

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
INTELLECTUAL PROPERTY

Claim No: HC13B00955 04 Mar 2016



HC-2013-000089

3 March 2016

The Honourable Mr Justice Norris

BETWEEN:

MERCK KGaA

-and-

- (1) MERCK SHARP & DOHME CORP
- (2) MERCK & CO, INC
- (3) MERCK SHARP & DOHME LIMITED
- (4) INTERVET UK LIMITED
- (5) INTERVET INTERNATIONAL BV

ORDER

UPON the bringing of a claim for breach of contract and infringement of trade mark by the Claimant

AND UPON the bringing of a counter-claim by the Defendants against the Claimant for revocation of trade mark

AND UPON these proceedings coming for trial on 23, 24, 27, 28 and 30 April 2015

AND UPON the handing down of Judgment in the above proceedings on 15 January 2016 with the hearing to determine the appropriate Order in the light of the Judgment being adjourned to a date to be fixed and the time for making any application for permission to appeal being extended until the adjourned hearing with a direction that pending that hearing the time for service of any Appellant's Notice shall not run

AND UPON hearing Benet Brandreth, Counsel for the Claimant, and Geoffrey Hobbs QC and Guy Hollingworth, Counsel for the Defendants on 19 February 2016 for determination of the Form of Order to be made upon the basis of the handed down Judgment

AND UPON reading the documents produced to this Court

AND UPON THE CLAIMANT UNDERTAKING to re-pay to the Defendants any costs paid pursuant to paragraphs 10-13 of this Order together with interest at such rate or rates as the Court may determine in the event and to the extent that the provisions of any of those paragraphs are subsequently discharged or varied

AND UPON THE CLAIMANT UNDERTAKING to re-pay to the Defendants any damages and interest paid pursuant to paragraphs 8 and 9 of this Order together with interest at such rate or rates as the Court may determine in the event and to the extent that the Order for payment of damages and interest is subsequently discharged or varied

AND UPON THE CLAIMANT UNDERTAKING that if the Court later finds in relation to the provisions at paragraphs 8 and 9 of this Order that are not stayed pending the determination of any appeal that the same have caused loss or damage to the Defendants or any of them and decides that the Defendants or any of them should be compensated for such loss or damage it will comply with any order the Court may make in that regard

IT IS DECLARED THAT:

1. The First Defendant has by its use of the Claimant's name and mark "Merck" in the United Kingdom breached 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")
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.

IT IS ORDERED THAT:

1. UK trade marks Nos: 1123545 and 1558154, and International registered marks (UK) Nos. 770 038 and 770 116 shall be revoked in respect of the goods and services set out in Schedule One to this Order with effect from the following dates.

UK registration 1123545: 6 November 1984

UK registration 1558154: 25 February 2000

International registration (UK) 770 038: 23 November 2007

International registration (UK) 770 116: 23 November 2007

2. The First Defendant shall not (whether acting by its directors, officers, employees, agents, or otherwise howsoever) from the Effective Date do the following acts or any of them in the United Kingdom:

- a. describe itself in any printed or digital material targeted at the UK (whether the UK is the prime intended addressee or part of a larger group of addressees) as “Merck” (either (i) alone or (ii) in combination with other words in a domain name)
 - b. use the mark “MERCK” in any printed or digital material targeted at the UK.
3. The Defendants and each of them shall not (whether acting by its directors, officers, employees, agents or otherwise howsoever) from the Effective Date infringe UK trade marks Nos. 1 123545 and 1558154, and International registered marks (UK) Nos. 770 038 and 770 116 by using the sign MERCK as a trade mark in the United Kingdom.
4. It shall not be a breach of paragraph 2 or 3 of this Order:-
 - a. For the First Defendant to describe itself as (i) “MSD” or (ii) “Merck Sharpe & Dohme” or (iii) “Merck & Co Inc” or “Merck & Co Limited” in each case accompanied by a geographical identifier of equal prominence in accordance with the 1975 Protocol (but requiring substantial not literal compliance with that obligation).
 - b. For the First Defendant to establish and maintain any “MSD branded” UK-specific websites with links to the Defendants’ Permitted Territories websites (which Permitted Territories websites themselves use 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 drawing attention to the fact (i) that the site on which the link lands is not operated by the Claimant and (ii) that the First Defendant is not permitted to use the mark “Merck” outside the Permitted Territories.
 - c. For the word “merck” to appear in metadata 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 First Defendant its subsidiaries or affiliates to continue use the e-mail address “@merck.com” for employees based in the Permitted Territories
5. In relation to any web-site under any domain name (“the site”) the content of which includes uses of the Claimant’s mark “Merck” it shall be sufficient compliance with the injunctions set out at paragraphs 2 and 3 above if the site achieves geo-blocking of visitors from the UK in accordance with Schedule 3 to this Order. In relation to the like content on YouTube, Twitter and Facebook it shall likewise be sufficient compliance if the relevant social media platform provides an equivalent or near-

equivalent functionality to geo-blocking and that technique is employed to its fullest extent in accordance with Schedule 3.

