

**THIS OPINION IS NOT CITABLE
AS PRECEDENT OF
THE T.T.A.B.**

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

Butler

Mailed: March 23, 2006

Cancellation No. 92043995

**Quest Capital Management, Inc.
d/b/a National Home Buyers
Alliance**

v.

**National Home Buyers
Assistance, L.L.P.**

**Before Holtzman, Drost and Zervas, Administrative Trademark
Judges.**

By the Board:

Petitioner seeks to cancel three of respondent's registered marks. Those marks are:



for "providing 'lease to own' programs to individuals to encourage home ownership";¹ NATIONAL HOME BUYERS ASSISTANCE for "financial services, namely, lease-to-own loan services to create affordable home ownership opportunities for prospective home buyers; financial consultation services in connection with

¹ Registration No. 2758418, issued September 2, 2003, claiming use and use in commerce since January 30, 2001.

Cancellation No. 92043995

prospective home ownership, namely, providing information to prospective home buyers concerning lease-to-own home loan programs";² and NHBA for "providing 'lease to own' programs to individuals to encourage home ownership."³

As grounds for the cancellation, petitioner alleges that respondent's mark, when used in connection with the recited services, so resembles petitioner's previously used marks as to be likely to cause confusion, mistake or to deceive. Petitioner identifies its marks as NATIONAL HOME BUYERS ALLIANCE, NHBA, and NHBA and house design, all for "professional services, namely providing mortgage services, including 'lease-to-own' services, real estate services and credit repair services." Petitioner's NHBA and design mark is:⁴



Petitioner further alleges that its use has been continuous since at least as early as 1997, long prior to either the filing dates of respondent's applications which matured into the subject registrations or the date of claimed first use by respondent.

² Registration No. 2760486, issued September 2, 2003 on the Supplemental Register, claiming use and use in commerce since January 30, 2001.

³ Registration No. 2758421, issued September 2, 2003, claiming use and use in commerce since January 30, 2001.

⁴ Copied from petitioner's submissions.

In its answer, respondent denies the salient allegations of the petition to cancel and asserts several affirmative defenses.

This case now comes up on petitioner's fully-brief motion for summary judgment, filed September 2, 2005; and respondent's motion, filed October 7, 2005 with its response to petitioner's motion for summary judgment, for leave to amend its answer to include an affirmative defense of abandonment.

In support of its motion for summary judgment, petitioner argues that it has priority of use of its marks, having used the marks NATIONAL HOME BUYERS ALLIANCE and NHBA in commerce since at least 1997, and having used the mark NHBA and design since at least 1999, while respondent did not use any of its marks until January 2001. Petitioner argues that the parties' respective acronym and design marks are identical and the parties' respective word marks are identical but for the last word "assistance" in the place of "alliance"; that the parties' proffered services are the same; and that the marks travel in the same channels of trade. Petitioner argues that it has standing in this proceeding because it has a direct commercial interest having offered its own "lease-to-own" or "rent-to-own" and home mortgage services since at least 1997 under its marks.

Petitioner's motion is accompanied by numerous exhibits. They include respondent's responses to petitioner's first request for admissions offered to show that respondent admits that it did not use its marks in commerce prior to January 2001 (admission

Cancellation No. 92043995

nos. 1-3); and the declaration of petitioner's president, Jeff Lyon, introducing various submissions. Mr. Lyon states that he has been the principal owner and operator of petitioner since 1997; that, since 1997, petitioner has been offering "home ownership 'rent-to-own' programs including mortgage assistance and financial planning services" under its marks; and that, since October 20, 1997 under the marks NATIONAL HOME BUYERS ALLIANCE and NHBA, and since October 1, 1999 under the mark NHBA and design, continuing to the present, petitioner has offered "sub standard" mortgage financing options including "rent-to-own" mortgage financing services and mortgage credit evaluation services. Mr. Lyon introduces numerous letters to customers in several states and other documents, such as one entitled "Student Enrollment and Assistance Agreement" and one entitled "Client Services Agreement," dated between 1997 through 2001, and then again for 2004, showing use of petitioner's marks for its home ownership program.⁵ Mr. Lyon also introduces examples of printed advertising which include: the Greensheet, January 5-11, 2000, circulated in Dallas-Ft. Worth, TX; the Georgia Marietta Daily Journal, March 8, 2000; and the Thrifty Nickel, dated February 27, 2000. Mr. Lyon makes specific statements with respect to numerous other printed advertisements (including the years 1998-

