



Neutral Citation Number: [2024] EWHC 820 (Ch)

Claim No. HC-2013-000089

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)

Rolls Building
7 Rolls Buildings
Fetter Lane
London, EC4A 1NL

12th April 2024

Before :

MR JUSTICE EDWIN JOHNSON

Between :

MERCK KGaA

Claimant

and

(1) MERCK SHARP & DOHME LLC
(formerly MERCK SHARP & DOHME
CORP)

(2) MERCK & CO. INC

(3) ORGANON PHARMA (UK) LIMITED
(formerly MERCK SHARP & DOHME
LIMITED)

(4) MSD ANIMAL HEALTH UK LIMITED
(formerly INTERVET UK LIMITED)

(5) INTERVET INTERNATIONAL B.V.

Defendants

Adrian Speck KC and Benet Brandreth KC (instructed by Bird & Bird LLP) for the Claimant
Geoffrey Hobbs KC and Guy Hollingworth (instructed by Linklaters LLP) for the Defendants

Hearing dates: 12th, 13th and 18th December 2023

JUDGMENT

Remote hand-down: This judgment was handed down remotely at 10.30am on Friday, 12th April 2024 by circulation to the parties and their representatives by email and by release to the National Archives.

Mr Justice Edwin Johnson:

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Introduction

1. This is my reserved judgment on the application of the Claimant, Merck KGaA, for declaratory relief (“**the Application**”). The declaratory relief sought is an order declaring that one or more of the First, Second and Fifth Defendants are in breach of an order in this action made by Sir Alastair Norris on 28th July 2020. The Application is expressed to be made pursuant to the court’s power to grant declaratory relief under CPR 40.20 and pursuant to a provision in the order granting permission to apply.
2. In broad terms the Claimant and the Defendants operate pharmaceutical businesses. By claim form issued on 8th March 2013 the Claimant commenced this action (“**the Action**”) against the Defendants, alleging breach of contract and infringement of the Claimant’s trade marks. The essential dispute between the parties concerned the use of the name and trade mark “*Merck*”, in connection with their respective pharmaceutical businesses.
3. The procedural history of the Action is complicated. The Action came on for trial before Norris J in April 2015. Norris J handed down judgment on the trial on 15th January 2016. Both sides appealed to the Court of Appeal. The appeals were heard in June 2017, and judgment was handed down on 24th November 2017. The substantive judgment was given by Kitchin LJ (as he then was), with whom Patten and Floyd LJJ agreed. By their order of 24th November 2017 the appeals were allowed in part, and certain issues were remitted to Norris J for rehearing.
4. The remitted hearing came before Sir Alastair Norris (as he had become) in July 2018. Sir Alastair handed down judgment on the remitted issues on 20th May 2020. There were then further written submissions made by the parties on the form of the order to be made,

consequential upon the judgment on the remitted issues. On 29th July 2020 Sir Alastair handed down a further judgment, dealing with the terms of the order to be made.

5. The overall result was the order of 28th July 2020 (“**the Order**”). I will need to come back to what was decided by Sir Alastair in his various judgments and by Kitchin LJ in the Court of Appeal. For the purposes of this introduction, it is only necessary to set out paragraphs 2 and 3 of the Order (as amended), which provide as follows (I have added italics to quotations in this judgment):

“2. *The First Defendant shall not in the United Kingdom (whether acting by its directors, officers, employees, agents, or otherwise howsoever) breach clause 7 of the 1970 Agreement by the use within the United Kingdom of (a) the trade mark "Merck" and/or (b) the word "Merck" as a contraction of its corporate name or as a trade or business name (either alone or in combination with other words in formulations not permitted by or without the distinguishing signifiers required by the Agreement) when furthering or promoting its business to third parties.*

3. *~~At~~The Defendants and each of them shall not (whether acting by their directors, officers, employees, agents or otherwise howsoever) infringe UK trade marks Nos. 1123545 and 1558154, and International registered marks (UK) Nos. 770 038 and 770 116 by using the sign MERCK as a trade mark in the course of trade in the United Kingdom.*”

6. Paragraphs 2 and 3 of the Order are subject to paragraph 4 of the Order which, by way of qualification or carve out, contains a series of sub-paragraphs setting out circumstances which do not constitute a breach of either paragraph 2 or paragraph 3. Certain of the provisions of paragraph 4 of the Order played a central role in the arguments on the Application. The relevant Defendants rely, in particular, upon sub-paragraphs (b), (d) and (h) of paragraph 4, which identify the following circumstances as not constituting a breach of paragraph 2 or 3:

“b. *For the Defendants to establish and maintain any “MSD branded” UK-specific websites with links to a website at the domain merck.com (which website uses the mark “Merck” as that mark may lawfully be used within the Permitted Territories in accordance with the Agreement) provided that the use of the link automatically generates a pop-up on the link which informs the user that they are leaving an 'MSD' website, will be landing on a site intended for residents of the Defendants' Permitted Territories, and that the company is known as MSD everywhere, except in the Defendants' Permitted Territories where it is known as Merck & Co Inc Kenilworth, NJ USA.*”

“d. *For the Defendants to use, in the ordinary course of business, email addresses ending “@merck.com” for employees based outside the United Kingdom.*”

“h. *For the Defendants inadvertently to act in breach, if the error is corrected within 7 days of notification in writing by the Claimant to the Defendants or their solicitors, or of the Defendants otherwise becoming aware of such inadvertent error.*”

7. The Claimant’s case in the Application is that the First Defendant has breached paragraph 2 of the Order, by the use of “Merck” as a trade mark and name, in breach of the restrictions in paragraph 2, and that the First, Second or Fifth Defendants have breached paragraph 3 of the Order, by infringing the Claimant’s trade marks. The alleged breaches

are set out in an Annex 2 (“**Annex 2**”). Annex 2 is one of two annexes to the Application for Declaratory Relief (effectively a statement of case in support of the Application) which accompanies the application notice by which the Application has been made.

8. The First, Second and Fifth Defendants deny, on various grounds, that they have breached the Order. In common with their counsel, I will refer to the First, Second and Fifth Defendants, collectively, as “**the MSD Defendants**”.
9. In theory, and given the Claimant’s case that the MSD Defendants are in breach of the Order, the Application could have been made as a contempt application. For the reasons explained in its submissions in support of the Application, the Claimant has confined the Application to a claim for declaratory relief. One of the issues between the parties in the Application is the question of the extent to which I should grant declaratory relief. The position of the MSD Defendants is that I should confine myself to the grant of declaratory relief in relation to the construction of the relevant provisions of the Order, and that I should not venture into the question of whether the Order has been breached.
10. The scope of the Application is extensive. The allegations of breach of the Order occupy 33 rows in the spreadsheet which constitutes Annex 2. These 33 rows contain what have been identified as 55 separate allegations of breach of the Order. The evidence is extensive, comprising some 31 witness statements, with accompanying exhibits. The Claimant’s skeleton argument for the hearing of the Application ran to 73 pages. The hearing of the Application occupied two days of court time.
11. At the hearing of the Application the Claimant was represented by Adrian Speck KC and Benet Brandreth KC. The First, Second and Fifth Defendants (the MSD Defendants) were represented by Geoffrey Hobbs KC and Guy Hollingworth.
12. As will be apparent from the index above, and as a result of the extensive scope of the Application, this judgment is regrettably lengthy. It is far more lengthy than should be the case for an application heard over two days. The ground which has had to be covered has also meant that the preparation of the judgment has taken much longer than I would have wished for a judgment on a two day hearing. The only advantage of this delay was that the judgment was still outstanding when the Supreme Court handed down their decision in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8. The decision of the Court of Appeal in this case featured in the submissions of the parties in the Application. Counsel for the MSD Defendants sought permission to make further submissions on the decision of the Supreme Court, which I granted. I therefore received further written submissions from the MSD Defendants and, in reply, from the Claimant on the implications (such as they may be) of the decision of the Supreme Court for what I have to decide.

The parties

13. The Claimant is a company incorporated in Germany. It operates a pharmaceutical business under the Merck name, subject to geographical restrictions on the use of that name.
14. The First Defendant has fairly recently changed its corporate status to an LLC, by way of merger under New Jersey law. Formerly, the First Defendant was a company

incorporated in New Jersey as Merck & Co. Inc, which was subsequently renamed as Merck Sharp & Dohme Corp.

15. The Second Defendant is a company also incorporated in New Jersey. It is the ultimate parent company of the First, Fourth and Fifth Defendants, and was the ultimate parent company of the Third Defendant until 11th June 2021. The Third and Fourth Defendants are companies registered in England and Wales. The Fifth Defendant is a company registered in the Netherlands.
16. The First Defendant, or the group of companies to which it belongs, also operate a pharmaceuticals business under the Merck name, again subject to geographical restrictions on the use of that name.

The background to the Action

17. In order to understand the issues in the Application it is necessary to set out, at least in summary form, the background to the Action and the judgments in the Action. I start with the background to the Action. This has already been set out at length in the original (and first) judgment of Norris J and in the judgment of Kitchin LJ. What follows is a summarised version of that background, for which summary I am indebted, in particular, to the judgment of Kitchin LJ.
18. The Claimant's business dates back to 1668 when an apothecary shop opened in Darmstadt under the name "*E. Merck*". This was the start of a family business which grew substantially over the years, establishing its own manufacturing facilities and developing markets in a number of countries.
19. In 1889 a member of the family established another business in the USA which was economically supported by but not part of the family business. In time this further business was incorporated as "*Merck & Co., Inc.*". It too was very successful and established its own manufacturing facilities and developed markets in the American continent. By the end of the Great War these two businesses were run separately but cooperated together over their use of the word "*Merck*". In broad terms the American business used the word "*Merck*" in the USA (including its territories and dependencies) and in Canada; and the original German business used the word "*Merck*" in the rest of the world. In the remainder of this judgment I shall refer to Merck, to mean the word "*Merck*", in its role, as the context requires, as a name and/or as a trade mark.
20. The Claimant is the successor of E. Merck. The First Defendant is the successor of Merck & Co Inc. In the previous judgments the Claimant was referred to as "*Merck Global*" and the Defendants were referred to as "*Merck US*". I will use the same expressions in this narrative and, where appropriate, in the remainder of this judgment.
21. From time to time, in their history, Merck Global and Merck US made agreements in an attempt to regularise their respective uses of Merck, and avoid the risk of confusion and conflict between them. They made their first formal agreement in 1932. This agreement, termed the Treaty Agreement, recognised the right of Merck US to the exclusive use of the word Merck in the USA and Canada, and the right of Merck Global to the exclusive use of Merck in the rest of the world.

22. The Treaty Agreement was challenged by the US Department of Justice under the Sherman Anti-Trust Act and in 1945 it was cancelled by a consent decree in the New Jersey District Court. This decree contained provisions which required Merck US to file with the Department of Justice notice of an intention to make any other agreement with Merck Global relating to or affecting its business policy.
23. By this time, Merck Global, as the older business, held trade mark registrations in many countries of the world outside the USA and Canada. Over the next few years both Merck Global and Merck US sought to develop their businesses within and beyond their home territories. Clashes between them were inevitable and litigation ensued. In 1953 Merck US merged with Sharpe & Dohme, a US pharmaceutical company with a large foreign business. Merck US wanted to take advantage of and expand this business and so it made vigorous attempts to secure the right to use the Merck trade mark around the world. But it had only modest success in light of Merck Global's earlier trade mark registrations.
24. Nevertheless, the parties did maintain communications and, from time to time, meetings took place between them. These communications ultimately resulted in an agreement dated 12th September 1955 which, in very broad terms and amongst other matters, regulated the use of Merck as a name and trade mark around the world, as between Merck Global and Merck US. Merck US secured sanction for this agreement from the US Department of Justice and the New Jersey District Court.
25. In 1970 Merck Global sought a modification of the 1955 Agreement to reflect a change in its corporate name. This resulted in a new agreement dated 1st January 1970 which was intended to carry forward the obligations in the 1955 agreement. This 1970 agreement was supplemented by a protocol, in the form of a letter signed by the parties and dated 24th November 1975. It is this 1970 agreement ("**the 1970 Agreement**"), as supplemented by the 1975 protocol ("**the 1975 Protocol**"), which continues to bind the Claimant and the First Defendant in a contractual relationship. It has been established in the Action that both are governed by German law.
26. Clause 1 of the 1970 Agreement establishes the definitions used in the 1970 Agreement. Clause 2 deals with the use of Merck, as a name and trade mark, in the US and Canada in the following terms:
- "United States and Canada:
- 2.)a) *Merck & Co. will not object to the use of the name E. Merck in the United States and Canada by E. Merck as all or part of a firm-name or corporate name provided such names are geographically identified with Germany as follows: "E. Merck, Darmstadt, Germany" all words being given equal prominence.*
- b) *E. Merck recognizes the exclusive right of Merck & Co. to the use of the trademark Merck in the United States and Canada and in such countries will not use or attempt to acquire rights in any trade mark containing Merck."*
27. In relation to Germany clause 3 provides as follows:
- "Germany:
- 3.)a) *E. Merck will not object to the use in Germany by Merck & Co. of*
- (i) *Merck & Co., Inc, or Merck & Co. Limited as all or part of a firm name or corporate name provided such names are geographically identified with the United States or Canada as follows: "Merck & Co., Inc.,*

- Rahway, N.J., U.S.A.”, and “Merck & Co. Limited, Montreal, Canada”, all words being given equal prominence.*
- (ii) *“Merck Sharp & Dohme” as all or part of a firm name, corporate name or name of a corporate subdivision, provided such names are geographically identified with a country other than Germany, all words being given equal prominence.*
- b) *Merck & Co. recognizes the exclusive right of E. Merck to the use of the trademark Merck in Germany and in such country will not use or attempt to acquire rights in any trademark containing Merck.”*

28. In relation to all other countries, clauses 4 - 12 provide as follows:

“All other countries:

- 4.) *In all other countries E. Merck recognizes that “Merck Sharp & Dohme” as a trademark or name is not confusingly similar to any of the trademarks or names used or owned by E. Merck and E. Merck will not object to Merck & Co.’s use and registration of Merck Sharp & Dohme as all or part of a trademark, tradename or corporate name. When requested E. Merck shall so state in writing. The embellishments of design of such trademarks shall not imitate marks owed by E. Merck.*
- 5.) *In all other countries E. Merck will not object to the use by Merck & Co. as all or part of a firm-name or corporate name of “Merck & Co., Inc.” used in association with words such as “Rahway, N.J., U.S.A.” which identify it geographically with the United States or “Merck & Co. Limited” used in association with words such as “Montreal Canada” which identify it with Canada, all words being given equal prominence.*
- 6.) *In all other countries Merck & Co. recognizes that E. Merck is entitled to use the word “Merck” or combinations such as “E. Merck” as a trademark or name provided that any such marks or names adopted in future shall not be confusingly similar to marks or names adopted or used by Merck & Co. under Paragraphs 4 and 5 above. When requested Merck & Co. shall so state in writing.*
- 7.) *In all other countries Merck & Co. has undertaken to cancel all existing registrations, withdraw all applications and discontinue all use of the trademarks “Merck”, “Merck Cross” and “MerckMerckMerck”,*
- 8.) *In all other countries Merck & Co. has undertaken to discontinue all use of the following corporate names:*
Merck (Pan America) Inc.
Industries Pharmaceuticas Merck (Norte Americana) S.A.
Merck & Co. (Great Britain) Ltd
- 9.) *It is understood that the requirements of paragraph 8 hereof will be fulfilled wherever the words “Merck Sharp & Dohme” are substituted for the word “Merck”.*
- 10.) *Cuba and the Philippines.*
Merck & Co. and E. Merck each recognize the concurrent right of the other to the unrestricted use of Merck as a tradename and as a trademark in Cuba and the Philippines; each will take appropriate steps to distinguish its goods from those of the other and avoid confusion.
- 11.) *Merck & Co. and E. Merck will cooperate in the prompt termination of all litigation now pending between them involving trademarks or tradenames containing Merck. Each party will defray all expenses previously incurred*

to include such expenses as have already been paid or are still to be paid in compliance with a court decree already issued.

12.) *It is understood that Merck & Co. had submitted the original agreement of September 12, 1955 – which is herewith replaced by this new agreement – to the United States Department of Justice for review and with the concurrence of the Department obtained an appropriate court order that Merck & Co. is authorized to execute and carry out the original agreement. This new agreement, which provides for formalistic amendments caused by a change of the company name of the German party, has been submitted to the United States Department of Justice for review. The Department has agreed that since the changes are formal only, they do not require approval by the Court.”*

29. It is clause 7 of the 1970 Agreement which is referred to in paragraph 2 of the Order, and which, as incorporated into paragraph 2, is alleged, in the Application, to have been breached by the First Defendant.
30. Moving on to the 1975 Protocol, the purpose of this further agreement was to resolve some problems of a practical nature which had emerged over the preceding five years. The parties agreed (by clause 1) that they could use domestic stationery in foreign correspondence; (by clause 2) that domestic representatives travelling abroad could use domestic visiting cards in the country of travel; (by clause 3) a practical interpretation of the phrase “*all words being given equal prominence*” in the 1970 Agreement; and (by clause 5) that each of the parties would not object to the use by the other of Merck as a trade mark in advertisements in journals emanating from its own territory.
31. The parties implemented the 1970 Agreement and the 1975 Protocol in a generally co-operative way but, in November 2009, Merck US merged with a competitor, Schering-Plough, to form one of the largest healthcare organisations in the world. From this time Merck Global became increasingly concerned at what it perceived to be a substantial growth in the use by Merck US of Merck outside the USA and Canada. No satisfactory resolution of this dispute was reached and, in 2013, the Claimant commenced the Action against the Defendants. As I understand the position, there are or have been similar proceedings brought by Merck Global against Merck US in a number of other jurisdictions. I understand that there are also proceedings in the USA, where Merck US is the claimant.

The judgments in the Action and the Order

32. I start with the judgment of Norris J, on the original trial of the Action, handed down on 15th January 2016 (“**the First Judgment**”). The neutral citation is [2016] EWHC 49 (Pat). For the reasons set out in the First Judgment, which is lengthy, Norris J found that the First Defendant had breached the 1970 Agreement, by using Merck in the UK as a business name and as a trade mark in an impermissible way. The judge also found that the Defendants had infringed each of the Claimant’s registered trade marks. The First Defendant counterclaimed in the Action for the registration of the Claimant’s trade marks to be revoked, in their entirety or in part. On the counterclaim the judge found that those registrations must be revoked in respect of some of the goods and services in their respective specifications, on the ground of non-use, but not in such a way as to affect the findings of infringement.

33. I understand that the order consequential upon the First Judgment was settled by the judge on 3rd March 2016. Both sides appealed against this order. By their appeal, the Defendants launched a comprehensive attack on the First Judgment and the consequential order. The cross appeal of the Claimant was more limited. For the reasons set out in his judgment in the Court of Appeal (“**the CA Judgment**”), the neutral citation of which is [2017] EWCA Civ 1834, Kitchin LJ concluded that the appeal and cross appeal should each be allowed in part. Kitchin LJ also concluded that the following issues should be remitted to Norris J for rehearing:
- (1) the issue of partial revocation of the registered trade marks;
 - (2) whether the impugned activities of the First Defendant constituted use in the UK in the course of trade in relation to any relevant goods or services;
 - (3) whether any uses of the kind identified in (2) above were negligible or trivial, and thereby fell to be regarded as *de minimis*;
 - (4) the appropriate form of any relief to be granted by way of final order in respect of (a) the claim for breach of contract; and (b) the claim for infringement of registered trade mark.
34. In his judgment on the remitted issues (“**the Remitted Issues Judgment**”), so far as relevant to the Application, Sir Alastair applied the guidance given by Kitchin LJ on partial revocation and addressed each of the 32 sample activities relied upon for the trade mark infringement claim. The judge decided that 23 of the sample activities did constitute infringement of trade marks in the UK. In reaching this decision the judge rejected, at [88] and [89], the argument that the infringements could be dismissed as negligible or trivial, and thus *de minimis*.
35. So far as the question of relief was concerned, there was a considerable dispute between the parties as to whether injunctive relief should be granted and, if so, in what form. The judge considered these questions, in considerable detail, at [97]-[129] of the Remitted Issues Judgment. In particular, the judge decided that the situation was one which required the grant of injunctive relief. It is fair to say that the judge’s reasoning included some criticism of the conduct of the Defendants; which was a point emphasized by the Claimant in its submissions in support of the Application. Beyond this, the Remitted Issues Judgment is a useful guide to what Sir Alastair had in mind, in terms of the injunctive relief which was subsequently embodied in the Order. The neutral citation of the Remitted Issues Judgment is [2020] EWHC 1273 (Ch).
36. The drafting of the order to be made consequential upon the Remitted Issues Judgment, that is to say what would become the Order, generated further issues between the parties. These issues were determined by Sir Alastair, on written submissions, in the last of his three judgments (“**the Form of Order Judgment**”). Again, the Form of Order Judgment, the neutral citation for which is [2020] EWHC 2120 (Ch), is a useful, if shorter guide to what Sir Alastair had in mind, in terms of the injunctive relief in the Order.
37. Turning to the Order itself I repeat, for ease of reference, the injunctive relief granted in paragraphs 2 and 3 of the Order.
- “2. *The First Defendant shall not in the United Kingdom (whether acting by its directors, officers, employees, agents, or otherwise howsoever) breach clause 7 of the 1970 Agreement by the use within the United Kingdom of (a) the trade mark "Merck" and/or (b) the word "Merck" as a contraction of its corporate name or as a trade or business name (either alone or in*

combination with other words in formulations not permitted by or without the distinguishing signifiers required by the Agreement) when furthering or promoting its business to third parties.

3. ~~A~~*The Defendants and each of them shall not (whether acting by their directors, officers, employees, agents or otherwise howsoever) infringe UK trade marks Nos. 1123545 and 1558154, and International registered marks (UK) Nos. 770 038 and 770 116 by using the sign MERCK as a trade mark in the course of trade in the United Kingdom.”*

38. I also set out (this time in full) paragraph 4, which qualifies the terms of paragraphs 2 and 3:

- “4. It shall not be a breach of paragraph 2 or 3 of this Order:*
- a. To carry out any acts authorised or permitted by the Agreement including without limitation using in the UK the designations (a) “MSD”; (b) "Merck Sharpe & Dohme"; or (c) either "Merck & Co Inc" or "Merck & Co Limited” accompanied (in the case of the uses set out at (c)) by a geographical identifier which substantially complies with the requirements of the Agreement.*
 - b. For the Defendants to establish and maintain any “MSD branded” UK-specific websites with links to a website at the domain merck.com (which website uses the mark “Merck” as that mark may lawfully be used within the Permitted Territories in accordance with the Agreement) provided that the use of the link automatically generates a pop-up on the link which informs the user that they are leaving an 'MSD' website, will be landing on a site intended for residents of the Defendants' Permitted Territories, and that the company is known as MSD everywhere, except in the Defendants' Permitted Territories where it is known as Merck & Co Inc Kenilworth, NJ USA.*
 - c. For the word “merck” to appear in metadata of source code of websites as they exist at the date of this Order that are under the control of the First Defendant if (but only if) reasonable steps have been taken to remove it but those steps have been unsuccessful because the word is embedded in code or forms part of an essential URL.*
 - d. For the Defendants to use, in the ordinary course of business, email addresses ending “@merck.com” for employees based outside the United Kingdom.*
 - e. For the Defendants to continue to receive emails sent to the email address medicalinformationuk@merck.com for a period of five years following the date they are notified of regulatory approval being granted for use in the UK of a replacement of that email address by an email address not featuring the sign MERCK, (“the Replacement Address”). This clause to apply provided that the Defendants take reasonable steps to obtain regulatory approval at the earliest opportunity for the Replacement Address.*
 - f. To make internal use not accessible by third parties of the domain name "merck.com" or email addresses or other identifiers ending “@merck.com”: (i) in usernames for authentication of applications; (ii) for creating and arranging virtual meetings; (iii) to continue to receive emails and to forward them to an alternative email address; (iv) in automatically generated non-delivery emails.*

- g. *For the Defendants to make available in the UK information required to be available pursuant to the Fair Disclosure obligations under the US Securities and Exchange legislation of the First Defendant via the site at the domain 'investors.merck.com'.*
- h. *For the Defendants inadvertently to act in breach, if the error is corrected within 7 days of notification in writing by the Claimant to the Defendants or their solicitors, or of the Defendants otherwise becoming aware of such inadvertent error.*

39. The declarations made by the Judge in the Order are in the following terms:

- “1. *The First Defendant has in the United Kingdom breached clause 7 of its contractual obligations contained in the Agreement dated 1 January 1970 and the Letter dated 24 November 1975 ("the 1975 Protocol") (the Agreement dated 1 January 1970 and the 1975 Protocol being together called "the Agreement") by:*
 - (a) *Use of the word “Merck” as a contraction of its corporate name or as a trade or business name (either alone or in combination with other words in formulations not permitted by or without the distinguishing identifiers required by the Agreement) when furthering or promoting its business to third parties.*
 - (b) *Use of the word “Merck” as a trade mark in relation to goods and services.*
- 2. *The Defendants have infringed the Claimant's UK trade marks Nos 1123545 and 1558154 and International registered marks (UK) Nos 770 038 and 770 116 by the use of the sign MERCK as a trade mark in the course of trade in the United Kingdom.”*

40. Paragraphs 5 and 6 of the Order provide further guidance on compliance with paragraphs 2 and 3:

- “5. *In relation to any website under any domain name (“the site”) the content of which includes uses of the mark “Merck”: it shall be sufficient compliance with the injunctions set out at paragraphs 2 and 3 above if the site adopts compliant geo-blocking of visitors from the UK in accordance with Schedule [2] to this Order.*
- 6. *In relation to social media platforms which enable country restrictions, it shall be sufficient compliance with the injunctions set out at paragraphs 2 and 3 above for such country restrictions as are offered to be used to the fullest extent to prevent access by visitors from the United Kingdom. In relation to social media platforms which do not offer country restrictions, it shall not be a breach of the injunctions at paragraphs 2 and 3 above for the word 'Merck' to appear on such social media pages if (a) it is made clear that those pages are intended for residents of the Permitted Territories and (b) alternative social media pages are maintained which use a designation which is not prohibited by the forgoing injunctions (such as, without limitation, "MSD") instead of "Merck".”*

41. Permitted Territories are defined by paragraph 24 of the Order to mean the United States “as that territory is defined in clause 1e) of the Agreement together with Canada, Cuba and the Philippines”. The Agreement is defined in the first of the declarations in the Order, as set out above, to mean the 1970 Agreement and the 1975 Protocol.

42. In terms of the date on which the provisions of the Order took effect, paragraph 7 of the Order provided as follows:
- “7. The provisions at paragraphs 2 to 6 of this Order shall take effect 31 days after the date of this Order, save with respect to the use by the Defendants of any “@merck.com” email address for which the effective date of the provisions at paragraphs 2 and 3 of this Order is three months after the date of this Order.”*
43. Finally, I should mention paragraph 22 of the Order, which granted the parties permission to apply. The Claimant relies upon this paragraph, together with CPR 40.20, as the jurisdictional basis for the Application. Paragraph 22 provides as follows:
- “22. The parties have permission to apply for further directions and generally with regard to the implementation and operation of the provisions of this Order.”*
44. In the remainder of this judgment, references to Paragraphs, without more, are references to the paragraphs of the Order, and references to Sub-paragraphs, without more, are references to the sub-paragraphs of Paragraph 4.

What is to be decided in the Application?

45. As I have mentioned, in the introduction to this judgment, one of the issues between the parties in the Application is the question of the extent to which I should grant declaratory relief. The Application seeks declarations that the First Defendant is in breach of Paragraph 2, and that the MSD Defendants are in breach of Paragraph 3; in each case in the manner alleged in Annex 2.
46. The case of the MSD Defendants on this issue, as developed by Mr Hobbs in oral submissions, was that case law demonstrates a principle that the court should be very wary as to whether it should, in the exercise of its discretion, grant declaratory relief of the kind sought on the Application. In circumstances where it is said that an order of the court has been breached, the appropriate remedy for a party seeking to enforce the terms of the order is a contempt application. In the present case the allegations of breach of the Order were tantamount to allegations of contempt, but were sought on an application for declaratory relief. As a result, the Application was not a contempt application and the MSD Defendants were deprived of the benefit of the higher standard of proof and procedural safeguards which would have applied if a contempt application had been made.
47. In this context my attention was drawn, in particular, to extracts from the transcript of a case management hearing in relation to the Application, which was heard by Meade J on 23rd May 2022 (“**the Case Management Hearing**”). In the relevant parts of the transcript (pages 11-13 and 40-51) the question was addressed as to what the Claimant was seeking to achieve, by the Application, given the allegations of breach of the Order. The essential question was whether the Application was a disguised contempt application. Mr Hobbs, for the MSD Defendants, expressed his concerns to Meade J that the Application was seeking declarations that the MSD Defendants were in breach of the Order, without making a contempt application. Mr Hobbs called for clarification as to what was intended by the references to the MSD Defendants being in breach of the Order. As Mr Hobbs articulated his concern, he did not “*want to be called a contemnor by*

another name". Meade J agreed that there should be clarification, in writing, of what the Claimant intended by its references to breaches of the Order in the declaratory relief sought. The discussion ended with Meade J assuming that the Claimant would produce a revised and less charged form of words for the form of relief sought. As I understand the position this has not happened. The terms of the relief sought by the Application have remained as they were prior to the Case Management Hearing. It should also be recorded that the directions order made by Meade J at the Case Management Hearing did not contain any direction for clarification or reformulation of the relief sought in the Application.

48. I note that Meade J gave a short judgment at the Case Management Hearing, dealing with various case management topics. In relation to the question of what the Application was seeking to achieve, the judge said this:

"3. There has been concern expressed, I have no doubt in good faith, by US Merck that this application is an application for a finding of contempt dressed up as something else. Whether that was right or wrong, I am satisfied, for reasons that were explored during the course of argument, that that is not the way that it is going to be taken forward and that this is an application to determine where the boundary lies as a result of Sir Alastair Norris's order. It is certainly not for punishment for contempt for the past. It is simply so that Merck Global and indeed Merck US can know where the line is for the future in the light of the disputes about it that are identified in the pleadings in this application."

49. The ultimate position of the MSD Defendants, as explained by Mr Hobbs in oral submissions, was that I should confine myself to declarations as to the meaning and effect of the relevant provisions of the Order. Mr Hobbs suggested that I could test my conclusions on the meaning and effect of the Order against examples, but he urged me not to do so by reference to the alleged breaches in Annex 2. If, contrary to the case of the MSD Defendants, I was minded to make any decisions on the breaches of the Order alleged in Annex 2, Mr Hobbs submitted that I should offer no more than the most guarded conclusions, giving indications as to the way in which I might have approached particular situations relied upon as breaches of the Order. As Mr Hobbs put the matter, I should do no more than *"lean towards or prefer the conclusion that there was non-compliance or a breach rather than the opposite"*, in terms of making decisions on alleged breaches of the Order in Annex 2.

50. It is therefore common ground between the parties that I should grant declaratory relief on the Application. There is however an acute conflict as to the extent of that relief. The MSD Defendants contend, in effect, that I should treat the Application as the equivalent of a Part 8 construction application or, to use the expression favoured by Mr Hobbs, a construction summons. The Claimant contends that I should decide whether the MSD Defendants are in breach of the Order, as alleged in Annex 2.

51. It seems to me logical that I should take this issue first, given that its outcome determines the scope of the remainder of this judgment.

52. The starting point is that the grant of declaratory relief is discretionary. CPR 40.20 simply gives the court a discretion to make binding declarations. It provides that *"The court may make binding declarations whether or not any other remedy is claimed"*. Equally

paragraph 22 of the Order, if and to the extent that it can be relied upon as a jurisdictional basis for the Application, does not seem to me to contain anything which compels the grant of declaratory relief on any particular application. It follows that I am under no obligation to grant declaratory relief, in any particular form, in the present case. The matter is one for my discretion. That discretion falls to be exercised by reference to the circumstances as they exist at the date of the hearing of the Application.

53. Turning to the specific circumstances which confront me in the present case I have found useful, in terms of general guidance, what was said by Hildyard J in *Bank St Petersburg v Arkhangelsky* [2014] EWHC 574 (Ch). In his judgment in that case, one of the questions which Hildyard J had to consider was whether he should make a declaration that a freezing order which was in existence had been breached, notwithstanding that the claimants had not sought to establish contempt nor the sanction of committal. In this context the judge identified the question which he had to answer in the following terms, at [6]:

“6. Before considering that issue, however, a prior question has been raised on behalf of the Defendants: and that is whether the Court should entertain and seek to determine the application at all, in circumstances where (a) the usual recourse for alleged breach of a freezing order is an application for committal based on contempt of court; but (b) the Claimants have disavowed any intention, present or future, to apply on these grounds for committal; and (c) the rigorous procedural requirements for such an application have accordingly not been fulfilled.”

54. The judge went on to set out the competing considerations, at [7]-[11]:

“7. Taking (c) first, it is well known and of fundamental importance that on an application for committal, which potentially concerns a person’s liberty, the procedural requirements laid down by CPR 81 must be scrupulously fulfilled. In particular, proper service must be effected on proper notice, and the grounds on which the application is made must identify, separately and numerically, each alleged act of contempt, including (if known) its date: CPR 81.10.

8. When the Claimants’ application came before the court on 20 December 2013 the Defendants strenuously argued that these requirements had not been fulfilled, and that in such circumstances they should not have to answer what amounts to an application for committal, even if not so-called. The Claimants accepted that they had not fulfilled all the procedural requirements applicable to such an application; but they made the obvious point that they were not seeking to establish contempt nor seeking committal.

9. Nevertheless, to ensure a fair process, I adjourned the application over from December and I required the Claimants to set out in full the detail of the alleged breach. With those safeguards, and subject to my continuing concern that the Claimants do not proceed by incremental steps towards a committal application which they have disavowed (what I termed “a game of grandmother’s footsteps”), I do not think the application should be refused on grounds of unfairness or procedural failure.

10. However, and as to (a) in paragraph 6 above, Mr Stroilov (acting with my permission as the McKenzie friend of the Defendants, with, in very unusual circumstances, a speaking role) also relied on *Elliot v Klinger and Others* [1967] 1 WLR 1165. In that case, Stamp J (as he then was) declined to grant

an injunction against a third party who was alleged to have aided and abetted a breach of an undertaking given by a party to the action, and held that the proper remedy was by way of motion for committal or sequestration. Mr Stroilov submitted that the Claimants should, by parity of reasoning, not be permitted to seek declaratory relief in respect of a breach of the Freezing Order without applying for committal and affording the Defendants all the protections required in any such application (both procedural and substantive, since the criminal standard of proof is required).

11. *I do not consider that Elliot v Klinger is really in point. In that case the injunction was sought against a non-party; there is usually no jurisdiction to grant such an injunction; the applicant sought to surmount this impediment by invoking the jurisdiction of the court to prevent or punish the breach of its orders in proceedings for contempt, but without seeking committal. The application failed. But that is a long way from this case. There is plainly jurisdiction in the Court to grant declaratory relief against an existing party to the proceedings, whether or not any other remedy is claimed; and see as to the latter CPR 40.20.”*

55. The judge concluded that he should not grant the declaration sought, essentially on the basis that it would serve no useful purpose. As he explained, at [12] and [13]:

“12. *That said, however, the making of a declaration is always discretionary, and when considering whether to grant a declaration or not, the Court takes into account justice to the claimant, justice to the defendant, whether the declaration would serve a useful purpose, and whether there are any other special reasons why or why not the court should grant such relief: see Nokia Corp v InterDigital Technology Corp [2006] EWCA Civ 1618.*

13. *In this case, I can see no real utility in making a declaration, even if the alleged breaches could be established; and I can see possible injustice to the Defendants if there is any possibility (as I am concerned there would be) of the grant of such a declaration being treated as if it were a finding of contempt. It was and remains open to the Claimants to establish contempt and seek committal: I see no reason for or utility in the half-way house they propose. To that extent, the Claimants’ application fails and must be dismissed.”*

56. The Claimant’s counsel stressed, both in oral submissions and in supplemental written submissions which dealt with this issue, that the approach of the Claimant, in applying for declaratory relief rather than launching a contempt application was intended to be low key and to avoid raising the temperature unnecessarily. There was real utility, it was submitted, in the court making a decision on the question of whether the activities complained of in Annex 2 did amount to breaches of the Order. The Claimant’s stance, as was made clear prior to the hearing and as was confirmed in the hearing, was that it would not seek an order for committal or any other contempt penalty in respect of acts found to constitute breaches of the Order which occurred prior to the date of judgment on the Application. Thereafter, if the same conduct was repeated, the Claimant reserved its right to make a contempt application but, so it was submitted, at that stage the MSD Defendants would be in no doubt that the relevant conduct amounted to a breach of the Order.

57. In support of this approach, in the context of an intellectual property dispute, I was referred to two decisions of Arnold LJ. The first is the decision of Arnold J (as he then was) in *Hotel Cipriani SRL v Fred 250 Limited* [2013] EWHC 70 (Ch). The case concerned a trade mark dispute and, specifically, a series of disputes between the parties as to whether the defendants had been complying with an injunction previously granted by the judge. One of the claimants in the case applied for a declaration that certain acts constituted a breach of an injunction previously granted by the judge. The other party, one of the defendants in the case, applied for a declaration that certain conduct would not be a breach of the injunction. Arnold J dealt briefly with the nature of his jurisdiction to grant such declaratory relief, at [19]:

“19. It is common ground that the Court has jurisdiction to determine both applications. The Court has inherent jurisdiction to grant a declaration where there is a “real commercial reason” for seeking such relief: see Nokia Corp v InterDigital Corp [2006] EWCA Civ 1618, [2007] FSR 23. It is common ground that both sides have a real commercial reason for ascertaining whether the Injunction does or does not prohibit certain acts. Given that the purpose of the applications is to obtain declarations as to the effect of the Injunction, the applications are properly made in the existing proceedings.”

58. The second decision was the decision of the Court of Appeal in *Lifestyle Equities CV v Amazon UK Services Limited* [2022] EWCA Civ 634. In giving the judgment of the Court of Appeal on certain consequential issues in the case, Arnold LJ made the following reference to the *Hotel Cipriani* decision, at [14]:

“14. I would add that, in the event of a material change of circumstances, it will be open to Amazon to apply to vary or discharge the injunction. Furthermore, if there is a dispute as to whether Amazon have complied with the injunction, the parties will be able to seek the court’s resolution of the dispute by means of an application for declaratory relief (rather than a contempt application): see Hotel Cipriani Srl v Fred 250 Ltd [2013] EWHC 70 (Ch), [2013] FSR 34.”

59. Mr Hobbs submitted that neither of these decisions would bear the weight sought to be placed upon them by the Claimant. As he put the matter, no judgment is authority for a proposition that was not argued in front of the judge and resolved by a decision. I will come back to this argument later in this section of the judgment, but for present purposes it seems to me that Mr Hobbs was right to point out that there was no argument over the form of relief to be granted in either case. In *Hotel Cipriani*, the question of whether the court should grant declarations of the kind sought was not in dispute. Both parties were seeking to achieve this result by their respective applications. In *Lifestyle Equities*, Arnold LJ was stating a proposition in relation to an application which was not before the court and, I assume, was not argued before the court.

60. I should mention at this point an excursion which Mr Hobbs made into another part of the judgment in *Hotel Cipriani*. At [20] and [21] in his judgment Arnold J considered the question of determining the effect of the injunction which the defendants were said to have breached. Arnold J noted that there was no dispute over the construction of the injunction. The drafting of the injunction required the court to decide whether the relevant acts complained of amounted to infringement or passing off or the use of a confusingly similar trade mark. At [21] Arnold J went on to record that it was common

ground that the court must decide those questions in the light of the findings in his judgment in the proceedings, as upheld by the Court of Appeal. Arnold J pointed out that those findings were *res judicata*, with the consequence that the defendants were bound by issue estoppels from challenging such findings. The court had therefore to start from these findings, and make any necessary further findings which were required in order to determine whether the relevant conduct had breached the injunction. Arnold J added that if Millett J had said anything different in *Chelsea Man plc v Chelsea Girl Ltd* [1988] FSR 217 (at 227-228), he respectfully disagreed with Millett J.

