

**THIS DECISION IS NOT  
CITABLE AS PRECEDENT  
OF THE TTAB**

Mailed: 8/24/04

**UNITED STATES PATENT AND TRADEMARK OFFICE**

**Trademark Trial and Appeal Board**

Federal National Mortgage Association  
v.  
Charles R. Carey

Opposition No. 91153134  
to application Serial No. 78093706  
filed on November 16, 2001

Mitchell Zimmerman and Tanda L. Neundorf of Fenwick & West  
for Federal National Mortgage Association.

Charles R. Carey, pro se.

Before Quinn, Hairston and Chapman, Administrative Trademark  
Judges.

Opinion by Quinn, Administrative Trademark Judge:

An application was filed by Charles R. Carey to  
register the mark RENNIE MAE for "lease application, credit  
evaluation, payment processing and guarantee services."<sup>1</sup>

Federal National Mortgage Association, doing business  
as Fannie Mae, a United States federally chartered  
corporation under the Federal National Association Charter  
Act, 12 USC §1716, opposed registration under Section 2(d)

<sup>1</sup> Application Serial No. 78093706, filed November 16, 2001, based  
on an allegation of a bona fide intention to use the mark in  
commerce.

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of the Trademark Act on the ground that applicant's mark, if used in connection with applicant's services, would so resemble opposer's previously used and registered famous FANNIE MAE marks for a wide range of mortgage-related services and financial services, including services relating to credit evaluation, as to be likely to cause confusion.<sup>2</sup>

Applicant, in his answer, admitted opposer's ownership of its pleaded FANNIE MAE marks. Applicant otherwise denied the salient allegations of likelihood of confusion in the notice of opposition, relying principally on the purported existence of third-party registrations of similar marks for similar services to those involved herein.

**Evidentiary Matters**

Before turning to the merits of the likelihood of confusion claim, we direct our attention to an evidentiary matter. Applicant filed, during his testimony period, a submission captioned "Applicant's Testimony." The submission consists of a wide variety of materials, apparently submitted to act as applicant's evidence for its case in chief. In response, opposer filed a motion to strike "Applicant's Testimony." The Board, in an order

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<sup>2</sup> Opposer also alleged that registration of applicant's mark would dilute the distinctive quality of opposer's marks. In its brief (pp. 5-6), in setting forth the issue in this proceeding, opposer states that the issue is likelihood of confusion. No mention is made of dilution. Accordingly, the dilution claim is deemed waived, and we have considered only the issue of likelihood of confusion in this decision.

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dated April 16, 2004, deferred consideration of opposer's motion until final hearing. Opposer reiterated, in its brief, its objections to applicant's "testimony."

Opposer essentially contends that the testimony is hearsay, and also that the evidence was not filed in accordance with the Trademark Rules of Practice.

Applicant, in response, states that he "is a small business entity without the resources of a major corporation such as Opposer or the technical and procedural expertise of Opposer's respected counsel" and that he "regrets any instances where his submissions are not in strict compliance with the published procedural rules."<sup>3</sup> Applicant further asserts that he "has made his best efforts to fairly, objectively and honestly present information to the Board and to be responsive to Opposer." Lastly, applicant "simply requests that the Board, in its best judgment, balance the need for procedural precision with the need for an equitable decision based on the true facts and merits of the case and

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<sup>3</sup> When applicant filed an improper answer which did not comply with Fed. R. Civ. P. 8(b), the Board noted that while any person may represent itself in a Board proceeding, it is advisable for a person unfamiliar with the rules governing Board proceedings to secure the services of an attorney familiar with such matters. In the order dated January 21, 2003, the Board informed applicant that if he chose not to retain counsel, then applicant would have to familiarize himself with the pertinent rules, and that strict compliance with the Trademark Rules and all other applicable rules is expected of all parties, even those representing themselves. Given the Board's earlier remarks, it is difficult to sympathize with applicant's plight in failing to properly make certain evidence of record in this proceeding (see discussion, infra).

