

THE HIGH COURT

[2024] IEHC 613

[2023 No. 3882P]

BETWEEN

**MERCK KGaA, MERCK SERONO (IRELAND) LIMITED, MERCK,
MILLIPORE LIMITED, SIGMA-ALDRICH IRELAND LIMITED
AND VERSUM MATERIALS IRELAND LIMITED**

PLAINTIFFS

– AND –

**MERCK SHARP & DOHME LLC AND
MERCK SHARP & DOHME IRELAND (HUMAN HEALTH) LIMITED**

DEFENDANTS

JUDGMENT of Mr Justice Max Barrett delivered on 18th October 2024

SUMMARY

In this judgment I explain why I will make the following orders: (i) an order pursuant to O.12, r.26 RSC, setting aside the order of 31st July 2023 giving the plaintiffs leave to serve these proceedings out of the jurisdiction, (ii) an order pursuant to Art.136(1)(b) EUTMR staying the claim of infringement against MSD Ireland, (iii) an order pursuant to the inherent jurisdiction of the court staying the balance of the proceedings remaining after (i) and (ii).

Introduction

1. Outside the family law arena it is uncommon to find plaintiffs and defendants with the same name involved in litigation against each other. So how is it that there is a German Merck on the plaintiffs' side of the courtroom in this case and an American Merck on the defendants' side? The answer is that although German Merck and American Merck share a common ancestor in

Friedrich Merck (a 17th century Bavarian-born apothecary), in the centuries since they have become two entirely separate and competing families of companies. They are a little like the Plantagenets and the Tudors of the commercial world: warring Houses with a common ancestry but with the conflict between them no less fierce for that – and with the added confusion that both Houses share the same name.

2. This is an application on behalf of the first defendant ('US Merck') and the second defendant ('MSD Ireland'). US Merck is being sued here for breach of contract. MSD Ireland is being sued here for infringement of Irish trade marks and passing off. The core of the claims against the defendants is to restrain the use of the word 'Merck' in connection with the business of the US Merck group in Ireland. US Merck seeks that I decline jurisdiction in, or stay, the proceedings commenced against the defendants under the EU Jurisdiction Regulation (EJR)¹ and the EU Trade mark Regulation (EUTMR).² In the case of the proceedings against US Merck, it also seeks that I set aside the proceedings by reference to O.11 RSC. More particularly US Merck has come to court seeking:

1. An order pursuant to O.12, r.26 RSC,³ setting aside the order of the court dated 31st July 2023 giving the plaintiffs leave to serve these proceedings out of the jurisdiction.
2. An order striking out the claims of breach of contract against US Merck.
3. An order pursuant to Art.136(1)(a) EUTMR declining jurisdiction in respect of the claim of trade mark infringement against MSD Ireland.
4. Alternatively an order pursuant to Art.136(1)(b) EUTMR staying the claim of infringement against MSD Ireland.
5. An order pursuant to Art.29 and/or Art.30 EJR and/or the inherent jurisdiction of the court, declining jurisdiction or staying the proceedings, as applicable.
6. Such further and other relief as the court deems fit or appropriate.
7. Costs.

¹ *I.e.* Regulation (EU) No.1215/2012 of the European Parliament and of the Council of 12th December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (O.J. L351/1-32, 20.12.2012).

² *I.e.* Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14th June 2017 on the European Union trademark ((O.J. L154/1-99, 16.6.2017).

³ This provides that 'A defendant before appearing shall be at liberty to serve notice of motion to set aside the service upon him of the summons or of notice of the summons, or to discharge the order authorising such service.'

3. The parties are not unaware of the potential for confusion and (what I might loosely, and in a non-legal sense, describe as) unfair competition between them that arises from their sharing the same name. In 1955, they concluded an agreement between them which addressed how, in different parts of the world, including what is now the EU, the word ‘Merck’ would be used to designate their respective businesses, and how it would be used as a trade mark in respect of their respective products. That agreement was renewed in 1970 and amplified upon in 1975. Since then, German Merck has come to object to the manner in which US Merck has been presenting itself outside the US. Matters came to the boil in March 2013. At that time, proceedings were commenced in the UK by German Merck against US Merck for breach of the 1970 Agreement and infringement of US national Merck trade marks. Around that time proceedings were also commenced by German Merck in Germany for infringement of the EU word trade mark (for the word ‘Merck’). A whole series of other proceedings have been commenced in various other jurisdictions.

4. Unclear to me (though I do not need to know why matters proceeded as they did) is why German Merck thought it best to fragment its claims for the EU by commencing proceedings in the UK for breach of contract while also commencing separate proceedings in Germany for infringement of the EU trade mark (EUTM) for Merck and separate parallel national trade mark claims. Suffice it to note that the end result of these manifold claims was that (perhaps unsurprisingly) a preliminary reference on jurisdiction (considered later below) eventually went to the CJEU. That reference confirmed, in effect, that the UK trade mark proceedings were going to have to be carved out of the EUTM proceedings in Germany. As will be seen, the Court of Appeal of England and Wales presciently warned in its judgment that the contract proceedings in the UK created a risk of conflicting decisions with the trade mark proceedings in Germany. Just as it warned, so it has come to pass: the UK courts and District Court of Hamburg have taken diametrically opposed views as to how the 1970 Agreement falls properly to be interpreted. This disparity of conclusions has arisen even though both courts were applying German law.

5. I do not have to decide in this application which of those two competing views of German law falls to be preferred. I merely note that the commencement of the Irish proceedings is consistent with German Merck’s apparent preference for a multiplicity of proceedings and (perhaps unsurprisingly) has yielded *lis pendens* issues now as between Ireland and Germany

(where the judgment of the District Court of Hamburg remains under appeal). I cannot also but note that when it comes to the Irish proceedings, German Merck seems to be relying on ‘slim pickings’ in terms of its grievances. Thus, at issue are, *e.g.*, the use of a very small number of @merck.com e-mail addresses within US Merck, the participation of a US Merck VP at a conference in Ireland in 2019, and the supply to UCD library of hard copies of a Merck manual of veterinary medicine which has been published since 1955.

6. In the bevy of just-described proceedings the High Court of England and Wales was the first court in Europe to give judgment. Applying German law, it found US Merck to be guilty of breach of the 1970 agreement and infringement of UK national trade marks. This decision was upheld by the England and Wales Court of Appeal, in 2017, though the Court of Appeal did remit certain aspects of the proceedings to the High Court. I will return to this English case law later below. However, I should perhaps note at this juncture the effort by Mr Koelle, the primary deponent for German Merck, to present the contract proceedings in the UK as a set of proceedings that would result in a global decision on contract infringement, with US Merck thwarting that supposed goal. Respectfully, I do not accept this: the Court of Appeal of England and Wales makes clear in its judgment that the case before it was only ever pleaded as a UK breach of contract case.

7. In 2018 the District Court of Hamburg took an entirely different view to that of the England and Wales courts, especially as regards what German Merck had consented to in the 1970 Agreement as to the use of the word ‘Merck’ and how it could be used to designate the business. The District Court also rejected the case for infringement of the EUTM on the internet. German Merck has appealed that decision and time will tell where the German appeal courts perceive the truth of matters to lie. I do not have to trouble myself with where the truth of matters lies as a matter of German law. I but note in passing that the contrasting UK and German court decisions to this time offer an example ‘par excellence’ of the risk of conflicting reasoning as between the Irish courts and the German courts regarding what the 1970 Agreement permits were the within proceedings to be allowed to continue before the Irish courts.

8. Having set out in general terms the nature of the dispute between the parties it might be useful to identify with greater particularity the issues presenting.

9. First, US Merck asserts that I have to decline jurisdiction under Art.136(1)(a) EUTMR,⁴ as regards the proceedings against US Merck, given that the German EUTM proceedings cover the territory of Ireland.

10. German Merck alleges that their EUTM (which is in respect of the plain word ‘Merck’) is not identical to the figurative Irish trade marks. (That said, German Merck, in advancing the just-mentioned proposition, would have me overlook the fact that in its statement of claim it has pleaded that the plain word ‘Merck’, as used by US Merck, *is* identical with, or similar to, the figurative Irish trade marks).

11. German Merck also maintains (and it is true) that the defendant in the EUTM proceedings is US Merck whereas in Ireland, it is MSD Ireland. However, the acts complained of in both cases are the same and the companies are in common ownership and control, with the commencement of proceedings against MSD Ireland suggestive of a choice on the part of German Merck in a bid to evade the application of Art.136 EUTMR. I note, and again I will return to this later below, that in the proceedings before the CJEU, where much the same point was raised, the Advocate General noted that what was before the court was a case involving members of the same group of companies with indissociable interests that were, as a consequence, the same parties for the purposes of Art.136(1)(a) EUTMR.

12. Second, US Merck acknowledges that I have a discretion under Art.136(1)(b) of the EUTMR to stay related proceedings in cases of similar marks, as opposed to identical ones.

13. Third, insofar as there is any doubt (I do not myself see that there is any doubt) as to whether the Irish trade mark proceedings fall within the scope of Art.136 EUTMR, *e.g.*, because of the different defendants then Art.29/30 EUJR could be applied.⁵

⁴ Article 136(1) EUTMR provides, among other matters, as follows:

‘Where actions for infringement involving the same cause of action and between the same parties are brought in the courts of different Member States, one seised on the basis of an EU trade mark and the other seised on the basis of a national trade mark: (a) the court other than the court first seised shall of its own motion decline jurisdiction in favour of that court where the trade marks concerned are identical and valid for identical goods or services. The court which would be required to decline jurisdiction may stay its proceedings if the jurisdiction of the other court is contested; (b) the court other than the court first seised may stay its proceedings where the trade marks concerned are identical and valid for similar goods or services and where the trade marks concerned are similar and valid for identical or similar goods or services.’

⁵ Article 29 EUJR provides as follows:

‘1. Without prejudice to Article 31(2), where proceedings involving the same cause of action and between the same parties are brought in the courts of different Member States, any court other than the court first seised shall of its own motion stay its proceedings until such time as the jurisdiction of the court first seised is established.

14. In support of these various points, US Merck points to the fact that both the EUTM proceedings in Germany and the Irish contract proceedings have the same object, being the object of stopping the use by US Merck of the Merck sign. Moreover, the cause of action in both proceedings is necessarily founded upon the same proposition of law and fact, *viz.* that the parties never consented to the use complained of.

15. Sixth, when it comes to O.11 RSC,⁶ US Merck maintains that a basic requirement has not been met in terms of providing evidence to explain why cost and convenience call for the contract proceedings commenced against US Merck to be conducted in Ireland as opposed to US Merck's home State of New Jersey.

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2. In cases referred to in paragraph 1, upon request by a court seised of the dispute, any other court seised shall without delay inform the former court of the date when it was seised in accordance with Article 32.
 3. Where the jurisdiction of the court first seised is established, any court other than the court first seised shall decline jurisdiction in favour of that court.'

Article 30 EUJR provides as follows:

- '1. Where related actions are pending in the courts of different Member States, any court other than the court first seised may stay its proceedings.
2. Where the action in the court first seised is pending at first instance, any other court may also, on the application of one of the parties, decline jurisdiction if the court first seised has jurisdiction over the actions in question and its law permits the consolidation thereof.
3. For the purposes of this Article, actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.'

⁶ So far as relevant to these proceedings, O.11 RSC provides as follows:

- '1. Provided that an originating summons is not a summons to which Order 11A applies, service out of the jurisdiction of an originating summons or notice of an originating summons may be allowed by the Court whenever...(e) the action is one brought to enforce, rescind, dissolve, annul, or otherwise affect a contract, or to recover damages or other relief for or in respect of the breach of a contract...(iii) by its terms or by implication to be governed by Irish Law, or is one brought in respect of a breach committed within the jurisdiction of a contract wherever made, even though such breach was preceded or accompanied by a breach out of the jurisdiction which rendered impossible the performance of the part of the contract which ought to have been performed within the jurisdiction
- ...
2. Where leave is asked from the Court to serve a summons or notice thereof under rule 1, the Court to whom such application shall be made shall have regard to the amount or value of the claim or property affected and to the comparative cost and convenience of proceedings in Ireland, or in the place of the defendant's residence, and particularly in cases of small demands where the defendant is resident in England, Scotland, or Northern Ireland, to the powers and jurisdiction, under the statutes establishing or regulating them, or of the courts of limited or local jurisdiction in England, Scotland or Northern Ireland respectively.
- ...
5. Every application for leave to serve a summons or notice of a summons on a defendant out of the jurisdiction shall be supported by affidavit, or other evidence, stating that in the belief of the deponent the plaintiff has a good cause of action, and showing in what place or country such defendant is or probably may be found, and whether such defendant is a citizen of Ireland or not, and where leave is asked to serve a summons or notice thereof under rule 1 stating the particulars necessary for enabling the Court to exercise a due discretion in the manner in rule 2 specified; and no leave shall be granted unless it shall be made sufficiently to appear to the Court that the case is a proper one for service out of the jurisdiction under this Order.'

The Agreement of 1970

16. I turn now to the Agreement of 1970. At five pages in length it is a surprisingly short agreement given the commercial significance of the issues with which it treats. The agreement does not have a governing law clause. German Merck maintains, however, that the agreement is governed by German law. The Agreement states, among other matters, as follows:

‘1.

- a) “Merck & Co.” as used herein shall mean Merck & Co., Inc [*i.e.* US Merck] and its subsidiaries and affiliates.
- b) “E. Merck” shall mean E. Merck...[a German company] according to German Law and its subsidiaries and affiliates.

...

- f) “All other countries” as used herein means all countries of the world other than the United States, Canada, Germany, Cuba and the Philippines. [Court Note: Thus it captures the European Union except for Germany.]

...

2.

- a) Merck & Co. [*i.e.* US Merck] 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. [Court Note: In other words, German Merck can use E. Merck to describe their business, their firm name or corporate name, in the United States, provided they use the geographical identifier].
- b) E. Merck recognizes the exclusive right of Merck & Co. to the use of the trade mark 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. [Court Note: Thus, German Merck recognises that US Merck owns ‘Merck’ as a US and Canada trade mark. There is no clause restricting what US Merck describes itself as by way of corporate name in the US.]

...

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. [Court Note: In other words, German Merck is stating that it will not object to Merck & Co. Inc. or Limited as all or part of a corporate name with the specified geographical identifier in 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. [Court Note: So, the use of ‘MSD’ or ‘Merck Sharp & Dohme’ is agreed as a corporate name.]
 - b) Merck & Co. recognises the exclusive right of E. Merck to the use of the trademark Merck in Germany... [Court Note: In other words the trade mark is exclusively reserved to German Merck in Germany, for use on goods alone, it seems, it not being possible at the time of the agreement to get trade marks for services.]
- 4.) In all other countries E. Merck recognises 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 . [Court Note: It seems there is complete freedom, therefore, for the US company to use Merck Sharp & Dohme as a trademark in the EU for their products].

...

- 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 [emphasis added] “Rahway, N.J., U.S.A.” which identify it geographically with the United States...all words being given equal prominence. [Court Note: The German court saw this provision as allowing use of the word ‘Merck’ in the EU by US Merck to refer to its business once it was accompanied by sufficient indicia associating the word ‘Merck’ with the US or otherwise dispelling any confusion.]

- 6.) In all other countries Merck & Co. recognises that E. Merck is entitled to use the word “Merck” or combinations such as “E. Merck” as a trademark or name...
- 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”. [Court Note: Here there is a sort of surrender of all trade marks for the EU in respect of Merck (except Germany which is covered separately). I understand that the German court took the view that cl.7 falls to be read subject to cl.5. The UK courts took the opposite view.]

...

- 12). It is understood that Merck & Co. had submitted the original agreement of September 12th 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...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. [Court Note: As can be seen, the Agreement of 1970 is a formalistic document that interlinks with the Agreement of 1955].’

The Supplemental Agreement of 1975

17. The Agreement of 1970 appears to have presented some minor problems of a practical nature which related primarily to the interpretation of certain of its provisions. The Supplemental Agreement of 1975 seeks to address the issues that had come to present. The Agreement states, among other matters, as follows:

‘1. Stationery

Merck & Co., Inc. and E. Merck, including their domestic subsidiaries and affiliates, may use their domestic stationery in foreign correspondence emanating from the United States and the Federal Republic of Germany, respectively.

