

Mailed: December 2, 2005

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Carefirst of Maryland, Inc.
v.
FirstHealth of the Carolinas, Inc.

Opposition No. 91116355
to application Serial No. 75455343
filed on March 23, 1998

Opposition No. 91124847
to application Serial No. 76222230
filed on March 12, 2001

Barth X. deRosa, Ruth M. Finch and Karen A. Sekowski of
Stevens Davis Miller Mosher for Carefirst of Maryland, Inc.

David E. Bennett and Anthony J. Biller of Coats & Bennett
for FirstHealth of the Carolinas, Inc.

By the Board:

On September 20, 2005, the Board issued a final decision in these consolidated oppositions. The Board's opinion was designated "NOT CITABLE AS PRECEDENT OF TTAB." On further consideration, the Board has now determined to designate its decision as a citable precedent.

Attached is a copy of the decision, marked with the indication "THIS DECISION IS CITABLE AS PRECEDENT OF THE TTAB."

THIS DECISION IS
CITABLE AS PRECEDENT
OF THE TTAB

Hearing:

February 24, 2005

Mailed: 9/20/05

Designated as Citable Precedent: December 2, 2005

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—————
Before Quinn, Hairston and Rogers, Administrative Trademark
Judges.

Opinion by Quinn, Administrative Trademark Judge:

Applications were filed by FirstHealth of the
Carolinas, Inc. to register the mark FIRSTCAROLINACARE for
"healthcare insurance claims administration services,
third[-]party insurance claims administration services, and

Opposition Nos. 91116355 and 91124847

underwriting insurance for pre-paid healthcare,"¹ and for "health care in the nature of health maintenance organizations."²

Carefirst of Maryland, Inc., doing business as Carefirst BlueCross BlueShield, opposed registration in each instance. As grounds for opposition, opposer alleged, pursuant to Section 2(d) of the Trademark Act, that applicant's mark, when used in connection with applicant's services, so resembles opposer's previously used and registered mark CAREFIRST for healthcare services (and goods and services related thereto), and for indicating membership in a healthcare organization, as to be likely to cause confusion. Opposer also alleged, under the Federal Trademark Dilution Act, that its mark is distinctive and famous, and that registration of applicant's mark would lessen the capacity of opposer's famous CAREFIRST mark to identify and distinguish opposer's goods and services. Opposer claims ownership of a collective membership registration of the mark CAREFIRST for

indicating membership in an organization of persons and medical providers interested in health

¹ Application Serial No. 75455343, filed March 23, 1998, based on an allegation of a bona fide intention to use the mark in commerce.

² Application Serial No. 76222230, filed March 12, 2001, alleging first use anywhere and first use in commerce on November 21, 2000.

Opposition Nos. 91116355 and 91124847

maintenance, preventive medicine, prepaid medical plans, reduced health costs, and programs on fitness, prenatal care, substance abuse, and other health-related topics.³

Opposer also claims ownership of a registration of the mark

CAREFIRST for

Newsletters pertaining to health care, medical care and membership services;

Underwriting and administration services, on a prepayment basis, relating to emergency medical care; prepaid financing and administration of medical care, pharmaceutical care and related health care services;

Educational services, namely, conducting seminars, classes, workshops and lectures on nutrition, infant care, prenatal care, fitness, weight reduction, stress management and substance abuse; and

Health care services in the nature of a health maintenance organization; consulting services in connection therewith; selecting health care providers for offering health care services at reduced costs to participating members so as to contain health care costs; rehabilitation services for disabled persons; organizational services, namely, promoting the interests of persons concerned with personal health maintenance and safety.⁴

³ Registration No. 1543100, issued June 6, 1989; Section 8 affidavit accepted, Section 15 affidavit acknowledged.

⁴ Registration No. 1546326, issued July 4, 1989; Section 8 affidavit accepted, Section 15 affidavit acknowledged.

Opposition Nos. 91116355 and 91124847

Applicant, in its answers, denied the salient allegations of likelihood of confusion and dilution. In addition, applicant counterclaimed to cancel opposer's pleaded registrations. As grounds for cancellation, applicant alleged that opposer abandoned its CAREFIRST mark due to uncontrolled licensing; and that opposer has not used its CAREFIRST mark in connection with underwriting and claims administration services separate and apart from its health maintenance organization services.

Opposer denied the salient allegations of the counterclaim.

Preliminary Matters

An inordinate amount of the record, as well as of the briefs, was designated "confidential."⁵ We are precluded, therefore, from recounting certain material facts. Such facts, had they been disclosed in this decision, would assist the reader to better understand our reasoning in reaching our final decision.⁶ Suffice it to say that

⁵ The entirety of the briefs were deemed "confidential." The Board subsequently requested and received redacted copies.

⁶ In saying this, however, we must overrule applicant's objections relating to the confidentiality of the results of opposer's two brand awareness studies. Although we share applicant's concern that the "confidential" designation makes it "unduly cumbersome" in referring to this evidence, applicant's objections are untimely. A protective order (the Board's Standardized Protective Agreement) has been in place since March 2001, and the brand studies were marked "confidential" pursuant to the agreement, yet applicant did not raise any issue with

Opposition Nos. 91116355 and 91124847

certain confidential facts, were we able to discuss them, would reveal the compelling case in support of our decision that this opinion might not adequately convey to all readers.

Another point requires comment. The first opposition was filed on December 10, 1999, and continued until the oral hearing held on February 24, 2005. The Board is an administrative tribunal of the United States Patent and Trademark Office empowered to determine the right to register only. The Board has no authority to determine the right to use, or the broader questions of infringement or unfair competition. TBMP §102.01 (2nd ed. rev. 2004). Seldom does a Board proceeding generate a record of the size in this case (the size of the record on summary judgment likewise was enormous), not to mention the level of contentiousness between counsel. It is simply inconceivable to the Board that the issues herein warranted either a record of this size or the large number of motions relating thereto.

Throughout this proceeding, the Board expressed its frustration. In ruling on a myriad of discovery disputes (requiring a twenty-seven page order dated July 2, 2001),

respect thereto until the briefing stage. We view applicant's delay as a waiver as to the "confidential" designation of this evidence.

Opposition Nos. 91116355 and 91124847

the Board agreed with applicant's criticism of opposer's behavior as "dilatory gamesmanship" and noted that "opposer's attitude toward discovery throughout this proceeding has been unduly contentious." As early as 2001, the Board found opposer's discovery conduct to be "a waste of both parties' time and of the Board's resources."⁷ In its order on summary judgment, the Board stated that it was "appalled at the history of these oppositions." The Board, prior to trial, correctly noted that the parties and their attorneys were aware of the Board's displeasure with the course of these proceedings. Nevertheless, the attorneys' behavior was not altogether different during the trial phase. Reading the testimony in this case required extreme patience given the fact that counsel interposed objection after objection after objection. Many objections appeared to be interposed for no purpose other than to disrupt the flow of the testimony. In certain instances, the objections degenerated into downright hostility and

⁷ Although the Board certainly did not verify the following statement, we think that it illustrates the excessive discovery in this litigation: "As the Board will appreciate and as admitted by applicant, opposer has produced approximately 10,000 pages of documents in this opposition and has supplemented its discovery responses on no less than four separate occasions....applicant has produced approximately 3,500 pages." ("Opposer's memorandum in opposition to applicant's motion to strike Gallant testimony exhibit numbers 4 and 5, and notices of reliance numbers 6 (in part), 7-14, 15 (in part) and 16 (in part).")

Opposition Nos. 91116355 and 91124847

contempt between the attorneys.⁸ We can only wonder what drove the volume of motions and other filings, and the contentiousness between the parties and counsel herein. The Board appreciates the value of zealous representation of a client, but, in many instances, the posturing of counsel did nothing to advance the merits of this proceeding. The parties even argued and filed motions over whether opposer's use of footnotes in a brief was used as "subterfuge" to avoid page limitations. So many of the actions herein needlessly added to the expense of the parties, not to mention the drain on resources of the Board. Many, many dollars would have been saved if the parties and their attorneys had simply cooperated in good

⁸ An exchange between counsel took place as follows: (Finch): "I do have a flight, and I have been trying to move this along". (Biller): "Well, I still have redirect, so- -." (Finch): "Well, Tony, you go ahead. We'll see how long you're going to make me miss my plane for. So go ahead." (Biller): "Okay." (Finch): "Let me tell you--I won't say anything at this point, but you'll hear it from me." (Biller): "You poor martyr, Ms. Finch." (Kathy Corbin dep., p. 94). Another: (Biller): "You've rambled for an hour and a half, I'm not going to listen to another two minutes of you rambling, Ruth." (Daniel Miller dep., p. 122). And still another: (Matthew G. McAndrews, representing the third party): "I'm going to terminate this line of questioning. I will give you one more question, counsel. If we- - ." (Finch): "Mr. McAndrews, you don't threaten to give me one more question about anything." (McAndrews): "I just did." (Finch): "Threaten away..." (McAndrews): "You were going to tell us why it's relevant." (Finch): "I don't have to tell you anything." (Bennett): "That's fine." (McAndrews): "But you said you would." (The Court Reporter): "Everyone, one at a time, please." (Nancy Good dep., pp. 162-63).

Opposition Nos. 91116355 and 91124847

faith with each other as this litigation proceeded for over five years.

Evidentiary Issues

Given the contentiousness engendered by this litigation, it is no surprise that there are a plethora of motions to strike certain testimony and evidence (deferred until final hearing), along with other evidentiary objections.

The first matter for our consideration is applicant's motion for leave to take limited trial testimony from third-party witnesses after the close of its testimony period. As brought out by the motion papers, applicant intended to develop its trial evidence of third-party use through depositions upon written questions. Opposer desired that this testimony be taken upon oral examination so that opposer could serve cross-subpoenas and attend the depositions in person to confront the witnesses. In order to resolve this dispute, the parties entered into a stipulation that provided, among other things: a two month extension of applicant's testimony period until January 31, 2004 to allow applicant to complete both the third-party depositions and to allow applicant time to take other testimony and present evidence in applicant's case-in-chief; and that oral depositions be taken in lieu of

Opposition Nos. 91116355 and 91124847

depositions upon written questions. The stipulation went on to provide, in relevant part, that the parties would cooperate in the scheduling of the depositions. Applicant took the testimony of twelve third-party witnesses pertaining to each of their uses of marks or names comprising, in whole or in part, the words "care" and/or "first." During that time, applicant learned of two additional third parties that it wanted to depose. Applicant filed, on February 2, 2004 (certificate of mailing dated January 29, 2004), a request for leave to take two additional trial testimonial depositions on February 18, 2004. On that date, applicant took, over opposer's objections, two additional depositions, namely of Patricia Wangler of First Care Medical Services of Fosston, Minnesota, and Dr. John Newcomb of First Care South Properties. Opposer objected, but nevertheless attended the depositions and cross-examined the witnesses.

