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

Proceeding	91177036
Party	Plaintiff Nationstar Mortgage LLC
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Submission	Other Motions/Papers
Filer's Name	Bruce A. McDonald
Filer's e-mail	bruce.mcdonald@bipc.com
Signature	/Bruce A. McDonald/
Date	10/19/2010
Attachments	Exhibit A to Opposer's Motion for Leave to present Expert Testimony in Rebuttal Period.pdf (13 pages)(258397 bytes)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 19, 2010, a copy of the attached EXHIBIT A to OPPOSER'S MOTION FOR LEAVE TO PRESENT EXPERT TESTIMONY IN REBUTTAL PERIOD, entitled was sent by e-mail, and the following day by U.S. mail, first class postage prepaid, to the following counsel of record for Applicant:

Patrick I. Rea
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Bruce A. McDonald
Attorney
BUCHANAN INGERSOLL & ROONEY PC

It is my understanding that Mr. Ahmad claims to have offered or rendered one or more of the following services prior to April 28, 2006:

(1) Services described in the opposed application, U.S. Service Mark Application 78866376, filed April 20, 2006, 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," in Class 36 (claiming first-use date of April 4, 2005)(copy appended hereto as Attachment 2).

(2) Services described in a second application filed by Mr. Ahmad, U.S. Service mark Application Serial No. 77195561, filed June 1, 2007, namely, "real estate agent services, real estate consultancy, financial consultancy, real estate management and advisory services relating thereto," in Class 36 (claiming first-use date of December 2004)(copy appended hereto as Attachment 3).

(3) Services described in advertising and direct mail solicitations allegedly distributed by Mr. Ahmad in 2005, copies appended hereto collectively as Attachment 4).

I. Statement of Opinion

My review of the record in this case, confirmed by my independent investigation, establishes that a Certificate of Incorporation was issued by the Commonwealth of Virginia State Corporation Commission to Mr. Ahmad's wholly owned corporation, Nationstar Mortgage Inc., on May 19, 2006 (copy appended hereto as Attachment 5), but that there is no prior record in Virginia, Maryland or the District of Columbia, of any license or other authority issued to Mr. Ahmad or his company, Nationstar Mortgage, Inc., for the conduct of business using "Nationstar" or "Nationstar Mortgage" as all or part of any commercial or trade name. In my

opinion, therefore, any commercial use of the name "Nationstar" or "Nationstar Mortgage" by Mujahid Ahmad in Virginia, Maryland or the District of Columbia, prior to May 19, 2006, would have violated the fictitious trade name statutes and/or the relevant real estate and mortgage licensing statutes in each of those respective jurisdictions.

For example, Virginia Code § 59.1-69(A) provides:

§ 59.1-69. Certificate required of person, partnership, limited liability company or corporation transacting business under assumed name.

A. No person, partnership, limited liability company or corporation shall conduct or transact business in this Commonwealth under any assumed or fictitious name unless such person, partnership, limited liability company or corporation shall sign and acknowledge a certificate setting forth the name under which such business is to be conducted or transacted, and the names of each person, partnership, limited liability company or corporation owning the same, with their respective post-office and residence addresses (and, (i) when the partnership or limited liability company is a foreign limited partnership or limited liability company, the date of the certificate of registration to transact business in this Commonwealth issued to it by the State Corporation Commission, or (ii) when the corporation is a foreign corporation, the date of the certificate of authority to transact business in this Commonwealth issued to it by the State Corporation Commission), and file the same in the office of the clerk of the court in which deeds are recorded in the county or city wherein the business is to be conducted.

Va.Code § 59.1-69(A). Pursuant to Section 59.1-75, violation of the Virginia fictitious trade name statute, quoted above, is a misdemeanor subject to punishment by a fine of up to \$2,500 and confinement in jail for up to one year. Similar prohibitions are contained in the laws of Maryland and the District of Columbia, *see* D.C. Code § 47-2855.02; MD Code Ann. CORPS. & ASS'NS. § 1-406.

My investigation confirms the statement of Rick Ritter, Business Tax Representative of the Business Tax Division, Office of the Commissioner of Revenue for Arlington, Virginia, in a letter dated May 12, 2010, appended hereto as Attachment 6, that Mr. Ahmad never registered "Nationstar" as all or part of any trade name. Nor is there any evidence that "Nationstar" or "Nationstar Mortgage" was ever registered by Mr. Ahmad as a fictitious trade name in Maryland

or the District of Columbia. Therefore, the conduct of business by Mr. Ahmad under the name "Nationstar" or "Nationstar Mortgage" in Virginia at any time prior to May 19, 2006, would have been punishable by a fine of up to \$2,500 and confinement in jail for up to one year.

