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

Proceeding	91177036
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Serial No.	78/866376
Filed on	April 20, 2006
For the Mark	NATIONSTAR
Published for Opposition on	January 2, 2007

Nationstar Mortgage LLC,  <i>Opposer</i>  vs.  Mujahid Ahmad,  <i>Applicant</i>	Opposition No. 91177036
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**APPLICANT'S TRIAL BRIEF**

**I. Introduction**

Pursuant to 37 C.F.R. §2.128, Mujahid Ahmad, the applicant (hereinafter "Mr. Ahmad" or the "Applicant"), respectfully submits this brief in support of the above captioned application for the mark NATIONSTAR for use in connection with 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, and in response to the brief of Nationstar Mortgage, LLC ("Opposer").

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## III. INDEX OF AUTHORITIES

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#### IV. DESCRIPTION OF THE RECORD

The record consists of transcripts of the following depositions and the exhibits thereto, which have been filed with the Board in this opposition:

<u>Deponent</u>	<u>Description</u>
Mujahid Ahmad (cited as "Ahmad Dep.")	Applicant
Abid Hussain (cited as "Hussain Dep.")	Client of Applicant
Zulfikhar Sharieff (cited as "Sharieff Dep.")	Client of Applicant
Steven L. Hess (cited as "Hess Dep.")	Executive Vice President of Marketing of Opposer Nationstar Mortgage, LLC
John D. Socknat (cited as "Socknat Dep.")	Opposer's expert witness

#### V. STATEMENT OF THE ISSUES

The issues in this opposition based on the arguments presented in the Opposer's trial brief are:

- A. Did Mr. Ahmad commit fraud on the Trademark Office when submitting his application for the NATIONSTAR trademark?
- B. Did Mr. Ahmad commit fraud during the prosecution of this opposition?
- C. Did Mr. Ahmad use the mark lawfully in commerce?
- D. Did Mr. Ahmad have a bona fide intent to use the NATIONSTAR mark?

E. Does Mr. Ahmad have priority over the Opposer's use of the NATIONSTAR mark?

## **VI. RECITATION OF FACTS**

### **A. MR. AHMAD'S BUSINESS**

Mujahid Ahmad emigrated from Pakistan to the United States in 1991 at the age of 19. (Ahmad Dep. at p. 6) In a classic American tale, he dreamed of owning his own business. (Ahmad Dep. at p. 9) To that end, in 2004 he qualified for, applied for and received a license as a real estate sales agent from the Virginia Department of Professional and Occupational Regulation. (Ahmad Dep. Exhibit 1 APP 0003) In late 2004, Mr. Ahmad's main source of income was from working as a taxi cab driver. He launched his real estate career by associating with a broker – First American Real Estate, Inc. - and began prospecting for business. (Ahmad Dep. at p. 18)

In developing prospects for his real estate business, Mr. Ahmad depended on word-of-mouth and distribution and display of self-produced advertising. (Ahmad Dep. at p. 27) Mr. Ahmad was a one-man operation, personally responsible for all aspects of his real estate agent business. (Ahmad Dep. at pp. 43-44, 55)

Mr. Ahmad had reasonable success at the outset and received a commission as a real estate agent for seven sales transactions in 2005 earning commission income of \$72,433. (Ahmad Dep. Exhibit 1 APP 00014 and APP 00044) Among the successful transactions for which Mr. Ahmad served as a real estate agent, were the home purchase by Abid Hussain and the home sale by Zulfikhar Sharieff. Mr. Hussain and Mr. Sharieff provided testimony in this opposition. Their testimony is important, because they are able to provide independent descriptions of Mr. Ahmad's business

activities prior to and as of the April 2005 date of first use of the NATIONSTAR mark claimed by Mr. Ahmad in his original trademark application. Such independent descriptions provide factual information useful in deducing Mr. Ahmad's subjective state of mind at the time of the first use date claimed in his application.

**B. MR. AHMAD'S USE OF THE NATIONSTAR MARK**

Mr. Ahmad conceived of the NATIONSTAR mark on his own in late 2004 or early 2005. (Ahmad Dep. pp. 9-10) He described the process that he used to conceive and decide on the NATIONSTAR mark:

A: And I was trying to choose a name for my company. So I thought about many names. And I checked them online. I checked them with the SCC which is the State Corporation Commission. I talked to some friends. And Nationstar was the name that I chose for my company. And I checked it. It was available. And no one had it, so I chose that name.

Q: Did anyone assist you?

A: No, sir.

Q: When did you first conceive the Nationstar name?

A: I believe it is the end of 2004 beginning of 2005, in that range.

(Ahmad Dep. at pp. 9-10.)

Soon thereafter Mr. Ahmad began using the NATIONSTAR mark on his business cards and advertising materials. Examples of those cards and materials were produced to the Opposer during discovery and entered in to evidence by Mr. Ahmad. (Ahmad Dep. at

pp. 28-35, Exhibit 1 at APP 00024 through APP 00036) On every example, the mark NATIONSTAR appears, either alone or in proximity to the words “real estate” or “mortgage, inc.”. On every example, Mr. Ahmad’s name and contact information appear. Mr. Ahmad did not use any advertising that did not include the mark NATIONSTAR in some form.

Mr. Ahmad self produced most of his promotional materials. With respect to his business cards, Mr. Ahmad testified as follows:

Q: What is this document?

A: This is my business card under the name Nationstar Real Estate.

Q: What did you use this card for?

A: I used this to get clients and customer to provide them services of real estate transactions.

Q: And who designed the card?

A: I designed the card?

Q: And where did you get this card?

A: I designed it by myself. And then I took it to a local printing place where they print it.

Q: When, what time frame did you use these cards?