2. Visiting Cards

Domestic Representatives of Merck & Co., Inc. and of E. Merck, including representatives of domestic subsidiaries and affiliates, who are travelling abroad may use their domestic visiting cards in the countries of travel.

3. Interpretation of the Phrase “All Words Being Given Equal Prominence”...

The phrase “all words being given equal prominence”...does not require that the firm name or corporate name and the geographic identification be in lettering of the same size but does require that the geographic identification associated with the firm name or corporate name be in close proximity thereto and in letter size which is readily legible and in reasonable proportion to the letter size of the firm name or corporate name.

[Court Note: This introduces some flexibility in respect of the geographical identifier that is used once it is in close proximity to the firm name or corporate name and legible.]

...

5. Journal Advertising

Merck & Co., Inc. and E. Merck, including their subsidiaries and affiliates,

will not object in any country to the use by the other of the term MERCK as a trademark in advertisements appearing in journals which emanate from countries where the respective company has the right to use the trademark MERCK.’

Some Applicable Law

18. It may be useful even at this early stage of my judgment to consider in a little detail the law that I am called upon to apply in these proceedings.

1. Order 11, RSC

19. Article 11 RSC provides, among other matters, as follows:

- ‘1. Provided that an originating summons is not a summons to which Order 11A applies, service out of the jurisdiction of an originating summons or notice of an originating summons may be allowed by the Court whenever...(e) the action is one brought to enforce, rescind, dissolve, annul, or otherwise affect a contract, or to recover damages or other relief for or in respect of the breach of a contract...(iii) by its terms or by implication to be governed by Irish Law, or is one brought in respect of a breach committed within the jurisdiction of a contract wherever made... [Court Note: So a breach within the jurisdiction of a contract wherever made is one of the gateways under O.11.]

...

2. Where leave is asked from the Court to serve a summons or notice thereof under rule 1, the Court to whom such application shall be made shall have regard to the amount or value of the claim or property affected and to the comparative cost and convenience of proceedings in Ireland, or in the place of the defendant’s residence...
[Court Note: In the present case this means that Ireland would fall to be compared with New Jersey as the place for litigation. This is a mandatory

assessment required of the court].

...

5. Every application for leave to serve a summons or notice of a summons on a defendant out of the jurisdiction shall be supported by affidavit, or other evidence, stating that in the belief of the deponent the plaintiff has a good cause of action...and where leave is asked to serve a summons or notice thereof under rule 1 stating the particulars necessary for enabling the Court to exercise a due discretion in the manner in rule 2 specified; and no leave shall be granted unless it shall be made sufficiently to appear to the Court that the case is a proper one for service out of the jurisdiction under this Order.

[Court Note: As can be seen, one has to set out the particulars or evidence necessary for enabling the Court to exercise its discretion under rule 2, with the affidavit falling to be sworn by someone with knowledge of the matter and who can aver to there being a good arguable case and who can aver as to matters regarding cost and convenience. The ‘particulars necessary’ are obviously the evidence regarding the cost and convenience of suing in Ireland as opposed to New Jersey. These particulars, I note, were completely absent from the Order 11 affidavit in this case. There is, it is true, mention in the plaintiffs’ written submissions that

‘It is clear that, when comparing the cost and convenience of litigating the breach of contract claim...in Ireland against...New Jersey, Ireland is without doubt the appropriate forum for hearing the Plaintiff’s claim in respect of breach of contract against MSD US, on any view, including a broad overall view. It is in the interests of all the parties and the ends of justice for the claim to be heard here.’

These, however, are submissions, not evidence, and courts proceed on evidence. There is no evidence before me on this point. And I cannot but note

that it is not ‘clear’ to me on the basis of un-evidenced ‘cost and convenience’ paragraph why Ireland is ‘without doubt the appropriate forum’ whether ‘on any view’ or ‘a broad overall view’.]

2. The EUTMR

20. Turning next to the EUTMR, this provides among other matters as follows:

‘[Recital 32] It is essential that decisions regarding the validity and infringement of EU trademarks have effect and cover the entire area of the Union, as this is the only way of preventing inconsistent decisions on the part of the courts and the Office and of ensuring that the unitary character of EU trade marks is not undermined. The provisions of Regulation (EU) No 1215/2012 of the European Parliament and of the Council should apply to all actions at law relating to EU trade marks, save where this Regulation derogates from those rules. [Court Note: This recital affirms the high priority given to the unitary nature of EU trade marks and the need for this not to be undermined by inconsistent decisions by national courts.]

(33) Contradictory judgments should be avoided in actions which involve the same acts and the same parties and which are brought on the basis of an EU trade mark and parallel national trade marks. [Court Note: In the present case what are in issue are the EUTM in Germany and the parallel Irish trade mark.] For this purpose, when the actions are brought in the same Member State, the way in which this is to be achieved is a matter for national procedural rules, which are not prejudiced by this Regulation, whilst when the actions are brought in different Member States, provisions modelled on the rules on *lis pendens* and related actions of [the Jurisdiction Regulation] appear appropriate.

...

Article 1...

2. An EU trade mark shall have a unitary character. It shall have equal effect

throughout the Union....

Article 9...

1. The registration of an EU trade mark shall confer on the proprietor exclusive rights therein.
2. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where...[– the provision then moves on to talk about identical signs and similar signs]. [Court Note: As can be seen, the right to sue third parties for trade mark infringement is conditional upon the third parties not having consent. In this case the issue of consent is a major issue. In German Merck's statement of claim an absence of consent is pleaded. Article 9(2) empowers an EUTM proprietor to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where, among other matters:] (a) the sign is identical with the EU trade mark and is used in relation to goods or services which are identical with those for which the EU trade mark is registered; (b) the sign is identical with, or similar to, the EU trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trade mark is registered, if there exists a likelihood of confusion....

Article 14

Limitations of the Effect of an EU trade mark

1. An EU trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade: (a) the name or address of the third party, where that third party is a natural person; [Court Note: This is the own name defence whereby another person may use their own name in the course of trade regardless of the registration of a trade mark, subject only to the condition in Art.14(2) EUTMR.

Article 12 of the previous (now repealed) trade mark regulation⁷ (which I understand to be the version of the regulation in issue in the German proceedings) did not limit its effect to a natural person. The German courts, I understand, view Art.14.1(a) as being, in any event, available in circumstances where, as here, a company has been incorporated under the natural name of its founder.]

2. Paragraph 1 shall only apply where the use made by the third party is in accordance with honest practices in industrial or commercial matters.

....

Article 122...

1. Unless otherwise specified in this Regulation, the Union rules on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters shall apply to proceedings relating to EU trade marks and applications for EU trade marks, as well as to proceedings relating to simultaneous and successive actions on the basis of EU trade marks and national trade marks. [Court Note: This is what arises here: simultaneous and successive actions on the basis of EU and national trade marks.]

....

Article 136

Simultaneous and successive civil actions on the basis of EU trade marks and national trade marks

1. Where actions for infringement involving the same cause of action and between the same parties are brought in the courts of different Member States, one seised on the basis of an EU trade mark and the other seised on the basis of a national trade mark: (a) the court other than the court first seised shall of its own motion decline jurisdiction in favour of that court where the trade marks concerned are identical

⁷ I.e. Council Regulation (EC) No.207/2009 on the Community trade mark (O.J. L78/1-42, 24-3.2009).

and valid for identical goods or services....(b) the court other than the court first seised may stay its proceedings where the trade marks concerned are identical and valid for similar goods or services and where the trade marks concerned are similar and valid for identical or similar goods or services. [Emphasis added]. [Court Note: As can be seen, identity of marks gives rise to a situation of no discretion; by contrast, where what presents is similarity, there is discretion. However, in each instance the actions for infringement must involve the same cause of action and be between the same parties.]’

3. The EUJR

21. Turning next to the EUJR, this provides among other matters as follows:

‘Article 29

Lis Pendens – Related Actions

1. Without prejudice to Article 31(2), where proceedings involving the same cause of action and between the same parties are brought in the courts of different Member States, any court other than the court first seised shall of its own motion stay its proceedings until such time as the jurisdiction of the court first seised is established.

...

3. Where the jurisdiction of the court first seised is established, any court other than the court first seised shall decline jurisdiction in favour of that court. [Court Note: So there is a mandatory declinature of jurisdiction where what presents is the same cause of action between the same parties.]

Article 30...

1. Where related actions are pending in the courts of different Member States, any court other than the court first seised may stay its proceedings.

...

3. For the purposes of this Article, actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.

[Court Note: This provision has been interpreted, *e.g.*, in *Tatry* and *Websense*, which I consider later below. In essence, however, what one looks for is a risk of inconsistent reasoning on the facts of the law. It is a broad brush test, with *Websense* requiring that a judge, such as myself deciding the within application, err on the side of caution.]

4. The EU Trade Mark Directive⁸ (the EUTMD)

22. Article 10(2) of this directive provides as follows:

‘2. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, the proprietor of that registered trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where: (a) the sign is identical with the trade mark and is used in relation to goods or services which are identical with those for which the trade mark is registered; (b) the sign is identical with, or similar to, the trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the trade mark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark; (c) the sign is identical with, or similar to, the trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to, those for which the trade mark is

⁸ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16th December 2015 to approximate the laws of the Member States relating to trade marks (O.J. L336/1-26, 23.12.2015).

registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.’

23. This is the provision that informs s.13 of the Trade marks Act 1996 (TMA1996), as amended, which provides, among other matters, as follows:

‘(1) Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, the proprietor of that registered trade mark shall have exclusive rights in the trade mark and such rights shall be infringed by the use of that trade mark in the State without the proprietor's consent; and the acts referred to in section 14 , if done without that consent, shall constitute infringement of the proprietor's rights....’.
[Emphasis added.]

24. Under s.14 TMA1996, among other matters:

- ‘(1) A person shall infringe a registered trade mark if that person 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 shall infringe a registered trade mark if that person 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 of the sign with the trade mark.
- (3) A person shall infringe a registered trade mark if that person uses in the course of trade in relation to goods or services a sign which is identical with, or similar to, the trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to, those for which the trade mark is registered where the trade mark has a reputation in

the State and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trade mark.’

5. The Geo-Blocking Regulation⁹

25. The Geo-Blocking Regulation makes something of a surprise appearance in these proceedings. This is because the German trial court relied on this regulation in refusing one of the remedies that was sought of it.

26. Article 1 of the Geo-Blocking Regulation defines its purpose as being ‘to contribute to the proper functioning of the internal market by preventing unjustified geo-blocking and other forms of discrimination based, directly or indirectly, on the customers’ nationality, place of residence or place of establishment, including by further clarifying certain situations where different treatment cannot be justified...’. Article 1(5) states that ‘[t]his Regulation shall not affect the rules applicable in the field of copyright and neighbouring rights...’.

27. Article 3(1) of the Geo-Blocking Regulation states that ‘[a] trader shall not, through the use of technological measures or otherwise, block or limit a customer's access to the trader’s online interface for reasons related to the customer’s nationality, place of residence or place of establishment.’ Article 3(3) states that ‘[t]he prohibitions set out in paragraphs 1 and 2 shall not apply where the blocking or limitation of access, or the redirection is necessary in order to ensure compliance with a legal requirement laid down in Union law, or in the laws of a Member State in accordance with Union law, to which the trader’s activities are subject.’

28. Again, the reason any of this is notable is because when one looks at the German judgment, one of the reasons the German court refused relief was because it was being asked to give relief which involved geo-blocking, a relief that it could not offer under the regulation. The actions of the German court in this regard are of significance for the following reason: during the course of these proceedings I heard much about breach of contract being a matter of national law but in terms of relief, the Irish court and the German court would have to look at this binding EU

⁹ *I.e.* Regulation (EU)2018/302 of the European Parliament and of the Council of 28 February 2018 on addressing unjustified geo-blocking and other forms of discrimination based on customers’ nationality, place of residence or place of establishment within the internal market and amending Regulations (EC) No 2006/2004 and (EU) 2017/2394 and Directive 2009/22/EC (O.J. L60/1-15, 2.3.2018).

regulation.

Some Applicable Case-Law

29. I turn now to consider some caselaw of relevance.

1. *Donnelly v. Vivier and Company Ltd*
[2022] IECA 104

30. In this case, the appellant, who lived in Ireland, obtained an order for service of her plenary summons out of the jurisdiction on the respondent, a company incorporated in New Zealand. Her claims included claims for defamation and a claim for payment of monies she said were due to her in respect of legal research services she performed for the respondent. The respondent entered a conditional appearance contesting the jurisdiction of the Irish courts and brought a motion to strike out the appellant’s proceedings. This application was successful in the High Court. The appellant appealed against the decision of the High Court and sought to maintain her proceedings against the New Zealand company in Ireland. The appeal was unsuccessful, the order of the trial court judge being upheld, though on different grounds to those that the trial judge had advanced.

31. In her judgment for the Court of Appeal, Ní Raifeartaigh J. observes, among other matters, as follows:

‘General approach to service out of the jurisdiction and to Order 11

86. In the first instance, it is important always to bear in mind the overall approach to service out of the jurisdiction as described by Fennelly J. in *Analog Devices*...¹⁰

“When the court grants leave for the service out of the jurisdiction of proceedings, it requires a person, not otherwise within the jurisdiction of our courts, to appear here and to answer the claim

¹⁰ Given that *Analog Devices* is amply touched upon in the later case law that I consider, I do not consider it separately.

of a person made in what is for him a foreign court rather than leaving the plaintiff to pursue his remedy against that person in that other jurisdiction. The international comity of the courts have long required, therefore, that our courts examine such applications with care and circumspection. The applicant must furnish an affidavit verifying the facts upon which he bases his cause of action. It is not sufficient that he assert that he has a cause of action. The court judges the strength of the cause of action on a test of a 'good arguable case'."

87. It may also be helpful to comment on certain observations made by the Court in *Ryanair Ltd v. Fleming* [2016] 2 IR 254, upon which the appellant laid considerable emphasis in her submissions. The Court (judgment delivered by Hogan J.) set out the fundamental starting principle that a defendant should normally be sued in the place of his/her/its domicile, together with a general explanation of the kinds of principle underpinning the various exceptions to this general rule:-

"[19] Before considering the particular issues of jurisdiction and *forum conveniens*, it should be noted that a fundamental principle of our conflict of laws rules is that, absent special circumstances, a defendant should normally be sued in the place where he or she is domiciled. The basis for this principle is obvious, since a defendant should not be forced to defend in a foreign jurisdiction – and be thereby deprived of the legal system with which he or she is most familiar, not to speak of the attendant costs and expense of defending proceedings in a foreign jurisdiction – unless there are some special circumstances which justify the attribution of jurisdiction to the courts of the forum selected by the plaintiff. This general principle must, accordingly, inform any consideration of whether the plaintiff can satisfy the court that the High Court had jurisdiction in the matter and, even if it

had, whether it would be appropriate to exercise that jurisdiction on *forum conveniens* grounds.

...

The burden and standard of proof

90. The parties did not address the Court on the burden and standard of proof in applications to set aside leave to serve out of the jurisdiction. Indeed, as we have seen above, the motion brought the respondent did not conform – in form at least – to an application to set aside at all, but rather consisted of an application seeking an order striking out the proceedings for want of jurisdiction and declaring that the Court had no jurisdiction to hear and determine the plaintiff's claim against the defence. However, the Court will treat this in substance as an application to set aside the *ex parte* leave to serve out, as the High Court appears to have done.
91. The burden of proof in such applications was discussed by this Court in *Albaniabeg* where it was held that the burden to show that the case falls within a particular jurisdictional gateway of Order 11(1) remains at all times on the plaintiff, even in the application to set aside, because a court cannot constitutionally make an *ex parte* order which finally affects the rights of parties....This statement as to the burden of proof was recently followed and applied in *Trafalgar Developments and others v. Mazepin and others* [2022] IEHC 167...where the court continued a discussion it had started in *Microsoft Ireland Operations Limited v. Arabic Computer Systems & Anor.* [2020] IEHC 549 with regard to the burden of proof and whether there was conflict in the authorities on the issue (Barniville J. concluded that there was not). I also accept the position as stated in *Albaniabeg*, namely that the burden of proof in the High Court and in this appeal fell and falls on the appellant to establish that she falls within one of the Order 11(1) categories.
92. The standard of proof is an altogether more complex issue. A distinction may be drawn between the standard of proof as to (a) whether the case falls within a particular category of Order 11(1); and (b) whether the plaintiff has a case

on the merits, although (a) and (b) may sometimes be intertwined; a pertinent example would be where there is a dispute as to the existence of a contract and a party wishes to bring itself within Order 11(1)(e). The recent judgments of Barniville J. in both *Microsoft* and *Trafalgar* address in detail the standard of proof in respect of both issues (a) (the category issue) and (b) (the merits issue). He opines there is some difficulty in reconciling some of the statements in the judgments on this specific point in *Analog Devices B.v v. Zurich Insurance Co* [2002] 1 IR 272...with the judgment in *IBRC v. Quinn* [2016] 3 IR 197.... In *Trafalgar*, Barniville J., after an exhaustive analysis of each of those judgments reached the conclusion that the correct standard to be applied in respect of both (a) and (b) was “a good arguable case”.... He rejected the proposition that a standard of “a serious issue to be tried” applied to issue (b) (the merits issue).... He also rejected the application of a gloss on the “good arguable case” test developed in some of the English cases, where “the better of the argument” was the preferred formulation, seeing it as inconsistent with Irish authorities such as *Analog Devices* and *IBRC*....As the parties in the present case did not address any of these nuances concerning how the threshold test may be described, or whether there is any real difference between *Analog* or *Quinn*, I do not think it would be appropriate to comment upon the analysis of Barniville J. or to express a view as to the correctness of his ultimate conclusion....’