⁵ The earliest letter submitted is dated October 12, 1997, showing use of the marks NATIONAL HOME BUYERS ALLIANCE and NHBA for petitioner's home ownership program. It appears that the "Client Services Agreement" replaced the "Student Enrollment and Assistance Agreement," which was used in earlier years.

Cancellation No. 92043995

2004), and radio and television advertisements which occurred between 1998 and 2000 and then again in 2004. Mr. Lyon, indicating that scripts are no longer available for the radio advertisements and that video tapes are no longer available for the television advertisements, declares of his own knowledge that such advertisements involved a reading of the marks NATIONAL HOME BUYERS ALLIANCE and NHBA in association with a description of the offered services. To support his electronic advertising statements and statements concerning the printed advertisements for later years, including at least 2004, Mr. Lyons introduces hundreds of pages of billings for "air time" from numerous radio stations and from Media One Advertising Services (which placed the television commercials) showing the specific dates and times such advertisements were made and billings (in lieu of examples) for printed advertisements in several publications.

Contemporaneously with its response to petitioner's motion for summary judgment, respondent moved to amend its answer to include an affirmative defense of abandonment. Respondent argues that its proposed affirmative defense is based on new information as presented by the exhibits accompanying petitioner's motion for summary judgment which indicated that petitioner abandoned whatever prior rights it had in the marks.

In its summary judgment reply brief, petitioner objects to respondent's proposed amendment to add abandonment as an affirmative defense to its answer. Petitioner's objection is

overruled inasmuch as petitioner addresses the unpleaded defense on its merits and in the interest of judicial economy. In view thereof, respondent's motion to add abandonment as an affirmative defense is granted. See Fed. R. Civ. P. 15(a).

In its substantive response to the summary judgment motion, respondent argues that petitioner abandoned any rights it may have had in the mark in the year 2000; and that respondent legitimately adopted the marks subsequent to the abandonment. More particularly, respondent argues that petitioner's activities were enjoined by court order in 2000; that petitioner entered into a consent judgment enjoining it from specified activities (to be discussed later in this order); that petitioner's period of non-use for three consecutive years is prima facie evidence of such abandonment; that respondent commenced use of its marks in 2001; and that it is respondent which has priority in the marks. Respondent argues that petitioner's abandonment is supported by the dates in the evidence submitted by petitioner, and further points out that the evidence of radio and television advertising does not include the content of such advertising; that the last of any such advertisements occurred in December 2000, based on the billing evidence submitted by petitioner; that, with a single exception dated March 6, 2001, all petitioner's contract and customer correspondence documents are dated in the year 2000 or

earlier and then again in 2004;⁶ that petitioner's printed advertisements are dated no later than March 8, 2000; and that invoices, where submitted in lieu of printed advertisements, do not show the actual printed advertisement and, thus, cannot establish content. It is respondent's position that Mr. Lyon's affidavit should be accorded no weight with respect to his statements concerning the content of any advertisements for which there are no printed copies, scripts or video tapes because he is a biased witness; and that, at a minimum, the absence of the content of such advertisements creates a genuine issue of material fact.

Respondent's response is accompanied by the declaration of its president, Daniel K. Siedlecki providing information about respondent; a copy of an on-line press release from the Office of the Attorney General, State of Kansas, with a release date of October 2, 2000, announcing the settlement agreement with petitioner; a copy of the 2000 Annual Report of the Consumer Protection Division, issued by the Kansas Office of Attorney General, listing the settlement agreement; documentary information about respondent; and a cease and desist letter, dated November 18, 2003, from respondent to petitioner.

