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

Proceeding	91251213
Party	Defendant Western States Business Management, LLC
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Submission	Answer and Counterclaim
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Date	03/05/2020
Attachments	ApplicantAnswerAndCounterclaims.pdf(201137 bytes)

Registrations Subject to the filing

Registration No.	1574033	Registration date	12/26/1989
Registrant	LEGACY HEALTH 1919 NW LOVEJOY STREET PORTLAND, OR 97209 UNITED STATES		

Goods/Services Subject to the filing

Class 042. First Use: 1989/02/18 First Use In Commerce: 1989/02/18
All goods and services in the class are requested, namely: HEALTH CARE SERVICES

Grounds for Cancellation

Abandonment	Trademark Act Section 14(3)		
Registration No.	1574034	Registration date	12/26/1989
Registrant	LEGACY HEALTH 1919 NW LOVEJOY STREET PORTLAND, OR 97209 UNITED STATES		

Goods/Services Subject to the filing

Class 042. First Use: 1989/02/18 First Use In Commerce: 1989/02/18
All goods and services in the class are requested, namely: HEALTH CARE SERVICES

Grounds for Cancellation

Abandonment	Trademark Act Section 14(3)		
Registration No.	1847147	Registration date	07/26/1994

Registrant	LEGACY HEALTH 1919 NW LOVEJOY STREET PORTLAND, OR 97209 UNITED STATES
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Goods/Services Subject to the filing

Class 042. First Use: 1989/01/18 First Use In Commerce: 1989/01/18 All goods and services in the class are requested, namely: health care services

Grounds for Cancellation

Abandonment	Trademark Act Section 14(3)		
Registration No.	3899583	Registration date	01/04/2011
Registrant	LEGACY HEALTH 1919 NW LOVEJOY STREET PORTLAND, OR 97209 UNITED STATES Email: jaobrien@lhs.org		

Goods/Services Subject to the filing

Class 044. First Use: 2009/06/00 First Use In Commerce: 2009/06/00 All goods and services in the class are requested, namely: Healthcare

Grounds for Cancellation

Abandonment	Trademark Act Section 14(3)		
Registration No.	3876668	Registration date	11/16/2010
Registrant	LEGACY HEALTH 1919 NW LOVEJOY STREET PORTLAND, OR 97209 UNITED STATES		

Goods/Services Subject to the filing

Class 044. First Use: 2009/06/00 First Use In Commerce: 2009/06/00 All goods and services in the class are requested, namely: Healthcare

Grounds for Cancellation

Abandonment	Trademark Act Section 14(3)
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Legacy Health,

Opposer,

v.

Western States Business Management, LLC,

Respondent-Applicant.

Opposition No. 91251213

In re Trademark Application for:

Logo design and word legacy

Serial No: 88/008,123

Filing Date: June 20, 2018

**APPLICANT'S ANSWER TO NOTICE OF OPPOSITION
AND COUNTERCLAIMS**

Respondent-Applicant, Western States Business Management, LLC, responds to the
Notice of Opposition as follows:

RESPONSES TO ALLEGATIONS AS TO THE PARTIES

1. Applicant lacks knowledge or information sufficient to form a belief about the truth of the allegation, therefore, denies.
2. Applicant admits.

RESPONSES TO NOTICE OF OPPOSITION

3. Applicant admits it filed Trademark Application Ser. No. 88/008,123 for the Design and LEGACY mark ("Allowed Application"), filed June 20, 2018 and published for opposition May 28, 2019. Applicant denies that Opposer would be damaged by the grant of registration of Allowed Application. Applicant denies all other allegations.
4. Applicant lacks knowledge or information sufficient to form a belief about the truth of the allegation, therefore, denies.
5. Applicant lacks knowledge or information sufficient to form a belief about the truth of the allegation, therefore, denies.
6. Applicant lacks knowledge or information sufficient to form a belief about the truth of the allegation, therefore, denies. Opposer's asserted Trademark Registration Nos. 1,574,033 for LEGACY HEALTH (formerly LEGACY HEALTH SYSTEM) and 1,574,034 for LEGACY HEALTH and design (formerly LEGACY HEALTHY SYSTEM and design) do not have incontestable. Broadening amendments to the registrations in October 2016 reset the 5-year incontestability clock. As a result, at least Registration Nos. 1,574,033 and 1,574,034 are subject to cancellation for any of the statutory bases.
7. Applicant admits.
8. Applicant lacks knowledge or information sufficient to form a belief about the truth of the allegation, therefore, denies.
9. Applicant admits as to the Previously Opposed Marks. Applicant denies all other allegations.