32. For present purposes what falls perhaps to be derived from the foregoing is that when it comes to a good arguable case and showing that facts demonstrate a breach within the jurisdiction, this is quite a low threshold. That does not mean that I do not have to examine matters with care and circumspection. Even so, it is quite a low threshold – though this does not mean that the *Grehan* test (considered later below) does not still apply.

2. Trafalgar Developments Ltd and Ors v. Mazepin and Ors

[2023] IEHC 195

33. This judgment concerned an application by the twelfth-named defendant (Kai), made pursuant to O.12, r.26 RSC, seeking to discharge a previous order granting liberty to the

plaintiffs to serve notice of an amended concurrent plenary summons on Kai at its registered address in Moscow. That order was made on foot of an *ex parte* application by the plaintiffs on the basis that Kai was a necessary or proper party to the proceedings for the purposes of O.11, r.1(h) RSC. Kai maintained that the plaintiffs had failed to establish that Kai was a necessary or proper party to the proceedings. Kai also maintained that, when all relevant factors were taken into account, the plaintiffs had failed to demonstrate that Ireland was the appropriate jurisdiction to hear and determine the claim against Kai. In such circumstances, Kai contended that the court, in the exercise of its jurisdiction under O.11, rr.2 and 5 should decline jurisdiction in the case against it. The application failed.

34. In the course of his judgment, McDonald J. quotes O.11, r.1(h) RSC, O.11, r.2 RSC, and O.11, r.5 RSC, before moving on to observe as follows:

‘15...Although these provisions of O. 11, by their own terms, apply to an application by a plaintiff for leave to serve proceedings on a defendant outside the jurisdiction, it is clear from the judgment of Barniville J. that, where a defendant (as here) makes an application to the court under O. 12, r. 26 to set aside service of notice of proceedings on foot of an order made under O. 11, the burden of proof remains on the plaintiffs to establish all of the matters that are required to be established in order to secure Irish jurisdiction as against that defendant.... They also bear the burden of showing that Ireland is a “*convenient*” venue for the hearing of the proceedings for the purposes of O. 11, r. 2. As part of the latter requirement, the plaintiffs must, in accordance with the requirements of O. 11, r. 5, place sufficient evidence before the court to exercise its discretion under O. 11, r. 2....[C]autious must be exercised by the court where it is sought to require a foreign defendant to defend a claim against it in Ireland. However, he [Barniville J. in a previous judgment] also drew attention to the observations of Clarke J. (as he then was) in *Irish Bank Resolution Corporation Ltd (in special liquidation) v. Quinn* [2016] 3 I.R. 197 (“the IBRC case”) to the effect that there is a “low barrier” or a “very low threshold” to be surmounted for this purpose....

16. Having carefully considered all of the relevant case law, Barniville J. summarised the approach to be taken in paras. 172-173 of his judgment as follows:-

“172. ...In assessing whether the plaintiffs have a good arguable case on the merits, I must bear in mind the care, caution and circumspection referred to by Fennelly J. In *Analog*. I must carefully consider the affidavit evidence and submissions put forward by the parties including the affidavit evidence put forward by the Russian UCCU defendants. I must consider whether there is a sound basis for the plaintiffs’ contention that the UCCU defendants are necessary or proper parties to the case against Eurotoaz. I must in that context consider whether there is reality in law and in fact to the case the plaintiffs make against Eurotoaz and must be satisfied that the joinder of Eurotoaz was not a “mere device” to get the Russian UCCU defendants before the court. I must also be satisfied that there is a substantial element to the claim against Eurotoaz and against the Russian UCCU defendants....”

20. In the context of the challenge by the Russian UCCU defendants, Barniville J. also addressed the requirements of O. 11, r. 2 and 5. In considering this issue, Barniville J. had regard to some of the authorities dealing with *forum non conveniens*. While the burden of proof is different in a case where a defendant challenges Irish jurisdiction on that ground, the case law on *forum non conveniens* is nonetheless of assistance in circumstances where, in effect, the plaintiff has the burden of proving that Ireland is the convenient forum for the determination of the claim against Kai. As explained in the case law, “convenience”, in this context, means “fitness, propriety and suitableness” to quote from the language used by Fitzgibbon L.J. in *McCrea v. Knight* [1896] 2 I.R. 619 at p. 626. More recently, the courts have focused on whether Ireland can be said to be the “appropriate” forum to hear and determine the claim against the foreign defendant “more suitably in the interests of all of the parties and the ends of justice”. Thus, Murphy J. In the Supreme Court in *Intermetal Group Ltd v. Worslade Trading Ltd* [1998] 2 I.R. 1 approved the following statement of the law given by Lord Gough in *Spiliada Maritime Corporation v. Cansulex Ltd* [1987] 1 A.C. 460, at p. 476:-

“...The basic principle is that a stay will only be granted on the ground of *forum non conveniens* where the court is satisfied that there is some

other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action, *i.e.* in which the case may be tried more suitably in the interests of all the parties and the ends of justice.”

21. In *Intermetal*, Murphy J. also approved the following passage from the judgment of Bingham L.J. (as he then was) in *Harrods (Buenos Aires) Ltd* [1992] Ch 72, at p. 124:-....

“....The court should look first to see what factors there are, taking this broad overall view, which point in the direction of another forum....: at that stage it is connecting factors (including convenience, expense, availability of witnesses, governing law, place of residence and place of business) which must be considered:...If it is shown that there is some other available forum which *prima facie* is clearly more appropriate for the trial of the action a stay will ordinarily be granted unless on a consideration of all the circumstances justice requires that a stay should not be granted.”

22. Barniville J. also referred to the approach taken by the Supreme Court in *Analog Devices v. Zurich Insurance* [2002] 1 I.R. 272. In that case, referring to *Spiliada*, Fennelly J., at p.p. 287-288, explained that, in the context of an application under O.11, the plaintiff has the burden of establishing that Ireland is the *forum conveniens* (*i.e.* the appropriate forum to try the case). Fennelly J. adopted the explanation of that term given by Lord Goff in *Spiliada* in the passage quoted in para. 20 above namely the forum in which the case can be suitably tried in the interests of all parties and the interests of justice. That is the approach which Barniville J. then took in considering whether Ireland was the appropriate forum to try the case against the Russian UCCU defendants....’

35. As is clear from the foregoing, the burden of proof is on the plaintiffs in the within application to establish that Ireland is the forum of convenience. I need to be satisfied on the evidence, having regard to the sort of items listed in *Harrods (Buenos Aires)* that Ireland is the

appropriate jurisdiction, and the appropriateness of Ireland is also related to the seriousness and extent of the breaches in Ireland which the plaintiff alleges.

3. *Grehan v. Medical Incorporated and Anor*

[1986] I.L.R.M. 627

36. This was a case in which the first-named defendant inserted a heart valve into the plaintiff's heart by open heart surgery. The plaintiff claimed that the valve was defective and that he suffered injury as a consequence. He instituted proceedings for negligence against the first-named defendant. The first-named defendant denied negligence and said that the heart valve was manufactured by the 2nd-named defendant in California, who had not then been joined in the proceedings. The plaintiff applied *ex parte* to the High Court for liberty to join the second-named defendant as defendants in the action, and to serve notice of the proceedings outside the jurisdiction of the second-named defendant pursuant to O.11, r.1(f) RSC. The High Court granted the plaintiff's application. The second-named defendant then applied to the High Court to have the order joining them set aside on the basis that they could not be sued within Ireland. The High Court refused this application on the grounds that in order to do justice in the action it should be tried as one action. The second-named defendant appealed this refusal to the Supreme Court. The issue the Supreme Court had to decide was whether or not this was a proper case in which the High Court ought to have exercised its discretion to order service of the notice of the proceedings outside the jurisdiction on the second-named defendant to join it as defendants.

37. In his judgment, Walsh J. examines the different theories whereby it could be decided that a tort had been committed in Ireland where the heart valve had allegedly been made negligently in the United States but was fitted in a hospital in Dublin. Ultimately what Walsh J. concluded in effect was that one cannot decide a case by a legal theory. What is required of a court is that it decide whether there is in reality a connection of substance to Ireland. Thus, he observes, at 638:

‘There is, of course, a heavy burden on the court to examine the circumstances of each case before exercising its discretion to make an order for service out of the jurisdiction. It would be clearly wrong to refuse it on the application of any technical

rule which insists on one element occurring in the jurisdiction as it would be equally inappropriate if the court were to permit service out of the jurisdiction where the case only had a tenuous connection with the country on its facts and in terms of the law likely to govern questions of liability and related matters.’

38. Thus, what is required is a more-than-tenuous connection. This has a particular resonance in the present proceedings when one recalls that perhaps the principal alleged breach relied upon is the use of e-mail addresses that feature the word ‘Merck’. Yet I understand it to be undisputed that those e-mail addresses were allocated in the United States, which suggests to me that the true locus of the alleged breach is the United States. (The defendants contend that one can see the e-mail addresses on websites in Ireland and that the email addresses are used by Irish employees.) But regardless of the foregoing, again (as *Grehan* indicates) there must be a substantial connection to Ireland.

4. Websense International Technology Ltd v. ITWAY SpA

[2014] IESC 5 ,[2014] 2 I.R. 485

39. This is presently the leading Irish case on Article 30 EUJR. There, the matter which came before the Supreme Court was an appeal against a decision of the High Court which, applying what is now Art.30 EUJR, stayed summary proceedings brought in Ireland by the plaintiff/appellant, Websense International Technology Ltd on the ground that there were related proceedings in Italy. Websense International maintained that the Italian proceedings were not related proceedings and that the Irish and Italian proceedings did not have, as the High Court had concluded, striking similarities. The appeal failed.

40. MacMenamin J., at para.31 of the judgment, commences his analysis of the principles applicable, dealing with what is now Art.30 EUJR, stating, among other matters:

‘31.Of course, the purpose of Article 28 of the Regulation is, where possible, to avoid cases in which a judgment given in one contracting state is liable to conflict with a judgment given by another contracting state. The first question is whether it can be said the two cases at hand are “related” causes of action under Article 28. The test, which is set out in the Regulation itself is that actions are “deemed to be

related” where they are so closely connected that it is “expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings”. However, Article 28(1) vests a discretion in the national court which “may stay its proceedings” where it is found proceedings may be deemed to be related in the sense of a close connection referred to earlier. The second question, assuming both proceedings to be related, is as to whether any discretion arising could or should or should be exercised against a stay.

32. The fact that the term “related action” has an autonomous meaning derives from the undoubted fact that it will not have the same interpretation in all Member States in their national laws. As a consequence, in Case C-406/92 *The Tatry v Maciej Rataj* [1994] ECR I-5439, the Court of Justice held that:

“In order to achieve proper administration of justice, that interpretation [of related action] must be broad and cover all cases where there is a risk of conflicting decisions, even if the judgments can be separately enforced and their legal consequences are not mutually exclusive.”
(para. 52).

This broad statement of principle is clearly intended to forestall any possibility that national courts might feel constrained to engage in a minute or piece by piece analysis of the similarities and distinctions between two cases in two different Member States. No such approach is warranted.’

41. As can be seen, I am not confined in the task before me to look merely at the outcome of the case and say in effect, ‘Are these conflicting outcomes?’ My focus is whether there is a risk of a conflicting view being taken of the issues and the facts which are common between the two courts? Nor do I have to spend time exercising my mind excessively on looking at the precise detail of the cases. The task at hand is intended to be a broad brush approach – and without taking an especially broad brush approach I cannot but see that there is a risk of a conflicting view being taken of the issues and facts which are common between the Irish and German courts in the case before me.

42. I should also mention in this regard para.47 of the judgment of MacMenamin J., where he

quotes from the opinion of AG Lenz in *Owens Bank Ltd v. Bracco* to the effect that, as MacMenamin J. summarises, a second seised court must ‘err on the side of caution’. I have taken that cautious approach in this judgment.

5. *Easy Rent a Car Ltd and Anor v. Easygroup Ltd*
[2019] EWCA Civ. 477, [2019] 4 All ER 1087

43. I set out the facts as stated in the headnote to [2019] 1 W.L.R. 4630, viz:

‘The claimant, a company incorporated in England, brought proceedings in England against the defendants, a company incorporated in Cyprus and its Cypriot owner, seeking relief in respect of alleged infringements of United Kingdom registered trade marks and passing off. The defendants applied for the proceedings to be stayed under article 29 of Parliament and Council Regulation (EU) No 1215/2012, contending that the proceedings involved the same cause of action as a claim which the defendants had already brought in Cyprus in which, relying on a settlement agreement between the parties, they had sought declarations that they could use the allegedly infringing signs. The judge dismissed the application, holding that the English and Cypriot proceedings did not involve the “same cause of action” within the meaning of article 29, since the English proceedings were in tort for trade mark infringement and passing off, while the Cypriot proceedings were based on a contract. The defendants appealed. Subsequently a court in Cyprus set aside the defendants’ claim on the grounds that they had failed to demonstrate that they had an arguable case and that they had failed to obtain leave to serve the proceedings out of the jurisdiction. Within the time allowed for doing so, the defendants appealed [successfully] against that decision.’

44. The first question that the Court of Appeal dealt with was whether these two actions in Cyprus and in the English and Wales courts represented the same cause of action within the scope of Art.29 EUJR. At para.22, Richards L.J. states as follows:

‘22. The elements of the ‘same cause of action’ in what is now art 29 were authoritatively examined by the Supreme Court in *Starlight Shipping Co v Allianz*

*Marine & Aviation Versicherungs AG, The Alexandros T*¹¹....The leading judgment is that of Lord Clarke....

23. For present purposes, the propositions to be derived from the judgment of Lord Clarke (see [28]) are as follows:

- (i) The phrase ‘same cause of action’ has an independent and autonomous meaning as a matter of European law and it is not to be interpreted according to the criteria of national law.
- (ii) In order for proceedings to involve the same cause of action they must have “le même objet et la même cause”.
- (iii) Identity of “cause” means that the proceedings in each jurisdiction must have the same facts and rules of law relied upon as the basis for the action. Rules of law in this context mean the juridical basis on which arguments as to the facts will take place. The court looks to the basic facts and the basic claimed rights and obligations of the parties to see if there is coincidence between the proceedings, making due allowance for differences in the classification of rights and obligations between the states concerned.
- (iv) Identity of “objet” means that the proceedings must have the same end in view.
- (v) The assessment of the identity of “cause” and “objet” is to be made by reference only to the claims in each action and not to any defences to those claims.
- (vi) It follows that art 29 is not engaged merely by virtue of the fact that common issues might arise in both sets of proceedings. This is an important point of distinction between arts 29 and 30.
- (vii) Given the flexible discretionary power to stay “related proceedings” under art 30, it is unnecessary to strain to fit a case into art 29. The purpose of preventing parallel proceedings in different jurisdictions and avoiding, so far as possible, conflicting decisions is addressed by the combination of arts 29 and 30.
- (viii) The fact that the claimant in one set of proceedings is the

¹¹ As *Starlight Shipping* is dealt with comprehensively in *Easy Rent a Car*, I have not considered it separately.

defendant in the other set of proceedings, and vice versa, will not necessarily prevent the application of art 29. If the claims in the two sets of proceedings are essentially mirror images, art 29 will apply. [Court Note: This seems to me to be a point of some significance in the within proceedings.] For example, a claim in one action by A against B for damages for a particular breach of contract and a claim by B against A in the other action for a declaration that it has not committed that breach of contract will have the same “cause et objet”.