A: The beginning of 2005.

(Ahmad Dep. at p. 28, Exhibit 1 APP 00024)

With respect to an advertising postcard, Mr. Ahmad testified:

Q: Would you refer to the document APP 00027. What is this document?

A: This is a postcard under the name of Nationstar Real Estate that I advertise my services to general public as a real estate sales person.

Q: And who designed these cards?

A: I went to a local place. They designed it for me.

(Ahmad Dep. at p. 31, Exhibit 1 APP 00027)

With respect to his advertising flyers, Mr. Ahmad testified:

Q: Please refer to documents APP 00029 through APP 00035. What are these documents?

A: These are different flyers under the name Nationstar that were used for the promotion of my business under the name Nationstar.

Q: And how did you use these flyers?

A: I give it individually to some of my clients, and also I put them in different business places for people to see it and then call me if they need any business transaction.

Q: And who designed these flyers?

A: I designed these, sir.

Q: And when did you begin using these flyers?

A: In the beginning of 2005, sir.

(Ahmad Dep. at p. 32, Exhibit 1 APP 00029 through APP 00035)

In addition to the examples produced and the testimony of Mr. Ahmad, the timing and legitimacy of these examples were corroborated by two witnesses. In late 2004 and early 2005, Abid Hussain was working as a taxi cab driver. At that time he wanted to purchase a home. A mutual friend introduced Mr. Hussain to Mr. Ahmad and the two

began working together to find a house for Mr. Hussain. (Hussain Dep. at p. 10; Ahmad Dep. at p. 56) Mr. Hussain, in fact, purchased a home on March 24, 2005, and Mr. Ahmad received compensation for this transaction as a real estate agent. (Hussain Dep. at p. 8, Hussain Exhibit 1 APP 0001; Ahmad Dep. at p. 57; Ahmad Exhibit 1 APP 00044). Mr. Hussain testified that he had received a business card from Mr. Ahmad that displayed the NATIONSTAR mark and a flyer that displayed the NATIONSTAR mark. (Hussain Dep. at pp. 9-11, Hussain Exhibit 1 APP 0002 and APP 0003)

Zulfikhar Sharieff operates a market called Sharieff Halal Meat. (Sharieff Dep. at 8) Mr. Sharieff met Mr. Ahmad as a customer of his market. (Sharieff Dep. at p. 10) In conversation Mr. Sharieff learned that Mr. Ahmad was a real estate agent and agreed to display Mr. Ahmad's business card and advertising flyers in his market. (Sharieff Dep. at p. 11-12, Sharieff Dep. Exhibit 1 and Exhibit 2) Mr. Sharieff remembered when he began displaying Mr. Ahmad's business card and flyers, because he was also trying to rent a house he owned located in Falls Church, Virginia. (Sharieff Dep. at p. 15) Mr. Sharieff specifically remembered that the mark NATIONSTAR appeared on those business cards and flyers. (Sharieff Dep. at pp. 11, 13-14) Mr. Sharieff testified that in March or April of 2005 he decided to sell rather than rent his house and engaged Mr. Ahmad as his real estate agent. (Sharieff Dep. at pp. 15) Mr. Sharieff testified that he received business cards and flyers from Mr. Ahmad at approximately the time he decided to sell his Falls Church house. (Sharieff Dep. at p. 12) Mr. Ahmad's efforts were successful and he received an agent's commission for the sale of Mr. Sharieff's house. The closing of that sale occurred on August 15, 2005. (Sharieff Dep. at pp. 20-21, Exhibit 3, Ahmad Exhibit 1 APP 00044)

Mr. Ahmad, Mr. Hussain and Mr. Sharieff have all testified that Mr. Ahmad began his real estate business in late 2004 or early 2005, and that he distributed business cards and flyers that contained the NATIONSTAR mark to promote his business. The business services that Mr. Ahmad provided to Mr. Hussain and Mr. Sharieff resulted in the sale of real estate for which Mr. Ahmad received compensation in the form of a commission paid by his broker First American Real Estate, Inc. Both Mr. Hussain and Mr. Sharieff would have specific memory of the time when they received Mr. Ahmad's business cards and flyers, because such receipt was soon thereafter followed by a sale or purchase of a home. Mr. Sharieff, in particular would have specific knowledge of the content and Mr. Ahmad's business cards and flyers, because Mr. Sharieff displayed them in his market.

### **C. SERVICES PROVIDED BY MR. AHMAD**

While serving as a real estate agent for Mr. Hussain and Mr. Sharieff, Mr. Ahmad provided other services to them. Mr. Hussain owned a home in Falls Church, Virginia. Mr. Ahmad advised Mr. Hussain how he could use an equity loan to take money out of this home to use as a down payment on another home he was purchasing. He helped Mr. Hussain rent the Falls Church home by finding tenants. He helped Mr. Hussain manage his rental property by finding contractors to repair the rental property. (Ahmad Dep. at pp. 57-58) These services are confirmed by the testimony of Mr. Hussain. (Hussain Dep. at pp. 17-19)

In addition to assisting Mr. Hussain with rental of his Falls Church home, Mr. Ahmad helped with business planning. Mr. Hussain wanted to open a used car lot. He asked Mr. Ahmad to locate a suitable property for this business. Zoning for a used car

lot is problematic. Mr. Ahmad identified those issues and attempted to resolve the zoning issues. (Hussain Dep. at p. 19-20; Ahmad Dep. at 58) Mr. Ahmad admitted that he did not receive compensation for services rendered to Mr. Hussain beyond his services as a real estate agent. When asked about his motivation for providing such services without a promise of compensation, Mr. Ahmad replied:

A: Yeah, because he is my client. And sometimes we provide services to our clients and customers so they can refer us to more clients and customers.

