



Neutral Citation Number: [2025] EWCA Civ 343

Case No: CA-2024-001213

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY
COURTS OF ENGLAND AND WALES, INTELLECTUAL PROPERTY LIST (ChD)

Mr Justice Edwin Johnson
[2024] EWHC 820 (Ch)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 28 March 2025

Before :

LORD JUSTICE ARNOLD
LORD JUSTICE PHILLIPS
and
LADY JUSTICE ANDREWS

Between :

MERCK KGaA

**Claimant/
Respondent**

- and -

(1) MERCK SHARP & DOHME LLC
(2) MERCK & CO. INC

**Defendants/
Appellants**

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

Hearing dates : 18-19 March 2025

Approved Judgment

This judgment was handed down remotely at 10.30am on 28 March 2025 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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Lord Justice Arnold:

Introduction

1. This is an appeal by the First and Second Defendants (“the Appellants”) against an order made by Edwin Johnson J on 24 April 2024 declaring that various uses of the term “Merck” by the Appellants breached paragraphs 2 and/or 3 of an order made by Sir Alastair Norris dated 28 July 2020 (“the Final Order”) for the reasons given by Edwin Johnson J in his judgment dated 12 April 2024 [2024] EWHC 820 (Ch).

Background

2. The appeal is the latest episode in a long running dispute between the Claimant (“Merck Global”) and the Defendants (collectively, “Merck US”). Merck Global is a German pharmaceutical company. The Second Defendant (“Merck & Co”) is a New Jersey company which is the ultimate parent of the First Defendant (“MSD”, another New Jersey company), the Fourth Defendant (an English company) and the Fifth Defendant (a Dutch company). It was also the parent of the Third Defendant (another English company) prior to 11 June 2021. The dispute has been described in several previous judgments, and for present purposes the following abbreviated account will suffice.
3. Merck Global’s business dates back to 1668 when an apothecary shop opened in Darmstadt. This was the start of a family business which grew substantially over the years, under the name E. Merck, establishing its own manufacturing facilities and developing markets in a number of countries. 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 business was incorporated as Merck & Co., Inc. It too was very successful, establishing its own manufacturing facilities and developing markets in North America. By the end of the First World War these two businesses were run separately, but cooperated over their use of the name “Merck”. In broad terms the American business used the name in the USA (including its territories and dependencies) and in Canada, while the original German business used the name in the rest of the world. Merck Global is the successor to E. Merck. MSD is the successor to Merck & Co. Inc (whose name is now borne by Merck & Co).
4. From time to time, Merck Global and Merck US made agreements in an attempt to regularise their respective uses of “Merck”, and to avoid the risk of confusion and conflict between them. They made their first formal agreement in 1932, but it was cancelled in 1945. Subsequent expansion of their respective businesses led to clashes and litigation. In 1953 Merck US merged with Sharp & Dohme, a US pharmaceutical company with a large foreign business. On 12 September 1955 Merck Global and Merck US entered into an agreement which, in broad terms and among other matters, regulated the use of “Merck” as a name and trade mark around the world as between Merck Global and Merck US.
5. 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 1 January 1970 (“the 1970 Agreement”). This agreement was supplemented by a protocol in the form of a letter signed by the parties dated 24 November 1975 (“the 1975 Protocol”). The

1970 Agreement and the 1975 Protocol continue to bind Merck Global and MSD. Both are governed by German law.

6. The judge set out the key provisions of the 1970 Agreement at [26]-[28], and it is not necessary to do so again. In broad terms the 1970 Agreement on the one hand permitted Merck Global to use “E. Merck, Darmstadt, Germany” in the USA and Canada, but otherwise Merck Global recognised the exclusive right of MSD to the use of the trade mark “Merck” in the USA and Canada; and on the other hand permitted MSD to use “Merck Sharp & Dohme” and “Merck & Co., Inc., Rahway, N.J, U.S.A.” in other countries, but otherwise MSD recognised the exclusive right of Merck Global to the use of the trade mark or name “Merck” in other countries, save that in Cuba and the Philippines the parties had concurrent rights.
7. For many years the parties implemented the 1970 Agreement and the 1975 Protocol in a generally co-operative way, but in 2009 Merck US merged with 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, particularly online. No resolution of this dispute was reached. In March 2013 Merck Global commenced the present proceedings against MSD for breach of the 1970 Agreement and against Merck US for infringement of various United Kingdom Registered Trade Marks owned by Merck Global. Merck US counterclaimed for Merck Global’s registrations to be revoked for non-use. There has been parallel litigation in a number of other jurisdictions.
8. The trial of the proceedings was heard by Norris J in April 2015. In his judgment dated 15 January 2016 [2016] EWHC 49 (Pat) Norris J found that MSD had breached the 1970 Agreement by using Merck in the UK as a business name and as a trade mark in an impermissible way. He also found that Merck US had infringed Merck Global’s trade marks. On the counterclaim, he found that the registrations should be revoked in respect of some of the goods and services in their respective specifications, but not in such a way as to affect the findings of infringement.
9. Both sides appealed against the consequential order made by Norris J. The appeals were heard by this Court in June 2017. On 24 November 2017 the Court ordered that the appeal and cross-appeal should each be allowed in part, and that four issues should be remitted to Norris J for rehearing, for the reasons given in the judgment of Kitchin LJ (as he then was) [2017] EWCA Civ 1834.
10. The remitted issues were reheard before Norris J in July 2018. Following his retirement, and a period of ill health, Sir Alastair Norris gave judgment on the remitted issues on 20 May 2020 [2020] EWHC 1273 (Ch). The result remained that MSD was found to have breached the 1970 Agreement and Merck US were found to have infringed Merck Global’s registered trade marks despite the registrations being partially revoked. Furthermore, Sir Alastair again held that an injunction should be granted to restrain further breaches of the 1970 Agreement and infringements of the trade marks.
11. The drafting of the consequential order generated further issues between the parties. These issues were determined by Sir Alastair, on written submissions, in a third

judgment dated 29 July 2020 [2020] EWHC 2120 (Ch), although for some reason the Final Order is dated the previous day.

