

O-182-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF AN APPLICATION UNDER NO. 82492 BY  
MASTERCARD INTERNATIONAL INCORPORATED TO INVALIDATE  
REGISTRATION NO. 2359568 IN THE NAME OF RICHARD GERALD  
ENSTON**

## TRADE MARKS ACT 1994

### **IN THE MATTER OF an application under No. 82492 by MasterCard International Incorporated to invalidate registration No. 2359568 in the name of Richard Gerald Enston**

#### **Background**

1. Registration No. 2359568 is for the mark SecurEcode and stands in the name of Richard Gerald Enston. It was applied for on 27 March 2004 and registered on 28 October 2005 for the following goods and services:

*Electronic automated teller machine cards, automated teller machine swipe cards, automated teller machines, electronic financial apparatus, computerised telecommunication equipment, computers, computer software discs, tapes, cards, and cash register apparatus in Class 9, and,*

*Telecommunication services, digital e-mail services, digital computerised telecommunication services, credit card computerised electronic portal communication services, and portal services for debit/credit clearing as provided by the Internet, digital electronic financial communication service providers, portal provision for computerised digital operation of financial Internet search; all in Class 38.*

2. On 28 April 2006, MasterCard International Incorporated (hereafter "MasterCard") applied to declare the registration invalid. MasterCard seeks invalidation of the registration under sections 47(1) and (2) based on sections 3(6) and 5(3) of the Act. MasterCard states it is the owner of the following trade marks:

Community Trade Mark 2755700 MASTERCARD SECURE CODE registered in respect of:

#### *Class 9*

*Computer hardware, computer software and computer programs; computer hardware and software for facilitating payment transactions by electronic means; computer hardware and encryption software, encryption keys, digital certificates, digital signatures, software for secure data storage and retrieval and transmission of confidential customer information used by individuals, banking and financial institutions; magnetic encoded cards and card containing an integrated circuit chip ("smart cards"); charge cards, bank cards, credit cards, debit cards and payment cards; card readers; computer software designed to enable smart cards to interact with terminals and readers; telecommunications equipment; point of sale transaction terminals and computer software for transmitting, displaying and storing transaction, identification and financial information for use in the financial services, banking and telecommunications industries; radio frequency identification*

*devices (transponders); and electronic verification apparatus for verifying authentication of charge cards, bank cards, credit cards, debit cards and payment cards; vending machines; computer hardware and peripherals; computer software for encrypting and protecting the integrity of data and electronic communications over computer networks; computer software for implementing encryption, authentication, access control and other security features within computer networks and through external connections; computer software for implementing security methodology involving encryption of payment card numbers and related data and transmission over computer networks; user manuals and guides in electronic format for all of the foregoing distributed as a unit with the software.*

#### *Class 36*

*Insurance services; financial services; banking and credit services; providing credit card, debit card charge card and stored value prepaid card services; remote payment services; stored value electronic purse services, providing electronic funds and currency transfer services, electronic payments services, prepaid telephone calling card services, cash disbursement services, and transaction authorisation and settlement services; provision of debit and credit services by means of radio frequency identification devices (transponders); travel insurance services; cheque verification services; issuing and redemption services all relating to travellers cheques and travel vouchers; the provision of financial services for the support of retail services provided through mobile telecommunications means, including payment services through wireless devices; the provision of financial services for the support of retail services provided on-line, through networks or other electronic means using electronically digitised information; services in the accessibility, storage and utilisation of a store of digitised electronic information representing monetary value in hand-held technology accessible to use by an individual; bill payment services provided through a website; on-line banking; financial services provided over the telephone and by means of a global computer network or the Internet; financial services, namely, banking, credit card services, debit card services and debit account services; electronic funds transfer services; and financial information provided by electronic means; financial advisory services pertaining to security methodology involving the encryption of payment card numbers and related data; provision of financial services by means of a global computer network or the Internet; consulting services in the field of financial services*

#### *Class 42*

*Computer hardware and software consulting services; computer programming; support and consultation services for managing computer systems, databases and applications; graphic design for the compilation of web pages on the Internet; information relating to computer hardware or software provided on-line from a global computer network or the Internet; creating and maintaining web-sites; computer database management; hosting the web-sites of others; design and development of web pages; legal services; provision of facilities for board meetings; providing facilities for exhibitions; the design, creation and hosting of merchant websites; the designing, creation and hosting of bill payment websites; consulting services in the field of*

*computer services; consulting services involving technical and network consulting, software customization, deployment assistance, all of the foregoing relating to information security, secure communications and data encryption and decryption; consulting services relating to encryption of payment card numbers and related data; computer network security and management services.*

Community Trade Mark Application 3048758 SECURE CODE which seeks registration in respect of:

*Class 35*

*Advertising; business management; business administration; office functions; commercial, industrial and business management assistance; business appraisals; advisory services for business management; market research; marketing studies; statistical information (business); preparation of statements of accounts; book-keeping; business research; public relations; publication of publicity texts; issuing of publicity leaflets; retail services provided through mobile telecommunications means; retail services provided on-line, through networks or other electronic means using electronically digitised information.*