...

[30] Reading para [18] of the judgment with para [16], which together contain the [High Court] judge’s reasons on this issue it appears that the decisive point for him was that the English proceedings are in tort for trade mark infringement and passing off, while the Cypriot proceedings are based on a contract. The appellants challenge the judge’s conclusion as failing to take into account the nature of the relief sought in the Cypriot proceedings. The claims for declarations that the appellants may use the phrase “easy rent a car” and similar phrases on their website and that the respondent is estopped from asserting any rights they may have in respect of such phrases presuppose that the respondent has, or alleges itself to have, a *prima facie* right to prevent the appellants’ use of those phrases. Therefore, the appellants submit, the Cypriot action does concern the same cause because it directly concerns whether they are infringing the respondent’s rights. The proceedings are analogous to mirror claims of the sort discussed above. If the appellants succeed in the Cypriot proceedings, it will result in a decision that the respondent is not entitled to rely upon any rights they may otherwise have in relation to the appellants’ business activities.

[31] The respondent supports the distinction on which the judge based his decision, placing great emphasis on the claims being respectively in tort and in contract. It submits, in keeping with the judge’s reasoning, that the two claims therefore have different causes. [Court Note: Much the same distinction has been emphasised by Ms Redeker, a German lawyer for German Merck, in these proceedings, *i.e.* that

what presents before me is a breach of contract claim in Ireland and a trade mark infringement claim in Germany.]

[32] In my judgment, it is necessary to analyse the elements in the two claims in order to decide whether they involve the same “cause”. It is not sufficient simply to rely on the different domestic law causes of action (contract and tort) on which the claims are based...

[33] The respondent’s claim is based on s 9 of the Trade Marks Act 1994, which gave effect to what became art 5 of European Parliament and Council Directive 2008/95/EC [Court Note: I have already considered the most recent reincarnation of this measure]....

[35] As appears from the terms of these provisions, an essential element of the statutory tort of infringement is that the use should be without the consent of the proprietor. It is an allegation that must be pleaded, as it is in para 24 of the particulars of claim in this case. [Court Note: And as, I note, it is here.] The absence of the respondent’s consent is part of its claim in the English proceedings. It is not a matter that arises by way of defence, even though the burden of proving consent, rather than its absence, lies or may lie on the alleged infringer, a point which I will consider below. The lack of the proprietor’s consent is one of the five “general conditions for infringement” identified and discussed in *Kerly’s Law of Trade Marks and Trade Names* (16th edn, 2018) in Ch 16. Defences are separately discussed in Ch 17 and the discussion does not include consent. At para 17–062 *Kerly* also refers to a decision of the CJEU which holds in terms that consent is not the same as acquiescence....

36. The same is true of the tort of passing off. There can be no misrepresentation, an essential element in the tort, if the claimant has consented to the defendant carrying on business in the manner alleged to be passing off. An absence of consent is essential to a plea of misrepresentation, and it is indeed pleaded by the respondent in its particulars of claim in the English proceedings at para 33 where it is alleged that the appellants “have made representations leading the public to, or likely to lead the public to, believe that the services provided by the Defendants are the services of (*or associated with, approved, authorised or endorsed by*) the Claimant” [Court Note: there are similar pleas here] and, later, that such representations were “false in that the services offered by the Defendants are not those of (or otherwise

associated with, *approved*, *authorised* or endorsed by) the Claimant” (emphasis added). Consent is not the same as estoppel or acquiescence. The latter, which assumes there is no express consent, may provide a defence but the absence of estoppel or acquiescence is no part of the tort of passing off.

[37] The CJEU has held that the burden of proving consent lies on the alleged infringer in cases brought under s 12 of the Trade Marks Act 1994 or its equivalents: See *Class International BV v. Colgate-Palmolive Co* (Case C-405/03) EU:C:2005:616, [2006] IP & T 178, [2006] Ch 154. It seems likely, and I will assume in the respondent's favour, that the same is true of an infringement claim under s 9. However, the placing of the burden of proof on the defendant to prove consent does not affect the status of the absence of consent as an essential element in the tort of infringement of a trade mark. It is clear that in passing off, the burden of proof in establishing misrepresentation lies on the claimant: *Reckitt and Colman Products Ltd v Borden Inc* [1990] 1 All ER 873 at 880, [1990] 1 WLR 491 at 499 per Lord Oliver. Since passing off is a purely domestic tort, principles of EU substantive law have no part to play.

[38] The very matter being asserted by the appellants in the Cypriot proceedings is that the respondent consented to their use of the marks. They assert that such consent was given by way of a contractual provision, but while consent for the purposes of infringement may be given by contract, it is not essential that it should be. The essential element in the declarations sought by the appellants in the Cypriot proceedings is that the respondent consented to their use of the marks and to carrying on business in a manner which might otherwise amount to passing off. The alleged settlement agreement is, for these purposes, the vehicle for such consent.

[39] The CJEU has made clear that art 29 requires attention to be focused on the claim made by the claimant, not on any defences that are or may be raised....

[40] If the claims in the English and Cypriot proceedings are examined, without regard to any possible defences, it is apparent that the respondent's consent to the appellants' use of the marks, or lack of such consent, is an essential element of both claims.'

45. I cannot but note in passing that the same applies here. German Merck wishes to sue for breach of contract saying that the use of the Merck sign in Ireland is in breach of contract (*i.e.*,

in effect, without their consent). Yet in Germany German Merck also has to show the absence of consent to use of the Merck sign. So, when one looks at the substance of matters – which is what the case law I have considered and am considering requires me to do – in effect the same proposition is being advanced, viz. the absence of consent to use the word ‘Merck’ by US Merck.

46. Richards L.J. continues:

‘[40]....While the Cypriot proceedings are more extensive in the relief sought than the English proceedings, so that there is not a complete overlap between the proceedings, the essential question is whether the “cause” in the English proceedings is mirrored in the Cypriot proceedings. It is, in my judgment, as regards the issue of consent. [Court Note: Much the same applies in the case before me, save that it is the same plaintiff in both places, with that plaintiff proceeding by suing for breach of contract in one place and for trade mark infringement in another place, notwithstanding that both involve the same proposition, namely that there is no consent to what US Merck is doing.]

...

[44] There remain a significant number of factual allegations in the particulars of claim, quite apart from the issue of consent, which the respondent must establish if it is to succeed in its infringement and passing off claims. However, it must also succeed on the issue of consent, which is common to both claims, if it is to succeed in the English proceedings. In other words, the respondent could fail on one or more of those prior issues and so fail in one or both of its claims in the English action, without getting to the issue of consent, but it must succeed in showing that there was no consent in order to succeed on either claim in the English action. The potential for irreconcilable judgments in the English and Cypriot proceedings is immediately apparent.

[45] Just as consent is an essential element in the respondent's claims in the English proceedings, so the issue of consent is not raised by the appellants in Cyprus as an academic issue, but to establish that they are entitled to do what would, or might, otherwise be impermissible by virtue of the respondent's trademarks and business

goodwill.

[46] We were not referred to any decision, whether in this or any other country or in the CJEU, addressing the situation arising in the present case. That situation is best described as one in which the claimant in the English proceedings seeks to establish liability for infringement and passing off, and all the elements of those “causes” are potentially in issue, while the claimants in the Cypriot proceedings seek to establish that they have no liability for infringement or passing off, but only one element of those “causes” is in issue.

[47] The consideration that there is clear potential for conflicting decisions is a relevant but not decisive factor. As Rix J said in *Glencore International AG v Shell International Trading and Shipping Co Ltd* [1999] 2 All ER (Comm) 922 at 929, in a passage approved by the majority in *The Alexandros T*, the purposes of preventing parallel proceedings in different jurisdictions and avoiding if possible irreconcilable decisions are to be achieved by what are now both arts 29 and 30.

[48] The resolution of this issue is, in my judgment, to be found in the explanation given by Cooke J in *JP Morgan v Primacom* [2005] EWHC 508 (Comm), [2005] 2 All ER (Comm) 764, [2005] 2 Lloyd’s Rep 665 (at [42]), also approved by the House of Lords in *The Alexandros T*:

“The expression ‘legal rule’ or ‘rule of law’ appears to mean the juridical basis on which arguments as to the facts will take place so that, in investigating ‘cause’ the court looks to the basic facts (whether in dispute or not) and the basic claimed rights and obligations of the parties to see if there is co-incidence between them in the actions in different countries” [Author Note: I would but note at this juncture that the basic right that German Merck asserts in the breach of contract claim is an objection to the unconsented-to use of the Merck sign by US Merck, and the basic right advanced by German Merck in the EU trade mark proceedings is unconsented-to use of the Merck sign, amounting to a trade mark infringement. It is, as can be seen, the same basic proposition.]

49. While the scope of the dispute in the Cypriot proceedings may be narrower than

in the English proceedings, that which is not disputed in the Cypriot proceedings is in effect assumed in the respondent's favour, narrowing the case to the single issue of consent. Fundamentally, the "cause" and, as is common ground, the "objet" of the two sets of proceedings are the same.'

47. Having found that what presents is the same cause of action, that Art.29 EUJR applies and that the English court, as a consequence, has no choice but to decline jurisdiction, Richards L.J. then proceeds to address Art.30 EUJR in any event (because it had been fully argued). Thus he continues:

'[55] Without expressly addressing the issue, the judge proceeded on the basis that the two sets of proceedings were "related actions" as defined by art 30(3) and this is not surprising, given the centrality of the alleged settlement agreement in both proceedings. This is not challenged by the respondent on this appeal.

[56] In considering the exercise of his discretion under art 30, the judge cited para 76 of the Opinion of Advocate General Lenz in *Owens Bank Ltd v Bracco*...which addressed art 22 of the Brussels Convention which was in substantially the same terms as art 30 of the Judgments Regulation:

"76. Furthermore, there are three factors which may be relevant to the exercise of the discretion vested in national courts by virtue of art 22 but this does not mean other considerations may not also be important: the extent of the relatedness and the risk of mutually irreconcilable decisions; the stage reached in each set of proceedings; and the proximity of the courts to the subject matter of the case. [Court Note: Here, the extent of the relatedness is almost completely because consent is just at the heart of both the Irish contract case and the German trade mark infringement case. The German proceedings are at an advanced stage, while the Irish proceedings have only just started. As to the proximity of the courts to the subject matter of the case, as this is a largely internet-based case, not a lot seems to rest on this factor.]"

[57] Both parties agree that these are indeed relevant considerations, but Mr Ivison

for the appellants also draws attention to para 75 of the same opinion:

“75. The decision required in the context of art 22 of the convention is a discretionary decision. It goes without saying that the circumstances of each individual case are particularly important here. The national courts must bear in mind that the aim of this provision is ‘to prevent parallel proceedings before the courts of different contracting states and to avoid conflicts between decisions which might arise therefrom’, as the court stated in its judgment in *Overseas Union Insurance Ltd v New Hampshire Insurance Co Case C-351/89* [1992] 2 All ER 138 at 160, [1992] QB 434 at 457 (para 16). It would therefore be appropriate in case of doubt for a national court to decide to stay its proceedings under art 22...” [Court Note: The ‘in case of doubt’ criterion effectively equates to the ‘err on the side of caution’ injunction in Websense. My sense is that there is doubt and that and erring on the side of caution requires me to decide this matter in favour of US Merck.]

...

[67] As to assessing the degree of overlap, there is, in my judgment, some substance in the appellants’ challenge. The judge did not, as the Advocate General had suggested, assess the extent of the relatedness. As regards the issue of consent, there is clearly the highest degree of overlap, and to that extent this is a powerful factor in favour of a stay. However, the same is not true of the other issues which, as discussed above, may arise for decision in the English proceedings but will not do so in the Cypriot proceedings. The question of overlap is therefore important but is not in this case overwhelming. I would not in any event accept the appellants’ submission that it is only when the degree of overlap is small, and the other factors are compelling, that a stay should be granted. The degree of overlap is a factor of great importance but, even if the overlap is complete, it may be outweighed by other factors. [Court Note: In effect, what Richards L.J. is pointing to in this regard is the degree of discretion that one enjoys as a judge in this context.]

...

[71] In all the circumstances of this case, the fact that there will be no Cypriot proceedings unless the appellants succeed in their appeal in Cyprus, and the fact of the very lengthy delay in any progress in the Cypriot proceedings even if the appeal is allowed, are overwhelming factors against the grant of a stay of the English proceedings under art 30.’

6. Case C-231/16 *Merck KgaA*
(ECLI:EU:C:2017:771)

48. This is the CJEU reference in the German proceedings. The CJEU describes, in the following terms, the dispute in the main proceedings:

⁹ The applicant in the main proceedings, Merck, is a chemical and pharmaceutical undertaking which, according to the order for reference, employs approximately 40 000 employees and operates in 67 countries worldwide.

¹⁰ The first defendant in the main proceedings, Merck & Co., is the publicly listed parent company of the second defendant in the main proceedings, Merck Sharp & Dohme, which primarily sells medicines and vaccines, as well as cosmetic and healthcare products. According to the order for reference, Merck Sharp & Dohme is responsible for the operational activities of the group and, in particular, its internet visibility, particularly through the publication of information of interest to its shareholders. The third defendant in the main proceedings, MSD Sharp & Dohme, is a German subsidiary of Merck & Co.

¹¹ The applicant and the defendants in the main proceedings were initially part of the same group of companies. However, they have been completely separate since 1919.

¹² It is clear from the order for reference that Merck is the proprietor of the national trade mark MERCK, registered in the United Kingdom. It is also the

proprietor of the EU word mark MERCK for goods in Classes 5, 9 and 16 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and for services in Class 42 of that agreement.

- ¹³ Several agreements were entered into successively between the company which was Merck's predecessor in title and the company which was Merck Sharp & Dohme's predecessor in title. Those agreements, the most recent of which is still in force, laid down rules governing the use of Merck's trade marks by Merck Sharp & Dohme in Germany and in other states.
- ¹⁴ From the website of the defendants in the main proceedings, www.merck.com, any user in Germany or in another Member State is led, in particular by way of links, to secondary websites which also include content reflecting the internet presence of the defendants in the main proceedings, such as www.merckengage.com, www.merckvaccines.com or www.merck-animal-health.com. On those websites, the dissemination of information is not geographically targeted, with the result that all of the content is accessible in the same form worldwide.
- ¹⁵ Alongside their internet domain names, Merck & Co. and Merck Sharp & Dohme have established other forms of online visibility on several social media platforms.
- ¹⁶ On 8 March 2013, the applicant in the main proceeding brought an action before the High Court of Justice of England and Wales, Chancery Division (United Kingdom) against, in particular, Merck & Co. and Merck Sharp & Dohme, for an alleged infringement of its national trade mark due to the use of the name "Merck" in the United Kingdom.
- ¹⁷ On 11 March 2013, the applicant in the main proceedings also brought an action before the Landgericht Hamburg (Regional Court, Hamburg, Germany) against the same defendants, but also against MSD Sharp & Dohme, on the basis of the EU trade mark of which it is the proprietor.
- ¹⁸ As is apparent from the order for reference, the applicant in the main proceedings takes the view that the fact that the websites of the defendants in the main proceedings, screenshots of which it submitted, are accessible in the

European Union, and therefore also in Germany, without geographical targeting of the dissemination, infringes its trade mark rights.