As noted above, a Certificate of Incorporation was issued to Mr. Ahmad's wholly owned corporation, Nationstar Mortgage, Inc., by the Commonwealth of Virginia State Corporation Commission, on May 19, 2006. *See* Attachment 5. As of that date, Mr. Ahmad was authorized to use "Nationstar Mortgage" in Virginia as a commercial or trade name for some services, but not in connection with real estate brokerage or mortgage brokerage services, as those services require specific licenses from the Commonwealth of Virginia and any other States in which they are offered or rendered.

In Virginia, real estate brokerage licenses are issued by the Real Estate Board of the Virginia Department of Professional and Occupational Regulation (DPOR). The mission of the DPOR is to protect the health, safety and welfare of the public by licensing qualified individuals and businesses and enforcing standards of professional conduct for professions and occupations as designated by statute. *See generally* www.dpor.virginia.gov/dporweb/dpormainwelcome.cfm. The DPOR regulates more than 30 occupations through 19 boards composed of practitioners and citizens appointed by the Governor. *Id.* DPOR licenses or certifies over 300,000 individuals and businesses ranging from architects and contractors to cosmetologists and professional wrestlers. *Id.*

One of the occupations licensed and regulated by the Virginia DPOR is real estate agency and brokerage. To offer or render real estate agency and brokerage services in the Commonwealth of Virginia, a license must be obtained from the Real Estate Board of the Virginia DPOR pursuant to Va. Code § 54.1-2106.1. Pursuant to Va. Code § 54.1-2105.2, the

offer or sale of real estate agency and brokerage services in the Commonwealth of Virginia without the necessary license can result in a civil money penalty not to exceed \$1,000 per transaction. The record in the present case contains copies of real estate licenses issued to Mr. Ahmad by the Virginia DPOR in his capacity as a salesperson of First American Real Estate Inc. Copies of these licenses are appended hereto collectively as Attachment 7. In addition, a print-out from the DPOR website, appended hereto as Attachment 8, attests to Mr. Ahmad's current authorization to engage in real estate agency services on behalf of First American Real Estate Inc. under the trade name "First American Real Estate." Also appended as Attachment 8 is a print-out from the Virginia DPOR attesting that that no real estate brokers license has ever been issued to any individual or entity doing business as or under the name "Nationstar" or "Nationstar Mortgage."

None of the licenses from the Virginia DPOR submitted by the applicant in this case contain any reference to "Nationstar" or "Nationstar Mortgage" or otherwise authorize Mr. Ahmad or anybody else to engage in real estate agency services in Virginia under the name "Nationstar" or "Nationstar Mortgage." I have independently searched the records of the Virginia DPOR and can find no evidence that Mr. Ahmad has applied for or received such a license. On this basis it is my opinion that Mr. Ahmad is not now, and never was, authorized to use the name "Nationstar" or "Nationstar Mortgage" as a trade name for real estate brokerage services in the Commonwealth of Virginia, and that the conduct of such business by Mr. Ahmad under that name in Virginia would be, and at all times relevant to this would have been, a violation of Virginia law.

Mortgage brokerage licenses in Virginia are similarly regulated. Persons engaged in the offer or sale of mortgage brokerage services are required to obtain a license from the Bureau of Financial Institutions, part of the Commonwealth of Virginia State Corporation Commission. The offer or sale of mortgage brokerage services in Virginia without such a license is a class 6 felony, punishable by a fine of up to \$2,500 and confinement in jail for up to 12 months pursuant to Va. Code § 6.1-429.¹ In addition, pursuant to Va. Code § 6.1-428², the Commissioner of the Bureau may impose a fine of up to \$2,500 per instance upon any individual that offers or provided mortgage brokerage services without a license.

The record contains licenses issued by the Virginia Bureau of Financial Institutions to Nationstar Mortgage, Inc., on October 24, 2006 (copy appended hereto as Attachment 9); and April 9, 2009 (copy appended hereto as Attachment 10). It follows that, prior to October 24, 2006, the applicant's use of "Nationstar" or any other name for mortgage brokerage services as alleged by the applicant in his testimony and illustrated by the exhibits that he submitted, would have been a class 6 felony pursuant to Va. Code § 6.1-429, and subjected Mr. Ahmad to civil money penalties under Va. Code § 6.1-428.