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requests the Board to take such action as it deems fair and appropriate under the circumstances."

In a reply brief, opposer claims that "applicant has chosen to flout the rules for submission of his evidence, relying instead on an appeal to sympathy."

Trademark Rule 2.123(1) provides that evidence not obtained and filed in compliance with the rules of practice will not be considered. See also TBMP §706 (2d ed. rev. 2004). Applicant's submission is not "testimony" as that term is contemplated in a legal sense under the Trademark Rules of Practice. Thus, to the extent that the submission is intended as "testimony," it is improperly introduced. See Trademark Rule 2.123 and TBMP §703 (2d ed. rev. 2004).

Inasmuch as the submission was made during applicant's testimony period, however, the submission may be characterized as other evidence sought to be introduced as with a notice of reliance. Although it would have been preferable for applicant to caption its submission as a "notice of reliance," the fact that applicant failed to do so should not be fatal to making the evidence contained therein of record. TBMP §704.02 (2d ed. rev. 2004). This assumes, of course, that the documents comprising the submission qualify as proper subject matter for introduction by way of notice of reliance. Thus, we must determine

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whether any of the materials are capable of introduction into evidence by way of a notice of reliance.

The various printouts of TESS and TARR records retrieved from the electronic database of the USPTO qualify as official records and this evidence will be considered. More specifically, item Nos. 1(a), 5(a)-(h), 7, 8, 9(a) and 10(a) are deemed to be of record. Although applicant could have been more articulate in indicating the relevancy of the third-party registration evidence, the essence of applicant's brief remark is that the registrations show that the scope of protection of opposer's mark does not extend to applicant's mark. The other items included in the submission, namely an email and attached slides (No. 1(b)), applicant's business plan and related materials (Nos. 2(a)-(c) and 4(a)),<sup>4</sup> the domain name registration (No. 3(a)), and information relating to the extent of use of various third-party marks (Nos. 6(a)-(d)) may not be introduced by a notice of reliance. Accordingly, this evidence has not been considered.

"Applicant's Testimony" also includes portions of Mr. Carey's discovery deposition. Trademark Rule 2.120(j)(3)(i) states that if only part of a discovery deposition is submitted and made part of the record by a party (as is the

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<sup>4</sup> There are portions of the business plan which were made of record by opposer by way of exhibits to the discovery deposition of Mr. Carey.

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case here with opposer's reliance on portions of Mr. Carey's discovery deposition), an adverse party may introduce under a notice of reliance any other part of the deposition which should in fairness be considered so as to make not misleading what was offered by the submitting party. The rule goes on to provide that such notice of reliance must be supported by a written statement explaining why the adverse party needs to rely upon each additional part listed in the adverse party's notice, failing which the Board, in its discretion, may refuse to consider the additional parts. In the present case, applicant has failed to explain the reasons why it needs to rely on the other portions of his deposition. Thus, we decline to consider item No. 11(a) of the submission.

Lastly, we would point out that item Nos. 11(b) and 12(a)-(c) are superfluous inasmuch as opposer made this material of record during its case in chief.

Accordingly, the record consists of the pleadings; the file of the involved application; testimony, with related exhibits, taken by opposer; certified copies of opposer's registrations, portions of a discovery deposition, with related exhibits, taken of applicant by opposer, and applicant's responses to certain of opposer's interrogatories, all introduced by way of opposer's notice of reliance. As indicated above, also of record are various

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printouts of third-party registrations retrieved from the USPTO's automated records.<sup>5</sup> The parties filed briefs on the case. An oral hearing was not requested.

**The Parties**

According to Alfred King, opposer's director of public affairs, opposer was created in 1938. Opposer's full business name was often abbreviated to the initialism FNMA, and opposer soon became known as "Fannie Mae." Since as early as 1956, opposer has been rendering mortgage-related and financial services under the mark FANNIE MAE. Opposer has been identified as the largest source of mortgage financing in the United States, and it is also the largest private-sector provider of multi-family financing for affordable and market-rate rental housing in the country, with a portfolio totaling nearly \$96 billion. Mr. King testified that opposer's revenues in 2002 were \$4.6 billion, and that opposer controls over \$1 trillion in assets. Opposer advertises its services on television and radio, and in printed publications. In addition, opposer has been the recipient of widespread media coverage on a daily basis for many years.