- ¹⁹ By pleadings of 11 November 2014, 12 March 2015, 10 September 2015 and 22 December 2015, the applicant in the main proceedings amended its heads of claim before the referring court and stated that it was withdrawing its action in so far as the applications related to the territory of the United Kingdom. That withdrawal was opposed by the defendants in the main proceedings
- ²⁰ The defendants in the main proceedings take the view that the action pending before the referring court is inadmissible in the light of Article 109(1)(a) of Regulation No 207/2009, at least in so far as it relates to the plea in law alleging infringement of the EU trade mark owned by the applicant in the main proceedings in the entire European Union. The partial withdrawal declared by the applicant in the main proceedings is said to be irrelevant in that regard.
- ²¹ The Landgericht Hamburg (Regional Court, Hamburg) notes that Article 109(1)(a) of Regulation No 207/2009 appears to exclude any limitation of the territorial scope of a possible declining of jurisdiction on the part of the court other than the court first seised, in circumstances such as those at issue in the main proceedings. However, the referring court has doubts in that regard.
- ²² In those circumstances, the Landgericht Hamburg (Regional Court, Hamburg) decided to stay the proceedings and to refer...[various] questions to the Court for a preliminary ruling'

49. By its first and second questions, which the CEJU considered it appropriate to examine together, the referring court asked, in essence, whether Article 109(1)(a) of Regulation No 207/2009 must be interpreted as meaning that the condition laid down in that provision as to the existence of the 'same cause of action' is satisfied where actions for infringement between the same parties, the first on the basis of a national trade mark concerning an alleged infringement within the territory of a Member State and the second on the basis of an EU trade mark concerning an alleged infringement in the entire territory of the European Union, are brought before the courts of different Member States. In answering these questions the CJEU observed, among other matters, as follows:

³⁶ According to the case-law on Article 21 of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, the Court's interpretation of which is equally valid for Article 27 of Regulation No 44/2001, the "cause of action" comprises the facts and the rule of law relied on as the basis of the action....

³⁷ In the present case, first, it is necessary to find, as did the Advocate General in point 51 of his Opinion, that successive civil actions on the basis of EU trade marks and national trade marks must be considered, for the purposes of the application of Article 109(1)(a) of Regulation No 207/2009, as having the same basis, given that they are based on exclusive rights arising from identical trade marks. If the action brought before the court first seised is based on a national trade mark, while the action brought before the court other than the court first seised is based on an EU trade mark, such a circumstance is inherent in the rule of *lis pendens* laid down in Article 109(1)(a) of Regulation No 207/2009.'

50. As can be seen, the CJEU in effect confirms that that where one party is suing on the basis of an EUTM and is also suing on the basis of a national trade mark, based on exclusive rights arising from identical trade marks, then one comes within 109(1)(a). The CJEU continues:

³⁸ Second, as regards the cause of action, it is clear from the order for reference that the actions initiated before the High Court of Justice of England and Wales, Chancery Division and the Landgericht Hamburg (Regional Court, Hamburg) respectively concern the use of the term 'Merck' on the internet in domain names and on social media platforms which are accessible worldwide. Therefore, it is apparent that, subject to verification by the referring court, the condition relating to the identical nature of the facts, like that relating to the identical nature of the cause of action, is satisfied in the present case.'

51. As can be seen, the CJEU in effect states that an identical cause of action presents where one action proceeds on a national trade mark the other proceeds on an EUTM, with the trade mark infringement alleged here being predominantly the complaint about e-mail addresses. There are, it is true, a couple of alleged off-line uses, namely the conference in 2019 and the

Merck manuals in UCD, but other than that these are internet-related proceedings.

52. The CJEU continues:

- ³⁹ As regards the “subject matter”, the Court has stated that this means the end the action has in view...the concept of “subject matter” cannot be restricted so as to mean two claims which are formally identical....
- ⁴⁰ Account must be taken in that regard of the applicants’ respective claims in each of the sets of proceedings....
- ⁴¹ In the present case, it must be stated that actions initiated before the High Court of Justice of England and Wales, Chancery Division and the Landgericht Hamburg (Regional Court, Hamburg) respectively concern claims which only partially overlap. Even though the actions concern the use of the name “Merck” on the internet in domain names and on social media platforms, the content of which are accessible in the same form worldwide, it should be observed that the action brought before the High Court of Justice of England and Wales, Chancery Division, which is based on rights resulting from a trade mark registered in the United Kingdom, seeks to prohibit the use of the name “Merck” in the United Kingdom, while the action brought before the Landgericht Hamburg (Regional Court, Hamburg), which is based on rights resulting from an EU trade mark, seeks to prohibit the use of that name in the territory of the European Union.’

53. As to para. 39, the point being made is that what is at play is an autonomous concept, so it does not really matter how national law classifies the actions in issue. As to para.41, I understand the CJEU to be making the point that the geographical scope of the different proceedings overlaps but is different.

54. The CJEU continues:

- ⁴² In view of the objective of Article 190(1)(a) of Regulation No 207/2009, set out in paragraph 31 above, the actions initiated before the courts listed in the previous paragraph must, for the application of the provision, be found to have

the same subject matter only in so far as the alleged infringements relate to the same territory.’

55. Here, what the CJEU is saying is that Art.136(1)(a) has effect as regards the overlapping territory, but it does not take effect regardless of territory. I understand from the submissions that it was in reliance on this aspect of the CJEU judgment that German Merck elected to ‘carve out’ the UK proceedings so as to avoid the overlap presenting. Regardless, as can be seen, the CJEU in effect considered that what presented was the same subject matter, with the same objective as regards the overlapping territory. Notably, this conclusion was reached even though the parties were only partially the same in Germany and in the UK.

56. By its third and fourth questions, which the CJEU considered it appropriate to examine together, the referring court asked, in essence, whether Art.109(1)(a) of Regulation No 207/2009 must be interpreted as meaning that, where actions for infringement, the first on the basis of a national trade mark concerning an alleged infringement in the territory of a Member State and the second on the basis of an EU trade mark concerning an alleged infringement in the entire territory of the European Union, were brought before the courts of different Member States between the same parties, the court other than the court first seised must decline jurisdiction as regards the action for infringement brought before it in its entirety, or must only decline jurisdiction in respect of the part of the dispute relating to the territory of the Member State referred to in the action for infringement brought before the court first seised. In this regard, the CJEU observed, among other matters, as follows:

⁴⁸ The condition regarding the existence of the “same cause of action” within the meaning of Article 109(1)(a) of Regulation No 207/2009 is satisfied where actions for infringement between the same parties, on the basis of a national trade mark and an EU trade mark respectively, are brought before the courts of different Member States only in so far as those actions relate to an alleged infringement of a national trade mark and an identical EU trade mark in the territory of the same Member States.

⁴⁹ Admittedly, as the defendants in the main proceedings have pointed out, in accordance with Article 1(2) of Regulation No 207/2009, the EU trade mark has a unitary character. Having equal effect throughout the European Union,

it may not, in accordance with that provision, unless otherwise provided in that regulation, be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor may its use be prohibited, save in respect of the whole of the European Union. Furthermore, it follows from recital 3 of Regulation No 207/2009 that the objective pursued by that regulation involves the creation of arrangements for EU trade marks to which uniform protection is given and which produce their effects throughout the entire area of the European Union. Lastly, according to recital 16 of that regulation, the effects of decisions regarding the validity and infringement of EU trade marks must cover the entire area of the European Union in order to prevent inconsistent decisions on the part of the courts and of EUIPO and to ensure that the unitary character of EU trade marks is not undermined.

50 Thus, in order to guarantee the uniform protection throughout the entire area of the European Union of the right conferred by the EU trade mark against the risk of infringement, the prohibition by a competent EU trade mark court on proceeding with acts which infringe or would infringe an EU trade mark must therefore, as a rule, extend to the entire area of the European Union....

51 However, the territorial scope of the prohibition may in certain circumstances be restricted....

52 As the Advocate General observed in point 82 of his Opinion, this must also apply when the court other than the court first seised is required partially to decline jurisdiction pursuant to Article 109(1)(a) of Regulation No 207/2009.

....

53 By its seventh question, the referring court asks, in essence, whether Art.109(1)(a) of Regulation No 207/2009 must be interpreted as meaning that the court other than the court first seised, where the national trade mark and the EU trade mark are identical, must decline jurisdiction in favour of the court first seised only in so far as those trade marks are valid for identical goods or services, or whether the court other than the court first seised also lacks jurisdiction where the EU trade mark relied on before the court other than the court first seised is registered for additional goods and services not covered by the identical national trade mark relied on before the court first seised. To

this, the court indicated, at para.61, that ‘It follows that the court other than the court first seised must, where the EU trade mark and the national trade mark are identical, decline jurisdiction in favour of the court first seised only in so far as those trade marks are valid for identical goods or services.’ [Court Note: In the present case, there are multiple classes of overlap between the national marks and the EUTM; to the extent such overlap, Art.136(1)(a) is mandatory.]

57. In the curial part of its judgment, the CJEU indicates as follows:

- ‘1. Article 109(1)(a) of Council Regulation (EC) No 207/2009 of 26 February 2009 on the European Union trade mark must be interpreted as meaning that the condition laid down in that provision as to the existence of the “same cause of action” is satisfied where actions for infringement between the same parties, on the basis of a national trade mark and an EU trade mark respectively, are brought before the courts of different Member States, only in so far as those actions relate to an alleged infringement of a national trade mark and an identical EU trade mark in the territory of the same Member States.
2. Article 109(1)(a) of Regulation No 207/2009 must be interpreted as meaning that, where actions for infringement, the first on the basis of a national trade mark concerning an alleged infringement within the territory of a Member State and the second on the basis of an EU trade mark concerning an alleged infringement in the entire territory of the European Union, are brought before the courts of different Member States between the same parties, the court other than the court first seised must decline jurisdiction in respect of the part of the dispute relating to the territory of the Member State referred to in the action for infringement brought before the court first seised.’

58. Though it is ‘merely’ an Opinion of an Advocate General and so not binding in law, nonetheless the Opinion of AG Szpunar in the same case (see ECLI:EU:C:2017:330) is of some interest, with the Advocate General opining as follows, in terms from which the CJEU did not elect to demur, on the issue of whether the parties were the same:

- ‘37. It is apparent from the order for reference that the second action commenced in this matter names a party as defendant which was not a defendant in the first action, namely the German subsidiary of the group constituted by the first two defendants in the main proceedings.
38. It is thus necessary to consider whether the two actions are between the same parties.
39. Where parallel proceedings have only some parties in common, the second court seised is required to decline jurisdiction only to the extent to which the parties to both sets of proceedings are the same, and the action before it can thus continue between the other parties.
40. In principle, in order for the parties to be the same, they must be the same persons.
41. Nevertheless, in certain exceptional circumstances, the requirement may be met even if the parties to the parallel proceedings are different persons.
42. The Court has accepted that it is conceivable for the interests of the two parties, in relation to the subject matter of the proceedings, to be regarded as identical and indissociable to such an extent that they must be considered to be one and the same party for the purposes of application of the *lis pendens* rules.
43. In my opinion such exceptional circumstances exist in the case of two parallel actions for infringement — such as those to which the present case relates — involving the same sign used by companies which are economically linked.
44. Within a group of companies, control of intellectual property rights, including trade mark rights, must be given to one of the legal persons, often the parent company, even though, in practice, the signs may be used in the same way by all group companies.
45. In those circumstances, the interests of the companies concerned, notwithstanding that they are distinct persons, exhibit such unity that those companies can be regarded as being one and the same party for the purposes of the objective of avoiding contradictory judgments in trade mark matters.
46. I therefore consider that, in circumstances such as those of the present case, two parallel actions for infringement, one brought against the parent company

and the other against that same company and its subsidiary, must be regarded as proceedings between the same parties where the actions relate to the use of the same sign by economically connected entities....’ [Court Note: The same situation appears to me to present here.]

7. Case C-144/86 *Palumbo*
(ECLI:EU:C:1987:528)

59. Mr Palumbo, an Italian citizen, brought proceedings against Gubisch Maschinenfabrik KG, whose registered office was in Germany, before the District Court of Rome for a declaration that the order he had placed with Gubisch for a machine tool was inoperative. Mr Palumbo argued that he had revoked the order even before it reached Gubisch for acceptance. In the event that the court should hold that a sales contract had been concluded, Mr Palumbo claimed in the alternative its rescission for lack of consent or in any event its discharge for failure to comply with the mandatory time-limit for delivery. In entering an appearance, Gubisch lodged a preliminary objection to the effect that the Italian court lacked jurisdiction on the ground that it had already instituted proceedings in Germany seeking payment from Mr Palumbo for the machine tool purchased by the latter on the basis of a valid contract. There was, therefore, Gubisch maintained, a situation of *lis pendens* as between the two actions, which, pursuant to the first paragraph of Art.21 of the Brussels Convention, had to be resolved in favour of the German court, which was the court first seised. The District Court dismissed the objection, stating that the two cases did not involve the same cause of action and it could not therefore decline jurisdiction in accordance with Art.21. Gubisch appealed to the Court of Cassation on the issue of jurisdiction. That court considered it necessary to submit the following question to the Court of Justice for a preliminary ruling: ‘Does a case where, in relation to the same contract, one party applies to a court in a Contracting State for a declaration that the contract is inoperative (or in any event for its discharge) whilst the other institutes proceedings before the courts of another Contracting State for its enforcement fall within the scope of the concept of *lis pendens* pursuant to Article 21 of the Brussels Convention of 27th September 1968?’

60. In its judgment the Court of Justice indicated, among other matters, as follows:

¹⁴. It must be observed first of all that according to its wording Article 21 applies

where two actions are between the same parties and involve the same cause of action and the same subject-matter; it does not lay down any further conditions. Even though the German version of Article 21 does not expressly distinguish between the terms “subject-matter” and “cause of action”, it must be construed in the same manner as the other language versions, all of which make that distinction.

15. In the procedural situation which has given rise to the question submitted for a preliminary ruling the same parties are engaged in two legal proceedings in different Contracting States which are based on the same “cause of action”, that is to say the same contractual relationship. The problem which arises, therefore, is whether those two actions have the same “subject-matter” when the first seeks to enforce the contract and the second seeks its rescission or discharge.
16. In particular, in a case such as this, involving the international sale of tangible moveable property, it is apparent that the action to enforce the contract is aimed at giving effect to it, and that the action for its rescission or discharge is aimed precisely at depriving it of any effect. The question whether the contract is binding therefore lies at the heart of the two actions. If it is the action for rescission or discharge of the contract that is brought subsequently, it may even be regarded as simply a defence against the first action, brought in the form of independent proceedings before a court in another Contracting State.
17. In those procedural circumstances it must be held that the two actions have the same subject-matter, for that concept cannot be restricted so as to mean two claims which are entirely identical.’ [Court Note: So again, what is at play is a test of substance.]

8. Case C-406/92 *The Tatry*
(ECLI:EU:C:1994:400)

61. The facts of *The Tatry* are not uncomplicated. Simply put, they are as follows. In September 1988 a cargo of soya bean oil belonging to a number of cargo owners was carried in bulk aboard the vessel the *Tatry*, belonging to a Polish shipping company. The voyage was from Brazil to

Rotterdam for part of the cargo and to Hamburg for the rest. The cargo owners complained to the shipowners that in the course of the voyage the cargo was contaminated with diesel or other hydrocarbons. There were three groups of cargo owners: 'Group 1' (the owners of cargo carried to Rotterdam under separate bills of lading), 'Group 2' (Phillip Brothers Ltd, a UK company which owned another part of the cargo carried to Rotterdam under separate bills of lading) and 'Group 3' (four owners of cargo carried to Hamburg under four separate bills of lading, being Phibro, Bunge & Co. Ltd (a UK company) and Hobum Öle and Kurt Nitzer, two German companies). Various actions were commenced in courts in the Netherlands and the United Kingdom by the various cargo owners and the shipowners before the Rotterdam District Court and the Admiralty Court of the High Court of England and Wales. As regards what was known as Folio 2006, the Admiralty Court was urged to decline jurisdiction in favour of the Netherlands court pursuant to Art.21 of the Brussels Convention (*lis pendens*) or Art.22 (related actions). As regards what was known as Folio 2007, since it was accepted that the Admiralty Court was the first seised, a declinature of jurisdiction was sought on the basis of Art.22. At first instance, the Admiralty Court decided that it was under no obligation to decline jurisdiction or stay proceedings. The shipowners appealed against that decision to the Court of Appeal. The Court of Appeal, since it did not uphold the decision given at first instance and considered that the outcome of the proceedings depended on the interpretation of Articles 21, 22 and 57 of the Convention, decided to stay proceedings and refer various questions to the Court of Justice for a preliminary ruling.