Applicant contended that the inability of these two third parties to timely comply with the parties' subpoenas was due in large part to the unduly burdensome and harassing nature of opposer's subpoena. Thus, applicant contends, opposer's actions precipitated the delay of the two witnesses in appearing for their depositions, and yet

Opposition Nos. 91116355 and 91124847

opposer refused to extend the testimony period and/or reschedule the depositions.

Opposer objected to applicant's motion, arguing that the motion could be denied on any one of nine different grounds.

Applicant had approximately four years to conduct discovery in this case, including ferreting out third-party uses and witnesses such as the two whose testimony applicant seeks to have us consider. Simply put, we find that applicant had more than ample time to conduct discovery and take testimony herein. We find that applicant, by waiting until the waning days of its testimony period, has failed to justify taking testimony outside of its assigned testimony period.

In view thereof, applicant's motion for leave to take testimony outside its testimony period is denied. See Trademark Rule 2.121(a)(1). *M-Tek Inc. v. CVP Systems Inc.*, 17 USPQ2d 1070, 1072 (TTAB 1990). The third-party testimony of Ms. Wangler of First Care Medical Services of Fosston, Minnesota, and of Dr. Newcomb of First Care South Properties, LLC is therefore not of record, and this testimony has not been considered in reaching our decision.

The next matter that we take up relates to applicant's notices of reliance nos. 1-6. Applicant filed, on February

Opposition Nos. 91116355 and 91124847

26, 2004 (that is, almost one month after the close of its extended testimony period), a motion to reopen that period for the limited purpose of filing notices of reliance. The basis of applicant's request is that applicant's counsel mistakenly docketed February 27, 2004 as the deadline for filing notices of reliance during its case-in-chief testimony period. As reasons for the docketing error, applicant points to counsel's family matters, the significant amount of testimony that it took, "substantial commitments and time conflicts with other unrelated matters," and to the fact that the paralegal responsible for docketing was newly hired and had never handled a Board proceeding. Applicant also points out that some of the evidence sought to be introduced at trial was submitted in support of its motion for summary judgment.⁹ Lastly, applicant argues fairness and equity, pointing out that the parties "have vigorously and thoroughly advocated their respective positions before the Board for several years." By way of notices of reliance nos. 1-3, applicant seeks to

⁹ In the Board's March 7, 2003 order denying, inter alia, applicant's motion for summary judgment, the parties were specifically informed that all evidence submitted in support of and in opposition to the motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, the parties were advised, any such evidence must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); and TBMP §528.05(a) (2nd ed. rev. 2004).

Opposition Nos. 91116355 and 91124847

introduce the discovery deposition of David Wolf (notice of reliance no. 1); certain discovery responses of opposer (notice of reliance no. 2); and certified copies of forty-three third-party registrations (both federal and state) (notice of reliance no. 3).

Opposer has objected to the reopening sought by applicant, and has moved to strike the notices of reliance and accompanying evidence.

Applicant has failed to set forth excusable neglect for the reopening of its testimony period for the limited purpose of introducing notices of reliance nos. 1-3. The analysis to be used in determining whether a party has shown excusable neglect was set forth by the Supreme Court in *Pioneer Investment Services Co. v. Brunswick Associates Ltd. Partnership*, 507 U.S. 380 (1993), followed by the Board in *Pumpkin Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997). Taking into account all of the relevant circumstances surrounding applicant's delay, we find that, on balance, the factors weigh in favor of opposer, rather than applicant.

Accordingly, applicant's motion to reopen is denied. Notices of reliance nos. 1-3 are therefore not of record and have not been considered in making our decision.

Opposition Nos. 91116355 and 91124847

Given the contentious nature of this case, granting the motion to strike these notices of reliance is, of course, not the end of the story. Applicant, during its rebuttal testimony period as plaintiff in the counterclaim, timely submitted notices of reliance nos. 4-6. These notices of reliance are exact duplicates of notices of reliance nos. 1-3. In the notices of reliance nos. 4-6, applicant concedes that it resubmitted the notices and accompanying evidence to "remedy the timing objections raised in opposer's motion to strike filed March 16, 2004."

Opposer moved to strike notices of reliance nos. 3-6 as improper rebuttal in that, opposer argues, this testimony and evidence should have been filed as part of applicant's case-in-chief as defendant in the opposition and plaintiff in the counterclaim.

Because this proceeding includes a counterclaim, the Board scheduled testimony periods as specified in Trademark Rule 2.121(b)(2), giving each plaintiff a period for presenting its case in chief as against each defendant, giving each defendant a period for presenting its case and meeting the case of each plaintiff, and giving each plaintiff a period for rebuttal. Jan Bell Marketing Inc. v. Centennial Jewelers Inc., 19 USPQ2d 1636 (TTAB 1990) [example of a trial order in an opposition with a

Opposition Nos. 91116355 and 91124847

counterclaim]. During a plaintiff's rebuttal testimony period, the plaintiff may introduce evidence and testimony to deny, explain or discredit facts and witnesses adduced by the defendant. Evidence is improper rebuttal, however, where it does not serve to do the above, but rather where it relates to a witness and facts that might appropriately have been introduced during the party's case-in-chief. *Western Leather Goods Co. v. Blue Bell, Inc.*, 178 USPQ 382 (TTAB 1973).

The evidence sought to be introduced by way of notices of reliance nos. 4-6 clearly was required to be submitted during applicant's assigned testimony period for presenting its evidence as defendant in the opposition and as plaintiff in the counterclaim. The Wolf deposition goes to the counterclaim, the discovery responses arguably go to both the opposition and the counterclaim, and the third-party registrations go to the opposition. In either case, such evidence clearly should have been introduced as part of applicant's case-in-chief, whether as defendant in the opposition or as plaintiff in the counterclaim. In point of fact, applicant apparently was cognizant of this obligation, given that it sought to introduce the same evidence for its case-in-chief after the close of its testimony period as defendant in the opposition and as

Opposition Nos. 91116355 and 91124847

plaintiff in the counterclaim; when unsuccessful, it simply tried again during its rebuttal testimony period.

Other than the testimony of third-party witnesses, applicant did not introduce any other testimony or evidence. The properly introduced testimony solely went to applicant's case-in-chief as defendant in the opposition; it had nothing to do with the counterclaim. Thus, it is not surprising that opposer did not file any evidence relating to the counterclaim during its testimony period as defendant in the counterclaim. Accordingly, insofar as the counterclaim went, there was no evidence for applicant to rebut. Contrary to applicant's contention, in no way may the Board's order dated May 4, 2004 be construed as somehow allowing applicant's introduction of this evidence on rebuttal.

In view thereof, notices of reliance nos. 4-6 are stricken, are not of record, and have therefore not been considered in making our decision.

Applicant took its turn in filing evidentiary motions, moving to strike certain testimony and evidence adduced by opposer. Applicant filed, on October 9, 2003, four separate motions to strike.

The first matter to consider is applicant's motion to strike notice of reliance no. 1 wherein opposer relied on a

Opposition Nos. 91116355 and 91124847

discovery deposition of Kenneth Lewis. Applicant contends that "[b]ecause Kenneth J. Lewis is not an officer, director, or managing agent of applicant, and has not been designated by applicant as a witness for a Rule 30(b)(6) deposition, the notice of reliance on the discovery of Kenneth J. Lewis is improper." Applicant contends that Mr. Lewis was, at the time of his deposition, an executive director of FirstCarolinaCare Inc., a separate corporate entity.

Opposer has objected to the motion, contending that Mr. Lewis has unique knowledge that is key to this proceeding.

We see no reason to get into the minute details of Mr. Lewis' employment. Applicant viewed Mr. Lewis as knowledgeable enough to submit his affidavit in support of applicant's motion for summary judgment. Applicant also prematurely attempted to introduce the deposition transcripts of Mr. Lewis as testimony in this proceeding. Opposer has a point when it argues that "[i]f opposer had known applicant would suddenly disavow Mr. Lewis and the input he has had in the creation, management, and supervision of the FIRSTCAROLINACARE program, then opposer certainly would have noticed Mr. Lewis as an adverse witness during its direct testimony."

Opposition Nos. 91116355 and 91124847

Applicant's motion to strike notice of reliance no. 1 is denied.

Applicant moved to strike notice of reliance no. 5, specifically exhibit nos. 117-123. This evidence is particularly important because it sets forth revenues and, thus, comprises an integral part of opposer's showing on the duPont factor of fame. These items are copies of certain annual reports (1995-2001) of opposer and its related company, CareFirst Inc. Applicant correctly asserts that annual reports generally may not be made of record through a notice of reliance. See *Minnesota Mining & Manufacturing Co. v. Stryker Corp.*, 179 USPQ 433, 434 (TTAB 1973). Opposer contends, however, that applicant previously stipulated to the authenticity of the annual reports and that, therefore, introduction by way of a notice of reliance is acceptable.

What is unusual about the disputed "stipulation" is that it occurred, if at all, during applicant's discovery deposition taken of David Wolf on April 10, 2003; as indicated above, however, applicant failed to timely introduce the deposition as part of its testimony and, thus, the deposition is not of record.

Notwithstanding that the Wolf deposition is not of record, we will consider only pages 265-272 of the Wolf

Opposition Nos. 91116355 and 91124847

deposition for the very limited purpose of trying to discern what the parties had in mind regarding the admissibility of the annual reports.