Applicant has many years of experience in the financial services field, including holding key positions with large

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<sup>5</sup> We hasten to add that even if we were to consider the excluded documents comprising applicant's submission, we would reach the same result on the merits in this proceeding.

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financial institutions (e.g., CitiCorp) in the area of mortgage-related business activities. By virtue of his experience, opposer and applicant are not strangers. Mr. Carey was an officer at GE Capital, reportedly the largest guarantor of first mortgages in the country. During his tenure there, Mr. Carey worked "very extensively" with opposer. Later, when planning to launch his current business, Mr. Carey contacted opposer in an attempt to initiate an investment and business relationship with opposer. When opposer declined to enter into a relationship with applicant, applicant decided to adopt and apply to register the mark RENNIE MAE. Although Mr. Carey has used the mark in his attempts to obtain funding and business partners, he has not rendered as yet any of the services claimed in the application to customers in the marketplace.

**Priority**

Opposer has made of record the following registrations: FANNIE MAE (typed form) for "buying and selling mortgages for others"<sup>6</sup>;

**FannieMae**

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<sup>6</sup> Registration No. 946030, October 24, 1972; twice renewed.

for "buying and selling mortgages for others,"<sup>7</sup> and for "providing information management and data processing services in the mortgage loan field" and "providing mortgage loan services"<sup>8</sup>;



The Key To Easier Sales.



all three for "administering a real estate brokerage program dealing with foreclosed properties"<sup>9</sup>;

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<sup>7</sup> Registration No. 1339488, issued June 4, 1985; combined Sections 8 and 15 affidavit accepted and acknowledged.

<sup>8</sup> Registration No. 1485429, issued April 19, 1988; combined Sections 8 and 15 affidavit accepted and acknowledged.

<sup>9</sup> Respectively, Registration No. 1557217, issued September 19, 1989, combined Sections 8 and 15 accepted and acknowledged; Registration No. 1560132, issued October 10, 1989, combined Sections 8 and 15 affidavit accepted and acknowledged; and Registration No. 1561328, issued October 17, 1989, combined Sections 8 and 15 affidavit accepted and acknowledged.



for "banking, mortgage banking and credit union services"<sup>10</sup>;



for "mortgage finance information training service"<sup>11</sup>;

FANNIE MAE MARKETING ENCYCLOPEDIA for "providing an interactive mortgage information computer database containing marketing and sales related information concerning applicant organization's business activities"<sup>12</sup>;

FANNIE MAE 5-50 for "mortgage loan and financing services, namely, the purchase of multi-family residential mortgages for others, [and] the issuance of mortgage-backed securities"<sup>13</sup>; and FANNIE MAE'S RISK PROFILER for "financial analysis and consultation, namely, analysis of the conduct

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<sup>10</sup> Registration No. 1925849, issued October 10, 1995; combined Sections 8 and 15 affidavit accepted and acknowledged. The words "Federal Credit Union" are disclaimed.

<sup>11</sup> Registration No. 2273524, issued August 31, 1999. The words "Housing Finance Institute" are disclaimed.

<sup>12</sup> Registration No. 2299222, issued December 14, 1999. The words "Marketing Encyclopedia" are disclaimed.

<sup>13</sup> Registration No. 2600196, issued July 30, 2002. The designation "5-50" is disclaimed.

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of mortgage borrowers through a computerized model of conduct, and preparing reports based on the output of the model.”<sup>14</sup>

In view of opposer’s ownership of valid and subsisting registrations, there is no issue regarding opposer’s priority. *King Candy, Inc. v. Eunice King’s Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Thus, the only issue to decide herein is likelihood of confusion.