In Maryland and the District of Columbia, persons engaged in real estate and mortgage brokerage services are similarly required to obtain licenses. The Maryland agency responsible for the issuance of licenses to engage in real estate brokerage services is the Maryland Department of Labor, Licensing and Regulation, Real Estate Commission. The offer or sale of real estate agency services in Maryland without a license is a misdemeanor punishable by a fine of up to \$5,000 and imprisonment for up to 12 months, pursuant to Md. Code. Ann., Bus. Occ. & Prof. § 17-613.

¹ Effective October 1, 2010, this provision was repealed and recodified as § 6.2-1625.

The District of Columbia agency responsible for the issuance of licenses to engage in real estate agency services is the District of Columbia Department of Consumer and Regulatory Affairs, Occupational and Professional License Administration. The offer or sale of real estate agency services in the District of Columbia without a license is a misdemeanor punishable by a fine of up to \$10,000 or up to 12 months imprisonment, or both. *See* D.C. Code § 47-2853.27.

The record contains the following exhibits attesting to Mr. Ahmad's licenses from the District of Columbia and Maryland to engage in business as a real estate salesperson and/or mortgage broker under the name of or on behalf of "First American Real Estate:"

<u>Attachment</u>	<u>Description</u>
11	Licenses issued to Mujahid Ahmad, First American Real Estate, Inc. by the Maryland Department of Labor, Licensing and Regulation, Real Estate Commission, expiration dates July 13, 2007, July 13, 2009, and July 13, 2011, respectively
12	Licenses issued to Mujahid Ahmad, First American Real Estate, Inc. by the District of Columbia Department of Consumer and Regulatory Affairs, Occupational and Professional License Administration, expiration dates August 31, 2007, August 31, 200, and August 31, 2011, respectively.

In Maryland and the District of Columbia, persons engaged in mortgage brokerage services are similarly required to obtain licenses. The Maryland agency responsible for the issuance of such licenses is Maryland Department of Labor, Licensing and Regulation, Commissioner of Financial Regulation. The willful offering or sale of mortgage brokerage services in Maryland without a license is a felony punishable by a fine of up to \$50,000 and imprisonment for up to 10 years, or both, pursuant to Md. Code Ann., Fin. Inst. § 11-523.

The District of Columbia agency responsible for the issuance of licenses to engage in mortgage brokerage services is the Banking Bureau of the District of Columbia Department of Insurance, Securities and Banking. The offer or sale of mortgage brokerage services in the

² Effective October 1, 2010, this provision was repealed and recodified as § 6.2-1624.

District of Columbia without a license is a violation of applicable law, punishable by a fine of up to \$25,000 pursuant to D.C. Mun. Regs. tit. 26C § 1126.2.

None of the licenses identified above provide Mr. Ahmad with authorization to use the name "Nationstar" or "Nationstar Mortgage" as all or part of any commercial trade name in connection with mortgage brokerage services in Maryland or the District of Columbia. The first and only evidence of such authorization on record in Maryland or the District of Columbia are the following:

<u>Attachment</u>	<u>Description</u>
13	License issued to Nationstar Mortgage, Inc., by the Maryland Department of Labor, Licensing and Regulation, Commissioner of Financial Regulation, effective February 28, 2007; March 1, 2009; and March 18, 2010, respectively.
14	Licenses issued to Nationstar Mortgage, Inc., by the Banking Bureau of the District of Columbia Department of Insurance, Securities and Banking, effective March 16, 2007; June 6, 2008; and July 13, 2009, respectively.

Based on the above, it is my opinion that:

(1) Any use of "Nationstar" by Mr. Ahmad as he purports to have used the name as all or part of a trade name for any commercial services offered and rendered at any time prior to the Certificate of Incorporation of Nationstar Mortgage Inc. dated May 19, 2006, would have been a violation of Va. Code, § 59.1-69, punishable by a fine of up to \$2,500 and confinement in jail for up to one year pursuant to Va. Code §59.1-75.

(2) Any use of "Nationstar" by Mr. Ahmad in Virginia as he purports to have used the name as all or part of a trade name for real estate agency services at any time up until and including the present would have been, and would now be, a violation of Virginia Code § 54.1-2106.1, punishable by a fine of up to \$1,000 per occurrence, pursuant to Va. Code § 54.1-2105.2.