62. The first question posed to the Court was essentially whether, on a proper construction, Article 21 of the Convention is applicable in the case of two sets of proceedings involving the same cause of action where some but not all of the parties are the same, at least one of the plaintiffs and one of the defendants to the proceedings first commenced also being among the plaintiffs and defendants in the second proceedings, or vice versa. In this regard, the Court held, at para.34, that 'where some of the parties are the same as the parties to an action which has already been started, Article 21 requires the second court seised to decline jurisdiction only to the extent to which the parties to the proceedings pending before it are also parties to the action previously started before the court of another Contracting State; it does not prevent the proceedings from continuing between the other parties.' So, there is in effect a 'blue line' concept when it comes to applying Article 29. Where the parties are the same, one draws a blue line through them to the extent that they are the same parties in each place, subject, of course,

to the point made by AG Szpunar in the *Merck* case that there is not a difference between the position of subsidiaries and the parent company. (Here, I note I am not dealing with subsidiaries on the US Merck side but with companies under common ownership within a family of companies.)

63. The fifth question was whether, on a proper construction of Art.21, an action seeking to have the defendant held liable for causing loss and ordered to pay damages has the same cause of action and the same object as earlier proceedings brought by that defendant seeking a declaration that he is not liable for that loss. Replying to this question, the Court indicated, among other matters, as follows:

- ‘38. It should be noted at the outset that the English version of Article 21 does not expressly distinguish between the concepts of “object” and “cause” of action. That language version must however be construed in the same manner as the majority of the other language versions in which that distinction is made....
- 39. For the purposes of Article 21 of the Convention, the “cause of action” comprises the facts and the rule of law relied on as the basis of the action. [Court Note: Again, one is dealing with an autonomous interpretation and the test arising is a test of substance.]
- 40. Consequently, an action for a declaration of non-liability, such as that brought in the main proceedings in this case by the shipowners, and another action, such as that brought subsequently by the cargo owners on the basis of shipping contracts which are separate but in identical terms, concerning the same cargo transported in bulk and damaged in the same circumstances, have the same cause of action.
- 41. The “object of the action” for the purposes of Article 21 means the end the action has in view.
- 42. The question accordingly arises whether two actions have the same object when the first seeks a declaration that the plaintiff is not liable for damage as claimed by the defendants, while the second, commenced subsequently by those defendants, seeks on the contrary to have the plaintiff in the first action held liable for causing loss and ordered to pay damages.
- 43. As to liability, the second action has the same object as the first, since the

issue of liability is central to both actions. The fact that the plaintiff's pleadings are couched in negative terms in the first action whereas in the second action they are couched in positive terms by the defendant, who has become plaintiff, does not make the object of the dispute different.'

64. Also asked was (essentially) whether, on a proper construction of Art.22 of the Convention, it is sufficient, in order to establish the necessary relationship between, on the one hand, an action brought in a Contracting State by one group of cargo owners against a shipowner seeking damages for harm caused to part of the cargo carried in bulk under separate but identical contracts, and, on the other, an action in damages brought in another Contracting State against the same shipowner by the owners of another part of the cargo shipped under the same conditions and under contracts which are separate from but identical to those between the first group and the shipowner, that separate trial and judgment would involve the risk of conflicting decisions, without necessarily involving the risk of giving rise to mutually exclusive legal consequences. In this regard, the Court indicated among other matters, as follows:

- ^{51.} The third paragraph of Article 22 provides that "actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings."
- ^{52.} The purpose of that provision is to avoid the risk of conflicting judgments and thus to facilitate the proper administration of justice in the Community....Furthermore, since the expression "related actions" does not have the same meaning in all the Member States, the third paragraph of Article 22 sets out the elements of a definition (same report, p. 42). It follows that the concept of related actions there defined must be given an independent interpretation.
- ^{53.} In order to achieve proper administration of justice, that interpretation must be broad and cover all cases where there is a risk of conflicting decisions, even if the judgments can be separately enforced and their legal consequences are not mutually exclusive.
- ^{54.} The cargo owners and the Commission contend that the adjective "irreconcilable", which is used both in the third paragraph of Article 22 and

in Article 27(3) of the Convention, must be used in the same sense in both provisions, meaning that the decisions must have mutually exclusive legal consequences, as was held in Case 145/86 *Hoffmann v Krieg* [1987] ECR 645 (paragraph 22). They point out that the Court there held that a foreign judgment ordering a person to make maintenance payments to his spouse by virtue of his conjugal obligations to support her is irreconcilable, within the meaning of Article 27(3) of the Convention, with a national judgment pronouncing the divorce of the spouses (paragraph 25).

55. That argument cannot be accepted. The objectives of the two provisions are different. Article 27(3) of the Convention enables a court, by way of derogation from the principles and objectives of the Convention, to refuse to recognize a foreign judgment. Consequently the term “irreconcilable ... judgment” there referred to must be interpreted by reference to that objective. The objective of the third paragraph of Article 22 of the Convention, however, is, as the Advocate General noted in his Opinion (paragraph 28), to improve coordination of the exercise of judicial functions within the Community and to avoid conflicting and contradictory decisions, even where the separate enforcement of each of them is not precluded. [Court Note: So the point is not to concern oneself with enforcement but an overlap in the reasoning of judgments.]
56. That interpretation is supported by the fact that the German and Italian versions of the Convention use different terms in the third paragraph of Article 22 and in Article 27(3).
57. The conclusion is therefore inescapable that the term “irreconcilable” used in the third paragraph of Article 22 of the Convention has a different meaning from the same term used by Article 27(3) of the Convention.
58. Consequently the answer to the fourth question is that, on a proper construction of Article 22 of the Convention, it is sufficient, in order to establish the necessary relationship between, on the one hand, an action brought in a Contracting State by one group of cargo owners against a shipowner seeking damages for harm caused to part of the cargo carried in bulk under separate but identical contracts, and, on the other, an action in damages brought in another Contracting State against the same shipowner by

the owners of another part of the cargo shipped under the same conditions and under contracts which are separate from but identical to those between the first group and the shipowner, that separate trial and judgment would involve the risk of conflicting decisions, without necessarily involving the risk of giving rise to mutually exclusive legal consequences.’ [Court Note: The point made by the Court is that the parties were different in each of the cases. The contracts were different too in the sense that the parties to the contracts were different, but the contracts were all identical in their terms. So, there was a risk that a different interpretation would be given by the national courts to the same terms of contract, and that is why the Court said that there was a risk of conflicting decisions.]

9. Case C-291/00 *LTJ Diffusion*
(ECLI:EU:C:2003:169)

65. The facts of this case were as follows. LTJ Diffusion’s business was the design, manufacture, marketing and distribution of clothing and footwear, in particular adults’ and children’s nightwear, underwear, shoes and slippers. It was the proprietor of a French trade mark that featured the signature ‘Arthur’ in stylised form. The registration related to goods in Class 25 within the meaning of the Nice Agreement. Sadas was a company operating a mail-order business. It marketed inter alia children’s clothing and accessories. It was the proprietor of a French trade mark which showed the words ‘Arthur et Félicie’ in printed capital letters. The registration related, among other matters, to goods in Class 25 of the Nice Agreement. LTJ Diffusion brought an action against Sadas before the Tribunal de grande instance de Paris requesting that court to issue an injunction, order confiscation and customary publication and declare that Sadas’ trade mark was invalid. The Tribunal de grande instance considered it necessary to stay proceedings and to refer the following question to the Court for a preliminary ruling: “Does the prohibition in Article 5(1)(a) of First Council Directive 89/104/[EEC] of 21st December 1988 to approximate the laws of the Member States [relating to trade marks] cover only identical reproduction, without addition or omission, of the sign/s constituting a mark or can it extend to (1) reproduction of the distinctive element of a mark composed of a number of signs; (2) full reproduction of the signs making up the mark where new signs are added?”

66. In the course of its judgment the Court observed, among other matters, as follows:

- ⁵⁰ The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition of identity implies that the two elements compared should be the same in all respects. Indeed, the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the directive, cannot be extended beyond the situations for which it was envisaged, in particular, to those situations which are more specifically protected by Article 5(1)(b) of the directive.
- ⁵¹ There is therefore identity between the sign and the trade mark where the former reproduces, without any modification or addition, all the elements constituting the latter.
- ⁵² However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question....
- ⁵³ Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by an average consumer.
- ⁵⁴ In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.'

67. In essence, as can be seen, LTJ Diffusion is a trade mark case about how to tell when one is dealing with a sign which is identical to a trade mark. Perhaps unsurprisingly, the Court of Justice indicated that what is at issue is a test of substance.

68. I do not see that it is necessary to consider my own previous judgment *Vodafone*, which sought to distil existing principles, not to establish new principles.

Pleadings

69. I turn now to the pleadings.

1. The Irish Pleadings

70. The statement of claim, among other matters, claims as follows:

‘Trade Mark Infringement by MSD Ireland

29. By using the sign “Merck” (including in and through the use of the e-mail domain “@merck.com”), which is a sign that is identical with, or similar to, the Merck Trade Marks, ‘..in the State, in relation to goods and services in respect of which the Merck Trade Marks are registered and/or goods and services that are similar to those for the which Merck Trade Marks are registered, without Merck KGaA’s consent, MSD Ireland has infringed, and continue to infringe, the Merck Trade Marks or one or more of them.’

71. A number of points might be made concerning this claim. First, as regards the ‘without Merck KGaA’s consent point’, this is the Art.9 point. One has to plead absence of consent (there is no infringement case without it). Second, as to ‘MSD Ireland has infringed, and continue to infringe, the Merck Trade Marks or one or more of them’, I would merely note that this is the plea of the identity of the word ‘Merck’ and the figurative Irish trade marks.

72. The statement of claim also claims as follows:

‘Breach of contract by MSD LLC [US Merck]

22. MSD LLC (and its subsidiaries and affiliates) has used and is continuing to use the name and sign “Merck” in the State in breach of the provisions of the Agreement (including clause 7 of the 1970 Agreement).’

73. This claim as phrased extends to MSD Ireland, which is therefore accused of trade mark infringement, and again one has the allegation as to the want of consent.

2. The German Pleadings

74. It will be recalled that pursuant to applicable case law, I must look at the complaint made in the foreign jurisdiction. Doing so is a little bit complicated in this case because, in a sense, there are two complaints: the complaint made to the Hamburg court and the grounds of appeal from its decision. I am not entirely certain which falls properly to be viewed as the complaint, so for the sake of completeness I look at both the complaint and the grounds of appeal – and in any event I am not persuaded that it matters greatly in this case which of the two falls technically to be treated as the complaint. I note that when looking at, *e.g.*, a complaint or grounds of appeal or a reply, I am obviously looking to documents that present a particular point of view and as to the substance of which I have and express no view.

75. I refer to Book 3 of the documentation placed before me. At p.193 (p. 17, File 1) of the translated pleadings, the first substantive issue addressed is ‘Agreements Between the Parties Concerning the Use of the Sign “Merck”’. The terms of the agreements are set out, and, at p.196 (p.20, File 1), it is asserted that ‘[i]t follows from the agreement that in the other EU member states, too, the Defendant under 2 [US Merck] merely has the right to use the composite sign “Merck Sharp & Dohme” (whether as a trade mark or a firm name or a part thereof).’ So straight away one gets argument about what the agreement means. Later on p.196 (p 20, File 1) comes the following: ‘[w]hile no contractual claims are being asserted in the present proceedings, the existing agreements are nonetheless also important for understanding the legal situation within the context of the law governing distinctive signs.’ Moving on, at p.221 there is complaint about the availability of the merck.com website in the European Union. (One of the breaches alleged in Ireland, I note in passing is about a video talk that is on the *merck.com*

website in Ireland.) At p.275 (p.99, File 1) , is a complaint about the merck.com website announcing job vacancies in Ireland. At p.282 (p. 106, File 1) there is complaint about the *merck.com* website mentioning terms and conditions for Ireland. At p.320 (p.144, File 1) there is complaint about the Merck Manual Home Edition having been made available on the internet in the European Union (in English and in German). Similar complaint is made regarding Ireland, though here the work has allegedly been made available as an e-book on Amazon. On p.321 (p.145, File 1) there is complaint about the Merck Veterinary Manual which, it will be recalled, has been made available in the European Union by virtue of a copy having been donated to UCD. At p.329 (p.153, File 1) there is complaint about US Merck websites coming up when a Google search is done in Ireland. At p.435 (p. 97, File 1B) complaint is made about the use of the email domain name '@Merck' at *www.merck.com*. Similar complaint is made about a Merck animal health website at p.445 (p.107, File1B). And at p.451 (p.113, File 1B) there is complaint about the Merck Manuals app being made available on the App Store.

76. I refer to Book 4 of the documentation placed before me, where the (very long) complaint continues. At p.573 (p.7, File 2), under the heading 'Similarity/identity of signs' comes complaint that 'An identity of signs also exists between the Plaintiff's Community trade mark "MERCK" and the variation used by the Defendant under 2 [US Merck], "Merck". The text continues: 'In keeping with the rulings of the ECJ, there is also an identity of signs if the differences in the overall impression are so insignificant that they might not be noticed by an average consumer. Differences merely in the use of upper and lower case letters are, as a general rule, of no significance and do not result in the signs no longer being identical.' So, German Merck is saying that the upper case and lower case are identical. The text continues: 'This is so because the relevant public is used to seeing one and the same trade mark sometimes in upper case throughout and sometimes with only the first letter in upper case, and therefore does not pay attention to this difference. An average consumer will therefore not be able to recall whether he has seen the sign "MERCK" or the sign "Merck"'. On p.575 (p.9, File 2) under the heading 'Visual similarity' comes the observation 'Since the Plaintiff's Community trade mark is a pure word mark, a single-coloured design and a popular font cannot result in the signs no longer being identical...'. In other words, German Merck is saying that a difference in design and use of a popular font does not mean that the signs are not identical, so German Merck is applying the substantive concept of identity. At page 576 (p.10, File 2) comes complaint about a logo 'MERCK' that is alleged to be identical to the EUTM for the word 'MERCK'. At p.600

(p. 34, File 2) of the complaint comes the heading ‘Application of the principles concerning the right of bearers of the same name’. Thereafter, mention is made of a German law doctrine, identified in the following terms (along with the claim that the old name defence is not available), at 600-601:

‘According to the principles developed in the court rulings handed down by the German Federal Court of Justice dealing with the right of bearers of the same name, which are also applicable in the assessment of this restrictive provision, the older bearer of a name can be expected to tolerate the use of a younger name in the course of trade, and in particular the increased risk of confusion due to the appearance of new forms of use and the resulting disturbance of the equilibrium, only if the younger bearer of the name has an interest worthy of protection in such use, acts in good faith and - within reasonable limits - takes the requisite and suitable measures to avoid confusion to the extent this is possible. In particular the following facts argue against the assumption that the use of the distinctive sign “MERCK” in isolation by the Defendant under 2 in its Internet presence meets these requirements....i ...[I]f the Defendant under 2 abandoned the disputed use of the distinctive sign “Merck” (as currently practised on the Internet), this would also be in line with the territorially differentiated co-existence solution agreed between the parties (and in principle still practised today apart from on the Internet), which was laid down most recently in the 1970 Agreement...’.

77. At p.603 (p 37, File 2), cl.3(b) of the agreement is cited and the following claim made:

‘...[T]he Defendant under 2 is contractually expressly prohibited from using “Merck”, at least as a trade mark in Germany (this also applies in relation to composite signs with the component “Merck”). In actual fact, under the agreement the Defendant under 2) is permitted to use “Merck Sharp & Dohme” (the dominant part of the current firm designation of the Defendant under 2) in Germany only if it uses this firm name together with a clarifying geographical addition....The current use of the distinctive sign in the Internet presence of the Defendant under 2 does not meet these requirements. [*i.e.* US Merck is claimed to be acting in breach of the agreement.]’

78. At p.620 (p.54, File 2), the point is made that ‘As regards the United Kingdom, Ireland and Malta, the economic relevance of the Internet presence of the Defendant under 2 [again, that is US Merck] is particularly evident, since English is the official language in those countries and it will be even more natural for the members of the targeted relevant public to go to the English-language Internet presence of the Defendant under 2.’

79. One might think from the foregoing that complaints about the position in Ireland somehow abound in the German pleadings. They do not. In fact, only a few instances of alleged misbehaviour get a mention.