61. *Chelsea Man* was concerned with an application for sequestration of assets and committal which was brought by the plaintiffs, who sold menswear under the name Chelsea Man. In the proceedings Whitford J granted an injunction against the defendants, restraining them from passing off their goods or business as or for the goods or business of the plaintiffs by the use of the name Chelsea Man. The plaintiffs brought an application for sequestration of assets and committal against two of the defendants on the basis that they had breached the terms of the injunction. The respondents to the application sought to argue that the plaintiffs could not rely on the facts established at the trial of the proceedings as *res judicata* because the plaintiffs had failed to prove any reputation in the name Chelsea Man outside three specified areas, which did not include the areas where the respondents had carried out the activities which were alleged to have breached the injunction.
62. This argument was rejected by Millett J. As he explained at page 227 of the report:
“I reject this argument which, in my judgment, involves the repetition of the first of the very same arguments which were rejected by the Court of Appeal. The question does not, in my view, depend upon the doctrine of res judicata but upon the true construction of the injunction, which ought to be given the same effect whether made at the trial of the action or made at the interlocutory stage or by consent, when the doctrine of res judicata has no application.”
63. Millett J then went on to make the point that the injunction was nationwide in its effect. The injunction, by its wording, presupposed the existence of a sufficient reputation of the plaintiffs in the name Chelsea Man and a sufficient likelihood of confusion by its use to justify the assumption that the use by the defendants of this name was capable of constituting a passing off of the goods or business of the defendants as the goods or business of the plaintiffs. By virtue of the wording of the injunction, this assumption applied on a nationwide basis, and included the areas where the respondents’ conduct had occurred.
64. Mr Hobbs argued that the approach of Arnold J in *Hotel Cipriani* was at odds with the approach of Millett J in *Chelsea Man*, and that Millett J had adopted the correct approach to *res judicata*. In cases of this kind, so Mr Hobbs submitted, the sole question was construction of the relevant order. The question was not interpretation of the judgment and the application of principles of *res judicata* and issue estoppel from the judgment preceding the relevant final order.
65. I found it difficult to understand the purpose of this excursion into the *Chelsea Man* decision, either in the context of whether there was a conflict between this decision and *Hotel Cipriani* or in the context of the dispute over the extent of what I should decide in the Application. I am unable to see where the conflict lies between *Chelsea Man* and

Hotel Cipriani. In *Chelsea Man*, the point being made by Millett J, in the extract from his judgment highlighted by Mr Hobbs, was that the terms of the injunction precluded the respondent's argument that the plaintiffs had to prove reputation and risk of confusion in the areas where the respondents' conduct had occurred. The injunction, on its true construction, assumed these matters on a nationwide basis. As Millett J correctly pointed out, this conclusion followed from the terms of the injunction, the meaning of which did not change whenever and however it was made, not from the application of the doctrine of *res judicata*. In *Hotel Cipriani*, as Arnold J explained in [20], the terms of the injunction required the court to decide whether the acts complained of amounted to infringement or passing off. This required reference to Arnold J's findings in his judgment, which were, necessarily, the subject of issue estoppels against the defendants. This analysis followed from the terms of the injunction granted. As Arnold J correctly went on to point out, the court had to start with the findings in the judgment and "*then make any necessary further findings which are required in order to determine whether or not the acts infringe*". There was therefore no question of Arnold J assuming that the question of breach of the injunction was necessarily settled by resort to his earlier judgment.

66. I am equally unable to see how the conflict alleged by Mr Hobbs affects the question of the extent of what I should decide on the Application. It is fair to point out that the question of whether declaratory relief should be granted was not argued in *Hotel Cipriani*. Beyond that I cannot see any conflict between *Hotel Cipriani* and *Chelsea Man*. Nor can I see anything in the reasoning of Arnold J in *Hotel Cipriani* which undermines the Claimant's case on the question of the extent of what I should decide in the Application.
67. Returning to that question, and in relation to what the MSD Defendants' counsel identified as the inhibiting effect of the criminal/quasi-criminal overlap on granting declaratory relief, Mr Hobbs referred me to four cases in particular, one of which was *Bank St Petersburg*, to which I have referred above. Of the remaining three it is convenient to start with *Financial Services Authority v Rourke* [2002] C.P. Rep. 14. The facts of the case and the applications before the court were helpfully summarised by Neuberger J (as he then was), at page 4 of the report:

"Mr John Rourke, the defendant, is a bookkeeper, who appears to have started an unauthorised deposit business in a small way in 1994; the business become more extensive by about 1998. Pursuant to its powers under section 42, the FSA interviewed Mr Rourke on 14th and 15th March 2001. The FSA decided that he had borrowed and lent money in the way of business, and therefore that he had contravened section 3. The FSA also formed the view that he had breached section 35. Accordingly, on 2nd April the FSA issued proceedings for quite wide-ranging relief. Two days earlier, before proceedings had been served the FSA applied, without notice, to Pumfrey J for an order against the defendant. The order, which was duly granted by the judge, restrained the defendant from accepting any fresh deposits, repaying any existing deposits or interest, or incurring any further liability or meeting any existing liability, save as permitted by the terms of the order. The order also included a freezing and disclosure order against the defendant in substantially the same form. The order was renewed inter partes and was served on 4th April together with the proceedings.

The FSA now applies for: (1) an order that the freezing and disclosure orders granted by Pumfrey J be continued; (2) for summary judgment for injunctive relief; (3) summary judgment for declaratory relief; (4) the committal of the defendant for

contempt, arising from breaches of Pumfrey J's order. The relief claimed under (1) and (2) is no longer contested by the defendant. The relief sought under (3) is challenged on two separate grounds, one of some general significance. The relief claimed under (4) is not challenged, but the question of the appropriate sanction for contempt is in dispute.”

68. Neuberger J then turned to the question, which he described as one of general interest, of whether the FSA should be granted declaratory relief to the effect that the defendant had committed breaches of the Banking Act 1987 and had made knowingly false statements. After citing Lord Woolf in *Messier-Dowty v Sabena* [2001] 1 All ER 275, the judge said this, at page 6 of the report:

“In Messier-Dowty v Sabena [2001] 1 All ER 275 the issue was whether a negative injunction should be granted. Lord Woolf said this:

“The deployment of negative declarations should be scrutinised and their use rejected where it would serve no useful purpose. However, where a negative declaration would help to ensure that the aims of justice are achieved, the courts should not be reluctant to grant such declarations. They can and do assist in achieving justice. ...

So in my judgment the development of the use of declaratory relief in relation to commercial disputes should not be constrained by artificial limits wrongly related to jurisdiction. It should instead be kept within proper bounds by the exercise of the courts' discretion.”

It seems to me that, when considering whether to grant a declaration or not, the court should take into account justice to the claimant, justice to the defendant, whether the declaration would serve a useful purpose and whether there are any other special reasons why or why not the court should grant the declaration.”

69. Neuberger J then turned to the question of whether the declarations should, as a matter of discretion, be granted. The judge summarised first the reasons in favour of granting the declarations. He then turned to the reasons against granting the injunctions. The reasons against were, as he put it, *“essentially tied up with the fact that this is a civil jurisdiction and that the matters complained of...are also capable of being met with criminal sanctions”*. In this context the judge referred to the decision of the House of Lords in *Imperial Tobacco Company v Attorney-General* [1981] All ER 866. In that case the House of Lords refused to grant a declaration, on the application of the plaintiff, that a scheme which it was running was not a lottery with a view, in effect, to pre-empting criminal proceedings which had been brought against it on the basis that the scheme was a lottery. At pages 9 and 10 of the report, Neuberger J summarised the decision of the House of Lords and its impact on the defendant's argument in the following terms:

“That case is therefore authority for the propositions that the court has a very wide power to grant declaration, confirming therefore the conclusion I reached, and that, in circumstances such as those in that case, it would be inappropriate to grant a declaration.

In my view, the present case is plainly distinguishable from that case. First, there are no criminal proceedings under way in the present case, and although the FSA may decide to bring criminal proceedings, there is no suggestion that they are about to do so. Secondly, what is sought is not a declaration concerned with criminal activity as such, as in that case (was the scheme a lottery contrary to the criminal law), merely a declaration as to events which have taken place, which events are properly under consideration by the High Court. The Banking Act has

[t]he rather unusual, if understandable, twin tracking with the same sections being able to be revised before the criminal court and before the High Court. Thirdly, the declaration, if granted in the present case, would not in any way inhibit any criminal proceedings. It seems to me that the declarations would not even be admissible in criminal proceedings.

This is a case where the civil court has to decide on the balance of probabilities whether or not the facts embodied in the prepared declarations have been established. Of course, when considering that question on the balance of probabilities, because dishonesty is involved, the court has to be particularly strongly persuaded of the truth of those facts, before it is satisfied. Nonetheless it judges the question on the “balance of probabilities”. In a criminal court, of course, the issue is to be judged by reference to “beyond reasonable doubt”.

Accordingly, this case is a long way from Imperial Tobacco. In this case the declaration would not even be admissible in the criminal case, if there were one. In Imperial Tobacco the declaration was being sought solely for the purpose of assisting a defendant in criminal proceedings, which has already been brought.

Fourthly as Mr Vineall points out, in Imperial Tobacco, the court was being invited to make a declaration as to law as to rights, whereas in this case the court is simply being asked to make a declaration as to facts. Findings of fact by a civil court do not confuse the course of any criminal proceedings, not least because they are inadmissible for the reasons I have given. The potential confusion if the declaration had been granted in Imperial Tobacco, as identified by Viscount Dilhorne and Lord Lane, could simply not arise.”

70. It is important to note, in this context, the distinction drawn by the judge between the declarations sought in *Rourke*, which were declarations as to fact, and the declaration as to law which was sought in *Imperial Tobacco*. As the judge pointed out, findings of fact made by a civil court could not confuse the course of any criminal proceedings, not least because they would not be admissible in criminal proceedings.

71. Neuberger J then went on to reject the defendant’s second argument, to the effect that granting the declarations sought would render it impossible for the defendant to have a fair trial. This argument was not accepted (page 10 of the report):

“The point is not without force, but I reject it. It seems to me that, if the declarations are granted and the FSA then decide to bring criminal proceedings, it is at that point that the defendant can raise the issue that he cannot have a fair criminal trial. I cannot sensibly decide now, before the declarations have even been granted, let alone before they have been publicised, whether the publicising of the declaration would result in it being impossible for the defendant to have a fair criminal trial. It would be a far easier thing for that to be decided once the facts are known and the matter can be judged, not on the basis of what may happen, but on the basis of what actually has happened.

Further, it seems to me that it is much more sensible for a criminal court, which would be trying the case, to decide whether or not the defendant could have a fair criminal trial at the time that the trial is about to take place, rather than for a civil court to decide that issue, when it does not even know if the criminal trial is to take place, when it is to take place, where it is to take place and what the charges would be. I can see considerable force in the point made by Mr Vineall that the nature of the publication will be such that the publicity would be local, and that even if the

fairness of criminal proceedings in the locality in which Mr Rourke lives was tainted, that would not prevent the trial taking place elsewhere. In my judgment, therefore, the correct conclusion on this issue is that it is for the FSA to take the risk, if I think it otherwise right to grant the declarations. ... The FSA will be well aware that, if they decide to implement criminal proceedings against the defendant, they may find themselves faced with a contention that he cannot have a fair trial. In my view, therefore, this is not a reason for rejecting the grant of declarations.”

72. Finally, Neuberger J rejected the argument that granting the declarations would infringe the defendant’s rights under Article 6 of the European Convention.
73. Mr Hobbs relied on *Rourke*, in particular, as authority for the principle that the court should be very wary before granting declaratory relief of the kind sought in the Application. I agree that there is a need to be wary in a case where the claim for declaratory relief has an overlap or potential overlap with criminal or quasi-criminal jurisdiction. It also seems to me however that the judgment of Neuberger J brings out the case sensitive nature of the jurisdiction to grant declaratory relief. It seems to me that a careful examination of the area of overlap or potential overlap is required before the court can decide whether a case is one in which it should grant declaratory relief in relation to the question of whether an order of the court has been breached.
74. An example of a case going the other way is *Amstrad Consumer Electronics Plc v British Phonographic Industry Ltd* [1986] FSR 159 (CA) [1985] WL 312258. In this case the plaintiff appealed against a decision of Whitford J, who refused to make a declaration that the plaintiffs were not acting unlawfully in marketing and selling audio machines (I believe the generally used term was music centres) which incorporated twin cassette tape decks. The twin decks allowed the copying of material from a pre-recorded cassette tape to a blank cassette tape, in breach of copyright. Despite the best efforts of Mr Hobbs, who appeared for the plaintiff, the appeal was dismissed. As Mr Hobbs ruefully explained to me, his arguments were successful on all the points of civil law in the appeal. What defeated the appeal was the possibility that the granting of the declaratory relief would prejudice a future criminal trial, if the plaintiff was to be charged with inciting its customers to commit offences of breach of copyright. It is only necessary to set out the reasoning of Lawton LJ on this point, at page 6 of the report (Slade and Glidwell LJ came to similar conclusions in their own judgments):

“INCITEMENT

Mr. Kentridge in this court but not before the trial judge, submitted that Amstrad's advertisements and promotional literature provided evidence that they were inciting purchasers of their machines to commit offences contrary to section 21(3) of the 1956 Act. Anyone who uses one of Amstrad's high speed machines to copy a pre-recorded cassette which he has bought from a shop or he knows is a commercial product, probably will commit an offence contrary to section 21(3). His use of a commercially produced pre-recorded cassette, stamped as they all are with a reference to copyright, will be evidence that he knew he was using it to make an infringing copy and the cassette will be a matrix and therefore a plate. As I commented earlier in this judgment, nearly all potential purchasers would understand the advertisements and promotional literature to mean that the machines could be used for copying pre-recorded cassettes. Does putting out advertising material of the kinds I have specified amount to an incitement to commit

a crime? It could do: see Invicta Plastics Ltd. and another v. Clare (1976) R.P.R. 251 where the Divisional Court held that a company which advertised a device that could detect police radar traps was properly convicted of the common law offence of inciting people who read the advertisements to use unlicensed apparatus for wireless telegraphy in contravention of section 1(1) of the Wireless Telegraphy Act 1949. I do not find it either necessary or proper to adjudge whether, on the evidence before the court, Amstrad have incited anyone to commit an offence contrary to section 21(3) of the 1956 Act. In the event of anyone instituting criminal proceedings in respect of Amstrad's advertising activities, a finding by this court would prejudice the trial. In these circumstances, in my judgment, it would not be right, in the exercise of the court's discretion, to grant the declaration requested."

75. As Mr Hobbs summarised this case, the decision was a “pretty radical” one. As I understand the position, the plaintiff was not under threat of criminal prosecution for incitement, and such a prosecution seems to have been considered unlikely. Nevertheless, the Court of Appeal were not prepared to grant a declaration which might intrude on a possible future criminal prosecution.
76. Finally, of the four cases on which Mr Hobbs placed particular reliance, there is *Invest Bank PSC v El-Husseini* [2023] EWHC 3350 (Comm). In this case the claimant had sought a freezing order against one of the defendants to the proceedings, on the basis that she was a recipient of assets from the first defendant, who was her ex-husband. The defendant offered undertakings, which the bank accepted in place of a freezing order. The relevant undertaking permitted the defendant to use frozen funds to pay her living and legal expenses, if she had no other means to pay. The bank made an application for a declaration that the defendant did have other means to pay, and for an order prohibiting the defendant from accessing the frozen funds. The application was refused by Dias J.
77. At the hearing of the Application a full report of this decision was not available. I was only provided with a digest of the judgment, which was an unreserved judgment. The decision has however now been reported on Westlaw, so that I have had the advantage of reading the actual judgment of Dias J. I should record that nothing I have read in the judgment has caused me to change the views which I had formed on reading the digest of the decision which was provided at the hearing. At least so far as this judgment is concerned, the digest proved to be a fair summary of the reasoning in the relevant part of the judgment. In refusing to grant the declaration sought by the bank, the key part of the reasoning of Dias J, for present purposes, can be found in the judgment at [21]-[24]:
- “21 *In response to these points, Mr Penny made the following submissions. He said the bank was not seeking to bypass the law of contempt. He said a determination based on the civil standard of proof could not possibly prejudice Joan in relation to any potential contempt proceedings, particularly if it was incorporated only in a recital as proposed. He further said that there was no abuse. All that the bank wanted to do was to clarify what exactly was meant by the undertaking. This, he submitted, was squarely within the court's ancillary jurisdiction and it was unattractive to argue that the bank had not been entitled to bring the matter back to court when this was precisely what Mr Malek KC had contemplated should happen. Inevitably things change, he said, and it cannot have been intended that the bank should be precluded from returning to seek clarity.*

- 22 *On this point, I am quite clear that it would not be appropriate for me to make any determination one way or the other as to whether Joan does or does not presently have other means to pay, still less any determination which purports to be final. I say that for the following reasons. First, it seems to me that I am in precisely the same position as Mr Malek KC was in January. The evidence before me is substantially identical to the evidence that was before him. There has been no disclosure and no cross-examinations. For the reasons he gave, it would be wholly inappropriate in these circumstances to attempt to make any finding.*
- 23 *Secondly, this would be exactly the sort of halfway house deprecated by Hildyard J in the St Petersburg case, which is capable of causing prejudice to Joan. Even if I only made a determination on a civil standard of proof, I would effectively be making a finding on untested evidence in circumstances where the primary sanction for breach of a voluntary undertaking is an application to commit with all the concomitant safeguards that that entails. In my judgment, it would be wrong in principle to do that without giving both sides an opportunity to test the evidence by cross-examination in the light of disclosure.*
- 24 *Thirdly, in any event, such a determination would be of no practical utility whatsoever. The bank has said that it would undertake not to apply to commit for past contempt, but in that case, what is the purpose of the proposed determination? Any determination I made could only apply to the situation as it exists today. That might change tomorrow or next week. It might change back again thereafter. The prospect of precious Commercial Court time and resources being taken up with serial applications to determine the position every time Joan wished to spend money is not one which can be countenanced consistently with the overriding objective of allocating court resources fairly and dealing with cases at proportionate cost; a view I note was also articulated by David Richards J in HMRC v Begum [2010] EWHC 2186 (Ch).”*

78. It will be seen that the judgment of Dias J picked up various points which emerge from the case law cited above. In particular, the judge considered that the bank should not be permitted to seek a finding of breach of the undertaking by the back door. Such a finding would cause prejudice to the defendant, without the safeguards which would be in place in the event of a contempt application. The declaration would be of no use because it would reflect circumstances which could easily change within a short space of time.
79. As will be apparent from the analysis above, a good deal of case law was cited to me, and I received a good deal of written and oral argument on the question of the extent to which I should grant declaratory relief. Applying the principles which emerge from the case law, I have come to the following clear conclusions:
- (1) The Claimant’s arguments on this issue are to be preferred.
 - (2) In my judgment I should consider the question of whether the MSD Defendants or any of them are in breach of the Order, by reference to the breaches alleged in Annex 2.
 - (3) If and to the extent that I find that the MSD Defendants or any of them are in breach of the Order, I consider that I should, in the exercise of my discretion to grant declaratory relief, make declarations to that effect.

- (4) I do not consider that I should treat the Application as the equivalent of a construction summons, either by confining myself to declarations as to the meaning and effect of the Order, or by limiting myself to consideration of examples of situations which might constitute breaches of the Order or by the expression of provisional or qualified conclusions on the content of Annex 2.
80. My reasons for the conclusions set out in my previous paragraph are as follows.
81. First, the case for the utility of what I will refer to as full declarations seems to me to be compelling. The Action constitutes a long running dispute between substantial and well-resourced parties. The particular history behind the Action, and the global nature of the operations of Merck Global and Merck US suggest to me that demarcation disputes, as I will call them, of the kind which are the subject matter of the Action and, in particular, are the subject matter of the Application may easily arise. It seems to me plainly in the interests of the parties and the administration of justice that the court should, within the four corners of the Application, provide the parties with as much guidance as possible as to what is and is not permitted by the Order. By contrast, it strikes me that the making of limited declarations, meaning declarations of the kind canvassed by Mr Hobbs in his submissions, is unlikely to have anything like as much value, in terms of avoiding future disputes. It may be optimistic to suggest that the making of full declarations will bring to an end future disputes over the meaning and effect of the Order. Full declarations do nevertheless seem to me to offer a valuable opportunity for the court at least to reduce the scope for future dispute between the parties.
82. Second, the risk of prejudice to the MSD Defendants, if I find breaches of the Order, seems to me to be much reduced in the present case. In this context it is plainly important that the Claimant has confirmed that it will not seek committal or any other contempt sanction against the MSD Defendants in relation to conduct found to have constituted a breach of the Order prior to this judgment. If therefore I find any of the breaches alleged in Annex 2 to have been proved, such breaches will not be the subject matter of a contempt application. Looking to the future, I am not convinced this judgment will cause prejudice to any contempt application or in any contempt application based on conduct occurring after this judgment. I say this for several reasons. So far as the facts of any such conduct are concerned, they will have to be proved to the criminal standard of proof. I cannot see how findings of fact in this judgment could be admissible in the proof of those facts. Where this judgment is capable of being relevant, although that of course depends upon my decisions on the content of Annex 2, is on the question of whether the relevant set of future facts, if proved, will amount to a breach of the Order. In that respect there may be an issue estoppel. I have however some difficulty in seeing how the MSD Defendants will be materially prejudiced if they find themselves issue estopped on a question such as the way in which the Order applies to a particular set of facts, in circumstances where that question will have been fully argued in the hearing of the Application.
83. Beyond this, it strikes me as unwise to try to speculate too far as to what might happen in the context of a contempt application based on facts which, if they happen at all, will happen in the future. In this context it seems to me that there is much in what was said by Neuberger J in *Rourke*, at page 10 of the report (as quoted above), to the effect that it would be for a criminal court to decide whether or not the defendant could have a fair criminal trial. In the present case, if it was to be said that my judgment created some

material prejudice to the MSD Defendants, and I find it difficult to see how this could occur, it seems to me that the court hearing the relevant contempt application would be best placed to consider how to address that prejudice.

84. Third, and this may be said to be the converse of my first reason, I do not find the limited declarations proposed by Mr Hobbs to be either attractive or feasible. For reasons to which I shall return in the next section of this judgment, it strikes me as difficult to make decisions on the meaning and effect of the relevant terms of the Order in the abstract. Quite apart from this, it strikes me that decisions made in the abstract are unlikely to be effective in reducing future disputes. Looking at the allegations in Annex 2 and looking at the history of the Action, it strikes me that decisions made in the abstract are more likely to be a recipe for future dispute. The same applies to the halfway house proposals made by Mr Hobbs. I am doubtful that decisions on the construction of the Order made by reference to examples, themselves unspecified by the parties, are feasible. Even if they are, I cannot see that they will do much to avoid future dispute. As for the proposal that I do no more than “*lean towards or prefer*” conclusions on the alleged breaches in Annex 2, that is, again, a recipe for future dispute. It also strikes me that if I am required to carry out the exercise of working through Annex 2, I should do the exercise properly, rather than carry out an exercise which produces provisional or qualified conclusions, which will themselves, inevitably, become a battleground for future argument over what I would have decided if I had carried out the exercise properly.
85. Fourth, it is clear that, in cases of this kind, the court is accustomed to making declarations of the kind sought in the Application. In this context I do attach importance to what was said by Arnold LJ, both in *Hotel Cipriani* and in *Lifestyle Equities*. I do not think that what was said in either case can be put to one side on the basis that the question of whether to make such declarations was not argued. This was an identification of appropriate practice by a judge with considerable expertise and experience in the field of intellectual property disputes. It is worth adding that Meade J, at the Case Management Hearing, also recognised the use of the *Hotel Cipriani* approach in patent and trade mark disputes; see page 42 of the transcript of the Case Management Hearing, at lines 12-16. In this context I have not lost sight of the fact that Meade J did contemplate a refinement of the terms of the Application at the Case Management Hearing; see the extracts from the transcript of the Case Management Hearing referred to above. There was however no direction to this effect and, in his judgment at the Case Management Hearing, at [3] (quoted above), Meade J was clearly content to treat the purpose of the Application as being identification of where the boundaries of the Order lay. It is difficult to see how this identification process could be carried out in a satisfactory manner, if I adopted the restricted approach advocated by Mr Hobbs. In all these circumstances I am not persuaded that the relevant exchanges which took place at the Case Management Hearing will carry the weight placed upon them by the MSD Defendants.
86. Fifth, I do not read any of the case law as laying down any absolute rules or principles in this kind of situation. I agree with Mr Hobbs that *Amstrad* appears to have been a “*pretty radical*” decision, but it seems to me that it was a decision, in common with the other cases cited to me, which turned on its own particular facts. I do not think that the present case can be said to be on all fours with the circumstances of any of the cases cited to me. In particular, and having regard to the most recent of these decisions, the facts of the present case seem to me to be very different to those which were before Dias J in the *Invest Bank* case. I find most useful the general principles identified by Hildyard J in

Bank St Petersburg, but the application of those principles in the present case does not seem to me to justify a refusal to make the full declarations sought by the Claimant.

87. Sixth, and although I attach less importance to this particular point, I think that the presence of Paragraph 22 in the Order does carry some weight in relation to this issue. The Application is expressed to be made pursuant to the permission to apply granted under Paragraph 22, in addition to CPR 40.20. The permission to apply included reference to the implementation and operation of the provisions of the Order. Given the history of the Action, I do not find it surprising that Sir Alastair thought it right to include Paragraph 22 in the Order. It seems to me that an application seeking a determination as to whether there has been a breach of the Order does lie within the intended scope of Paragraph 22, although I do not think that this abrogates the exercise of the court's discretion, on any particular application, as to whether it should make a declaration of this kind.
88. In summary, it seems to me that I should make the full declarations sought by the Claimant subject, of course, to the outcome of my consideration of Annex 2. Applying the approach of Hildyard J in *Bank St Petersburg*, and taking into account (i) justice to the Claimant, (ii) justice to the MSD Defendants, (iii) the real utility in making full declarations, and (iv) all other matters relied upon by the parties in this context, it seems to me that I should, if I find breaches of the Order, make declarations to that effect.
89. With this first issue dealt with, I turn to the remaining issues in the Application.

The remaining issues in the Application

90. This section of the judgment should be a short one, setting out the remaining issues raised by the Application which I have to decide, pursuant to my decision in the previous section of the judgment. Unfortunately, the position with the issues is not straightforward and is, itself, a reflection of a wider problem with the hearing of the Application.
91. The essential task on the Application is shortly stated. I have to work through each row in Annex 2; that is to say rows A-HH. In the remainder of this judgment I will refer to these rows as "**Row A**", and so on.
92. I have to decide, in relation to each Row, (i) whether there has been a breach of Paragraph 2 by the First Defendant and, in the case of most Rows, (ii) whether there has been a breach of Paragraph 3 by the specified MSD Defendant or specified MSD Defendants. Paragraph 2 is directed to a breach of clause 7 of the 1970 Agreement by the use within the UK of (a) the trade mark Merck and/or (b) the word Merck as a contraction of the corporate name of the First Defendant or as a trade or business name, in each case when furthering or promoting the business of the First Defendant to third parties. Paragraph 3 is directed to infringement of the Claimant's specified trade marks by the use of the sign MERCK as a trade mark in the course of trade in the UK.
93. This means that there are, effectively, two parts, or limbs to the exercise of working through Annex 2. First, there is the contractual prohibition, as stated in Paragraph 2, on the use within the UK of the trade mark Merck and/or the word Merck as a contraction of the First Defendant's corporate name or as a trade or business name. Second, there is the prohibition, as stated in Paragraph 3, on commission of the tort of infringing the Claimant's trade marks. Where Annex 2 alleges only a breach of Paragraph 2, only the

first part of this exercise has to be undertaken. Where Annex 2 alleges breaches of Paragraphs 2 and 3, both parts of the exercise have to be undertaken.

94. In theory there are two limbs within the contractual prohibition in Paragraph 2. The first relates to the use of the trade mark Merck. The second relates to the use of Merck as a contraction of the First Defendant's corporate name or as a trade or business name. I did not however detect in the submissions any real distinction being drawn between these two limbs of the contractual prohibition, in terms of the issues between the parties as to whether Paragraph 2 had been breached in all or any of the ways alleged in Annex 2. I assume that this reflected the fact that the arguments between the parties in the Action do not appear to have been concerned with this distinction. I note that in the CA Judgment Kitchin LJ dealt only briefly with this question, at [198]-[200]. As Kitchin LJ said, at [198]:
- “198. I can deal with this issue relatively shortly because it is not necessary at this stage to consider whether the uses of which complaint is made constituted uses in the UK of the word “Merck” as a trade mark rather than as a corporate, business or trade name. All these uses of the word “Merck” alone are precluded by clause 7.”*
95. In these circumstances I do not draw any distinction between the two limbs of the contractual restriction in Paragraph 2, in my own analysis of the alleged breaches of Paragraph 2 in the Amended Annex.
96. Given the number of allegations of breach in Annex 2, it would have been helpful, and would have rendered this judgment much shorter and less unwieldy, if there had been a direction for sample allegations to be considered in this hearing. As I have noted above, there was the Case Management Hearing, at which directions were given for the hearing of the Application. I note from the transcript of the Case Management Hearing that Meade J raised the questions of why it was necessary to work through 55 allegations of breach of the Order and why there could not be a hearing of sample allegations of breach. This suggestion was however resisted by the Claimant, and no direction for the hearing to be restricted to sample allegations of breaches of the Order found its way into the directions order made by Meade J. In his judgment at the Case Management Hearing Meade J accepted that distillation down of the 55 alleged breaches was not possible. I agree. What this meant, and means is that, in the absence of agreement between the parties on sample allegations, the long route is the only one available.
97. In these circumstances it is clear that I have no option but to work through each allegation of breach, taking what advantage I can of common issues or themes and of issues where my reasoning in relation to alleged breaches in one Row can be imported into my analysis of another Row or Rows. The necessity of working through each alleged breach was accepted by the Claimant at the Case Management Hearing. It is also clear from the authorities that this is an exercise which cannot be short cut; see Jacob LJ in *Reed Executive plc v Reed Business Information* [2004] EWCA Civ 159 [2004] RPC 40, at [14]-[15] and, in the context of online activities, see Arnold LJ in *Lifestyle Equities CV v Amazon UK Services Limited* in the Court of Appeal ([2022] EWCA Civ 552), at [56] and [68]. It is also important to note that, in the CA Judgment, Kitchin LJ decided that a remission of the trade mark infringement issues was required because they had only been dealt with in very general terms in the First Judgment; see the CA Judgment at [278]. In

this context it is also relevant to note that, at [277] in the CA Judgment, Kitchin LJ sympathised with the Judge, in the following terms:

“277. So that leaves Mr Hobbs’ third and fourth submissions. Here I must confess to having considerable sympathy for the judge. He was left with a large schedule prepared by Merck Global of alleged infringements and another prepared by Merck US (in a rather different way), a considerable volume of material and very little assistance by way of oral submissions. In a case such as this it would have been far better had the parties cooperated together (and if necessary sought directions) before the trial to identify sample allegations by which the claim for infringement could have been tried effectively.”

98. The difficulties in carrying out the required exercise of working through Annex 2 have been aggravated by the fact that a surprisingly large proportion of the oral submissions, particularly on the Claimant’s side, were devoted to general or high level submissions. In common with Norris J, as it would appear, I was given less assistance than I expected with the exercise of working through Annex 2, particularly in relation to the allegations of trade mark infringement. In fairness to counsel, their time for submissions was constrained by the two day time estimate. This however leads inevitably to the point that the time estimate should have been perceived by the parties to be a tight timetable for what is, in effect, the trial of Annex 2. At the conclusion of his judgment at the Case Management Hearing Meade J stressed the provisional nature of his time estimate, and left it to the parties to review the time estimate following service of the evidence. If any such review has taken place, it appears to have had no effect upon the original, and provisional time estimate.
99. The further, and related problem I should identify is that there is no agreed list of issues between the parties. Again, this would have been helpful, not least because there are common issues between the allegations of breach of the Order. This renders it difficult to identify which issues can be dealt with separately, as generic issues, and which issues have to be addressed in the context of a particular alleged breach or group of breaches. An agreed list of issues would also have been helpful because the written and oral submissions did not leave it entirely clear whether certain points, which were not the focus of the written or oral submissions, were or were not in issue. This was particularly so in relation to the trade mark issues. This was, in turn, the consequence of the oral submissions having to be shoehorned into an inadequate time estimate. If there had been time to work through the Rows properly, in the oral submissions, there would have been time for clarification of the issues, where required.
100. Some assistance can be found, in this context, from the following identification of what the allegations of breach of the Order must necessarily focus upon, which appears in paragraph 112 of the skeleton argument of the MSD Defendants. I have found this a useful, if not necessarily exhaustive summary of what has to be determined in relation to each allegation of breach of the Order:
- “The Claimant’s allegations of “breach” of the Final Order must necessarily focus on : (i) use in the UK (a requirement of both paragraphs 2 and 3 of the Final Order); (ii) use as a trade mark in the course of trade in the UK (a requirement of paragraph 3 of the Final Order); (iii) furthering or promoting business to third parties (a requirement of paragraph 2); (iv) infringing registered trade marks (a requirement of paragraph 3); (v) linking and pop-ups (under paragraph 4.b) (vi)*

email addresses (under paragraph 4.d); and inadvertent breach (under paragraph 4.h).”

101. Subject to the above difficulties, my ordering of the remaining issues I have to decide and the structure of the remainder of this judgment are as follows.
102. I will start by saying something about the correct approach to construction of orders of the court. There did not seem to me to be any material issue in this respect, but I did receive submissions on this question, and it is appropriate to identify those principles which I should have in mind in considering the correct construction of the Order.
103. Next, I should say something about the burden of proof, both in relation to Paragraphs 2 and 3 and in relation to the exceptions relied upon in Paragraph 4, as to which there is a dispute between the parties. I include, in this particular exercise, an identification of what I regard as the correct approach to the evidence in the witness statements.
104. The next issue is an issue which is common to almost all of the allegations of breach of the Order. In the case of the breaches alleged in almost all of the Rows the relevant MSD Defendants rely on the exception in Sub-paragraph (h). This has generated dispute between the parties as to the scope of this exception. For reasons which I shall explain I am wary of making decisions, in the abstract, as to the meaning of particular parts of the Order. I find it easier to consider the correct construction of the Order by reference to specific allegations of breach. In the case of Sub-paragraph (h) however, I am persuaded that it is appropriate to make some general decisions as to its meaning, effect and scope, which can then be imported into my determination of whether and, if so, to what extent Sub-paragraph (h) is available to the MSD Defendants to avoid what would otherwise be a breach of Paragraph 2 and/or, where relevant, Paragraph 3 (assuming such breaches).
105. The next issue which can be identified as a common issue is targeting. Both Paragraph 2 and Paragraph 3 require use in the UK. Use in the UK is specified in both of these Paragraphs, in addition to the requirement in Paragraph 3 for infringement of the Claimant’s trade marks, which are all territorially limited to the UK. I should therefore summarise what has to be shown, in order to demonstrate the required degree of targeting of the UK.
106. Next, I consider it necessary to set out some general points in relation to what constitutes a breach of Paragraph 3; that is to say what has to be demonstrated by the Claimant (in addition to targeting) in order to establish an infringement of the Claimant’s trade marks.
107. I do not regard any other issues as suitable or convenient for consideration in the abstract, or as requiring consideration in the abstract. In particular, the parties devoted time, in their oral and written submissions, to general discussion of the question of pop ups and their effect on the question of targeting. I do not find it helpful to try to deal with pop ups in the abstract. It seems to me that they are best considered, where they are relevant, as part of my analysis of individual Rows, in considering the question of targeting and/or (in the case of Rows EE and FF) in considering the question of whether Sub-paragraph (b) applies. It follows that, after dealing with the matters and issues identified above, I will come to the exercise of working through the Rows, in the course of which I will deal with all other issues between the parties in the Application.

The construction of orders of the court

108. The principles governing construction of orders of the court have been summarised by Arnold LJ in *Lufthansa Technik AG v Astronics Advanced Electronics Systems* [2023] EWCA Civ 1306, at [34] and [35], where Arnold LJ approved and adopted, by way of a summary, the analysis of the first instance judge, Recorder Douglas Campbell KC.
109. I find it easiest to set out the analysis of the Recorder, in his first instance judgment, as opposed to its summary by Arnold LJ. The neutral citation for the first instance judgment is [2023] EWHC 1136 (Pat). The Recorder’s analysis is at [31]-[33], in the following terms:

“31. *The relevant principles relating to interpretation of a Court Order are not in dispute. They were summarised by Flaux LJ, as he then was, with whom Lewison and Gross LJJ agreed in Pan Petroleum AJE Ltd v Yinka Folawiyo Petroleum Co Ltd & Ors* [2017] EWCA Civ 1525 at [41]-[42]. *In these paragraphs Flaux LJ summarised the then recent Supreme Court judgment in JSC BTA Bank v Ablyazov (No. 10)* [2015] UKSC 64; [2015] 1 WLR 475 (“JCT”).

- (1) “*The sole question for the Court is what the Order means, so that issues as to whether it should have been granted and if so in what terms are not relevant to construction (see [16] of [JCT]).*
- (2) *In considering the meaning of an Order granting an injunction, the terms in which it was made are to be restrictively construed. Such are the penal consequences of breach that the Order must be clear and unequivocal and strictly construed before a party will be found to have broken the terms of the Order and thus to be in contempt of Court (see [19] of [JCT], approving inter alia the statements of principle to that effect in the Court of Appeal by Mummery and Nourse LJJ in Federal Bank of the Middle East v Hadkinson* [2000] 1 WLR 1695).
- (3) *The words of the Order are to be given their natural and ordinary meaning and are to be construed in their context, including their historical context and with regard to the object of the Order (see [21]-[26] of [JCT], again citing with approval what Mummery LJ said in Hadkinson).”*

“32. *Flaux LJ then went on as follows:*

“As Mr Joseph QC correctly submitted, those principles confirm a consistent line of authority that Court Orders are to be construed objectively and in the context in which they are made, including the reasons given by the Court for making the Order at the time that it was made. That point was made clearly by Lord Sumption giving the judgment of the Privy Council in Sans Souci Limited v VRL Services Limited [2012] UKPC 6 at [13]:

“...the construction of a judicial order, like that of any other legal instrument, is a single coherent process. It depends on what the language of the order would convey, in the circumstances in which the Court made it, so far as these circumstances were before the Court and patent to the parties. The reasons for making the order which are given by the Court in its judgment are an overt and authoritative statement of the circumstances which it regarded as relevant. They are therefore always admissible to construe the order. In particular, the interpretation

of an order may be critically affected by knowing what the Court considered to be the issue which its order was supposed to resolve.”