The relevant provisions of the Final Order

12. The Final Order provides, so far as relevant:

“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. 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.

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

...

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.

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.

...

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.

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.

...

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.

...

24. In this Order the expressions '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."

13. The Agreement is defined in the Final Order to mean the 1970 Agreement and the 1975 Protocol.

The Application

14. On 22 October 2021 Merck Global wrote to Merck US alleging various breaches of paragraph 2 of the Final Order. Merck US replied on 29 October 2021 and on 10 November 2021 denying breach, but notifying Merck Global that they had nevertheless made certain changes to their online presence. Further allegations of breach of paragraph 2, and allegations of breach of paragraph 3, were made by Merck Global on 7 February 2022, to which Merck US responded on 14 February 2022.

15. By an application notice dated 3 March 2022 Merck Global applied for a declaration that the uses of "Merck" by one or more of the First, Second and Fifth Defendants ("the MSD Defendants") identified in Annex 2 to an Application for Declaratory

Relief (a statement of case) attached to the application notice were in breach of paragraphs 2 and/or 3 of the Final Order (“the Application”). Annex 2 set out the acts complained of in 33 rows identified by letters from A to HH. The 33 rows contained a total of 55 allegations of breaches of the Final Order.

16. The Application was expressed to be made pursuant to paragraph 22 of the Final Order, although subsequently Merck Global explained that it also relied upon the general jurisdiction of the High Court to grant a declaration recognised in CPR rule 40.20. In support of the Application Merck Global relied upon witness statements made by two of its solicitors and by its General Counsel, Trademarks.
17. The MSD Defendants served Points in Answer to the Application and a Request for Further Information on 4 April 2022. Merck Global served Points in Reply, which included its responses to the Request for Further Information, on 27 April 2022. On 28 April 2022 the MSD Defendants served a further Request for Further Information, which Merck Global replied to on 9 May 2022.
18. On 19 July 2022 the MSD Defendants served witness statements from 15 of their employees. On 3 October 2022 Merck Global served a Request for Further Information in respect of these statements which led to the MSD Defendants serving further witness statements on 11 November 2022. Neither side applied for cross-examination of the other’s witnesses.
19. The Application was heard by the judge in two days of court time spread over three days in December 2023. The judge subsequently received further written submissions from the parties concerning the decision of the Supreme Court in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8, [2024] Bus LR 532 (“*Lifestyle v Amazon SC*”). Despite the relatively short hearing, the judge was left with a mass of written material to consider.

The judge’s judgment and order

20. On 12 April 2024 the judge handed down a meticulously reasoned judgment running to 514 paragraphs in which he considered each of Merck Global’s allegations in turn. The upshot was that he found breaches established in respect of 17 rows in Annex 2, but not in respect of 18 rows. The breaches he had found established had been committed in many cases by MSD and in some cases by Merck & Co.
21. On 24 April 2024 the judge made an order giving effect to the conclusions in his judgment which declared that the uses of “Merck” specified in Schedule 1 to the order amounted to a breach of paragraph 2 of the Final Order by MSD and that some of those uses also amounted to a breach of paragraph 3 of the Final Order by either MSD or Merck & Co.

The Appellants’ grounds of appeal

22. The Appellants appeal with permission granted by the judge on four grounds. Ground 1 is that it was wrong for the judge to grant declaratory relief in respect of alleged breaches of the Final Order, in essence because the proper remedy for such allegations was an application for contempt of court under CPR Part 81. Ground 2 has two main limbs. The first is that, having correctly held that “targeting” of the UK was a

requirement for breach of both paragraphs 2 and 3 of the Final Order, the judge was wrong to hold that targeting was established in a number of the cases where he found breaches. The second limb is that the judge was wrong to hold that, in the cases where he found breaches of paragraph 3 of the Final Order, there had been use of “Merck” in relation to goods and/or services (i.e. trade mark use) in the UK. Ground 3 is that the judge was wrong in many cases to hold that the acts in question were not within one or more of paragraphs 4(b), (d) and (h) of the Final Order because the judge misinterpreted each of those sub-paragraphs. Ground 4 is that the judge was wrong to make a declaration solely in respect of the breaches he found established and not in respect of the allegations of breach he found not to have been established.

