration, that the plaintiff has the earliest filing date of the application which matured into the registration).

iMedica has argued that MHP cannot claim prior rights in the IMEDICA mark based on use of the mark MEDICA with

insurance related services because those services are unrelated to iMedica's services. We reject iMedica's argument - the question of the relationship of the parties' services arises in the likelihood of confusion analysis, not in connection with issues regarding priority.

Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

Fame

The *du Pont* factor concerning the fame of the prior mark plays a dominant role in likelihood of confusion cases featuring a famous mark. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894 (Fed.

Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992). Fame for likelihood of confusion purposes arises "as long as a significant portion of the relevant consuming public ... recognizes the mark as a source indicator." *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005). That is, we look to the class of customers and potential customers of a product or service, and not the general public. Here, the relevant consuming public comprises prospective and actual purchasers or users of healthcare insurance services. See *Carefirst of Maryland, Inc. v. FirstHealth of the Carolinas*, 77 USPQ2d 1492 (TTAB 2005), *aff'd*, 81 USPQ2d 1919 (Fed. Cir. 2007).

MHP has established that it has a substantial number of members and substantial revenue and that its revenue and membership has been increasing; in 2000 MHP had 1,027,886 individual members with \$1,458,394,000 in revenue, and in 2003 MHP had 1,102,921 members with \$1,852,322,000 in revenue. Longendyke Dep. at p. 12; Exhibit H. Additionally, MHP has established that its advertising expenditures are substantial, amounting to millions of dollars per year, with such expenditures rising each year. Further, Mr. Longendyke has testified that MHP has a 50 percent market share in the Minneapolis/St. Paul metro area.

Longendyke Dep. at p. 28. Mr. Booher has testified that MHP "is very well known in the upper Midwest and has a very deep penetration with the [health care] provider community"

Booher dep. at p. 20. We find that this evidence strongly indicates that a significant portion of the relevant consuming public associates MEDICA with MHP's business activities. The results of the 1997 survey, i.e., that 9 out of 10 respondents were aware of Medica and that there is a "total level of awareness of 86 percent," and Mr. Bunge's testimony regarding the 1997 survey, which we have given limited weight to, provide some further support for our finding.

iMedica's challenges to MHP's evidence of fame do not persuade us otherwise. Specifically, iMedica maintains that MHP's 50 percent market share is only in one metropolitan area; that MHP's advertising expenditures are well below the amounts spent in cases such as *Bose, supra* (annual nationwide advertising expenses in excess of \$30 million) and *Recot, supra* (\$80 million in annual national advertising); that MHP does business in a limited geographic area; and that the advertising expenditures of record do not show expenditures by mark. Even though MHP's advertising expenditures are below those of *Bose* and *Recot*, they are not insignificant in amount. Also, although MHP has introduced evidence of its market share only in one market, that market

includes a major U.S. metropolitan area and spans all or part of four states. Moreover, the total number of MHP's members is significant, and so are its revenues. As far as MHP's advertising expenditures, we accept such expenditures as advertising figures for the mark MEDICA because they are consistent in amount, and MEDICA appears on virtually all of the promotional materials of record, is part of MHP's corporate name and forms a part of most of the MHP marks in MHP's promotional materials of record.

Thus, we find that MHP is an extremely well known mark in the geographic area in which it does business, especially in Minnesota, and is entitled to benefit from the *du Pont* factor regarding the fame of the mark. We acknowledge that Medica is not known nationally, but national fame is not necessary. See, e.g., *Karl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 USPQ2d 1125 (TTAB 1995) (opposer had established notoriety in a specific area of operation); *Berghoff Restaurant Co. v. Washington Forge, Inc.*, 225 USPQ 603 (TTAB 1985) (opposer's proof of fame of its mark within a limited geographic area sufficient to find its mark famous for purposes of the likelihood of confusion analysis). This factor therefore weighs heavily in favor of finding a likelihood of confusion.

The Marks

We next consider the similarity or dissimilarity of the marks as to appearance, sound, connotation and commercial impression. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005). While we must consider the marks in their entireties, in articulating reasons for reaching a conclusion on the issue of likelihood of confusion, there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark. See *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985).