6. The Defendants shall take steps to publicise the Judgment herein on the Effective Date in the manner set out in Schedule 2 to this Order.
7. The Effective Date is the 31st day after the date of this Order.
8. There be an inquiry as to damages suffered by the Claimant by reason of the First Defendant's said breaches of contract and by reason of the said acts of trade mark infringement by the Defendants. The Claimant shall after the Effective Date seek directions as to the prosecution of the inquiry. At that directions hearing the Court will make provision as to the costs of the prosecution of the inquiry if any appeal has not been determined.
9. The Defendants shall pay to the Claimant such sums (if any) found due upon the taking of such inquiry, together with interest thereon pursuant to section 35A of the Senior Courts Act 1981 or alternatively the equitable jurisdiction of the Court.
10. The Claimant's costs of the claim (including reserved costs) shall be paid by the Defendants, such costs to be assessed on the standard basis if not agreed.
11. The Claimant's costs of the counterclaim shall be paid by the Defendants, such costs to be assessed on the standard basis if not agreed.
12. The Defendants shall pay interest upon the aforesaid costs at the following rates and for the following periods:
 - a. in respect of payments on account of costs made by the Claimant to its solicitors prior to the date of this Order, then at a rate of 1% above the Bank of England base lending rate from the date of such payments until the date of this Order; and
 - b. at the judgment rate (presently being 8%) on all costs from the date of this Order until payment by the First, Second, Third and Fifth Defendants thereof.
13. The Defendants shall on the Effective Date pay to the Claimant an interim payment of £1,715,686 on account of the costs provided for in paragraphs 10 and 11 above.
14. Both the Claimant and Defendants have permission to appeal to the Court of Appeal in respect of this Order and the Judgment delivered on 15 January 2016.

15. Pursuant to CPR Part 52.4(2)(a) the time by which any Appellant's notice must be filed at the Court of Appeal is extended until 4.00pm on the Effective Date.
16. (Subject to paragraphs 17 and 18 of this Order) pursuant to CPR 31.22
 - a. the documents identified in the trial bundles as "Confidential" are to remain confidential unless and until (and if so, then to the extent) any such documents become public otherwise than in breach of confidence
 - b. any references to the substance of the information contained in those documents in the skeleton arguments shall equally remain confidential.
17. The transcripts of the hearing (including any references to material otherwise confidential) shall not be confidential.
18. The Claimant may refer to and use in current proceedings in Germany the Bain witness statement and the exhibits thereto. For the avoidance of doubt, the permission to use such material in Germany shall not cause it to be "public" under paragraph 16.a above.
19. The implementation and operation of paragraphs 2, 3 and 6 of this Order shall be stayed pending the determination of any appeals herein. At the conclusion of the appeals the Effective Date shall be recalibrated.
20. The parties have permission to apply for further directions and generally with regard to the implementation and operation of the provisions of this order and the undertakings recorded in the recitals thereto. In particular if any subsidiary or affiliate of the First Defendant acts or fails to act in such manner as would be a breach of this Order if the act or failure had been that of the First Defendant then the Claimant may apply for directions as to the enforcement of this Order.
21. The Claimant shall serve this Order on the Defendants.
22. In this Order the expression "Permitted Territories" shall mean "the United States" as that territory is defined in clause 1(e) of the Agreement together with Canada, Cuba and the Philippines and the expression "subsidiaries and affiliates" is to be interpreted in accordance with the Agreement.

SCHEDULE ONE

Goods and services to be partially revoked:

UK trade mark No. 1558154

| Class | Specification |
|-------|---|
| 5 | Veterinary preparations and substances; plasters, materials for dressings; reagents for veterinary purposes |
| 9 | Weighing apparatus and instruments |

UK trade marks No. 1123545

| Class | Specification |
|-------|--|
| 2 | Mordants |
| 3 | Laundering preparations and substances |