10. Applicant admits that its core business has not changed. Applicant denies all other allegations.
11. Applicant denies.
12. Applicant denies.
13. Applicant denies.
14. Applicant denies.
15. Applicant denies.
16. Applicant admits that Opposer has not expressly consented to, licensed, or otherwise authorized Applicant's use of Applicant's mark, namely:



- (“Applicant’s Mark”). However, Opposer has implicitly consented, authorized and/or acquiesced to Applicant’s use of Applicant’s Mark in commerce by not objecting to it for many years. Since at least as early as April 13, 2011 when Opposer opposed other marks of Applicant in TTAB Opposition No. 91199416, Legacy has had actual notice of Applicant’s use of Applicant’s Mark in commerce and has done nothing to challenge Applicant’s use in commerce.
17. All other allegations denied.
 18. Applicant denies.
 19. Applicant denies.
 20. Applicant denies.
 21. Applicant denies.

DEFENSES AND AFFIRMATIVE DEFENSES

Opposer's claims and/or allegations fail to state a claim upon which relief can be granted.

Opposer's marks are weak marks as revealed by long-standing public uses by third parties of "legacy" marks and terms.

Opposer's has abandoned its exclusive rights to the term "legacy." Opposer has discontinued uses of Opposer's Marks in relevant marks and has lost rights through naked licensing and discontinued use of Legacy marks.

Opposer's asserted Trademark Registration Nos. 1,574,033 for LEGACY HEALTH (formerly LEGACY HEALTH SYSTEM) and 1,574,034 for LEGACY HEALTH and design (formerly LEGACY HEALTHY SYSTEM and design) do not have incontestable. Broadening amendments to the registrations in October 2016 reset the 5-year incontestability clock. As a result, Registration Nos. 1,574,033 and 1,574,034 are subject to cancellation for any of the statutory bases.

Opposer should be estopped from complaining about likelihood of confusion. Opposer has implicitly consented, authorized and/or acquiesced to Applicant's use of Applicant's Mark in commerce. Since at least as early as April 13, 2011 when Opposer opposed other marks of Applicant in TTAB Opposition No. 91199416, Legacy has had actual notice of Applicant's use of Applicant's Mark in commerce and Opposer has done nothing to challenge Applicant's use in commerce or to assert or allege any harm based on likelihood of confusion in any material way. Applicant has relied upon Opposer's silent acquiescence as Applicant has continued to build good will in Applicant's Mark including expanded use in interstate commerce and including

intervening rights in favor of Applicant after Opposer abandoned uses of Legacy marks in connection with Opposer's "St. Aidan's Place" facility, closed in early 2002 or 2003, Opposer's "Bishop Morris" facility, closed in around 1995, Opposer's "Trinity Place" facility, closed approximately 2007 or 2008, and Opposer's skilled care rehabilitation unit operated at the Legacy Good Samaritan Hospital facility, closed in 2004 or 2005: Applicant's continued uses of its mark in commerce since 1995 are senior to Opposer's uses in this regard.

The identification of goods services in the asserted Registrations are not specific, definite, clear, accurate, or concise. The asserted "health care service" and "healthcare" descriptions are indefinite because they include items in more than one class. Based upon Opposer limited and/or junior use of the term Legacy in commerce in connection with Opposer's actual, ongoing services, the description of services in International class 042/044 of United States Trademark Registration Nos. 1847147, 1574033, 1574034, 3876668 and 3899583 should be restricted to "hospital, clinical, research and laboratory medical services and non-resident hospice services, and related educational and charitable services."