Also we do business for them so they can be happy, and the transactions can go smooth. So eventually we can have more business from those clients, and they will be happy whatever we do for them.

Despite the absence of direct compensation, Mr. Ahmad expressed a clear commercial intent in providing services to Mr. Hussain. He hoped for compensation through real estate sales commissions.

Mr. Ahmad also provided added services to Mr. Sharieff. Prior to assisting Mr. Sharieff in the sale of his home, Mr. Ahmad assisted Mr. Sharieff in trying to rent the home by assessing the local market and recommending a rental rate. Mr. Sharieff testified that Mr. Ahmad helped him assess changes that needed to be made to his house and recommended contractors to perform the work. Mr. Ahmad also helped him select a broker from whom to acquire insurance. (Sharieff Dep. at pp 17-18) This is consistent with Mr. Ahmad's testimony regarding this matter. (Ahmad Dep. at pp. 60-61) Mr. Sharieff was also interested in selling his market. Mr. Sharieff testified that he contacted Mr. Ahmad regarding sale of his market and Mr. Ahmad directed potential

purchasers to the market. (Sharieff Dep. at pp. 23-26) Mr. Sharieff's description of Mr. Ahmad's services is consistent with the testimony of Mr. Ahmad regarding the services he provided to Mr. Sharieff. (Ahmad Dep. at p. 60)

**D. MR. AHMAD'S TESTIMONY**

The Opposer in his brief thoroughly documents that Mr. Ahmad has never conducted business under a fictitious name that included the term "nationstar" or through his corporation Nationstar Mortgage, Inc. (Opposer's Brief at pp. 9-13) No contracts, no licenses, no filings, no income, no tax returns. This has never been a contested issue. Mr. Ahmad has always conducted business as an individual.

Mr. Ahmad is self-reliant in his business endeavors. He relied upon the people around him for advice and ideas. He did not hire a lawyer to advise him about incorporating his business, using the NATIONSTAR mark, or applying for a trademark. At times his understanding of the law and legal concepts was imprecise. For instance, Mr. Ahmad testified and his documents support his use of "Nationstar Mortgage, Inc." in late 2004 even though this company was not actually incorporated until May 16, 2006. When asked specifically why he was using the term "inc." prior to incorporation of his business, Mr. Ahmad responded:

A: Yeah, sir, that's right. And I'm also only one person. And when I chose the name Nationstar, I chose it on purpose because I always wanted to incorporate my business. That's why I put my name under the name of Nationstar as Nationstar Mortgage, Inc.

(Ahmad Dep. At pp. 43-44)

Similarly, when questioned about preparation of his trademark application, Mr. Ahmad stated:

A: ... Buy I'm not an attorney. I'm only one person. I was doing it one step at a time.

I was going online because I'm not a businessman either. Before this business of real estate, I never own any business.

So I had to ask from my broker. I had to ask different people who are running their businesses how to acquire and what is the best way to have a trademark or which place you have to go in the District.

(Ahmad Dep. At p. 54)

In his trademark application, Mr. Ahmad claimed actual use of the NATIONSTAR mark and a date of first use in April 2005. This was Mr. Ahmad's first trademark application. During the course of this opposition, on advice of counsel, Mr. Ahmad amended his application from one based on actual use of the trademark to intent to use the trademark. (Ahmad Dep. at pp. 11-12)

In anticipation of business expansion, Mr. Ahmad acquired the domain names nationstarmortgage.com and nationstarmortgage.net. Mr. Ahmad has also owned other domain names associated with other business ideas. Although Mr. Ahmad has owned as many as 44 domain names, he has never sold or sought to sell any of them. (Ahmad Dep. at p. 148)The testimony of the Opposer's witness Steven Hess described below demonstrates the importance of a business acquiring a domain name in anticipation of future use rather than as an afterthought to a business name change.

Mr. Ahmad was approached by counsel for the Opposer and offered a nominal sum in exchange for his nationstarmortgage.com and nationstarmortgage.net domain names. Mr. Ahmad refused these offers, because he wanted to use these domain names in his own business operations. Mr. Ahmad never offered to sell the two domain names to the Opposer. (Ahmad Dep. at pp. 127-128)

The Opposer, in its brief tries to create a suspicion that Mr. Ahmad was trying to enrich himself at the Opposer's expense. The Opposer makes the following statement:

While he was unable to assign a value to his alleged mark and denied that he demanded a \$500,000 payment from Opposer as remuneration for his assignment of any claim, Applicant acknowledged his receipt of an offer for \$30,000 from Opposer's counsel."

(Opposer's Brief at 22)

The value of \$500,000 was manufactured by the Opposer during the course of the deposition. At no time did Mr. Ahmad demand \$50,000, \$500,000, \$5,000,000 or any other amount from the Opposer in exchange for his trademark application. (Ahmad Dep. at p. 128) More telling is the Mr. Ahmad's description of the Opposer's counsel's behavior:

A: The only lawyer that offered money was the letters that were sent to me by Balsam Ibrahim, which is in your law firm. And actually he call me on telephone. He said that my client is very rich, and he has deep pockets. And you should leave this name. If you don't leave it, he will take it from you.

(Ahmad Dep. at p. 128)

In its brief, the Opposer claims that the phone number on Mr. Ahmad's business card is not in service, making the following statement:

[Mr. Ahmad] admitted further that the office number on the business card is an old home telephone number that is no longer in service.

(Opposer's Brief at p. 15)

As authority for this statement, the Opposer cites the following:

A: Yeah, it's been a long time since I have that number.