3. Whilst I do not include them in this decision, details are also provided of a further Community Trade Mark Application made by MasterCard which was refused registration prior to the filing of the invalidation application.
4. In relation to the objection under section 3(6), MasterCard claims that when Mr Enston sought registration of the mark it seeks to invalidate, he had no intention to use it except “for the purpose of selling [it] at an inflated cost to legitimate trade mark users”. In relation to the objection under section 5(3), MasterCard says that through use of its earlier mark No. 2755700 it has acquired greater distinctiveness and a reputation and that the words SECURE CODE have come to be associated with it by the general public.
5. Mr Enston filed a counter-statement. The counter-statement is lengthy and somewhat complex. For reasons which will become clear, I do not intend to summarise it other than to say that it contains Mr Enston’s strenuous denial of each of MasterCard’s claims and requests that the invalidation action be rejected.
6. MasterCard filed evidence. Mr Enston challenged the admittance of some of this evidence and the matter went to an interlocutory hearing on 15 August 2007. The Hearing Officer admitted the evidence in its entirety. No appeal against his decision was lodged. Again for reasons which will become clear, I do not intend to summarise this evidence.
7. For his part, Mr Enston filed some material under cover of a Form TM54 (notice of giving evidence) however it seems that the material he filed was not furnished in proper form. I have not seen this material as, deemed inadmissible as originally filed, the material was returned to him to be put in order so that he could, if he wished, re-file it in accordance with rule 55 of the Trade Marks Rules 2000 (as amended). In the

event, Mr Enston did not re-file this material nor any other evidence. It follows that the only evidence filed in these proceedings is that filed by MasterCard.

8. The proceedings were ready to be set down for a hearing in line with MasterCard's request however, shortly before the arrangements could be finalised, Mr Enston filed a Form TM22 on 3 April 2008 seeking to surrender the registration. Furthermore, in a letter dated 7 April 2008, Mr Enston made it clear that he had "no interest in following the case any further." The letter concluded: "I would suggest you invalidate the mark, and clear the issue. –NO EVIDENCE IS OFFERED." He made no request to be heard.

9. MasterCard subsequently notified the registrar that it wished to continue with its application but that it was content to have a decision from the papers without recourse to a hearing. This I now give.

### **Decision**

10. Although Mr Enston, in his counter-statement, denied the claims made against his registration by the applicant, he subsequently indicated (letter of 7 April 2008 refers) that he had no further interest in the registration. In this letter Mr Enston also requests that the mark (sic-registration) be invalidated. Despite the position he initially took when filing his counter-statement, in view of this latter correspondence, I intend to proceed on the basis that the application is undefended.

11. In Tribunal Practice Notice (TPN) 2/2007, the Registrar sets out his practice in relation to undefended applications for a declaration of invalidity. This indicates where the application is undefended, the registration will be declared invalid where:

“(i) the applicant's ground for invalidation, if true, identify a basis in law for invalidating the registration;

(ii) no defence to the application has been filed and the applicant's grounds do not therefore appear to be disputed;

(iii) unless the Registrar receives, within fourteen days of the letter, either a request to be heard or written submissions on the matter under rule 54(1), the registrar will treat the application as unopposed, as per rule 33(6)....”

12. I intend to consider these points in reverse order.

13. I do not consider subparagraph (iii) to be relevant in the circumstances of this case as it refers to a letter which the registrar would issue following the non-filing of a TM8 and counter-statement. In this case, such forms were filed however, for reasons given above, I consider the position Mr Enston adopted when filing those documents to have been superceded by his later filed letter.

14. As far as subparagraph (ii) is concerned, whilst I accept a defence was initially filed in these proceedings, that defence has been superceded by Mr Enston's letter wherein he makes it clear his wishes that the invalidation action proceeds unchallenged. I take this to mean he no longer disputes MasterCard's claims.

15. As for subparagraph (i), MasterCard's claims are founded on grounds of section 3(6) and 5(3) of the Act. Specifically, under section 3(6), it claims that Mr Enston applied for registration of the mark in bad faith in that he had no intention to use the mark. Rather, it was claimed that Mr Enston had adopted a pattern of behaviour whereby he registered marks (including this one) then attempted to sell them to MasterCard at an inflated price. As far as the objection under section 5(3) is concerned, MasterCard claim to have a reputation in the earlier marks upon which it relies and that use by Mr Enston of his registration would take unfair advantage of or be detrimental to the distinctive character or repute of those earlier marks.

16. I consider that the pleaded grounds would, if true, provide a basis in law for invalidating the registration and thus, the application should succeed.

**17. The application has succeeded in full. The registration is declared invalid and deemed never to have been made.**

### **Costs**

18. MasterCard has been successful and is entitled to an award of costs. Although, ultimately, Mr Enston did not defend the application, the fact remains that he did not withdraw his defence until a very late stage. Similarly, although in the particular circumstances of this case, I have not taken into account the evidence filed by MasterCard, the fact remains that it did file evidence which, but for Mr Enston's late actions, would have been considered. MasterCard is entitled to an award in respect of that evidence which was itself subject to an unsuccessful challenge by Mr Enston.

19. In all the circumstances, I order Mr Enston to pay MasterCard the sum of £1200 as a contribution towards its costs. This sum is made up of the following elements:

For filing the application (£300 plus the statutory fee)	£500
For considering the Form TM8 and counter-statement	£200
For preparing and filing evidence	£500
Total:	£1200

This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 1<sup>st</sup> day of July 2008**

**ANN CORBETT  
For the Registrar  
The Comptroller-General**