**Likelihood of Confusion**

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. In *re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In any likelihood of confusion analysis, two key considerations are the similarities or dissimilarities between the marks and the similarities or dissimilarities between the goods and/or services. *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). These, and other du Pont factors deemed pertinent in the proceeding now before us, are discussed below.

**The Marks**

Although opposer’s FANNIE MAE marks and applicant’s marks are specifically different, the marks share

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<sup>14</sup> Registration No. 2656829, issued December 3, 2002.

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similarities in sound and appearance that outweigh the differences.<sup>15</sup> The only difference between opposer's FANNIE MAE mark and applicant's RENNIE MAE mark is the RE-beginning of applicant's mark. The remainder of the marks, that is, --NNIE MAE, is identical. The marks are constructed in a similar manner, specifically, both marks consist of a two-syllable word followed by the one-syllable MAE. In short, the marks sound alike and are similar in appearance.

We also find that applicant's mark is similar to each of opposer's logo marks. Opposer's marks are, in each instance, dominated by the inherently distinctive and famous term FANNIE MAE (see discussion, infra) which, as indicated above, is similar in sound and appearance to applicant's

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<sup>15</sup> In the notice of opposition, opposer referred to its "family" of FANNIE MAE marks. As contemplated in case law, a family of marks is a group of marks having a recognizable common characteristic, wherein the marks are composed and used in such a way that the public associates not only the individual marks, but the common characteristic of the family, with the trademark owner. Simply using a series of similar marks, or the mere fact of registration of many marks with a common "surname," does not of itself establish the existence of a family. *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 18 USPQ2d 1889 (Fed. Cir. 1991); *Polaroid Corp. v. Richard Mfg. Co.*, 341 F.2d 150, 144 USPQ 419 (CCPA 1965); and *American Standard, Inc. v. Scott & Fetzer Co.*, 200 USPQ 457 (TTAB 1978). In the past the Board has stated, in pertinent part, that a proponent of a family of marks must prove that all or many of the marks in the alleged family were used and promoted together in such a way as to create public perception of the family "surname" as an indication of source. *Champion International Corp. v. Plexowood, Inc.*, 191 USPQ 160 (TTAB 1976). In the present case, we find that opposer's evidence falls short of demonstrating that it owns a family of marks. To this end, in analyzing likelihood of confusion, we have compared applicant's mark with each of opposer's marks.

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mark. Although we have considered the marks in their entireties, "there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided [that] the ultimate conclusion rests on consideration of the marks in their entireties." In re National Data Corp., 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985). In opposer's logo marks, we have given less weight to the descriptive and/or design portions thereof. We do not find that these features distinguish any of opposer's logo marks from applicant's mark in a meaningful way.

In sum, the parties' marks engender similar overall commercial impressions. This factor weighs in opposer's favor.

**The Services**

With respect to the services, it is well established that the services of the parties need not be similar or competitive, or even that they move in the same channels of trade, to support a holding of likelihood of confusion. It is sufficient that the respective services of the parties are related in some manner, and/or that the conditions and activities surrounding the marketing of the services are such that they would or could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief

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that they originate from the same source. See *Hilson Research, Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423 (TTAB 1993); and *In re International Telephone & Telephone Corp.*, 197 USPQ 910, 911 (TTAB 1978). The issue is not whether purchasers would confuse the services, but rather whether there is a likelihood of confusion as to the source of the services. *In re Rexel Inc.*, 223 USPQ 830 (TTAB 1984).

Opposer is engaged in a wide range of mortgage-related and financial services, including financing in the multi-family residential business. According to the testimony of Stuart Davis, opposer's director of multi-family production, opposer operates in this arena on a nationwide scale, providing financing for and investments in apartment buildings, condominiums, cooperatives and senior housing. Opposer has both a debt business and an equity business in the multi-family residential field. In the debt business, opposer acts as a secondary mortgage marketer, lending money to residential borrowers, multi-family developers, investors and other customers for multi-family housing. Opposer has lent money to a wide range of customers, including other lenders, as well as landlords, apartment building owners and multi-family housing developers. On the equity side, opposer has acted as an equity partner and investor in apartment buildings and other multi-family rental housing.