(Opposer's Brief at p. 15 citing Ahmad Dep. at p. 91)

We will not speculate on the Opposer's motives for this characterization, but it is clear from the context that Mr. Ahmad was not saying that his phone service had been disconnected, but that he has had phone number in question for a long time. (Ahmad Dep. at pp. 91-92)

#### **E. MR. HUSSAIN AND MR. SHARIEFF**

Opposer describes Mr. Hussain and Mr. Sharieff as "two friends from the local Pakistani community". (Opposer's Brief at p. 24) Mr. Sharieff is a native of India, not Pakistan. (Sharieff Dep. at p. 39) As noted above, Mr. Hussain met Mr. Ahmad as a referral for his real estate agent services. Mr. Sharieff knew Mr. Ahmad, because Mr. Ahmad was a customer at Mr. Sharieff's market. Both were clients of Mr. Ahmad and both developed friendships with Mr. Ahmad during the course of their business dealings. Mr. Hussain is not acquainted with Mr. Sharieff. (Hussain Dep. at p. 30) Both of these were casual friendships as described in the testimony of Mr. Hussain and Mr. Sharieff with only modest social contact. (Hussain Dep. at pp. 30-31; Sharieff Dep. at pp. 37-39) Neither of these witnesses has any interest in the outcome of this opposition

or the success or failure of Mr. Ahmad's business. Neither witness was compensated for testifying. (Hussain Dep. at pp. 6-7; Sharieff Dep. at p. 6) Mr. Hussain and Mr. Sharieff were asked to be witnesses, because of their unique knowledge of Mr. Ahmad's activities in early 2005. It should be noted that the Opposer's witnesses, Steven Hess and John Socknat were paid by the Opposer for producing their testimonies.

In attacking Mr. Hussain's credibility, the Opposer first notes that Mr. Hussain testified that, "He knew of applicant's Nationstar company as early as January 2005, even though that company was not created until May 19, 2006," (Opposer's Brief at pp. 24-25) The Opposer attaches some importance to Mr. Hussain's use of the word "company". None of Mr. Ahmad, Mr. Hussain and Mr. Sharieff is a native English speaker. Even a casual review of the transcripts of their respective depositions demonstrates an adequate, but imprecise use of the English language. It is laughable to read Mr. Hussain's transcript and conclude that he was using the word "company" in a technical sense to mean an incorporated business.

The Opposer next attacks Mr. Hussain, by questioning the details of how and when Mr. Hussain carries Mr. Ahmad's business cards showing the NATIONSTAR mark. (Opposer's Brief at pp. 25-27) This questioning covers a period from the beginning of 2005 until Mr. Hussain's deposition in June 2010. These questions are much more evidence of the Opposer's willingness to pursue minutia than of any deceptive intent on the part of Mr. Hussain. The presence or absence of Mr. Ahmad's business card in Mr. Hussain's wallet is irrelevant to the issues of this opposition as is Mr. Hussain's ability to recall exactly when Mr. Ahmad's card was in his wallet.

Mr. Ahmad submitted as evidence a series of form letters that he had produced and sent to clients and prospective clients. (Ahmad Dep. pp. 34-35, Exhibit 1 APP 00036 through APP 00043) One of those letters was addressed to Mr. Hussain and Mr. Hussain acknowledged receipt of that letter. (Ahmad Dep. Exhibit 1 App 00041; Hussain Dep. Exhibit 1 APP 0004) The Opposer questioned Mr. Hussain regarding the details of receipt of that letter and reproduced that portion of Mr. Hussain's testimony transcript in its brief. (Opposer's Brief at pp. 27-30) The Opposer focused on two issues: (1) the letter was not personalized to Mr. Hussain, and (2) the address on the letter was Mr. Hussain's former address rather than then current address. Once again, the Opposer, by focusing on the minutia of an event five years in the past was able to confuse Mr. Hussain about the details of receiving the letter. Mr. Hussain resolved the issue in his testimony:

A. I remember he send me a letter like that, and that's what I remember. You told me the address is wrong. And I don't know, maybe they forward the mail ...

(Hussain Dep. at p. 63)

Importantly, Mr. Hussain was certain that he had received a letter similar to the one offered in evidence and certainly offered a plausible explanation of how he can receive a letter addressed to his former home.

The Opposer's treatment of Mr. Sharieff is even more peculiar. Mr. Sharieff had testified that he was Mr. Ahmad's grocer. (Sharieff Dep. at p. 37) Also Mr. Sharieff testified to the services Mr. Ahmad had provided to Mr. Sharieff as a real estate agent, help in trying to rent his house, and in trying to sell his business, as described above.

The Opposer then questioned Mr. Sharieff about details of Mr. Ahmad's business. Mr. Sharieff was unable to answer these questions. (Opposer's Brief at pp. 30-32) Mr. Sharieff made one answer that sums up the results of this questioning:

A. That's his personal, I have no idea.

(Sharieff Dep. at p. 69)

Mr. Sharieff's knowledge or lack of knowledge of the internal details of Mr. Ahmad's business operations have absolutely no bearing on the issues in this opposition and in no way contradict any of his earlier statements.

#### **F. MR. AHMAD'S RELATIONSHIP WITH FIRST AMERICAN REAL ESTATE**

Opposer places great importance on the business association between Mr. Ahmad and First American Real Estate. (Opposer's Trial Brief pp. 9-11, 18) As Opposer's expert witness Mr. Socknat testified, a real estate agent is required by law to associate with a real estate broker. In a real estate sales transaction, the brokers representing the selling agent and the purchasing agent are parties to the sale contract and the brokers receive compensation under the sales contract. The real estate sales agents are not parties to the sales contract. The agents are compensated by the broker in accordance with a separate agreement in force between the real estate agent and the real estate broker. (Socknat Dep. at pp. 103-4) Mr. Ahmad also testified to this required agent-broker relationship. (Ahmad Dep. at p. 19) Any other arrangement would violate Virginia, Maryland or District of Columbia law. However, even though a real estate agent is required to associate with a licensed broker, that agent is free to promote his business independent from the broker.