The marks MEDICA and IMEDICA only differ by iMedica's addition of the letter "i" before MEDICA, which is MHP's entire mark. The evidence from acronymfinder.com and *AbbreviationZ* shows that among the meanings of "i" is "Internet." See also *In re Zanova, Inc.*, 59 USPQ2d 1300, 1304 (TTAB 2000) ("When we consider the possible significance of 'I' in ITOOL to prospective purchasers of applicant's goods or services, we find that they will readily accept 'I' as meaning 'Internet'..."). Thus, the addition of the letter "i" to MEDICA does not create a different commercial impression from MEDICA, but merely indicates that there is an Internet feature to the services. This is particularly true in the context of iMedica's

computer-related services, which iMedica's identification of services specifies are rendered via the Internet.⁶

Moreover, we find that the addition of the "i" to MEDICA does not significantly change the meaning of the mark, given that the record does not show any English language definition for "imedica" or for MEDICA.

Further, iMedica has admitted that it uses the element "i" in a lower case and the letter "m" in upper case letters. iMedica's responses to requests for admissions nos. 38 and 39. The marks hence are similar in appearance, with the capital "m" causing the purchaser to focus on the "medica" portion of the mark. In terms of sound, the marks are similar too, with the "medica" portion of iMedica's mark pronounced identically to MHP's mark.

MEDICA ELECT and MEDICA CALLINK are also similar in sound, meaning, appearance and commercial impression to IMEDICA due to the shared component MEDICA. MEDICA is positioned first in each of MHP's marks. It accordingly is the term in each of MHP's marks most likely to be remembered by purchasers. In iMedica's mark, because of the visual separation caused by the lower case "i" and the upper case "m," the association of the letter "i" with the Internet, and the fact that the MEDICA portion begins with a capital

⁶ We therefore reject iMedica's contention that the "i" signifies "information."

letter, MEDICA dominates in the mark IMEDICA. While there are apparent differences between iMedica's mark and MEDICA ELECT and MEDICA CALLLINK, the similarities between the marks in light of the shared term MEDICA outweigh the differences between IMEDICA and these marks.

iMedica has made of record numerous registrations containing the term "medica," and argues that they show that "medica" is not a unique, dominant, coined term but rather is a fairly common term suggestive of medical services and medical technology fields.⁷ Several of the registrations state that an English language translation of "medica" is "doctor" or "medical" and/or include disclaimers of "medica." Many of such registrations recite goods and/or services that have a connection to the healthcare field.

Third-party registrations are not evidence of use of the marks shown therein. Without evidence of use, the third-party registrations prove nothing about the impact of the third-party marks on purchasers in terms of conditioning consumers as to the existence of similar marks in the

⁷ In support of its argument, iMedica also made several applications of record. Third-party applications are only proof that the applications have been filed and thus are without probative value to the likelihood of confusion issue. See *Jetzon Tire & Rubber Corp. v. General Motors Corp.*, 177 USPQ 467 (TTAB 1973).

Also, of the registrations made of record, we have not considered those registrations that (i) claim goods or services that are significantly different from MHP's services, or (ii) claim Section 44 of the Trademark Act as a basis for registration.

marketplace. *AMF Inc. v. American Leisure Products, Inc.*, 474 F.2d 1403, 177 USPQ 268 (CCPA 1973). They may, however, be relied on to show that a word common to each mark has a readily understood and well-known meaning and that it has been adopted by third parties to express that meaning. *Ritz Hotel Ltd. v. Ritz Closet Seat Corp.*, 17 USPQ2d 1467 (TTAB 1990). In this case, the third-party registrations for marks including MEDICA for medical products, medical clinics, healthcare consultation and healthcare educational services show that those in the healthcare industry use MEDICA in a manner intending to connote "medical." Such use tends to show that MEDICA is slightly suggestive. However, this does not appreciably weaken the strength of MHP's marks.

As far as policing of the marks, MHP has offered only limited evidence of its policing activities. The record contains one cease and desist letter directed to one third-party and one consent agreement between MHP and another third-party. Longendyke dep. at pp. 29 - 31; Exhibits K and L. Because there is no evidence of third-party uses of related marks which MHP has tolerated, MHP's limited enforcement activities do not indicate a willingness by MHP to tolerate third-party uses of MEDICA.