The parties' services and marks are in different trade channels. Without opposition from Opposer, many trademark registrations and applications have been allowed and granted since July 2015 incorporating the word Legacy in newly registered marks in hospital and clinic type or related services. Examples include U.S. Trademark Registration Nos. 4086132, 4384511, 4782552, 5041833, 5096137, 4767534, 5684405, 5746843 and Application Serial No. 88159383. Opposer's non-opposition evidences that it acknowledges that there are diverse trade channels distinct from the trade channels used by Opposer.

The parties' marks are distinct.

The parties' services are distinct.

The parties' class of customers are distinct.

RELIEF REQUESTED ON OPPOSER'S CLAIMS

The Opposition should be denied. Application Ser. No. 88/008,123 should proceed to registration.

COUNTERCLAIMS FOR RELIEF

TTAB JURISDICTION OVER COUNTERCLAIMS

Cancellation proceedings before the TTAB are proper pursuant to 15 U.S.C. § 1115(b)(2) and 15 U.S.C. § 1127.

The TTAB has equitable power to restrict the services of a registered mark under Section 18 of the Trademark Act, 15 U.S.C. 1068. *Embarcadero Technologies Inv. v. RStudio Inc.*, 105 USPQ2d 1825, 1828 (TTAB 2013). Relief under §18 may be sought separate and apart from any other ground. *E.g., Montecash LLC v. Anzar Enterprises Inc.*, 95 USPQ2d 1060, 1063 (TTAB 2010). Cancellation/restriction may be sought against registrations over five (5) years old as well as those less than five (5) years old because such a claim is in the nature of an equitable remedy and does not constitute an attack on the validity of the registration. *E.g., Covidien LP v. Masimo Corp.*, 109 USPQ2d 1696 (TTAB 2014). When a mark is no longer in use in connection with identified services, the TTAB is empowered to restrict the corresponding registration to reflect the commercial reality. *In re Bose Corp.*, 580 F.3d 1240, 1247 (Fed. Cir. 2009) (a registration may be cancelled "in whole or in part" or restricted).

**FACTS AND CIRCUMSTANCES SUPPORTING APPLICANT'S
COUNTERCLAIMS FOR CANCELLATION AND/OR RESTRICTION**

To the extent Opposer is the ongoing registrant and owner of the Legacy Marks asserted in paragraphs 4 and 5 of the Opposition, Applicant asserts counterclaims as follows:

Opposer's Loss of Right in Legacy Marks

Discontinued Use of Opposer

22. Applicant incorporates by express reference the facts and circumstances associated with paragraph 1-21 and the defenses above.
23. Opposer has abandoned use of the mark Legacy in connection with living facilities by discontinued use.
24. Opposer has in the past pointed to uses of the mark Legacy in connection with living facilities for persons having different abilities. However, Opposer's use of the mark Legacy in connection with such facilities has been abandoned.
25. Opposer's "St. Aidan's Place" facility was closed in early 2002 or 2003. T
26. Opposer's "Bishop Morris" facility was closed in around 1995.
27. Opposer's "Trinity Place" facility closed in approximately 2007 or 2008.
28. Opposer's skilled care rehabilitation unit operated at the "Legacy Good Samaritan Hospital" facility closed in 2004 or 2005.
29. Living facilities associated with Opposer were closed many years ago and there has been no evidence of resuming such use in the intervening years as Applicant has continued its uses of Applicant's Mark.
30. Opposer's abandonment is beyond the three-year presumption of abandonment.

31. Opposer's post-abandonment uses of Opposer's Mark do not use the Legacy mark in commerce in the assisted living trade channel.
32. Subsequent reuses by Opposer in the relevant trade channels, if any, are junior to Applicant's continued use.
33. Through abandonment by discontinued use, Opposer has lost rights in the term LEGACY in the assisted living trade channels.