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Opposer is the largest private-sector provider of multi-family financing for affordable and market-rate rental housing in the country, and opposer's portfolio in this area totals nearly \$96 billion.

Applicant's intended services involve the creation of a lease management and payment guarantee business that is targeted to multi-family residential owners, managers and landlords, and would guarantee lease payments by tenants. Mr. Carey testified that his business would review renters' applications and credit histories, determine whether applicant would guarantee the renters' payments and, if yes, applicant would essentially manage the billing process, guaranteeing payment of the tenant's rent to the owner. These services would be marketed to apartment building and multi-family residential owners, managers and landlords.

Another component of applicant's intended services which would appear to be encompassed within its recitation of services is the creation of a secondary market in lease payments similar to the secondary market in mortgage lending streams. Applicant, in the executive summary of his business plan, specifically referred to opposer by name and its success in the mortgage lending field, and stated that applicant has similar potential in creating a more robust secondary market for lease payment streams.

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Applicant's contention that his services are not related to those rendered by opposer is seriously undermined by applicant's contacts with opposer prior to applicant's adoption of his mark. Applicant contacted opposer in the hopes of initiating a business relationship between the two. Mr. Carey viewed opposer as an attractive business partner for a variety of reasons, including that opposer "clearly has a major presence in the multi-family housing market" and "has great expertise in secondary markets." (Carey discovery dep., pp. 22 and 24). Mr. Carey further testified as follows (dep., p. 24):

My belief, or at least my hope, was that [opposer] seeing its mission as expanding home ownership and also seeing in its mission the desire to improve its knowledge of credit in all areas of the credit spectrum might have some interest in participating in a business which was in the renting; not the home ownership business, but a business that is oftentimes a precursor to the actual purchase of a home. And I thought that they might, you know, have interest in doing that.

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So the idea of participating in a different market, that is, leases, seemed to be something that was--to me anyhow--was relatively close. But far enough way [sic] that it was a significant opportunity for them still using some of the same skills and expertise that they had. And I was disappointed when they said this was not a market they had anything to do with them. But that's fine. Life's a long game.

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At the time, Mr. Carey viewed his proposed services as a logical expansion of opposer's business model, and he envisioned opposer's role as including credit scoring since opposer has credit expertise.

We find that the parties' services are commercially related. Applicant's argument that it will deal in leases while opposer concentrates in mortgages falls short; opposer's financial services related to mortgages for multi-housing and applicant's financial services relating to leasing for multi-family housing are similar. Given the wide range of opposer's services, and Mr. Carey's own testimony on the viability of a relationship between the two types of financial services, we find a similarity between them.

Further, although applicant's "application" services are limited to "lease application services," its other services of credit evaluation, payment processing and guarantee are not limited as to field of use. Thus, as set forth in the application, these services are presumed to include all types of such services, including those applying to mortgage financing activities as well as to leasing. See *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); and *Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed.

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Cir. 1987) [comparison of services based on the recitation of services in the involved application and registration].

The similarity between the parties' services weighs in opposer's favor.

**Trade Channels**

The record reveals that the parties' services would travel in the same channels of trade to the same classes of purchasers. It is significant to note that Messrs. Davis and Carey identified the names of the same customers and investors/partners for the parties' respective services in the multi-family housing field. (see summary in opposer's Brief, p. 29, fn. 6). The sophistication of such entities does not insure against the likelihood of confusion, given the similarities between the marks and the services.

The overlap in trade channels and customers weigh in opposer's favor.