Ground 1: the propriety of declaratory relief

23. The Appellants do not dispute that it would have been proper for the judge to have resolved issues of interpretation of the Final Order by means of a declaration (as was done, for example, by the Supreme Court in *JSC BTA Bank v Ablyazov (No 10)* [2015] UKSC 64, [2015] 1 WLR 4754), but they contend that it was wrong in principle for him to have gone further and to declare that specific acts committed by them amounted to breaches of the Final Order.
24. In considering this issue, it is important to note that Merck Global stated in paragraph 3(b) of its Points of Reply as follows:

“For the avoidance of doubt, though the Claimant contends the same is already clear from the terms of its Application, the Claimant will not bring contempt proceedings in respect of the specific acts identified in the Claimant’s Application. It reserves the right to bring contempt proceedings in relation to (i) new acts or (ii) acts identified as breaches in these proceedings that continue or re-commence after the date of the declaration in relation to them.”
25. Counsel for Merck Global reiterated this at a case management hearing before Meade J on 23 May 2022 and at the hearing before the judge. Furthermore, the judge’s order recites that Merck Global had “confirmed to the Court that it will not” bring contempt proceedings in relation to acts found to have breached the Order prior to the date of the judge’s judgment. During the hearing before this Court, Phillips LJ pointed out that this recital did not amount to an undertaking to the Court not to bring contempt proceedings in respect of such acts. Counsel for Merck Global informed the Court that Merck Global was willing to give such an undertaking. In the interests of good order, I would accept that undertaking. That does not mean that such an undertaking was required.
26. The judge considered the issue at [45]-[88]. Having considered a number of authorities, he concluded at [79] that he should consider whether any of the alleged breaches was established, and if he found that they were, he should make a declaration to that effect. He gave six reasons for this conclusion. In brief summary, they were as follows. First, the case for the utility of such relief was compelling: given the disputes that had arisen, the parties needed to know where they stood with respect to the effect of the Final Order ([81]). Secondly, there was no clear prejudice to the MSD Defendants: there would be no contempt application in respect of the past

acts; and, in the event of an application in respect of future acts, it was difficult to see that any issue estoppel arising out of his judgment would be prejudicial to the MSD Defendants, but the court hearing that application would be best placed to consider that question ([82]). Thirdly, making the limited declarations proposed by the MSD Defendants would neither be useful nor feasible ([84]). Fourthly, there was precedent for making declarations of the kind sought ([85]). Fifthly, the authorities did not lay down any absolute rules or principles in this field, and the present case was to be distinguished from the *Bank St Petersburg* and *Invest Bank* cases discussed below ([86]). Sixthly, the Application was within the scope of paragraph 22 of the Final Order ([87]).

27. On the appeal counsel for the Appellants placed some reliance upon authorities which establish that the civil courts will exercise considerable caution before making declarations that particular acts do or do not constitute criminal offences. Furthermore, in *Amstrad Consumer Electronics plc v British Phonographic Industry Ltd* [1986] FSR 159 a declaration that Amstrad were not acting unlawfully by marketing double-headed cassette machines which enabled purchasers to copy pre-recorded cassettes was refused by this Court on the sole ground that it would prejudice the trial of any criminal prosecution of Amstrad for inciting purchasers to commit offences contrary to section 21(3) of the Copyright Act 1956 even though no such prosecution was in prospect.
28. There are a number of reasons for the caution evinced in these authorities, but the core one is that the civil courts should generally not pre-empt or usurp the role of the criminal courts: see *R (on the application of Bus and Coach Association Ltd) v Secretary of State for Transport* [2019] EWHC 3319 (Admin) at [47] (Leggatt LJ, as he then was). Even leaving aside the fact that they do not establish any absolute rule, as the well-known decision of Neuberger J in *Financial Services Authority v Rourke* [2002] CP Rep 14 illustrates, in my view these authorities are irrelevant to the present issue since there is no question of the Appellants having committed any criminal offence. The only question is whether they have breached the Final Order.
29. In his oral submissions, counsel for the Appellants primarily relied upon the recent decision of this Court in *Tesla, Inc v InterDigital Patent Holdings, Inc* [2025] EWCA 193. In my minority judgment I considered the general jurisdiction to grant declarations at [47]-[84]. Having reviewed a number of authorities, I concluded at [82] that the following statement of the applicable principles in *Nokia Corp v InterDigital Technology Corp* [2006] EWHC 802 (Pat) at [20] (Pumfrey J) remained an accurate statement of the law, and equally applicable to positive declarations:
 - “i) The correct approach to the question of whether to grant negative declarations [i]s one of discretion rather than jurisdiction.
 - ii) The use of negative declarations should be scrutinised and their use rejected where it would serve no useful purpose, but where such a declaration would help ensure that the aims of justice were achieved, the court should not be reluctant to grant a negative declaration.