Naked Licensing By Opposer

34. For relevant years, Opposer licensed Opposer's Marks to a number of licensees including at least Texas Regional Heart Center, Plano, Texas, dba Legacy Heart Center, Legacy Hospital Partners, Inc., Plano, Texas, and Beacon Communities, Inc., Cumming, Georgia.
35. As to each licensee, Opposer had an affirmative duty to confirm that the services offered by Opposer's licensee(s) in connection with Opposer's Marks were of equal or greater quality than the services of Opposer.
36. Opposer was required to maintain control over the quality of its licensees' services to guarantee to the public that the services of the licensees were of the same or greater, pre-license quality.
37. Opposer failed to maintain control over the quality of its licensees' services to guarantee to the public that the services of the licensees were of the same or greater, pre-license quality.
38. Opposer's licenses failed to unambiguously identify quality control provisions.
39. Opposer failed to exercise clear, actual, periodic inspection and supervision over the quality of goods/services of the licensees in connection with the licensees' use of Opposer's Marks.

40. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to unambiguously establish or fix the quality specifications.
41. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to provide a system in which trained personnel periodically and thoroughly inspect, supervise and control the licensee's services.
42. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to test the quality of the licensee's services from time to time.
43. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to preapprove uses of Opposer's Marks in connection with the licensee's services.
44. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to require properly using Opposer's Mark.
45. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to acknowledge/attribute Opposer as owner of the mark.
46. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to reserve rights in the Opposer to concurrently use the mark.
47. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to require licensee to acknowledge validity of Opposer's Marks.
48. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to timely terminate use of Opposer's Marks by licensee for noncompliance.
49. Vis-à-vis its licensees, Opposer failed to retain and exercise the legal or contractual mechanisms to require licensee to indemnify Opposer for any third-party claims arising out of licensee's unauthorized use of Opposer's Marks.

50. With or without express contractual control, the Opposer was required to actually control and limit use of Opposer's Marks by the licensee by exercising the rights of control reserved by Opposer, if any.
51. Opposer failed to exercise decision-making authority over quality of services provided by its licensees.
52. Opposer left each licensee to self-police.
53. Self-policing by any licensee was to an unspecified standard.
54. There are no other indicia of control such as a previous or ongoing close working relationships between the licensee and Opposer that could be the basis for a reasonable reliance of Opposer upon the licensee to know and implement at least the same quality of health care services historically practiced by Opposer.
55. Opposer failed to properly control the quality of health care services offered by licensees under Opposer's Marks.
56. The periods of time in which Opposer failed to properly control the quality of health care services offered by licensee' under Opposer's Marks exceed the 3-year presumption of abandonment.
57. Opposer had ample time to establish and control licensees' quality of health care services but has chosen not to do so.
58. Opposer has played no meaningful role in holding licensees' services to any quantifiable standard of quality.
59. Through abandonment caused by naked licensing Opposer no longer has the breadth of rights needed to preclude use or registration by Applicant.

60. Opposer's Marks have lost their significance as an indication of origin and such use by another deceives the public resulting in abandonment of the mark and subjects any corresponding registration to cancellation.

Weakness of Remaining Rights of Opposer's Marks

61. Opposer's LEGACY marks used in connection with "health care services" are weak providing only limited rights and protection.

62. The weakness or restricted scope of Opposer's claim to exclusive rights in the term LEGACY in the health services market is known to Opposer.

63. The weakness of the term LEGACY related to Opposer's health-related services has been established by the TTAB. In reviewing the strength of Opposer's claim to exclusivity in the term LEGACY in connection with health care services and services related to health care, the TTAB in Opposition No. 91199416 concluded:

"third-party use is sufficient to show that the word 'Legacy' has been extensively adopted and used [by others] as a service mark and trade name in connection with healthcare services and services related to healthcare"

"a mark comprising, in whole or in part, the word 'Legacy' in connection with healthcare services should be given a restricted scope of protection"

"Opposer's LEGACY marks are not entitled to such a broad scope of protection as to bar the registration of every mark comprising, in whole or in part, the word 'Legacy'; it will only bar registration of marks 'as to which the resemblance to Opposer's marks is striking enough to cause one seeing it to assume that there is some connection, association or sponsorship between the two.'"