33. *Subsequent cases have added that caution should be exercised in using the parties’ submissions as a guide to interpretation of a Court Order: see SDI Retail Services v Rangers Football Club [2021] EWCA Civ 790, Banca Generali spa v CFE (Suisse) SA [2023] EWHC 323 (Ch).”*

110. Counsel for the MSD Defendants also drew my attention to what was said by Lord Clarke in the *Ablyazov* case referred to in the above extract, concerning the construction of injunctions. Lord Clarke referred, at [13] and [19], to the need for strict construction of freezing orders, as identified by Beatson LJ in the Court of Appeal in *Ablyazov*. I am doubtful that this is directly relevant in the present case, because the principle of construction being considered in *Ablyazov* was one which applied to freezing orders. I was however also referred to *Cuadrilla Bowland Ltd v Persons Unknown* [2020] EWCA Civ 9, in which Leggatt LJ (as he then was) referred, at [54], to the well-established principle that an injunction must be expressed in terms which are clear and certain so as to make plain what is permitted and what is prohibited. I also bear in mind what was said by Flaux LJ (as he then was) in the *Pan Petroleum* case, as quoted by Recorder Campbell in the extract from the Recorder’s judgment set out above. Flaux LJ stated that, in considering the meaning of an order granting an injunction, the terms in which it is made are to be restrictively construed. In saying this Flaux LJ had in mind the penal consequences of a breach of the order. It seems to me however that this statement of principle does not alter simply because I am considering an application for declarations that an order has been breached, as opposed to a contempt application.
111. I therefore accept Mr Hobbs’ submission that the injunctions contained in Paragraphs 2 and 3, as supplemented by Paragraph 4, fall to be construed strictly (or restrictively), in accordance with the principles set out above.

The evidence and the burden of proof

112. In oral submissions Mr Speck resisted my suggestion that what I was dealing with was a trial. He insisted that the Application was an application. There may not be much merit in debating the correct label to be given to the hearing of the Application, but it seems to me important to identify that the hearing of the Application was the equivalent of a trial. The Claimant alleges numerous breaches of the Order on the part of the MSD Defendants, which the MSD Defendants deny. Both sides have served evidence. I have to decide whether the breaches, or any of them have been established, by reference to the evidence and the arguments of the parties. This is all indistinguishable from a trial.
113. I labour this point because it has important implications when it comes to the evidence. As I have already stated, the evidence in the Application is voluminous. There are 31 witness statements, with an accompanying bundle of exhibits running to almost 2000 pages of documents. No witnesses were called to give oral evidence, and there was therefore no cross examination of any of the witnesses.
114. In these circumstances my ability to resolve conflicts of evidence which may arise and/or to reject the evidence of any particular witness is strictly limited. There are only limited circumstances in which a court can dismiss evidence given by affidavit or witness

statement without the witness being cross examined. The position has recently been restated by Newey LJ in *Kireeva v Bedzhamov* [2022] EWCA Civ 35, at [34]:

“34 Mr Fenwick cited a number of cases to show that there are only limited circumstances in which a court can dismiss evidence given by affidavit or witness statement without the witness being cross-examined. The authorities to which he referred included In re Lo-Line Electric Motors Ltd [1988] Ch 477, 487, In re Keypak Homecare Ltd (No 2) [1990] BCLC 440, 446, In re A Company (No 6685 of 1996) [1997] 1 BCLC 639, 648, In re Hopes (Heathrow) Ltd [2001] 1 BCLC 575, 582, Long v Farrer & Co [2004] BPIR 1218 at para 57, Shierson v Vlieland-Boddy [2005] 1 WLR 3966 at para 56, Coyne v DRC Distribution Ltd [2008] BPIR 1247 at para 58, and In re Burnden Group Ltd [2017] BPIR 554 at para 2.14. To my mind, however, it suffices to quote from Coyne v DRC Distribution Ltd, where Rimer LJ accepted in para 58:

“it is well-settled practice that if a court finds itself faced with conflicting statements on affidavit evidence, it is usually in no position to resolve them, and to make findings as to the disputed facts, without first having the benefit of the cross-examination of the witnesses. Nor will it ordinarily attempt to do so. The basic principle is that, until there has been such cross-examination, it is ordinarily not possible for the court to disbelieve the word of the witness in his affidavit and it will not do so. This is not an inflexible principle: it may in certain circumstances be open to the court to reject an untested piece of such evidence on the basis that it is manifestly incredible, either because it is inherently so or because it is shown to be so by other facts that are admitted or by reliable documents . . . [Counsel] said that these principles apply equally to the case in which the evidence is given by witness statement rather than by affidavit, and I agree. I said as much in my summary of the principles in Long v Farrer & Co [2004] BPIR 1218, at paras 57–61.”

115. Turning to the burden of proof, I understood it to be common ground that the burden is on the Claimant to prove that the MSD Defendants have committed the breaches of Paragraph 2 and Paragraph 3 which are alleged in Annex 2. So far as Paragraph 4 was concerned, it was not entirely clear to me whether there was or was not a dispute as to where the burden of proof lies in relation to Sub-paragraphs (b) and (d). It was clear that there was a dispute in relation to Sub-paragraph (h). I will therefore start with Sub-paragraph (h).
116. Mr Speck argued that the burden was on the MSD Defendants in relation to Sub-paragraph (h). Mr Hobbs disagreed. His submission was that if an exception in Paragraph 4 was said to apply, so as to prevent conduct from giving rise to a breach of Paragraph 2 or Paragraph 3, the burden was upon the Claimant to prove that the exception did not apply. For the purposes of explaining this submission, in relation to Sub-paragraph (h), Mr Hobbs drew on the analogy of a claim in trespass. If one assumes that Paragraphs 2 and 3 define the relevant land (“**the Relevant Land**”), for the purposes of an injunction against trespass, the perimeters of the Relevant Land are, amongst other things, defined by Paragraph 4, which identifies areas which are not part of the Relevant Land. A claimant who wishes to maintain that the injunction has been breached must show that there has been a violation of Paragraph 2 and/or Paragraph 3. If however the suggestion is properly made that there was no entry on to the Relevant Land, because the entry was on to other land, which is not part of the Relevant Land by virtue of Paragraph

4, the burden is on the claimant to negate that suggestion in order to establish the violation of Paragraph 2 and/or Paragraph 3.

117. So far as Sub-paragraph (h) is concerned, I do not accept Mr Hobbs' argument, either in the analogy or in relation to Sub-paragraph (h) itself. While I accept that the burden can shift in the course of an evidential inquiry, it seems to me that if the MSD Defendants seek to rely on Sub-paragraph (h), then the burden is on the MSD Defendants to establish the required elements of Sub-paragraph (h); that is to say (i) inadvertently acting in breach and (ii) correction of such inadvertent error within the required period of seven days. I say this for the following reason.
118. The scheme of Paragraph 4 is that it sets out a series of circumstances where specified forms of conduct are identified as not constituting a breach of Paragraph 2 or Paragraph 3. This is made clear by the opening words of Paragraph 4:
“It shall not be a breach of paragraph 2 or 3 of this Order.”
119. In the case of Sub-paragraph (h) however, the express starting assumption in this Sub-paragraph is that the Defendants have acted in breach of Paragraph 2 and/or Paragraph 3. In the case of Sub-paragraph (h) therefore, the Sub-paragraph operates to deem conduct, which would otherwise be a breach of Paragraph 2 and/or Paragraph 3, not to constitute a breach. This means that a two-stage inquiry is required. One must start by considering whether there has been a breach of Paragraph 2 and/or Paragraph 3. If there has been such a breach, one moves to the second stage of the inquiry, which is whether Sub-paragraph (h) operates to prevent the relevant breach from constituting a breach of Paragraph 2 and/or Paragraph 3. In these circumstances it seems right to me, at least so far as Sub-paragraph (h) is concerned, that it is for the party which would otherwise be in breach to establish that its conduct is saved from being a breach by virtue of Sub-paragraph (h). In addition to this, it strikes me that it would be perverse if the Claimant was required to prove that the relevant Defendant had made an error which was not inadvertent. It would be equally perverse if the Claimant was required to prove that the relevant inadvertent error was not corrected within the required period of 7 days. This is not simply because this would require the Claimant to prove a negative. The more important point is that if the burden of proof was on the Claimant, this would leave the Claimant to prove a negative in relation to facts and matters which could be expected to be within the knowledge of the Defendants. Accordingly, in my view it is the relevant Defendant which must prove that the required elements of Sub-paragraph (h) are satisfied, in circumstances where the relevant Defendant would otherwise be in breach of Paragraph 2 and/or Paragraph 3.
120. Turning to the other Sub-paragraphs which are relied upon by the MSD Defendants, that is to say Sub-paragraphs (b) and (d), Mr Speck was more equivocal in his submissions. I understood him to accept that Sub-paragraphs (b) and (d) are more easily seen as forming part of the analysis of whether there has been a breach of Paragraphs 2 or 3, where the burden is agreed to be on the Claimant. Mr Speck did also submit however that the burden is on a Defendant to raise the suggestion that Sub-paragraph (b) or (d) applies.
121. It seems to me that Mr Speck was right to draw the distinction which he drew between Sub-paragraph (h) and Sub-paragraphs (b) and (d). These Sub-paragraphs seem to me to operate in different ways. In the case of Sub-paragraphs (b) and (d) there is no express

starting assumption that the Defendants would, but for these Sub-paragraphs, have been in breach of Paragraph 2 and/or Paragraph 3. Rather, it seems to me that Sub-paragraphs (b) and (d) are providing specific guidance on categories of conduct which do not constitute breaches of Paragraph 2 and/or Paragraph 3. In this sense therefore it seems to me that there is a single inquiry to be made, in relation to the operation of Sub-paragraphs (b) and (d). The inquiry is as to whether particular conduct constitutes a breach of Paragraph 2 and/or Paragraph 3, bearing in mind the guidance given by Sub-paragraphs (b) and (d) as to what constitutes a breach. I can see that it may be convenient to split the inquiry into two stages, considering first the terms of Paragraph 2 and/or Paragraph 3, and then proceeding to consider the effect of Sub-paragraph (b) and/or Sub-paragraph (d), but the strictly correct analysis seems to me to be that the inquiry is a single one.

122. Seen in this light, I consider that Mr Hobbs' trespass analogy does work for Sub-paragraphs (b) and (d), in a way that it does not work for Sub-paragraph (h).
123. What seems to me to follow from the above analysis is that, in the case of Sub-paragraphs (b) and (d), the burden is upon the Claimant to establish that the relevant conduct does not lie outside the scope of Paragraph 2 and/or Paragraph 3 because it is conduct falling within the terms of Sub-paragraph (b) and/or Sub-paragraph (d). I would accept Mr Speck's point that these Sub-paragraphs need to be identified by the MSD Defendants, so far as they are relied upon. I cannot see that one needs to consider Sub-paragraphs (b) and (d) in relation to every breach alleged in Annex 2. This however simply reflects the identification of the issues between the parties. Where either of these Sub-paragraphs is put in issue, it seems to me that the burden lies on the Claimant to show that the relevant conduct does not fall within the relevant Sub-paragraph.
124. I therefore conclude as follows, in relation to the burden of proof.
 - (1) In relation to Sub-paragraph (b) and Sub-paragraph (d) the burden is upon the Claimant, as part of its case that the First Defendant is in breach of Paragraph 2 and, as the case may be, that the relevant MSD Defendants are in breach of Paragraph 3, to establish that each item of conduct which is alleged in Annex 2 does not fall within the scope of either of these Sub-paragraphs.
 - (2) In relation to Sub-paragraph (h) a two-stage inquiry is required, and the burden shifts between the two stages. At the first stage the burden is upon the Claimant to establish that each item of conduct which is alleged in Annex 2 constitutes a breach of Paragraph 2 and, as the case may be, Paragraph 3. At the second stage of the inquiry, and if and in so far as breaches are established at the first stage of the inquiry, the burden is upon the MSD Defendants to establish that each relevant item of conduct did not constitute a breach of Paragraph 2 and/or Paragraph 3 by reason of Sub-paragraph (h), so far as Sub-paragraph (h) may be relied upon.
125. The standard of proof is the civil standard of proof; that is to say the balance of probabilities.
126. I add two cautionary points, in relation to the burden of proof. First, while I have thought it right to decide the question of the burden of proof, in relation to Paragraphs 2, 3 and 4, it is important not to become fixated with the burden of proof. The incidence of the burden of proof, particularly where the civil standard of proof applies and there is plenty of evidence to consider, is not necessarily the critical factor in an evidential inquiry.

Second, the burden of proof can shift in an evidential inquiry. Depending on the arguments, the burden of proof does not necessarily remain where it lies at the outset of the inquiry.

The construction of Sub-paragraph (h)

127. I now turn to the arguments over the construction of Sub-paragraph (h). The basic structure of Paragraph (h) is relatively simple. As I have said, the express starting assumption is that a Defendant has, by its conduct, committed a breach of Paragraph 2 and/or Paragraph 3. If that is established, the relevant conduct is saved by Sub-paragraph (h) from constituting a breach if both of the following conditions are satisfied:

- (1) The Defendant's breach was an inadvertent error.
- (2) The inadvertent error was corrected within 7 days of (i) notification in writing of the inadvertent error being given by the Claimant to the Defendant or its solicitors or (ii) the Defendants otherwise becoming aware of the inadvertent error. Although the operation of this 7 day time limit was not among the matters in issue in relation to Sub-paragraph (h), I take the period of 7 days to run from whichever of (i) and (ii) provides the earliest start date.

128. The first task is to identify what is meant by an error. For this purpose I was referred by the MSD Defendants' counsel to the Concise Oxford English Dictionary (Twelfth Edition), which defines an error as "*a mistake*" and "*the state of being wrong in conduct or judgment*". This seems to me to be a sufficient definition for the purposes of construing Sub-paragraph (h). What however is also apparent from this definition is that the use of the word "*error*" in Sub-paragraph (h) has no real limiting effect upon the scope of the Sub-paragraph. Applying the dictionary definition, almost any breach of Paragraph 2 or Paragraph 3 could be classified as an error.

129. This leaves the words "*inadvertently*" and "*inadvertent*" in Sub-paragraph (h). It was here that the real dispute between the parties lay. The Claimant's case is that an inadvertent error only extends to acts which were not intended or desired. Putting the matter another way, an inadvertent error only extends to something which happens by accident. In particular, it does not extend to acts which a Defendant intended to carry out, whether or not the relevant Defendant realised that the relevant act would breach Paragraph 2 or Paragraph 3. Equally, it does not extend to breaches which the relevant Defendant could have avoided by adopting policies or practices which would have prevented the relevant breach taking place.

130. The MSD Defendants contended for a much wider meaning of inadvertent error, which covered any conduct giving rise to a breach, whether deliberate or not, where the relevant Defendant was not aware that its conduct gave rise to a breach. In oral submissions Mr Hobbs directed my attention to the final line of Sub-paragraph (h). As he explained, the reference is to a Defendant becoming aware of the inadvertent error which constituted the breach. Until the point of awareness the missing ingredient is an absence of cognisance, an absence of consciousness that the error has occurred. As Mr Hobbs explained in his oral submissions:

"So the argument that I am making is that the word "inadvertence" does not have the narrow connotation of being the antithesis to "deliberate" that my learned friend would wish it to bear. That is the antithesis I understand him to be setting up. I am saying that the volitional act can be deliberate and still be an error and still be one which is committed inadvertently."

131. It followed, so Mr Hobbs submitted, that the word inadvertent had a wide meaning. As I understood Mr Hobbs' argument, inadvertent covered any situation where a Defendant acted in breach of Paragraph 2 and/or Paragraph 3, provided that the Defendant acted without knowledge that it was acting in breach of Paragraph 2 and/or Paragraph 3.
132. In support of this case Mr Hobbs referred me to the decision of Tugendhat and Underhill JJ in *Finch v Richardson* [2008] EWHC 3067 (QB). The first claimant was a candidate in an aldermanic election for the City of London. The second claimant was his agent. The first claimant, a solicitor, had the services of a car and driver through his employment. The first claimant's return for his election expenses, signed by the second claimant, did not include the expense of the car and driver. If this expense had been included in the return, the total expense would have exceeded the permitted maximum. Both claimants thereby committed illegal practices in relation to election expenses, contrary to Sections 76 and 84 of the Representation of the People Act 1983. The claimants commenced proceedings, seeking relief under Sections 86 and 167 of the same Act, on the basis that the omission of the car and driver had resulted from inadvertence. The first claimant had not appreciated that the expense of the car and driver should be included in his return, and the second claimant had signed the return without being aware that this service had been provided.
133. The two sections of this Act relied upon by the claimants were not in quite the same terms, but both provided for relief to be granted where the relevant act or omission arose from "*inadvertence*". The essential submission on the defendant's side was that ignorance of the law could not excuse inadvertence within the meaning of the relevant sections of the Act or, in the alternative, that the experience of the claimants was such that their ignorance of the law could not be characterised as inadvertence. In his judgment (with which Underhill J agreed) Tugendhat J concluded that ignorance of the law could qualify as inadvertence, within the meaning of the relevant sections of the Act, in reliance upon a decision of the Queen's Bench Division of Northern Ireland in *McCroory v Hendron* [1993] NI 177; see, in particular, the judgment of Tugendhat J at [43]-[44].
134. I have not set out the relevant extract from the judgment of Tugendhat J, or the lengthy quotation in that judgment from *McCroory*, because both cases were concerned with the meaning of inadvertence in the specific statutory context of electoral law. It seems to me that this is a long way from the task of determining what is meant by inadvertent error in Sub-paragraph (h). In these circumstances I do not find *Finch* to be a helpful guide to the meaning of inadvertence in Sub-paragraph (h).
135. Returning to Sub-paragraph (h) itself, it seems to me that the starting point for its construction is to repeat a point which I have already made in relation to the burden of proof. Sub-paragraph (h) provides what I would describe as a true exception to Paragraphs 2 and 3. In contrast to the remaining Sub-paragraphs, Sub-paragraph (h) does not describe circumstances which do not constitute a breach of Paragraph 2 and/or Paragraph 3. Rather, Sub-paragraph (h) starts from the position that a breach has occurred, and effectively deems the relevant conduct not to have been a breach.
136. The difficulty with the argument of the MSD Defendants is that it seems to me to leave almost no circumstances in which Sub-paragraph (h) will not operate to avoid what would otherwise be a breach. If all that is required to engage Sub-paragraph (h) is lack of

knowledge that the relevant conduct constitutes a breach, it seems to me to follow that Sub-paragraph (h) will apply in all cases save those where a Defendant acts in deliberate breach of Paragraph 2 and/or Paragraph 3; that is to say with knowledge that it is committing a breach. It would be surprising if any of the Defendants acted in this way, which would involve contumacious breach of the Order. It is also worth noting that this would give the Defendants a greater level of protection than they would be entitled to in a civil contempt application, where it would have to be demonstrated that the Defendants intended the relevant act or omission which was said to constitute the breach of the Order and knew of the facts which made the act or omission a breach of the Order. It would not have to be demonstrated that the Defendants actually knew that they were breaching the Order. If the MSD Defendants are right in their argument, Sub-paragraph (h) would be capable of operating to avoid what would otherwise be a breach of the Order in all cases save those involving criminal contempt; that is to say acting in breach of the Order with knowledge that the relevant action was in breach of the Order. I find it difficult to accept that Sub-paragraph (h) was intended to have the effect of confining breaches of the Order only to those cases involving criminal contempt.

137. Effectively therefore, the argument of the MSD Defendants seems to me to leave Paragraphs 2 and 3 as something of a dead letter. Assuming that the 7 day time limit is observed, Sub-paragraph (h) would operate to avoid a breach of Paragraph 2 and/or Paragraph 3 save for a case of contumacious breach. If that was the intention behind Paragraph (h) I would have expected this to be spelt out. It is not.

138. Beyond this, it seems to me that the language of Sub-paragraph (h) is much more apt to refer to what might be called genuine accidents. In other words, the intention behind Sub-paragraph (h) was that the Defendants should not find themselves in breach of the Order in cases of genuine accident, provided that the Defendants acted promptly to correct the breach. Genuine accident seems to me to mean an act which was unintended, as opposed to deliberate. I refer to the following exchange between myself and Mr Speck, in the course of his oral submissions on the meaning of inadvertent:

“MR. JUSTICE EDWIN JOHNSON: So you are saying it needs to be a mistake of commission or omission within the carrying out of a particular task, so the task would be intended but not the relevant commission or omission.

MR. SPECK: If I understand the way you have put it to me, I think that is right, yes.

MR. JUSTICE EDWIN JOHNSON: Or perhaps as you would say a genuine accident.

MR. SPECK: I think the best way of actually describing it is something I have said to my Lord a couple of times, at the level we are talking about, say the inclusion of the word Merck or whatever it may be, was that a desired act? Did they want to do that? Was it desired or was it something that was accidental, in the sense of it slipped through and actually they intended something else? The distinction I draw is on that on the one side and deliberately doing something and just saying, "Well, I just thought I was okay because the order allowed me to". It has different consequences.”

139. It seems to me that, in this exchange, Mr Speck captured in his replies what I regard as the correct meaning of inadvertent error, as that expression appears in Sub-paragraph (h). Some support for this construction can, I think, be obtained from the CA Judgment. In rejecting the Defendants’ argument that Merck Global’s complaints were too minor, in

the overall scheme of things, to form the basis of a claim, Kitchin LJ relied upon the following reason (amongst other reasons) at [210]:

“210. Thirdly, it is in my view relevant that the judge found that the alleged breaches were not the result of inadvertence but instead arose against a background of conscious and deliberate (though honest) policy choices made by Merck US as to how it would organise its activities. That is a finding with which I would not interfere.”

140. I also note that Sir Alastair said something similar on this question, in the Remitted Issues Judgment, at [88]:

“88. In relation to the contractual claim I have held that the breaches of the agreements were not de minimis. A different assessment (by reference to infringements not breaches of contract and according to English law) is called for here. But a number of factors carry over. First, I retain the impression that the instances of infringement relied on at trial were not the only instances that had occurred); and this is certainly the case in relation to the selected samples. Second, it remains the case that my view is that the occurrences were not (save for a couple explained in the evidence) accidental but were rather the consequence of the way Merck US decided to organise its affairs. Third, the argument based on an analysis of website traffic has no more weight in this context than it has in the contractual context.”

141. The issue which I have to resolve is the construction of Sub-paragraph (h). This question of construction was, of course, not before the court in either of the above judgments. That said, it seems to me that it is legitimate to consider the judgments, as an aid to the construction of Sub-paragraph (h). The judgments identify what it was the Defendants had done wrong, and what future protection it was intended that the Claimant should have against such wrong. The reasoning in both the CA Judgment and the Remitted Issues Judgment is not consistent with the argument that Paragraphs 2 and 3 would only be breached in circumstances where the Defendants were found to be in deliberate breach. The construction of Sub-paragraph (h) contended for by the MSD Defendants seems to me effectively to remove from the Claimant the benefit of the findings of breach of contract and infringement of trade marks made by the Court of Appeal and Sir Alastair. It was those findings which justified the injunctive relief granted by Paragraphs 2 and 3. It would be very odd if that injunctive relief was then narrowed down to deliberate breaches only.

142. Counsel for the MSD Defendants contended in their skeleton argument that the provisions of Paragraph 4 were included for the reasons given by Sir Alastair in the Remitted Issues Judgment, at [105]:

“105. It has been my practice over the years when granting such injunctions to endeavour to indicate (in relation to actions which it is intended should continue or which are in contemplation) what would in those particular circumstances constitute compliance with the general injunction (“It shall not be a breach of this injunction if...”). My original form of order sought to adopt that structure. It is important to understand that such a form of order does not require the covenantor to do anything: it simply indicates that, faced with a prohibitory injunction based on his promise, if he makes an honest endeavour to follow the guidelines he will not be in breach of that injunction (or if in technical breach will have strong mitigation). There may be many

ways other than the use of such a “gateway” by which the covenantor might achieve his commercial objective without breaching his covenant and the injunction that enforces it, and he is entirely free to adopt them.”

143. I note what Sir Alastair said at [105], but he was here explaining the general rationale behind what became the provisions of Paragraph 4. I do not think that what was said in [105] assists or was intended to assist in understanding the scope of Sub-paragraph (h), if the MSD Defendants seek to rely upon [105] for that purpose. In this context it is also illuminating to note what Sir Alastair said in the immediately preceding paragraph, at [104]:

“104. In the instant case the form of relief generally granted seems to me to provide an appropriate template. Merck US knows what its core obligations are, and it encapsulated their legal effect and practical application in guidance contained in a “Brand & Identity Guide” and in an online manual. There will of course be factual scenarios in which the precise scope of the mutual obligations contained in clause 7 of the 1970 Agreement is open to reasonable disagreement. A covenantor who is proposing to undertake an action which falls within such a penumbral area and who is acting honestly and reasonably will (a) canvass the issue with the covenantee in advance or (b) (more usually) if complaint is made by the covenantee then enter into discussion with the covenantee to seek to resolve the difference; or (c) seek the view of the Court if he wishes to “sail close to the wind”.”

144. Given the content of [104] it is difficult to accept that Sir Alastair intended that Sub-paragraph (h) should have the effect that the Defendants could only be in breach of Paragraph 2 and/or Paragraph 3 in circumstances where they knew that they were committing a breach.

145. The extract from Mr Speck’s submissions which I have quoted above comprises only the first limb of the Claimant’s argument. The second limb is that there is no inadvertent error if the breach results from a failure by the Defendants to take sufficient steps to avoid a breach occurring. It seems to me that this second limb of the Claimant’s argument is not, in reality, a separate argument, and I do not accept it as such. It seems to me that the relevant inquiry, for the purposes of determining whether something is an inadvertent error, is whether it constitutes a genuine accident. I can see, in principle, that it may be wrong to classify a breach of Paragraph 2 and/or Paragraph 3 as a genuine accident if it has occurred as a result of a failure by the Defendants to put the right systems in place to avoid the breach occurring. It seems to me however that this is a matter which forms part of the inquiry into whether the relevant breach constituted a genuine accident. I do not consider that it constitutes a separate category of errors which cannot, in any circumstances, be inadvertent.

146. In summary therefore I prefer the submissions of the Claimant on the question of what is meant by “*inadvertent error*” in Sub-paragraph (h). While it is not easy to find one form of words which, in the abstract, encapsulates the meaning of inadvertent error, I construe the words inadvertent error to mean a genuine accident, in the sense of something which was not desired or intended, but slipped through when another result was intended. How this works out in practice falls to be considered when I come to consider the specific allegations of breach of the Order in Annex 2.

Targeting

147. The starting point is to identify why the requirement of what is referred to as targeting exists. The requirement was explained by Arnold LJ in the Court of Appeal in *Lifestyle Equities*, at [44], in the following terms:

“44 The internet is global. Users in the UK and the EU can, in the absence of geo-restriction, access websites hosted, and content posted on such websites, from anywhere in the world. Intellectual property rights, however, are territorial. At least in the case of copyright (and similar rights) and trade marks, the CJEU has held that mere accessibility of a website from a Member State of the EU is not sufficient to give rise to an infringement of rights conferred by the law of that State or of the EU, and that the relevant act must be “directed” or “targeted” at that State or at the EU: see L’Oréal SA v eBay International AG (C-324/09) EU:C:2011:474 (trade marks), Criminal proceedings against Donner (C-5/11) EU:C:2012:370; [2015] E.C.D.R. 22 (copyright) and Football Dataco Ltd v Sportradar GmbH (C-173/11) EU:C:2012:642; [2013] 1 C.M.L.R. 29; [2013] F.S.R. 4 (database right).”

148. The position in the present case on this question, as matters stood when the case reached the Court of Appeal, was summarised by Kitchin LJ in the CA Judgment in following terms, at [153]:

“153. Merck Global has never asserted that Merck US has sold or supplied goods or services in the UK under or by reference to the sign “Merck”. Merck Global’s case was and remains that Merck US has on multiple occasions used the word “Merck” in promotional and informational material and in the course of its general commercial activities. Moreover, Merck Global accepted at trial and again before us in oral argument on this appeal that, in order to establish that any internet use of the word “Merck” by Merck US amounted to a breach of clause 7 of the 1970 Agreement or an infringement of trade mark in the UK, it had to show that such use was directed or targeted at the UK. To make out its case that Merck US’s activities amounted to use of the word “Merck” as a trade mark in the UK, Merck Global also had to show that such use amounted to a use by Merck US of the word “Merck” in relation to goods or services in the course of trade in the UK.”

149. Given the terms in which Paragraphs 2 and 3 are expressed, it seems to me that this remains the position, in relation to the Claimant’s case that Paragraphs 2 and 3 have been breached. In order to make out its case that Paragraph 2 and Paragraph 3 have been breached, the Claimant must (amongst other matters) establish that the relevant use of Merck was targeted at the UK. The requirement to demonstrate targeting applies as much to Paragraph 2, which requires use within the UK, as it applies to Paragraph 3.

150. Remaining with the CA Judgment, Kitchin LJ proceeded to review European and domestic case law on the question of when material on a website could be said to be targeted at a particular State or the EU. From this case law Kitchin LJ distilled the following principles at [167]-[170]:

“167. First, in determining whether an advertisement of goods bearing a trade mark on the website of a foreign trader constitutes use of the trade mark in the UK, it is necessary to assess whether the advertisement is targeted at consumers in the UK and in that way constitutes use of the mark in relation to goods in the course of trade in the UK.

168. *Secondly, the mere fact that a website is accessible from the UK is not a sufficient basis for concluding that an advertisement displayed there is targeted at consumers in the UK.*
169. *Thirdly, the issue of targeting is to be considered objectively from the perspective of average consumers in the UK. The question is whether those average consumers would consider that the advertisement is targeted at them. Conversely, however, evidence that a trader does in fact intend to target consumers in the UK may be relevant in assessing whether its advertisement has that effect.*
170. *Fourthly, the court must carry out an evaluation of all the relevant circumstances. These may include any clear expressions of an intention to solicit custom in the UK by, for example, in the case of a website promoting trade-marked products, including the UK in a list or map of the geographic areas to which the trader is willing to dispatch its products. But a finding that an advertisement is directed at consumers in the UK does not depend upon there being any such clear evidence. The court may decide that an advertisement is directed at the UK in light of some of the non-exhaustive list of matters referred to by the Court of Justice in Pammer at paragraph [93]. Obviously the appearance and content of the website will be of particular significance, including whether it is possible to buy goods or services from it. However, the relevant circumstances may extend beyond the website itself and include, for example, the nature and size of the trader’s business, the characteristics of the goods or services in issue and the number of visits made to the website by consumers in the UK.”*
151. Further guidance on the nature of targeting can be found in the judgment of Floyd LJ in *Argos v Argos* [2018] EWCA Civ 2211, at [48]:
- “48. *Targeting is not an independent doctrine of trade mark law. It is, in essence, a jurisdictional requirement. Because trade marks are territorial in effect, those who are doing business exclusively outside the United Kingdom should not have their dealings subjected to the trade mark law of the United Kingdom. Failure to recognise this principle is a failure to give effect to the territoriality of the underlying rights. Moreover the fact that a website is accessible from anywhere in the world, and therefore may attract occasional interest from consumers there when this is not intended, should not give rise to any form of liability. Thus, in order to make good its claim of trade mark infringement, it was necessary for AUL to establish that ASI was using the sign ARGOS in the course of trade in relation to goods or services in the United Kingdom.”*
152. Floyd LJ then went to cite the principles stated by Kitchin LJ in the CA Judgment (quoted above). Floyd LJ then added the following observations, at [51] and [52]:
- “51. *These passages make it clear that evidence of subjective intention is a relevant, and possibly (where the objective position is unclear or finely balanced) a determinative consideration in deciding whether the trader’s activities, viewed objectively from the perspective of the average consumer, are targeted at the UK. Subjective intention cannot, however, make a website or page (or part of a page) which is plainly, when objectively considered, not intended for the UK, into a page which is so intended.*

52. *It is important to note that the summary of principles in Merck relates to the example of an advertisement for goods, where the role of the average consumer will be to determine whether the advertisement is targeted at him or her. In each case it will be necessary to look at the acts which are asserted to be use of the trade mark, and to focus on whether those acts are targeted at the United Kingdom. The scope of the enquiry will vary from case to case, as will the factors which are relevant to its determination. To that extent, I am prepared to accept that the role of the average consumer on the issue of targeting may differ from case to case.*”
153. The above summaries of this area of the law, by Kitchin LJ in the CA Judgment, and by Floyd LJ in *Argos* were confirmed to be correct by Lord Briggs and Lord Kitchin JJSC in their joint judgment (“**the Joint Judgment**”) in *Lifestyle Equities* in the Supreme Court.
154. It will be noted that, in determining whether a trader’s activities are targeted at the UK, the question falls to be answered as “*viewed objectively from the perspective of the average consumer*”; see the CA Judgment at [51] (quoted above). In terms of what is meant by the average consumer, Arnold LJ provided the following guidance in the Court of Appeal in *Lifestyle Equities*, at [54]:
- “54 *The fourth question is the relevance of the perception of the average consumer. In my judgment it is clear that, as with most questions concerning the use of signs in trade mark law, whether there has been use of the sign in the relevant territory must be assessed from the perspective of the average consumer of the relevant goods or services who is deemed to be reasonably well-informed and reasonably observant and circumspect. Thus one excludes from consideration those who are either ignorant or have specialist knowledge and those who are either careless or excessively careful, but otherwise one takes into account the characteristics of the relevant class of consumers. Such consumers are not an undifferentiated mass, but have the spread of relevant characteristics that human beings have. To take a familiar example, some people pronounce certain words in different ways, and therefore one must take the differing pronunciations into account. In the present context, one must take into account the fact that consumers have differing attitudes to purchasing goods from foreign websites: some are averse to the very idea; some positively want to purchase goods from foreign websites e.g. because the goods they desire are not readily available from UK websites; and many others have probably never thought about the question.*”
155. Lords Briggs and Lord Kitchin made reference to the average consumer in the Joint Judgment, at [27]. I do not detect anything in [27] which undermines Arnold LJ’s description of the average consumer.
156. Finally, and before coming specifically to the Joint Judgment and to the further submissions of counsel thereon, I note the summary of what is required to demonstrate targeting which was given by Daniel Alexander KC, sitting as a Deputy High Court Judge in *Abanka dd v Abanca Corporación SA* [2017] EWHC 2428 (Ch); [2018] Bus. L.R. 612, at [103], which was cited with approval (described as “*illuminating*”) by Arnold LJ in

the Court of Appeal in *Lifestyle Equities* (the original citation was in an earlier decision of Arnold LJ):

“Put colloquially, a proprietor should be treated as having used a mark in the UK if it has itself ‘pushed’ its business and mark into the UK, not if it has been ‘pulled’ into the UK by (for example) its customers abroad, even though they may be based in the UK. That is the upshot of the case law on ‘direction’ or ‘targeting’ of a website to the UK cited above (see the summary of CJEU case law in the Stichting BDO case [2013] F.S.R. 35). Quite what constitutes enough push of goods, services or advertising for them to the UK is not always easy to determine, especially in cases where a proprietor may be, in effect, a ‘pulled-pusher’ in that, without having taken any active steps to develop the market in the UK, it none the less takes business from consumers based in the UK.”

Lifestyle Equities in the Supreme Court – the further submissions on the Joint Judgment

157. *Lifestyle Equities* was concerned with allegations of trade mark infringement which were made against Amazon. Amazon had marketed and sold US branded goods on its USA website which, so it was contended, were targeted at and sold to consumers in the UK and the EU, thereby infringing Lifestyle’s UK/EU trade marks. The Supreme Court were concerned with what were essentially two issues. The first issue was whether the Amazon USA website targeted UK consumers, so as to constitute use of the trade marks in the course of trade in the UK. The second issue was what was referred to as the *Blomqvist* issue. This second issue was not concerned with targeting, but raised the question of whether there had been infringement of the trade marks by Amazon by selling goods through the Amazon USA website to consumers in the UK and delivering the goods to those consumers, even if the goods were not the subject, prior to the sale, of an offer for sale or an advertisement targeted at those consumers. For the reasons set out in the Joint Judgment, the Supreme Court held that the Court of Appeal had been correct to find that the first instance Judge had erred in his conclusion that there was no targeting. The Supreme Court also held that the Court of Appeal had erred in its own approach to the assessment of targeting but had, nonetheless, come to what the Supreme Court considered was the right answer in finding that there was targeting. Given that conclusion, the Supreme Court did not go on to consider the separate *Blomqvist* issue.
158. In their further submissions on *Lifestyle Equities* counsel for the MSD Defendants stressed the identification, in the Joint Judgment, of the errors made by the first instance Judge and by the Court of Appeal in their analysis of the question of whether the Amazon USA website was targeted at the UK, specifically at [81]-[83] and [84]-[87].
159. It seems to me that counsel for the MSD Defendants were right to stress these paragraphs of the Joint Judgment. In these paragraphs Lord Briggs and Lord Kitchin did stress the need to avoid a simplistic approach to the question of targeting. It seems to me that it is important to keep in mind, in my own consideration of the question of targeting, the criticisms made by the Supreme Court of the approach below, and their guidance on the nature of the exercise required. In this context, and while keeping all of this guidance in mind, I would highlight what Lord Briggs and Lord Kitchin said, as part of their identification of why the Judge at first instance went wrong, at [82(i) and (iii)]:
- “(i) We do not consider that the judge was wrong to review the USA website as a whole. It is a necessary part of the appraisal of the targeting issue that the combined effects of a marketing website upon the perceptions of the average consumer are considered in the aggregate. But the judge did fail to focus in*

sufficient detail, stage by stage, upon the specific elements of the successive pages in the USA website as they would reveal themselves to the average consumer on their journey from landing to a decision to buy, before making his assessment of its overall effect.”

“(iii) We do not regard the “taking deliberate aim” phrase as revealing an inappropriate focus on Amazon’s subjective intent. It is a reasonable way of describing the effect of a targeted website on the perception of the average consumer. The consumer is treated as asking: “is this advertisement deliberately aimed at British people, among others?” But in our view the judge was plainly wrong to answer that hypothetical question in the negative. For example, the pop-up box was plainly telling the consumer that they would find in the following pages those products available for shipment to the UK, as indeed they did.”

160. I also highlight what their Lordships said, at [86(i) and (iv)], as part of their identification of where the Court of Appeal went wrong in their approach, albeit not in their answer (the underlining is my own):

“(i) It is certainly true that the Court of Appeal did appear to conduct a sequential but essentially self-contained review of a small number of specific pages in the USA website, with a view to deciding whether each, viewed separately but in context of the website as a whole, amounted to an act of targeting. It did so because, we think, they regarded a targeting conclusion as so obvious in relation to the “Review your Order” page, that the outcome could be concluded against Amazon by reference to that page alone. We do think that in many cases this will be an erroneous approach, not least because it may fail to reveal targeting as the effect of an online website as a whole, merely because no single page is so to be viewed on its own. Putting it shortly, it is an approach which may miss the wood for the trees.”

“(iv) There is some force in this criticism about the low threshold applied by the Court of Appeal. It is hard to imagine any online sales website (for delivery of goods to the UK from abroad) having a “Review your Order” page significantly different from that used by Amazon on its USA website. Our conclusion that there was targeting is based not simply upon this page but upon the combined effect of all those aspects of the USA website that show how it is specifically designed to offer goods to a UK consumer, once its antennae pick up the fact that an incoming consumer enquiry is coming from a consumer with an IP address in the UK. To that extent we do consider that the approach of the Court of Appeal was too simplistic, even though it did not, in the event, lead it to the wrong conclusion.”

161. Counsel for the MSD Defendants sought to extend their further submissions to a more radical proposition. At [72] in the Joint Judgment their Lordships said this:

*“72. Even more powerful an indicator of targeting consumers in the UK is the content of the pop-up box itself. That tells the UK consumer that they are about to be shown precisely those goods which are available for delivery to the UK. It says: “We’re showing you items that ship to **United Kingdom**”. The subsequent product pages make that good, not by excluding all other goods but by labelling precisely which of the goods displayed are so available. Again, it is irrelevant that this*

happens automatically, where the USA website is visited by a consumer with a UK IP address. It does so, extremely thoroughly across the entire product range, by design. In this context it must be assumed that the US branded goods were designated as items that ship to the UK. If they were not, then the case for targeting would of course fall flat on its face.”

