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UNITED STATES PATENT AND TRADEMARK  
OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Dunn

Mailed: June 17, 2008

Opposition No. 91177036

Nationstar Mortgage LLC

v.

Mjuahid Ahmad

Before Bucher, Grendel and Bergsman, Administrative  
Trademark Judges.

By the Board:

This case now comes up for consideration of (1) applicant's motion (filed January 31, 2008) to amend the filing basis of opposed application Serial No. 78866376 to Trademark Act Section 1(b); (2) applicant's motion (also filed January 31, 2008) for summary judgment on the pleaded claims of fraud and priority and likelihood of confusion; and (3) opposer's cross-motion for summary judgment on the fraud claim.<sup>1</sup> All the motions have been briefed.

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<sup>1</sup> On January 31, 2008, opposer filed a motion to compel discovery responses. The Board's February 12, 2008 suspension order indicated that, in the event that this proceeding goes forward after the Board's disposition of the motion for summary judgment, applicant's time to respond to the motion to compel would be reset.

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On April 20, 2006, Mjuahid Ahmad ("applicant") filed a use based application for the mark NATIONSTAR for "real estate brokerage; rental of real estate; real estate management services, namely, management of commercial and residential properties; real estate investment; residential and commercial property and insurance brokerage; mortgage brokerage; and business finance procurement services" (Serial No. 78866376). Applicant claimed April 4, 2005 as his dates of first use anywhere and first use in commerce.

On May 1, 2007, Nationstar Mortgage LLC ("opposer") filed a notice of opposition to the registration of Application Serial No. 78866376. As grounds for opposition, opposer alleged applicant's nonuse of his mark and fraud in the the involved application, as well as priority and likelihood of confusion between applicant's mark NATIONSTAR and opposer's marks NATIONSTAR MORTGAGE and NATIONSTAR MORTGAGE and design, at right, the subjects of pending application Serial Nos. 78871883 and 78872148, both filed April 28, 2006 under Trademark Act Section 1(b), and both currently suspended pending the disposition of the opposed application, which was cited as a potential bar to registration under Trademark Act Section 2(d).<sup>2</sup>



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<sup>2</sup> Opposer's application Serial Nos. 78871883 and 78872148 both identify the services as "mortgage lending services." Opposer

APPLICANT'S MOTION TO AMEND

We turn first to applicant's motion to amend its involved application. Applicant seeks to amend the basis for registration from Trademark Act Sec. 1(a) to Sec. 1(b), asserting a bona fide intent to use the mark in commerce.

In 1995, the Office changed its policy towards post-publication amendments to add or substitute a basis for registration to applications which are not the subject of a Board proceeding. *In re Monte Dei Maschi Di Siena*, 34 USPQ2d 1415 (Comm'r Pats. 1995) (applicant allowed, after publication, to add a Section 44(e) basis for registration). The new Office practice to allow such amendments was codified on October 30, 1999 in the Trademark Law Treaty Implementation Act (TLTIA), which revised Trademark Rule 2.35.<sup>3</sup> *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 78 USPQ2d 1696, 1698 (TTAB 2006). In 2002, the Board extended the rationale behind the TLTIA amendment to permit post-publication amendments to the filing basis of an application

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has disclaimed the exclusive right to use the word "Mortgage" in both applications.

<sup>3</sup> Trademark Rule 2.35(b) states, in part:

(2) After publication, an applicant may add or substitute a basis in an application that is not the subject of an inter partes proceeding before the Trademark Trial and Appeal Board, but only with the express permission of the Director, after consideration on petition. Republication will be required. The amendment of an application that is the subject of an inter partes proceeding before the Board is governed by §2.133(a).

