

On June 22, 2004, UDSMR served a complaint against IT HealthTrack and Pamela Smith (an owner of ITH) alleging copyright infringement. We believe that this complaint is without merit.

ITH will aggressively defend itself in federal court, and also intends to bring counterclaims against UDSMR. ITH very much appreciates the continued support of its customers and colleagues, and urges everyone in the rehabilitation field, including UDSMR customers, to consider the adverse implications of an attempt by any single party to gain exclusive intellectual property rights in the functional independence measure and related derivative works.

Competition within a free marketplace fosters innovation, superior client service and competitive pricing. The functional independence measure and related derivative works are the product of joint effort in the rehabilitation field and are not the exclusive property of UDSMR or anyone else. Do not be intimidated by anyone claiming otherwise.

In addition, efforts to interfere with existing business relationships as part of an attempt to control the marketplace or to vertically integrate data aggregation with follow-up data collection are doomed to failure in a highly concentrated marketplace. Rest assured that ITH will bring these matters to the attention of the federal courts at the appropriate time.

Dr. Pamela Smith
President & CEO
IT HealthTrack, Inc.