- iii) Before a court can properly make a negative declaration, the underlying issue must be sufficiently clearly defined to render it properly justiciable.”
30. At [83] I added to Pumfrey J’s statement four points established by the subsequent case law, of which the second is pertinent for present purposes:
- “In order for a legal issue to be properly justiciable, it is necessary for there to be an applicable legal rule or standard: *Vestel [Elektronik Sanayi Ve Ticaret AS] v Access [Advance LLC]* [2021] EWCA Civ 440, [2021] 4 WLR 60.”
31. Phillips and Whipple LJ agreed on the need for an applicable legal standard: see in particular Phillips LJ at [235]-[236] and Whipple LJ at [243] and [253]. The difference in opinion amongst the members of the Court was as to whether Tesla’s claims engaged such a standard.
32. Counsel for the Appellants submitted that the legal standard applicable to an allegation of breach of a court order was that provided by CPR Part 81 (and, I would add, the common law concerning contempt of court). In brief summary, this involves procedural safeguards for the respondent to the application, including the application of the criminal standard of proof rather than the civil standard.
33. I do not accept this submission. The applicable legal standard is provided by well-established principles concerning (i) the interpretation of court orders and (ii) fact-finding and evaluation. As Phillips LJ pointed out during the course of argument, the exercise is conceptually no different to determining whether a party has acted in breach of contract, a point that is highlighted in the present case by the fact that paragraph 2 of the Final Order gives effect to contractual obligations contained in the 1970 Agreement.
34. It is quite true that Part 81 and the common law provide safeguards for those accused of contempt of court. The reason for this is that, if the respondent is an individual, they may be imprisoned or fined, and if the respondent is a company, its assets may be sequestered or it may be fined, if found guilty. Thus safeguards are provided because of the potential sanctions that may be imposed in the event of a finding of contempt, which is why applications for contempt of court are often described as “quasi-criminal” from a procedural perspective. If no application for contempt is made, still more so if the applicant has formally stated that no such application will be made, and even more so if no application can be made because the applicant has undertaken not to make one, then these safeguards are not required because the respondent is not at risk of having such sanctions imposed.
35. At one point in his submissions counsel for the Appellants disputed that the effect of his argument was that Part 81 provided an exclusive remedy for an allegation of breach of an order even if no sanction was sought to be imposed. As became clear when he was questioned about this proposition, it is untenable. Part 81 is a procedural provision, not a substantive one: rule 81.1(1) states that “This Part sets out the procedure to be followed in proceeding for contempt of court ...” and rule 81.1(3) states that “This Part has effect subject to and to the extent that it is consistent with the substantive law of contempt of court”. Furthermore, the safeguards that both Part

81 and the common law impose with respect to allegations of breach of court orders are procedural, not substantive. If an applicant is not required to proceed by way of an application for contempt under Part 81, and can proceed by way of an application for a declaration under rule 40.20, there is no basis for saying that the safeguards required by Part 81 and the common law are applicable.

36. Equally, however, nothing in the CPR requires an application to be made under Part 81 where no sanction for contempt of court is sought to be imposed. An application for a declaration under rule 40.20 does not lead to any such sanction being imposed, and therefore Part 81 is inapplicable.
37. Although a considerable number of other authorities were cited in the Appellants' skeleton argument, it is only necessary to refer to four of them.
38. In *Hotel Cipriani v Fred 250 Ltd* [2013] EWHC 70 (Ch), [2013] FSR 34 the claimant ("HC") had succeeded in a claim for trade mark infringement and passing off, and an injunction had been granted against the defendants. Following the coming into force of the injunction, disputes arose between the parties as to whether the defendants were complying with it. Both HC and one of the defendants ("Giuseppe") applied for declarations. As I explained at [7]:

"HC has applied for a declaration that certain acts constituted a breach of the Injunction. As I understand it, HC has brought the application as a low-key method of enforcing the Injunction. With one exception, the acts of which HC complains have ceased. HC's concern is not to obtain penal sanctions, but rather to obtain confirmation that the Injunction prohibits any repetition or continuation of those acts in the future."
39. Giuseppe applied for a declaration that the use of certain logos would not breach the injunction. I concluded that certain acts committed by the defendants had breached the injunction and that the use of the proposed logos would do so.
40. As counsel for the Appellants pointed out, it was common ground between the parties in that case that the court had jurisdiction to determine the applications for declaratory relief, and therefore the issue raised by ground 1 was not considered. Even so, the decision seems to me to demonstrate the utility of the procedure that was adopted and the absence of any prejudice to the defendants resulting from it.
41. In *Lifestyle Equities CV v Amazon UK Services Ltd* [2022] EWCA Civ 634 I drew attention at [14], in a judgment with which the Master of the Rolls and Snowden LJ agreed, to the procedure adopted in *Hotel Cipriani*. Again, as counsel for the Appellants pointed out, there was no argument on the point. Furthermore, my observation was entirely obiter. Nevertheless, no one questioned it.
42. In *Bank St Petersburg v Arkhangelsky* [2014] EWHC 574 (Ch) Hildyard J declined to make a declaration that the second defendant had acted in breach of a worldwide freezing order by two acts which she admitted committing. He held that the court had jurisdiction to make the declaration sought, and held that it should not be refused on the ground of procedural unfairness, but nevertheless declined to make a declaration in the exercise of his discretion because, as he put it at [13]:

“... 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 the half-way house they propose.”

43. Hildyard J did not explain why he was concerned that such a declaration would be treated as if it were a finding of contempt, or even exactly what he meant by that, and *Hotel Cipriani* does not appear to have been cited. In any event, the primary ground of decision was that, in the specific circumstances of that case, a declaration would have no real utility. It appears that the reason for this was that there was no material dispute as to the interpretation of the order and no prospect that the specific acts in question would be repeated. Thus this authority does not support the Appellants’ argument that the exclusive remedy for an allegation of breach of a court order is an application for contempt of court.
44. In *Invest Bank PSC v El-Husseini* [2023] EWHC 3350 (Comm) the sixth defendant had given undertakings to the court not to dissipate a fund. The undertakings permitted her to spend money from the fund on living and legal expenses, but only if she had no other means to pay such expenses. The sixth defendant used other funds for those purposes for a time, but then contended that she had exhausted her other funds and proposed to use the frozen fund. The bank applied for a declaration that the sixth defendant had failed to demonstrate that she did not have other means to pay her expenses.
45. Dias J declined to grant the declaration for three reasons. The first was concerned with the procedural history of the case, and a reversal by the bank of a position which it had previously adopted. The second was that she considered that the concern about a half-way house expressed by Hildyard J in *Bank St Peterburg* applied to the application before her, in particular because she was being asked to determine the application without either disclosure or cross-examination. She expressed her third reason at [24] as follows:

“... 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 ...”
46. Again, *Hotel Cipriani* was not cited, and the primary ground of decision was that a declaration would have no utility. Furthermore, although Dias J’s second reason was her concern about the procedure adopted, she did not explain why the undertaking offered by the bank did not offer the sixth defendant sufficient protection. In any

event, she did not hold that she had no jurisdiction to make the declaration sought. Again, therefore, this authority does not support the Appellants' argument.

47. Returning to the present case, for the reasons given above I agree with the fourth and fifth reasons given by the judge for concluding that he should make a declaration, which in effect were reasons for concluding that there was no principle which precluded it.
48. Counsel for the Appellants did not really engage, either in his skeleton argument or in oral submissions, with the judge's first and third reasons, which were reasons why it was appropriate to make a declaration. Still less did counsel demonstrate any flaw in the judge's reasoning. I consider that the judge was entirely justified in concluding that a declaration of the kind sought by Merck Global would serve a useful purpose, whereas a declaration of the kind proposed by the MSD Defendants would not. As can be seen from the judge's judgment, and as I will discuss, although there are disputes between the parties which are properly characterised as being ones of interpretation of the Final Order, there are also disputes as to how the Final Order should be applied to particular factual situations. The judge's judgment contains a series of worked examples concluding that some fall on one side of the line while others fall on the other side of the line. That is much more likely to be of assistance to the parties going forward than a bare decision on the issues of interpretation.
49. As for the judge's second reason, counsel for the Appellants submitted that the procedure adopted by Merck Global was objectionable because it was intended to provide what he described as a "platform" for future contempt proceedings. I do not accept this submission. So far as the specific acts considered by the judge are concerned, there will be no application for contempt for the reasons I have explained. So far as the future is concerned, unsurprisingly there is no suggestion by the Appellants that they will repeat or continue acts which have been found to breach the Final Order. On the contrary, the Appellants' evidence is that, by the time of the hearing before the judge, they had already addressed the majority of the complaints made by Merck Global in various ways, including the adoption of geo-blocking for some of their websites. If the Appellants do not repeat or continue acts which have been found to breach the Final Order, Merck Global will have no grounds for a contempt application in respect of such acts. If, however, the Appellants do repeat or continue such acts, I see no reason why it should be objectionable for Merck Global to rely upon the findings made on the Application. The Appellants do not dispute that an application for declaratory relief was an appropriate way in which to resolve the issues of interpretation of the Final Order. If there are issues as to whether the Appellants have committed the acts alleged, Merck Global will have to prove they did to the criminal standard. If the issue is merely whether acts which are admitted or proved did breach the Final Order as interpreted by the judge and affirmed by this Court, then I find it difficult to see why Merck Global should not be entitled to rely on the findings on the Application to the extent that they are relevant. In particular, I see no reason why Merck Global should not be entitled to rely upon such findings if and when it comes to any question of sanction.
50. This leads me to a final point. Counsel for Merck Global explained that Merck Global's intention in applying for declaratory relief had been, as I had surmised in *Hotel Cipriani*, to adopt a low-key method of resolving the disputes that had arisen. The Appellants' contention, if accepted, would force litigants in the position of Merck

Global instead to bring high-stakes applications for contempt of court. That would unnecessarily inflame such disputes when the courts should be enabling parties to have their disputes resolved in the most dispassionate, as well as efficient and proportionate, manner possible.

Ground 2: targeting and trade mark use

Targeting

51. It is common ground that paragraphs 2 and 3 of the Final Order both require use in the United Kingdom. In the case of uses on the internet, accessibility is not enough to constitute use in the UK: the uses must be “targeted” or “directed” at internet users in the UK. The law on targeting was considered by Kitchin LJ in his judgment on the earlier appeals in these proceedings (cited above), and he summarised the applicable principles at [167]-[170]. Since then, it has been again considered by this Court in *Argos Ltd v Argos Systems Inc* [2018] EWCA Civ 2211, [2019] Bus LR 1728 and in *Lifestyle Equities CV v Amazon UK Services Ltd* [2022] EWCA Civ 552, [2022] Bus LR 1010 and by the Supreme Court on appeal from the latter decision (cited above). The judge set out and discussed at [147]-[171] the principles stated by Kitchin LJ, together with relevant passages from the judgments of Floyd LJ in *Argos* and myself in *Lifestyle v Amazon* and from the joint judgment of Lord Briggs and Lord Kitchin (as he had by then become) in *Lifestyle v Amazon SC*. It is not necessary to repeat the exercise, because the Appellants do not contend that the judge misdirected himself as to the law.
52. It is nevertheless pertinent to quote what the judge said at the end of this section of the judgment at [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. ...”
53. As the Supreme Court explained in *Lifestyle v Amazon SC* at [46]-[50], “targeting” involves an evaluation by the first instance court, and it follows that an appellate court is only justified in intervening if the judge has made what is often compendiously described as an error of principle.
54. The Appellants advance five criticisms of the judge’s reasoning with regard to targeting. In my judgment none of these criticisms demonstrates any error of principle on the part of the judge.