162. Counsel for the MSD Defendants contended that, by parity of reasoning, the Claimant’s case on targeting should also fall flat on its face, because the Claimant has never asserted, in the Action, that Merck US has sold or supplied goods or services in the UK under or by reference to the sign Merck; see the CA Judgment at [153]. I do not think that this submission can be right. In the Joint Judgment their Lordships were concerned with the offer for sale of US branded goods. The question was whether the offer of those goods was targeted at the UK. It seems clear to me that their Lordships were not saying that targeting could not be found in the different factual context of the promotion of goods and services from a US website. It is quite clear that such targeting can be found; see Kitchin LJ in the CA Judgment at [153]. There is no suggestion in the Joint Judgment that their Lordships intended to overrule the approach of Kitchin LJ, as he then was, in the CA Judgment.

163. For their part counsel for the Claimant sought to draw a distinction, in their further submissions, between the analysis required for Paragraph 2 and the analysis required for Paragraph 3. The context for this submission was the response of counsel for the Claimant to paragraph 26 of the further submissions of counsel for the MSD Defendants. By way of conclusion to their further submissions, counsel for the MSD Defendants said this:

“26. In para [27] the Supreme Court reiterated that the appropriate perspective is that of the average consumer, the characteristics of whom it affirmed were accurately summarised in paras [107] to [130] of the Judgment of the Court of Appeal delivered by Kitchin LJ in Interflora Ltd v Marks and Spencer Plc [2014] EWCA Civ 1403, where it was confirmed at para [125] that:

It is only the effect of the advertisements on internet users who are reasonably well-informed and reasonably observant that must be taken into account.”

164. In response to this submission, counsel for the Claimant made the following points, in paragraph 7 of their further submissions:

“7. The Court will notice when reviewing those paragraphs in our written submissions, that they come in the context of the allegation of breach of paragraph 3 of the Order. That is because paragraph 3 is concerned with the injunction against trade mark infringement. It is important to note that Lifestyle Equities is also concerned with the question of targeting in the context of trade mark infringement. However, the breaches to which Merck Global points are not confined to, or even focused on, paragraph 3 of the Order but rather paragraph 2. That paragraph is concerned with the breach of contract by use of a name that Merck US promised not to use. It is necessary to have caution in keeping clear questions that can only arise as a matter of trade mark law from those that arise on breach of paragraph 2. We submit that Merck US has not done so: It is correct that the assessment of trade mark issues is to be done from the view of the notional average consumer. The same is not the case for breach of paragraph 2. Accordingly,

the observation at [26] of Merck US's submissions finds no support in Lifestyle Equities as relates to targeting for breach of paragraph 2 and for paragraph 3 was common ground between the parties prior to the Supreme Court's judgment and so adds nothing. Beyond that, [20] to [25] serve no purpose beyond reiterating what was already common ground, namely that there must be targeting of the UK."

165. It was not clear to me, in reading paragraph 7, whether it was being asserted that the test for targeting, in relation to Paragraph 3 is different, and more stringent than the test of targeting in relation to Paragraph 2. Nor was it clear to me whether it was being asserted that *Lifestyle Equities* had no application to Paragraph 2 and/or that the perspective of the average consumer should be disregarded in considering targeting in the context of Paragraph 2.
166. For the avoidance of doubt, it seems to me that there is no material distinction, in terms of the test for targeting, as between Paragraph 2 and Paragraph 3. Indeed, I had assumed this to be the case on the basis of the written and oral submissions of the parties at the hearing of the Application. I accept that *Lifestyle Equities* was concerned with claims of trade mark infringement. I accept that Paragraph 2 is not concerned with trade mark infringement, but with breach of contractually based restrictions. I also accept that it is necessary, in considering the question of whether Paragraph 2 has been breached, to separate out questions which can only arise as a matter of trade mark law. In particular, I accept that it is only when one comes to Paragraph 3 that one has to ask the question, from the perspective of the average consumer, of whether the use of Merck which is complained of constituted use of Merck as a trade mark in the course of trade in the UK in relation to goods and services covered by the specification of Merck Global's trade marks.
167. What I do not accept, if and in so far as this may be asserted, is that the test for targeting is somehow materially different, as between Paragraph 2 and Paragraph 3. Paragraph 2 requires use of Merck within the UK when furthering or promoting the business of the First Defendant to third parties. This is why targeting at the UK has to be demonstrated for Paragraph 2, as much as for Paragraph 3. As such, and so far as the question of targeting is concerned, I do not accept that the test is materially different, as between Paragraph 2 and Paragraph 3. If and in so far as may be asserted, contrary to my view, that the average consumer formally falls out of account, when considering the question of targeting in relation to Paragraph 2, it seems to me that the test for targeting is not and should not be materially different, as between Paragraph 2 and Paragraph 3, and that the authorities on targeting to which I have been referred (including the Joint Judgment) remain directly relevant.
168. While I have given careful consideration to the further submissions on *Lifestyle Equities* on both sides, I do not find it necessary to make further express reference to the particular arguments raised in the further submissions. I do however add the following three points, in the light of my reading of the Joint Judgment and the further submissions.
169. First, I do not read the Joint Judgment as disapproving what has previously been said in relation to the targeting, in the authorities to which I have been referred, beyond the case specific criticisms made of the Court of Appeal decision in *Lifestyle Equities*. In particular, and as I have noted above, the extracts from the CA Judgment which I have

quoted above, in the context of targeting, were the subject of specific approval by the Supreme Court. In the Joint Judgment, in setting out the law, their Lordships made it clear that they were elaborating on what had previously been stated as the law. They were not changing the law. In their further submissions, counsel for the MSD Defendants made reference to the Joint Judgment at [18], where their Lordships quoted from the decision of the Grand Chamber of the CJEU in *Pammer v Reederei Karl Schlüter GmbH & Co KG; Hotel Alpenhof GesmbH v Heller* (Joined Cases C-585/08 and C-144/09) [2010] ECR I-12527; [2012] Bus LR 972. In fairness, I should make it clear that this reference was made by counsel for the MSD Defendants in the context of a submission that, in relation to many of the Rows, the Claimant is said to be relying upon a single element within a webpage, such as an email address. The submission being made by counsel for the MSD Defendants, which I shall have to consider when I come to my analysis of the individual Rows, was that the Claimant's case had failed to respect the scope of the inquiry required to determine the question of targeting. Nevertheless, it seems to me to be important to keep in mind that reference to *Pammer*, and reference to the need to carry out an evaluation of all the relevant circumstances are not new in the Action. I refer, by way of example, to the CA Judgment at [170], as quoted above. Previous consideration in the Action of the question of targeting, in the context of items on webpages such as email addresses, has taken place by reference to cases such as *Pammer*, and on the basis of legal principles which have now been affirmed by the Supreme Court.

170. Second, their Lordships stressed, in the Joint Judgment at [28], that in order to answer the question raised in *Lifestyle Equities*, namely whether the average consumer would consider the Amazon USA website to be targeted at them, "*the judge must evaluate or, as it is sometimes put, carry out a multifactorial assessment of all the relevant circumstances*".
171. This leads on to my third point, which is the fact sensitive nature of the inquiry on targeting. In working through the Rows it is necessary to make an overall assessment of the relevant websites, online media and uses complained of. The result, in the case of any particular Row, is not necessarily dictated by a case such as *Lifestyle Equities*, which has been decided by reference to a different factual matrix. The significance of this point is borne out by the varied nature of the complaints in the Rows. The common themes are alleged breaches of Paragraph 2 and Paragraph 3 by the use of Merck in materials and media alleged to have been targeted at the UK. The circumstances in which these breaches are said to have occurred are many and varied. They are not confined to the simple process of the marketing and sale of goods through a website, which was essentially what was under consideration in *Lifestyle Equities*.

Breach of Paragraph 3 – what has to be demonstrated in order to establish infringement of the Claimant's trade marks?

172. In this section of the judgment I include some further discussion on what has to be demonstrated in order to establish breach of Paragraph 3. In the case of Paragraph 2 what has to be demonstrated, so far as trade marks are concerned, is use of the trade mark Merck, within the UK, when furthering or promoting the business of the First Defendant to third parties. In the case of Paragraph 3 what has to be demonstrated is the tort of infringement of the Claimant's trade marks.

173. The submissions on Paragraph 3 would have been a good deal easier to understand and deal with, if both parties had started with an identification of the essential elements which have to be established in order to demonstrate infringement of a trade mark, and then proceeded to identify those of the elements which were, and were not in issue. Unfortunately, this did not happen. Instead, the submissions defaulted straight to particular issues such as targeting and whether the uses of Merck complained about constituted use in the UK in the course of trade in relation to any relevant goods or services. The impression I formed was that the parties appeared to regard the question of whether Paragraph 3 had been breached as subsidiary to the question of whether Paragraph 2 had been breached. In practical terms this may have been correct. In terms of my understanding of the issues arising in relation to the alleged breaches of Paragraph 3 it was not correct.
174. Although this did not feature clearly in the submissions, I understood the Claimant's case on Paragraph 3 to rely on the forms of infringement set out in sub-sections (1) and (2) of Section 10 of the Trade Marks Act 1994. For ease of reference I set out these two subsections, together with subsection (3):
- “(1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.*
- (2) A person infringes a registered trade mark if he uses in the course of trade a sign where because—*
- (a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or*
- (b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,*
- there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.*
- (3) A person infringes a registered trade mark if he uses in the course of trade, in relation to goods or services, a sign which—*
- (a) is identical with or similar to the trade mark,*
- where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”*
175. The Claimant also asserted that various elements of the cause of action could be taken as read; namely, and by way of example, (i) the identity between the trade marks and Merck, (ii) the high identity or high similarity of goods and services offered by Merck US and Merck Global, (iii) the fact that Merck Global's reputation was established, and (iv) the fact that there is no due cause for use of the sign that Merck US has agreed not to use. The Claimant's case was that the particular question arising under Paragraph 3 was whether the uses complained of constituted use in the UK in the course of trade in relation to any goods or services, which includes the question of targeting.

176. As counsel for the MSD Defendants were at pains to point out in their skeleton argument, targeting is a necessary but not a sufficient requirement for a finding of trade mark infringement. The composite nature of the inquiry required to determine whether there has been an infringement of a trade mark was stressed by Kitchin LJ in the CA Judgment, at [175]:

“175.It must also be borne in mind that, as I have explained in the immediately preceding section of this judgment, this is a composite expression. To constitute an infringement, the contents of the website must be targeted at consumers in the UK and constitute use of the impugned sign in the course of trade in relation to the relevant goods in the UK.”

177. In order to understand Kitchin LJ’s reference to “*the composite expression*”, it is necessary to go back to [171] and [172]:

“171. It is convenient to address now two related matters of principle raised by Mr Hobbs concerning infringement of a registered trade mark by the use of a sign by a foreign trader on a website or in advertising or promotional material accessible in the UK.

172. First, the expression “using in the course of trade any sign ... in relation to” goods or services in EU trade mark law means use for the purpose of distinguishing those goods or services from those of other suppliers: see, for example, Case C-63/97 Bayerische Motorenwerke AG v Deenik [1999] ECR I-905, [1999] 1 CMLR 1099 at paragraph [38]; Case C-245/02 Anheuser-Busch Inc. v. Budějovický Budvar NP [2004] ECR I 10989, [2005] ETMR 27 at paragraphs [60] to [64]; and Case C-17/06 Céline SARL v. Céline SA [2007] ECR I-7041, [2007] ETMR 80 at paragraph [20].”

178. It is important to note that the question of infringement of the Claimant’s trade marks was considered by Sir Alastair, at some length, in the Remitted Issues Judgment. It will be recalled that one of the issues remitted by the Court of Appeal was whether the impugned activities of Merck US constituted use in the UK in the course of trade in relation to any relevant goods or services. Sir Alastair explained the context in which this issue had been remitted in the following terms, at [24] and [25]:

“24. Merck US operated a suite of global websites (some with UK specific content) to support and promote its business. These included “merck.com”, “merckformothers.com”, “merckresponsibility.com”, “merckmanuals.com”, “merckanimal-health.com”, “msd-animal-health.com”, “msd-uk.com” and “msd-animalhealth.co.uk”. It also undertook social media activities (some with UK specific content) accessible from those websites, which media activities quite deliberately did not take advantage of available country specific limitations that would have restricted access from the UK. The websites and social media were “targeted” (in the relevant sense) at the UK. In the websites and on social media the word “Merck” is constantly deployed. Some detail is given in paragraphs [58] to [70] of the appeal judgment. These are findings made at trial that withstood challenge on appeal.

25. Merck Global also made complaint of the use by Merck US of Merck Global’s Marks in conferences and at Advisory Board meetings of Merck US in the UK, in press releases distributed in the UK, in agency briefs distributed in the UK and in emails sent to the UK.”

179. Sir Alastair went on to make the point, at [27], that Merck US had never sold or supplied goods or services in the UK under or by reference to the sign Merck:

“27. It is not in dispute that the only use of which Merck Global can complain by way of trade mark infringement is use by Merck US of the sign “Merck” in the UK in the course of trade in relation to goods or services. Nor (in these proceedings) is it in dispute that Merck US has never sold or supplied goods or services in the UK under or by reference to the sign MERCK. Goods or services are sold or supplied by MSD. The use of which complaint is made is of the use by MSD and by Merck US of MERCK in promotional and informational material and in the course of general commercial activities.”

180. This paragraph of the Remitted Issues Judgment is of particular importance in relation to the Application, for a reason which I have already identified in my analysis of the further submissions on *Lifestyle Equities*. As I understand the position, it remains the case that Merck US have never sold or supplied goods or service in the UK under or by reference to the sign Merck. Such goods or services continue to be sold or supplied under the MSD brand. Nevertheless, as Sir Alastair confirmed, infringement of the Claimant’s trade marks could be found, and was found by Sir Alastair in certain instances, in relation to the use by Merck US of Merck in promotional and informational material and in the course of general commercial activities. In doing so, Sir Alastair rejected the argument of the Defendants that, because Merck US had no trade in the UK, no goods hypothecated for marketing within the UK, no customers buying goods and no services being consumed, its use of Merck in the manner in which it had been used was not capable of being use in the course of trade in relation to goods and services in the UK; see the Remitted Issues Judgment at [32]-[36].

181. Sir Alastair then went to identify at [28] and [29], with the benefit of the CA Judgment, the question which had to be answered (the underlining is my own).

“28. The question that has been remitted for reconsideration is whether that use on the websites (and such other use as may be proved in relation to the off-line material) constitutes “use in the course of trade”. As to that the appeal judgment reinforced two points (at [171]- [172]): -

“First, the expression “using in the course of trade any sign....in relation to” goods or services in EU trade mark law means use for the purpose of distinguishing those goods or services from those of other suppliers.... Secondly, and equally importantly, the expression also means use such as to create the impression that there is a material link in the course of trade between the goods or services concerned and the undertaking from which those goods or services originate...”.

The focus in this case is upon the second of those meanings. Even if a sign is not affixed to goods or services that are marketed there is use “in relation to” goods or services if that sign is used in such a way as to establish in the mind of the average consumer a link between the sign constituting the company or trade name and the products or services provided by the third party. (I have summarised part of the passage from Celine Case C-17/06 quoted by Kitchin LJ immediately after the two points cited above). Just to dwell on the point a little: what has to be established here is a link between (a) the sign constituting the company or business name of the defendant and (b) the goods or services marketed by the defendant: and if that link is established then there is not simply “use” of the mark but “use in the course

of trade in relation to goods or services”. The sign is not just the name of the business undertaking the supply but is also an indicator of origin of the goods or services supplied.

29. *Thus, the unauthorised use by a third party of a sign which is identical to the registered mark in relation to goods or services which are identical to those for which the mark is registered must still be shown to affect the essential function of the registered mark, i.e. of guaranteeing to consumers or end users the origin of the goods or services. But*

“...where the sign is used by the third party in relation to goods or services in such a way that consumers are liable to interpret it as designating the origin of the goods or services in question...the use of the sign is liable to imperil the essential function of the mark, since, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the EC Treaty seeks to establish and maintain, it must offer a guarantee that all goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality...”

(The quotation is from Celine at [27]).”

182. At [30] Sir Alastair set out the core submission of Merck Global which, I was told, remained the Claimant’s core submission in the Application, in relation to the alleged breaches of Paragraph 3:

“30. Merck Global’s core submission was that the use of the sign MERCK on the websites, in social media and in off-line presentations, conferences and advisory board meeting was intended to link the sign MERCK to the goods and services of Merck US (and thereby to imperil its function as a mark denoting in the UK Merck Global as the origin of such goods and services): and as such that use constituted an infringement. In the evidence this concern was encapsulated in a passage in the evidence of Jonas Koelle;

“...there is a concern held within [Merck Global] ...that [Merck US’s] activities are diluting [Merck Global’s] identity in territories reserved to it under the 1970 Agreement, including the UK. We have the sense that [Merck Global’s] hold on the MERCK brand in those territories is being weakened by MSD’s activities, especially in the on-line context”.”

183. Sir Alastair then summarised the arguments of the parties on this remitted issue, before proceeding, at [37]-[87], to consider 32 sample cases (16 selected by each side) in relation to which the remitted issues concerning use in the course of trade in relation to relevant goods and services were to be determined. In terms of considering whether the relevant link existed in any particular case, Sir Alastair accepted, at [39] and (40), the following characterisation of the reasonably informed, reasonably observant and circumspect consumer:

“39. The question of the existence of a relevant “link” and whether it arises in relation to goods or services in the course of trade must, of course, be assessed by reference to the impression created in the mind of the reasonably informed, reasonably observant and circumspect consumer. Mr Hobbs QC characterised such a consumer as principally a healthcare professional, patient or care giver. I consider this characterisation is broadly correct (provided that “healthcare professional” is not confined to those undertaking

the prescribing function but includes regulators and health policymakers). In fact, “Patients and Caregivers” and “Healthcare professionals” are amongst the groups of people directly addressed by the “merck.com” homepage.

40. *Such a person would not, I think, consider each phrase and each sentence on a webpage and seek to analyse what role the word “MERCK” played in it on a standalone basis. Rather the unit of consideration is likely to be the page as a whole (or a material section of the page), and the process of consideration is likely to include such matters as all uses of the word “Merck” in that context (including the route to the page).”*

184. In his oral submissions Mr Hobbs stressed the nature of the investigation required, in the context of the use of the word Merck in the materials relied upon in the Rows. Mr Hobbs drew my attention, in particular, to what Sir Alastair said at [40], as quoted above. Mr Hobbs’ point was that the question of whether Merck was being used in breach of Paragraph 2 and/or Paragraph 3 was not a molecular inquiry. One should not simply focus on the particular point in the relevant webpage or other medium where Merck was used. Mr Hobbs referred me to a statement of Lord Hoffmann to the effect that no one ever made an acontextual statement. So, in the present case, one needed to consider the context in which Merck appeared. In principle I accept this point. How far it affects the analysis in relation to any particular Row is however a fact sensitive or (which may be the more appropriate expression) a location sensitive inquiry.

185. The Claimant was content with this characterisation of the consumer, for the purposes of its case in the Application. I understand the MSD Defendants to adopt a similar position. I will refer to this “*reasonably informed, reasonably observant and circumspect consumer*” as “**the Consumer**”.

186. While I am not considering the same 32 sample allegations in this judgment, it seems to me that this section of the Remitted Issues Judgment (which has not been appealed) is important, in that it provides me with useful guidance both on the correct approach to the question of whether Paragraph 3 has been breached in any particular case and, where appropriate, on how I should deal with a particular type or category of alleged infringement of trade mark.

The allegations of breach of the Order – analysis of the Rows

Preliminary matters

187. As I work through the Rows, I will be making repeated references to the witness statements and their exhibits. I will refer to each witness statement using the surname of the person making the witness statement and the number of the witness statement. Exhibits are identified by reference to their title. Using an example relevant to all of the Rows, Day 2 is the second witness statement of Mark Day, a solicitor acting for the Claimant, dated 3rd March 2022. MCJD-3 is the first exhibit to that witness statement. No discourtesy to any witness is intended by these abbreviated forms of reference.

188. References to “MSD” mean the name and branding which the Defendants are permitted to use (as opposed to Merck) outside the US and the other Permitted Territories, as defined in paragraph 24 of the Order (Canada, Cuba and the Philippines).

189. Where I refer to an alleged breach of Paragraph 2, this necessarily means an alleged breach by the First Defendant. In the case of an alleged breach of Paragraph 3, I will identify the relevant MSD Defendants alleged to have breached Paragraph 3. My references to Sub-paragraph (h) and, in particular, to inadvertent errors are references to Sub-paragraph (h) and inadvertent errors as I have construed the same.
190. The Claimant made much of the point, in submissions, that the MSD Defendants could not feasibly deny that a particular activity was a breach of the Order, and then rely on Sub-paragraph (h) to contend that the relevant activity was an inadvertent error. It is convenient to deal with this submission before coming to the individual Rows. I do not accept this submission, as a general proposition. In the case of an alleged breach of the Order, it seems to me that there is nothing, in principle or logic, to prevent the MSD Defendants from seeking to rely upon Sub-paragraph (h) as a fallback and alternative argument to the argument that, independent of Sub-paragraph (h), there was no breach. The question of whether Sub-paragraph (h) can be relied upon depends upon whether there was an inadvertent error, which in turn depends upon the evidence concerning the action or omission said to have given rise to the alleged breach. I see no reason why the MSD Defendants cannot argue that, on the evidence, the relevant action or omission constituted an inadvertent error, while also saying, for separate reasons, that the relevant action or omission did not in fact give rise to a breach of the Order. It may be, in the case of a particular alleged breach, that there are particular difficulties in running these arguments side by side, but that depends upon the nature and circumstances of the relevant alleged breach. In principle I see no reason why the arguments cannot be run side by side. Accordingly, and unless I indicate otherwise in relation to my discussion of any particular Row, I have not accepted the argument that there is a difficulty in relying upon Sub-paragraph (h) as a fallback argument to the argument that, independent of Sub-paragraph (h), there was no breach.
191. It will be recalled that Sub-paragraph (h) does contain a time limit for correcting an inadvertent error, where an inadvertent error, within the meaning of Sub-paragraph (h), can be shown to have occurred. In his closing oral submissions in reply, I understood Mr Speck to accept that in those cases where the MSD Defendants contended that there was an inadvertent error, within the meaning of Sub-paragraph (h), which they then corrected promptly within the time limit, the Claimant was not contending that the correction occurred outside the time limit. I should record that Mr Speck was careful to hedge this around with the qualification that this all depended upon whether the situation was, in reality, one where an inadvertent error had occurred which the Defendants then took steps to correct. Mr Speck's definition of when this would occur was a narrow one. I mention this acceptance under the heading of preliminary matters because it avoids the need to deal with the 7 day time limit, if and to the extent that I find that inadvertent errors occurred which were the subject of prompt corrective action. In any such case I accept, and find that the corrective action was taken within the 7 day time limit.
192. The evidence in this case, as I have noted, is voluminous. In my analysis of each Row, I will not attempt to make comprehensive reference to all the evidence to which my attention has been drawn, in the written and oral submissions, in relation to that Row. It has all been taken into account. Where I make specific reference to the evidence in this judgment I am, unless otherwise stated, accepting that evidence so far as it is confined to statements of fact. In this context it is also convenient to mention (not, I stress, by way of criticism) that the Claimant put a number of written questions to various of the MSD

Defendants' witnesses, on their witness statements. The questions were put by a series of Part 18 Requests contained in a document dated 3rd October 2022. The relevant witnesses made further witness statements in answer to the questions posed by these requests ("**the Part 18 Requests**"). The result of this, which is relevant to my consideration of the evidence in the witness statements, is that I have the benefit of further elaboration of much of the original evidence given by the relevant witnesses for the MSD Defendants.

The responsibility of the MSD Defendants for the material relied upon in the Rows

193. In the case of five of the Rows, the Claimant's case is that Paragraph 3 was breached by the Second Defendant, in addition to the First Defendant. In the case of two of the Rows the Claimant's case is that Paragraph 3 was breached by the Fifth Defendant, in addition to the First Defendant. In the case of one of the Rows, the Claimant's case is that Paragraph 3 was breached by the Second Defendant only.
194. The basis on which the relevant MSD Defendant or MSD Defendants are said to have been responsible for the material which is relied upon in each of the Rows is particularised in the fifth column of an Amended Annex to the Claimant's Points of Reply. The evidence in support of these particulars can be found in Day 2 and the exhibits thereto. Day 2 is a lengthy witness statement. In summary, what Mr Day does in Day 2 is to work through each Row, identifying the evidence relied upon by the Claimant and the relevant exhibit which contains the documentary evidence relied upon. In the case of each Row Mr Day sets out the results of the research carried out by the Claimant's solicitors to identify the person or persons responsible for the material said to breach Paragraph 2 and, where this is alleged, Paragraph 3. This evidence is supplemented by a witness statement of Christopher Bouchier, a trainee solicitor with the Claimant's solicitors.
195. By way of example of the evidence relied upon, I refer to the evidence of Mr Day and Mr Bouchier in support of the claims of breach of Paragraph 2, by the First Defendant, and breach of Paragraph 3, by the First and Second Defendants, in relation to Row D. Row D is concerned with uses of Merck on the website merckoncologyclinicaltrials.com.
196. At paragraphs 3 and 4 of Bouchier 1, Mr Bouchier says this:
3. *On 26 April 2022, I opened the Google Chrome browser and entered the URL www.merckoncologyclinicaltrials.com (the "**Merck Oncology Clinical Trials Website**") in the address bar. I pressed the Enter key on my keyboard and was directed to the homepage of the Merck Oncology Clinical Trials Website (see pages 1 to 4 of Exhibit CKB-1).*
 4. *I clicked on the 'Terms of Use' link in the footer of the Merck Oncology Clinical Trials Website, shown at page 4 of Exhibit CKB-1. This took me to the 'Terms of Use' page at the URL merck.com/terms-of-use/, shown at pages 5 to 9 of Exhibit CKB-1). The second paragraph of the Terms of Use stated that "This website is maintained by Merck Sharp & Dohme Corp...", the First Defendant."*
197. At paragraph 27 of Day 2, Mr Day says this:
27. *The copyright notice in the footer of the Merck Oncology Clinical Trials Website on 15 October 2021 stated "Copyright © 2021 Merck & Co, Inc.,*

Kenilworth, NJ, USA”, indicating that that the Second Defendant is the owner of the copyright in any content that might appear on that website.”

198. On this basis, as I understand the Claimant’s case, both the First and Second Defendants are said to be responsible for the material which is the subject of the complaints in Row D. Evidence of a similar kind is relied upon in relation to the other Rows, further to the particulars in the fifth column of the Amended Annex to the Claimant’s Points of Reply. Those particulars, so far as they comprise matters of fact, are admitted; see the letter from the solicitors for the MSD Defendants, dated 15th November 2023.

199. The case of the MSD Defendants, as I understand it, is that the material relied upon by the Claimant in this context is not sufficient to establish use of the relevant material by the relevant MSD Defendant of the kind required to engage Paragraph 2 or Paragraph 3. In this context I have been referred to the evidence of Johanna Herrmann, Head of Corporate Communications at the First Defendant, in Herrmann 1. At paragraphs 6 and 7 of Herrmann 1, Ms Herrmann explains the roles of the MSD Defendants in the following terms:

“6 The Second Defendant is listed on the New York Stock Exchange. It is a holding company with no employees. It reported figures at the end of 2021. Exhibit JH1 is a copy of part of the most recent form 10-K filed with the US Securities and Exchange Commission. This report states that worldwide sales were \$48.7 billion, an increase of 17% compared with 2020; the sales increase was driven primarily by growth in oncology, vaccines, hospital acute care and animal health; and revenue in 2021 reflects the benefit of sales of molnupiravir, an investigational oral antiviral COVID-19 treatment. At the end of 2021, the Second Defendant reported a total of approximately 68,000 employees worldwide, with approximately 27,000 employed in the US, including Puerto Rico.

7 The First Defendant is a subsidiary of the Second Defendant and carries on commercial activities. The Third Defendant is no longer owned by the Second Defendant, having been part of the spin-off of Organon & Co. in June 2021. The Fourth and Fifth Defendants are wholly-owned indirect subsidiaries of the Second Defendant that carry on animal health business.”

200. So far as copyright notices are concerned, Ms Herrmann says as follows, in paragraph 45 of Herrmann 1:

“45 At the bottom of the screenshot in paragraph 24 there is a copyright notice “Copyright © 2022 Merck & Co., Inc., Rahway, New Jersey, USA and its affiliates. All rights reserved.” I am informed by Lisa Jakob, Counsel at the First Defendant that this has been introduced as a single notice to provide uniformity across our businesses. Previously there were a number of copyright notices in use and this was thought to improve efficiency in copyright notice implementation and compliance.”

201. The letter from the solicitors for the MSD Defendants, which I have mentioned above and which is dated 15th November 2023, says the following in relation to paragraphs 6 and 7 of Herrmann 1:

“For the avoidance of doubt, the commercial activities of the First Defendant referred to in paragraph 7 of her witness statement include those with respect to which the allegations of breach have been made. Whether such matters give rise

to liability for breach of the Final Order by the First, Second or Fifth Defendants will fall to be determined on hearing of the application.”

202. I take the above statement to mean that the material complained of in the Rows comprises part of the commercial activities of the First Defendant, with the consequence that the First Defendant can be held to have breached Paragraphs 2 and 3, by reason of the use of this material, assuming (of course) that the use of the material constituted a breach of Paragraph 2 and/or Paragraph 3. I also take the above statement to be made subject to arguments which the MSD Defendants raise as to responsibility for particular material; see, by way of example, the argument of the MSD Defendants, in relation to Rows AA and GG, that the relevant material was supplied by third parties. Whether or not I have understood the above statement correctly, and subject to arguments about particular Rows, I am satisfied, on the evidence, that the First Defendant can be held responsible for the material complained of in the Rows, with the consequence that the First Defendant can be held to have breached Paragraph 2 and/or Paragraph 3, assuming that the use of the relevant material constituted a breach of Paragraph 2 and/or Paragraph 3. Where there are particular arguments about particular Rows, I shall consider those arguments in my analysis of the relevant Rows.
203. This leaves the Second and Fifth Defendants. In general terms I am not persuaded, on the evidence, that the Second Defendant or the Fifth Defendant can disclaim responsibility for the material for which, by reference to the researches and evidence of the Claimant’s solicitors, they appear to have responsibility. In my view the evidence adduced by the Claimant does establish this responsibility, with the consequence that the Second and Fifth Defendants are in the same position as the First Defendant in this respect. Where allegations of breach of Paragraph 3 are made against the Second Defendant or the Fifth Defendant, the Second Defendant or the Fifth Defendant, as the case may be, can be held responsible for the material complained of in the relevant Rows, with the consequence that the Second Defendant or the Fifth Defendant, as the case may be, can be held to have breached Paragraph 3, assuming that the use of the relevant material constituted a breach of Paragraph 3. Where there are particular arguments about particular Rows, I shall consider those arguments in my analysis of the relevant Rows.
204. It follows from the above conclusions that, in working through the Rows and subject to particular arguments such as that relating to material provided by third parties, I approach each Row on the basis that the relevant MSD Defendant can be held responsible for the material complained of and can, by the use of such material, be held to have breached Paragraph 2 and/or Paragraph 3, if the use of the relevant material constituted a breach of Paragraph 2 and/or Paragraph 3. In order to avoid unnecessary repetition, what I say in this paragraph should be taken as incorporated into my analysis of each Row.

Goods and/or services in each of the Claimant’s trade mark registrations which are relied upon in relation to the use of the sign Merck

205. The Amended Annex to the Claimant’s Points of Reply identifies, in the sixth column, the goods and/or services in each of the Claimant’s trade mark registrations which are relied upon in relation to the alleged use of Merck by the relevant MSD Defendant or MSD Defendants. So, and by way of example, the complaints in Row A relate to the use of Merck on the merckcovidresearch.com website. In the sixth column of the Amended Annex, the following statement appears:

“All uses of the sign MERCK on the pages are alleged to be uses in the course of trade in relation to goods or services that are identical or highly similar to the following specification of the Claimant’s marks as identified in Paragraph 3 of the Order:”

206. There then follows a specification of the classes within the four registered marks which are said to be engaged.

207. The same process is then repeated under the following statement:

“All uses of the sign MERCK on the pages are alleged to be uses in the course of trade in relation to goods or services that are similar to the following specification of the Claimant’s marks as identified in Paragraph 3 of the Order:”

208. The same format, with variations, is then used for each succeeding Row.

209. In the course of their oral submissions both Mr Hobbs and Mr Hollingworth reminded me that, in order to establish infringement of trade mark, the Claimant had to demonstrate, in relation to each Row where breach of Paragraph 3 is alleged, that Merck was used in the course of trade in the UK in relation to at least some of the goods and services listed in the sixth column of the Amended Annex for that particular Row. Mr Hollingworth went on to make the specific point that if one looked at the Rows where the complaint related to the use of an @merck.com email address, such use of an email address could not possibly be regarded as use in the course of trade in the UK in relation to any, let alone all of the long list of goods and services identified in the sixth column of the Amended Annex.

210. I accept the general point made by Mr Hobbs and Mr Hollingworth in this context, in terms of what has to be demonstrated as an element of the tort of infringement of a trade mark. I do not accept that this general point raises a material issue, in terms of what I have to decide in relation to Paragraph 3. I say this for two reasons.

211. First, in his oral submissions in reply Mr Speck asserted that there had never been any dispute in the Application that if the MSD Defendants were using Merck as a trade mark in the course of trade in the UK, they were using it in relation to goods and services which were, at least, similar to those of Merck Global. So far as I can see, that assertion was correct. In any event, I note that the classes of goods and services listed in the sixth column of the Amended Annex are extensive. It is not apparent to me, in relation to any of the Rows, that if Merck was being used as a trade mark by Merck US in the course of trade in the UK it was not being used in relation to goods and services which were at least similar to this listed in the sixth column for that Row. In my view a case of this kind has not been established by the MSD Defendants for any of the Rows.

212. Second, and by reference to Mr Hollingworth’s example of the use of @merck.com email addresses, it seemed to me that there was a confusion here. I can see that there are various issues to be resolved in relation to the question of whether the use of the relevant email addresses constituted a breach of Paragraph 3, including the question of whether this constituted use of Merck as a trade mark. If however it is assumed that the use of these email addresses did constitute use of Merck as a trade mark in the course of trade in the UK, this necessarily assumes that these email addresses were being used to promote some goods or services of Merck US. If this is assumed to have been happening, I have some

difficulty in seeing how these goods and services could not possibly be at least similar to the goods and services of Merck Global which are specified in the sixth column of the Amended Annex for the relevant Rows.

213. In my analysis of the Rows therefore, I proceed on the basis that identity of at least some goods and services or at least similarity of at least some goods and services is established, to the requisite standard, by the information in the sixth column of the Amended Annex.

Methodology

214. I have based my general methodology upon a very useful table, provided by the MSD Defendants' counsel, by way of an annex to their skeleton argument for the hearing of the Application.

215. This table ("**the Table**") sets out the matters raised by way of defence to the allegations of breach of the Order in Annex 2, using the same numbered Rows. The Table is extremely helpful as a quick guide to the case of the MSD Defendants in response to the allegations of breach in each Row. For present purposes, there are two particular features of the table to which I should draw attention. First, the Table shows by columns, in relation to each Row, whether any of the relevant Sub-paragraphs, namely Sub-paragraphs (b), (d) and (h) are relied upon. Second, the Table has columns for Paragraph 2 and Paragraph 3. In the case of Paragraph 2 the column shows, for each Row, whether it is contended that there was no breach of Paragraph 2, on the basis that there was no use of Merck within the UK for the purposes of Paragraph 2. In the case of Paragraph 3 the column shows, for each Row, whether it is contended that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3.

216. My understanding of the columns for Paragraphs 2 and 3 in the Table is that they show whether there is a dispute to be resolved, in relation to each Row, before one gets to any of the Sub-paragraphs which are relied upon. I have found it helpful to adopt the same methodology in my analysis of the allegations of breach of the Order in each Row, subject to this qualification. I have noted earlier in this judgment that there is a difference between Sub-paragraphs (a) to (g) and Sub-paragraph (h). Sub-paragraphs (a) to (g) serve to define certain activities which are not a breach of Paragraph 2 or Paragraph 3. Sub-paragraph (h), where it applies, has the effect that an activity which would otherwise constitute a breach of Paragraph 2 and/or Paragraph 3 is prevented from being a breach.

217. With the above qualification in mind my approach, in relation to each Row, is as follows:
- (1) Where Sub-paragraph (h) is relied upon I start by considering whether the matters complained of constitute a breach of Paragraph 2 and/or a breach of Paragraph 3 (where breach of Paragraph 3 is alleged). Subject to the outcome of that analysis, I then consider whether Sub-paragraph (h) applies.
 - (2) Where Sub-paragraph (b) and/or Sub-paragraph (d) are relied upon, I consider these Sub-paragraphs as part of my analysis of whether the matters complained of constitute a breach of Paragraph 2 and/or Paragraph 3 (where breach of Paragraph 3 is alleged). Where Sub-paragraph (h) is also relied upon (as it is in relation to all but six of the Rows), and subject to the outcome of my analysis of the question of breach, I then consider whether Sub-paragraph (h) applies.
 - (3) The columns in the table for Paragraphs 2 and 3 inform me when there is a dispute to be resolved, separate from the question of the application of Sub-paragraphs (b) and/or (d) and/or (h). That said, I have approached each Row on the basis that the

burden is upon the Claimant to establish that the matters complained of constituted a breach of Paragraph 2 and/or Paragraph 3 (where breach of Paragraph 3 is alleged) before coming, where relevant, to Sub-paragraph (h). So, in a case where the column for Paragraph 2 shows no dispute, and Sub-paragraph (h) is the only Sub-paragraph relied upon, I have not assumed that I can pass straight to Sub-paragraph (h) without considering whether, if Sub-paragraph (h) is put to one side, the Claimant has established a breach of Paragraph 2. In the case of Paragraph 3 it is not necessary to spell this out. The column for Paragraph 3 shows a dispute for every Row which contains an allegation of breach of Paragraph 3.

218. Finally, and for the sake of good order, I should repeat the point made earlier in this judgment that, in considering whether Paragraph 2 has been breached, I do not distinguish between the two limbs of the contractual prohibition in Paragraph 2; that is to say use of the trade mark Merck and use of the word Merck as a contraction of the First Defendant's corporate name or as a trade or business name. As I have explained, this approach reflects the absence of such distinction in the submissions of the parties.

Row F - analysis

219. It is convenient to start with Row F, as it links to other Rows. The complaint in Row F concerns what is referred to as the MSD Website. The MSD Website is a reference to www.msd.com, which I shall refer to as “**the MSD Website**”. There are two complaints, which are explained in Day 2, at paragraphs 33-40. The relevant screenshots exhibited to Day 2 were taken on 4th October 2021.
220. Mr Day's evidence is that the relevant screenshots were taken, and the relevant website pages were accessed by the relevant member of his firm using a computer in the UK. In order to avoid unnecessary repetition of this point, the same applies to the accessing of online materials and screenshots of the same for each of the Rows spoken to by Mr Day in his evidence in Day 2. On each occasion, unless otherwise indicated, the evidence is that a computer in the UK was used.
221. Returning specifically to Row F, the first complaint is that Merck is used in the first line of the First Company Statement. The First Company Statement is a reference to a company statement dated 1st October 2021 which was published by the First Defendant on the MSD Website, entitled “*MSD and Ridgeback's Investigational Oral Antiviral Molnupiravir Reduced the Risk of Hospitalization or Death by Approximately 50 Percent Compared to Placebo for Patients with Mild or Moderate COVID-19 in Positive Interim Analysis of Phase 3 Study*”. The First Company Statement contained the following use of Merck in its first line:
“KENILWORTH, N.J., and MIAMI, Oct. 1, 2021 – MSD (NYSE: MRK), known as Merck in the United States and Canada....”
222. The second complaint is that this company statement (“**the First Company Statement**”) directed readers who required more information to visit, by a link, a website with Merck in the domain name. The domain name of the website was <http://merckcovidresearch.com> (“**the Merck Covid Research Website**”).
223. The first of these complaints is said to constitute a breach of Paragraph 2. The second of these complaints is said to constitute a breach of Paragraph 2 and a breach of Paragraph 3 by the First and Second Defendants.

224. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraph 2 and the alleged breach of Paragraph 3, the MSD Defendants rely upon Sub-paragraph (h).
225. In relation to the first of these complaints, the MSD Defendants say that the opening line of the First Company Statement was correct. The company with the listing MRK on the New York Stock Exchange is known as Merck in the US and Canada.
226. Turning to the second complaint, the evidence in response to this complaint is given by Susanna Kantor, Associate Director of Global Trial Optimization for the First Defendant. Ms Kantor explains, in Kantor 1, that two Covid research websites were developed to provide information to relatives of hospitalised patients who consented to take part in the MK4482 investigational antiviral drug trial. The drug was given the generic name molnupiravir. The websites were created so that staff could refer family members, who would not be with their relatives, to information about the study. The study was international, so the two research websites were created. The Merck Covid Research Website was intended for residents of the US. The MSD Covid research website (“**the MSD Covid Research Website**”) was intended for people outside the US. Ms Kantor says that she knew that Merck US should not use Merck outside the US, so the decision was made to have an MSD URL, with content on that page for people outside the US. The content on both of the Covid research websites was the same, save that the content of the Merck Covid Research Website referred to MSD when it was used on the MSD Covid Research Website, as well as there being changes to specific links and logos.
227. The evidence of Ms Kantor, as to how the link to the Merck Covid Research Website found its way into the First Company Statement on the MSD Website includes the following, at paragraph 18 of Kantor 1:
- “18 I was not given a copy of the company statement to review or approve before it went live as the contents were confidential and only a select number of people were privy to the information it contained. We started working with the Global Communications Team, who I believe are responsible for posting company statements, in mid-2021. I believe that is when they became aware of the Covid Research websites. I did tell the Global Communications Team that we have both a Merck and an MSD Covid Research website and that they should use the right one depending on the audience. I therefore believe the inclusion of this link was an oversight.”*
228. Further evidence in response to the complaints in Row F is given by Sienna Choi, Director in Global Communications of the First Defendant. Ms Choi gives the following evidence, in paragraphs 15 and 16 of Choi 1:
- “15 The First and Second Company Statements on the MSD Website referred to in Rows F and G of Annex 2 to the Claimant’s Application were published prior to molnupiravir receiving U.S. EUA. I prepared these statements by replacing the references to “Merck” in the “Merck”-branded versions of these statements. By mistake I failed to change certain references from “Merck” to “MSD”. This was my mistake and I apologise for the errors. In both cases I was focussed on making sure the body of the statement was*

correct and I believe that I missed the references to “Merck” – once as a company name (in both statements) and the other as website link (in the First Company Statement only).

16 *On 26 October 2021, I arranged for the statements to be replaced with new versions that did not refer to “Merck”.*”

229. As I have said, the Paragraph 2 column of the Table shows no dispute for this Row. As I have also explained however, I do not regard this position as entitling me to proceed straight to Sub-paragraph (h). I start by considering the question of whether the two matters complained of did each constitute a breach of Paragraph 2. As to that I am satisfied, on the evidence and applying the relevant principles of law, that the two matters complained of did each constitute a breach of Paragraph 2, if Sub-paragraph (h) is put to one side. In the case of Row F, I will briefly set out my reasons for this conclusion. In relation to the allegations of breach of Paragraph 2 in the remaining Rows, but only in those cases where the column in the Table for Paragraph 2 shows no dispute and there is no reliance upon Sub-paragraph (b) and/or (d), I will confine myself to a statement (if appropriate) that I am satisfied, on the evidence and applying the relevant principles of law, that breach of Paragraph 2 has been demonstrated, if Sub-paragraph (h) is put to one side. In the case of Row F I am setting out a brief statement of my reasons because they effectively apply to all Rows where the position is the same in relation to the allegation of breach of Paragraph 2, namely no dispute shown in the Paragraph 2 column of the Table, no reliance upon Sub-paragraph (b) and/or (d), but reliance upon Sub-paragraph (h).
230. Starting with the first complaint and with Paragraph 2, Merck appeared in the first line of the First Company Statement. It seems to me that this was clearly the use of Merck both as a trade mark and as a corporate, trade or business name. The use was clearly within the UK, given that the MSD Website was plainly targeted at the UK, amongst other countries. Equally, it seems clear to me that Merck was being used in the furthering or promoting of the business of the First Defendant in the UK. This was clearly the purpose of the MSD Website and its content.
231. I do not think that it is any defence to say, as the MSD Defendants have, that the statement was accurate. Sub-paragraph (a) provides that the designation “*Merck & Co Inc*” can be used in the UK, accompanied by a geographical identifier which substantially complies with the requirements of the 1970 Agreement. The relevant clause of the 1970 Agreement is clause 5, which I repeat for ease of reference:
- 5.) *In all other countries E. Merck will not object to the use by Merck & Co. as all or part of a firm-name or corporate name of “Merck & Co., Inc.” used in association with words such as “Rahway, N.J., U.S.A.” which identify it geographically with the United States or “Merck & Co. Limited” used in association with words such as “Montreal Canada” which identify it with Canada, all words being given equal prominence.*
232. This clause is narrow. What is required is geographical identification with the US. In my view the opening line of the First Company Statement did not achieve this, however accurate it may have been on its own terms. It seems to me therefore that Sub-paragraph (a) would not apply, and I note, in any event, that it is not relied upon. In the absence of Sub-paragraph (a) I cannot see anything else which prevented the first line of the

Company Statement breaching the restrictions in Paragraph 2, assuming that Sub-paragraph (h) is not available.

233. Turning to the second complaint, and again dealing with Paragraph 2, the same reasoning seems to me to apply as in the case of the first complaint, save that the point about geographical definition does not arise.
234. Turning to Paragraph 3, and again putting Sub-paragraph (h) to one side, I am concerned only with second complaint within Row F. The case of the MSD Defendants is that there was no breach of Paragraph 3 by the First Defendant or the Second Defendant. I cannot accept this case. The link to the Merck Covid Research Website was available on the MSD Website. The MSD Website was, as I have said, clearly targeted at the UK. It seems to me that the link to the Merck branded website was provided for the purposes of promoting the goods and services of Merck US. It also seems to me that the use of Merck in the website address given for the link was trade mark use, associating Merck with the promotion of the goods and services of Merck US effected by the Merck Covid Research Website. By virtue of the targeting of the MSD Website this was trade mark use in the course of trade in the UK, for the purposes of Paragraph 3. In my judgment the existence of the link to a Merck branded website cannot be excused on the basis that it appeared in an MSD branded environment. It also seems to me that this use of Merck affected the function of Merck as a trade mark in the UK as denoting the goods and services of Merck Global. In my view the use of Merck in the link to the Merck Covid Research Website which was provided on the MSD Website constituted a breach of Paragraph 3 by the First and Second Defendants, if Sub-paragraph (h) is put to one side.
235. This leaves Sub-paragraph (h). In this respect the position seems to me, on the basis of the evidence to which I have been directed, fairly straightforward. I will take each complaint in turn.
236. So far as the first complaint is concerned, the use of Merck in the first line of the First Company Statement was not, on my analysis, a permissible use of Merck. On the basis of the evidence to which I have been directed however, this seems to me to have been the result of a genuine error; see in particular the evidence of Ms Choi quoted above.
237. Turning to the second complaint, the MSD website should have contained, in the First Company Statement, a link to the MSD Covid Research Website. The fact that it did not seems to me, on the basis of the evidence to which I have been directed, to have been a genuine error, falling within the terms of Sub-paragraph (h); see again, in particular, the evidence of Ms Choi quoted above.
238. The Claimant sought to argue that this was not a case of inadvertent error, but rather of the Defendants importing into the MSD Website material appropriate only for a US audience, and seeking to modify that material. If I have understood the argument correctly, the Claimant's case is that this was not inadvertent error but, in the case of both complaints, the result of the deliberate import of US only material into the MSD Website, thereby inserting prohibited material into the MSD Website. I am not able to accept this argument. It seems to me to rest on a concept of inadvertent error which is too narrowly confined. The provenance of the material on the MSD Website does not seem to me to be directly relevant in this context. The relevant point seems to me to be that Merck US understood the need to weed out illegitimate references to Merck such as that which

appeared in the First Company Statement and that which appeared in the link to the Merck Covid Research Website, and to weed out links to the wrong (ie. Merck as opposed to MSD) website. What went wrong, according to Ms Choi, was that the weeding out process was not quite thorough enough. This is to be regretted, but errors of this kind do happen. In this instance it seems to me that the weeding out errors were inadvertent, were the subject of prompt corrective action, and were the kind of errors which Sub-paragraph (h) was intended to excuse.

239. I therefore conclude that the breaches of the Order alleged in Row F have not been established. This is because the First and Second Defendants are entitled to rely upon Sub-paragraph (h), with the consequence that the matters complained of in Row F, which would otherwise have constituted breaches of Paragraph 2 and a breach of Paragraph 3, did not constitute breaches of Paragraph 2, and did not constitute a breach of Paragraph 3.

Rows A, C and D - analysis

240. It is convenient to take Rows A, C and D together, for reasons which I shall explain. I start with Row A.
241. The complaint in Row A is that Merck was used on the Merck Covid Research Website and in the domain name. Details of the complaint are set out in Day 2, at paragraphs 6-13. Screenshots of the web material and search results relied upon by the Claimant are in MCJD-3. The screenshots of the Merck Covid Research Website were taken on 5th October 2021.
242. The Claimant says that these uses of Merck constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use of Merck within the UK within the meaning of Paragraph 2. The MSD Defendants also deny that there were breaches of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h).
243. In Kantor 1, at paragraphs 11 and 12, Ms Kantor provides the following explanation of the intention behind the Merck Covid Research Website and the MSD Covid Research Website:
- “11 The Merck Covid Research website is intended for residents of the US. The MSD Covid Research website is intended for people outside the US. I knew we should not use “Merck” outside the US, so we chose to have an “MSD” URL and developed content on that page for people outside the US.
- 12 The content on both of the Covid Research websites is the same, save that the content of the Merck Covid Research website says “MSD” when it is used on the MSD Covid Research website, as well as there being changes to specific links and logos. I directed StudyKIK to implement the changes on the MSD Covid Research website, including the use of “MSD” instead of “Merck”, during teleconference calls with them.”
244. The extensive use of Merck on the Merck Covid Research Website is not a surprise. The case of the MSD Defendants is that the website is a US site, intended for the use of

residents of the US and Canada. It is the website to which a link previously existed from the MSD Website, in the First Company Statement; see my analysis of Row F above. As I have already mentioned, there is the equivalent MSD Covid Research Website. It is in these circumstances that the MSD Defendants deny any breach of Paragraph 2 or Paragraph 3, and also rely upon Paragraph (h).

245. The key question here seems to me to be one of targeting. Was the Merck Covid Research Website targeted at the UK? It seems to me that this question has to be considered by reference to the website itself. If and to the extent that the link from the MSD Website is relied upon in this context, I have already decided that there was no breach in this respect, by virtue of the ability of the MSD Defendants to rely upon Sub-paragraph (h).
246. The problem for the Claimant in this context seems to me to be that once one puts the erroneous link to one side, one is left with the Merck Covid Research Website, which was intended for US consumption, and sat alongside the MSD Covid Research Website, which was intended for consumption in the rest of the world (outside the Permitted Territories) including the UK. Applying the law on targeting and considering the evidence relevant to Row A I find it hard to see how the Merck Covid Research Website could be said to be targeted at the UK, from the perspective of the Consumer. To use the language of Daniel Alexander KC in *Abanka*, the Merck Covid Research Website seems to me, on the evidence, to fall into the category of “pull”, rather than “push”. Even if, which I have not accepted, there is any material difference in relation to the test of targeting in relation to Paragraph 2, I still cannot see that the Merck Covid Research Website could be said to have been targeted at the UK.
247. The same reasoning seems to me to apply to Rows C and D because, in each case, the complaint relates to a website reached from the Merck Covid Research Website, and thus relates back to the link from the MSD Covid Research Website. In the case of Rows C and D the Claimant argued that the relevant websites contained information about clinical trials which were taking place on a worldwide basis, including in the UK, with no equivalent MSD branded website. The Claimant also pointed to the remedial measures taken by the Defendants more recently, involving the creation or intended creation of MSD branded equivalent websites and other measures to tie the Merck branded websites more closely to a US audience; see the evidence of Ms Oakes (Director of Global Trial Optimisation of the First Defendant) in Oakes 1, paragraphs 8-20, and (generally) in Oakes 2. I commend the measures which the Defendants have taken. The more the separation of the Merck and MSD brands which is achieved, the less the likelihood for future dispute. I do not think that it follows however that the websites referred to in Rows C and D could be characterised as targeted at the UK, prior to these measures being taken. On the evidence, and applying the relevant law, I am not persuaded that any of these websites were targeted at the UK.
248. Given the above conclusions on targeting, the question of whether the MSD Defendants can rely upon Sub-paragraph (h), in relation to Rows A, C and D does not strictly arise. There is no breach to be excused by Sub-paragraph (h). If and in so far as the link from the MSD Website is relied upon in this context, my analysis in relation to Row F applies, and the MSD Defendants can rely upon Sub-paragraph (h). Given this position, I do not think that it is necessary or appropriate to consider what the position would have been if I had decided that the matters complained of in Rows A, C and D or any of them had

constituted a breach of Paragraph 2 and/or Paragraph 3, independent of the complaint in Row F.

249. In these circumstances I conclude that the breaches of the Order alleged in Rows A, C and D have not been established. This is because the Claimant has failed to establish that any of the websites complained of in these Rows were themselves targeted at the UK, save by means of the link complained of in relation to Row F, in which respect the First Defendant and the Second Defendant (in the case of Row D) are entitled to rely upon Sub-paragraph (h).

Row E – analysis

250. The complaint in Row E relates to two uses of Merck on the MSD Covid Research Website. Details of the complaint are set out in Day 2, at paragraphs 28-32. The material relied upon by the Claimant is in MCJD-3. The relevant screenshots were taken on 14th October 2021. Merck appeared as a logo in a section of the website entitled “*About MSD’s Covid 19 Research*”. Merck also appeared as a logo in an embedded video in this section of the website.
251. The Claimant says that each of these uses of Merck constituted a breach of Paragraph 2 and a breach of Paragraph 3 by the First Defendant. The response of the MSD Defendants is that there was no breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h). The Paragraph 2 column in the Table shows no dispute for this Row.
252. In Kantor 1, at paragraphs 22-24, Ms Kantor explains that each logo was included in this section of the website as a result of an oversight on her part.
253. I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck which are complained of in Row E did constitute breaches of Paragraph 2, if Sub-paragraph (h) is put to one side.
254. There is then the question of whether there were, by reason of these uses of Merck, breaches of Paragraph 3, if Sub-paragraph (h) is put to one side. It seems clear to me, putting Sub-paragraph (h) to one side, that the answer to this question is yes. On the evidence, the MSD Covid Research Website was targeted at the UK. It seems to me that these uses of Merck were trade mark uses, associating Merck with the promotion of the goods and services of Merck US on the MSD Covid Research Website. It also seems to me that this affected the function of Merck as a trade mark in the UK as denoting the goods and services of Merck Global. In my view the uses of Merck complained of in Row E did constitute breaches of Paragraph 3 by the First Defendant, if Sub-paragraph (h) is put to one side.
255. This leaves the question of whether the First Defendant can rely upon Sub-paragraph (h). So far as Sub-paragraph (h) is concerned, and applying my reasoning in relation to Row F, it seems to me that the inclusion of each Merck logo was an inadvertent error. This seems to me to be clear from the evidence of Ms Kantor. The Claimant’s arguments that this was not a case of inadvertent error seem to me to fail for essentially the same reasons as they fail in relation to the breaches alleged in Row F. The MSD Defendants’ case,

which I did not understand to be disputed, is that the offending material was removed from the website, so that there was prompt corrective action.

256. I therefore conclude that the breaches of the Order alleged in Row E have not been established. This is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that the matters complained of in Row E, which would otherwise have constituted breaches of Paragraphs 2 and 3, are not breaches of Paragraphs 2 and 3.

Row G - analysis

257. The complaint in Row G relates to a Second Company Statement (“**the Second Company Statement**”). The Second Company Statement is a further company statement which was published by the First Defendant on the MSD Website on 11th October 2021, entitled “*MSD and Ridgeback Announce Submission of Emergency Use Authorization Application to the U.S. FDA for Molnupiravir, an Investigational Oral Antiviral Medicine, for the Treatment of Mild-to-Moderate COVID-19 in At Risk Adults*”.

258. As explained in Day 2, at paragraphs 41-47, the complaint is that the Second Company Statement included the use of Merck. The relevant screenshots, exhibited to Day 2, were taken on 14th October 2021. The first line of the Second Company Statement was in the following terms:

“KENILWORTH, N.J., and MIAMI, Oct. 11, 2021 – MSD (NYSE: MRK), known as Merck in the United States and Canada.”

259. The Claimant’s case is that the use of the word Merck in this first line of the Second Company Statement was a breach of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants do however rely upon Sub-paragraph (h). Breach of Paragraph 3 is not alleged in relation to Row G.

260. I am satisfied, on the evidence and applying the relevant principles of law, that the use of Merck which is complained of in Row G did constitute a breach of Paragraph 2, if Sub-paragraph (h) is put to one side.

261. This brings me to the question of whether the First Defendant can rely upon Sub-paragraph (h), to avoid what would otherwise have been a breach of Paragraph 2. In this context I have already set out the evidence of Ms Choi, in Choi 1 at paragraphs 15 and 16. On the basis of this evidence it seems to me that the MSD Defendants are entitled to rely upon Sub-paragraph (h); see my reasoning on this issue in relation to Row F. As with Row F the Claimant has argued that the Defendants took inadequate steps to prevent mistakes of this kind occurring. In particular, the Claimant makes reference to the evidence of Courtney Ronaldo, Executive Director in Global Communications of the First Defendant, in Ronaldo 1. The evidence of Ms Ronaldo is relevant in this context because the Part 18 Requests posed a number of questions to Ms Choi on her evidence. As Ms Choi was, at the relevant time, on maternity leave, Ms Ronaldo made a witness statement answering those questions put to Ms Choi which Ms Ronaldo could answer. In relation to Ms Choi’s evidence, as quoted above, in paragraph 15 of Choi 1, the question which was asked was what procedures existed to prevent mistakes of the kind identified in paragraph 15 occurring. The answer, at paragraph 55 of Ronaldo 1, was in the following terms:

“55 *We have focused on proof-reading. In particular, it is now good practice within the business to have a different colleague double check content before it is posted. I have always asked people in my team to make sure that another person is looking at the content before it is published in order to prevent mistakes.*”

262. The Claimant complains that, looking at other parts of Ms Ronaldo’s evidence, it can be inferred that this practice was in place at the time when the uses of Merck complained of in Rows F and G occurred. I am doubtful that this can be extracted from Ms Ronaldo’s evidence, but I do not think that this matters, because I do not think that this particular point is relevant, even if the Claimant’s interpretation of the evidence of Ms Ronaldo is correct. I take the Claimant’s point to be that this is an example of a case where the error does not qualify as inadvertent because it could have been avoided if the Defendants had adopted a different practice; namely creating the MSD branded material separately, rather than trying to edit Merck branded material. This is therefore an example of the Claimant’s argument that an error is not inadvertent for the purposes of Sub-paragraph (h) if it could have been avoided by better practice. I have declined to accept that argument as a general principle, although I have left the argument as one to consider on a case by case basis. In this case I do not see that the error was disqualified from being inadvertent because it is possible to think of a way in which it could have been avoided. Such is always likely to be the case where an inadvertent error occurs. What seems to me to matter is whether the error was accidental, in the sense which I have identified in my earlier analysis of Sub-paragraph (h). The fact that the error could have been avoided by a different practice may throw light on whether the error was in fact accidental, in what I have decided is the required sense, but I do not think that an error is necessarily rendered non-accidental because it could have been avoided by a different practice. In the case of Rows F and G it seems to me that the errors were accidental, in what I have decided was the required sense, and were followed by prompt corrective action. While I would encourage Merck US to do all that it can to adopt practices which minimise the possibility of errors occurring, this is not the same thing as deciding whether an accidental error, in the required sense, has occurred.
263. I therefore conclude that the breach of the Order alleged in Row G has not been established. This is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that the use of Merck complained of in Row G, which would otherwise have constituted a breach of Paragraph 2, is not a breach of Paragraph 2.

Rows H and I – analysis

264. These two Rows can conveniently be taken together. The complaints in Rows H and I relate to contact email addresses which appeared for three individuals on the MSD Website. The three email addresses, which are listed under the heading of “*Media contact details*”, appeared on two different pages on the MSD Website. Details of the complaint are given in Day 2, at paragraphs 48-56. The relevant screenshots exhibited to Day 2 were taken on 11th October 2021 (Row H) and 8th October 2021 (Row I).
265. The Claimant says that these uses of @merck.com email addresses constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows no dispute for these Rows, but the MSD Defendants rely upon Sub-paragraph (d), and also rely upon Sub-paragraph (h). The MSD Defendants also deny that there was a breach of Paragraph 3, independent of Sub-paragraph (d) and Sub-

paragraph (h), on the basis that there was no use of Merck as a trade mark in the UK for the purposes of Paragraph 3.

266. The allegations of breach in Rows H and I are addressed by Samantha Melvin, Senior Specialist in the Creative & Ops, Global Communications Team of the First Defendant. The relevant evidence is at paragraphs 23-26 of Melvin 1, where Ms Melvin says this:

“23 *The purpose of the Covid-19 antiviral specific Media library page on the MSD Website is to provide contact details relating to COVID-19 investigational antiviral medication molnupiravir. This page is referred to in Row H of Annex 2 to the Claimant’s Application.*

24 *The purpose of the Media library page on the MSD Website is to provide contact details for general media related enquiries. This page is referred to in Row I of Annex 2 to the Claimant’s Application.*

25 *Both pages give a general mailbox, mediarelations@msd.com, and the names of individuals Jackie Califano, John Cummins and Melissa Moody. These three were members of the U.S media relations team. Each was based in the U.S. and had an @merck.com email address.*

26 *My understanding is that U.S. based employees may use their @merck.com email addresses in communications on msd.com. If that use was not permitted then I apologise for those uses. These uses of @merck.com email addresses were taken down from the media page in Row I by 26 October 2021. The email addresses were updated to an @msd.com email address, and the media page in Row H was changed to direct users to the media page in Row I.”*

267. I start with the question of whether Sub-paragraph (d) can be relied upon. For ease of reference I repeat its terms:

“It shall not be a breach of paragraph 2 or 3 of this Order:

d. For the Defendants to use, in the ordinary course of business, email addresses ending “@merck.com” for employees based outside the United Kingdom.”

268. The evidence is that the three individuals whose email addresses appeared on the MSD Website were US based employees of Merck US. The email addresses were included in the media library pages for the reasons identified by Ms Melvin.

269. The Claimant has argued that Sub-paragraph (d) is narrow in its effect. It is the email equivalent to the exception provided by the 1975 Protocol, to the effect that letters emanating from the US being sent into other territories could nonetheless be typed on the domestic stationery of Merck US. My attention has also been directed to the terms of Sub-paragraph (f). The essential point made by the Claimant is that there is a significant difference between an individual based in the US sending an email to specific recipients concerning a business enquiry, and Merck US linking itself to Merck on UK targeted websites, by publishing the email addresses of specific employees. If this was permitted, so it is argued, MSD websites could liberally be plastered with references to Merck, by the inclusion of more and more email addresses for US based employees.

270. My attention has also been drawn to what was said by Sir Alastair in the Remitted Issues Judgment, at [128]. In this part of the Remitted Issues Judgment Sir Alastair was considering the question of whether email addresses should be required to be changed for employees of Merck US based neither in the UK nor in the Permitted Territories. Sir

Alastair decided that this should not be required. His third reason for this decision was explained at [128] in the following terms:

“Third, any injunction I make should be limited by necessity, not desirability. So, there will be a “carve-out” saying that it is not a breach of the injunction to use in the ordinary course of business e-mail addresses ending “@merck.com” for employees based outside the United Kingdom. I have put in the qualifier “in the ordinary course of business” (a familiar expression) because I do not want Merck US’s well-demonstrated tendency to push the boundaries to lead it to relocate UK based operations or functions to (say) the Netherlands so that they can be conducted using “merck.com” e-mail addresses.”

271. The difficulty which seems to me to confront the Claimant in this context is that Sub-paragraph (d) is not drafted in such a way as to have the narrow effect contended for by the Claimant. Sub-paragraph (d) permits the Defendants to use, in the ordinary course of business, email addresses ending @merck.com for employees based outside the UK. The limitations on the scope of this Sub-paragraph are to be found in the requirement that the relevant employees be based outside the UK, and that the use of the relevant email addresses be in the ordinary course of business. In the present case the evidence is that the employees were based outside the UK. I find it very hard to see how the use of their email addresses for contact purposes, in the relevant pages of the MSD Website, was not use in the ordinary course of business. The media contact details provided were, it seems to me, clearly part of the ordinary business of Merck US. I do not see that what was said by Sir Alastair in the Remitted Issues Judgment helps the Claimant in this respect. Sir Alastair was contemplating an artificial transfer of business out of the UK and into the Netherlands so that what had previously been UK based operations and functions could be conducted using @merck.com email addresses. The issue in the present case is a different one, involving the use of these email addresses for employees based outside the UK, in circumstances where there is no evidence that the employees were relocated out of the UK in order to take advantage of Sub-paragraph (d).
272. I do not think that Sub-paragraph (f) can assist the Claimant in this context. It is true that Sub-paragraph (f) permits internal use of @merck.com email addresses. It might be thought odd if Sub-paragraph (d) is not similarly confined to internal email use. The problem is however that Sub-paragraph (d) is not so confined. In this respect there is an obvious contrast between the wording of Sub-paragraph (f), with its express reference to internal use not accessible to third parties, and Sub-paragraph (d), where this wording is missing.
273. I take the Claimant’s point that, in the CA Judgment, Kitchin LJ decided that the use of Merck in an email address did constitute a breach of the Agreement when done outside the Permitted Territories, such as in material targeted at the UK; see the CA Judgment at [118]-[139]. I am not however directly applying the findings and decisions in the CA Judgment. I have to construe Sub-paragraph (d). As I have previously explained, the Sub-paragraphs all serve, with the exception of Sub-paragraph (h), to identify the parameters of Paragraphs 2 and 3. To return to Mr Hobbs’ example, Sub-paragraphs (a)-(g) assist in defining the boundaries of the Relevant Land, for the purposes of determining whether a trespass has taken place. While I can see the problem of @merck.com email addresses being used extensively as contact addresses on MSD websites, I cannot see that this amounts to a breach of Paragraph 2 or Paragraph 3, provided that the relevant

employee is based outside the UK and the use of the email falls within the ordinary course of business.

274. Finally, I do not think that the Claimant is assisted by the fact that the Defendants took action to change the relevant email addresses on the MSD Website to @msd.com email addresses; see Melvin 1 at paragraph 26. I commend, again, the Defendants for taking this action. Indeed, and I cannot stress this too highly, I would encourage the parties to adopt this approach wherever possible, when matters of dispute arise. I am however here concerned with the meaning and effect of Sub-paragraph (d). I do not think that this issue is affected by the response of the Defendants to the complaints in Rows H and I. The MSD Defendants have not thereby admitted that the First Defendant was in breach of the Order.
275. In these circumstances it seems to me that the First Defendant can rely upon Sub-paragraph (d). It follows that the First Defendant did not breach Paragraph 2 or Paragraph 3 by the use of the email addresses which are complained of in Rows H and I.
276. It also follows that it is not strictly necessary for me to consider the two remaining issues, which are (i) whether there was no breach of Paragraph 3 in any event, if Sub-paragraph (d) is assumed not to apply and if Sub-paragraph (h) is put to one side, and (ii) whether the First Defendant can rely on Sub-paragraph (h). I will however consider briefly each of these questions.
277. So far as Paragraph 3 is concerned, and applying my reasoning on Paragraph 3 in relation to the Rows which I have so far considered, I would accept that the use of Merck in the relevant email addresses did qualify as use of Merck as a trade mark in the course of trade in the UK, for the purposes of Paragraph 3, if Sub-paragraph (h) is put to one side.
278. Turning to Sub-paragraph (h), I do not think that Sub-paragraph (h) can be relied upon by the First Defendant in this context. It is clear from the evidence of Ms Melvin that this was not a case of inadvertent error; see my analysis of Sub-paragraph (h) earlier in this judgment. To the contrary, Ms Melvin's understanding was that US based employees could use their @merck.com email addresses in communications on the MSD Website. I have decided that this understanding was correct, but if this understanding had been wrong, then it seems to me that the First Defendant would not have been entitled to rely on Sub-paragraph (h) in relation to Rows H and I.
279. I therefore conclude that the breaches of the Order alleged in Rows H and I have not been established. This is because the First Defendant is entitled to rely upon Sub-paragraph (d), with the consequence that the matters complained of in Rows H and I are not caught by the restrictions in Paragraph 2 or Paragraph 3.

Row J - analysis

280. The complaints in Row J relate to a virtual event, shown live on 14th September 2021, entitled "*Merck for Mothers 10th Anniversary Virtual Event*". The virtual event was live streamed on the merckformothers.com website ("**the merckformothers website**") and the msdformothers.com website ("**the msdformothers website**"). A recording of the live event was also made available subsequently on a video hosting website called Vimeo and the recording was also made available on the two websites which had hosted the live stream.

281. So far as Row J is concerned, the essential complaint, as I understand it, is that this event (“**the Event**”) contained prominent uses of Merck comprising (i) the use of Merck logos in the content window for the Event, (ii) uses of Merck in the video recording, and (iii) a chat function with a panel who were described as being moderated by “*the Chief Patient Officer, Merck*”; see Day 2 at paragraphs 57-62 and Day 3 at paragraphs 4-6. The evidence is that these various uses of Merck were apparent to those accessing the Event from the msdformothers website. The relevant screenshots were taken on 14th September 2021 by the Claimant’s representative who joined the Event online. There are further screenshots of the video recording exhibited to Day 3.

282. The Claimant’s case is that these uses of Merck constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants rely upon Sub-paragraph (h) to deny that there were breaches of Paragraph 2 or Paragraph 3. In the case of Paragraph 3 the MSD Defendants deny that there were breaches, even if Sub-paragraph (h) is put to one side, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3.

283. The relevant evidence on the MSD Defendants’ side is found in the witness statements of Jacquelyn Caglia, Director of Learning, Communications and US Programs for the Merck for Mothers initiative. Ms Caglia gives evidence that Merck US had intended to hold the Event as a live event, but had to resort to a virtual event by reason of the Covid pandemic. At paragraphs 28-31 of Caglia 1 Ms Caglia explains how the use of Merck appeared in the live stream in the following terms:

“28 *The primary branding of the event was broadcast under the Merck for Mothers branding, rather than MSD for Mothers. In producing the content for the event, we proceeded in error and did not make the appropriate division between material marked “Merck” and “MSD”. We inadvertently reverted to an old style of presentation that put “Merck” and “MSD” together and mistakenly relied on the disclaimer that “Merck for Mothers is known as MSD for Mothers outside of the United States and Canada”. That should not have happened.*

29 *Following the event, on 15 September 2021, we included a video recording on the Merck for Mothers and the MSD for Mothers websites and Vimeo. We used Vimeo because the size of the video meant we needed to host it on an external video site in order to embed it on the Merck for Mothers site. The video was only posted on Vimeo for that purpose.*

30 *I deleted the video recording of the event from both the MSD for Mothers site and Vimeo on 21 September 2021.*

31 *We removed this video recording from the Merck for Mothers site on 25 October 2021.”*

284. This is supplemented by the following evidence from Ms Caglia in paragraph 8 of Caglia 2:

“8 *Row J of the Claimant’s complaint related to the branding of the Merck for Mothers 10th anniversary live virtual event. We had intended to hold the event as a hybrid event with the in-person element occurring in the US, but we changed to a remote event approximately two months before the event due to the Covid-19 pandemic. As I said in paragraph 28 of my first statement,*

we inadvertently reverted to an old style of presentation that put “Merck” and “MSD” together and mistakenly relied on the disclaimer that “Merck for Mothers is known as MSD for Mothers outside of the United States and Canada”. I discussed this at the time with two individuals in the Communications team, Carol Richardson and Sofina Mirza, who have since left the organisation, and they guided us to the wrong conclusion on branding.”

285. In terms of the evidence I should also mention the evidence of Mr Koelle, General Counsel, Trademarks for the Claimant. In Koelle 4, at paragraph 5, Mr Koelle explains that he became aware of the Event on 9th September 2021, and registered to attend the Event through, according to his evidence, the msdformothers website. This resulted in his registration for the Event, as the Merck for Mothers event. Mr Koelle forwarded the email he received, confirming his registration for the Event, to the Claimant’s solicitors.
286. In Caglia 2, at paragraph 9, Ms Caglia gives evidence of a review (carried out by a third party) of the record of Mr Koelle’s registration for the Event. Ms Caglia says that her information is that Mr Koelle registered for the Event through the merckformothers website and not through the msdformothers website. In response Mr Koelle says, in paragraphs 5 and 6 of Koelle 5, that on reflection he thinks it likely that he did sign up for the Event through the merckformothers.com website.
287. If Sub-paragraph (h) is put to one side, I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck in relation to the Event constituted a breach of Paragraph 2. These uses of Merck were apparent to anyone accessing the Event from the msdformothers website, which was a website which was clearly targeted at those outside the Permitted Territories, including those in the UK.
288. Turning to Paragraph 3, and putting Sub-paragraph (h) to one side, it seems to me that the uses of Merck which are complained of did constitute breaches of Paragraph 3. The Event was a Merck branded event, by virtue of the prominent uses of Merck referred to in the evidence in Day 2 and Day 3. Access to the Event was made available through the msdformothers website, which was targeted at the UK. As such, it seems to me that the Event itself was targeted at the UK. The Event was an event which served to promote the goods and services of Merck US. It seems to me that the uses of Merck which are complained of were trade mark uses, associating Merck with the goods and services of Merck US which were promoted by the Event. By virtue of the targeting at the UK, and considering in the round how Merck was used in the presentation of the Event, it seems to me that these trade mark uses took place in the course of trade in the UK. It also seems to me that these uses affected the function of Merck as a trade mark in the UK as denoting the goods and services of Merck Global. I therefore conclude that these uses of Merck did constitute breaches of Paragraph 3, if Sub-paragraph (h) is put to one side.
289. This leaves Sub-paragraph (h). I cannot see however that Sub-paragraph (h) can assist the First Defendant. It seems to me clear from the evidence in Caglia 1 and in Caglia 2, as quoted above, that the use of Merck in connection with the Event, when accessed from the msdformothers website was not an inadvertent error. As Ms Caglia explains, the primary branding of the Event was under the Merck for Mothers branding. The appropriate division was not made between material marked Merck and MSD. Ms Caglia

confirms that the advice she received at the time “*guided us to the wrong conclusion on branding*”.

290. I do not think that what happened can be classified as an inadvertent error. This was not a case where the need to carry out an editing or weeding out exercise was appreciated, but not carried out with sufficient thoroughness, so that a few references to Merck accidentally escaped the exercise. In this case, there was simply a failure to carry out the exercise at all. Instead, Merck US used its Merck branding for the Event, without distinction between the two websites from which the Event was to be accessed. In my judgment, this was not the kind of failure which Sub-paragraph (h) was intended to excuse.
291. The MSD Defendants sought to argue, in this context, that matters could have been put right, prior to the Event, if the Claimant had raised its concerns with Merck US promptly, and prior to the Event. The point here is that if Mr Koelle had reported his concerns to the Claimant’s solicitors, when he registered for the Event (on 9th September 2021), it is said that there should have been time for the Claimant’s solicitors to raise the matter with the Defendants, prior to the Event itself (on 14th September 2021). The point is made that Sir Alastair, in the Remitted Issues Judgment at [100], envisaged that the Claimant would raise any concerns it had promptly with Merck US.
292. I do not think that this argument assists the MSD Defendants. While I can see the merits of both sides raising concerns with each other on a prompt basis, Sub-paragraph (h) does not require the Claimant to raise concerns with Merck US within any particular time scale, or indeed at all. If a breach does occur as a result of an inadvertent error, the Defendants have the benefit of their time for correction of the error not running until they are given written notification of the error by the Claimant or they otherwise become aware of the error. This may be said to incentivise the Claimant to raise its concerns promptly with the Defendants and, as I have said, I can see the merits of concerns being raised promptly, but I cannot see that a failure by the Claimant to raise a concern can assist the Defendants in the case of a breach of the Order which does not qualify as an inadvertent error.
293. I should add that I am dubious that the Remitted Issues Judgment, at [100], does envisage what the MSD Defendants say it envisages. In this paragraph, Sir Alastair was considering the case for the grant of injunctive relief, which the Defendants were resisting. I do not think that the paragraph offers a reliable guide to the machinery of Sub-paragraph (h).
294. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row J. This is because the First Defendant is unable to rely upon Sub-paragraph (h). In the absence of Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the matters set out in Row J, breached Paragraph 2 and Paragraph 3.

Row K - analysis

295. The complaint in Row K relates to the use of an @merck.com email address; see Day 2 at paragraphs 63-67. What happened was that an article (“**the Article**”) entitled “*Strengthening systems for safer childbirth*” was published on the msdformothers website on 14th September 2021 (the day of the Event). A link at the end of the first line

of the Article opened a pdf entitled “*Calls for expression of interest*”. To submit an expression of interest, applicants were invited on page 5 of the pdf to send their applications to the email address CSTMFORMOTHERS@merck.com. This email address was listed for a second time on the same page, stating that questions should be submitted by email to this address. Details of the complaint are given in Day 2, at paragraphs 63-67. The relevant screenshots exhibited to Day 2 were taken on 11th and 18th October 2021.

296. The Claimant says that the use of this email address was a breach of Paragraph 2 and a breach of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants rely upon Sub-paragraph (d) and Sub-paragraph (h). Independent of these Sub-paragraphs, the MSD Defendants also deny that there was a breach of Paragraph 3.

297. In Caglia 1, at paragraphs 32-36, Ms Caglia explains how the inclusion of this email address came about. It is easiest simply to quote what Ms Caglia says, at paragraphs 33-36:

“33 *Parallel versions of the Article were available on the Merck for Mothers site and the MSD for Mothers site. References to “Merck” in the Merck for Mothers version were amended to “MSD” in the MSD for Mothers version.*

34 *The Article included a link for expression of interests for people who might wish to participate in the initiative. The link directed the user to a PDF titled “Calls for Expressions of Interest” (the “PDF”). There were Merck and MSD versions of the PDF, and these were linked to from the relevant versions of the Article.*

35 *In both the Merck and MSD versions of the PDF, an email address with a “@merck.com” domain (“cstmformothers@merck.com”) was included for submitting questions or registering expressions of interest. John Reading, who works in the US, was the sole employee who monitored this email account.*

36 *On 25 October 2021 I removed the link to the PDF from the Article. On the same date, we replaced the “@merck.com” email address with a new “@msd.com” email address, before the PDF and the corresponding link were reinstated in the Article on the MSD site.”*

298. Starting with Sub-paragraph (d) it might be thought that there was no breach of Paragraph 2 or Paragraph 3, applying my reasoning in relation to Rows H and I. The email address was monitored by Mr Reading who was, according to Ms Caglia, an employee working in the US. The identification of this email address for contact purposes was, as it seems to me, something which happened in the ordinary course of business of Merck US.

299. There is however, in my view, a critical difference between Rows H and I and Row K. The email address which is complained of in Row K was not an email address for an employee of Merck US based outside the UK. The email address was, as is clear from its title, a generic email address, provided for the purposes of contacting Merck US. It is clear from Ms Caglia’s evidence that this email address was not an email address for Mr Reading, in his capacity as an employee of Merck US. Rather, it was a generic email address, which Mr Reading was required to monitor. In my view Sub-paragraph (d) is confined to the email addresses of employees of Merck US based outside the UK. I do

not think that Sub-paragraph (d) extends to generic email addresses, whether or not there is a particular employee who is responsible for monitoring that email address.