At the outset, we note applicant's statement that "[a]t best, applicant stipulated that the copies produced of the 1999, 2000, and 2001 annual reports were authentic copies of the original reports." (Applicant's motion to strike). Applicant also states "[a]dmittedly, the record is somewhat ambiguous regarding the stipulation of the parties." (Reply brief in support of applicant's motion to strike notice of reliance no. 5). Applicant then goes on to state that it is not necessary for the Board to determine the factual dispute between the parties regarding the stipulation because, according to applicant, it "did not stipulate to the introduction of the annual reports by means of a notice of reliance, but at most stipulated that the annual reports were authentic." (Reply brief).

After reviewing the pertinent pages of Mr. Wolf's deposition, we are inclined to agree with opposer's interpretation of events, and, given the parties' subsequent actions relative to this point, there did not seem to be an issue regarding the authenticity of the annual reports. Accordingly, although annual reports are not generally proper subject matter for a notice of

Opposition Nos. 91116355 and 91124847

reliance because they are not self-authenticating, the parties' stipulation is construed to overcome this infirmity. We are deeming the reports to be admissible and we have considered the actual copies of the annual reports to be properly of record.

Applicant's motion to strike notice of reliance no. 5 is denied. The annual reports have been considered in our determination, and we have accorded them whatever probative value they merit.

Applicant next moved to strike part of opposer's notice of reliance no. 6, specifically exhibit nos. 124-173, and exhibit nos. 174-178. Nos. 124-173 comprise advertisements in printed publications. Applicant essentially contends that, because opposer did not provide the specific date and source of the advertisements, they should be excluded.

During discovery, opposer produced a representative sample of various advertisements. Some of the advertisements now sought to be introduced apparently were not produced during discovery. It is readily apparent, however, that the advertisements are similar to the representative samples provided by opposer during discovery. Opposer initially objected to applicant's discovery request for these documents, but opposer then

Opposition Nos. 91116355 and 91124847

went on to provide a representative sample during discovery; applicant did not move to compel opposer to provide all such documents, nor did it take any follow-up discovery on the advertisements. Further, we do not view the lack of specific information on publication to be fatal to the notice of reliance.

Applicant's motion to strike notice of reliance 6, exhibit nos. 124-173, is denied.

Nos. 174-178 comprise photocopies of photographs of billboards and posters displaying opposer's mark. Applicant argues that while printed publications may be made of record by notice of reliance, billboards and posters may not be introduced in the same manner.

Opposer contends that the items were submitted to corroborate Ann Gallant's (opposer's vice president of corporate communications) testimony regarding use of opposer's mark on billboards and posters. Opposer contends that, therefore, the items are self-authenticating. Opposer also asserts that it "is worthwhile to note that during the testimony of Ann Gallant, there was no cross-examination by applicant on the issue of billboards and posters."

Applicant's objection is well taken. Clearly, the photocopies of photographs of billboards and posters

Opposition Nos. 91116355 and 91124847

bearing opposer's mark are not proper subject matter for introduction into evidence by way of a notice of reliance. Contrary to opposer's argument, these items are not self-authenticating. Rather, these items should have been identified and introduced as exhibits to Ms. Gallant's testimony, specifically when she was testifying as to such use.

Applicant's motion to strike exhibit nos. 174-178 from notice of reliance no. 6 is granted.

Applicant next moved to strike notice of reliance no. 7, exhibit nos. 179-187. These items are trade publications of third parties. For the reasons set forth by opposer in response to the motion, we find that the documents have been properly introduced.

Applicant's motion to strike notice of reliance no. 7, exhibit nos. 179-187, is denied.

Applicant also has moved to strike notices of reliance nos. 8-15. As grounds therefore, applicant essentially contends that the items were not furnished in response to applicant's discovery requests. These exhibits comprise unsolicited articles appearing in printed publications retrieved from the NEXIS database.

Applicant's discovery requests asked opposer to identify "precisely all evidence" that opposer would put

Opposition Nos. 91116355 and 91124847

forth to show the strength of its mark (Interrogatory no. 15) and to produce "all documents and things upon which Opposer intends to rely to support the allegations set forth in its Notice of Opposition" (Document Request no. 73).

It is settled that a party in a Board proceeding generally has no obligation to identify all of its trial evidence prior to trial. See, e.g., *British Seagull Ltd. v. Brunswick Corp.*, 28 USPQ2d 1197 (TTAB 1983), *aff'd*, *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 32 USPQ2d 1120 (Fed. Cir. 1994); and *Charrette Corp. v. Bowater Communication Papers Inc.*, 13 USPQ2d 2040 (TTAB 1989). Opposer responded to these discovery requests and others by objecting to them, and then by going on to identify and furnish representative samples of the materials subsequently submitted at trial. All of the items introduced at trial are similar to the representative samples identified and produced by opposer during discovery. Further, if applicant believed that opposer's responses were inadequate, it was obligated to test the sufficiency of the responses by way of a motion to compel, which applicant failed to do. *Time Warner Entertainment Co. v. Jones*, 65 USPQ2d 1650, 1656 (TTAB 2002).

Opposition Nos. 91116355 and 91124847

Applicant's motion to strike notices of reliance nos. 8-14 is denied.

Applicant has moved to strike notice of reliance no. 15, exhibit nos. 206-216 and 221-223. The items are newsletters and brochures of opposer, among other items. Applicant contends that the items are not proper subject matter for a notice of reliance.

No. 207 is a member identification card, and this is not an item that may be made of record by a notice of reliance. Further, opposer's newsletters and brochures are more in the nature of in-house publications than printed publications generally available; distribution is limited to those purchasers buying opposer's services and goods. See TBMP §704.08 (2nd ed. rev. 2004) and cases cited therein.

Accordingly, applicant's motion to strike notice of reliance no. 15, exhibit nos. 206-216, and 221-223 is granted.

Applicant moved to strike notice of reliance no. 16, exhibit no. 225, again essentially on the ground that this item was not disclosed in response to applicant's discovery requests. Because it is unclear whether this document should have been provided by way of a supplemental

Opposition Nos. 91116355 and 91124847

discovery response when it was later discovered, the item will not be stricken.

Applicant's motion to strike notice of reliance No. 16, exhibit no. 225, is denied.

Applicant has moved to strike exhibit nos. 4 and 5 identified and introduced during the testimony of Ann Gallant. Opposer, in responding to the motion, recounts in detail the situation leading up to the introduction of these summaries of advertising figures. For the reasons set forth in the response, we find that opposer seasonably amended its discovery responses once it became aware that the initial advertising expenditures were incomplete. Given the break in Ms. Gallant's testimony (due to medical reasons), applicant had sufficient time to prepare for cross-examination, and we see no prejudice to applicant by opposer's reliance on the information in these exhibits.

Applicant's motion to strike Gallant exhibit nos. 4 and 5 is denied.

This brings us finally to the parties' evidentiary objections set forth in the respective appendices of the parties' briefs. Applicant listed three objections, covering eighteen exhibits, and opposer has numbered three objections, covering certain testimony and several

Opposition Nos. 91116355 and 91124847

exhibits. Each party has responded to the other's objections.

At the oral hearing, pursuant to the Board's inquiry, counsel indicated that none of the objected-to evidence is outcome determinative. Several of the parties' objections merely reiterate what was raised in their motions to strike, and, thus, these evidentiary issues have already been handled above in deciding the various motions. To the extent that any objection relates to hearsay, we have read the testimony and related exhibits keeping in mind those instances where a party was relying on an exhibit to prove the truth of the matter asserted.

As any reader of this decision can tell, the parties spent an inordinate amount of effort on evidentiary disputes. The gamesmanship during discovery, which then carried over into certain aspects of the trial phase, is breathtaking, and both sides are guilty of participating in this wasteful behavior. It is hoped that counsel, should they find themselves in a future Board proceeding, would refrain from such conduct.

The Record

Taking into account our evidentiary rulings, the record consists of the pleadings; the files of the involved application and registrations; trial testimony, with

Opposition Nos. 91116355 and 91124847

related exhibits, taken by each party; discovery depositions with exhibits, official records, excerpts from printed publications, and applicant's responses to certain of opposer's discovery requests, all introduced by way of opposer's notices of reliance. Both parties filed briefs on the case,¹⁰ and both parties were represented by counsel at an oral hearing held before the Board.

The Parties

Opposer is a non-profit corporation organized under the laws of the state of Maryland. Opposer, an independent licensee of the BlueCross BlueShield Association, is a healthcare insurer. It is an affiliate of CareFirst, Inc., a holding company chartered in the State of Maryland. As

¹⁰ Subsequent to the briefs, applicant filed a "Notice of Subsequently Decided Authority" accompanied by a copy of a court opinion. In its filing, applicant relied upon a recently decided case in the United States District Court for the Eastern District of Virginia involving opposer and a third party, arguing the applicability of the court's decision to the issues herein. Opposer objected to the submission, most particularly because opposer has taken an appeal of the decision to the Fourth Circuit. Opposer asserted that "[w]hile Opposer's opposition to Applicant's highly inappropriate 'Notice' should end here, Opposer is compelled to correct numerous errors and mischaracterizations that Applicant has made in its 'Notice.'" Opposer then went on to address applicant's remarks, concluding that "Applicant's most recent filing is nothing more than an attempt to besmirch Opposer's reputation in a last ditch effort to cloud the true issues before the Board."

Inasmuch as the Eastern District's decision is published (CareFirst of Maryland Inc. v. First Care PC, 73 USPQ2d 1833 (E.D.Va. 2004)), we may, of course, consider the decision in our determination. Thus, applicant's filing is superfluous, and we have not considered either applicant's substantive remarks accompanying the decision or opposer's substantive remarks in response thereto.

Opposition Nos. 91116355 and 91124847

of 2001, opposer had millions of insured individuals residing in almost 40 states, with the vast majority of customers residing in the mid-Atlantic region (specifically, Maryland, Virginia, District of Columbia, Delaware, and along the borders of Pennsylvania and West Virginia). Opposer is one of the largest health organizations in the Mid-Atlantic states, and is the seventh largest BlueCross BlueShield plan in the nation. Opposer has tens of thousands of participating medical providers, and has many contracts with employer groups, such as the federal employees program. Opposer processes more than one hundred thousand claims daily. Opposer's services include preferred provider organizations, health maintenance organizations, point of service plans, and indemnity coverage.

Applicant is a corporation organized under and operating within the state of North Carolina, and most specifically in the Piedmont region of the state. Applicant markets, through a wholly-owned subsidiary, underwriting, claims administration and health maintenance organization services under its mark.