64. This weakness or restricted scope is established by the myriad, uncontested uses of the term LEGACY by many others in the health care market.
65. As a result, consumers are so accustomed to seeing LEGACY marks used by others for health-related services that they are likely to look to other elements in the marks to distinguish the origin of the services.
66. The term "Legacy" in Opposer's Marks is weak as a source indicator for purposes of determining likelihood of confusion.
67. Further, Opposer's U.S. Trademark Registration Nos. 1,574,033 for LEGACY HEALTH (formerly LEGACY HEALTH SYSTEM) and 1,574,034 for LEGACY HEALTH and design (formerly LEGACY HEALTHY SYSTEM and design) underwent broadening amendments in October 2016.
68. The broadening amendments in October 2016 reset the 5-year incontestability clock.
69. As a result, Registration Nos. 1,574,033 and 1,574,034 may be challenged for any of the statutory bases.
70. The description of services of asserted Registration Nos. 1847147, 1574033, 1574034, 3876668 and 3899583 are ambiguous, overly broad or not specific to the mark actually used by Opposer.
71. Opposer's Marks identify services overly broad because Opposer does not use Opposer's Marks on a substantial number of related services encompassed by the identification language.
72. Opposer's actual uses of the term Legacy in commerce are directed to hospital, clinical, research and laboratory medical services and non-resident hospice services, and related educational and charitable services.

73. Limiting Opposer's Marks to the description hospital, clinical, research and laboratory medical services and non-resident hospice services, and related educational and charitable services would avoid likelihood of confusion with Applicant's Application.

**FIRST COUNTERCLAIM FOR RELIEF
CANCELLATION OF REGISTRATIONS OF OPPOSER'S ASSERTED MARKS
(15 U.S.C. § 1115(b)(2), 15 U.S.C. § 1127)**

74. Based upon the forgoing paragraphs incorporated herein by reference, through abandonment Opposer has lost exclusive rights in the term Legacy as determined by the asserted United States Trademark Registration Nos. 1847147, 1574033 and 1574034.

75. United States Trademark Registration No. 1847147 should be cancelled.

76. United States Trademark Registration No. 1574033 should be cancelled.

77. United States Trademark Registration No. 1574034 should be cancelled.

**SECOND COUNTERCLAIM FOR RELIEF
RESTRICTION OF SCOPE OF ALL REGISTRATIONS OF OPPOSER'S
ASSERTED MARKS (15 U.S.C. § 1068)**

78. In the alternative, based upon the forgoing paragraphs incorporated herein by reference, through abandonment or lack of actual use Opposer has only limited or restricted good will in the term Legacy in connection with the asserted United States Trademark Registration Nos. 1847147, 1574033, 1574034, 3876668 and 3899583.

79. Based upon Opposer limited and/or junior use of the term Legacy in commerce in connection with Opposer's actual, ongoing services, the description of services in International class 042/044 of United States Trademark Registration Nos. 1847147, 1574033, 1574034, 3876668 and 3899583 should be restricted to "hospital, clinical,

research and laboratory medical services and non-resident hospice services, and related educational and charitable services.”

RELIEF REQUESTED ON APPLICANT’S COUNTERCLAIMS

- A. United States Trademark Registration No. 1847147 be cancelled;
- B. United States Trademark Registration No. 1574033 be cancelled;
- C. United States Trademark Registration No. 1574034 be cancelled;
- D. The description of services in International class 042/044 of United States Trademark Registration Nos. 1847147, 1574033, 1574034, 3876668 and 3899583 be restricted to “hospital, clinical, research and laboratory medical services and non-resident hospice services, and related educational and charitable services;” and
- E. Such other and further relief as the TTAB may deem proper and just under the circumstances.

Dated this 5th day March, 2020.

Respectfully submitted,

By: /Todd E. Zenger/
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CERTIFICATE OF FILING AND SERVICE

This Answer and Counterclaims was duly filed using ESSTA on March 5, 2020 and a copy of this Answer and Counterclaims was emailed to counsel for Opposer as indicated below:

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