## **G. TESTIMONY OF THE OPPOSER'S WITNESS STEVEN HESS**

The Opposer, in his brief, summarizes the testimony of Steven Hess, the Opposer's executive vice president of Marketing and draws attention to the effort taken by the Opposer to change its name. The Opposer offered into evidence a printout of a database identifying 466 separate tasks necessary to change its name. (Hess Dep., Exhibit 1 NSM00129-NSM00138) Of those 466 items, only item number 183 refers to trademarks. Even that item is titled "Trademark search & application" and reads, "Once name is selected, logo and other 'marks' will need to be developed and an application for federal trademark status filed." (Hess Dep. Exhibit 1 NSM00133) Apparently, this item and the other 455 items have been accomplished, based on the Opposer's current use of the name Nationstar Mortgage, LLC. Further, it appears that Mr. Ahmad's ownership of the nationstarmortgage.com and nationstarmortgage.net domain names and application for his NATIONSTAR trademark did not stop or even slowdown the Opposer's new name roll-out.

At the time the Opposer selected its Nationstar name, the Opposer was aware that Mr. Ahmad owned the nationstarmortgage.com and nationstarmortgage.net domain names. (Hess Dep. at p. 7) The Opposer wanted these domain names for the conduct of its business. The Opposer then conducted what it characterizes in its brief as a "comprehensive clearance investigation." (Opposer's Brief at p. 4) With respect to these desired domain names owned by Mr. Ahmad, this comprehensive investigation consisted of Rob Greenbaum, an employee of Opposer, doing a "whois" search that revealed Mr. Ahmad's ownership. After identifying Mr. Ahmad's ownership, and based on Mr. Ahmad's Virginia address, Mr. Greenbaum performed a "licensing search to try

to determine if there was any active name of the Nationstar Mortgage in commerce.” Then he “conducted a search online through the Department of Professional and Occupational Regulation”. This search showed that Mr. Ahmad was a licensed real estate agent “apparently involved with a company called First American RE.” (Hess Dep. at p. 7) The substance of the Opposer’s comprehensive clearance investigation seems to be comprised of three online searches – two of which were limited to the state of Virginia. The Opposer was apparently satisfied after learning that the owner of the desired nationstar domain names was a person engaged in the real estate business, because the Opposer stopped its investigation. No one bothered to pick-up the telephone and ask Mr. Ahmad about his use of the NATIONSTAR trademark or intended use of the two nationstar domain names.

#### **H. TESTIMONY OF THE OPPOSER’S EXPERT**

During the rebuttal period, the Opposer secured the testimony of expert John Socknat, by paying him his normal hourly rate of \$525. (Socknat Dep. at p. 68) Mr. Socknat testified that Mr. Ahmad violated various Virginia, Maryland and District of Columbia statutes if he used the Nationstar names as claimed. Mr. Ahmad reiterates his strong objection to, and fundamental unfairness of, allowing such testimony in circumstances where judgment of guilt under criminal statutes is rendered by the Opposer’s paid contractor, an inappropriate standard of proof has been applied, and no defense is permitted. The essence of Mr. Socknat’s testimony is that (1) Mr. Ahmad violated the Virginia fictitious name statute by failing to register his various uses of Nationstar names as fictitious names, and (2) Mr. Ahmad violated the statutory mortgage broker license requirement by (a) engaging in unlicensed activities

individually, and (b) engaging in unlicensed activities under the unregistered Nationstar fictitious names. Mr. Socknat opined that similar violations also occurred under Maryland and District of Columbia laws. (Socknat Dep. at pp. 61-67)

In questions and answers that explored the statutory structure of the Virginia mortgage broker licensure requirements, Mr. Socknat acknowledges that not all mortgage brokerage services are subject to state licensure and that there is a specific statutory exemption from mortgage broker licensure for real estate agents. (Socknat Dep. at pp. 75-80) Furthermore, Mr. Socknat acknowledged that he was not aware of any record of prosecution or penalty assessed against Mr. Ahmad under any of the statutes cited. (Socknat Dep. at pp. 70-71)

The Opposer, in his brief, adequately summarizes the evidence that shows that no business associated with Mr. Ahmad using Nationstar in its real or fictitious name has ever engaged in any commercial transaction or entered into any contract. (Opposer's Brief at pp. 10-13) Mr. Ahmad has never claimed to engage in any transaction using a Nationstar fictitious name or a Nationstar named entity. Mr. Socknat read into the record the text of Section 59.1-69 of the Code of Virginia. That section reads in part:

No person, partnership, limited liability company or corporation shall conduct or transact any business in the Commonwealth under any assumed or fictitious name unless .....

(Socknat Dep. at pp. 29-30, emphasis added)

This is generally referred to as Virginia's fictitious name statute, and requires a business or individual to register before conducting business under a fictitious name. The

Opposer then offered evidence to show that Mr. Ahmad had never registered a fictitious name and asked Mr. Socknat the following question:

Q: In other words, putting aside his regulatory authority to offer a particular kind of service, what we see from the Certificate of Incorporation of May 19, 2006 and the absence of any fictitious trade name prior to that date is that he did or did not have the right to offer any service lawful using the name Nationstar?

A: Prior to May 19, 2006 Mr. Ahmad had no rights to use the Nationstar name, period, and did not hold the appropriate regulatory approvals or licenses to provide the services he purports to have been providing since 2005.