Standing

There is no issue regarding the standing of the parties to bring their respective oppositions and

Opposition Nos. 91116355 and 91124847

cancellation. Opposer, by making its registrations of record, as well as the testimony and evidence demonstrating its use of the mark CAREFIRST, has established its standing. Applicant, by virtue of its position as defendant in the opposition, has standing to seek cancellation of the pleaded registrations. Ohio State University v. Ohio University, 51 USPQ2d 1289, 1293 (TTAB 1999).

COUNTERCLAIM

We first turn to the claim that opposer has abandoned its registered marks due to uncontrolled licensing.¹¹ Applicant, as plaintiff in the counterclaim, must show by a preponderance of evidence that the registered mark has been abandoned.¹² Rivard v. Linville, 133 F.3d 1446, 45 USPQ2d 1374 (Fed. Cir. 1998); and West Florida Seafood, Inc. v. Jet Restaurants, Inc., 31 F.2d 1122, 31 USPQ2d 1660 (Fed. Cir. 1994).

¹¹ To the extent that the counterclaim includes grounds based on theories not specifically addressed on the merits in this decision, these grounds are considered waived. So as to be clear, applicant specifically sets forth two grounds for its counterclaim (Brief, p. 7), and we have confined our discussion to these two grounds. Thus, no consideration will be given to applicant's remarks that opposer has committed fraud. We hasten to add that fraud, which must be proved to the hilt, clearly has not been shown on this record.

¹² This standard of proof applies equally, of course, to opposer as plaintiff in the opposition grounded on likelihood of confusion and dilution.

Opposition Nos. 91116355 and 91124847

One need only look to applicant's brief (pp. 46-50) to determine that this claim of abandonment must fail. Almost the entirety of applicant's case is based on the testimony (and related exhibits) of David Wolf. The problem is that, as indicated above, the Wolf discovery deposition was not properly introduced and, thus, is not of record. Applicant scarcely cites to any other evidence in making its case, and it is clear that this record falls far short of demonstrating that opposer's registered mark has been the subject of uncontrolled licensing.

Simply put, the evidence properly of record fails to support applicant's factual assertions. We find that applicant has not proved, by a preponderance of the evidence, that there has been uncontrolled licensing of the mark so that opposer's registrations should be cancelled.

That brings us to the second ground of the counterclaim, namely, that opposer has never used its mark in connection with underwriting and claims administration services separate and apart from its health maintenance services. Given that opposer's registration is over five years old, applicant's grounds for cancellation are limited to those listed in Section 14(3). For purposes of this specific counterclaim, this second ground for cancellation is construed as a type of abandonment claim. Applicant

Opposition Nos. 91116355 and 91124847

contends that Registration No. 1546326 should be cancelled in its entirety or that it should be cancelled in part to delete all of the goods and services except opposer's health maintenance services. Applicant alleges that, to the extent that opposer ever rendered any of the recited services, it was always done in the ordinary course of providing its health maintenance organization services. Applicant essentially contends that opposer's underwriting, claims administration, and other claimed services are not separate and distinct from opposer's health maintenance organization services, but instead are an integral and inherent part thereof; that is, these other services are part and parcel of opposer's health maintenance organization services. Again, applicant principally relies upon the Wolf deposition in support of this claim, but the deposition is not of record.

Opposer contends that it has offered the recited services throughout the life of the registration, and that the recitation of services listed therein is an accurate description of opposer's services rendered under its mark.

To qualify as a "service," a service must be a real activity; a service must be performed to the order of, or for the benefit of, someone other than the applicant or registrant; and the activity performed must be

Opposition Nos. 91116355 and 91124847

qualitatively different from anything necessarily done in connection with the sale of the applicant's goods or the performance of another service. In re Canadian Pacific Limited, 754 F.2d 992, 224 USPQ 971 (Fed. Cir. 1985). The fact that an activity is ancillary to a principal service or to the sale of goods does not in itself mean that it is not a separately registrable service. The statute makes no distinction between primary, incidental or ancillary services. In re Universal Press Syndicate, 229 USPQ 638 (TTAB 1986). Further, the fact that the activities are offered only to purchasers of the trademark owner's primary product or service does not necessarily mean that the activity is not a service. In re Otis Engineering Corp., 217 USPQ 278 (TTAB 1982). See TMEP §1301.01(a)(iii) (4th ed. 2005).

When the underlying application was filed, the services were identified as "pre-paid medical care services." The recitation of services subsequently was amended to read as indicated at the beginning of this decision. Opposer points out that at the time of pendency of its underlying application (May 1985-July 1989), "it became clear that the courts and adversaries did not fully understand what was then an emerging industry or business, namely the HMO/PPO business." (Reply Brief, p. 5) Opposer

Opposition Nos. 91116355 and 91124847

further points to a former section in an earlier edition of the TMEP, §804.09(a) (April 1997) that provided, in relevant part, as follows: "If the applicant initially identifies the services as 'prepaid medical services' and wishes to amend to underwriting prepaid medical plans and healthcare services in the nature of a health maintenance organization, the amendment should be permitted. Both specific services are logically included under prepaid medical services."

The extensive record shows that opposer offers a variety of separate services under the mark CAREFIRST, including the ones identified in its involved registration. Further, we find that the recitation sets forth, in detail, the specific services offered by opposer under its mark.

We conclude that applicant's proofs fall short of warranting cancellation of the registration, either in its entirety or in part.

Accordingly, the counterclaims are dismissed.

Priority

In view of opposer's ownership of valid and subsisting registrations, there is no issue regarding opposer's priority. *King Candy, Inc. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Thus, the only issue to decide herein is likelihood of confusion.

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 likelihood of confusion issue. In re E. I. duPont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also Shen Manufacturing Co., Inc. v. The Ritz Hotel limited, 393 F.3d 1238, 73 USPQ2d 1350 (Fed. Cir. 2004). The duPont factors for which there is relevant evidence in the proceeding now before us are discussed below.

We first turn our consideration to the likelihood of confusion between applicant's mark and opposer's mark covering goods and services. Given the identity between applicant's services and certain of opposer's services identified in Registration No. 1546326, it is our view that this presents opposer's strongest case of likelihood of confusion. We will then turn our attention to the likelihood of confusion between applicant's mark and opposer's collective membership mark.

Registration No. 1546326

The Services

Insofar as the similarity of the parties' services is concerned, there is no dispute that the healthcare services are legally identical, at least in part, or otherwise

Opposition Nos. 91116355 and 91124847

closely related. In addition, opposer's newsletters pertaining to healthcare, medical care and membership services are related to applicant's health care services.

This duPont factor favors opposer.

Trade Channels

Given the identity and/or the closeness of the parties' services, we assume that they would be rendered in the same channels of trade. Indeed, the record establishes this fact.

This factor favors opposer.

Conditions of Sale and Classes of Purchasers

Due to the legal identity or close relationship in the parties' services, it can be assumed, and the record in fact shows, that the classes of purchasers are identical and that the sophistication of purchasers likewise is identical. See *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 USPQ2d 1001 (Fed. Cir. 2002).

The relevant consuming public for healthcare services comprises ordinary consumers who are prospective and actual purchasers or users of healthcare insurance plans or programs. Nonetheless, it is common knowledge that even ordinary consumers tend to exercise some sophistication when it comes to decisions relating to healthcare and healthcare insurance services.

Opposition Nos. 91116355 and 91124847

To state the obvious, there are few things more important in life than health and well being, and it is beyond dispute that the decision to purchase healthcare insurance and related services, such as HMO services, is a very important decision for a person or a family to make. This decision will have far reaching effects bearing on the quality of available healthcare services. Moreover, it is common knowledge that the purchase of healthcare services involves a substantial financial commitment; healthcare costs continue to increase year after year. Inasmuch as this purchasing decision involves both the quality of health care and a significant cost, purchasers will proceed cautiously and deliberately in making their choice. Opposer's "Corporate Image Strategy" dated September 9, 1999 (Gallant dep., ex. no. 53) bears this out. The document indicated that insofar as buyers are concerned, they wanted "Increased end-user demand for access and choice, sense of control, navigation ease," and that "Explosive growth of information/access--greater consumer awareness of options, service and costs--has raised the service bar." (p. 02219).

Simply put, in purchasing healthcare services, even ordinary consumers are likely to exercise greater care and will know with whom they are dealing. Electronic Design &

Opposition Nos. 91116355 and 91124847

Sales v. Electronic Data Systems, 954 F.2d 713, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992).

We also envision the situation involving non-purchasing users of healthcare and healthcare insurance services. For example, a small business might purchase coverage for its employees from a single provider; in this situation, the employees are not involved in the purchasing decision. Likewise, a dependent (spouse or child) of a purchaser may not be involved in the purchasing decision of healthcare insurance services. Nevertheless, the employees or dependents of the purchaser, as users of the healthcare services, necessarily must be concerned with and sophisticated about such issues as the extent of covered services, exclusions, deductibles, co-payments, and the like.

This factor weighs in applicant's favor.

Fame

In turning to consider the marks, we first take up the factor of fame, because 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); and Kenner Parker Toys, Inc. v. Rose Art Industries,

Opposition Nos. 91116355 and 91124847

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 Fondee 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.

Opposer's evidence on fame includes annual reports for the years 1995-2001. As indicated earlier, the information relating to opposer's revenues and advertising expenditures has been deemed "confidential." Thus, we can say in general terms only that opposer has millions of insured individuals, revenues (mainly in premium payments) have been in the billions of dollars, and advertising expenditures relating to CAREFIRST in the tens of millions of dollars. The mark has been in use for approximately twenty-eight years, and opposer has promoted its mark and the goods/services offered thereunder in a variety of media, including in printed publications, on television, radio and the Internet, at trade fairs, and through its

Opposition Nos. 91116355 and 91124847

sponsorship of certain community events. Opposer also has used its mark on a variety of collateral products.