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involved in an inter partes proceeding under Trademark Rule 2.133(a). *Leeds Technologies Ltd. v. Topaz Communications Ltd.*, 65 USPQ2d 1303 (TTAB 2002) ("In light of *In re Monte* and the change in Office Practice allowing post-publication amendments to add or substitute a basis, followed by reexamination, when necessary, and republication, the Board's previous decisions regarding such amendments no longer appear to be good law ... [P]ost-publication amendments to the basis for an application, pursuant to Trademark Rules 2.35 and 2.133(a), are now allowed.").

When an applicant substitutes one basis for another, the Office will presume that there was a continuing valid basis, unless there is contradictory evidence in the record, and the application will retain the original filing date. See Trademark Rule 2.35(c); *Sinclair Oil Corporation v. Kendrick*, 85 USPQ2d 1032, 1033 (TTAB 2007). In an application under Section 1(b), an applicant must verify that it has a bona fide intent to use the mark in commerce on or in connection with the goods or services listed therein. If the verification is not filed with the initial application, the verified statement must allege that the applicant had a bona fide intention to use the mark in commerce as of the filing date of the application. See Trademark Rule 2.34(a)(2)(i). Applicant's motion to amend the filing basis is accompanied by applicant's verified

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statement alleging that applicant had a bona fide intention to use the mark in commerce as of the filing date of the application.

Opposer's opposition to the amendment argues that "the sole purpose of Applicant's proposed amendment is to cure his blatant fraud in alleging use in the initial application." In this regard we note that amending the filing basis of the opposed application to Section 1(b) does not protect the application from the fraud claim. *Sinclair Oil Corporation v. Kendrick*, at 1033; *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, at 1698 (TTAB 2006).

We find that the proposed amendment meets all the requirements of a Section 1(b) filing basis and is therefore acceptable. See Trademark Act Section 1(b)(3), 15 U.S.C. Section 1051(b)(3). Moreover, inasmuch as there is no evidence of record that applicant did not have a continuing valid filing basis, applicant can maintain its original filing date, i.e., April 20, 2006. See Trademark Rule 2.35(c). In view thereof, applicant's motion to amend Application Serial No. 78866376 is hereby granted.

**CLAIM OF NONUSE DISMISSED**

Because the opposed application is now an intent-to-use application, the Board dismisses opposer's nonuse claim as moot.

CROSS MOTIONS FOR SUMMARY JUDGMENT

We turn then to applicant's motion for summary judgment on the remaining claims of fraud and priority and likelihood of confusion, and opposer's cross-motion for summary judgment on the issue of fraud.

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2548 (1986). The nonmoving party must be given the benefit of all reasonable doubt as to whether genuine issues of material fact exist, and the evidentiary record on summary judgment, and all inferences to be drawn from the undisputed facts, must be viewed in the light most favorable to the nonmoving party. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

As a preliminary matter, the Board notes that, to plead its standing to bring its claims, opposer need only allege that it has a real interest, that is, a personal stake, in

the outcome of the proceeding. See *Ritchie v. Simpson*, 50 USPQ2d 1023 (Fed. Cir. 1999). In the notice of opposition opposer claims ownership of two pending applications, and Office records show both applications now are suspended because the opposed application was cited as a potential bar to registration. Thus, we find opposer has pleaded its standing to bring the claims. *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) ("We regard the desire for a registration with its attendant statutory advantages as a legitimate commercial interest.").<sup>4</sup>

A. *Fraud*

With respect to the fraud issue, applicant seeks summary judgment because, based on his work as a real estate agent, his additional advisory services to clients, and his advertisements in the form of a website, business cards, and flyers bearing the NATIONSTAR mark, he held the honest and reasonable belief that he was using the NATIONSTAR mark on the listed services at the time he filed his application. Applicant avers in his declaration that he "advised clients regarding real estate brokerage, rental of real estate, real

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<sup>4</sup> Opposer has offered no evidence of its standing. *Lipton Industries, Inc. v. Ralston Purina Co.*, at 189 ("The facts regarding standing, we hold, are part of a [plaintiff's] case and must be affirmatively proved.").