In view of the foregoing, the *du Pont* factor regarding the similarity or dissimilarity of the marks weighs heavily in MHP's favor.

The Services

In arguing that the *du Pont* factor regarding the similarity or dissimilarity of the services should be resolved in its favor, MHP maintains that some of MHP's services described in its four registrations "overlap or encompass many of the services described in iMedica's registration." MHP reply brief at p. 15. According to MHP, "health maintenance organization" (see Registration No. 2113265 for MEDICA and the registration for MEDICA ELECT) would naturally include the International Class 42 services of "providing information in the fields of medicine, clinical practice and patient care to others ... ; [and] providing medical and patient records to others" MHP reply brief at p. 16. "These services are part of what an HMO [health maintenance organization] does." *Id.* Mr. Longendyke has testified that MHP currently provides information in the fields of medicine, clinical practice and patient care to members, providers and visitors via the Internet, and that it provides member access to patient records over the Internet to the extent those patient records are claims records. Longendyke dep. p. 23. He has also stated that physician claims may be submitted

electronically; and that those submitting claims may obtain information from MHP's website regarding claim submissions, including "why there is a holdup and explanations."

Longendyke dep. at p. 16. Further, he testified that a managed care organization, or health maintenance organization is "much more than an insurance company." Longendyke dep. at 20.

A health maintenance organization or health insurer certainly provides information in the fields of medicine, clinical practice and patient care to others and provides medical and patient records to others. Such services are integral to those services which a health maintenance organization and a health insurer provide to or for their members and MHP currently provides such services. Thus, we find that iMedica's International Class 42 services are encompassed within MHP's health maintenance organization and/or health insurance services.

iMedica's International Class 35 services are similar to MHP's services. iMedica has admitted in its response to request for admissions no. 36 that "iMedica's customers consist primarily of out-patient healthcare providers ranging from 1 to 2 physician clinics up to 150+ physician groups" and has stated at p. 25 of its main brief in the cancellation that a physician who provides services to an MHP customer is potentially a user, implying that the

physician would come in contact with iMedica's mark.⁸

Also, Mr. Longendyke has testified that MHP's customers include anyone in its geographic market in the market for healthcare insurance; that these customers include employers as well as individuals; and that MHP markets its services to the same customers to which iMedica markets its services. Longendyke dep. at p. 26 - 27. We therefore find that the physician clinics and physician groups which purchase iMedica's services are also the employer groups which purchase MHP's services. Thus, there is an overlap in purchasing entities.

iMedica, however, has argued that those who make purchasing decisions for its services and MHP's services differ, even though they may be working in the same overall healthcare field. iMedica cites to the Federal Circuit's decision in *Electronic Design and Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388 (Fed. Cir. 1992), for the proposition that only those who make purchasing decisions could be considered relevant persons, and that not all users are necessarily relevant persons for

⁸ iMedica adds, however, that there is no evidence that a physician purchases MHP's services or that an employer group purchases iMedica's services. This is not correct. Mr. Longendyke has testified that MHP's customers include anyone in its geographic market in the market for healthcare insurance; and that these customers include employers as well as individuals. Longendyke dep. at pp. 25 - 26. Also, medical practice groups - which are employer groups - to which iMedica markets its goods are included as potential purchasers of MHP's services.

determining likelihood of confusion, especially where the parties' respective goods and services are non-competitive.

We are not persuaded by iMedica's argument. First, Mr. Longendyke has testified that MHP markets its services to the same customers to which iMedica markets its services. Longendyke dep. at p. 26 - 27. This is to be expected in this case because iMedica has admitted that its customers include "out-patient healthcare providers ranging from 1 to 2 physician clinics," and it can be expected that physicians in smaller clinics would make purchasing decisions involving services of the nature of those provided by MHP and by iMedica. Thus, unlike in *Electronic Design*, there is evidence that both parties market to the same individuals.⁹

Second, even in larger clinics where it is not the physician who is placing the order for iMedica's services but rather is a non-physician purchasing specialist, we view skeptically any suggestion that a non-physician purchaser of iMedica's services, which are intended to be used by physicians in running virtually every aspect of their practices, would not have significant input from physicians.