Although we have considered opposer's revenue figures in considering fame, a glaring concern for us is the complete absence of any testimony from Ms. Gallant attesting to the accuracy of the figures.¹³ Thus, while we are willing to accept the fact that the annual reports are authentic and, thus, admissible by notice of reliance, there is neither a stipulation nor any testimony regarding the accuracy of the information set forth therein. We find that this omission seriously undercuts the probative value of the revenue figures. That is to say, while the annual reports may be considered for what these materials show on their face, for example, that the reports include certain types of information, the reports may not be considered for the truth of any matters recited therein, such as opposer's revenues. *Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 12 USPQ2d 1267, 1270 at n. 5 (TTAB 1989) [annual report considered stipulated into evidence only for what it showed on its face], *aff'd*, 906 F.2d 1568, 15 USPQ2d 1359 (Fed. Cir. 1990).

¹³ Opposer explained that because it relied on the parties' stipulation regarding the authenticity of the annual reports wherein revenues were set forth, opposer did not take any direct testimony regarding its revenues. Opposer relied on its annual reports for the years 1995-2001.

Opposition Nos. 91116355 and 91124847

Another problem with this evidence is the difficulty in ascertaining opposer's relevant revenues inasmuch as the figures do not solely reflect revenues of opposer under the mark CAREFIRST. As indicated in various of the annual reports, opposer's healthcare maintenance organization subsidiaries/affiliates have offered services under the names Columbia Medical Plan, Delmarva Health Plan, FreeState Health Plan, Blue Cross Blue Shield of Delaware, Capital Care and Potomac Health. The 1999 annual report (ex. no. 121, p. 01747) indicates that the financial statements are "consolidated" and "include the accounts of CareFirst, Inc. and its affiliates." As pointed out by applicant (Brief, p. 24), "[r]unning the risk of provoking the Board with the obvious, opposer is CareFirst of Maryland, Inc., not CareFirst, Inc." Opposer even concedes (Brief, p. 46) that there was a period of time when opposer's CAREFIRST HMO became a "secondary mark" (one of three HMOs offered between 1991 and 1997). Through the years, opposer's brands, in addition to the ones already mentioned, included others such as Medicare First HMO.

As to advertising expenditures, exhibit nos. 4 and 5 to Ms. Gallant's testimony set forth what purport to be summaries of advertising expenses associated with building the CAREFIRST brand name ("excluding Delaware, PMG, PPPA, &

Opposition Nos. 91116355 and 91124847

Business Combination"). These documents, which were specifically prepared for purposes of litigation leading up to Ms. Gallant's testimony, note that the data "includes advertising for specific products (i.e., Medi-CareFirst, BlueChoice) in addition to advertising for the 'Brand' name." Although the recent dollar figures are impressive, the probative value is somewhat diminished by the fact that an unknown amount went to promoting other brands.

Another overriding problem with opposer's sales and advertising figures is that opposer has failed to put the numbers in any context (other than as shown by the dated brand awareness studies discussed infra), that would confirm the reliability of the numbers as indicators of fame. As stated by the Federal Circuit, "[r]aw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, but raw numbers alone in today's world may be misleading....Consequently, some context in which to place raw statistics is reasonable." Bose Corp. v. QSC Audio Products Inc., supra at 1309. Opposer's sales and advertising numbers can hardly be considered bolstered by the underwhelming results of the brand awareness studies that are, in the record before us, the primary evidence of confirmatory context. Moreover, the most recent study of record was conducted in 1999, and

Opposition Nos. 91116355 and 91124847

the study's results therefore do not corroborate, or provide context for, the sales and advertising figures attributable to later years.

Opposer has introduced what it purports to be "over 1600" unsolicited newspaper articles and press accounts that mention the mark CAREFIRST.¹⁴ The Board frankly concedes that opposer's math was not checked; suffice it to say that the evidence, when stacked, is over one foot high.

Many of the articles, in point of fact, are about opposer and its business activities, some even portraying opposer in a negative fashion. Many other articles, however, concern larger public interest issues in the healthcare insurance industry in general, and only mention, almost in passing, opposer's mark CAREFIRST, more as a trade name than as a mark, and along with others in the industry. When only a single reference to opposer's mark or trade name is made in a larger article about healthcare insurance, accompanied by references to third-party marks and trade names in the industry, we question what impact these articles may have had on the consuming public when it comes to opposer's mark CAREFIRST.

¹⁴ Although the printed publications do not prove the truth of the statements made therein, this evidence is acceptable to show that the stories have been circulated to the public. See *Hard Rock Licensing Corp. v. Elsea*, 48 USPQ2d 1400 (TTAB 1998). Thus, we have considered these documents only for that purpose.

Opposition Nos. 91116355 and 91124847

The only direct evidence of the relevant consuming public's recognition of opposer's CAREFIRST mark comprises two "brand image" studies conducted by opposer in 1998 (Gallant dep., ex. no. 47) and 1999 (Gallant dep., ex. no. 53). Ms. Gallant testified about the studies, the first one measuring brand awareness of the mark CAREFIRST in Maryland and the District of Columbia, and intending to be a "benchmark" against which other surveys would be measured. The testimony and evidence regarding the surveys has been marked "confidential" and pertinent information was redacted in copies of the briefs. Not surprisingly, the parties have very different views regarding the results of the studies. Given the confidentiality of the studies, we are a bit hamstrung in explaining our own view.

The major disagreement between the parties centers on what results are more important, only unaided responses (as applicant argues) or a combination of unaided responses and aided responses (as opposer argues). Opposer contends that "[a]lthough unaided awareness is important, it is not that important for the health insurance industry,¹⁵ and it is and

¹⁵ The testimony on which opposer relies (Gallant dep, pp. 318-320) is hardly supportive of this proposition. Ms. Gallant testified, in pertinent part, as follows: "Top of mind awareness [i.e., unaided awareness] is an important aspect in the purchase cycle because probably less so in health care than in a consumer product but it's still important because it's kind of what you walk around with in your head." No specific reason is given why

Opposition Nos. 91116355 and 91124847

should not be determinative of fame." (Reply Brief, p. 23).

Although opposer's brand image studies are not determinative of fame, we find that they shed light on this factor. In saying this, we recognize that the most recent study is six years old, and that opposer's revenues have grown significantly since that study. However, opposer did not furnish any more recent brand awareness evidence. Thus, we are left to consider only these somewhat dated studies that opposer has proffered, as part of its attempt to show fame.

The studies define "unaided awareness" as "awareness of brand without prompting from the interviewer" and "aided awareness" as "awareness after brand has been prompted." Respondents included both the general public and individuals identified as "decision makers," that is, those who made the decision on which insurance to purchase. The study results were broken down according to these two groups of respondents.

The 1998 benchmark study shows quite a gap between unaided and aided awareness, with the unaided awareness being very low--in the single digits. Even opposer

unaided brand awareness is perceived to be less important when it comes to healthcare.

Opposition Nos. 91116355 and 91124847

recognizes that the unaided awareness score "is not great," but then goes on to rationalize that "it is not bad when considering the existence of 14 other competitors in the market and its 'limited advertising' between 1991 and 1998." (Reply Brief, p. 24). The study shows that opposer's CAREFIRST runs in the middle of the pack, significantly trailing several brands. In fact, among both decision makers and the general public, three of opposer's other brands scored higher than CAREFIRST ("Freestate is the HMO most can name." Gallant dep., ex. no. 47, p. 09206).

Also of record are the minutes of opposer's "Brand Guide Meeting," held on September 9, 1999. (Gallant dep., ex. no. 53). Ms. Gallant summarized the matter in the following fashion: "One of the things that we have known for awhile is the lack of identity between CareFirst and our HMOs. They carry the cross and shield, but there is a lack of identity clearly between us--not top-of-mind awareness. We are intending to make the association closer with a renaming of our current HMOs." The minutes indicated that another study would be conducted soon.

The 1999 study, with the final report dated March 10, 2000, was hardly more flattering, even though the identification in the study was changed from "CareFirst"

Opposition Nos. 91116355 and 91124847

(1998 study) to "CareFirst BlueCross BlueShield," and awareness was improved. Again, there was a significant gap between the aided and unaided results, with unaided in the single digits. The study itself concluded, "Unaided awareness of CareFirst BCBS is very low."

One cannot help but note opposer's desire to make a connection between its CAREFIRST mark and BlueCross BlueShield.¹⁶ As indicated in the 1999 annual report (ex. no. 121, p. 01741): "With more than six decades of experience, the Blue Cross and Blue Shield name has earned the respect and trust of members, business partners and health care professionals. CareFirst BlueCross BlueShield very proudly carries forward that tradition throughout our service area." And, again, in the 2001 annual report (ex. no. 123, p. 08207): "CareFirst is changing too--in fact, redefining itself--to be part of this new generation. The transformation requires that we build upon the firm foundation of our past, preserving the consumer trust and

¹⁶ This point was not lost on Judge Doumar in a recent civil action involving opposer. *CareFirst of Maryland Inc. v. First Care PC*, supra 1835. Judge Doumar noted that "when [opposer] communicates 'to consumers and the general public' the mark is always accompanied by 'BlueCross Blue Shield.'" In that decision, the Court's specific findings included that "CareFirst is a suggestive mark deserving some trademark protection" and that, in view of "substantial evidence" of "considerable numbers" of third parties using CareFirst or First Care, opposer's CAREFIRST mark is "a relatively weak and indistinctive mark." The decision is on appeal.

Opposition Nos. 91116355 and 91124847

security long identified with the Blue Cross and Blue Shield brand." Yet, as of late 1999, unaided awareness of "CareFirst BCBS," in opposer's own words, remained "very low."

The brand awareness studies give little assistance to opposer's claim of fame. We agree with applicant that, in analyzing these studies in the context of the legal factor of fame, it is unaided awareness that is most significant. If a mark were "famous," as contemplated under the law, among the class of relevant customers and potential customers, it would, in all likelihood, garner much higher numbers on unaided brand awareness than did opposer's mark that scored only in the single digits, even behind some of opposer's other brands. One should not be permitted to so heavily rely on aided awareness, that is, awareness after the brand has been prompted, to show fame (e.g., "Have you ever heard of CAREFIRST?"). See generally: J.T. McCarthy, McCarthy on Trademarks and Unfair Competition, §32:173 (4th ed. 2004).