(Socknat Dep. pp. 35-36, emphasis added)

Accordingly, Mr. Socknat's opinions with respect to violations of law by a Nationstar entity or use of a Nationstar fictitious name must be based solely on "offering" to engage in business, since the parties agree that no actual business was transacted using such a fictitious name or by a Nationstar named entity. The only documents which can possibly be construed as offering mortgage services are his solicitation letters. These were based on a form letter that Mr. Ahmad sent to many of his clients. Mr. Socknat read the substance of the letter into the record:

A: I will read it.

Nationstar Mortgage, Inc. assists its customers in the purchase of Residential, Commercial and Land properties. If you are interested in

buying or want to refinance – I am paraphrasing – please feel free to call or contact me.

We can help with multiple loan options available to you, such as home equity line of credit, interest only loan, no down payment with 82/20, full doc or no doc loan and stated income loans.

(Socknat Dep. at p. 89)

Mr. Socknat opined that sending such a letter required licensure as a mortgage broker, because in his “experience” that particular statute required registration of any person or entity offering mortgage broker services. (Socknat at p. 90)

## **VII. ARGUMENT**

### **A. DID MR. AHMAD COMMIT FRAUD ON THE PTO WHEN SUBMITTING HIS APPLICATION FOR THE NATIONSTAR TRADEMARK?**

When Mr. Ahmad prepared and submitted his NATIONSTAR trademark application in 2006, he followed the application instructions to the best of his ability. This was his first trademark application. In preparing the application, he relied upon his use of the NATIONSTAR mark in 2005 in determining that he had actually used the mark and in determining his date of first use. His claimed use of the mark and time of first use of the mark has been corroborated by the testimony of Mr. Hussain and Mr. Sharieff. In his application, Mr. Ahmad attempted to describe the real estate services that he believed he had been providing or attempting to provide, namely “management of commercial and residential properties, real estate investment, residential and commercial property and insurance brokerage; mortgage brokerage; and business

finance procurement services.” His activities in this area were further corroborated by the testimony of Mr. Hussain and Mr. Sharieff.

During the pendency of this opposition the Court of Appeals for the Federal Circuit issued its decision in *In Re Bose*, 580 F.3<sup>rd</sup> 1240, 91 USPQ2d 1938 (Fed Cir. 2009). Opposer also cites to this decision as establishing the standard for fraud on the PTO. (Opposer’s Brief at pp 34-35) In the *Bose* decision the court stated:

Thus, we hold that a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.

Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. Of course, “because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” Star Scientific, Inc. v. R.J. Reynolds Tobacco Co., 537 F.3d 1357, 1366 (Fed. Cir. 2008). When drawing an inference of intent, “the involved conduct, viewed in light of all the evidence . . . must indicate sufficient culpability to require a finding of intent to deceive.” Kingsdown, 863 F.2d at 876. (*Bose*, 580 F.3<sup>rd</sup> at 1243)

Under the standard established in *Bose*, Mr. Ahmad must have knowingly made a false, material representation with the intent to deceive the PTO. The Opposer accuses Mr. Ahmad of committing fraud on the PTO exemplified by a list of claims all related to the examples of Mr. Ahmad’s use of the NATIONSTAR mark on documents produced during the course of this opposition. (Opposer’s Brief at p. 35) In support of these accusations, the Opposer relies solely upon Mr. Ahmad’s inability to provide details about who, where and when these examples were produced. (Opposer’s Brief at p. 36) Opposer seems to be arguing that the documents did not exist because Mr. Ahmad was unable to remember the details of how they were created five years earlier. Such an

argument ignores the testimony of Mr. Hussain and Mr. Sharieff that corroborates the existence of these documents in early 2005 in every important detail. Not only has the Opposer failed to provide clear and convincing evidence of deceptive intent, it has simply disregarded or dismissed much of the evidence in order to make its argument of fraud.

The Opposer further argues that Mr. Ahmad committed fraud on the PTO by alleging that Mr. Ahmad was not providing the services described in his original trademark application. (Opposer's Brief at p. 37-38) In support of this allegation, the Opposer simply claims there is no evidence. The testimony of Mr. Hussain agrees in every material detail with that of Mr. Ahmad, that Mr. Ahmad assisted Mr. Hussain in the purchase of real estate and in securing financing for the purchase; he assisted Mr. Hussain with rental real estate activities, including locating tenants and property management; he assisted Mr. Hussain in searching for commercial real estate on which to locate a used car lot; and he provided business advice to Mr. Hussain; and he advised Mr. Hussain regarding renegotiation of his commercial lease. The testimony of Mr. Sharieff agrees in every material detail with that of Mr. Ahmad, that Mr. Ahmad assisted Mr. Sharieff with sale of his house, he advised Mr. Sharieff regarding rental of his house, including improvements, he located contractors to make improvements to Mr. Sharieff's house, he advised Mr. Sharieff regarding sale of his business. Mr. Ahmad was hustling to start his real estate business and he was providing all the services his clients needed. These services prompted Mr. Ahmad's description of his services in his trademark application.

The Opposer has also argued that Mr. Ahmad could not have provided mortgage broker or real estate broker services, because a party must be licensed to legally provide such services. In order to reach this conclusion, the Opposer has equated mortgage broker services in a trademark description to mortgage broker services in a state licensing statute. No such equivalence exists. As described by Mr. Hussain and Mr. Sharieff, Mr. Ahmad was assisting his clients with securing financing and selling property. These services are reasonably construed as real estate broker services and mortgage broker services without rising to the level of services requiring a particular license.