Petitioner, in its reply, argues that it did not abandon use of its marks; that its short "business interruption" of 32 days

⁶ It is respondent's position that a single use in the 3-year statutory period of non-use resulting in a presumption of abandonment is insufficient to overcome the presumption.

falls far short of the three year statutory presumption for abandonment; and that the "business interruption," occasioned by an *ex parte* temporary restraining order issued May 8, 2000, ended when petitioner obtained a registration from the Kansas Registration of Credit Services Organization on June 9, 2000. According to petitioner, the consent judgment permanently enjoined petitioner from:

Advertising, preparing, performing, accepting, supervising, operating, or in any manner conducting any business relating to the sale of credit services or the operation of a credit services organization from within the State of Kansas unless Quest Capital Management, Inc. is duly registered and qualified as a Credit Services Organization pursuant to K.S.A. 50-110.⁷

Petitioner argues that it fulfilled the requirement of registration several months before the judgment on consent and has been using its marks for its services. Thus, petitioner argues, there was no actual abandonment arising from its short period of non-use; and there was no intent to abandon the marks.

Petitioner's reply is accompanied by a copy of the consent judgment in the Kansas state court; a copy of petitioner's registration statement (No. 008) for Registration of a Credit Services Organization, dated June 9, 2000; a copy of an order dated June 1, 2000 of the Kansas state court vacating the ex

⁷ *State of Kansas, ex rel. Carla J. Stovall, Attorney General v. Jeffrey D. Lyon and Quest Capital Management, Inc. d/b/a National Homebuyers Alliance*, Case No. 00 CV 02964 in the District Court of Johnson County, Kansas, Division 15 (September 21, 2000).

parte temporary restraining order issued on May 9, 2000;⁸ and numerous copies of letters to customers in several states, dated for the years 2001-2003, confirming enrollment in petitioner's home buying program and showing petitioner's marks in the letterhead and the body of the correspondence.⁹

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issues of material fact and that it is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). A genuine issue with respect to material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). Thus, all doubts as to whether any factual issues are genuinely in

⁸ The temporary restraining order was vacated for violating defendants' (of which petitioner was one) procedural due process rights.

⁹ Petitioner's reply introduces two third-party statements as to the content of its radio advertising to support Mr. Lyon's statements that during such advertising the marks NHBA and NATIONAL HOME BUYERS ALLIANCE were read aloud. Petitioner alternatively argues that the additional evidence it now submits showing use of its marks during the years 2001-2004 in correspondence with clients is sufficient alone to demonstrate that petitioner did not abandon its marks should the Board elect not to consider the averments in the affidavit.

The Board recognizes the self-serving nature of affidavits and declarations submitted in support of or in opposition to a motion for summary judgment. See TBMP §528.05(b) (2d ed. rev. 2004). A verified statement unsupported by documentary evidence may be given consideration only if the statements contained therein are clear and convincing in character and uncontradicted. *Id.* While the Board will not decline to consider Mr. Lyon's statements, buttressed by the additionally submitted third-party statements, about the content of the electronic advertising and some of the printed advertising where such statements are unsupported by documentary evidence of content, Mr. Lyon's statements on such matters will be accorded a minimal probative value.

dispute must be resolved against the moving party and all inferences must be viewed in the light most favorable to the non-moving party. See *Olde Tyme Foods Inc. v. Roundy's., Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

Trademark Act Section 45 provides in relevant part as follows:

A mark shall be deemed to be "abandoned" when ... its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for three consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

Abandonment does not result from temporary forced withdrawal from the market place due to causes such as prohibition or other involuntary action. See McCarthy, J. Thomas, 2 McCarthy on Trademarks and Unfair Competition §17:16 (4th ed. 2006).