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estate management, real estate investment, residential and commercial property, insurance brokerage, and mortgage brokerage and business finance procurement", and that he stated in good faith in his application that he was using the NATIONSTAR mark for all of the identified services since as early as April 4, 2005. Attached to his declaration is a copy of an advertisement dated December 2004, which describes the NATIONSTAR services as "one stop for all your real estate needs buying selling refinancing residential commercial land." The ad lists applicant as a mortgage broker. Also attached to applicant's declaration were several copies of a form letter -- the earliest dated March 25, 2005 -- having NATIONSTAR at the top. This letter was signed by applicant as "president, NATIONSTAR MORTGAGE, INC.," and advises the prospective customer that applicant assists "in the purchase and refinancing of residential, commercial, and land properties." Applicant also contends that as an independent contractor for First American Real Estate, it is "the custom in the industry for agents of real estate brokers to use their own names and companies in advertising and brokering deals."

In support of the cross-motion for summary judgment on the fraud claim, opposer contends that applicant's use of the NATIONSTAR mark at the time of filing his application was limited to token advertisement of real estate brokerage

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and mortgage brokerage services, that that applicant never rendered the advertised real estate brokerage and mortgage brokerage services in commerce, that the mark was never used with the other services listed in the application in any way, that applicant should have known at the time the application was filed that he had not used the mark in commerce with the recited services, and thus applicant made a deliberate misrepresentation to the Office in an effort to obtain a registration to which he was not entitled.

In support of its cross-motion for summary judgment, opposer submits applicant's discovery responses in which applicant states that he cannot provide information regarding sales under the mark because he did not charge clients for any of the services listed in the application (real estate brokerage, rental of real estate, real estate management services, namely, management of commercial and residential properties, real estate investment, residential and commercial property and insurance brokerage, mortgage brokerage, and business finance procurement services), that applicant cannot provide information regarding any advertising expenditures except the costs of registering two domain names, printing business cards, and copying applicant's flyer, and that that applicant cannot provide documents, including computer files, to establish the original date of creation of the advertisement produced in

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response to opposer's discovery request. Opposer also submits copies of settlement statements produced by applicant in response to discovery requests which do not bear the NATIONSTAR mark but indicate that applicant brokered the sale of properties as an agent for First American Real Estate, Inc.

Fraud in procuring a trademark registration occurs when an applicant for registration knowingly makes false, material representations of fact in connection with an application to register. *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986). A party making a fraud claim is under a heavy burden because fraud must be proved by clear and convincing evidence, leaving nothing to speculation, conjecture, or surmise. Any doubt must be resolved against the party making the claim. *Sinclair Oil Corporation v. Kendrick*, at 1035.

Statements regarding the use of the mark on the identified goods and/or services are material to issuance of a registration. *Herbaceuticals Inc. v. Xel Herbaceuticals Inc.*, 86 USPQ2d 1572, 1576 (TTAB 2008). However, applicant's material statements regarding its use of the mark on the listed services cannot be found to be fraudulent unless those statements also are proven to be both false and made knowingly. *Maids to Order of Ohio Inc. v. Maid-to-Order Inc.*, 78 USPQ2d 1899, 1905 (TTAB 2006). Here,

applicant argues that his statements regarding his use of the mark NATIONSTAR in connection with the services listed in the application are not false; that he has presented evidence in the form of applicant's declaration which refutes opposer's allegation that applicant has never made use of the mark in connection with many of the listed services<sup>5</sup> and that his evidence refutes opposer's allegation that applicant did not actually render the other recited services "in commerce" consistent with Section 45 of the Act.

We find that there are genuine issues of material fact as to applicant's good faith belief that he was using the mark on the listed services at the time of filing his application. To be clear, we are not finding that applicant's evidence is persuasive as to the sufficiency of his use of the mark on the listed services, or that it settles the issue of fraud. We agree with opposer that applicant's declaration lacks convincing detail, particularly as to applicant's bare statement that he "advised" clients on the subjects listed as independent services in his application. The declaration also leaves open the question of whether applicant's clients who

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<sup>5</sup> For example, the "rental of real estate; real estate management services, namely, management of commercial and residential properties; real estate investment; and business finance procurement services."