As the Board recently stated: "In view of the extreme deference that is accorded to a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, we think that it is the duty of a plaintiff

Opposition Nos. 91116355 and 91124847

asserting that its mark is famous *to clearly prove it.*"

Blue Man Productions, Inc. v. Tarmann, 75 USPQ2d 1811, 1819 (TTAB 2005)[emphasis added]. Because "the fame factor is based on underlying factfinding....relevant evidence must be submitted in support of a request for treatment under the fame factor. This responsibility to create a factual record is heightened under the more deferential standard that [the Federal Circuit] must apply when reviewing PTO factfinding." Packard Press Inc. v. Hewlett-Packard Co., 227 F.3d 1352, 56 USPQ2d 1351, 1356 (Fed. Cir. 2000).

There is no question but that opposer's mark has achieved a degree of recognition in the healthcare field. Fame is relative, however, not absolute, and the evidence, when considered as a whole, falls short of a convincing showing of fame.

Thus, we find that the strength of the mark CAREFIRST favors opposer, but not to the extent that it would if the mark were famous, as fame has been contemplated in prior decisions of this Board and of the Federal Circuit.

We hasten to add that, even if fame had been shown, the factor of fame is not sufficient to establish likelihood of confusion in the present proceeding. As stated in past cases, if that were the case, ownership of a famous mark would entitle the owner to a right in gross,

Opposition Nos. 91116355 and 91124847

and that runs counter to the trademark laws. See University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co., Inc., 703 F.2d 1372, 217 USPQ 505, 507 (Fed. Cir. 1983) ["The fame of the [plaintiff's] name is insufficient in itself to establish likelihood of confusion under § 2(d)."]. See also Recot Inc. v. M.C. Becton, supra at 1898 ["fame alone cannot overwhelm the other duPont factors as a matter of law"].

In this case, the differences between the marks (see infra), the crowded field of marks featuring the words "care" and "first" in the healthcare industry (see infra), and the relatively sophisticated decision-making process when it comes to healthcare and healthcare insurance, all discussed elsewhere in this decision, are significant countervailing factors, as compared to the uncertain evidence of fame. See Burns Philip Food Inc. v. Modern Products Inc., 24 USPQ2d 1157 (TTAB 1992), *aff'd* unpub op., 1 F.3d 1252, 28 USPQ2d 1687 (Fed. Cir. 1993).

The Marks

In considering the marks, we note that when marks are used in connection with identical goods and/or services, "the degree of similarity [between the marks] necessary to support a conclusion of likely confusion declines."

Opposition Nos. 91116355 and 91124847

Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

With respect to the marks CAREFIRST and FIRSTCAROLINACARE, we examine the similarities and dissimilarities of the marks in their appearance, sound, meaning, and commercial impression. Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772, supra at 1692.

The marks are dissimilar in appearance. Applicant's mark not only reverses the order of the words "care" and "first," but applicant's mark includes the significant element "Carolina" in between the transposed words. When the terms are reversed, and a word, albeit geographic, is inserted in between the reversed words, the marks have very different appearances.

Likewise, the marks CAREFIRST and FIRSTCAROLINACARE do not sound alike. In point of fact, the marks sound very different when spoken. The marks differ in number of syllables, and number of words. The marks begin with very different sounds, a hard "c" versus the letter "f," and then applicant's mark goes on to conclude in an alliterate manner with the words "Carolina" and "care."

We also find that the marks have different meanings. Opposer's mark, on the one hand, suggests that opposer's

Opposition Nos. 91116355 and 91124847

first or number one priority is the care for its customers, that is, that opposer cares for its customers before anything else. In this respect, opposer's mark conveys the idea of being nurturing. Applicant's mark, on the other hand, implies that it is the first or leading provider of healthcare in the Carolinas.

Lastly, we find that the marks CAREFIRST and FIRSTCAROLINACARE differ in overall commercial impression. Although the marks share the terms "care" and "first," the terms appear in reverse order;¹⁷ when these terms are reversed and combined with the term "Carolina" in between, applicant's mark engenders an overall commercial impression different from opposer's. See *In re Bed & Breakfast Registry*, 791 F.2d 157, 229 USPQ 818 (Fed. Cir. 1986).

In discussing the marks, opposer argues that applicant has incorporated the entirety of opposer's mark and merely added a geographic term, and that this addition is insufficient to distinguish the marks; that throughout the history of the health maintenance industry, it was a common practice of entities to use geographic designators; and that each party has operations in the state of North Carolina.

¹⁷ Further, as discussed *infra*, the terms "care" and "first" commonly appear in the marks and names of third parties in the healthcare field.

Opposition Nos. 91116355 and 91124847

Contrary to opposer's arguments, we find that the inclusion of the geographic term "Carolina" in applicant's mark serves to distinguish its mark from opposer's mark. The fact that it was, at one time, common practice for health maintenance organizations to use geographic designations in their names tends to suggest that consumers would be accustomed to distinguishing various sources of healthcare services on the basis of differences in the geographic designators. Here, applicant's mark includes "Carolina", suggesting that applicant renders services in the Carolinas, while there is no geographic designator in opposer's mark, thus leaving it indefinite as to the locations of its services. Further, opposer is stretching in asserting that it has operations in North Carolina. At most, the record shows that opposer acquired a third-party administrator named Michelsen Group with operations in North Carolina.

In our likelihood of confusion analysis, we have compared, of course, the mark sought to be registered with opposer's mark. Opposer makes much of the fact that applicant has used the slogan "A Health Plan That Cares For People First" in conjunction with its mark. As well settled, however, we must consider the mark sought to be registered, extraneous of other matter, and here the slogan

Opposition Nos. 91116355 and 91124847

does not form part of applicant's mark. See *Smith v. Tobacco By-Products & Chemical Corp.*, 243 F.2d 188, 113 USPQ 339 (CCPA 1957); *Blue Cross & Blue Shield Association v. Harvard Community Health Plan*, 17 USPQ2d 1075 (TTAB 1990); and *The State Historical Society of Wisconsin v. Ringling Bros. Barnum & Bailey Combined Shows, Inc.*, 190 USPQ 25, n. 3 (TTAB 1976).

In sum, although the marks share the elements "care" and "first," the marks look different, sound different, convey different meanings and create different overall commercial impressions.

The dissimilarity between the marks weighs in applicant's favor.

Third-Party Use

The testimony and evidence on this factor form the bulk of applicant's defense against opposer's likelihood of confusion claim.¹⁸

Before turning to the record relating to this factor, we would be remiss if we did not comment on opposer's counsel's actions at some of the testimonial depositions of the third-party witnesses taken by applicant. Applicant

¹⁸ Applicant sought to introduce evidence of third-party registrations, but, as indicated above, the evidence was filed late and then submitted as improper rebuttal. Thus, this evidence has not been considered.

Opposition Nos. 91116355 and 91124847

timely noticed and took testimony of twelve third parties using marks or names that include "care" and/or "first" in connection with healthcare services. The witnesses appeared pursuant to subpoenas obtained by applicant. Opposer cross-examined the witnesses and, in the case of two witnesses, opposer took additional testimony in support of its rebuttal as plaintiff in the opposition. In several instances, opposer's counsel, on cross-examination of applicant's witnesses, asked questions that seemingly had little to do with the issues in this case. By way of example, opposer asked one of the third-party witnesses, Nancy Good of CareFirst Pregnancy Centers located in Chicago, whether "people that have healthcare travel to Chicago." (dep., p. 160). Counsel objected to the question, asking for the relevance of "the travel plans of people from Maryland to Chicago" to the present proceeding. After opposer's counsel indicated that the question went to the "issue of credibility," applicant's counsel responded by stating that the question was beyond the scope of direct examination, and that "you're taking up my time to conduct discovery for another case." (dep., p. 161).¹⁹

¹⁹ In other depositions, attorneys objected to certain of opposer's questions, likewise suspecting that they had more to do with opposer's preparation of possible legal action against their clients, than with the issue of likelihood of confusion between opposer's mark and applicant's mark. And, indeed, certain of the

Opposition Nos. 91116355 and 91124847

The third-party testimonial depositions noticed by applicant were intended to focus on the specific issues in this Board proceeding. To the extent that opposer utilized these depositions for other partisan purposes, this tactic wasted the time and resources of all others involved. Moreover, such questioning wasted the time of the Board by resulting in the Board having to read transcripts that were lengthened by opposer's conduct.

Be that as it may, we now turn to the evidence of substantial use of "care" and "first" marks and names in the healthcare field. This factor, key to determining the distinctiveness of opposer's mark, plays a significant role in the likelihood of confusion analysis herein. If the common elements of conflicting marks are words that are descriptive or suggestive (i.e., "weak"), then this reduces the likelihood of confusion. See, e.g., *Keebler Co. v. Murray Bakery Products*, 866 F.2d 1386, 9 USPQ2d 1736 (Fed. Cir. 1989)[PECAN SANDIES and PECAN SHORTEES]; *Magnaflux Corp. v. Sonoflux Corp.*, 231 F.2d 669, 109 USPQ 313 (CCPA 1956)[MAGAFLUX and SONOFLUX]; and *Land-O-Nod Co. v. Paulison*, 220 USPQ 61 (TTAB 1983)[CHIROPRACTIC and CHIROMATIC].

third parties subsequently were the subjects of either a trademark infringement lawsuit brought by opposer or a cease and desist letter.

Opposition Nos. 91116355 and 91124847

Applicant properly adduced testimony from twelve third parties that use marks or names comprising, in part, the words "care" and/or "first" in the healthcare field. The Board has, in the past, given weight to evidence of widespread and significant use by third parties of marks containing elements in common with the involved marks when considering claims of likelihood of confusion, because such evidence may demonstrate that confusion is not, in reality, likely to occur in the marketplace. See *Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc.*, 1 USPQ2d 1445, 1462 (TTAB 1987). The rationale is, of course, that the common presence in marks of elements extensively used by others may cause purchasers to not rely upon such elements as source indicators but to look to other elements as a means of distinguishing the source of the goods and/or services. By relying on the third-party uses of "care" and "first" marks and names in the healthcare field, applicant would have us conclude that variations in the marks used in the field, including opposer's and applicant's mark, are sufficient to avoid confusion.

Not surprisingly, details surrounding the extent of the third-parties' business activities, such as revenues and advertising expenditures, were designated "confidential." Thus, we may speak only in broad terms.