300. This analysis seems to me to be borne out by the terms of Sub-paragraph (e), which permits the Defendants to continue to receive emails sent to a generic email address (medicalinformationuk@merck.com) *“for a period of five years following the date they are notified of regulatory approval being granted for use in the UK of a replacement of that email address by an email address not featuring the sign MERCK”*. The point made by the Claimant, which I accept, is that if it was considered necessary to make specific provision for the Defendants to continue to receive emails at this generic email address, in order to address problems with regulatory approval for a change of this email address, it cannot be right that the use of such generic email addresses is in fact permitted by Sub-paragraph (d), provided that they are monitored by an employee outside the UK.
301. I therefore conclude that Sub-paragraph (d) does not apply in relation to the breach alleged in Row K. In the absence of Sub-paragraph (d), and leaving aside Sub-paragraph (h) for the moment, I am satisfied, on the evidence and applying the relevant principles of law, that there was a breach of Paragraph 2 as alleged in Row K.
302. This leaves Paragraph 3, before I come to Sub-paragraph (h). Although Merck appeared in an email address, its appearance was in the context of an invitation, on a website (the msdformothers website) targeted at the UK, to submit expressions of interest and questions to a Merck branded email address. The Merck for Mothers initiative was a promotional activity for Merck US. The message conveyed by the use of the email address was that the activities enabled by this email address were being provided by the party entitled to use Merck. In my view the use of Merck in this email address was trade mark use, associating Merck with the goods and services of Merck US which were promoted by the Merck for Mothers initiative. By virtue of the targeting at the UK, and considering in the round how the email address was used in the Article and in relation to the Merck for Mothers initiative, it seems to me that this trade mark use took place in the course of trade in the UK. It also seems to me that this use affected the function of Merck as a trade mark in the UK as denoting the goods and services of Merck Global. I therefore conclude that this use of Merck did constitute a breach of Paragraph 3, if Sub-paragraph (h) is put to one side.
303. Coming to sub-paragraph (h) it is not entirely clear to me how this is relied upon in relation to Row K. As I read her evidence, Ms Caglia does not explain how the email address found its way into the pdf calling for expressions of interest and questions. Nor have I been directed to any other explanation, in the evidence, as to how the email address came to be included in the pdf. In this context, it is interesting to note that Ms Caglia was asked by the Claimant to explain why an @msd.com email address was not used initially, as part of the Part 18 Requests. In paragraph 30 of Caglia 2 Ms Caglia simply refers back to paragraph 34 of Caglia and her reference to Mr Reading as the sole employee who monitored the email address. This response seems to me to have left the Claimant’s question unanswered.
304. Given the state of the evidence, all I know is that action was taken to remove the link and then to reinstate the same as a link to a revised version of the pdf with an @msd.com email address. I bear in mind that the burden is on the MSD Defendants to demonstrate

that the inclusion of the original email address was an inadvertent error. In my view this has not been demonstrated, and Sub-paragraph (h) does not apply.

305. I therefore conclude that that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row K. This is because the First Defendant is unable to rely upon Sub-paragraph (d) or Sub-paragraph (h). In the absence of Sub-paragraph (d) or Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the matters set out in Row K, breached Paragraph 2 and Paragraph 3.

Row L - analysis

306. The complaint in Row L is related to that in Row K. It will be recalled that the Article was hosted on the msdformothers website. The Article included, in its fourth paragraph, a link to a pdf document described as “*MOMs Initiative*”. The pdf was located on the merckformothers website. In addition to the fact that the pdf was hosted on a Merck website, the pdf contained various uses of Merck. These uses included the identification of the email address CSTMMOTHERS@merck.com as the email address to which businesses seeking investment from the MOMs Initiative should submit what was described as “*a pitch deck*”, outlining how they met the investment criteria. Details of the complaint are set out in Day 2, at paragraphs 68-72. The relevant screenshots were taken on 12th October 2021.

307. The Claimant says that these uses of Merck constituted a breach of Paragraph 2 and a breach of Paragraph 3 by the First and Second Defendants. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants rely upon Sub-paragraph (d) and Sub-paragraph (h). Independent of these Sub-paragraphs, the MSD Defendants also deny that there was a breach of Paragraph 3.

308. Ms Caglia responds to Row L in Caglia 1, at paragraphs 37-45. She says that the link in the Article, from the msdformothers website, to the MOMs Initiative pdf hosted on the merckformothers website was an error. She refers to a communications manual, which is explained earlier in Caglia 1, which she devised and which gave guidance on the communication channels in which Merck for Mothers branding was to be used and the communication channels in which MSD for Mothers branding was to be used. She says that the communications manual stated that content on the msdformothers website should avoid linking to merckformothers or materials referencing Merck for Mothers. Her explanation of the error, and the corrective action taken are set out in the following terms, at paragraphs 39-45:

“39 *Rabin Martin, one of our US-based third-party agencies, assisted with the development of the Article and included the wrong link to the MOM Article, meaning the MSD version of the Article linked to the MOM Article hosted on the Merck for Mothers site at merckformothers.com. As a result, the MOM Article included the word “Merck” in the body of the text, in the footer and in an email address.*

40 *The link in the Article on the MSD for Mothers site to the “Merck” branded version of the MOM Article was an error. As explained in Paragraph 16 of this witness statement, the Communications Manual states “Content on MSDforMothers.com should avoid linking to MerckforMothers.com, or materials that reference Merck for Mothers”.*

41 *On 25 October 2021 I removed the link to the Merck version of the MOM Article from the MSD version of the Article.*

- 42 *The MSD branded version of the MOM Article included the email address “cstmformothers@merck.com”. As I have said, emails to that address would have been received by John Reading.*
- 43 *On 29 October 2021 I replaced the “@merck.com” email address with the corresponding “@msd.com” email address.*
- 44 *The MSD version of the MOM Article also included a footnote that referenced a press release that included the word “Merck”. The reference remained in the MOM Article as it referred to a US news release only and there was no equivalent MSD version which could have been cited instead. At the time, a pop-up was enabled on the MSD for Mothers site if a link redirected a user to a Merck-branded site, which I mistakenly thought was sufficient for the purposes of the Brand Guidelines.*
- 45 *On 17 March 2022 I removed the word “Merck” from the footnote in the MSD version of the MOM Article.”*

309. I cannot see that Sub-paragraph (d) is available in the case of Row L. Sub-paragraph (d) would only be capable of applying, in any event, to the email address included for investment applications in the MOMs Initiative pdf. I cannot see that Sub-paragraph (d) assists with any of the other uses of Merck detailed in Row L. So far as the generic email address is concerned, and for the reasons which I have already set out in relation to Row K, I do not consider that Sub-paragraph (d) applies to the use of this generic email address.
310. In the absence of Sub-paragraph (d), and leaving aside Sub-paragraph (h) for the moment, I am satisfied, on the evidence and applying the relevant principles of law, that there were breaches of Paragraph 2 as alleged in Row L.
311. This leaves Paragraph 3, before I come to Sub-paragraph (h). It seems clear to me that the various uses of Merck which are complained of in Row L were uses of Merck as a trade mark in the course of trade in the UK, within the meaning of Paragraph 3. The Article appeared on the msdformothers website, which was targeted at the UK, amongst other countries. The link from the Article gave access to the MOMs Initiative, which was hosted on a Merck branded website, and was itself Merck branded. Beyond this, I refer to my reasoning in relation to Row K. I therefore conclude that the uses of Merck complained of in Row L did constitute breaches of Paragraph 3, if Sub-paragraph (h) is put to one side.
312. Coming to sub-paragraph (h), it seems to me that there are two problems with the reliance of the MSD Defendants upon sub-paragraph (h). The first problem is the question of whether the error referred to by Ms Caglia qualifies as an inadvertent error. The evidence of Ms Caglia is that Rabin Martin (I assume this is an agency, not an individual) included the wrong link. Beyond this however, the evidence is opaque. In particular, it is not clear how this error relates back to the evidence given by Ms Caglia in paragraphs 6-19 of Caglia 1 and the processes there described. There is also no evidence of what instructions or documents were given to Rabin Martin in relation to their work on the Article. As I have said, it is for the MSD Defendants to demonstrate inadvertent error. In my judgment the available evidence does not demonstrate that the various uses of Merck in the MOMs Initiatives pdf were the result of inadvertent error. The second problem is specific to the footnote which appeared in the MOMs Initiatives pdf. It is clear that this footnote remained in the MSD branded version of the pdf after the link to the Merck branded

version of the pdf had been removed. Ms Caglia says that this was because she mistakenly thought that a pop up on the msdformothers website would be sufficient to permit retention of the footnote. This clearly was a mistake because the use of pop ups, as a means of staying within what is permitted by Paragraphs 2 and 3, is restricted to MSD branded UK specific websites; see Sub-paragraph 4(b). As I understand the position, the msdformothers website is global rather than specific to the UK. A mistake of this kind does not however qualify as an inadvertent error; see my earlier analysis of Sub-paragraph (h).

313. I therefore conclude that Sub-paragraph (h) does not apply to the uses of Merck which are set out in Row L.
314. I therefore conclude that the Claimant has established that the First Defendant breached Paragraph 2, in the manner alleged in Row L, and that the First and Second Defendants breached Paragraph 3, in the manner alleged in Row L. The First and Second Defendants are unable to rely upon Sub-paragraph (d), in relation to the email address used in the MOMs Initiative pdf. The First and Second Defendants are also unable to rely upon Sub-paragraph (h). In the absence of Sub-paragraph (d) or Sub-paragraph (h), I find and conclude, by reason of the matters set out in Row L, that the First Defendant has breached Paragraph 2 and Paragraph 3, and that the First and Second Defendants have breached Paragraph 3.

Row R - analysis

315. It is convenient to take Row R next, as it also concerns the use of an email address. The complaint in Row R is that the MSD Website hosted, as a pdf, a report. The report in question was entitled the “*Environmental, Social and Governance (ESG) Progress Report 2018*”. This report (“**the ESG Report**”) included, on page 25, the use of Merck within the email address corporate_responsibility@merck.com. Details of the complaint are set out in Day 2, at paragraphs 93-97. The relevant screenshots exhibited to Day 2 were taken on 20th October 2021.
316. The Claimant says that the use of this email address on the MSD Website constituted a breach of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants do however rely upon Sub-paragraph (d) and/or Sub-paragraph (h). Breach of Paragraph 3 is not alleged in relation to Row R.
317. The evidence in response to this complaint is given by Mr Woodall, Director on the Environmental, Social and Governance Strategy & Engagement Team for the First Defendant. In Woodall 1 Mr Woodall explains the procedures for the preparation of ESG reports, which involves the preparation of an MSD branded version for use outside of the US, to be published on the MSD Website, and a Merck branded version for use in the US, to be published on the Merck Website. The process starts with the creation of the Merck branded version, which is then revised for use as the MSD version. The ESG Report did not however go through this process. As Mr Woodall explains, at paragraph 17 of Woodall 1:
- “17 As I have said, the 2018/2019 ESG Progress Report is a historic report, and it did not go through the review process described above. On 25 October 2021, we changed that address to an @msd.com email address. If that use of a Merck email address was a mistake, then I apologise for that.”*

318. In paragraph 12 of Woodall 1 Mr Woodall explains that the email address appearing on page 25 of the ESG Report was monitored by an individual member of the ESG Team, whose name he cannot recall. The ESG Team was then based in Kenilworth, New Jersey, and is now based in Rahway, New Jersey.
319. So far as the MSD Defendants' reliance upon Sub-paragraph (d) is concerned, the email address in question was a generic Merck US email address, monitored by an individual based in the US. In these circumstances my reasoning in relation to Rows K and L applies. The First Defendant cannot rely on Sub-paragraph (d). In the absence of Sub-paragraph (d), and leaving aside Sub-paragraph (h) for the moment, I am satisfied, on the evidence and applying the relevant principles of law, that there was a breach of Paragraph 2 as alleged in Row R.
320. This leaves Sub-paragraph (h). I do not think that Sub-paragraph (h) is available either. The short point is that the ESG Report predated the procedures described by Mr Woodall for creating Merck branded and MSD branded ESG reports. I assume therefore, from Mr Woodall's evidence, that the inclusion of this email address in the ESG Report was not the result of an adaptation or proof reading error. As I read Mr Woodall's evidence, the email address was included in the ESG Report because the relevant persons (I assume the ESG Team) did not appreciate that a generic Merck US email address should not be in the ESG Report. This was not an inadvertent error, and Sub-paragraph (h) is not engaged.
321. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row R. This is because the First Defendant is unable to rely upon Sub-paragraph (d) or Sub-paragraph (h). In the absence of Sub-paragraph (d) or Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the matter set out in Row R, breached Paragraph 2.

Row U – analysis

322. Row U also concerns an email address, so I deal with it before resuming alphabetical progress. The complaint in Row U is that the msd-uk.com website hosted, as a pdf, a document entitled "*Independent Grant Request MSD Oncology Policy Grant Program*". The document included instructions on how to apply for a grant from the Program. Applications were required to be sent by email to "*our US-based MSD Global Oncology Policy team at oncopolicy02@merck.com*". This email address thus included Merck. Details of the complaint are set out in Day 2, at paragraphs 106-108. The relevant screenshots exhibited to Day 2 were taken on 8th October 2021.
323. The Claimant says that the use of this email address in this document, hosted on the msd-uk.com website, constituted a breach of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants do however rely upon Sub-paragraph (d) and/or Sub-paragraph (h). Breach of Paragraph 3 is not alleged in relation to Row U.
324. The evidence in response to this complaint is given by Nikki Carpenter, Grants and Contracts Manager of the First Defendant, working in the Global Oncology policy team. In her evidence in Carpenter 1, Ms Carpenter explains how the MSD Oncology Grant Program came to be prepared. At paragraphs 11-13 of Carpenter 1, Ms Carpenter explains how this email address was monitored:

- “11 Once approved, the Grant Request was included on the website www.msduk.com to invite applicants to apply for the grant program. I understand that the Grant Request was posted to www.msd-uk.com in 2020.*
- 12 The Grant Request included the email address oncopolicy02@merck.com. This was used to manage the applications, and the responses were monitored by Thomas Braga as the individual responsible for the program in 2020. The email address allowed us to use the same address each year, rather than changing it to the individual involved in that year. The Grant Request says that the team is “US-based”.*
- 13 The use of this inbox also gave consistency in passing on information to the next post-holder that would take Thomas’ role the following year. Thomas’ successor was another US-based member of the Global Oncology team.”*

325. Ms Carpenter explains how an @merck.com email address came to be included in the document at paragraphs 14-18 of Carpenter 1, in the following terms:

- “14 Thomas was not aware that it might not be acceptable for an “@merck.com” email address to be included in materials if the employee was based outside of the UK.*
- 15 I understand from Michelle Koleosho that email addresses for UK personnel were moving from “@merck.com” addresses to “@msd.com” addresses around the time of the UK review, and it appears that the UK review of the Grant Request did not identify the “@merck.com” email address coming from the US as an issue.*
- 16 I understand that the document was removed from www.msd-uk.com on 26 October 2021, and it was not replaced as the grant application period had passed.*
- 17 I have changed the way grants are applied for so that forms are uploaded to a portal on the website msdgrants.com. The email address “oncopolicy02@merck.com” is now only used internally.*
- 18 I am aware of the Brand Guidelines and have completed training on them. If the use complained of was not permitted then we apologise for that.”*

326. So far as the MSD Defendants’ reliance upon Sub-paragraph (d) is concerned, the email address in question was a generic Merck US email address. The evidence is that it was monitored by an individual based in the US (Thomas Braga), whose successor was also based in the US. In these circumstances my previous reasoning in relation to Rows K and L again applies. The First Defendant cannot rely on Sub-paragraph (d). In the absence of Sub-paragraph (d), and leaving aside Sub-paragraph (h) for the moment, I am satisfied, on the evidence and applying the relevant principles of law, that there was a breach of Paragraph 2 as alleged in Row R.

327. I do not think that the First Defendant can rely upon Sub-paragraph (h). It is clear from Ms Carpenter’s evidence that this was not a case of accidental oversight. The inclusion of the generic email address in the document was clearly deliberate. The generic email address was used because no one appreciated at the relevant time that it should not be used. As such, it seems to me that there was no inadvertent error capable of engaging Sub-paragraph (h).

328. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row U. This is because the First Defendant is unable

to rely upon Sub-paragraph (d) or Sub-paragraph (h). In the absence of Sub-paragraph (d) or Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the matter set out in Row U, breached Paragraph 2.

Rows M and CC - analysis

329. The complaint in Row M concerns a Twitter account for MSD for Mothers (@MSDforMothers). The Event was promoted through this account. The complaint in Row M is that tweets promoting the Event made use of Merck. Two instances are given in Day 2 (which the Claimant characterises as specific examples) at paragraph 74. In each instance the Merck for Mothers title (meaning the title of the initiative launched by Merck US with this branding) was used in the tweets. The relevant screenshots exhibited to Day 2 were taken on 17th October 2021.
330. Row CC, which it is convenient to take together with Row M, concerns further tweets published on the same Twitter account, which again made use of the Merck for Mothers title. Two instances are given in Day 2 (which the Claimant characterises as further specific examples) at paragraph 141. The relevant screenshots exhibited to Day 2 were again taken on 17th October 2021.
331. The Claimant says that these uses of Merck constituted a breach of Paragraph 2 and a breach of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows no dispute for these Rows. The MSD Defendants rely upon Sub-paragraph (h). Independent of Sub-paragraph (h), the MSD Defendants also deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the UK for the purposes of Paragraph 3.
332. Leaving aside Sub-paragraph (h) for the moment, I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck which are complained of in Rows M and CC did constitute breaches of Paragraph 2.
333. This leaves Paragraph 3, before I come to Sub-paragraph (h). The tweets appeared on a Twitter account for MSD for Mothers. The tweets were therefore targeted at the UK, amongst other countries. While it is true that the tweets appeared in an MSD branded environment, it is important to examine the screenshots of the tweets, as exhibited to Day 2, in order to see what message they conveyed. The actual message in each tweet made reference to the Merck for Mothers initiative, which was a promotional activity of Merck US. It seems to me that the message to the Consumer conveyed by the tweets was that the initiative being promoted by the tweets was the initiative of the party entitled to use Merck in connection with its goods and services. I bear in mind the importance, as the Supreme Court emphasized in *Lifestyle Equities*, of avoiding an approach which results in a failure to see the wood for the trees, but it seems to me that the uses of Merck in the tweets, notwithstanding their appearance in an MSD branded environment, did constitute uses of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. It also seems to me that these uses affected the function of Merck as a trade mark in the UK as denoting the goods and services of Merck Global. I therefore conclude that the uses of Merck complained of in Rows M and CC did constitute breaches of Paragraph 3, if Sub-paragraph (h) is put to one side.
334. Turning to Sub-paragraph (h), Ms Caglia deals with Row M, together with Row CC, in paragraphs 46-48 of Caglia 1. At paragraphs 47 and 48, Ms Caglia says this:

- “47 At the time, I had meetings on a weekly or twice weekly basis with MMC, our third-party agency which supports the MSD social media channels. The MMC team would show me proposed posts on screen and I would review, correct and approve the tweets live. The “Merck” references on the MSD for Mothers Twitter account were a result of an error made by MMC. The tweets were contrary to pre-approved posts which included “MSD” rather than “Merck”. MMC were aware that they needed to use MSD versions.
- 48 On 25 October 2021 MMC deleted the tweets in question which made references to “Merck”. After this error came to light, I have implemented a back check across all MSD for Mothers social media channels to avoid errors. Now, when approved content is posted, I receive an email with direct links to the posts, which allows me to complete an additional check to ensure the approved content is posted. This is in addition to the pre-publication checking process, as set out in Paragraph 23 above.”

335. This evidence is supplemented in Caglia 2, at paragraph 13 and, in answer to a request to explain the error referred to in paragraph 47 of Caglia 1, at paragraphs 36 and 37, as follows:

“13 Rows M & CC relate to errors made by MMC in relation to tweets on the MSD for Mothers twitter page that included the word “Merck”. The posts that were correctly branded and approved by me were not posted by MMC.”

“E16. Please fully explain the nature of the “error”.

36 I refer to my explanation in paragraph 13. This was a copy and paste error made by MMC.

37 Since this error came to light, I now carry out an additional check after an MSD tweet is posted to ensure the branding has been correctly applied.”

336. It seems to me that this was a case of inadvertent error, in relation to all the tweets which are complained of in Rows M and CC. The references to Merck for Mothers appeared in tweets posted on the MSD for Mothers Twitter account. The problem was that these stray references found their way into posts on the MSD for Mothers Twitter account, where they were not supposed to appear. Ms Caglia says that this was the error of MMC and, critically, that this was contrary to pre-approved posts which included MSD rather than Merck, in circumstances where MMC were aware that they needed to use MSD versions of these posts.

337. The Claimant submitted that the evidence given by Ms Caglia, as between Caglia 1 and Caglia 2 is not consistent. In Caglia 1 Ms Caglia states that two versions of the posts, under the Merck and MSD branding, were created and approved by herself. In Caglia 2 Ms Caglia states that MMC made a copy and paste error. This is difficult to understand, if a version of the post for the MSD for Mothers Twitter account had already been approved by Ms Caglia. In order for the error to have been a copy and paste error MMC would have had to have copied and pasted something. It is difficult to understand what could have been copied and pasted, if there was already an MSD branded post, without the stray references to Merck for Mothers, approved by Ms Caglia and ready to be posted.

338. In the absence of cross examination that is not a matter which I can investigate further. The evidence as to precisely how the error occurred is ambiguous. In this instance however I do not think that this ambiguity is fatal to the MSD Defendants’ case on Sub-

paragraph (h). What is clear from the evidence of Ms Caglia, as I read that evidence, is that the intention was that the posts on the MSD for Mothers Twitter account should be clear of any use of Merck. Somehow or other, the references to Merck for Mothers found their way into the posts. Ms Caglia is clear that this was not supposed to happen, and that MMC were aware that this was not supposed to happen. Ms Caglia also gives evidence that prompt corrective action was taken. In these circumstances I accept that the inclusion of Merck for Mothers in the posts was the result of inadvertent error, so that Sub-paragraph (h) can be relied upon.

339. I therefore conclude that the breaches of the Order alleged in Rows M and CC have not been established. This is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that the matters complained of in Rows M and CC, which would otherwise have constituted breaches of Paragraphs 2 and 3, are not breaches of Paragraphs 2 and 3.

Row N - analysis

340. The complaint in Row N concerns the use of an email address in the msdformothers website. The email address is jackie.califano@merck.com. In Day 2, at paragraphs 77-79, Mr Day explains that the “Connect” page of the website included, under the title “Media inquiries”, the statement “For press and media inquiries, please contact Jackie Califano”. Clicking on the hyperlinked name, Jackie Califano, opened a new email window addressed to jackie.califano@merck.com. The relevant screenshots of the process, exhibited to Day 2, were taken on 11th October 2021.

341. The Claimant says that the use of this email address on the link from the msdformothers website constituted a breach of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row, but the MSD Defendants rely upon Sub-paragraph (d). There is no reliance upon Sub-paragraph (h). Breach of Paragraph 3 is not alleged in relation to Row N.

342. Ms Califano is one of the three individuals whose email address is also the subject of the complaints in relation to Rows H and I. She was a US based employee of Merck US; see Melvin 1 at paragraph 25. Ms Califano’s employment came to an end in February 2022, whereafter the email address was updated to mediarelations@msd.com; see Caglia 1 at paragraphs 49-51.

343. While this updating was plainly a sensible measure to take, with a view to avoiding areas of conflict, it seems to me that this use of Ms Califano’s email address fell squarely within Sub-paragraph (d); see my reasoning in relation to Rows H and I. In relation to Row N there is the minor difference that the email address only became visible after clicking on the relevant link on the msdformothers website, but I do not think that this minor difference is material to the application of my reasoning in relation to Rows H and I.

344. I therefore conclude that the breach of the Order alleged in Row N has not been established. This is because the First Defendant is entitled to rely on Sub-paragraph (d), with the consequence that the matter complained of in Row N is not caught by the restrictions in Paragraph 2.

Rows O and B - analysis

345. It is convenient to take Rows O and B together, and to start with Row O. The complaint in Row O concerns a privacy policy webpage, a link to which was provided from a footer in the msdformothers website. The privacy policy webpage is msdprivacy.com/us/en. Once one reached this webpage it was branded with a Merck logo heading and also had a reference to what is described as a “*Merck Coupon Program*”. Details of the complaint are set out in paragraphs 80-83 of Day 2. The relevant screenshots exhibited to Day 2 were taken on 18th October 2021.
346. The Claimant says that these uses of Merck on the privacy policy webpage constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely on Sub-paragraph (h).
347. The circumstances in which the uses of Merck on the privacy policy webpage came about are dealt with by Ms Caglia in paragraphs 8 and 52-54 in Caglia 1. Ms Caglia says this:
- “8 *I oversee the internal and external communications for the initiative. All communication requests and correspondence go through, or copy, me. We work in collaboration with five external communications agencies, and principally with Marina Maher Communications (“MMC”) and SPI Group (“SPI”) on merckformothers.com and msdformothers.com.*”
- “52 *The MSD for Mothers site included a link to the US-targeted privacy website (“www.msdprivacy.com/us/en”). This MSD privacy website included a logo containing the word “Merck” as well as another reference to “Merck” in the context of a Coupon Program.*
- 53 *The US-targeted privacy website had accidentally been linked to by SPI. We meet them virtually every two weeks and I assume that this error must have followed a call.*
- 54 *On 28 October 2021 I asked SPI to update the link. On the same date, they updated the link on the MSD for Mothers website so that it linked to a general MSD privacy website. This general page presents users with the option to select the applicable country in which they are located, and it will then display the correct policy with appropriate branding for that country.*”
348. In response to the Part 18 Requests Ms Caglia gave further evidence in relation to Row O in Caglia 2. In paragraph 14 of Caglia 2 Ms Caglia repeated the point that an error was made by SPI Group who should have provide a link to the general MSD privacy website. In paragraphs 40 and 41 of Caglia 2, Ms Caglia responded as follows to requests for further explanation of the error:
- “E19. Please explain fully the nature of the alleged “error”.
- 40 *Please see paragraph 14.*
- E20. Please explain the basis for the assumption you make in paragraph 53 that the error “followed a call”.
- 41 *We met with SPI virtually usually every two weeks, and we would often give them instructions during these calls. I do not have a written record of these instructions. I assume I gave the instructions on one of those regular calls.*”

349. I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck which are complained of in Row O did constitute breaches of Paragraph 2, if Sub-paragraph (h) is put to one side.
350. Turning to Paragraph 3, the use of Merck on a privacy policy webpage is not, at least directly, promotional or branding use. The privacy policy is however linked to the msdformothers website, which promotes the goods and services of Merck US under the MSD brand. The question is therefore whether, from the perspective of the Consumer, the Merck branding on the privacy policy webpage associated the activities referred to on the msdformothers website with Merck US as the ultimate originator of those activities, through the MSD brand. It seems to me that there is such an association, in the case of the Merck logo appearing at the top of the privacy policy webpage, although I do not think that the same is true of the reference to the Merck Coupon Program. Applying the approach adopted by Sir Alastair in the Remitted Issues Judgment, it seems to me that a Consumer visiting the privacy policy webpage would assume that Merck US was the ultimate originator of the activities (which are themselves clearly promotional activities) on the msdformothers website, thereby imperilling the function of Merck as a mark denoting, in the UK, Merck Global as the originator of such activities under the Merck branding. I am therefore satisfied, on the evidence, that the use of Merck as a logo, which is complained of in Row O, was use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. I therefore conclude the use of Merck as a logo, being one of the complaints in Row O, did constitute a breach of Paragraph 3, if Sub-paragraph (h) is put to one side.
351. This then leaves Sub-paragraph (h). It seems to me, on the basis of Ms Caglia's evidence, that this was clearly a case of inadvertent error. The Claimant criticises Ms Caglia's evidence in Caglia 2 as uninformative, but it seems to me that what Ms Caglia says is sufficient to establish that this case was one of inadvertent error, which was then the subject of prompt corrective action. In these circumstances it seems to me that the First Defendant is entitled to rely upon Sub-paragraph (h).
352. I note that Ms Caglia explains, in paragraphs 16-18 of Caglia 2, that Merck US has changed its approach to producing MSD branded material, so that MSD branded material is created independently, rather than being produced by the adaptation of Merck branded material. This is clearly to be welcomed, as a means of reducing the scope for conflict, and it reflects a measure which the Claimant says should have been taken to avoid this kind of error. I do not think however that this means that the error described by Ms Caglia, which I assume predated the introduction of the new process, is disqualified from falling within the terms of Sub-paragraph (h).
353. This leaves Row B. The complaint here relates to the same privacy policy webpage, but arises from the fact that there was a link to this page from the Merck Covid Research Website, via the link from the First Company Statement in the MSD Website, which is the subject of the complaint in Row F. It seems to me that the position in relation to Row B is governed by my analysis of Row F and Row O. So far as the complaint is that this webpage could be accessed from the MSD Website, my analysis in relation to Row F applies, so that the First Defendant can rely upon Sub-paragraph (h). So far as the complaint is that the privacy policy webpage contained Merck branding, my analysis in relation to Row O applies, so that the First Defendant can again rely upon Sub-paragraph (h).

354. I therefore conclude that the breaches of the Order alleged in Rows O and B have not been established. This is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that the matters complained of in Rows O and B, which would otherwise have constituted breaches of Paragraphs 2 and 3, are not breaches of Paragraphs 2 and 3.

Rows P and HH – analysis

355. It is convenient to take Rows P and HH together. I start with Row P. The complaint in Row P is that Merck US promoted jobs available in its organisation, throughout the world, at jobs.merck.com, which used Merck branding. The jobs advertised included jobs expressed to be located in the UK. Details of the complaint are set out in Day 2, at paragraphs 84-87. The relevant screenshots exhibited to Day 2 were taken on 5th October 2021.

356. The Claimant says that this promotion of UK jobs on a Merck branded website constituted breaches of Paragraph 2. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use in the UK within the meaning of Paragraph 2. Breach of Paragraph 3 is not alleged in relation to Row P.

357. The evidence in response to this complaint is given by Michael Domingo, Associate Director of Talent Solutions at the First Defendant. In Domingo 1, at paragraphs 11-14, Mr Domingo gives the following explanation of what jobs, outside the US and Canada, find their way on to the jobs.merck.com website:

“11 Once a job is advertised it will be automatically listed on jobs.merck.com or jobs.msd.com. There is a logic built into a website design so that a job in a single country will appear on the jobs.msd.com site if the location of the job is outside the US or Canada, and a job will appear on the jobs.merck.com site if the location of the job is within the US or Canada.

12 We also have jobs that can be carried out from more than one location. We call these “cross-posted” jobs. For these jobs there is a primary location, which is where the candidate would preferably be located, and also one or more locations from which it could also be performed. The job is posted to the jobs website of the primary location, as set out at paragraph 11, and also automatically cross-posted to the jobs website of the secondary location.

13 A cross-posted job on jobs.merck.com will either have a primary location in the US and Canada with a secondary location outside of the US and Canada, or a secondary location in the US and Canada with a primary location outside of the US. The former is intended for US users who may have an interest in working overseas. The latter is intended for US users who are interested in jobs located in the US and Canada.

14 In common with major international employers, the business recruits for various locations. A job will usually be filled in the primary location.”

358. The case of the MSD Defendants is that the jobs advertised as UK jobs were cross-posted jobs, with the primary location in the US.

359. Mr Domingo also describes, at paragraphs 15 and 16 of Domingo 1, the disclaimers which appeared on this website:

“15 There are several statements on jobs.merck.com site that state the site is only for residents of the United States and Canada. For example, there are disclaimer paragraphs, which are located at the top and/or bottom of the landing page and every sub-page. These were introduced before October 2021, but I do not know exactly when.”

16 The disclaimer at the top of a sub-page reads: “This site is for Residents of the United States, Canada & Puerto Rico. Residents of other markets, please click here.” The disclaimer at the bottom of a sub-page reads: “This careers website is intended for Residents of the United States, Canada & Puerto Rico. Residents in other markets, please visit our MSD Careers page.” Both disclaimers contain a hyperlink which, when clicked, directs the visitor to the jobs.msd.com site. Page 5-12 of **Exhibit MD1** shows the landing page for jobs.merck.com, and the disclaimers are shown on pages 5 and 12. I am informed that this screenshot was taken by Claudia Leong on 13 July 2022 and the website pages were accessed by her on a computer in the UK.”

360. At paragraph 25 of Domingo 1, Mr Domingo explains that a pop-up was subsequently added to the website, which went live on 28th October 2021, for users who access the website via a UK IP address. The Claimant says that there is also now geo-blocking of this website to prevent UK residents finding UK jobs on a Merck branded website. The pop-up is in the following terms:

“By continuing, you will be directed to a site intended only for residents of the United States and Canada. We are called MSD everywhere, except in the United States and Canada where we are known as Merck & Co., Inc., Rahway, NJ, USA.”

361. I should also mention the evidence of Johanna Herrmann, mentioned above as Head of Corporate Communications at the First Defendant. In Herrmann 2, Ms Herrmann addresses matters raised by the Part 18 Requests. In paragraph 16 of Herrmann 2, Ms Herrmann makes the following counter-accusation against the Claimant:

“16 The Claimant has complained about material on jobs.merck.com. It appears that the Claimant advertises for jobs available in the US and Canada in a similar manner about which it complains in this application. I am informed by Vera Ho, a Trainee Solicitor at Linklaters LLP, that on 8 November 2022, she accessed the careers page of MerckGroup.com from a computer in the UK. Under the “Location” filter, she selected “United States” which displayed 366 postings for jobs in the US. A screenshot of the first page showing 10 of these results is found at pages 1-3 of **Exhibit JH6**.”

362. It seems to me that the advertising of jobs in the UK on the Merck branded website was a breach of Paragraph 2. I accept the submission of the Claimant that, at the time when the screenshots were taken, the reality was that a person searching for Merck jobs in the UK would have found the jobs.merck.com website and read what was on offer. I do not think that the disclaimer on the website was sufficient to avoid this effect. Although I accept that the jobs advertised in the UK were cross-posted jobs, I do not see how it can be said that the advertising of jobs on the website which were described as being located in the UK can be said not to have been targeted at potential employees in the UK. As such, it seems to me that there was use of Merck within the UK, within the meaning of Paragraph 2.

363. As I understand the position, this problem has now been resolved by the geo-blocking measures taken by the Defendants, but this does not avoid the fact that there was in my view, on the evidence and applying the relevant principles of law, a breach of Paragraph 2. So far as the counter-accusation against the Claimant is concerned, that is not before me for decision and I do not think that it is relevant to my decision on whether the First Defendant has breached Paragraph 2.
364. This leaves Row HH. The complaint in Row HH relates to a chatbot which was made available by Merck US as an automatic pop-up on the jobs.merck.com website. The chatbot was headed with a Merck branded logo. In response to an inquiry from someone describing themselves as located in the UK and interested in jobs in the EMEA (Europe, Middle-East and Africa) region, the chatbot presented information about jobs in the UK. A user could then engage further to pursue an interest in the relevant role. Details of the complaint are set out in Day 2, at paragraphs 211-216. The relevant screenshots exhibited to Day 2 were taken on 12th November 2021.
365. The Claimant says that this use of the Merck branded chatbot constituted a breach of Paragraph 2. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use in the UK within the meaning of Paragraph 2. Breach of Paragraph 3 is not alleged in relation to Row HH.
366. The response of the MSD Defendants to this complaint follows a similar line to the response to Row P. The MSD Defendants point out that the job advertisements which were generated by interaction with the chatbot were for cross-posted jobs; see the relevant screenshots exhibited in MCJD-13. In paragraphs 24 and 26 of Domingo 1, Mr Domingo says this:
- “24 The chatbot on the jobs.merck.com site would identify cross-posted jobs that are available in both the US and the UK. However, it would not identify jobs that were only posted in the UK.”*
- “26 On 10 February 2022, we placed a header on the chatbot on the jobs.merck.com site to say that the chatbot is intended for US and Canada visitors only. The header reads as follows, and contains a hyperlink that, when clicked, takes the visitor to the jobs.msd.com site. “This site is for Residents of the United States, Canada & Puerto Rico. Residents of other markets, please click here.”*
367. As I understand the position, the Defendants have now introduced geo-blocking in relation to the jobs.merck.com website; see my reference to geo-blocking in relation to Row P.
368. My reasoning in relation to Row HH is the same as my reasoning in relation to Row P. It seems to me that the functioning of the chatbot did constitute use of Merck within the UK, within the meaning of Paragraph 2, for essentially the same reasons as I have given in relation to Row P. On the evidence, and applying the relevant principles of law, I conclude that there was a breach of Paragraph 2.
369. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Rows P and HH. I find and conclude that the First

Defendant has, by reason of the matters set out in Rows P and HH, breached Paragraph 2.

Row Q – Analysis

370. Row Q is concerned with safety data sheets. The complaint is that the safety data sheets (“SDS”) for products intended to be available to people throughout the world were compiled together and only accessible at the Merck Website. Anyone wishing to view the SDS had therefore to access this website, with its extensive Merck branding, including Merck branding in relation to the SDS themselves. SDS for multiple countries, including the UK, were available to download for each product. In the case of the UK the SDS were made available by a download symbol at a link which read “*United Kingdom – English*”. Details of the complaint are set out in Day 2, at paragraphs 88-92. The screenshots exhibited to Day 2 were taken on 14th October 2021.
371. The Claimant says that the use of Merck in the domain name, and on the website on which UK specific SDS for MSD products were hosted constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use in the UK, within the meaning of Paragraph 2. The MSD Defendants also deny that there was a breach of Paragraph 3 on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. The MSD Defendants do not seek to rely on Sub-paragraph (h).
372. The provenance of hosting the SDS on a central external resource is explained by Donna Basile, formerly the First Defendant’s Director, Global Safety & Environment, in Basile 1 at paragraph 11:
- “11 *While we had in the past made the information available, we had not had a central external resource. I reviewed what a number of other pharmaceutical companies did in this space and concluded that they were collecting such information and providing it externally in one place. In 2017 we started to put US SDSs onto the merck.com website. In 2018 we started to add SDSs for other countries.*”
373. Ms Basile then continues in the following terms, at paragraphs 12-17:
- “12 *My group in the US was responsible for drafting all the SDSs for all countries, as needed. We reviewed local rules to determine the content. We branded them following the Brand Guidelines. We have an SDS for our bulk formulation of every product in each country in which we do business.*
- 13 *We decided to create SDSs for those countries where the business had a manufacturing or laboratory presence, rather than trying to limit the SDS information to only those countries which featured in the supply chain of each particular product (i.e. which would have required us to look at exactly at what product was made in or transported to which country).*
- 14 *We created an SDS for each product that may have a bulk form. If, for example, an adult and a pediatric form have a different composition then each will have an SDS. For example there are multiple SDSs for the various forms of Isentress (raltegravir).*
- 15 *I am informed by Michelle Koleosho, Counsel in our UK business, that the UK research arm of MSD (based in Kings Cross, London) uses SDSs to transport research compounds that are made in-house between subsidiary*

companies. They may also provide an SDS as an email attachment to an order with World Courier to transport compounds to US sites. They do not provide internet links to our SDS page to third parties. So far as she is aware, the business does not otherwise use SDSs in the UK.

16 I have undertaken the brand training. I considered the materials on merck.com to be a resource for US users. I did not consider that the UK SDS was aimed at users in the UK.