(3) Any use of "Nationstar" by Mr. Ahmad in Virginia as he purports to have used the name as all or part of a trade name for mortgage brokerage services prior to October 26, 2006, would have been a class 6 felony, punishable by a fine of up to \$2,500 and confinement in jail for up to 12 months pursuant to Va. Code § 6.1-429, as well as subjecting Mr. Ahmad to civil money penalties of up to \$2,500 per occurrence pursuant to Va. Code § 6.1-428.

(4) Any use of "Nationstar" by Mr. Ahmad in Maryland or the District of Columbia prior to the other dates identified above, all of which are subsequent to April 28, 2006, would have been a violation of analogous statutes in those jurisdictions.

II. Data and Information Considered in Forming This Opinion

The data and information that I have considered in forming this opinion include the transcript of the deposition of Abid Hussain dated June 8, 2010, and exhibits thereto; the transcript of the deposition of Mujahid Ahmad dated June 9, 2010, and exhibits thereto; and the transcript of the deposition of Zulfikhar Ahmad dated September 22, 2010, and exhibits thereto.

III. Exhibits That Will be Used to Summarize or Support This Opinion

The exhibits that I plan to use to summarize and support this opinion are appended as attachments hereto.

IV. List of Other Cases in Which I Have Testified as an Expert at Trial or by Way of Deposition During the Last Four Years

I have not testified in any other as an expert at trial or by way of deposition during the past four years.

V. Compensation

I am being compensated for my time and expense in connection with this opinion at my ordinary hourly rate of \$500/hour.

The undersigned hereby declares, under penalty of perjury pursuant to the laws of the United States and the District of Columbia, that all of the statements hereinabove are true and accurate the best of my knowledge, information and belief.



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October 19, 2010

Attachments

- | <u>No.</u> | <u>Description</u> |
|------------|--|
| 1 | John Socknat Professional Biography, Recent Appearances & Publications |
| 2 | "NATIONSTAR MORTGAGE," U.S. Service Mark Application 78866376, filed April 20, 2006, for "real estate agent services, real estate consultancy, financial consultancy, real estate management and advisory services relating thereto" (claiming a first-use date of April 4, 2005) |
| 3 | "NATIONSTAR MORTGAGE," U.S. Service mark Application Serial No. 77195561, filed June 1, 2007, for "real estate agent services, real estate consultancy, financial consultancy, real estate management and advisory services relating thereto (claiming a first use-date of December 2004, 2005) |
| 4 | Advertising and direct mail solicitations allegedly distributed by Mr. Ahmad |
| 5 | Virginia certificate of incorporation issued to Nationstar Mortgage Inc., May 19, 2006 |
| 6 | Letter dated May 12, 2010, from Rick Ritter, Business Tax Representative of the Business Tax Division, Office of the Commissioner of Revenue for Arlington, Virginia |
| 7 | Real estate licenses issued to Mr. Ahmad d/b/a First American Real Estate by the Virginia DPOR |
| 8 | Print-out dated October 18, 2010, from DPOR website, attesting to Ahmad's current authorization to engage in real estate agency services using "First American Real Estate" as a trade name |
| 9 | License issued by Virginia Bureau of Financial Institutions to Nationstar Mortgage, Inc., October 24, 2006 |
| 10 | License issued by Virginia Bureau of Financial Institutions to Nationstar Mortgage, Inc., April 9, 2009 |
| 11 | Real Estate License issued to Mujahid Ahmad, d/b/a First American Real Estate, Inc., by the Maryland Department of Labor, Licensing and Regulation, Real Estate Commission, Expiration Dates July 13, 2007; July 13, 2009; and July 13, 2011, respectively |
| 12 | Real Estate License issued to Mujahid Ahmad, d/b/a First American Real Estate, Inc., by the District of Columbia Department of Consumer and Regulatory Affairs, Occupational and Professional License Administration, issued May 4, 2005, and September 1, 2007, expiration date August 31, 2011 |
| 13 | Mortgage Brokerage License issued to Nationstar Mortgage, Inc., by the Maryland Department of Labor, Licensing and Regulation, Commissioner of Financial Regulation, effective February 28, 2007; March 1, 2009; and March 18, 2010, respectively. |
| 14 | Licenses issued to Nationstar Mortgage, Inc., by the Banking Bureau of the District of Columbia Department of Insurance, Securities and Banking, effective March 16, 2007, June 6, 2007, and July 13, 2009, respectively. |