Opposition Nos. 91116355 and 91124847

It is important to note, at the outset, that the words "care" and "first" are commonly used words with readily recognizable meanings.²⁰ The term "care" is defined, in relevant part, as "serious attention, esp. accompanied by personal interest or responsibility; charge, supervision, management; responsibility for or attention to safety and well-being (under a doctor's care); to feel interest, concern, or solicitude; to give care: provide for or attend to needs or perform necessary personal services (as for a patient)." The term "first" means, in relevant part "being number one; preceding all others; foremost in position: being in front of all others; foremost in rank, importance, or worth." Webster's Third New International Dictionary (unabridged ed. 1993).

Twelve witnesses, each one testifying about his/her own use, detailed healthcare services offered under the following marks and/or names: FIRSTCARE (HMO in Texas); FIRST CARE PC (primary care medical practice in Virginia); FIRST CARE MEDICAL CLINIC (medical clinics in North Carolina), FIRST CARE (family medical practice in South Carolina); FIRSTCARE (primary care services in New Jersey);

²⁰ Dictionary definitions are proper subject matter for judicial notice. Thus, we take judicial notice of the definitions of "care" and "first." *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co.*, supra.

Opposition Nos. 91116355 and 91124847

FIRSTCARE (urgent care medical facilities in North Carolina); FIRSTCARE (urgent care medical center in New Mexico); CAREFIRST (pregnancy centers in Illinois); and FIRSTHEALTH (nationwide services related to healthcare). The record also includes uses in the healthcare field of the slogans "First in Knowledge, First in Care," "First Class Care Close to Home," and "First Class Medical Care for Travel Anywhere."

Some of the above marks have been in use for over 10 years. The testimony reveals that cumulative revenues of the third parties approach \$1 billion, and total advertising expenditures are about \$1 million. Patients treated at the various healthcare facilities number in the hundreds of thousands. Having said this, we fully recognize that the uses (other than two) are local in nature; the record shows, however, that this is how many entities in the healthcare field operate.

The record establishes that the healthcare field, including healthcare insurance, is crowded by marks with the elements "care" and "first." One can hardly adopt a more highly descriptive/generic term in the healthcare field than "care." This fact is shown by the various third-party uses. Not surprisingly, the term "care" has been found to be descriptive/generic in various contexts.

Opposition Nos. 91116355 and 91124847

See *Stafford Urgent Care, Inc. v. Garrisonville Urgent Care, P.C.*, 224 F.Supp.2d 1062 (E.D.Va. 2002) [URGENT CARE descriptive for healthcare facilities]; *Cancer Care, Inc. v. American Family Life Assurance Co. of Columbus*, 211 USPQ 1005 (TTAB 1981) [CANCER CARE descriptive for healthcare insurance services].

Entities in the healthcare field also have found the term "first" to be attractive as evidenced by the record. This again comes as no surprise given the self-laudatory nature of the term.

In sum, in view of the third-party uses of "care" and "first" marks, particularly the various CAREFIRST marks, in the healthcare field, it is reasonable to conclude that consumers have become conditioned to recognize that many entities in the field use such terms. Thus, consumers likely are able to distinguish between entities based on distinctions among the marks, including between CAREFIRST and FIRSTCAROLINACARE. See *G.H. Mumm & Cie v. Desnoes & Geddes Ltd.*, 917 F.2d 1292, 16 USPQ2d 1635 (Fed. Cir. 1990); and *General Mills Inc. v. Health Valley Foods*, 24 USPQ2d 1270, 1277-1278 (TTAB 1992).

Opposer has criticized applicant's evidence, claiming that only three uses are in the nature of intervening, good-faith uses, and that the usages are in remote

Opposition Nos. 91116355 and 91124847

geographical areas from opposer. Opposer also asserts that certain uses have been abandoned, and that certain users are defendants in lawsuits filed by opposer.

The bottom line is that consumers, at one time or the other, have been exposed to a variety of uses of "care" and "first" marks in the healthcare field. The mark CAREFIRST is highly suggestive on its face, and the third-party usage only confirms this. No matter how hard opposer has tried to diminish this duPont factor, the unassailable fact remains that opposer's mark is just one of several "Care" and "First" marks in a crowded field.

Opposer has shown that it has been very aggressive in challenging other uses of "Care" and "First" marks in the healthcare field. The record shows that opposer frequently has sued third parties over their use of such marks. Opposer has been involved in at least forty-nine trademark actions (seventeen in the federal district courts and thirty-two at the TTAB) involving its CAREFIRST mark. Further, the record includes twenty-two cease and desist letters from opposer to third parties regarding what opposer perceived to be infringing uses of its CAREFIRST mark. See *In re Wella Corp.*, 565 F.2d 143, 196 USPQ 7, 8 at n. 2 (CCPA 1977) [letters from competitors indicating discontinuance of use of mark upon threat of legal action

Opposition Nos. 91116355 and 91124847

show a desire to avoid litigation rather than distinctiveness of mark]. Although opposer has prevailed in many of these cases (but, certainly, not in all), these successes do not appear to have diminished the attractiveness of such marks to others.

The mere commonality of "first" and "care" in the parties' marks (moreover, in the reverse order) is an insufficient basis on which to find likelihood of confusion. See *Stouffer Corp. v. Health Valley Natural Foods, Inc.*, 1 USPQ2d 1900 (TTAB 1986). The record clearly establishes that the parties' marks are highly suggestive, given the commonly understood and readily recognized meanings of "care" and "first." Thus, other healthcare entities have adopted marks and names that include one or both terms. Our finding on this duPont factor is not inconsistent with the view of at least one other court. In the case of *CareFirst of Maryland Inc. v. First Care PC*, supra, the court determined, on summary judgment, that there was no trademark infringement of opposer's mark CAREFIRST by a third-party's use of the mark FIRST CARE in connection with a family practice group of physicians. In so finding, the court relied on "substantial evidence exist[ing] in the record showing that considerable numbers of third parties use either the names CareFirst or First

Opposition Nos. 91116355 and 91124847

Care." The court made specific findings that "CAREFIRST is a suggestive mark deserving some trademark protection" and that it "is a relatively weak and indistinctive mark."

The highly suggestive nature of opposer's mark, as clearly demonstrated by the meanings of the terms "care" and "first," and the third-party uses in the healthcare field, weigh in applicant's favor.

Actual Confusion

The parties are unaware of any instances of actual confusion between the involved marks. Further, each of the third-party deponents testified that he/she was unaware of any actual confusion.

Applicant points to opposer's substantial revenues and contends that the lack of actual confusion, "particularly given opposer's widespread and strident legal efforts, is compelling, if not dispositive, evidence that consumers are not likely to confuse [the involved marks]." (Brief, p. 33).

Given the revenues under opposer's mark, one would think that opportunities for confusion would have occurred in the past. Applicant's contention is undercut, however, by its statements made in another context, namely, that "opposer and applicant operate in remote geographic territories without any overlap in trade areas." (Brief,

Opposition Nos. 91116355 and 91124847

p. 33). The parties' remote uses, not to mention the relatively small business of applicant, greatly diminish the likelihood of meaningful opportunities for confusion to have occurred. Further, the lack of actual confusion may also be explained, at least partially, to the discriminating care that a purchaser exercises when buying healthcare services such as those rendered by the parties.

We are entirely unpersuaded by opposer's reliance on the fact that counsel and a witness confused the marks on certain occasions. Given the volume of motions, briefs and testimony in this proceeding, not to mention the "heat of battle," we are not surprised that, on at least a few occasions, either an attorney or a witness misspoke. In these particular circumstances, we find that such mistakes hardly are probative evidence of actual confusion.

In any event, the test is likelihood of confusion, not actual confusion, and, as often stated, it is unnecessary to show actual confusion in establishing likelihood of confusion. See e.g., *Weiss Associates Inc. v. HRL Associates Inc.*, 902 F.2d 1546, 14 USPQ2d 1840, 1842-3 (Fed. Cir. 1990).

We view this factor as neutral.

Intent

Opposer contends that applicant adopted its mark in bad faith. Opposer alleges that applicant's mark was selected by Kenneth Lewis, a former officer of one of opposer's subsidiaries, that applicant downloaded the CAREFIRST registrations owned by opposer when applicant was in the process of deciding what mark to adopt, that applicant originally adopted the mark FIRSTHEALTH prior to switching to the mark FIRSTCAROLINACARE, and that applicant's tag line "A Health Plan That Cares For People First" underscores a meaning and impression that is identical to the one conveyed by opposer's mark CAREFIRST. In opposer's view, "[applicant] intended to ride the coattails of a famous mark and to benefit from the good will [opposer] has built for itself, or, at least, to hamper [opposer's] entry into the Carolina market." (Brief, p. 44).

Contrary to opposer's contentions, we find that the facts do not add up to bad faith adoption. Although the record shows that applicant had knowledge of opposer's use when applicant adopted its mark, mere knowledge does not warrant a finding of bad faith. See, e.g., *Edison Bros. Stores, Inc. v. Cosmair, Inc.*, 651 F.Supp. 1547, 2 USPQ2d 1013 (S.D.N.Y. 1987). We agree with applicant when it

Opposition Nos. 91116355 and 91124847

states "the record in this case demonstrates a good faith junior user searching for an available mark in an already crowded field." (Brief, p. 34).

According to the testimony of Lynn DeJaco (applicant's vice president of business development), the mark FIRSTCAROLINACARE was adopted to identify an employee benefit plan under the broader mark FIRSTHEALTH. When the plan was converted to a commercial product to be offered to the public, applicant sought to change the name FIRSTHEALTH due to an agreement with a third party regarding use of the name FIRSTHEALTH. Applicant retained trademark counsel and trademark clearance searches were conducted. Ms. DeJaco testified that applicant desired to maintain an identity with applicant's already established FIRSTHEALTH mark, so, in that connection, applicant wanted its new mark to begin with "first." Ms. DeJaco also testified that the term "care" was considered because "our core business is to care for people." (dep., p. 83). After reviewing the possibilities with applicant's chief executive officer, FIRSTCAROLINACARE was the mark selected. This decision was then presented to Mr. Lewis and the board of directors for approval after consultation with trademark counsel. Ms. DeJaco explained the ultimate decision as follows (dep., p. 83):

Opposition Nos. 91116355 and 91124847

The reason why is that it uses Carolina, which is FirstHealth of the Carolinas. We always try to keep the First in most things that we do. And care, because our core business purpose is to care for people.