**Fame**

The fifth du Pont factor requires us to consider evidence of the fame of opposer's marks and, if established, fame plays a "dominant" role in determining likelihood of confusion. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894 (Fed. Cir. 2000); and *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992). As the Federal

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Circuit stated in *Bose Corp. v. QSC Audio Products Inc.*,  
supra at 1305:

Fame of an opposer's mark or marks, if it exists, plays a "dominant role in the process of balancing the duPont factors," Recot, 214 F.3d at 1327, 54 USPQ2d at 1456, and "[f]amous marks thus enjoy a wide latitude of legal protection." Id. This is true as famous marks are more likely to be remembered and associated in the public mind than a weaker mark, and are thus more attractive as targets for would-be copyists. Id. Indeed, "[a] strong mark...casts a long shadow which competitors must avoid." Kenner Parker Toys, 963 F.2d at 353, 22 USPQ2d at 1456. A famous mark is one "with extensive public recognition and renown." Id.

There is no question but that FANNIE MAE is a famous mark in the mortgage and financial services field. Indeed, applicant himself acknowledges that opposer's FANNIE MAE mark is "well known." (Carey discovery dep., p. 66). This comes as no surprise given that opposer is the largest source of mortgage financing in the country. Opposer has been in business over 55 years. Mr. King testified that in 2002, opposer's revenues were approximately \$4.6 billion, and that opposer's assets exceed \$1 trillion. In addition, the record reveals that the FANNIE MAE marks have been referred to tens of thousands of times in various nationwide printed publications and on television. Opposer also engages in its own advertising campaigns in printed publications, and on television and radio, and its website

([www.fanniemae.com](http://www.fanniemae.com)) is visited millions of times each month. The exposure of opposer's FANNIE MAE mark in the marketplace has been enormous.

Accordingly, we find that the long use, huge revenues and the extensive publicity in the marketplace have caused the mark FANNIE MAE to become famous in the mortgage and financial services industry. This factor weighs heavily in opposer's favor in deciding the likelihood of confusion with applicant's mark.

### **Third-Party Registrations**

The sixth du Pont factor requires consideration of any evidence pertaining to "the number and nature of similar marks in use on similar goods." The record includes eight third-party registrations of marks for goods and/or services in the financial industry. The marks are as follows: ELLIE MAE; GINNIE MAE; LORI MAE; CRIIMI MAE; MAGGIE MAE; NELLIE MAE; SALLIE MAE; and WILLIE MAE.<sup>16</sup> The gist of applicant's argument is that these registrations have caused no harm to opposer, and that likewise applicant's mark will cause no damage to opposer's marks.

The third-party registrations are entitled to little probative value in determining likelihood of confusion.

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<sup>16</sup> Although applicant, in his answer to the notice of opposition, lists a few more third-party registrations, these registrations were never made of record. Accordingly, they have been given no consideration.

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Olde Tyme Foods Inc. v. Roundy's Inc., 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992); and Carl Karcher Enterprises, Inc. v. Stars Restaurants Corp., 35 USPQ2d 1125 (TTAB 1995). The registrations are not evidence that the marks are in use, much less that consumers are so familiar with them that they are able to distinguish among marks by focusing on components other than the ones shared by the marks.<sup>17</sup> AMF Inc. v. American Leisure Products, Inc., 474 F.2d 1403, 177 USPQ 268 (CCPA 1973).

In short, there is no basis in the record for finding that the fame and commercial strength of opposer's FANNIE MAE marks have been compromised by the purported presence in the financial services field of similar marks. We find that this factor essentially is neutral in this case.

**Actual Confusion**

Applicant, in his brief, asserts that there has been no actual confusion between his mark and the marks of opposer. As pointed out by opposer, however, applicant has not yet rendered any of the recited services to customers and, indeed, the application file does not include an amendment to allege use. The fact that the mark appears in applicant's business plan which has been exposed to

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<sup>17</sup> As indicated earlier in the discussion of the evidentiary objections, applicant's evidence relating to the extent of use of some of the third-party registered marks has been excluded from the record inasmuch as it was not properly introduced.

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potential investors is of no moment inasmuch as there has been no use directed to the ultimate customers. Inasmuch as applicant's business apparently is not operational, there has been no opportunity for confusion to occur among prospective purchasers. The applicable test under Section 2(d) is, in any event, likelihood of confusion. *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390, 396 (Fed. Cir. 1983). Accordingly, this factor is neutral.