80. I turn next to US Merck’s reply to German Merck’s complaints.

81. At p.651 (p.4, Reply), US Merck intimates that it is entitled to do as it has under the 1970 Agreement. At p.716 (p.69) it invokes the own name defence under Art.12 of what was then the Community Trademark Regulation. At p.726 (p.79) it deals with ‘Forfeiture’ (which is the German law version of acquiescence) and makes argument based on that. At 784 (p.137), comes the heading ‘Obligation of the complainant to tolerate the use of the designations in dispute because of the contractual agreement from the year 1970 as well as the principles of the rights of persons/entities with the same name’, following which, comes the statement:

‘Furthermore it does not have to be decided whether, and if yes, which signs of the defendant 2 are identical or similar to the Community word trademark “MERCK” of the complainant and might therefore eventually be confusingly similar. The reason is that after the above-said (see above [...]), the defendant 2 is entitled to use the designations in dispute in view of the contractual agreement from the year 1970 as well as based on the principles of the rights of persons/entities with the same name. Therefore, the complainant has to accept the use of identical or similar signs in Germany and the European Union by the defendant 2 carrying the same name.’
[Court Note: So what is being said is that one does not need to get into issues of identity or confusing similarity because there is consent to what is being complained about.]

82. I turn next to the grounds of appeal. At p.809 (p.2 of 76) one finds the form of order that German Merck seeks from the appeal court, *viz.*, an order to stop the use of the word ‘Merck’ on the internet in the EU and covering the *merck.com* e-mails, the use of Merck Manuals, the apps, the e-books, and makes mention of blocking. At p.813 (p. 6 of 76), the text gets straight into what is/is not allowed under the contract. Thus, German Merck maintains that US Merck is breaking the agreement, that it does not have German Merck’s consent and that hence there is trade mark infringement. That may be the way that one goes about pleading an infringement case; however, when one reads p.813 I respectfully just do not see how German Merck can properly assert that there is no overlap between the breach of contract claim in Ireland and the trade mark claim in Germany because there is no actual claim for breach of contract in Germany.

83. Moving on, at p.821 (p.14 of 76), at para.23, one again finds mention of what the agreement between the parties does and does not allow. At p.855 (p. 48 of 76) comes mention of the decision of the Court of Appeal of England and Wales, German Merck asserting as follows:

‘...[W]e refer to the judgment of the Court of Appeal of 20 December 2017...[T]he judgment...affirms a breach of contract by the uses of “MERCK” on *www.merck.com* etc., which are also the subject matter in dispute in the instant case. The Court of Appeal further found that the domain *merck.com* and the e-mail addresses with the extension “@merck.com” were used in a manner that infringes the trade mark. It is unmistakably clear from the judgment that an overall assessment of the Internet presence must be made....’

84. As can be seen, German Merck invokes the UK judgment to say that the Court found a breach of contract and hence what is being done by US Merck is not being done with consent. At p.875 (p.68 of 76), comes mention of the position under German law whereby, as a rule, a person’s name originally had to be incorporated into the name of German companies (when modern private companies as we know them came into being in Germany). At p.876 (p.69 of 76), German Merck continues that ‘[i]t is true that the name “Merck” on which the Defendants rely originates from a natural person. However, this name has been merely a firm designation for quite some time. Thus, the Defendants cannot invoke the right of bearers of the same name.’ So the same name issue is clearly going to be a focus of the appeal. At p.878 (p. 71 of 76), under the heading ‘State of equilibrium governed by the agreement between the parties’, come the

following observations:

‘166. The German Federal Court of Justice developed the right of bearers of the same name for situations where there was an equilibrium between bearers of the same name that was not regulated by an agreement. This is because if the legal relationship between the parties is regulated by an agreement, the state of equilibrium is governed by such an agreement. In that case, the principles of the right of bearers of the same name are no longer relevant, because the contractual agreement takes precedence over the statutory provisions.

167. According to the agreement, the Defendants are prohibited from using the trade mark “MERCK” in the EU at all - with the exception of the combination mark “Merck Sharp & Dohme”, to the extent that such use does not concern Germany, where the use of the combination mark is likewise prohibited. The Plaintiff is asking the Defendants for less than what they owe under the contractual arrangements. These contractual agreements leave no room for the judge-made legal institution of the right of bearers of the same name.’

85. As I understand the just-quoted text what is being said is that the own-name defence cannot be relied upon as there is a contract in place which precludes or overcomes such reliance. So again the contract is front and centre.

86. I turn next to the reply from US Merck which also features this contractual focus. Thus, at p.888 (p.5), there is mention that ‘the parties agreed on the worldwide use of the sign “Merck” in several co-existence agreements’ with related argument then following on. And, at p.968(p.85), under the heading ‘No infringement of distinctive sign rights as a result of the 1970 agreement and the applied understanding thereof’ there is argument concerning the application and meaning of the agreement and the entitlements of US Merck under the agreement, which concludes with the observation, at 970, that ‘Ultimately, the Defendants are...permitted to commit the acts of use in dispute also based on the 1970 Agreement.’ So again the contract is at the heart of matters.

87. I turn next to a reply from German Merck (to the Hamburg court) which is contained in Book 16 of the documentation before me. At p.2609 (p. 4 of 334) (in the table of contents) is

the entry ‘No justification according to the rights of bearers of the same name’. So the agreement is again invoked. At p.2610 (p. 5 of 334), again in the table of contents is the entry ‘No contractual entitlement of the Defendants to the distinctive sign use in dispute’. (Here, the point being made is that there is no consent.) There are explicit assertions of breach of contract, with German Merck stating (at p. 2812, p. 207 of 334) that ‘[w]ith its globally uniform Internet presence using “MERCK”, the Defendants knowingly and intentionally flouted and continue to flout both the currently applicable territorially-differentiated co-existence solution as well as the 1970 Agreement and the Plaintiff’s distinctive sign rights (namely in Germany and the EU)’, (at p. 2861, p.256 of 334) that ‘[t]his is all the more true in the case at hand as the use in dispute of the distinctive sign “MERCK” (as already submitted) is also product-related and thus (also) constitutes use as a trade mark, which, in respect of Germany and the EU, additionally breaches the contractual duty under clauses 3(b) and 7 of the 1970 agreement to refrain from any use of “Merck” as a trade mark.’ Moving on, at p.2875 p. 270 of 334, under the heading ‘No Contractual Entitlement of the Defendants to the Distinctive Sign Use in Dispute’ come the observations that:

‘Furthermore, the Defendants are not contractually entitled to the distinctive sign use in dispute....[T]he Defendants allege that they are entitled to use the domains and signs in dispute in the manner contested.... This is (obviously) incorrect according to the clear wording of the agreement. Nor does this issue depend on whether German law is applicable to the corresponding contractual provisions...or whether the law of the State of New Jersey is applicable. The result is the same in both cases.’

The Hamburg District Court Judgment

88. I turn now to the Hamburg District Court judgment. This is the judgment that is presently under appeal. It is a judgment between German Merck, with the second-named defendant being US Merck. At para.1 the District Court indicates that, so far as the UK is concerned, it declines jurisdiction in favour of the High Court of England and Wales. Turning then to the substance of the agreement, the District Court observes, among other matters, as follows:

‘[at p.3] The Plaintiff is asserting cease and desist claims and annex claims against

the Defendants due to the use of the word “MERCK” in a number of domains, distinctive signs, Internet presences, Internet platforms and business relationships both in Germany and in the European Union.

...

The Plaintiff is also the holder of the European Union word trade mark “MERCK”...

[at p. 4] In the European Union, the Defendant under 2) [US Merck] has the following subsidiaries [with Merck Sharp & Dohme Ireland (Human Health) Ltd listed among them. In other words, German Merck is complaining about US Merck infringing the EUTM, and attributing to it the activities of all of its subsidiaries, including the Irish one, (being the only defendant in the trade mark proceedings in Ireland).

[at p.8] The agreement according to Exhibit B 4 was subsequently superseded by the agreement dated 1 January 1970...

[So the court identifies the provisions of the agreements between the parties from the very outset, at p.10 it identifies various details of the 1975 Agreement, and at p.13 it notes the complaint that has been filed in the UK courts. The UK complaint (and the fact that the German proceedings commenced subsequent thereto) features at p.14. At p.15 comes mention of the reference to the CJEU. At p. 17 the court indicates that German Merck is proceeding as specified in the (lengthy) Annex. The Annex runs to hundreds of pages but essentially covers the complaints mentioned above: the complaints about the manuals, the complaints about the e-mail addresses, etc. The Court then references Art.136(1)(a) EUTMR.]

[at p.18] The Defendants take the view that, under the 1970 agreement, they are, furthermore, entitled to use not only the sign “Merck Sharp & Dohme” within the European Union; according to the contractual provisions, they are entitled to also use the signs “Merck & Co., Inc.” and “Merck Sharp & Dohme” in Germany and the European Union.

...

According to the Defendants, from a legal standpoint, no trade mark infringements have been committed due to, inter alia, the lack of a commercial effect of the websites in dispute in the European Union and taking into account the agreements entered into between the parties in the past and the applicable right of bearers of the same name in the relationship between the parties. [So again the agreement is invoked.]

[at p.19] The Defendants argue that the Plaintiff tolerated Internet presences of the Defendants for years without objecting to them, which means that the claims now being asserted are forfeited.

[at p.20] The complaint is partially inadmissible to begin with and, in any case, unfounded in its entirety.

...

[at p.24] Furthermore, the present dispute must be decided taking into account the principles developed with regard to the right of bearers of the same name and not according to principles of priority. In this respect, it must also be taken into account that, in the US, which is their domicile, the Defendants have rights in the sign “Merck” with better priority compared with the Plaintiff.

In any case since 12th September 1955... - and thus long before the priority date of the sole European Union trade mark asserted here by the Plaintiff - there has been a state of equilibrium in terms of firm designation law between the parties in the European Union, such that both the Plaintiff and the Defendants are permitted to present themselves under corporate law using the sign “Merck” plus an indication of their legal form in Germany and the other member states of the European Union at the time.

...

[at p.25] According to the principles developed with regard to the right of bearers of the same name, the only circumstance in which the holder of a distinctive sign right must, as a rule, accept that the holder of the other distinctive sign right increases the risk of confusion and thus disrupts the state of equilibrium is when that party has an interest in using the sign that is worthy of protection and does everything necessary and reasonable to counteract as far as possible an increase in the risk of confusion.

[at p.28] Furthermore, taking into account the aspects evident from I 3 and 4 [part of the judgment that addresses the agreements between the parties] in view of the sign uses in dispute on the Internet, a normative restriction of the Plaintiff's rights under the trade mark in suit is necessary in the relationship between the parties.

[at p.33] The Defendants cannot effectively be forced to forego using the Internet as an advertising medium on the basis of the trade mark in suit that is territorially restricted to the territory of the European Union – such a measure would far exceed the scope of the Plaintiff's legal power under the trade mark in suit.

[The court then moves on to geo-blocking and concludes that this is not permissible.]

[at p.38] The Defendants do not offer their goods and services in the European Union using the sign “Merck”. Furthermore, based on the agreement between the parties, which is also binding for the parties to this legal dispute, under firm designation law, the Defendants are entitled to use the firm designation “Merck” in the European Union if they include an indication of the legal form and a clarifying geographical addition.

[Court Note: Here, the District Court is emphasising a positive entitlement on the part of the Defendants to use the word ‘Merck’ to describe their business. It seems not to be too concerned about the ‘& Co. Inc’ limb, its point being, as I read it, that

there just needs to be enough material there to make it clear who a communication is coming from.]

[at p.40] With respect to the main motion...which contains two additions introduced by “in particular” and by means of which the Plaintiff aims to prohibit the Defendants in an abstract manner “from using, in the course of trade in the European Union (except for the United Kingdom), on the Internet, [in particular (...)], the distinctive sign “Merck Manuals” for manuals that can be called up online as well as for corresponding downloadable software and/or files (apps, eBooks), [in particular (...)]”, under the coexistence agreement between the parties, taking into account the principles of the right of bearers of the same name, in light of art. 15(2) of the Joint Recommendation and for the purpose of a normative restriction of the Plaintiff’s rights under the trade mark in suit, the Plaintiff’s motion readily covers - apart from the question of the Defendants’ standing to be sued regarding the “Univadis” websites - permitted uses of the distinctive sign “Merck Manuals” on websites that can be called up online in the European Union as well.

[at 41] [T]aking into account the principles of the right of bearers of the same name and under the coexistence agreement between the parties...the Defendants cannot be prohibited in an abstract manner from using their signs, which have better priority compared with the Plaintiff, in the US on English-language websites and on websites that can also be called up in the European Union.

[Court Note: In other words, it is not in violation of the trade mark for there to be *merck.com* websites which can be accessed in the European Union.]

[at p.50] ...[T]o the extent that the sole subject matter in dispute of said motion is the mention of the email addresses “*MRLSD@merck.com*” and “*MRLSDfeedback@merck.com*” in the reproduced infringing embodiment, the latter exclusively reveals uses of the sign “Merck” as a firm designation, and the state of equilibrium between the parties due to the specification “External MSD Users” in the top left and the sign “MSD Be Well” in the bottom right therein - taking into account the coexistence agreement between the parties, the

principles of the right of bearers of the same name, in light of arts. 13-15 of the Joint Recommendation and for the purpose of a normative restriction of the Plaintiff's rights under the trade mark in suit - is not disrupted.

[Court Note: What is being said by the District Court at this juncture, as I read the judgment, is that the e-mail domains are but identifying the business as part of a firm designation, with other references to MSD appearing on the same page. So it is not an objectionable use; it is indicating the commercial source of the business. The UK courts, I note, have reached a precisely opposite view.]

[at p.53] The “Merck Manuals” can be purchased via Amazon and so-called app stores - albeit not from one of the Defendants...is likewise a mere reflection of the worldwide availability of these English-language manuals, which does not constitute an infringement of the trade mark in suit in the European Union in the relationship between the parties [including the agreements].

[at p.55] Taking into account the coexistence agreement between the parties, the principles of the right of bearers of the same name and in light of art. 15(2) of the Joint Recommendation, the screenshot according to the further alternative motion under I 47.2...which shows uses of the sign “Merck” as a firm designation, contains the addition “Merck, known as MSD outside the United States and Canada”, which precludes an infringement of the trade mark in suit in the relationship between the parties’.

The Judgment of the Court of Appeal of England and Wales

89. I turn next to consider the judgment of the Court of Appeal of England and Wales in *Merck KGaA v. Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834. Before I commence my consideration of that case, it may be useful to quote from paras.13-22 of the judgment of Kitchen L.J. by way of reminder as to what was the focus of those proceedings:

‘13. ...[I]n 1975 the parties agreed a protocol to the 1970 Agreement (“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....

14. 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 [*i.e.* German Merck] became increasingly concerned at what it perceived to be a substantial growth in the use by Merck US of the word “Merck” outside the USA and Canada. That use took various forms and included use in a number of websites....The [trial] judge found these to be global websites which, among other things, targeted scientists and inventors in the UK, sought to recruit people with UK qualifications to jobs in the UK, solicited UK suppliers, and set out purchase order terms and conditions.
15. These and other online and offline uses led Merck Global to write a letter to Merck US on 17 July 2012 saying: “...our company is increasingly alarmed by the ever-growing and now fairly massive presence of MSD on the internet and social media using “MERCK”’
16. No satisfactory resolution was reached and so, on 8 March 2013, Merck Global issued these proceedings complaining of infringement of registered trade marks and breach of contract. Four registered trade marks were relied upon...
17. Merck US defended the claim and counterclaimed for the revocation of each of the registered trade marks on the ground of non-use.
18. The action gave rise to a preliminary issue, namely whether the governing law of the 1970 Agreement and the 1975 Protocol was German law or New Jersey law. That issue came on for hearing before Nugee J in November 2014....[H]e found that the governing law of the 1955 Agreement (and so also the 1970 Agreement) was German law.
19. The action came on for trial before Norris J in April 2015....
20. The judge....found that the first defendant, Merck Sharp & Dohme Corporation, as the contracting party, had acted in breach of the contractual obligations contained in the 1970 Agreement (and the 1975 Protocol) by using the word “Merck” in the UK as a business name and as a trade mark in an

impermissible way. He found too that the defendants had infringed each of the registered trade marks. On the counterclaim, he 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 finding of infringement....

22. Merck US contends on this appeal that the judge has made a series of fundamental errors which fatally undermine his judgment and order...’.

90. In his judgment for the Court of Appeal Kitchin L.J. observes, among other matters, as follows:

- ‘78. The parameters of the claim were also outlined to the court in the parties’ opening written submissions. Introducing the claim, Merck Global argued...