55. The first criticism is that judge did not refer to the fact that the MSD Defendants had adduced unchallenged evidence that the websites and other materials which were the subject of Merck Global's allegations had materially changed since the date of the trial before Norris J in April 2015. This criticism has no merit. It implies that the judge proceeded by treating Sir Alastair's conclusions with respect to targeting in his second judgment as applicable to the different facts and circumstances which were the subject of the Application, but the judge did no such thing. He certainly took into account Sir Alastair's reasoning, but as presaged by what he said in [171] he took scrupulous care to consider each instance on its own merits in the light of the evidence adduced on the Application and to make his own assessment of it. Although the Appellants contend the errors of which they complain are manifested in the judge's assessment of at least rows P, HH, Q, EE and FF discussed below, none of those assessments betrays the error the judge is accused of.
56. The second, third, fourth and fifth criticisms overlap, and so it is convenient to consider them together. The second criticism is that the judge failed to recognise that the materials relied on by Merck Global had been found by its legal representatives by trawling through Merck US's vast internet presence and did not represent the manner or context in which they would (if at all) be encountered by reasonably well-informed and reasonably observant UK internet users. The third criticism is that the judge failed to carry out the stage-by-stage assessment of the user's journey required by the judgment of Lord Briggs and Lord Kitchin in *Lifestyle v Amazon SC* bearing in mind that (a) the MSD Defendants are entitled to have their own US websites, (b) such websites cannot be objected to by Merck Global unless they are targeted at UK users and (c) Merck Global is not entitled under the Final Order to insist on geo-blocking (although paragraph 5 provides that Merck US are not in breach of paragraphs 2 and 3 if they choose to employ geo-blocking). The fourth criticism is that the judge wrongly treated individual items of content on websites as determinative of the question of targeting contrary to the holistic approach required by the judgment of Lord Briggs and Lord Kitchin. The fifth criticism is that the judge gave no, or no sufficient, consideration to whether the average UK internet user would be likely to encounter the impugned material, and if so the journey they would take and the effect of "pop-ups" upon them in determining whether they would regard the impugned material as having been deliberately aimed at them.
57. Upon analysis, the second, third and fourth criticisms add nothing to the fifth criticism. The judge expressly referred to the fact that the principal evidence in support of the Application was evidence given by their solicitors exhibiting materials they had found online. The judge did carry out a stage-by-stage assessment to the extent that it was applicable, and he expressly recognised each of the three points relied on by the Appellants. The Appellants rightly do not contend that it is not possible for individual webpages or links to be targeted at the UK unless the entirety of the host website is targeted at the UK, for that would be contrary to what the Supreme Court decided in *Lifestyle v Amazon SC*. Lord Briggs and Lord Kitchin emphasised, in particular at [60], [82] and [86], that it was important to consider the individual webpages or links complained of in the context of the user's overall experience of the website, but the only respects in which the Appellants allege that the judge failed to do so are those which are the subject of the fifth criticism.

58. Whether the fifth criticism is justified depends on consideration of the judge's reasoning in the instances where it is said to be manifested.
59. *Row P.* The judge considered this at [355]-[363]. The complaint was that Merck US advertised jobs available in their organisation throughout the world at jobs.merck.com, which used Merck branding. The jobs advertised included jobs which could be performed in the UK (among other locations). The Appellants' evidence was that the jobs in question were what they called "cross-posted" jobs i.e. jobs with a primary location, which was where the candidate would preferably be located, and one or more alternative locations where the job could also be performed. The advertisements complained about by Merck Global were for cross-posted jobs whose primary location was the US, but which could be performed at specified locations in the UK such as "Pancras Square, London".
60. The judge concluded at [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 [stating that it was 'intended for Residents of the United States, Canada and Puerto Rico' and directing 'Residents of other markets' to jobs.msd.com] 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."
61. The Appellants contend that there was no evidence that the average consumer in the UK would have found or come across jobs.merck.com or what journey they would have taken to get there. It is true that there was no positive evidence to that effect, but I accept Merck Global's submission that the judge was entitled to find that a person in the UK searching for "Merck jobs" using a search engine would have found it given that the MSD Defendants had not identified any technical or other reason why they would not have done.
62. The Appellants also contend that the judge failed to give proper weight to the presence of the disclaimer. The judge took this into account, but nevertheless concluded that it did not detract from the fact that the jobs in question were specifically advertised as being ones that could be performed by persons located in the UK. That was a matter for his evaluation, and he made no error of principle in reaching the conclusion that the relevant advertisements were targeted at the UK.
63. *Row HH.* The judge considered this at [364]-[369]. The complaint related 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. The judge reached the same conclusion as for row P for the same reasons. The Appellants make the same criticisms, and my answers are the same. If anything, the Appellants' case on row HH is weaker than their case on row P.

64. *Row Q.* The judge considered this at [370]-[378]. The complaint was that the safety data sheets ("SDS") for products available throughout the world were compiled together and only accessible at the merck.com website. Anyone wishing to view the SDS therefore had 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".

65. The judge concluded at [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 ..., 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."