**Intent**

Finally, opposer argues that applicant adopted his RENNIE MAE mark in bad faith and with the intention of trading on opposer's goodwill in its famous FANNIE MAE marks. Evidence of bad faith adoption is pertinent to our likelihood of confusion analysis under the thirteenth du Pont factor. After careful consideration of opposer's arguments and the evidence on this factor, however, we are not persuaded that applicant adopted his mark in bad faith or that applicant's intent weighs against applicant in our likelihood of analysis in this case.

First, applicant's mere knowledge of opposer's marks does not establish that applicant adopted his mark in bad faith. In saying this, we recognize that Mr. Carey approached opposer to pitch the idea of a business relationship and, having been turned down, thereafter

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adopted his mark. Second, even though applicant's evidence of third-party registrations is entitled to only limited probative value, it nonetheless appears that Mr. Carey was aware of these third-party - "MAE" marks, and was under the impression that his mark, like the others in the financial services field, was available for use and registration. In this regard, applicant points to the fact that the examining attorney searched the trademark register and did not find that applicant's mark was confusingly similar to any of opposer's marks.<sup>18</sup>

The chronology and nature of applicant's pre-adoption activities certainly raise an eyebrow when considering applicant's choice of RENNIE MAE as his mark. Opposer suggests that "when Applicant did not obtain the support and affiliation that he had hoped to gain from [opposer] directly, he simply decided to adopt a mark that would create such an association or connection as a result of its similarity to [opposer's] mark." (Brief, p. 26). This is a close call. Nevertheless, given the existence of the third-party registrations, we decline to make the inference urged

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<sup>18</sup> We are entirely unpersuaded by applicant's contention that the mark RENNIE MAE is derived from RMAC, the acronym for applicant's proposed name (Rental Management Assistance Corporation) of a branch of his Lease Payment Guarantee Corporation. We agree with opposer that the "RMAC acronym for this company simply does not give rise to a mark like RENNIE MAE." (Brief, p. 26). Mr. Carey explained his choice of RENNIE MAE as follows: "It had a nice ring to it. I don't know. I mean, why did it end up being FANNIE MAE? I don't know. It just seemed to be a nice idea." (discovery dep. pp. 59-60).

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by opposer, and cannot conclude on this record that applicant adopted his mark in bad faith. Of course, an applicant's adoption of a mark in good faith does not serve as a defense to an opposer's likelihood of confusion claim. We hasten to add that given the other du Pont factors in opposer's favor, opposer hardly needed to show bad faith adoption.

In any event, a newcomer has both the opportunity and the obligation to avoid confusion. Consequently, a party which knowingly adopts a mark similar to one used by another for the same or closely related goods or services does so at its own peril; all doubt on the issue of likelihood of confusion must be resolved against the newcomer. This is especially the case where the established mark is one which is famous. *Nina Ricci S.A.R. L. v. E.T.F. Enterprises Inc.*, 889 F.2d 1070, 12 USPQ2d 1901 (Fed. Cir. 1989); and *Kimberly-Clark Corp. v. H. Douglas Enterprises, Ltd.*, 774 F.2d 1144, 227 USPQ 541 (Fed. Cir. 1985).

**Conclusion**

We have carefully considered all of the evidence pertaining to the relevant du Pont factors, as well as all of the parties' arguments with respect thereto (including any arguments not specifically discussed in this opinion), and we conclude that opposer has proven its Section 2(d) ground of opposition. Given the fame and commercial

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strength of opposer's marks, the degree of similarity in the parties' services, and the overlap in trade channels and customers, we find that applicant's mark RENNIE MAE is sufficiently similar to each of opposer's FANNIE MAE marks that confusion is likely.

We conclude that purchasers familiar with opposer's variety of mortgage-related and financial services rendered under its famous FANNIE MAE marks would be likely to believe, upon encountering applicant's RENNIE MAE mark for lease application, credit evaluation, payment processing and guarantee services, that the services originated with or were somehow associated with or sponsored by the same entity.

Decision: The opposition is sustained and registration to applicant is refused.