⁹ iMedica maintains that its "sales efforts are directed to the Chief Medical Officer, Medical Director, Medical Informatics Officer, Chairman of IT committee, Administrator and/or chief executive officer of outpatient clinics." Brief at p. 32. MHP responds that "[t]hese are the same individuals Medica is trying to reach both to sell its health plan and HMO services, and also to enlist as providers within its HMO network." MHP reply brief at p. 19; Longendyke dep. at pp. 25 - 26; Booher dep. at pp. 8 - 9.

Such physicians would likely be the same physicians who are MHP providers.

Because physicians are involved in purchasing decisions for both services, especially when the physician is an employer and requires medical insurance for his or her practice group, the marketing of the parties' respective services is such that both services could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from a common source. Hence we find that iMedica's International Class 35 services are related to MHP's health maintenance organization and health insurance services.¹⁰ *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984).

The parties have argued extensively as to whether iMedica's services are within the zone of expansion of MHP's services under the doctrine of expansion. Because we have found the services to overlap or to be related on other grounds, we need not reach their arguments regarding the zone of expansion.

¹⁰ iMedica's argument that there is a lack of overlap between relevant purchasers of each parties' services because iMedica is a technology company that provides electronic record management products and services for physicians to better manage their practices and MHP is a health maintenance organization that provides its insurance products and services to employer groups,

Trade Channels

We have found earlier in our decision that iMedica's International Class 42 services are encompassed within MHP's services. There are no specific trade channel limitations in the parties' respective identifications of services. When there are no such limitations or restrictions in the identification of goods and/or services as listed in the subject registration and in the identification of goods and/or services as set forth in any of a plaintiff's registration(s), the issue of likelihood of confusion is determined in light of a consideration of all normal and usual channels of trade and methods of distribution for the respective goods and/or services. See, e.g., *CBS Inc. v. Morrow*, 708 F.2d 1579, 218 USPQ 198 (Fed. Cir. 1983); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 216 USPQ 937 (Fed. Cir. 1983); *Paula Payne Products Co. v. Johnson Publishing Co., Inc.*, 473 F.2d 901, 177 USPQ 76 (CCPA 1973). Thus, we find that the International Class 42 services are related.

With regard to the International Class 35 services, neither party has submitted evidence on the exact nature of the trade channels for their respective services.¹¹

and its reliance on *Electronic Design, supra*, are misplaced for the reasons mentioned above.

¹¹ MHP relies on iMedica's allegation in its original notice of opposition that MHP's International Class 35, 38 and 44 services are within the same trade channels as the services of iMedica's registration. Because iMedica sought to remove that allegation

Thus, we find that with respect to the International Class 42 services, this *du Pont* factor must be resolved in MHP's favor, and that with respect to the International Class 35 services, this factor is neutral.

Conditions of Sale and Sophistication of Purchasers

iMedica maintains that its customers include physicians seeking electronic record management products and services to better manage their practices; and that its customers are sophisticated. MHP has acknowledged that iMedica's purchasers are sophisticated, but is silent regarding the level of sophistication of MHP's purchasers. iMedica has pointed out that the Board, in *Carefirst of Maryland, supra*, addressed the level of purchaser sophistication of purchasers of healthcare and health insurance services. In that case, the Board found that ordinary consumers are prospective and actual purchasers or users of healthcare insurance plans or programs; and stated that, even ordinary consumers exercise some sophistication when it comes to decisions relating to healthcare and healthcare insurance services. The Board recognized the substantial financial commitment of such insurance and services; that decisions to purchase healthcare insurance and related services are important; and that purchasers will proceed cautiously and

in its amended notice of opposition, we do not hold iMedica to its allegation.

deliberately in making their decisions. The Board also considered non-purchasing users of healthcare and healthcare insurance services, noting that a small business, for example, might purchase coverage for its employees from a single provider; and that in this situation, the employees are not involved in the purchasing decision. According to the Board, such non-purchasing users of healthcare and healthcare insurance are also sophisticated. We know of no reason why the same would not apply in this case with respect to MHP's services when MHP's customers are employer groups, and find that the purchasers of both parties' services are sophisticated.

With respect to the conditions of purchase, the record shows that the sales process for both parties' services is lengthy and involves repeated contact with either iMedica or MHP by the prospective purchaser. iMedica's answer to interrogatory no. 7b. Further, both parties' services are expensive, with MHP's services provided on a monthly subscription or flat fee basis to its customers which can cost thousands of dollars even for a small office. We therefore find that the services are made with deliberation and care.