In this case, no genuine issues of material fact exist, nor does respondent dispute, that petitioner commenced use of its NATIONAL HOME BUYERS ALLIANCE and NHBA marks in 1997 and its NHBA and design mark in 1999.¹⁰ No genuine issues of material fact exist, nor does respondent dispute, that petitioner's use continued until the year 2000. No genuine issues of material fact exist, nor does respondent dispute, that petitioner was enjoined from using its marks and offering its services initially by court order dated May 8, 2000 (the temporary injunction), and that a consent judgment was entered against petitioner on

¹⁰ See Lyon's affidavit and referenced exhibits at paragraph nos. 3-6.

September 21, 2000 enjoining petitioner from operating without taking certain steps under Kansas law and abiding by specified conditions. In its reply, petitioner established that no genuine issue of material fact exists that it met the registration condition of the consent judgment prior to entry of the judgment; and that, by virtue of submitted correspondence to clients using the marks for the home buying services, petitioner used its marks in 2001, 2002 and 2003, the years at issue for respondent's abandonment affirmative defense.¹¹

In view thereof, petitioner, having shown that no genuine issues of material fact exist as to abandonment, and that it did not abandon use of its marks (with no intent to resume) between 2001-2003, is entitled to judgment as matter of law on the issue of priority of use of its marks.

In determining the issue of likelihood of confusion and, in this case, whether there is any genuine issue of material fact relating to the ultimate legal question, the pertinent evidentiary factors listed in *In re E.I. du Pont de Nemours & Co.*, 476 F. 2d 1357, 177 USPQ 563 (CCPA 1973) must be considered.

Looking first at the services both parties provide, no genuine issues of material fact exist, and the services are in part the same and otherwise related. That is, both parties offer

¹¹ The earliest date on any correspondence is January 24, 2001.

"lease-to-own" and "rent-to-own" home buying programs and related financial planning and services.¹²

There is no genuine issue of material fact that the parties' respective acronym marks, NBHA, are identical. There is no genuine issue of material fact that the parties' respective NBHA and design marks are nearly identical, with the house carrier design elements conveying the same commercial impression.

In view thereof, no genuine issue of material fact exists on the issue of likelihood of confusion with respect to the marks NBHA and NBHA and design; petitioner's motion for summary judgment is granted in part inasmuch as petitioner has shown that it is entitled to judgment as a matter of law; and the petition to cancel is granted with respect to Registration Nos. 2758421 (NBHA) and 2758418 (NBHA and design).¹³

However, a genuine issue of material fact exists with respect to the similarities of petitioner's NATIONAL HOME BUYERS ALLIANCE mark and respondent's NATIONAL HOME BUYERS ASSISTANCE mark (Registration No. 2760486). The term "alliance" denotes "a close association for a common purpose" while the term

¹² See, for example, Lyon's affidavit at paragraph nos. 3-5.

¹³ This decision is interlocutory in nature. Appeal may be taken within two months after the entry of a final decision in the case. See *Copelands' Enterprises Inc. v. CNV Inc.*, 887 F.2d 1065, 12 USPQ2d 1562 (Fed. Cir. 1989). In view of this circumstance, these registrations for which the petition to cancel now is granted will not be cancelled until expiration of the appeal period.

"assistance" denotes "the act of assisting or the help given; aid."¹⁴

Accordingly, petitioner's motion for summary judgment is denied in part as to Registration No. 2760486.

Proceedings are resumed. Discovery closed on July 5, 2006 in accordance with the institution order dated December 17, 2004.

Trial dates are reset as follows:

THE PERIOD FOR DISCOVERY TO CLOSE:	CLOSED
30-day testimony period for party in position of plaintiff to close:	May 20, 2006
30-day testimony period for party in position of defendant to close:	July 19, 2006
15-day rebuttal testimony period to close:	September 2, 2006

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

¹⁴ Webster's New World Dictionary of the American Language 37, 84 (2d college ed. 1982). "Assist" is defined in part as "1. to give help to; aid." *Id.* at 84. The Board may take judicial notice of dictionary definitions. See, for example, *University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co.*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).