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benefited from his brokerage services encountered the mark(s) of the real estate agency for which applicant worked (i.e., First American Real Estate), the NATIONSTAR mark he seeks to register, or both. However, on this record, for the purpose of determining the fraud claim, we find that there are genuine issues of material fact as to applicant's good faith belief at the time of filing his application that he was using the mark on the listed services. *Maids to Order of Ohio Inc. v. Maid-to-Order Inc.*, at 1907 ("While these activities are not, in any way, conclusive on the question of whether MTO has in fact used the mark MAID TO ORDER in interstate commerce, they do serve to establish that Ms. Kern had a good faith belief that MTO had used/was using the mark MAID TO ORDER in interstate commerce at the time of filing the application."). *Compare Herbaceuticals Inc. v. Xel Herbaceuticals Inc.*, at 1577 (fraud found where applicant admitted that it was not using in commerce all of the goods listed in the statement of use); *Sinclair Oil Corporation v. Kendrick*, at 1036 (fraud found where applicant's discovery responses state that the mark has never been used in commerce); *Hurley International LLC v. Volta*, 82 USPQ2d 1339, 1344 (TTAB 2007) (fraud found where applicant admitted that as of the filing date of their involved application, they were not using the mark in U.S. commerce).

Hence, both applicant's motion and opposer's cross-motion for summary judgment on the claim of fraud are denied.

**B. Likelihood of Confusion**

Opposer does not argue that it is entitled to a priority date earlier than its constructive use date of April 28, 2006. With our grant of applicant's motion to amend, applicant is entitled to the constructive use date of April 20, 2006. However, the same evidence and arguments that establish that there are genuine issues of material fact as to applicant's good faith belief that he was using the mark on the listed services at the time of filing his application also establish that there are genuine issues of material fact as to applicant's right to rely on the application filing date for the purposes of determining priority. Accordingly, applicant's motion for summary judgment on the claim of priority and likelihood of confusion is denied.

In sum, applicant's motion to amend the basis for opposed Application Serial No. 78866376 is granted, applicant's motion for summary judgment on the claims of fraud and likelihood of confusion is denied, and opposer's

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cross-motion for summary judgment on the fraud claim is denied.

Proceedings herein are resumed only to complete briefing applicant's pending motion to compel discovery responses. Opposer is allowed until fifteen days from the mailing date of this order to file its response.

Proceedings otherwise remain suspended pending the Board's disposition of the motion to compel.

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The USPTO published a notice of final rulemaking in the Federal Register on August 1, 2007, at 72 F.R. 42242. By this notice, various rules governing Trademark Trial and Appeal Board inter partes proceedings are amended. Certain amendments have an effective date of August 31, 2007, while most have an effective date of November 1, 2007. For further information, the parties are referred to a reprint of the final rule and a chart summarizing the affected rules, their changes, and effective dates, both viewable on the USPTO website via these web addresses:

<http://www.uspto.gov/web/offices/com/sol/notices/72fr42242.pdf>

[http://www.uspto.gov/web/offices/com/sol/notices/72fr42242\\_FinalRuleChart.pdf](http://www.uspto.gov/web/offices/com/sol/notices/72fr42242_FinalRuleChart.pdf)

By one rule change effective August 31, 2007, the Board's standard protective order is made applicable to all TTAB inter partes cases, whether already pending or commenced on or after that date. However, as explained in the final rule and chart, this change will not affect any case in which any protective order has already been approved or imposed by the Board. Further, as explained in the final rule, parties are free to agree to a substitute protective order or to supplement or amend the standard order even after August 31, 2007, subject to Board approval. The standard protective order can be viewed using the following web address:

<http://www.uspto.gov/web/offices/dcom/ttab/tbmp/stndagmnt.htm>