While both parties' purchasers may be sophisticated or knowledgeable in a particular field, and even deliberate in their purchasing decisions, they are not immune from source

confusion. See *In re Decombe*, 9 USPQ2d 1812 (TTAB 1988); *In re Pellerin Milnor Corp.*, 221 USPQ 558 (TTAB 1983). In view of the substantial similarity of the parties' marks, and particularly the descriptive nature of the letter "i" located at the beginning of iMedica's mark which is otherwise identical to MHP's mark, we find that the factors regarding the sophistication of purchasers and conditions of sale weigh only slightly in iMedica's favor.

Actual Confusion

There are no reports in the record of any instances of actual confusion in the marketplace between the parties' marks as used in connection with their services. This, of course, may be attributable to the slight overlap where the parties have been doing business and the relatively small number of iMedica customers thus far.

The record does contain, however, a likelihood of confusion survey in which several respondents expressed confusion as to the source of iMedica's services. As discussed previously in this decision, MHP commissioned a likelihood of confusion survey, using a universe of 917 physician offices with fifty-seven respondents participating in the survey. Eight respondents, or about 14 percent, indicated some source confusion. Courts have accepted surveys showing similar rates of confusion. See *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 5 USPQ2d 1314 (8th

Cir. 1987) (declining to find that district court erred in its decision after a trial on the merits to give evidence of approximately ten percent of confusion "significant weight"); *Humble Oil & Refining Co. v. American Oil Co.*, 405 F.2d 803, 160 USPQ 289 (8th Cir. 1969) (finding that in evaluating an application to modify an injunctive decree an eleven percent rate of actual confusion "may not [be] dismiss[ed] as de minimis"); *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf v. Steinway & Sons*, 365 F.Supp. 707, 180 USPQ 506 (S.D.N.Y. 1973) (concluding after a bench trial that survey results that twenty-three recent purchasers had some confusion of origin, 7.7 percent of 520 people canvassed perceived a business connection between the two companies and 8.5 percent confused the names was "strong evidence of the likelihood of confusion"). In view of the manner in which the survey was conducted, however, the survey and Mr. Bunge's testimony regarding the survey are not entitled to great weight. Nonetheless, they have some probative value on the question of likelihood of confusion, to wit, the survey indicates that a sufficient number of respondents believed that there was a connection between iMedica and MHP upon reviewing certain promotional material from iMedica. This evidence reinforces MHP's position that there is a likelihood of confusion between the marks.

Family of Marks

The family of marks doctrine applies in situations where the plaintiff has established a group of marks characterized by a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but the common characteristic of the family, with the trademark owner. See *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889 (Fed. Cir. 1991). It is well settled that merely adopting, using and registering a group of marks having a feature in common for similar goods or related goods or services is insufficient to establish, as against a defendant, a claim of ownership of a family of marks characterized by the feature. Rather, it must be demonstrated that prior to defendant's first use of its challenged mark, the various marks said to constitute the family, or at least a good number of them, were used and promoted together in such a manner as to create among purchasers an association of common ownership based upon the family characteristic. *Id.*, 18 USPQ2d at 1891. See also *Hester Industries Inc. v. Tyson Foods Inc.*, 2 USPQ2d 1646 (TTAB 1987); *Cambridge Filter Corp. v. Sensodyne Corp.*, 189 USPQ 99 (TTAB 1975).

In this case, the record does not show that MHP's MEDICA marks were used and promoted together in such a

manner as to create among purchasers an association of common ownership based upon the family characteristic. Thus, MHP has not met its burden of establishing that a family of marks exists in this case. Simply using a series of similar marks does not of itself establish the existence of a family.

*Length of Time During and Conditions
Under Which the Marks of the Parties Have Been in Use*

Mr. Koo has testified that iMedica has only completed one sale in the common geographic areas in which MHP and iMedica have been doing business; and that iMedica has had fewer than 25 customers. Koo dep. at pp. 39 and 42. In view thereof, we find this factor neutral, even though both marks have been used concurrently for at least five years without any reported instances of actual confusion.