International registered trade marks Nos. 770038 and 770116

| Class | Specification |
|-------|--|
| 1 | Unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations |
| 1 | Adhesives used in industry |
| 2 | Raw natural resins; metals in foil form for painters, decorators, printers and artists |
| 2 | Paint, varnishes, lacquers; preservatives against rust and against deterioration of wood; mordants; |
| 3 | Bleaching preparations; perfumery, essential oils; dentifrices |
| 3 | Substances for laundry use |
| 3 | Soaps; cosmetics, hair lotions |
| 5 | Veterinary preparations; plasters; materials for dressings; material for stopping teeth, dental wax; preparations for destroying vermin; fungicides, herbicides |
| 9 | Nautical, photographic, cinematographic apparatus and instruments (included in this class); phonograph records; automatic vending machines; cash registers, fire-extinguishing apparatus |
| 9 | Weighing apparatus and instruments |
| 9 | Surveying, signalling, checking (supervision), life-saving and teaching apparatus and instruments (included in this class); apparatus for recording, transmission or reproduction of sound or images; calculating machines |
| 10 | Surgical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopaedic articles; suture materials |
| 16 | Adhesives for household purposes; paint brushes; typewriters and office requisites (except furniture); playing cards; printers' type; printing blocks |
| 16 | Bookbinding material |

| | |
|----|---|
| 16 | Paper, cardboard and goods made from these materials (included in this class) |
| 29 | Meat, fish, poultry and game; meat extracts; jams, fruit sauces; eggs, milk and milk products |
| 29 | Preserved, dried and cooked fruits and vegetables; jellies; edible oils and fats |
| 30 | Coffee, tea, cocoa, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and edible ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice |
| 30 | Confectionery |
| 35 | Advertising; business administration; office functions |
| 42 | Beauty care; veterinary and agricultural services |
| 42 | Providing of food and drink; temporary accommodation; legal services; computer programming |
| 42 | Replace: Services rendered in the medical, pharmaceutical, laboratory and chemical areas With The organisation of conferences, the constitution of advisory boards, the publication of guides, the funding of projects and the sponsoring of research, the making of grants and the provisions of awards |

SCHEDULE TWO

1. The Defendants and each of them take all such steps as lie within their power to procure the placement as set out below, of the following message, (“the Message”):

“The High Court of Justice declared Merck Sharp & Dohme Corp to have breached its contractual obligations as to the use of the name and mark “Merck” and it and its associated companies (Merck & Co Inc, Intervet UK Limited and Intervet International BV) to have infringed trade marks by the use of MERCK in the UK. [Click here for UK Judgment](#)”.

The words “Click here for UK Judgment” are to be underlined and are to hyperlink to the address on BAILII to the judgment on liability herein.

2. The Message shall be placed on the homepage of each of the websites at the URLs identified below (“the Websites”)

- a. Merck.com (<http://www.merck.com/index.html>)
- b. Msd-uk.com (<http://www.msd-uk.com/index.xhtmll>)

- c. Merckformothers.com (<http://merckformothers.com/index.html>)
 - d. Msdformothers.com (<http://msdformothers.com/>)
 - e. Merckresponsibility.com (<http://merckresponsibility.com/>)
 - f. Merckmanuals.com (<http://www.merckmanuals.com/>)
 - g. Msdmanuals.com (<http://www.msdmanuals.com/en-gb>)
 - h. Merck-animal-health.com (<http://www.merck-animal-health.com/>)
 - i. Msd-animal-health.co.uk (<http://www.msd-animal-health.co.uk/>)
3. The Message shall continue to be displayed on the Website for 28 days.
 4. The Message shall be sent by email to each employee of the Defendants by the same date.

SCHEDULE THREE

1. Geo-blocking measures in a form agreed by the Claimant (such consent not to be unreasonably withheld if the arrangements meet the Appropriate Standards) shall suffice.
2. Geo-blocking measures approved by the Court as being in conformity with the Appropriate Standards shall suffice.
3. The Appropriate Standards are: IP blocking in respect of each and every IP address that is associated with the United Kingdom from the Target Websites identified below, using a locator database in combination with JavaScript coding to deny or attempt to deny access at the web-page level of each of the Websites to users with IP addresses associated with the United Kingdom, or any subsequent measures that have equivalent relevant functionality.
4. The Target Websites are:
 - i. merck.com
 - ii. merckformothers.com;
 - iii. merckresponsibility.com
 - iv. merckmanuals.com
 - v. merck-animal-health.com
 - vi. any other website of the First Defendant or of its subsidiaries or affiliates the content of which includes uses of the Claimant's mark "Merck"
5. A Defendant will not be in breach of this Order if it temporarily ceases to take the steps set forth above (either in whole or in part) upon forming the reasonable view that suspension is necessary in order to:

- i. Correct or investigate over-blocking of material which is, or is reasonably suspected to be, caused by steps taken pursuant to this Order;
- ii. Enable the reliable operation of its blocking measures, if it reasonably considers that such operation is otherwise likely to be impaired;
- iii. Maintain the integrity or the functioning of its blocking measures;
- iv. Upgrade, troubleshoot or maintain its blocking measures; or
- v. Avert or respond to an imminent security threat to its networks or systems