Mr. Ahmad received compensation for his services in the form of real estate agent commissions paid by First American Real Estate, Inc. The Opposer seems bothered that the compensation received by Mr. Ahmad was (a) not paid directly by the house buyers and sellers and (2) not paid to an entity with a nationstar name. As explained above and as explained by the Opposer's own expert, this is not how the real estate business works. Direct payment to the real estate agent by the buyer and seller would violate the law. Furthermore, Mr. Ahmad has never conducted real estate sales agent activities through an entity using a nationstar name. However, this in no way changes the fact that Mr. Ahmad was branding his services with his NATIONSTAR mark. Checks are not normally written to a trademark.

Mr. Ahmad only received commission income for his real estate agent activities. He did not receive direct compensation for other services that he provided in anticipation of creating a sales transaction that would generate commission income. By amending his trademark application from actual use of his NATIONSTAR trademark to

intent to use, Mr. Ahmad has resolved any issues about whether he was actually using his NATIONSTAR trademark in commerce for all the services described in his trademark application.

The facts in this opposition show that Mr. Ahmad was providing all the services described in his trademark application using the NATIONSTAR trademark in early 2005. The facts show that Mr. Ahmad was receiving compensation for the services rendered. These facts show that Mr. Ahmad did not intentionally make any misstatement on his trademark application and that there was no fraud on the PTO. The only issue was whether Mr. Ahmad was providing all of the described services “in commerce” in early 2005. This issue was resolved by Mr. Ahmad’s amendment of his application so that it is based on intent to use rather than actual use.

**B. DID MR. AHMAD COMMIT FRAUD ON THE PTO DURING THE PROSECUTION OF THIS OPPOSITION?**

The Opposer bases his claim that Mr. Ahmad committed fraud on the PTO by not correcting alleged intentional misstatements claimed in his application and by his submitting additional testimony and documentary evidence in support of his arguments. The Opposer cites the decision in *Dr. Vinyl & Assoc. v. Repair It Industries, Inc.*, 220 USPQ 639 (TTAB 1983) in support of his allegation that Mr. Ahmad’s documents were fabricated, because Mr. Ahmad was unable to remember exactly where and by whom the documents were printed. In *Dr. Vinyl*, documents were determined to be fabricated, because the claimed trademark was shown on a product design that only existed after the claimed date of use. In that case it was impossible for the document to have existed as claimed. *Dr. Vinyl* at 641. The Opposer claims that the facts in this opposition are

similar to the facts in *Dr. Vinyl*. (Opposer's Brief at p. 37) There is very little similarity of the facts in *Dr. Vinyl* and this opposition. No such impossibility exists in this case. In fact, the testimony of two disinterested witnesses shows beyond a reasonable doubt that Mr. Ahmad's documents with the NATIONSTAR trademark did exist in early 2005.

Mr. Ahmad's testimony and representations have remained consistent in every material aspect throughout this opposition. The Opposer has not identified any material inconsistency in Mr. Ahmad's testimony or representations that would call into question Mr. Ahmad's credibility.

### **C. DID MR. AHMAD USE THE MARK LAWFULLY IN COMMERCE?**

As the testimony and exhibits demonstrate and as argued above, Mr. Ahmad made *bona fide* use of the NATIONSTAR trademark in commerce with respect to real estate agent services. The Opposer's brief poses the interesting question of whether any illegal use of a trademark in commerce disqualifies a trademark from registration even when there is also a legal use. The authority cited by the Opposer states that a *bona fide* used in commerce means a lawful use in commerce. (Opposer's Brief at p. 38, citing *In re Midwest Tennis & Track Co.*, 29 USPQ2d 1386, 1386 n. 2 (TTAB 1993); *The Clorox Company v. Armour-Dial, Inc.*, 214 USPQ 850, 851 (TTAB 1982); *The Cohn W. Carson Foundation v. Toilets.com, Inc.*, 94 USPQ2d 1942, 2010 WL 123381, \*9 (TTAB 2010)) However, it is not necessary to answer that question in order to decide this opposition, because the Opposer did not show any illegal use of the NATIONSTAR trademark by Mr. Ahmad.

As noted above, Mr. Ahmad's name appears on every document that bears the NATIONSTAR trade mark. Mr. Ahmad believed that he was naming his business when

he adopted the NATIONSTAR mark. In a manner he was naming his business, but not in the sense being argued by the Opposer and the Opposer's expert John Socknat. The Opposer is contending that Mr. Ahmad has used the various forms of Nationstar appearing on his documents as a fictitious business name. However, Mr. Ahmad never conducted or attempted to conduct any business using Nationstar as a fictitious name. Mr. Ahmad always conducted business under his own name. If Mr. Ahmad was not using the various forms of Nationstar as a fictitious name, then what purpose does the word "nationstar" serve? The answer is that it is a fanciful word that Mr. Ahmad is using to distinguish his services from those of his competitors. In other words and perhaps unwittingly, Mr. Ahmad's use of the word "nationstar" (prior to incorporation of Nationstar Mortgage, Inc.) was solely as a trademark.

The Opposer went to great lengths to show that Mr. Ahmad has never conducted any business with an entity using a Nationstar name or using a fictitious Nationstar name and Mr. Ahmad agrees that he has never conducted such business. Mr. Socknat then concludes that Mr. Ahmad never had the authority to conduct business through an entity with a Nationstar name or using a Nationstar fictitious name. The Opposer has gone to great lengths to explore an argument that is largely hypothetical. He concludes that Mr. Ahmad never had a registered Nationstar fictitious name or (until later) an entity with a Nationstar name, and therefore never had authority to conduct business under such a name. Mr. Ahmad agrees and never conducted business under such a name. Mr. Ahmad fails to see the usefulness of an expert opinion regarding facts not at issue.