66. The Appellants again contend that there was no evidence that the average consumer in the UK would have found or come across the UK SDS on merck.com or what journey they would have taken to get there. It is again true that there was no positive evidence to that effect, but I again accept Merck Global's submission that the judge was entitled to find that a person in the UK searching for the UK SDS would have found them on merck.com. The evidence of Donna Basile, MSD's Director, Global Safety & Environment, referred to by the judge was that she had decided to follow the example of other pharmaceutical companies who were "collecting such information and providing it externally in one place", including "SDS for other countries [i.e. other than the USA]". Moreover, the UK SDS were nowhere else to be found. The journey would have taken the user to the page with the download link referred to above.

67. The Appellants also contend that the judge failed to take into account the fact that the user would have seen a pop-up informing them that the site was intended only for residents of the US and Canada. The Appellants are correct that, in this instance, the judge did not mention the pop-up. It appears to be an isolated omission in what is otherwise, as I have said, a meticulous judgment. Merck Global submits, and I accept, that it is implicit that he regarded it as no more efficacious than the disclaimer he considered in the context of row P or the pop-ups he considered in the context of row EE (see below). Given that the UK SDS was (i) specific to the UK and (ii) not available anywhere else, I consider that the judge was entitled to conclude the relevant link was targeted at the UK notwithstanding the pop-up.
68. *Row EE.* The judge considered this at [462]-[487]. This complaint related to links from the msd.com website to Merck branded news releases/company statements hosted on the merck.com website. All the news releases/company statements in question were concerned with molnupiravir, an antiviral medication developed during the Covid-19 pandemic. As the judge explained, if the user followed the links, they would have had to press “continue” when presented with two pop-ups, the first when leaving msd.com and the second when entering merck.com informing, the user that:

“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.”

69. The judge concluded at [480] that “the pop-ups were insufficient to avoid the Merck branded material being targeted at the UK”. He gave two reasons for this. It is sufficient to quote his first at [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.”

70. The Appellants contend that the judge failed to give proper weight to the pop-ups. I do not accept this. He took them fully into account, but nevertheless concluded that the relevant links were targeted at the UK. He made no error of principle in reaching that conclusion. The Appellants attacked the judge's second reason for concluding that the pop-ups were ineffective, which involved applying the reasoning of Norris J concerning a similar issue in his first judgment, which was endorsed by Kitchin LJ in his judgment. Even if the judge was mistaken in regarding the two situations as sufficiently similar for that reasoning to be applicable, his first reason still stands.
71. *Row FF*. The judge dealt with this at [488]-[496]. It is similar to row EE. The Appellants addressed it together with row EE and did not advance any separate argument concerning row FF.

Trade mark use

72. The second limb of ground 2 concerns acts which the judge found to have breached paragraph 3 of the Final Order. Since all the acts in question were a subset of the acts which the judge found had breached paragraph 2 of the Final Order, success on this limb would make no practical difference if the Appellants' other grounds of appeal fail. Counsel for the Appellants made it clear that, even in that event, the Appellants want a decision on this limb. This provides further confirmation that, as the judge concluded and I have agreed in relation to ground 1, the Application did serve a useful purpose.
73. Paragraph 3 of the Final Order expressly concerns use of the sign "Merck" as a trade mark in the UK. It has never been suggested by Merck Global that Merck US have sold or supplied goods or services in the UK under or by reference to the sign "Merck". In those circumstances the Appellants contend that the judge should have held that they had made no trade mark use of the sign "Merck" in the UK.
74. In the Appellants' skeleton argument the Appellants contended that the judge had erroneously treated the previous judgment of this Court as having effectively determined this issue. In his oral submissions counsel for the Appellants went further and contended that the judge had made no findings of trade mark use in the UK in relation to any specific goods or services.
75. The former contention is based on what the judge said at [162]:

"Counsel for the MSD Defendants contended that, by parity of reasoning [with *Lifestyle v Amazon SC* at [72]], the Claimant's case on targeting should also fall flat on its face, because the Claimant has never asserted ... that Merck US has sold or supplied goods or services in the UK under or by reference to the sign Merck ... 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.”

76. The Appellants’ contention is misplaced. This paragraph is in the section of the judge’s judgment in which he discussed the law with respect to targeting. It is not part of the section of the judge’s judgment at [172]-[186] in which he discussed the principles applicable to trade mark use. So far as the latter is concerned, it is again not suggested by the Appellants that the judge misdirected himself as to the law, and so it is not necessary to repeat this exercise. It is sufficient to note that the judge highlighted a passage from Sir Alastair Norris’ second judgment in which the latter had drawn upon Kitchin LJ’s explanation of the law and said:

“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.”

77. Even in relation to targeting, all the judge was saying in [172] was that the Supreme Court had not overruled Kitchin LJ’s statement of the applicable principles. On the contrary, that statement was cited by the Supreme Court at [24] and approved at [26]. As I have discussed above, the judge went on to apply the principles to the specific circumstances which were the subject of the Application.

78. Turning to the Appellants’ second contention, the Appellants do not dispute that, in each of the cases where he found breach of paragraph 3 of the Final Order established, the judge made findings of trade mark use in the UK. The complaint is that he did not make any findings as to the specific goods or services in relation to which the Appellants had used the sign “Merck” as a trade mark in the UK.