Applicant highlights its intent to link FIRSTCAROLINACARE to FIRSTHEALTH by pointing to the identical stylization of the two brands and their concurrent placement in certain marketing materials.

The timing of Mr. Lewis' hiring appears to be merely coincidental with the selection of applicant's mark. While there is some question as to the extent of Mr. Lewis' involvement in the selection of applicant's mark, we cannot infer from his prior employment with opposer that any of Mr. Lewis' actions while in applicant's employ were made in bad faith. Although Mr. Lewis was involved in the selection of the tagline "A Health Plan That Cares For People First," we share applicant's view that this slogan fairly uses the common terms "care" and "first." We fail to see how this shows any bad faith adoption of the mark FIRSTCAROLINACARE by applicant.

On this record, we conclude that applicant adopted its mark in good faith to convey the key features of applicant's services, while also relating its new mark to applicant's established FIRSTHEALTH mark.

Opposition Nos. 91116355 and 91124847

In sum, we find no bad faith adoption. This factor is neutral in our likelihood of confusion analysis.

Based on the record herein, and considering all of the duPont factors on which there is evidence, we find that there is no likelihood of confusion between applicant's mark and opposer's trademark/service mark.

Registration No. 1543100

We next turn to consider the likelihood of confusion between applicant's mark and opposer's collective membership mark shown in Registration No. 1543100. The mere fact that applicant's mark identifies services and opposer's mark identifies a collective membership mark does not, by itself, overcome the likelihood of confusion. Rather, likelihood of confusion may exist from contemporaneous use of a collective membership mark on the one hand, and a trademark or a service mark on the other. In re Code Consultants Inc., 60 USPQ2d 1699 (TTAB 2001); and In re National Novice Hockey League, Inc., 222 USPQ 638 (TTAB 1984). The ultimate inquiry is whether "relevant persons" are likely to be confused. See generally Electronic Design & Sales Inc. v. Electronic Data Systems Corp., supra.

Opposition Nos. 91116355 and 91124847

Although the ultimate inquiry is the same, the analysis under Section 2(d) with respect to collective membership marks is somewhat different from that with respect to trademarks or service marks. The trademark or service mark analysis typically involves, as was the case discussed above, a determination of likelihood of confusion among purchasers or users as to the source of goods or services. However, a collective membership mark does not involve purchasers of goods or services. The sole purpose of a collective membership mark is to indicate membership in an organization. While goods and services may be provided by members of an organization, a collective membership mark, as used or displayed by the members of an organization, serves only to identify the fact that such members belong to the collective organization and to inform relevant persons of the members' association with the organization.²¹ *Allstate Life Insurance Co. et al. v. Cuna International, Inc.*, 169 USPQ 313 (TTAB 1971). Thus, the finding of likelihood of confusion between a collective membership mark and a trademark or service mark is not

²¹ As noted in *In re Code Consultants Inc.*, supra, in addition to denoting membership, the same mark may also be used by the organization for other purposes, for example, as a service mark or by the members of the organization as a collective service mark. However, our determination herein must be based solely on opposer's mark's function as a collective membership mark, because that is what the registration covers.

Opposition Nos. 91116355 and 91124847

based on confusion as to the source of any goods or services that happen to be provided by the members of the collective organization. Rather, the question is whether relevant persons are likely to believe that the trademark owner's goods and/or services emanate from or are endorsed by or in some other way associated with the collective organization.

The term "relevant persons," for purposes of a collective membership mark, would not consist of "purchasers," but rather those persons or groups of persons for whose benefit the membership mark is displayed. *Electronic Design & Sales v. Electronic Data Systems*, supra at 1390. The question then becomes whether applicant's service mark and opposer's collective membership mark would be encountered by relevant persons under circumstances that could, because of the similarity of the marks, lead those persons to mistakenly believe that there is some connection between applicant and opposer's organization.

The purchasers or users of applicant's services and the relevant public for opposer's membership mark are, in part, the same. Applicant's services are directed, as indicated earlier in this decision, to the ultimate purchaser or user of healthcare services, namely ordinary consumers. Opposer's mark is used by opposer's members to

Opposition Nos. 91116355 and 91124847

indicate to the relevant public that its members belong to opposer's organization of medical professionals and various healthcare entities. In the absence of any limitation in opposer's registration, we must assume the relevant public includes those who are in the health care field (medical practices, doctors, hospitals, etc.), as well as those to whom healthcare services are offered, such as ordinary consumers, the very purchasers and users of applicant's services.²² The membership mark could be displayed or promoted in rendering healthcare services to the consumer so as to advertise the member's affiliation with the membership organization even if the service itself is being performed under a different mark. *Boise Cascade Corp. v. Mississippi Pine Manufacturers Association*, 164 USPQ 364 (TTAB 1969). Thus, applicant's service mark and opposer's collective membership mark could be encountered by the same members of the relevant public.

Applicant's services and the services provided by opposer's members are identical or otherwise closely related. The salient question then becomes whether those persons who encounter applicant's mark in connection with

²² These classes of purchasers and users also comprise the relevant public for purposes of considering the factor of fame. As explained above, however, the evidence falls short of proving that either opposer's trademark/service mark or collective membership mark is famous.

Opposition Nos. 91116355 and 91124847

its services and opposer's collective membership mark as used by its members would be likely to assume there is a connection or relationship between the two sources.

For the reasons set forth above in considering applicant's mark vis-à-vis opposer's registered trademark/service mark, we find that the marks are dissimilar, and that consumers would be accustomed to distinguishing between marks in the healthcare field featuring "care" and "first."

Accordingly, we find that confusion is not likely to occur between applicant's mark and opposer's collective membership mark.

LIKELIHOOD OF CONFUSION CONCLUSION

The differences between the highly suggestive marks CAREFIRST and FIRSTCAROLINACARE, the crowded field of marks featuring "care" and/or "first" in the healthcare industry, and the relatively sophisticated decision in purchasing or even using healthcare services, all warrant a finding of no likelihood of confusion. Based on the record before us, we see opposer's likelihood of confusion claim, whether based on its trademark/service mark or on its collective membership mark, as amounting to only a speculative, theoretical possibility. Language by our primary reviewing

Opposition Nos. 91116355 and 91124847

court is helpful in resolving the likelihood of confusion controversy in this case:

We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal.

Electronic Design & Sales Inc. v. Electronic Data Systems Corp., supra at 1391 (Fed. Cir. 1992), *citing* Witco Chemical Co. v. Whitfield Chemical Co., Inc., 418 F.2d 1403, 1405, 164 USPQ 43, 44-45 (CCPA 1969), *aff'g* 153 USPQ 412 (TTAB 1967).

We have carefully considered all of the evidence pertaining to the relevant duPont factors, as well as all of the parties' arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion), and we conclude that opposer has not proved its Section 2(d) claim of likelihood of confusion, as based on either of its registrations.

DILUTION

In addition to its likelihood of confusion claim, opposer also raised a claim of dilution. The Federal Trademark Dilution Act (FTDA) provides a federal cause of action for the dilution of famous marks, and the Trademark Amendments Act of 1999 (TAA) requires the Board to consider dilution under the FTDA as a ground for opposition. The

Opposition Nos. 91116355 and 91124847

FTDA and TAA protect any mark that is both distinctive and famous against use and registration of marks that would lessen the capacity of the famous mark to identify and distinguish the famous mark owner's goods and/or services. *NASDAQ Stock Market Inc. v. Antartica S.r.l.*, 69 USPQ2d 1718 (TTAB 1998).

The parties have discussed at some length the various factors involved in a dilution analysis, including whether opposer's alleged famous mark became famous prior to applicant's adoption of its mark, and whether "niche fame" (either in terms of geographic territory or of industry) suffices for establishing dilution in a Board proceeding.

We note, at the outset, that courts and the Board have held that dilution is an "extraordinary remedy." See, e.g., *Advantage Rent-A-Car Inc. v. Enterprise Rent-A-Car Co.*, 238 F.3d 378, 57 USPQ2d 1561, 1563 (5th Cir. 2001); and *The Toro Company v. Torohead, Inc.*, 61 USPQ2d 1164, 1173 (TTAB 2001). In view thereof, the Board has determined that, unlike in likelihood of confusion cases, the Board does not resolve doubts in favor of the party claiming dilution. *The Toro Co. v. Torohead, Inc.*, supra at 1174.

Notwithstanding the interesting aspects of the parties' dilution discussion in this case, our view is that the dilution claim can be easily dismissed simply on the

Opposition Nos. 91116355 and 91124847

basis of the involved marks. It is obvious that the marks CAREFIRST and FIRSTCAROLINACARE are not identical. For dilution purposes, a party must prove more than confusing similarity; it must show that the marks are "identical or very or substantially similar." *The Toro Co. v. Torohead, Inc.*, supra at 1183. As the Board noted in that case:

The test for blurring is not the same as for determining whether two marks are confusingly similar for likelihood of confusion purposes. "To support an action for dilution by blurring, 'the marks must be similar enough that a significant segment of the target group sees the two marks as essentially the same.'" *Luigino's, Inc.*, 170 F.3d, 50 USPQ2d at 1051 (quoting 2 McCarthy on Trademarks and Unfair Competition, § 24:90.1 (4th ed. 1998)). Therefore, differences between the marks are often significant. Mead Data (LEXUS for cars did not dilute LEXIS for database services).

Id. In the Toro case, the Board found that the marks TORO and ToroMR and design, although similar, were not "substantially similar" for dilution purposes. Id. ["Although the same word 'toro' appears in both marks, we do not see the marks as being 'essentially the same.'"].

In the present case, we earlier discussed the differences between the marks CAREFIRST and FIRSTCAROLINACARE, finding them to be so dissimilar that consumers would not be confused. Given that finding, and

Opposition Nos. 91116355 and 91124847

now focusing on the marks in the context of the dilution claim, we obviously must also find that the marks are not "very or substantially similar," and we do not see the marks as being "essentially the same."

Accordingly, opposer's dilution claim must fail on this basis alone.

Just as we indicated above in connection with our conclusion on likelihood of confusion, we likewise state that we have carefully considered all of the evidence pertaining to dilution, as well as all of the parties' arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion), and we conclude that opposer has not proved its dilution claim.

Decision: The counterclaims are dismissed. The oppositions are dismissed.