On every document on which Mr. Ahmad used a NATIONSTAR trademark, his name also appears. He conducted business in his own name and he had every right to

conduct such business. Mr. Socknat, like the Opposer, equates services described in a trademark application with services requiring regulation under state statute in order to find that Mr. Ahmad has violated state statutes. There is no such equivalence and Mr. Socknat's failure to explore these differences calls into question most of his legal conclusions.

Mr. Socknat also opined that Mr. Ahmad's advertising letter related to mortgage financing required that Mr. Ahmad and/or Nationstar Mortgage, Inc. to be licensed as a mortgage broker with Virginia. Mr. Socknat believed that this letter constituted offering to provide mortgage broker services. Mr. Socknat bases this on his "experience." Such a conclusion illustrates the unfairness of allowing such expert testimony during the rebuttal period. With all due deference to Mr. Socknat's experience, Mr. Ahmad believes that his solicitation letter is so vague and general that it cannot constitute an offering of mortgage broker services for purposes of the mortgage broker licensure statute. Mr. Ahmad further argues that if such a letter constitutes offering mortgage broker services, he is entitled to offer such services under the exemption for real estate agents.

**D. DID MR. AHMAD HAVE A BONA FIDE INTENT TO USE THE NATIONSTAR MARK?**

The Opposer states that "[t]here is no documentary evidence whatsoever, and no testimony about any actions taken by Applicant whatsoever – except for the registration of domain names incorporating "Nationstar," to support Applicant's claim of good faith intent to use the opposed mark." (Opposer's Brief at p. 42) In order to reach this conclusion, the Opposer had to ignore all the testimony of Mr. Ahmad, Mr. Hussain and

Mr. Sharieff and the documents that these individuals entered into evidence. Mr. Ahmad services and use of the NATIONSTAR mark have been presented above. Not only does Mr. Ahmad have a *bona fide* intent to use the NATIONSTAR mark, he has used the mark continuously since the beginning of 2005. Furthermore, the evidence shows that Mr. Ahmad has used the NATIONSTAR mark with respect to all of the services described in his application. The only reason that Mr. Ahmad's application has been amended to change his filing basis from actual use to intent to use is to resolve issues about whether he provided all those services in commerce.

**E. DOES MR. AHMAD HAVE PRIORITY OVER THE OPPOSER'S USE OF THE NATIONSTAR MARK?**

The Opposer argues that it should have priority of use of the NATIONSTAR mark because of the substantial effort expended by the Opposer in implementing its name change. (Opposer's Brief at pp. 46-51) The evidence in this opposition shows that Mr. Ahmad adopted and began using the NATIONSTAR mark in commerce in early 2005. In conjunction with using the NATIONSTAR mark to brand his services, he acquired the domain names nationstarmortgage.com and nationstarmortgage.net. The Opposer independently conceived and adopted a new name for its company, Nationstar Mortgage, LLC, on March 31, 2006. The Opposer began using the NATIONSTAR mark in commerce in the summer of 2006. At the time the Opposer chose Nationstar Mortgage, LLC as its name, it knew that Mr. Ahmad owned the nationstarmortgage.com and nationstarmortgage.net domain names. The Opposer made only a cursory inquiry about Mr. Ahmad's use of the NATIONSTAR mark. The Opposer never bothered to contact Mr. Ahmad to ask him about his use of the NATIONSTAR mark prior to rolling-

out its new name. In sum, Mr. Ahmad has priority, because he has been using the NATIONSTAR mark prior to the Opposer. In addition he was using the NATIONSTAR mark prior to the Opposer's consideration of name changes. Mr. Ahmad's ownership of the nationstarmortgage.com and nationstarmortgage.net domain names was known to the Opposer and his activities and use of the mark would have been easily discoverable if the Opposer had bother to place a phone call. Under such circumstances, Mr. Ahmad clearly had priority of use and the Opposer proceeded with its Nationstar name change at its own peril.

### **VIII. SUMMARY**

The Opposer has tried to impeach the credibility of Mr. Ahmad and his two witnesses by drawing unrealistic inferences from their testimonies. These individuals own and operate small businesses in the Northern Virginia area. Mr. Sharieff and Mr. Hussain are disinterested and have absolutely no interest in the outcome of this opposition. The testimonies of these three witnesses corroborate each other in every material aspect.

The evidence clearly demonstrates that Mr. Ahmad subjectively believed that he was providing all of the services claimed in his trademark application as of his claimed first use date. Accordingly, Mr. Ahmad did not commit fraud on the PTO under the standard established by *In re Bose*. Furthermore, despite the opinions offered by Mr. Socknat, Mr. Ahmad was using NATIONSTAR as a trademark and not as an illegal unregistered or unlicensed fictitious name.

Mr. Ahmad has demonstrated actual use of the NATIONSTAR trademark far in advance of the Opposer's contemplation of its name change. The evidence establishes

Mr. Ahmad's *bona fide* use of the NATIONSTAR trademark and his priority of use over that of the Opposer. Finally, Mr. Ahmad's use of the NATIONSTAR trademark was open and easily discoverable by the Opposer prior to its commitment to adopting the name Nationstar Mortgage, LLC.

For these reasons this opposition should be denied.

Respectfully submitted,

MUJAHID AHMAD

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on September 27, 2011, a copy of the foregoing APPLICANT'S TRIAL BRIEF was sent by e-mail and by U.S. mail, first class postage prepaid to the following counsel of record for the Opposer:

Bruce A. McDonald  
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A handwritten signature in black ink, appearing to read "Patrick I. Rea". The signature is fluid and cursive, with the first and last names being the most prominent.

Patrick I. Rea  
Attorney  
Taylor & Rea, PLC