17 I apologise if the posting of MSD UK SDSs on merck.com was not permitted. This was unintentional.”

374. In Basile 2, at paragraph 11, Ms Basile asserts that the SDS on the Merck Website were always intended to be a resource for US users. As she explains, at paragraphs 11 and 12, in response to the relevant Part 18 Requests:

“Under paragraph 11 - Of “In 2017 we started to put US SDSs onto the Merck.com website”.

B1. Please explain why US SDS were not put onto the MSD Website.

11 The SDS on Merck.com were always intended to be a resource for US users interested to collect that information from us. The SDS posted there were for interest and have not been part of our business process, which I have described above. We started by making available the US SDS on Merck.com, our US website, and moved on to other countries.

Under paragraph 11 - Of “We had not had a central external resource...In 2018 we started to add SDSs for other countries” and under paragraph 10 - “The rules require that employers ensure that this information is readily available to employees”

B2. Please explain why the SDS for other countries were put on a website intended only for residents of the USA and Canada.

12 As I have explained, this information was made available for US users who wanted it out of interest. US customers may want to see the classification of a material for a different country.”

375. In Basile 2, at paragraph 15, Ms Basile goes on to explain that the SDS collection is now made available at the msd.com website. This is explained in more detail in paragraph 10 of Basile 2:

“10 The collection of SDS is now live on MSD.com. The sheets on MSD.com are in the form required by each country. The UK SDS are branded “MSD” and the US SDS are branded “Merck”. Those are the brands for those territories. The SDS are not a tool to promote the business of the company, and the US SDS is not directed to users in the UK. Each is a resource for the relevant country.”

376. It seems to me that making SDS for the UK available in a Merck branded environment was a breach of Paragraph 2. These SDS were clearly targeted at users in the UK. I note Ms Basile’s evidence that this information was made available for US users who wanted it “*out of interest*”, but I cannot see how this avoided the fact that the material was clearly targeted at users in the UK. This was the inevitable consequence of UK SDS being included in the Merck Website and of the fact that there was, at the relevant time when the breach occurred, no parallel MSD site on which these SDS could be made available. In my view making these UK SDS available in a Merck branded environment was clearly use within the UK, within the meaning of Paragraph 2. I note that Ms Basile asserts that

making these SDS available was not part of the business process of Merck US (paragraph 11 of Basile 2), but I do not accept this. I take the point that making the SDS available was a requirement of US legislation, but I do not think that this has the effect of separating out the provision of the UK SDS from the business of Merck US. In my view the provision of the UK SDS is correctly seen as part of the business of Merck US and as part of the promotion of the business of Merck US to third parties in the UK. On the evidence, and applying the relevant principles of law, I conclude that there was a breach of Paragraph 2.

377. For much the same reasons it seems to me that the use of Merck in connection with the provision of UK SDS constituted the use of Merck as a trade mark in the course of trade in the UK, for the purposes of Paragraph 3, with the consequence that this use also constituted an infringement of the Claimant's trade marks and a breach of Paragraph 3. I agree with the Claimant that although the linkage was indirect, there was deliberate linking of the Merck brand with the goods to which the UK SDS applied, sufficient to constitute infringement of the Claimant's trade marks. On the evidence I am satisfied that the use of Merck in relation to the UK SDS constituted a breach of Paragraph 3.
378. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row Q. I find and conclude that the First Defendant has, by reason of the matters set out in Row Q, breached Paragraph 2 and Paragraph 3.

Row S - analysis

379. The complaint in Row S relates to a pdf of a public policy statement which was hosted on the MSD Website, entitled "*Conflict Minerals*". The word Merck is used on 11 occasions within this document, as a shorthand for Merck US. Details of the complaint are set out in Day 2, at paragraphs 98-101. The relevant screenshots were taken on 20th October 2021. The way in which Merck is used in this document is most easily appreciated by my quoting the opening sentence of the document:
- "Background: Merck & Co., Inc (known as MSD outside the United States and Canada) and its subsidiaries ("Merck") are concerned that proceeds from the mining, trade and sale of conflict minerals (tin, tantalum, tungsten and gold) are being used to directly or indirectly finance armed conflict and violence in the Democratic Republic of Congo and several adjoining countries (the "DRC region")."*
380. The Claimant says that these uses of Merck in the Conflict Minerals document, constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK. In the case of the alleged breaches of Paragraph 2 and Paragraph 3, the MSD Defendants rely on Sub-paragraph (h).
381. The evidence in response to this complaint is given by Mr Downie, Director of Compliance at the First Defendant. Mr Downie was responsible for producing the Conflict Minerals policy statement which is the subject of Row S. Mr Downie explains how the Merck references in the document came about in paragraphs 8-12 of Downie 1:

- “8 *The US Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 directs the US Securities and Exchange Commission (“SEC”) to issue rules relating to the disclosure by companies of their use of conflicting minerals.*
- 9 *In August 2012 the SEC issued a rule requiring SEC registrants who manufacture or contract to manufacture commercial products containing certain products to determine their origin and status. The Second Defendant is SEC listed and is required to issue conflict mineral reports. The disclosure is posted on www.merck.com, under the transparency and disclosures section, together with the annual Conflict Minerals Report (“CMR”) which are required to be posted by 31 May of each year.*
- 10 *In early May 2021 I asked Tim Woodall (Director of Environmental, Social and Governance Strategy and Engagement at the First Defendant) to upload a copy of our Conflict Minerals Policy statement (referenced in the CMR) onto our websites www.merck.com and www.msd.com. The request to post to MSD.com was in error because to comply with SEC requirements it only needed to be posted to Merck.com.*
- 11 *The document contains uses of the word “Merck” alone which should not appear on msd.com. This was a mistake for which I apologise. I am aware of the Branding Guidelines and have taken training on them. The error was in posting to the wrong site.*
- 12 *The error was corrected by 25 October 2021 by removing the Conflict Minerals Policy statement from msd.com. A corrected version of the statement which did not contain “Merck” alone was put back on msd.com as part of a collection of Environmental, Social, Governance (ESG) resources, but it has recently been removed at my request as it is not required on msd.com.”*

382. I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck in the Conflict Minerals document did constitute breaches of Paragraph 2, if Sub-paragraph (h) is put to one side. I am also satisfied, on the evidence, that these uses of Merck constituted an infringement of the Claimant’s trade marks. The document was available on the MSD Website, and was thus targeted at the UK. The document was intended as a statement of corporate social responsibility in relation to the goods and services provided by Merck US. It seems to me that the Consumer, reading this document, would have assumed that the party identified as Merck was the originator or was associated with the originator of those goods and services in respect of which the statement of corporate responsibility was being made, notwithstanding that the references to Merck appeared in an MSD branded environment. I am therefore satisfied that the use of Merck in the Conflict Minerals document also constituted a breach of Paragraph 3, if Sub-paragraph (h) is put to one side.

383. This leaves Sub-paragraph (h). Mr Downie does say that the Conflict Minerals Documents was posted to the MSD Website in error. What however Mr Downie does not explain is how this error came about. Mr Downie says that he asked Mr Woodall to post the document to the MSD Website. The last sentence of paragraph 10 of Downie 1 (quoted above) may be thought to mean that the error came about because Mr Downie misunderstood SEC requirements, but this is unclear. What Mr Downie’s evidence does not establish is that the posting to the MSD Website was not intended by Mr Downie. In oral submissions Mr Hollingworth submitted that Mr Downie’s evidence should be taken as meaning that Mr Downie made an accidental error in posting the Conflict Minerals

Document to the MSD Website. The posting was not intended. I was not however persuaded by these submissions. My reading of Mr Downie's evidence is that he did intend to post the document to the MSD Website, and now realises that this was an error. On any view it seems to me that the MSD Defendants have failed to establish that the document was posted on the MSD Website as a result of an inadvertent error. In these circumstances I conclude that Sub-paragraph (h) is not available to the First Defendant.

384. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row S. This is because the First Defendant is unable to rely upon Sub-paragraph (h). In the absence of Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the matters set out in Row S, breached Paragraphs 2 and 3.

Row T - analysis

385. The complaint in Row T relates to a further document hosted on the MSD Website as a pdf. The document in question was described as a public policy statement and was entitled MSD Global Tax Strategy. It contained four references to Merck & Co. Inc., although the statement was branded as an MSD document. Merck & Co. Inc. was identified in the statement as "*Our parent company*", holding ultimate responsibility for the tax affairs of "*the total company*". There was no geographical indicator against the name of Merck & Co. Inc. in the form prescribed by clause 5 of the 1970 Agreement. Details of the complaint are set out in Day 2, at paragraphs 102-105. The relevant screenshots were taken on 20th October 2021.
386. The Claimant says that these uses of Merck in the Global Tax Strategy statement constituted breaches of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants rely upon Sub-paragraph (h). Breach of Paragraph 3 is not alleged in relation to Row T.
387. The evidence in response to this complaint is given by Mr Henningsen, Vice President of Tax Planning at the First Defendant. In Henningsen 1, at paragraph 5, Mr Henningsen explains that he prepared the statement at the request of the Corporate Responsibility team, in two versions, one for the Merck Website, and one for MSD Website. The MSD version was then sent to the MSD Website to be uploaded.
388. Mr Henningsen explains what went wrong at paragraphs 7-10 of Henningsen 1, in the following terms:
- “7 Due to an oversight, the Statement contains four uses of “Merck & Co., Inc.,” to refer to the parent company without the full address. This is a mistake and is not in line with our branding guidelines. I apologise for the error. I assume that as the company name was in full, rather than being a “Merck” to be changed to “MSD”, that I overlooked the need to add the address.
- 8 I know that we use the MSD brand outside the US and Canada and the importance of correct branding. I took the brand training soon after I re-joined the company, in June 2020, and completed it again most recently in June 2022.
- 9 I became aware of the error on 25 October 2021, and I revised the document to add “Kenilworth, NJ, USA” after the references to “Merck & Co Inc.”. I also provided the full address of Merck Sharp & Dohme UK Limited.

10 *The revised version was uploaded to www.msd.com on 27 October 2021, replacing the old version.”*

389. I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck & Co. Inc. in the statement did constitute breaches of Paragraph 2, if Sub-paragraph (h) is put to one side.
390. I do not think that the First Defendant can rely upon Sub-paragraph (h). As Mr Henningsen explains, this was not a case of accidental oversight. Mr Henningsen’s assumption is that the parent company was included in the statement, without the required geographical indicator, because he overlooked the need to add the address. On the evidence this was not a case where Mr Henningsen knew that the geographical indicator was required, but forgot to include it when making reference to Merck & Co. Inc. As I read Mr Henningsen’s evidence he did not realise and was not aware, at that time, that the geographical indicator was required. In these circumstances it seems to me that the inclusion of Merck & Co. Inc. without the geographical indicator was not the result of inadvertent error. I therefore conclude that the First Defendant cannot rely on Sub-paragraph (h) in relation to Row T.
391. I therefore conclude that the Claimant has established that the First Defendant breached the Order, in the manner set out in Row T. This is because the First Defendant is unable to rely upon Sub-paragraph (h). In the absence of Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the matters set out in Row T, breached Paragraph 2.

Row V - analysis

392. The complaints in Row V relates to two separate instances where Merck was used on the msd-animal-health.com website (“**the MSD Animal Health Website**”).
393. First, a page on the MSD Animal Health Website entitled “*High-Quality Pork – Precision Farming Award Submission Information*” stated that applications could be sent to an email address which was accessed by clicking on a link. The link opened up an email window with an email address hqporkphdaward@merck.com. Details of the complaint are set out in Day 2, at paragraphs 109-113. The relevant screenshots were taken on 11th October 2021.
394. Second, an article was published on the MSD Animal Health Website entitled “*MSD Animal Health Announces 2020 High-Quality Pork – Precision Farming Award Recipient*”, which included the reference, in the third paragraph of the article, to “*Rika Jolie, DVM, Ph.D., MBA, global swine lead, Merck Animal Health*”. Details of the complaint are set out in Day 2, at paragraphs 114-116. The relevant screenshots were taken on 20th October 2021.
395. The Claimant says that these uses of Merck on the MSD Animal Health Website constituted breaches of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants do however rely on Sub-paragraph (d) and Sub-paragraph (h).
396. The evidence in response to these complaints is given by Noreen Verbrugge, Vice President of Global Communications: Animal Health at the First Defendant. In

Verbrugge 1 Ms Verbrugge explains that she oversaw the content of the MSD Animal Health Website, intended for audiences outside the US and Canada, and the equivalent Merck animal health website, intended for use in the US and Canada. She goes on to explain how the content for each website is prepared.

397. In paragraph 13 of Verbrugge 1, Ms Verbrugge gives the following explanation as to how the @merck.com email address came to be used in the link from the relevant page of the MSD Animal Health Website:

“13 The email address hqporkphdaward@merck.com was used for applications for the Precision Farming Award contained within the newsroom of www.msd-animal-health.com. The address was embedded so it did not appear on the page, but only in the ‘to’ field if the link was clicked. The page containing the email address and program was developed and designed by the Swine Marketing team. The hqporkphdaward@merck.com email address was provided to the SPI Group by the Swine Marketing team to use in relation to the Precision Farming Award applications. Emails to that address were received by Dominique Mensinck, a former member of the Swine Marketing team. She was based in the US from September 2017 to July 2021 and is now based in the Netherlands, in a new role. Rika Jolie, the leader of the swine marketing team and her organization completes the required branding guidelines training.”

398. So far as the description of Ms Jolie’s role on the MSD Animal Health Website is concerned, Ms Verbrugge says this, at paragraphs 14-16:

“14 I have seen a PDF article dated 2 December 2020 announcing the winner of the Precision Farming Award contained within the newsroom of the MSD Animal Health website on www.msd-animal-health.com which refers to “Rika Jolie (Head of the Global Swine Unit: Merck Animal Health)”.

15 Ms Jolie is based in Madison, New Jersey, US, and “Head of the Global Swine Unit: Merck Animal Health” is her job title. It was an error by my team not to update Ms Jolie’s title to “MSD Animal Health” in an MSD document as we have done with past Swine Awards (HQPork) in prior years.

16 The error was corrected on 27 October 2021.”

399. Starting with Sub-paragraph (d), this is only capable of applying to the first of the complaints in Row V; namely the use of the email address hqporkphdaward@merck.com. This is however another generic email address. Applying my reasoning in relation to Rows K, L, R and U, it seems to me that the First Defendant is not entitled to rely on Sub-paragraph (d) in relation to the use of this email address.

400. Given my decision that the First Defendant cannot rely on Sub-paragraph (d), in relation to the first of the complaints in Row V, and putting Sub-paragraph (h) to one side, I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck on the MSD Animal Health Website which are the subject of Row V did constitute breaches of Paragraph 2.

401. This leaves Sub-paragraph (h). So far as the use of the generic email address is concerned, the evidence of Ms Verbrugge does not seem to me disclose any inadvertent error in this respect. As I read paragraph 13 of Verbrugge 1, the generic email address

was used because it was thought that it could be used. The case was not one of inadvertent error.

402. In saying this, I have not overlooked what Ms Verbrugge says in paragraph 21, by way of conclusion to Verbrugge 1:

“21 I appreciate that members of my team and the swine marketing organization have been responsible for uses of the “Merck” brand on the MSD website. The www.msd-animal-health.com website was being expanded in September 2020 with many people transitioning into new roles, and it appears that during the course of that, errors were made both by my team, the SPI Group and the swine marketing organization. I apologise for any uses of “Merck” that were not permitted.”

403. As I read paragraph 21, which follows the specific evidence given by Ms Verbrugge in response to Rows V, W and X, Ms Verbrugge is not expanding upon or qualifying the explanations which she gives in the earlier paragraphs of Verbrugge 1. Ms Verbrugge is simply making a general apology. As such, I do not think that the evidence in paragraph 21 affects my conclusions on the specific evidence given by Ms Verbrugge in response to Rows V, W and X.

404. Turning to the description of Ms Jolie the position seems to me to be different. According to the evidence of Ms Verbrugge, this was a genuine accident. As I understand this evidence, Ms Jolie’s title was supposed to be updated to “MSD Animal Health”, as her title was being referred to in an MSD document. This was what, apparently, had been done previously. On the evidence it seems to me that this error qualifies as an inadvertent error, on which the First Defendant can rely.

405. I therefore conclude that the Claimant has established that the First Defendant has breached the Order, so far as the first complaint in Row V (the use of the generic email address) is concerned. This is because the First Defendant is unable to rely upon Sub-paragraph (d) or Sub-paragraph (h). In the absence of Sub-paragraph (d) or Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the first of the matters set out in Row V, breached Paragraph 2. Turning to the second complaint in Row V I find that this alleged breach of the Order has not been established. This is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that this second complaint, which would otherwise have constituted a breach of Paragraph 2, is not a breach of Paragraph 2.

Row W - analysis

406. This complaint also relates to the MSD Animal Health Website. The complaint is that under the heading “A Legacy of Innovation”, within the “about us” section of the MSD Animal Health Website (dealing with the history of MSD Animal Health), the following two uses of the word Merck appeared:

“Merck Animal Health becomes the first company to receive U.S. Department of Agriculture approval for NOBIVAC® Canine Influenza H3N2 Vaccine...”

“Publication of the 11th edition of The Merck Veterinary Manual, ...”

407. Details of the complaint are set out in Day 2, at paragraphs 117-119. The relevant screenshot exhibited to Day 2 was taken on 21st October 2021.

408. The Claimant says that these uses of Merck constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First and Fifth Defendants. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h).
409. The evidence in response to these complaints is again given by Ms Verbrugge. In paragraphs 17-19 of Verbrugge 1 Ms Verbrugge gives the following explanation of how the two references to Merck came to be included within this section of the MSD Animal Health Website:
- “17 The pages displaying the use of “Merck Animal Health” and “Merck Veterinary Manual” were reviewed and approved by my team prior to being sent to our service provider, the SPI Group for upload onto the site. The use of “Merck Animal Health” on the history page of the MSD website was a mistake that was overlooked. The business history section spanning over 75 years was updated. The Merck Animal Health version was then edited for use on the MSD Animal Health website. Both the review team and the SPI Group should have caught this error.*
- 18 The use of “Merck Veterinary Manual” came about because the team had mistakenly understood that it was permitted to refer to the name of the book “Merck Manual”.*
- 19 These errors were corrected on 28 October 2021.”*
410. I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck which are complained of in Row V did constitute breaches of Paragraph 2, if Sub-paragraph (h) is put to one side.
411. I am not satisfied, on the evidence, that these uses of Merck constituted breaches of Paragraph 3, if Sub-paragraph (h) is put to one side. I cannot see that these uses of Merck can properly be characterised as the use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. I cannot see the required linkage between these two uses of Merck and the promotion by Merck US of its goods and services. These two uses of Merck appear in an MSD branded environment, which is telling the Consumer about MSD Animal Health. In my view, and applying the reasoning of Sir Alastair in the Remitted Issues Judgment, the Consumer would not read either of these two references to Merck as promoting goods and services offered under the Merck mark.
412. This leaves Sub-paragraph (h). In relation to the reference to Merck Animal Health, it seems clear to me, on the evidence of Ms Verbrugge, that this was an inadvertent error, which was promptly corrected. In relation to the reference to the Merck Veterinary Manual, the evidence is to the opposite effect. As Ms Verbrugge explains, this error came about because the teams had mistakenly understood that this was permissible. As I have previously explained, I do not think that an error of this kind qualifies as an inadvertent error. I therefore conclude that the First Defendant can rely on Sub-paragraph (h) in relation to the first of the two complaints in Row W, but not in relation to the second complaint. The position would be the same for the Fifth Defendant, if I had decided that, putting Sub-paragraph (h) to one side, the First and Fifth Defendants were in breach of Paragraph 3.

413. I therefore conclude that the Claimant has established that the First Defendant has breached the Order, so far as the second complaint in Row W (the reference to “*The Merck Veterinary Manual*”) is concerned. This is because the First Defendant is unable to rely upon Sub-paragraph (h) in this respect. In the absence of Sub-paragraph (h), I find and conclude that the First Defendant has, by reason of the second of the matters set out in Row W, breached Paragraph 2. So far as Paragraph 3 is concerned, and if Sub-paragraph (h) is put to one side, the Claimant has failed to establish that the second complaint in Row W constituted a breach of Paragraph 3. It follows, so far as Paragraph 3 is concerned, that it does not matter that the First and Fifth Defendants were not able to rely on Sub-paragraph (h) in relation to the second complaint.
414. Turning to the first complaint in Row W (the reference to “*Merck Animal Health*”) I find that this alleged breach of the Order has not been established. So far as Paragraph 2 is concerned, this is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that this first complaint, which would otherwise have constituted a breach of Paragraph 2, is not a breach of Paragraph 2. So far as Paragraph 3 is concerned, this is because I have concluded that the alleged breach of Paragraph 3 has not been established, independent of Sub-paragraph (h). If breach of Paragraph 3 had been established, independent of Sub-paragraph (h), the First and Fifth Defendants would have been able to rely on Sub-paragraph (h) to avoid the breach, in relation to the first complaint in Row W.

Row X – analysis

415. This complaint also relates to the MSD Animal Health Website. The complaint is that the MSD Animal Health Website hosted a pdf entitled “*MSD Animal Health Statement on SEQUIVITY Technology*” and dated September 2020, which included the use of Merck in the following statement on page 3 of the pdf document:
- “Merck Animal Health can provide a solution in a very short space of time.”*
416. Details of the complaint are set out in Day 2, at paragraphs 120-123. The relevant screenshots exhibited to Day 2 were taken on 11th October 2021.
417. The Claimant says that this use of Merck constituted a breach of Paragraph 2 and a breach of Paragraph 3 by the First and Fifth Defendants. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. In the case of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h).
418. The evidence in response to these complaints is again given by Ms Verbrugge. In paragraph 20 of Verbrugge 1, Ms Verbrugge gives the following explanation of how the reference to Merck Animal Health came to be included within the pdf document:
- “20 SEQUIVITY is a U.S. specific product. It is a technology used with Swine Influenza Virus. The use of “Merck Animal Health” in the PDF statement about SEQUIVITY placed on the MSD site was also the error of my team. It was corrected by 27 October 2021. While the product and the technology is approved for the U.S., the text should have been adapted with MSD branding only, and it was an oversight by both my internal team and the SPI Group.”*

419. I am satisfied, on the evidence and applying the relevant principles of law, that the use of Merck which is complained of in Row X did constitute a breach of Paragraph 2, if Sub-paragraph (h) is put to one side.
420. I am not satisfied, on the evidence, that this use of Merck constituted a breach of Paragraph 3, if Sub-paragraph (h) is put to one side. My reasoning is essentially the same as my reasoning on this question in relation to Row W. This was a single reference to Merck in an MSD branded environment. It is the case that the reference to Merck Animal Health was made on the context of a document extolling the benefits of “*SEQUIVITY*” as a vaccine production platform, but the reference to Merck Animal Health appeared under the heading “*MSD Animal Health Statement on SEQUIVITY Technology*”, and by way of a link from an MSD branded website. In my view, and again applying the reasoning of Sir Alastair in the Remitted Issues Judgment, the Consumer would not read the reference to Merck Animal Health as promoting goods and services offered under the Merck mark.
421. This leaves Sub-paragraph (h). The evidence of Ms Verbrugge is that this was an adaptation error. The text was supposed to be adapted with MSD branding only but, by reason of oversight, the reference to Merck Animal Health escaped the net. It seems to me that this was an inadvertent error, which was promptly corrected. I therefore conclude that the First Defendant can rely on Sub-paragraph (h) in relation to the complaint in Row X. The position would be the same for the Fifth Defendant, if I had decided that, putting Sub-paragraph (h) to one side, the First and Fifth Defendants were in breach of Paragraph 3.
422. I therefore conclude that the breaches of the Order alleged in Row X have not been established. So far as Paragraph 2 is concerned, this is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that the complaint in Row X, which would otherwise have constituted a breach of Paragraph 2, is not a breach of Paragraph 2. So far as Paragraph 3 is concerned, this is because I have concluded that the alleged breach of Paragraph 3 has not been established, independent of Sub-paragraph (h). If breach of Paragraph 3 had been established, independent of Sub-paragraph (h), the First and Fifth Defendants would have been able to rely on Sub-paragraph (h) to avoid the breach.

Row Y - analysis

423. This complaint relates to the msdmanuals.com website. The complaint concerns articles which were made available on two parts of this website (“**the MSD Manuals Website**”). The articles were made available in a professional version and, separately, in a consumer version. Each article was introduced, in the relevant part of the MSD Manuals Website, as an article written “*By Roger I. Schreck “MD, Merck Manual*”. Sixteen articles are identified in Row Y; eight in the professional version and eight in the consumer version. Details of the complaint are set out in Day 2, at paragraphs 120-130. The relevant screenshots exhibited to Day 2 were taken on 15th October 2021, with the exception of one article, in respect of which the relevant screenshot was taken on 18th October 2021. The sixteen articles are said, in the Claimant’s skeleton argument, to be examples, but this is not apparent from Mr Day’s evidence. In any event, I can only analyse the breaches of the Order alleged in Row Y by reference to the articles in evidence.

424. The Claimant says that these uses of Merck, in the identification of Roger Schreck as the author of the articles, constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use of Merck in the UK within the meaning of Paragraph 2. The MSD Defendants also deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h).

425. The evidence in response to these complaints is given by Mr DeFerrari, Director of Merck Digital Publications of the First Defendant. In paragraphs 6-16 of DeFerrari 3, Mr DeFerrari explains the purpose and function of what he refers to as “*the Manuals*” (including veterinary manuals) which Merck US makes available to professionals and consumers. Mr DeFerrari explains that the Manuals (which I take to include articles of the kind complained of in Row Y) are made available on a Merck manuals website for users in the US and Canada, and on the MSD Manuals Website for users outside the US and Canada. Equivalent websites exist for the Merck veterinary manuals. Given that the complaints in Row Y relate to articles, I will refer to articles rather than manuals in the remainder of my analysis of Row Y. In paragraphs 7 and 8 of De Ferrari 3, Mr DeFerrari explains the particular status of the articles in the following terms:

“7 *The Manuals provide a free service in support of our corporate vision to improve health and well-being around the world. They do so in a way that does not support the commercialization of Merck or MSD products or services. This follows an indication from the US Government in the early 1960s that the Merck Manuals and Merck Index were not pharmaceutical labelling, so did not fall to be regulated under that regime.*

8 *As labelling regulation is complex, we avoid that altogether, and the Manuals do not promote use of Merck or MSD products or services. We work on the basis that there is in practice a firewall between the Manuals and the rest of the business. The Manuals therefore are intended to remain independent of any efforts, even any perception of efforts, to commercialize Merck and MSD products or services.”*

426. In terms of the complaint in Row Y Mr DeFerrari gives the following explanation of what occurred, at paragraphs 17-19 of DeFerrari 3:

“17 *Roger Schreck is a US-based specialist in US healthcare financing. In his biography on the Merck Manuals website he had described himself as a contributor to the Merck Manuals. We carried out a review of the MSD Manuals in 2020 and we changed “Merck” to “MSD” across his articles and translations of his biography on the version seen on screen.*

18 *The text of his biography was sent for translation before we reviewed the sites and made corrections from “Merck” to “MSD”. Most of the translated languages were returned in time for us to make the change from “Merck” to “MSD” when it was required. Unfortunately, the Portuguese translation was significantly delayed and when it was finally returned, it still contained Roger’s affiliation as “The Merck Manuals”. This one-off instance was not corrected before the translation was imported to the system. Compounding the situation was the fact that our IT systems were set up at the time to use the most recent biographical information imported as the single author’s biography page used for all languages on the websites. Therefore, on*

publication of the Portuguese version, the system overwrote Roger's previously corrected biography for all languages and reverted it to show "Merck" instead of "MSD". As a result, the word "Merck" was used incorrectly in the English MSD Manuals website.

19 *On 26 October 2022 my team and I again removed the references to "Merck" in Roger's biography on the MSD Manuals website. Separately and unrelated to the branding issue with his affiliation, we reviewed his contribution, which was about the US programs Medicaid and Medicare, and we decided that this content was no longer relevant to our global audience and decided to remove all of his content from the MSD Manuals website and the Merck Manuals website. To prevent any future branding issues with author biographies we also amended our IT systems so that the author biographical information is no longer updated with each translation import, but instead there is now a separate author collection within our content management system containing a single biographical record for each author regardless of translation. This allows us to more easily ensure that the author affiliations have the proper branding at all times."*

427. Starting with Paragraph 2, and putting Sub-paragraph (h) to one side, I am satisfied, on the evidence and applying the relevant principles of law, that the identification of Mr Schreck as MD, Merck Manual, in the heading to each of the articles, constituted breaches of Paragraph 2. As I understand the argument of the MSD Defendants in this context, it is that the articles were made available as a free service, and did not promote the business of the First Defendant; see DeFerrari 3 at paragraphs 7 and 8. I do not accept this argument, for two reasons.

428. First, I cannot accept that the provision of the articles as a free service, however commendable, has nothing to do with the promotion of the First Defendant's business. It plainly does, given that the articles are made available in MSD and Merck branded environments, as part of what Merck US provides under these brandings. Indeed, I note from the screenshots which I have seen that the branding of the MSD articles includes the expression "*The trusted provider of medical information since 1899*". It is quite clear that a purpose of the provision of the articles is to promote the business of Merck US, through the MSD and Merck brands. I stress that this is not a question of rejecting the factual evidence given by Mr DeFerrari. It is simply a question of applying the wording of Paragraph 2 to the provision of the articles, as described by Mr DeFerrari and as can be seen from the relevant screenshots exhibited at MCJD-08.

429. Second, I note that the use of Merck in connection with the articles has already been the subject of reference in the Action; see the First Judgment at [127], the CA Judgment at [222] and the Remitted Issues Judgment at [57]. In particular, at [57] in the Remitted Issues Judgment, Sir Alastair made the following point about the service constituted by the provision of the articles:

"57. I would assess the ninth example (which gives news about the publication of the "Merck Manual" in downloadable form) in the same way as [55] above. Here the "MERCK Be Well" is replaced by the sign "MERCK" but it is still plainly used as a trademark (designating origin) as in its fuller form on other pages. The online "Merck Manual" is again using "Merck" as the origin of the Manual. Although it is in itself a "not-for-profit" service, it is used in the course of commercial activity promoting the products that are sold by Merck

US /MSD in the UK referred to elsewhere in the suite of websites (although not specifically identified on this page): so, it is used in commerce in relation to goods or services in the UK. That is the way the reasonable user of the page would see matters.”

430. This appears to me to confirm my own conclusion that the provision of the articles is correctly seen as having a commercial purpose and that Merck is being used in the course of a commercial activity promoting the business of the First Defendant in the UK.
431. A point was also made by the MSD Defendants, in relation to Rows Y, AA and BB, that the Claimant made no objection to the Merck manuals when they existed in hard copy. I do not see the relevance of this point. I can see that the point might have been relevant, if it was said that the Claimant had, in some way, lost its right to complain of the materials relied upon in these Rows, but I did not understand this point to be relied upon in support of such an argument.
432. I am not satisfied, on the evidence, that this use of Merck constituted a breach of Paragraph 3, if Sub-paragraph (h) is put to one side. It is true that the reference to the “*Merck Manual*” in the description of Mr Schreck can be taken as associating Merck with the originator of the articles. It is also true that this use of Merck in the provision of the articles can be seen as part of the commercial activity of Merck US in the UK; see in particular the Remitted Issues Judgment at [57]. I note however, from the evidence of the relevant screenshots, that the articles were made available on the MSD Manuals Website as “*MSD*” manuals. This information was prominently displayed on the heading to each web page. The reference to Merck Manual appeared therefore in an MSD branded environment. This appears to me to be an important point of difference, when one is considering the analysis by Sir Alastair of references to Merck Manual at [54]-[58] in the Remitted Issues Judgment. In my view the Consumer would not read the reference to Merck Manual, in the biographical information about Mr Schreck, as promoting goods and services offered under the Merck mark.
433. This leaves Sub-paragraph (h). The evidence of Mr DeFerrari explains how this error came about. The error was clearly a major one, because the error in the Portuguese translation infected the biographical information for all the different language versions, including the English version of the MSD Manuals Website. This however does not seem to me to alter the fact that the error was accidental. The correction from Merck to MSD did not reach the Portuguese version, because the Portuguese version was delayed. Clearly, it would have been better if the error had not occurred. It seems to me however that the error did qualify as an inadvertent error, which was promptly corrected. I therefore conclude that the First Defendant can rely on Sub-paragraph (h) in relation to the complaints in Row Y, so far as the First Defendant needs to do so.
434. I therefore conclude that the breaches of the Order alleged in Row Y have not been established. So far as Paragraph 2 is concerned, this is because the First Defendant is entitled to rely upon Sub-paragraph (h), with the consequence that the matters complained of in Row Y, which would otherwise have constituted breaches of Paragraph 2, were not breaches of Paragraph 2. So far as Paragraph 3 is concerned, this is because I have concluded that the alleged breaches of Paragraph 3 have not been established, independent of Sub-paragraph (h). If the alleged breaches of Paragraph 3 had been

established, independent of Sub-paragraph (h), the First Defendant would have been able to rely on Sub-paragraph (h) to avoid these breaches.

Row AA - analysis

435. These complaints also relate to the MSD Manuals Website. The complaints are that various articles published on the professional and consumer versions of the MSD Manuals Website included use of the word Merck within the text of these articles. Eight articles are identified in Row AA. Details of the complaint are set out in Day 2, at paragraphs 131-136. The relevant screenshots exhibited to Day 2 were taken on 15th October 2021, with the exception of one article of which the screenshot was taken on 18th October 2021. Once again, the eight articles are said, in the Claimant's skeleton argument, to be examples. I note that Mr Day refers to the uses of Merck which are complained of in Row AA as "*including*" the eight specified articles; see paragraph 131 of Day 2. Once again however, I can only analyse the breaches of the Order alleged in Row AA by reference to the articles in evidence.
436. The Claimant says that these uses of Merck constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use of Merck in the UK within the meaning of Paragraph 2. The MSD Defendants also deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. Row AA is also one of only two Rows where the MSD Defendants contend that the relevant use of Merck was not their use. Finally, in the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h).
437. The evidence in response to these complaints is again given by Mr DeFerrari. In paragraph 20 of DeFerrari 3, Mr DeFerrari explains the provenance of the articles which appear on the MSD Manuals Website and the equivalent Merck website:
- "20 On the Merck Manuals and MSD Manuals websites we have content provided by more than 16 third party providers. Exhibit MDF3 shows our third-party content providers. I have been informed that these screenshots were taken by Claudia Leong, Trainee Solicitor at Linklaters LLP on 13 July 2022 and the website pages were accessed by her on a computer in the UK. Content is intended to add depth to the material available. One of these services is an RSS feed for health news generated by HealthDay, a third-party news vendor. They are described on the site as follows:*
- "The HealthDay news service, a division of ScoutNews, LLC, provides daily health news for both consumers and medical professionals. HealthDay has been producing its award-winning health news service since 1998 and has grown to become a leading producer and syndicator of evidence-based health news and the largest syndicator of that news to Internet sites. The HealthDay editorial staff have won numerous awards in journalism, including the Pulitzer Prize, the National Headliners Award, and top prizes from Associated Press Managing Editors. The news service is headquartered in Norwalk, Connecticut."*
438. In terms of how references to Merck came to be in these articles, Mr DeFerrari gives the following explanation, at paragraphs 21-24 of DeFerrari 3:

- “21 The RSS feed will automatically publish news articles generated by HealthDay on both the Merck Manuals and MSD Manuals websites. It updates during the day. Around thirty articles go live every day, and we do not commission or control them.
- 22 I understand that in October 2021 the Claimant complained about 12 uses of the word “Merck” in articles in the “News and Commentary” pages of the Professional and Consumer versions of the MSD Manuals website (being the RSS feed provided by HealthDay). Each of these has a URL that includes “news/external” showing that it is an external source.
- 23 My team looked into this and determined that we had already corrected nine of the articles complained of as they had been flagged in our regular scan of the HealthDay news articles. On 26 October 2021 we added “Kenilworth [and when the address changed, this was updated to “Rahway”], NJ, USA (known as MSD outside the US and Canada)” to the remaining three instances or removed the articles completely. There was an influx of news when Merck released molnupiravir and then entered into a voluntary license agreement on the patents to facilitate broad access to molnupiravir in 105 low- and middle-income countries, and we missed the errors in these three articles.
- 24 Following this incident, we have a new arrangement with HealthDay where we have paid for software for them to use to check their feed to us for both the Merck Manuals and MSD Manuals sites. We also manually double check their feed. This ensures the feed does not include articles with the word “Merck” alone in them. For any previous articles, we manually edited them to use the full Merck company name and address.”

439. I do not entirely follow this evidence. In their written submissions the MSD Defendants have asserted that all the specified articles came from the RSS feed, and that the references to Merck in most of the articles had been identified and corrected before the Claimant’s complaint. I have some difficulty in confirming these assertions in the evidence of Mr DeFerrari which I have quoted above. The evidence seems to me to be rather more opaque than this.

440. I again start with Paragraph 2, putting Sub-paragraph (h) to one side. I am satisfied, on the evidence and applying the relevant principles of law, that the references to Merck which appeared in the specified articles did constitute breaches of Paragraph 2. I have already dealt with the argument that the provision of the articles did not constitute promotion of the First Defendant’s business in the UK. I do not accept this argument, for the reasons which I have set out in my analysis of Row Y. This leaves the argument of the MSD Defendants, as I understand the issues in relation to Paragraph 2 in this context, that the use of Merck was not use by the MSD Defendants, because the use of Merck appeared in articles provided by third parties. I do not accept this argument. The articles were published by Merck US on its MSD Manuals Website. I have already found that the articles were published with a commercial purpose. They were clearly targeted at the UK, as they were published on an MSD website. It does not seem to me to be right that the MSD Defendants can, as it were, wash their hands of content on their websites, simply because the content in question was provided by a third party. Once the material is published on a Merck US website, it seems to me that Merck US becomes responsible for that material, at least so far as Paragraphs 2 and 3 are concerned.

441. Turning to Paragraph 3, I am not satisfied, on the evidence, that the appearance of isolated references to Merck in the specified articles constituted breaches of Paragraph 3, if Sub-paragraph (h) is put to one side. My reasons for this conclusion are essentially the same as the reasons I have set out in my analysis of Row Y. It is true, looking at the screenshots exhibited to Day 2 in MJCD-08, that some of the references to Merck identify Merck as the party responsible for producing products, but in each case the reference is contained in an article published on an MSD branded website.
442. This leaves Sub-paragraph (h). In the case of Sub-paragraph (h) it seems to me that there is an important distinction between the evidence given by Mr DeFerrari in relation to Row Y and the evidence given in relation to Row AA. In relation to Row Y it is clear that there was a system in place for removing references to Merck from Mr Schreck's articles, which failed to pick up the error in the Portuguese version of the MSD Manuals Website, which then proceeded to infect all the other versions. In relation to Row AA it is not easy to understand what Mr DeFerrari is saying. My understanding of his evidence is that the specified articles came from a third party or third parties, which he and his team did not commission or control. Mr DeFerrari does make reference to a regular scan, but I find the evidence opaque on what this was, or how it worked. What is clear is that the procedures previously in place, such as they may have been, did not amount to the automatic and manual checking systems referred to by Mr DeFerrari in paragraph 24 of DeFerrari 3. In these circumstances I am not satisfied that the MSD Defendants have demonstrated that the references to Merck in the specified articles were the consequences of inadvertent error or inadvertent errors. I therefore conclude that the First Defendant is not entitled to rely on Sub-paragraph (h) in relation to the complaints in Row AA.
443. I therefore conclude that the breaches of the Order alleged in Row AA have been established in part. I find and conclude that the First Defendant has, by reason of the matters set out in Row AA, breached Paragraph 2. So far as Paragraph 3 is concerned, I conclude that the breaches of the Order alleged in Row AA have not been established. This is because I have concluded that the alleged breaches of Paragraph 3 have not been established, independent of Sub-paragraph (h). If the alleged breaches of Paragraph 3 had been established, independent of Sub-paragraph (h), the First Defendant would not have been able to rely on Sub-paragraph (h) to avoid these breaches.