Conclusion

MHP has established it has priority by virtue of its registrations for the marks MEDICA, MEDICA ELECT and MEDICA CALLLINK. In balancing the above factors, and particularly considering the regional fame of MEDICA and Federal Circuit precedent providing that the fame of the mark is a dominant factor in questions of likelihood of confusion, we find that MHP has established by a preponderance of the evidence that there is a likelihood of confusion between its mark and MHP's marks. Accordingly, the petition to cancel is granted

and Registration No. 2834742 will be cancelled in due course.

Imedica's Claim of No Bona Fide Intent to Use the Mark in Commerce

We now turn to iMedica's claim in the opposition that MHP did not have a bona fide intent to use its IMEDICA mark in commerce. iMedica has based its claim on the testimony of Mr. Longendyke that it was MHP's normal practice to generate an advertising plan, product literature, pamphlets, and brochures once a new mark enters the trademark registration process; and that MHP did not follow that practice with regard to the IMEDICA mark because it has no plans to use the mark. Further, iMedica points out that MHP produced no documents related to its alleged planned use of IMEDICA. Longendyke dep. at pp. 36, 38 and 39.

We are not persuaded by iMedica's arguments. Mr. Longendyke's testimony is as follows:

Q. Are there any current advertising plans for the IMEDICA mark?

A. No, there aren't.

Q. Can you tell me why that is?

A. Because we think it's a confused mark right now and we don't think it's wise for us to use it.

Q. And no materials have been prepared using the IMEDIA mark?

A. No, they have not.

Q. So there are no current plans to use IMEDICA as a trademark for Medica Health Plans?

A. Not currently.

Mr. Longendyke's testimony was not that MHP had no plans to use the mark; his testimony was that it did not have current plans to use the mark. Also, Mr. Longendyke explained why MHP had no current plans, and that was because it is a "confused mark," i.e., that it placed any plans to use the mark aside until the conflict between the parties is resolved. This explanation as to why it did not have documents is reasonable and one that we accept, despite the fact that MHP learned of iMedica and its imedica.com website in November 2000 and filed its application over one year later. MHP's answer to interrogatory no. 3. Thus, we find that iMedica has not shown by a preponderance of the evidence that MHP lacked the necessary bona fide intention to use the mark in commerce at the time of the filing of its application for the IMEDICA mark.

iMedica has argued that there is no conflict over MHP's use of IMEDICA in connection with the International Class 36 services related to the administration of health care plans, services which iMedica did not oppose, and that MHP still did not create any documents or plans related to the use of IMEDICA in connection with such International Class 36 services. MHP can hardly be faulted for suspending its plans to use a mark on services identified in one International Class in an application, after iMedica opposed

three other International Classes in its application. MHP may reasonably have viewed the services identified in the IMEDICA application as complimentary, and hence may have reasonably intended to use one mark on all four services, rather than possibly using a different mark on the three opposed services, if it did not prevail in the opposition. Also, we are not persuaded by iMedica's argument that MHP filed its application for tactical purposes because six days prior to the filing date of MHP's application, MHP filed an opposition against another application for IMEDICA by iMedica. It certainly is reasonable for MHP to want to use IMEDICA as an adjunct mark to its primary mark MEDICA, especially for services which have a connection to the Internet. Also, it is particularly telling that MHP filed an application for EMEDICA, i.e., application Serial No. 76370965, on the same date that it filed its application for IMEDICA. The filing of these two marks on the same date suggests a business strategy in eventually using certain mark(s) rather than a legal strategy in a dispute with another party.

*iMedica's Claim of Likelihood
of Confusion in the Opposition*

iMedica has alleged priority and likelihood of confusion based both on the '742 registration and on its use of IMEDICA in commerce. Because we have found above that the '742 registration should be cancelled, iMedica's

opposition on the basis of the '742 registration is dismissed. To the extent that iMedica bases its opposition on its common law rights to IMEDICA, we have determined that MHP has priority, not iMedica. Thus, to the extent that iMedica opposes registration on the basis of its common law rights, iMedica's claim is dismissed.

DECISION: The petition for cancellation is granted and iMedica's Registration No. 2834742 shall be cancelled in due course. iMedica's opposition to MHP's application Serial No. 76370729 is dismissed with prejudice.