79. It is clear from the judge’s judgment that he did not think that this was necessary. He gave two reasons for this. His first reason at [211] was:

“... 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.”

80. Counsel for the Appellants criticised the second reason the judge gave at [212], but in my view the judge's first reason was a sound one. I would add that the real point about the second reason is that, upon analysis, it is the same as the first reason.

Ground 3: are the acts saved by paragraph 4(b), (d) or (h)?

81. This ground raises issues of construction of paragraphs 4(b), (d) and (h) of the Final Order. There is no dispute as to the principles concerning the interpretation of court orders, which the judge set out at [108]-[110], and there is no need to do so again.

The burden of proof

82. The judge held at [124] that the burden lay on Merck Global to establish that the acts in question did not fall within paragraphs 4(b) and (d), but that the position was different with respect to paragraph 4(h):

“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.”

83. The Appellants contend that the judge reached the wrong conclusion with respect to sub-paragraph (h). I do not accept this. I agree with the judge's reasoning at [119]:

“ ... it seems right to me ... 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. ...”

Paragraph 4(b)

84. Paragraph 4(b) exempts “any ‘MSD branded’ UK-specific websites with links to a website at the domain merck.com” if the specified pop-up is generated. The issue of construction is what is meant by “UK-specific” in this context.

85. The judge held that the msd.com website was not “UK-specific” for the following reasons:

“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.”

86. The Appellants contend that a website that includes content targeted at the UK is “UK-specific” even if the website is also targeted at other countries. I disagree with this for the reasons given by the judge. In short, I consider that “UK-specific” means what it says: specific to the UK. A website that is also targeted at other countries is not “UK-specific”. Furthermore, on the Appellants’ construction, “UK-specific” is redundant because sub-paragraph (b) is only engaged if the use in issue is targeted at the UK as discussed above.

Paragraph 4(d)

87. Paragraph 4(d) exempts “email addresses ending ‘@merck.com’ for employees outside the United Kingdom”. The issue on construction is whether, as the Appellants contend, this extends to generic email addresses such as “cstmformothers@merck”.

88. The judge held that sub-paragraph (d) did not extend to generic email addresses for the following reasons:

- “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.
330. 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.”
89. The Appellants dispute the judge’s conclusion, but in my view he reached the right conclusion essentially for the reasons he gave. Counsel for Merck Global accepted that sub-paragraph (e) would not be redundant on the Appellants’ construction, because it would permit monitoring by an employee based in the UK whereas sub-paragraph (d) would not. Nevertheless he submitted, and I agree, that sub-paragraph (e) supports Merck Global’s construction because it demonstrates (and Sir Alastair Norris’ second judgment confirms) that the parties had generic email addresses in mind, but it is evident from the contrast in wording between sub-paragraph (d) and sub-paragraph (e) that they were not considered to be “email addresses ... for employees”.

Paragraph 4(h)

90. Paragraph 4(h) exempts “inadvertently [acting] in breach, if the error is corrected within 7 days of notification in writing by the Claimant ..., or of the Defendants otherwise becoming aware of such inadvertent error”. The issue on construction is whether, as the Appellants contend, this extends to acts deliberately done by the Appellants in the erroneous belief that such acts did not constitute breaches of paragraphs 2 or 3 of the Final Order.

91. The judge held that sub-paragraph (h) did not extend to deliberate acts for three main reasons. The first he expressed at [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.”

92. The judge’s second reason he expressed at [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.”

93. The judge’s third reason is that his interpretation was supported by the background to paragraph 4(h) contained in the judgments that preceded it. In particular, when rejecting Merck US’s argument that Merck Global’s complaints were too minor, in the overall scheme of things, to form the basis for a claim, Kitchin LJ said at [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.”

94. The judge concluded at [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.”

95. I consider that the judge’s conclusion was correct for the reasons he gave. I would only add that, at one point in his oral submissions, counsel for the Appellants, having submitted that “inadvertent error” was a composite expression which embraced volitional acts, suggested that what amounted to “inadvertent error” could only be decided on a case-by-case basis. I entirely agree that, once he had construed paragraph (h), the application of sub-paragraph (h) required close attention to the facts on the part of the judge. That is precisely the exercise that he undertook, and in some instances he concluded that the Appellants could rely upon sub-paragraph (h), while in other cases he concluded that they could not.

96. As the judge foreshadowed at [146], these examples help to illustrate the dividing line between genuine accidents on the one hand and incorrect understanding of the Final Order on the other hand. This helps to explain why the judge took the view that merely making a declaration as to how (in this case) sub-paragraph (h) should be interpreted would be of little utility, and that determining a number of concrete allegations where it was relied upon would be much more useful to the parties.

Ground 4: the declaration

97. The Appellants contend that the judge should have made declarations concerning the breaches he did not find established as well as concerning the breaches he did find established. The Appellants complain that, by failing to do so, the judge failed to act even-handedly. I do not accept this. The MSD Defendants made no cross-application for a declaration that the acts in question did not amount to breaches of the Order. It was only at the stage of debating the consequential order following the judgment that the Appellants proposed that the declaration should reflect the negative findings as well as the positive findings. The framing of the declaration was a matter for the judge. The Appellants have identified no error of principle made by the judge in the way in which he exercised his discretion.

Conclusion

98. For the reasons given above I would dismiss the appeal.

Lord Justice Phillips:

99. I agree.

Lady Justice Andrews:

100. I also agree.