Row BB – analysis

444. These complaints relate to a video directed to the treatment of pets, which was posted on the msdvetmanual.com website. The video is described in the following terms:
“Dr Katherine Quesenberry, Editorial Board member of the Merck Veterinary Manual 11th Edition and the MSD Veterinary Manual website, discusses professional treatment of exotic pets.”
445. Within the video itself Dr Quesenberry is described as *“Editorial Board Member for the Merck Veterinary Manual 11th Edition and MSD Veterinary Website”*.
446. Details of these complaints are set out in Day 2, at paragraphs 137-140. The relevant screenshots exhibited to Day 2 (including of the video as it then appeared) were taken on 18th October 2021.
447. The Claimant says that these uses of Merck constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First Defendant. The Paragraph 2 column in the Table

shows a dispute for this Row. The MSD Defendants deny that there was use of Merck in the UK within the meaning of Paragraph 2. The MSD Defendants also deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK for the purposes of Paragraph 3. In the case of the alleged breaches of Paragraphs 2 and 3 the MSD Defendants rely upon Sub-paragraph (h).

448. The evidence in response to these complaints is again given by Mr DeFerrari. At paragraphs 25-27 of DeFerrari 3, Mr DeFerrari says this:

- “25 *An article on the MSD Vet Manual site titled “Clinical Techniques in amphibians” linked to a video entitled “Treating Exotic Pets”. In both the video and the description of the video, Dr. Katherine Quesenberry was identified as a contributor to the editorial board for the “Merck Veterinary Manuals 11th edition”.*
- 26 *My team and I produced this video and had used the word “Merck” to refer to Dr. Quesenberry’s role as an editorial board member for the printed edition of the Merck Vet Manual published in the US. Dr. Quesenberry is based in the US, currently working in New York and Connecticut.*
- 27 *On 26 October 2021, we changed the references in this video and the description of the video from “Merck” to “MSD”.*”

449. I again start with Paragraph 2, putting Sub-paragraph (h) to one side. I am satisfied, on the evidence and applying the relevant principles of law, that the references to Merck which appeared in relation to the video did constitute breaches of Paragraph 2. My reasons for saying that are essentially the same as the reasons I have relied upon in my analysis of this question in relation to Row Y.

450. Turning to Paragraph 3, I am not satisfied, on the evidence, that the appearance of isolated references to Merck in relation to the video constituted breaches of Paragraph 3, if Sub-paragraph (h) is put to one side. My reasons for this conclusion are essentially the same as the reasons I have set out in my analysis of Row Y.

451. This leaves Sub-paragraph (h). In this case, on the evidence of Mr DeFerrari, I cannot see that Sub-paragraph (h) is available to the First Defendant. Mr DeFerrari does not say that the description of Dr Quesenberry was an accident. Rather, this was how Mr DeFerrari and his team chose to describe Dr Quesenberry. In these circumstances I cannot see that the reference to Dr Quesenberry was the result of an inadvertent error. I therefore conclude that the First Defendant is not entitled to rely on Sub-paragraph (h) in relation to the complaints in Row BB.

452. I therefore conclude that the breaches of the Order alleged in Row BB have been established in part. I find and conclude that the First Defendant has, by reason of the matters set out in Row BB, breached Paragraph 2. So far as Paragraph 3 is concerned, I conclude that the breaches of the Order alleged in Row BB have not been established. This is because I have concluded that the alleged breaches of Paragraph 3 have not been established, independent of Sub-paragraph (h). If the alleged breaches of Paragraph 3 had been established, independent of Sub-paragraph (h), the First Defendant would not have been able to rely on Sub-paragraph (h) to avoid these breaches.

Row DD - analysis

453. This complaint relates to the use of Merck in the text of a video, labelled a B-Roll package. The video was made available on the media library page of the MSD Website entitled “*The latest on our COVID-19 antiviral efforts*”. The page included multimedia resources (photographs and videos) relating to molnupiravir.
454. A video labelled “*B-Roll Package*” was available for download. The title of the video, displayed at its start, was “*MSD*” and, below that, “*Molnupiravir B-Roll Video Package*”. The following use of Merck was then included in the first few seconds of this video:
*“Source Disclosure:
 This package is provided free of charge for your use. For purposes of source disclosure, we ask that you indicate to your viewers that this news footage has been made available by MSD (known as Merck inside the United States and Canada).”*
455. Details of the complaints are set out in Day 2, at paragraphs 144-148. The relevant screenshots exhibited to Day 2 (including of the relevant part of the video as it then appeared) were taken on 5th November 2021.
456. The Claimant says that this use of Merck constituted a breach of Paragraph 2. The Paragraph 2 column in the Table shows no dispute for this Row. The MSD Defendants rely upon Sub-paragraph (h). Breach of Paragraph 3 is not alleged in the case of Row DD.
457. The evidence in response to this complaint is given by Ms Melvin. At paragraphs 18-22 of Melvin 1, Ms Melvin gives the following explanation of what occurred:
 18 *The video labelled “B-Roll package” uploaded on the MSD Website (“MSD B-Roll”) is referred to in Row DD of Annex 2 [of] the Claimant’s Application.*
 19 *I understand that a B-roll contains video or film images that can be used to supplement a story. It is provided as a resource to third parties wishing to create news stories to provide background shots.*
 20 *My team received links to two separate B-roll videos, one titled as an “MSD” file and one titled as a “Merck” file. The videos were created by the media team. My team did not check these items. Mike Dooley informs me that around December 2021 he uploaded links to the applicable B-roll on the Merck Website and the MSD Website, each on the relevant media library page. He informs me that he understood that the material would have been through a review process and he assumed that it was in line with our branding policies and did not further review it. The B-rolls contained content relating to molnupiravir, a newly developed investigational antiviral authorized by the U.S. Food and Drug Administration for emergency use in treating COVID-19.*
 21 *On 10 February 2022, I reviewed the B-roll uploaded on the MSD Website and saw that it contained incorrect branding. The posting was in error and I immediately arranged for this version to be removed and updated.*
 22 *Since this incident, my team now double checks finalised work we receive from others from a branding perspective before posting on the relevant website.”*

458. This evidence follows the opening part of the evidence in Melvin 1, at paragraphs 6-17, in which Ms Melvin explains the role of her team and the procedure for uploading material to the MSD Website and the parallel Merck Website.
459. If Sub-paragraph (h) is put to one side, I am satisfied, on the evidence and applying the relevant principles of law, that the reference to Merck which appeared in the video did constitute a breach of Paragraph 2. The video was posted on the MSD Website, and thus targeted at the UK. The video was promoting the business of the First Defendant. The use of Merck did not fall within any of the permitted terms of description in Sub-paragraph (a).
460. This leaves Sub-paragraph (h). The problem for the MSD Defendants in this context is that I find the evidence of Ms Melvin, in paragraphs 18-22 of Melvin 1, somewhat opaque. Ms Melvin is not specific in her evidence as to how the error came about. It appears that her team did not check the relevant video; see paragraph 20 of Melvin 1. There is reference to a review process in this paragraph, but it is not clear what it was or whether it was supposed to catch a reference to Merck of the kind which is the subject of the complaint in Row DD. This lack of clarity in the explanation for how the reference to Merck came to be in the video is not dispelled by the earlier part of Ms Melvin's evidence in Melvin 1. In my view the MSD Defendants have failed to establish that the reference to Merck in the video was the result of an inadvertent error. I therefore conclude that the First Defendant is not entitled to rely on Sub-paragraph (h) in relation to the complaint in Row DD.
461. I therefore conclude that the breach of the Order alleged in Row DD has been established. I find and conclude that the First Defendant has, by reason of the matters set out in Row DD, breached Paragraph 2.

Row EE – analysis

462. These complaints relate to company statement links from the MSD Website to news releases/company statements hosted on the Merck Website. The matters relied upon are more complicated to set out than in relation to other Rows. Details of the complaints are set out in Day 2, at paragraphs 149-164. As I understand Mr Day's evidence, and the relevant screenshots exhibited to MSD, the essence of the complaints is that if a user followed the company statement links on the MSD Website, the user would end up, through a series of links, at news releases/company statements hosted on the Merck Website. The expressions "*news release*" and "*company statement*" appear to be used somewhat interchangeably in Mr Day's evidence and in the evidence of some other witnesses. By reference to other evidence I have seen, I believe that there is a difference between news releases and company statements, but for the purposes of my analysis of Row EE the distinction (such as it may be) does not appear to be material. All the news releases/company statements were concerned with molnupiravir, the investigational antiviral medicine which was developed during the pandemic to treat viral infection.
463. In Day 2, at paragraph 150, Mr Day refers to four of these news releases, which appeared on 23rd December 2021, 24th December 2021, 18th January 2022 and 28th January 2022. The relevant screenshots exhibited to Day 2 were taken on 4th January 2022, 20th January 2022 and 31st January 2022. Looking at the evidence of the screenshots it appears that the route taken by the user was not identical, in relation to each of these news releases. If however I take the first of these news releases, dated 23rd December 2021 and entitled

“Merck and Ridgeback’s Molnupiravir Receives U.S. FDA Emergency Use Authorization for the Treatment of High-Risk Adults With Mild to Moderate COVID-19”, the route took what I understand to have been the following form.

464. The starting point for a user was the MSD Website. The title *“Company statement”* appeared on the MSD Website, but the company statement was not itself hosted on the MSD Website. Instead, if one clicked on the title *“Company statement”*, this took one to a page on the MSD Website with an invitation to *“Click here to read the news release”*.
465. Clicking *“here”* produced a pop-up, with the option to cancel or continue, which read as follows:
“You are now leaving this website. By continuing, you will be directed to a site intended only for residents of the United States and Canada. We are called MSD everywhere, except in the United States and Canada where we are known as Merck & Co Inc, Kenilworth NJ USA”
466. If the user took the option of continuing, the user would be taken to the Merck Website, on which a pop-up appeared in the following terms, with an option to continue:
“By continuing, you will be directed to a site only for residents of the United States and Canada. We are called MSD everywhere, except in the United States and Canada where we are known as Merck & Co Inc, Kenilworth, NJ USA”
467. If the user again took the option of continuing, the user would be taken to the actual news release referred to on the MSD Website; that is to say the news release dated 23rd December 2021 and entitled *“Merck and Ridgeback’s Molnupiravir Receives U.S. FDA Emergency Use Authorization for the Treatment of High-Risk Adults With Mild to Moderate COVID-19”*.
468. In the case of the second, third and fourth news releases referred to by Mr Day, my understanding, from Mr Day’s evidence and the exhibited screenshots, is that the route taken by the user was slightly different. In the case of these news releases, it was only the first of the above pop-ups which appeared, in the user’s journey from the MSD Website to the relevant news release on the Merck Website.
469. In addition to this, Mr Day also makes reference to a further company statement which was identified on the MSD Website. The company statement was entitled *“MSD and Ridgeback Statement on Clinical Trial of Hetero’s Generic Molnupiravir”*. In order to read this statement it was necessary to click on a link which provided a route to the Merck Website, where the company statement could be read. The relevant screenshots exhibited to Day 2 were taken on 25th February 2022. The user’s journey from the company statement link, on the MSD Website, to the actual statement, on the Merck Website, took the user through the same two pop-ups (set out above) which were screenshots in relation to the first of the news releases dated 23rd December 2021.
470. Both the news releases and the company statement, in their location on the Merck Website, contained extensive use of Merck and were presented in a Merck branded environment.
471. The Claimant says that these news releases/company statements, as linked from the MSD Website, constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the First

Defendant and the Second Defendant. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use in the UK, within the meaning of Paragraph 2. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK. In the case of Paragraphs 2 and 3, the MSD Defendants rely upon Sub-paragraph (b). The MSD Defendants do not rely upon Sub-paragraph (h).

472. It may be helpful to set out Sub-paragraph (b) once more, as it has not so far featured in my analysis of the Rows:

“b. [It shall not be a breach of paragraph 2 or 3 of this Order:] *For the Defendants to establish and maintain any “MSD branded” UK-specific websites with links to a website at the domain merck.com (which website uses the mark “Merck” as that mark may lawfully be used within the Permitted Territories in accordance with the Agreement) provided that the use of the link automatically generates a pop-up on the link which informs the user that they are leaving an 'MSD' website, will be landing on a site intended for residents of the Defendants' Permitted Territories, and that the company is known as MSD everywhere, except in the Defendants' Permitted Territories where it is known as Merck & Co Inc Kenilworth, NJ USA.*”

473. The evidence in response to this complaint is given by Ms Ronaldo and Ms Choi. In Ronaldo 1, Ms Ronaldo gives a lengthy explanation of the procedures involved in the publication of news releases and company statements. In Choi 1, Ms Choi also gives general evidence concerning the preparation and publication of news releases and company statements. Ms Choi also addresses Row EE directly, at paragraphs 17 and 18 of Choi 1:

“17 *When the U.S. FDA granted EUA for molnupiravir on 23 December 2021, it also finalized (in other words, approved) the Fact Sheets. At that time, we began including links to the U.S. product labels with new news releases and company statements about molnupiravir issued in the U.S.*

18 *News releases and company statements about molnupiravir issued after U.S. EUA were placed on the Merck Website. As there was significant interest in COVID-19, we also showed headlines about molnupiravir on the MSD Website.*”

474. I can omit paragraph 19 of Choi 1, which deals with the pop-ups which I have already quoted. At paragraph 20, Ms Choi concludes her evidence specific to Row EE in the following terms:

“20 *The company statements referred to in Row EE of Annex 2 to the Claimant's Application are dated on or after 23 December 2021. In each case, the title of the company statement was published on the MSD Website. There was a link if the user was interested to read the full material on the Merck Website. A user who clicked on each link would receive a pop-up notifying that the user is entering a website intended for audiences in the U.S and Canada only, as described in the previous paragraph.*”

475. I start with the question of whether the MSD Defendants can rely on Sub-paragraph (b). Sub-paragraph (b) is narrowly confined. It provides that there is no breach of Paragraph 2 or Paragraph 3 where the Defendants maintain ““MSD branded” UK-specific websites” with links to merck.com websites, provided that the use of the relevant link generates the

prescribed form of pop-up. In terms of the background to Sub-paragraph (b), counsel for the MSD Defendants have drawn my attention to the Remitted Issues Judgment, specifically at [114]-[117], [119] and [134(vi)]. Also relevant in this context is the Form of Order Judgment, at [8]. It is useful to have the reasoning of Sir Alastair in mind in construing Sub-paragraph (b), but it is the actual wording of Sub-paragraph (b) which has to be applied.

476. The wording of Sub-paragraph (b) applies to MSD branded, UK-specific websites. As I understand the evidence of the MSD Defendants, the MSD Website is not UK-specific. Rather, it is targeted at all parts of the world, including the UK, outside the Permitted Territories. In these circumstances I do not see how the links from the MSD Website which are the subject of the complaints in Row EE can fall within the terms of Sub-paragraph (b). The MSD Website was not, and is not UK-specific. The MSD Website can be said to be targeted at the UK, in the sense that the UK is part of the area of the world at which the MSD Website is targeted. It seems to me however that this is not the same thing as saying that the MSD Website is UK-specific. On the evidence, it quite clearly is not UK-specific.
477. The MSD Defendants seek to argue that the wording “*UK-specific websites*” in Sub-paragraph (b) reflects the fact that only UK-specific websites fall within the injunctions in Paragraphs 2 and 3 in the first place. If a website is not sufficiently UK-specific, there cannot be use of its content in the UK, so that the website content will not be caught by Paragraph 2 or Paragraph 3 in any event. I do not accept this argument, either in the context of Row EE or in the context of any other Row. It seems to me that the argument proceeds on a false premise. In my view content on an MSD website is perfectly capable of use within the UK, for the purposes of Paragraph 2 and Paragraph 3, notwithstanding that such content is not exclusively targeted at the UK. The argument seems to me to assume an exclusivity in targeting which is not required by either Paragraph.
478. I therefore conclude that the MSD Defendants cannot rely on Sub-paragraph (b).
479. This leaves the general question of whether the use of the links from the MSD Website to Merck branded material on the Merck Website constituted breaches of Paragraph 2. In this context it is of course open to the MSD Defendants to rely upon the pop-ups quoted above, in support of their argument that the Merck branded material on the Merck Website was not targeted at the UK by reason of the links from the MSD Website. The fact that Sub-paragraph (b) is not available, as I have decided, does not mean that the MSD Defendants cannot rely on the pop-ups in support of their argument that the Merck branded material on the Merck Website was not being used in the UK to promote the First Defendant’s business.
480. In my view the pop-ups were insufficient to avoid the Merck branded material being targeted at the UK. I say this for two reasons.
481. First, the evidence of Ms Ronaldo and Ms Choi is particularly important in this context. It is clear from this evidence that the placing of the relevant news releases/company statements only on the Merck Website was a matter of deliberate policy. It was not an accident. Nor was it an accident that the MSD Website contained links to this material. If a user on the MSD Website wanted to read these materials, a route was provided to the Merck Website by the links referred to in the evidence of Mr Day. On the evidence of

Mr Ronaldo and Ms Choi this was intentional. The news releases/company statements were made available to users of the MSD Website by link to the Merck Website. The news releases/company statements were produced for the purposes of promoting the First Defendant's business to third parties. Those third parties included users in the UK, because the MSD Website was intended to be viewed by users in all parts of the world outside the Permitted Territories, and the MSD Website was intended to provide the required link to the Merck Website, for a user wanting to read the news releases/company statements. I cannot see that the pop-ups have any effect on this analysis. If a user from the UK, searching the MSD Website, wanted to read the news releases/company statements, that user had to follow the links and was intended to follow the links. The pop-ups provided the user with information about where the user was going, but the user had to keep going to read the relevant material.

482. Second, this issue appears to have been one addressed by Kitchin LJ in the CA Judgment. In the section of the CA Judgment concerned with the issue of targeting. Kitchin LJ started by summarising the reasoning of Norris J in the First Judgment. As part of this summary, at [187] and [188], Kitchin LJ recorded the following reasoning of Norris J:

“187. Fourthly, Merck US accepted that some measures had to be taken to comply with its contractual obligations and relied for that purpose upon the terms of use of the sites and pop up notices informing users that they were being redirected from “MSD” to “merck.com” websites. But the judge considered that these measures seemed only to emphasise that users from around the world should have unrestricted access and be drawn to its “Merck” or “Merck/MSD” branded sites. As for the terms of use, they provided no redemption. The statement they contained that each site was “intended for use by residents of the US and its territories” was a fig leaf and was contradicted by the content of the site, the ready access to the site that users from around the globe were afforded and the fact that users might never access the terms and read them.

188. Fifthly, the targeting of the global audience was a conscious policy. Some social media sites, such as Facebook, had means to restrict access by users from particular territories, and for other sites a technique called geo-targeting (which could be used to similar effect) was available and was used for that purpose by Merck Global. But Merck US had chosen not to arrange matters in that way and had instead taken a policy decision to treat the internet as an “open space” and not to restrict user choice.”

483. Kitchin LJ then went to approve this reasoning. It seems to me that the reasoning of Norris J and the reasoning of Kitchin LJ both support the conclusion that, on the basis of the relevant evidence, the use of the pop-ups quoted above could not, and did not avoid the news releases/company statements on the Merck Website being targeted at the UK through the links available on the MSD Website. I should add that it seems to me that there is nothing in the Joint Judgment, in *Lifestyle Equities*, which contradicts or undermines this analysis, which I have conducted by reference to the overall effect of the online materials which are described in the evidence relevant to this Row.

484. I therefore conclude, on the evidence and applying the relevant principles of law, that the MSD Defendants cannot rely on the pop ups to argue that the First Defendant was not using, in the UK, the news releases/company statements made available through the links on the MSD Website, as part of the promotion of its business to third parties.

485. With the arguments based on the pop-ups dealt with, and given that Sub-paragraph (h) is not relied upon, I cannot see any other ground on which the First Defendant can deny breach of Paragraph 2. I am satisfied, on the evidence and applying the relevant principles of law, that the uses of Merck set out in Row EE, through the links provided on the MSD Website, did constitute breaches of Paragraph 2.
486. So far as Paragraph 3 is concerned, the position seems to me to follow from my analysis set out above. The evidence of the screenshots exhibited to Day 2 demonstrates that the news releases/company statements were heavily Merck branded. Merck was repeatedly used as a trade mark in that branding. The news releases/company statements were published as part of the promotion by Merck US of its goods and services and, by virtue of the links provided from the MSD Website, were published in the course of trade in the UK. From the perspective of the Consumer, it seems to me that the news releases/company statements were clearly targeted at consumers in the UK. The Consumer would assume, on following the link from the MSD Website, that the news releases/company statements were being published by the party entitled to use the Merck name in relation to its goods and services. In summary it seems clear to me, on the evidence, that the matters complained of in Row EE constituted uses of Merck as a trade mark in the course of trade in the UK, within the meaning of Paragraph 3. I therefore conclude that both the First Defendant and the Second Defendant breached Paragraph 3 by their uses of Merck as a trade mark in and in relation to the news releases/company statements which are the subject of the complaints in Row EE.
487. I therefore conclude that the breaches of the Order alleged in Row EE have been established. I find and conclude that the First Defendant has, by reason of the matters set out in Row EE, breached Paragraph 2. I find and conclude that both the First Defendant and the Second Defendant have, by reason of the matters set out in Row EE, breached Paragraph 3.

Row FF – analysis

488. This complaint relates to a link from the MSD Covid Research Website to a news release hosted on the Merck Website. Details of the complaint are set out in Day 2, at paragraphs 165-171. The essence of the complaint is similar to the complaints in Row EE; namely that there was an invitation on the MSD Covid Research Website to click on a link, by which the user was taken the Merck Website where the Merck branded news release could be read. As with Row EE, it is necessary to give some further explanation of how the link operated. The relevant screenshots exhibited to Day 2 were taken on 21st January 2022.
489. On this date the evidence of Mr Day is that the homepage of the MSD Covid Research Website displayed a Learn More link under the heading “*Clinical trials for adults who have COVID-19 and are not in the hospital*”. When the user clicked on this link, a new webpage opened displaying a Merck branded news release hosted on the Merck Website. At the same time a pop-up was automatically presented which read as follows:
“*By continuing, you will be directed to a site only for residents of the United States and Canada. We are called MSD everywhere, except in the United States and Canada where we are known as Merck & Co Inc, Kenilworth, NJ USA*”

490. The news release itself was entitled “*Merck and Ridgeback’s Investigational Oral Antiviral Molnupiravir Reduced the Risk of Hospitalization or Death by Approximately 50 Percent Compared to Placebo for Patients with Mild or Moderate COVID-19 in Positive Interim Analysis of Phase 3 Study*”. The news release, which was dated 1st October 2021, contained extensive use of Merck and was presented in a Merck branded environment. Details of the use of Merck are given by Mr Day at paragraph 168 of Day 2.
491. The Claimant says that the news release, as linked from the MSD Covid Research Website, constituted a breach of Paragraph 2 and a breach of Paragraph 3 by the First Defendant and the Second Defendant. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use in the UK, within the meaning of Paragraph 2. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK. In the case of Paragraphs 2 and 3, the MSD Defendants rely upon Sub-paragraph (b) and Sub-paragraph (h).
492. The evidence in response to this complaint is given by Ms Kantor. In Kantor 1, Ms Kantor deals specifically with Row FF at paragraphs 25 and 26, where she says this:
- “25 *When the enrolment period for the study ended in October 2021, the GTO team decided to link to a press release about the results of the study. We linked to a Merck-branded news release from the MSD Covid Research website which took you to www.merck.com, through a pop-up informing the user that the site is intended for residents of the US. I should have directed StudyKIK to link to the company statement on www.msd.com instead.*
- 26 *In order to avoid mistakes in future, I will review content with an internal team, MRL Global Communications Liaisons, before making any changes live on the websites.*”
493. The context in which this specific evidence is given is set out in the opening sections of Kantor 1, before Ms Kantor turns to the specific Rows which she has been asked to address. The study referred to in paragraph 25 of Kantor 1 is, I believe, the study to which Ms Kantor refers in paragraph 8 of Kantor 1, where the following explanation of the study is given:
- “8 *The two Covid Research websites [the MSD Covid Research Website and the Merck Covid Research Website] were developed to provide information to relatives of hospitalised patients who consented to take part in the MK4482 investigational antiviral drug trial (the drug has been given the generic name molnupiravir). More information about the trial can be found at the website: <<https://clinicaltrials.gov/ct2/show/NCT04575584>>. The first study started in October 2020 when, due to worldwide Covid-19 restrictions, relatives were not allowed to visit patients in hospitals. The websites were created so that staff could refer family members, who would not be with their relatives, to information about the study. The study was international; so we built a US facing website and an ex-US website.*”
494. So far as the alleged breaches of Paragraph 2 and Paragraph 3 are concerned, and if Sub-paragraph (h) is put to one side, I can deal with Row FF shortly. I refer to my analysis of Row EE. It seems to me that the same analysis applies to Row FF. If Sub-paragraph (h) is put to one side I am satisfied, on the evidence and applying the relevant principles

of law, that the uses of Merck set out in Row FF, through the link provided on the MSD Website, constituted a breach of Paragraph 2 by the First Defendant, and a breach of Paragraph 3 by the First Defendant and the Second Defendant.

495. This leaves Sub-paragraph (h). Ms Kantor's evidence seems clear to me. The link to the Merck-branded news release, as Ms Kantor describes the news release, did not come about by accident. The "*GTO team decided to link to a press release about the results of the study*", and installed a link to the Merck-branded news release from the MSD Covid Research Website, with the pop-up quoted above. Ms Kantor now acknowledges this as a mistake, but it was clearly not an accident. As I read Ms Kantor's evidence, the link was created intentionally. In these circumstances there was no inadvertent error, and the First and Second Defendants cannot rely on Sub-paragraph (h).
496. I therefore conclude that the breaches of the Order alleged in Row FF have been established. I find and conclude that the First Defendant has, by reason of the matters set out in Row FF, breached Paragraph 2. I find and conclude that both the First Defendant and the Second Defendant have, by reason of the matters set out in Row FF, breached Paragraph 3.

Row GG - analysis

497. These complaints relate to news releases which were published by a news service called Business Wire. The news releases were accessible through Business Wire's website. Details of the complaints are set out in Day 2, at paragraphs 172-210. This evidence is extensive, and not easy to summarise. The relevant screenshots exhibited to Day 2 were taken on a number of different dates, too numerous to set out individually. The essence of the complaints is that by clicking on the links described by Mr Day in his evidence, it was possible to access Merck branded news releases which were published by Business Wire. Mr Day gives three examples of Merck branded news releases which he was able to access through Business Wire. Mr Day's evidence is that other news services also picked up and published these Merck branded news releases. In paragraphs 217-220 of Day 2, Mr Day gives the example of a BBC Newsnight broadcast on 2nd December 2021 which covered the topic of anti-viral drugs, including molnupiravir (the anti-viral drug developed by the First Defendant mentioned earlier in this judgment). The broadcast made reference to the First Defendant as Merck. The images shown in the broadcast included two Merck branded news releases, the second of which was shown as having been sourced from Business Wire.
498. The Claimant's case is that Merck US was engaged in the practice of publishing news releases, using Merck and with Merck branding, via Business Wire. Annex 2 confines the complaints to publication of such news releases on Business Wire, but the Claimant's evidence is that there was also publication on other news services. The Claimant's case is that publication on Business Wire entailed publication to the whole world, including the UK, as opposed to publication in the US and Canada only.
499. The Claimant says that the publication of these news releases on Business Wire constituted breaches of Paragraph 2 and breaches of Paragraph 3 by the Second Defendant only. In this context I should make specific reference to the fifth column in the Amended Annex to the Claimant's Points in Reply, which identifies the Second Defendant's responsibilities for the news releases in the following terms:

"The Second Defendant:

- The first sentence of the press releases dated 26 November 2021, 22 December 2021, and 18 January 2022 state: “Merck (NYSE:MRK [‘ticker’ for Merck & Co Inc])” (Paras. 194.4, 190.4, and 186.5, respectively; pages 90 to 98 of Exhibit MCJD-12).”

500. The Paragraph 2 column in the Table shows a dispute for this Row. The MSD Defendants deny that there was use in the UK, within the meaning of Paragraph 2. The MSD Defendants deny that there was a breach of Paragraph 3, on the basis that there was no use of Merck as a trade mark in the course of trade in the UK. In the case of Paragraphs 2 and 3, the MSD Defendants also rely upon the argument that there was no use by the MSD Defendants. The particular point raised by the MSD Defendants in this context, as I understand it, is that the MSD Defendants were not responsible, under the terms of Paragraphs 2 and 3, for the publication of news releases by Business Wire, a third party. The uses of Merck in these publications were not uses by the MSD Defendants. The MSD Defendants do not rely on any of the Sub-paragraphs.

501. The evidence in response to these complaints is given by various witnesses for the MSD Defendants. Mr Almquist, counsel for Business Wire, gives evidence in Almquist 1 about Business Wire itself and the procedures for posting news releases on its services. It is convenient to quote what Mr Almquist explains at paragraphs 7-12 of Almquist 1:

“7 **Exhibit JA1** is a guide to the steps taken to post an article on Business Wire. At step 3 (pages 5-8 of **Exhibit JA1**) the user selects a geographic distribution area. The rate charged depends on the distribution area as well as the length of the release.

8 Postings in the United States only are shown as ‘National’ in the Distribution Cart shown on page 10 of **Exhibit JA1**. They include distribution to The Associated Press and United Press International; Bloomberg, Dow Jones and Refinitiv terminals; Standard & Poor's and Moody's Investor Service; The New York Times, The Wall Street Journal, Investor's Business Daily and other major US national print publications; and relevant US business and trade publications.

9 Once a news release is distributed on our service, it can be syndicated (i.e., shared without changes) by anyone, anywhere in the world. It can also be shared with comments or changes – we call this ‘earned media’. Many of the news services outlined in paragraph 8 will syndicate content posted on Business Wire.

10 Once an article has been posted nationally, we cannot control if and where it is shared by third-party news outlets.

11 As Counsel, I have an overview of all of the Second Defendant’s activity on Business Wire. In the last 12 months the Second Defendant has only posted nationally in the US and has not made any international posts.

12 I understand that the Claimant has said that it was able to review the Second Defendant’s releases on the businesswire.com website from the UK. That is normal. The website businesswire.com is a US-based site that makes all our content available to anyone who wishes to visit. If a UK based user clicks on ‘UK/Ireland’ on our home screen they will be taken to the US site. There is no site specifically for the UK and Ireland. The same is true if a user selects, for example, ‘France’. The user would be directed to a French language version of the US site based in the US.”

502. Moving to Choi 1, Ms Choi explains the procedure for distributing news releases in the following terms, at paragraphs 11-13:

- “11 I develop and take news releases and company statements through the relevant approval process for distribution on the Merck Website and, when appropriate, the MSD Website. News releases are distributed through Business Wire and are automatically posted in the newsroom: <https://www.merck.com/media/>. Company statements are not distributed through Business Wire. The MSD Website only hosts company statements.*
- 12 For news releases and company statements targeted to U.S. audiences, I develop the draft and have this approved by the relevant subject matter experts (e.g. clinical, regulatory, commercial and legal), senior leader and the business’ Corporate team. News releases targeted to U.S. audiences are first uploaded to Business Wire via its website portal, where we select the ‘US National’ distribution option for upload. The U.S. news release will then be automatically posted to the newsroom on the Merck Website.*
- 13 For molnupiravir company statements on the MSD Website, there were different processes before and after U.S. EUA on 23 December 2021, as I describe below. In all cases I would start with the approved U.S. material. Once the process to finalise the ex-U.S. company statement (as described below) was complete, I would share this with a colleague to post on the MSD Website simultaneous to the uploading on Business Wire for U.S. distribution.”*

503. The distribution of news releases is also addressed by Ms Ronaldo in Ronaldo 1. In paragraph 10 Ms Ronaldo explains that her team looks after the news releases and company statements of their business (which I take to mean the business of Merck US). At paragraphs 12-15 Ms Ronaldo gives the following explanation of the process:

- “12 News releases are distributed through Business Wire’s US national list and automatically posted in the newsroom on our website at <https://www.merck.com/media/>. All “Merck” news releases on the merck.com website will have a reference to Business Wire at the top of the release. When such release is saved from the Merck website, the downloaded document will also contain a link to the full release on Business Wire. Exhibited at pages 1 to 6 of **Exhibit CMR1** is a saved copy of a Merck news release posted on 1 October 2021.*
- 13 Each market may have its own rules and regulations that are not the same as for the US. We also do not issue Merck news releases outside the US as it might lead to local regulatory issues outside of the US. Instead, we post company statements to MSD.com, which, while a US site, is accessible by ex-US audiences.*
- 14 Company statements are not distributed through Business Wire and will not contain any reference to Business Wire on them. US-targeted company statements are published on the Company Statements section on the merck.com website (with Merck branding).*
- 15 I understand that Business Wire makes the information posted in the US available to US-based services such as UPI and Bloomberg and to certain US newspapers. That does not mean that it will be distributed outside the US. The service or newspaper must make a decision that the news is worth reporting. In reporting on the company, in my experience these organisations use the company’s US name “Merck” and the news services usually use an*

indication that it is listed with the ticker MRK on the New York Stock Exchange. A report may draw on a news release but will usually re-work it and add in elements such as the market response to the release, share price movement and items on other relevant companies (e.g. those with similar or competing products)."

504. At paragraphs 16-17 of Ronaldo 1, Ms Ronaldo adds the following evidence:

"16 In my experience posting a release to Business Wire does not mean that the posted information will be reported upon by media outlets. These outlets make their own editorial judgements about what news to report.

17 If a company statement or news release is significant and relates to our ex-US/Canada business or products, we will generally also produce an MSD version of the content using our MSD-branded template. MSD versions of company statements are uploaded to the Company Statements section on MSD.com. However, MSD versions of a Merck news release would only be uploaded as a company statement on MSD.com as we do not post news releases on MSD.com (as explained above). MSD versions of Merck company statements are similarly uploaded to the Company Statements section on MSD.com."

505. At paragraphs 20 and 21 of Ronaldo 1, Ms Ronaldo gives evidence of a search in the name of the Claimant on the Business Wire website, using a computer located in New York. This search, conducted on 27th October 2022, produced results featuring the Claimant, identified as Merck KGaA. Mr Ronaldo also gives evidence that Merck KGaA can be found mentioned or featured in posts by researchandmarkets.com on Business Wire. There is some dispute about this evidence; see Day 4 at paragraphs 6-11, and see also the evidence of Mr Karet in response to Day 4, in Karet 13. It appears that the search described by Ms Ronaldo was carried out using Merck, not Merck KGaA. In any event, the point made by the MSD Defendants, on the basis of this evidence, is that the equivalent of the complaints made in Row GG can be made against the Claimant. It is said by the MSD Defendants to be clear that, in practice, news releases issued by either Merck Global or Merck US through Business Wire are accessible throughout the world. I do not find it necessary to resolve the conflict in this evidence, so far as it exists. The relevant point which emerges from this evidence seems to me to be that, in the case of Business Wire at least, it is possible to find references to Merck, from the US and the UK, associated with Merck US and Merck Global.

506. I have reviewed the evidence in relation to Row GG in some detail because it seems to me that this evidence answers the question of whether the use of Merck in the news releases referred to by Mr Day constituted breaches of Paragraph 2 or Paragraph 3. It seems to me that there are two related difficulties which confront the Claimant in relation to Row GG.

507. The first difficulty is that both Paragraph 2 and Paragraph 3 require use of Merck, by the First Defendant in the case of Paragraph 2 and by a Defendant or Defendants in the case of Paragraph 3. In the case of Row GG however the relevant uses of Merck appeared on Business Wire. The evidence of Mr Almquist and Ms Choi is that news releases from Merck US are uploaded to Business Wire on a national basis. They become available to readers anywhere in the world by reason of the global reach of Business Wire. Thus, the news releases, with their uses of Merck, can be said to be targeted at the UK once they

are published by Business Wire. I have considerably more difficulty in seeing that the First Defendant or the Second Defendant were targeting their news releases at the UK when the news releases were distributed by Merck US to Business Wire.

508. As I have said, both Paragraph 2 and Paragraph 3 require use of the Merck in the UK. On the evidence, and applying the relevant principles of law, I am not persuaded that the use of Merck in the news releases published on Business Wire constituted the required use of Merck in the UK by the First Defendant or the Second Defendant. It seems to me that the link between what was done by Merck US, in distributing the news releases, and what was done by Business Wire or other media outlets, in targeting those news releases at the UK, is insufficient to constitute the required use, either for the purposes of Paragraph 2 or Paragraph 3.
509. The second difficulty is part and parcel of the first difficulty. Both Paragraph 2 and Paragraph 3 require the relevant use of Merck to be targeted at the UK. In the present case there was such targeting, as it seems to me, by Business Wire. This was not however, as I read the evidence, targeting by the First Defendant or the Second Defendant. In these circumstances it seems to me that neither Defendant can be said to have breached Paragraph 2 or Paragraph 3.
510. For these reasons I am not satisfied, on the evidence and applying the relevant principles of law, that the matters complained of in Row GG constituted either a breach of Paragraph 2 by the First Defendant or a breach of Paragraph 3 by the Second Defendant.
511. I would stress that this is a conclusion reached on the evidence which I have read. I recognise the possibility for abuse of Paragraphs 2 and 3 of the Order by the device of a party publishing Merck branded material through third parties. My conclusion is not intended as a licence for this kind of abuse. As I have said, I have reached my conclusion on the basis of the particular evidence before me on the Application.
512. I therefore conclude that the breaches of the Order alleged in Row GG have not been established. This is because the Claimant has failed to satisfy me, on the evidence, that the uses of Merck complained of in Row GG constituted uses of Merck for which the First Defendant or the Second Defendant can be held responsible.

Summary of conclusions on the Application

513. My conclusions on the Application, in terms of those alleged breaches of the Order which have been established and those alleged breaches of the Order which have not been established, are most easily summarised in tabular form. For ease of distinction, entries in the table where breaches have been established are shown in bold print:

Row	Has breach of Paragraph 2 been established?	Has breach of Paragraph 3 been established?
Row A	Breaches not established	Breaches not established
Row B	Breach not established	Breach not established
Row C	Breaches not established	Breaches not established
Row D	Breaches not established	Breaches not established
Row E	Breaches not established	Breaches not established
Row F	Breaches not established	Breach not established
Row G	Breach not established	N/A

Row H	Breaches not established	Breaches not established
Row I	Breaches not established	Breaches not established
Row J	Breaches established	Breaches established
Row K	Breach established	Breach established
Row L	Breaches established	Breaches established
Row M	Breaches not established	Breaches not established
Row N	Breach not established	N/A
Row O	Breaches not established	Breaches not established
Row P	Breaches established	N/A
Row Q	Breaches established	Breaches established
Row R	Breach established	N/A
Row S	Breaches established	Breaches established
Row T	Breaches established	N/A
Row U	Breach established	N/A
Row V	Breaches established (in part – first complaint only)	N/A
Row W	Breaches established (in part – second complaint only)	Breaches not established
Row X	Breach not established	Breach not established
Row Y	Breaches not established	Breaches not established
Row AA	Breaches established	Breaches not established
Row BB	Breaches established	Breaches not established
Row CC	Breaches not established	Breaches not established
Row DD	Breach established	N/A
Row EE	Breaches established	Breaches established
Row FF	Breach established	Breach established
Row GG	Breaches not established	Breaches not established
Row HH	Breach established	N/A

The outcome of the Application

514. The Application succeeds in part, to the extent set out in the table above. I will make a declaration or declarations to that effect. I will hear counsel, as necessary and at an adjourned hearing, on the form of such declaratory relief and on any other matters consequential upon this judgment. In the usual way the parties are encouraged to agree, subject to my approval, as much as they can in relation to the terms of the order to be made consequential upon this judgment.