“5. In the circumstances this is a claim for breach of contract (specifically breach of clause 7 of the 1970 Agreement) by the First Defendant, and infringement of registered trade marks, in respect of the use by the Defendants of the sign MERCK in the United Kingdom.... Whilst, in the Claimant's submission, both causes of action lead to the same result (i.e. breach and infringement) and there are overlapping issues, they are entirely distinct jurisprudentially and each needs to be considered in its own right. [Court Note: It appears from this text that German Merck accepted in the UK proceedings that there were overlapping issues in its cases on contract law and trade mark law].

...

89. [Court Note: At this point, Kitchin L.J. is outlining the expert evidence of the two witnesses on German law.]

...(iii) ...The idea is that, in order to find out the meaning of a

term of a contract, the court goes back to the individual behaviour or statement that led to the incorporation of the term in the contract. This is not the same as starting with the words of the contract and using the factual matrix as an aid to construing unclear expressions: German courts are much more ready than English courts to go beyond the wording of a contract.

- (viii) Once the objective intention of the parties at the time of the bargain is ascertained then both parties are under an obligation to support the purpose of the contract and to desist from all activities that might endanger its achievement. Thus each party must respect and act in consideration of the other party's interests under a contract.

...

- (xi) If the contract cannot be read as addressing the particular situation, then there may be an “unintentional gap”. The German court then enquires by way of supplementary construction (“ergänzende Vertragsauslegung”) what the parties would reasonably have agreed upon had they thought of the situation. Without changing the meaning of the original contract its terms may by analogy be carried over to cover the unintentional gap.

...

- 99. [Court Note: Kitchin L.J. now moves on to summarise the conclusion of the court below.] The judge then expressed his conclusion at paragraph [83], finding that the 1970 Agreement restricted the use by Merck US in the UK of the word “Merck” not just as a trade mark but also as a company or trade name:

“83. ... In my judgment according to German law: a) the use in the UK of the word “Merck” alone by Merck US as a contraction of the full trade name and without a geographical identifier is a breach of the 1970 Agreement; (b) the use in the UK of the word “Merck” by Merck US as a trade mark is a breach of the 1970 Agreement.

[Court Note: As can be seen, the trial judge took a strict view that the agreement excluded the use of the word ‘Merck’ even to describe the business. For him, it always had to be ‘Merck & Co., Inc’, a point on which the German court was not *ad idem* with its English counterpart. The German court read the agreement as conferring a positive right to use ‘Merck’ once there were indicia which would avoid confusion.]

...

132. Literally interpreted, the terms of the 1970 Agreement therefore provide support for Merck US’s contention that clause 7 is concerned only with the use of the word “Merck” as a trade mark. On its face, this clause does not purport to restrict the use of the word “Merck” as or as part of a firm or corporate name. However, as I have sought to explain, the words of the agreement are not to be construed literally. Under German law, it is permissible to have regard to, among other things, the content of the negotiations leading up to the agreement and to the parties’ conduct and statements after the agreement to see what light they shed on their intentions. In addition, the parties are under an obligation to support the purpose of the agreement and to desist from all activities which might endanger its achievement.

[Court Note: In effect, what I understand Kitchin L.J. to be stating at this point is that US Merck cannot rely on the right under cl.5. to use ‘Merck & Co., Inc.’ (or ‘Merck’, as the German court viewed it), to describe the business as a restriction or limitation on cl.7 giving all the trade mark rights in the EU,

except Germany, to German Merck. This seems to be the opposite of the approach in the German judgment.]

...

200. I would also make clear that I am satisfied that the uses of the word “Merck” as part of the addresses of the impugned websites, as part of the name Merck & Co Inc (but without a geographical identifier) or as part of email addresses ending “@merck.com” also fall within the scope of clause 7. In each of these forms of use the word appears without any significant distinguishing matter and in a way which, if used by a party outside its permitted territory, would undermine the purpose of the 1970 Agreement. These uses do not incorporate and are not accompanied by any geographical identifier...[Court Note: The German court reached the opposite view in the German judgment, stating that this was a firm designation use in accordance with 1970 agreement.]

...

201. In my judgment, the activities of Merck US of which complaint is made did therefore, at least prima facie, constitute a breach of clause 7 of the 1970 Agreement. Nevertheless, Merck US maintained at trial that, for various reasons, they did not. Those reasons were, in summary:

...

- iii) A German court would seek to preserve an equilibrium that has developed between the parties acting under the terms of a co-existence agreement in a similar way to the application of the doctrine of honest concurrent use in trade mark law, and such an equilibrium had developed in the circumstances of this case. [Court Note: It appears therefore that the court recognises the equilibrium concept (as being a contract issue, as well as a trade mark issue), a point that is addressed in the German judgment also, pointing again to the potential for overlap. Equilibrium is further considered from para.213

et seq., which consideration includes a reference to *Peek & Cloppenburg* 738 GRUR 2010, a German case that is also referred to in the German judgment. And, at para.229, Kitchen L.J. concludes that ‘the [trial] judge was entitled to find that the German doctrine of “equilibrium” gave Merck US only limited assistance and that it did not provide a self-standing answer to the whole of the claim’. So a different analysis is brought to bear by the English court, even as to the applicable caselaw, from that brought to bear by the German court.]

...

Was the claim for breach of contract limited territorially?

232. Merck Global contends upon its appeal that the judge wrongly confined his final order in respect of the claim for breach of contract to the UK. [Court Note: In other words, German Merck contends that the finding of the English court should apply globally, not just in the UK and that the trial judge had wrongly confined his order in this regard.]

...

234. Mr Speck acknowledges that the particular allegations of breach of the 1970 Agreement of which complaint has been made in these proceedings concern activities which have occurred in the UK, but submits that this reflects a decision taken by Merck Global for reasons of procedural economy. He also recognises that there are parallel proceedings in Germany and in France but maintains that these do not involve any claim for breach of the 1970 Agreement.

...

236. I have no doubt that this contention must be rejected. My reasons for coming to that conclusion are these. First, all of the acts of Merck US of which complaint was made in the particulars of claim and at the trial occurred within the UK. It was never asserted in these proceedings that any act by Merck US outside the UK amounted to a breach of the 1970 Agreement. It was a claim for breach of contract arising from its activities in the UK which the first defendant, as the contractual counterparty, met in its defence and that was the claim upon which the action proceeded throughout and which the first defendant came to court to defend....

237. Secondly, I am not persuaded that, were the courts in this jurisdiction to consider the issue of breach of the 1970 Agreement arising from the activities of the first defendant in France and Germany, there would be no scope for conflict between these proceedings and parallel proceedings in those countries. The potential overlap between these proceedings and those in Germany has been recognised by the German courts. Further, in addressing the claims for infringement of registered trade mark in France, the French court was required to and did consider the effect of the 1970 Agreement.

...

276. Fourthly, the judge found that the established uses of “*merck.com*” as a domain name and “*@merck.com*” as an email address constituted uses of the word “Merck” as a trade name and not, at least in general, as a trade mark.

...

299. Paragraphs 2 and 3 contain injunctions in respect of breach of contract and infringement of registered trade mark and read: “2. The First Defendant shall not (whether acting by its directors, officers, employees, agents, or otherwise howsoever) from the Effective Date [the 31st day after the order] 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. [Court Note: As can be seen the order was given on the basis of contract and trade mark, *i.e.* on a dual basis.]

300. These injunctions are subject to the qualifications set out in paragraph 4:

“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 “Merck Sharp and Dohme” or (ii) Merck & Co Inc or “Merck & Co Limited”...

301. There is then a further proviso at paragraph 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.”

The New Jersey Proceedings

91. One of the things German Merck had to do for the purposes of O.11 is satisfy the court that New Jersey is not an appropriate place for proceedings. As I have already mentioned, German Merck has failed to do so. In fact there are already some proceedings in being in New Jersey, a

point which might usefully have been dealt with in an affidavit as to how New Jersey can sometimes be an appropriate place for those proceedings but is not so here.

The Affidavit of Mr Finn

92. Mr Finn is a solicitor and a partner in Bird & Bird (Ireland) LLP, the solicitors in Ireland for the plaintiffs. In his affidavit of 26th July 2023, he avers, among other matters, as follows:

‘55. It has come to the attention of the Intended Plaintiffs [Court Note: It is not clear when.] that the Intended Defendants are using “Merck” in Ireland as a contraction of their respective corporate names and/or as a sign in the course of trade.

....

59. Copies of further examples of use by the Intended Defendants of “Merck” (including examples of past use) are under Tab 51 of the Booklet. The examples show that the Intended Defendants are using the name “Merck” in Ireland in email addresses with the domain “@merck.com” in Ireland.’

Some Affidavit Evidence

93. Counsel for US Merck furnished me with a helpful table in which he tracks through the affidavit evidence concerning the alleged breaches and the particulars raised in respect of same. It was notably helpful in shortening the time spent tracking through the affidavits in court and serves the same end in this judgment. I attach a copy of the table as Appendix A to this judgment. It is self-explanatory and I do not see the need to make comment on it, save to note that it is included for the stated purpose only and not as acceptance of any conclusions stated therein.

Ms Redeker’s Opinion

94. Ms Redeker is a German lawyer and a partner in SKW Schwarz, who act for German Merck. She put forward an opinion before the Order 11 judge headed ‘Assessment of potential breaches of the 1970 Agreement under German law by [US Merck]’. In the course of that opinion she avers, among other matters, as follows ‘*Accordingly, we consider the Activities as*

a continued use of the Sign contrary to clause 7 as the Sign is frequently used in standalone and not in the permitted forms as agreed to in clause 4 (in case of the use as a trade mark) and 5 of the 1970 Agreement.’ An unusual feature of the opinion, which is an undoubtedly learned read in and of itself, is that, for reasons unclear, it makes no reference to, and thus seems to take no account of, the judgment of the District Court of Hamburg.

Some Further Affidavit Evidence and Other Material

1. Mr Holston’s Affidavit

95. Mr Holston is the Executive Director, Managing Counsel of US Merck. He avers, among other matters, as follows:

‘27. In these proceedings, Merck KGaA has asserted trademark infringement only against MSD Ireland, which is not a defendant in the EUTM German Proceedings. However, as noted above, MSD LLC and MSD Ireland are members of the same group of companies and they are under the same ownership and control, and the two entities are closely economically linked. MSD LLC has local subsidiaries in each country they operate for business and legal reasons. In some instances, they have multiple entities due to animal health and human health operations. It also has holding companies which hold stock in other companies. Indeed, in the EU German Proceedings, Merck KGaA claimed trademark infringement in respect of activities alleged to have been carried out across the EU, including in Ireland, and MSD Ireland is specifically identified in the German Proceedings as the Irish subsidiary of MSD LLC, Thus, in circumstances where Merck KGaA opted to assert trademark infringement in Germany against MSD LLC in respect of conduct carried out in Ireland by MSD Ireland, I say and believe that Merck’s selection of MSD Ireland as the sole defendant in respect of trademark infringement in these proceedings appears to be tactical.’

2. Mr Bothe’s Memorandum

96. Exhibited to the rear of Mr Holston's affidavit of 1st February 2024 is a memorandum prepared by Mr Bothe, a partner with Hogans Lovell International LLP who act for US Merck. His memorandum essentially addresses the points made by Ms Redeker, and he states, among other matters, as follows:

‘...I do not believe that the Hamburg District Court would have considered the allegedly infringing uses raised by Merck KGaA in Ireland to constitute breach of the 1970 Agreement. It was by reference to entitlements of MSD LLC under the co-existence agreement that the Hamburg District Court determined that MSD LLC was not engaging in use in the EU in breach of the Merck KGaA trademarks.’

97. This paragraph, it seems to me, is notable because Ms Redeker does not seem to dispute this view of the German judgment. Ms Redeker's point is that there was no actual claim in Germany for breach of contract. She accepts, however, that Merck's defence was to say there was consent, and that this issue was considered.

3. Mr Koelle's Replying Affidavit

98. Mr Koelle is the General Counsel, Trademarks, with German Merck. He avers in his affidavit of 5th March 2024, among other matters, as follows:

‘6. *[on the selection of MSD Ireland as a defendant]* ...With respect, this is mere speculation on the part of Mr. Holston who does not identify any factual basis for this charge. The reality is that the claims of trade mark infringement advanced in these proceedings concern three Irish registered trade marks and are directed against MSD Ireland, which is an Irish registered company. Accordingly, it is entirely appropriate that these claims are prosecuted before the Irish courts, as is the case with the claim for passing off that is also advanced against MSD Ireland. Mr. Holston makes brief reference to the latter in paragraphs 5, 34 and 44 of his Affidavit, but I note that in paragraph 34 he erroneously asserts that the passing off claim is as against “the Defendants”,

and in paragraph 44 he claims that the Agreement (i.e. the 1970 Agreement and the 1975 Letter) offers a complete defence to, *inter alia*, “... the Plaintiffs’ claim for passing off against the Defendants”, when in fact the cause of action in respect of what I have been advised is a common law tort (and thus has no equivalent in the EUTM German Proceedings) and is maintained against MSD Ireland alone. Thus the Courts best suited to hear and determine, in a convenient and cost effective manner, such claims against an Irish registered company in respect of activity conducted in Ireland are the Irish courts who are obviously the best placed to apply the law of this jurisdiction. [Court Note: What I do not see here is any explanation as to why only MSD Ireland is being sued in Ireland.]

...

8. The contention advanced by Mr. Holston in paragraph 31 of his Affidavit that the IRTMs (all of which are figurative marks) and EUTM 000283986 (which is for the word MERCK) (the “EUTM”) “are in substance identical” is demonstrably wrong, not least because figurative and word marks are, by definition, of a different nature and thus cannot be identical’.

4. Ms Redeker’s First Affidavit

99. Ms Redeker, as mentioned avers in her affidavit of 5th March 2024, among other matters, as follows:

- ‘9. At paragraphs 35-40 of his Affidavit, Mr Holston seeks to assert that the German Proceedings involve issues relating to the 1970 Agreement that also arise in these proceedings. As the Court in the German Proceedings only assessed the statutory claims of trademark infringements and did not examine any contractual claims or causes of action arising from the 1970 Agreement, the opinion in regard to the Court’s assessment of contractual breaches is pure speculation and lacks basis. For that reason, it is incorrect to represent that the

Court made findings about breaches of the 1970 Agreement in relation to Ireland. [Court Note: This does not address Mr Bothe's point which is that the District Court of Hamburg, in order to deal with the trade mark infringement case, had to make – and did make – findings about what the agreement actually meant.]

10. This follows from the fact that the Court did not examine any contractual claims arising from the 1970 Agreement since Merck's action in Germany is based only on statutory claims for infringement of EU trademark no. 283986. [Court Note: Ms Redeker's point, as I understand matters, is that if there is not a contract claim, then it is not the same cause of action. But what Ms Redeker does not demur from is the fact that the District Court of Hamburg did look at the agreement and gave a view of it. And I cannot but respectfully note that the classification-style approach which Ms Redeker adopts is precisely the approach that the CJEU has indicated is not the correct approach to adopt.]

...

13. ... Respectfully...it was the MSD defendants, not Merck, who introduced the Agreement in the German Proceedings... [Court Note: With respect, this is just not so. If one looks at German Merck's complaint, considered previously above, it (German Merck) gets into the agreement from the very beginning of its complaint.]

...

15. Nor will the Hanseatic Higher Regional Court of Hamburg rule on Irish national websites being infringements of national Irish trademarks of Merck or breaches of the 1970 Agreement.'

5. Mr Bothe's Affidavit

100. As mentioned, Mr Bothe is a partner with Hogans Lovell International LLP, who act for

US Merck. In his affidavit Mr. Bothe explains how submission to the jurisdiction arises in Germany, once proceedings are commenced, if there is not a protest. So in Germany, it would have been possible for German Merck to have instituted contract proceedings together with the EU trade mark proceedings. What is the significance of this? As I understand matters, Mr Bothe is seeking in this regard to meet Ms Redeker's assertion that the German court would not have had jurisdiction to deal with a contract case at all.

101. Mr Bothe also addresses a Berlin court decision of 1996 which is raised by Ms Redeker (who claims that that judgment throws into doubt whether a German court can take jurisdiction based on submission to the court). Mr Bothe explains that, in his view, it is not an abuse of process to issue proceedings and see if somebody objects. He is also of the view that the judgment of 1996 has been rejected and cites six textbooks in support of this contention.

102. He also avers that in his view there is a risk that the German courts and the Irish court could come to different views of what the 1970 Agreement allows. For all the reasons set out in this judgment, having regard to all the evidence and submissions before me, I agree.

6. Ms Redeker's Second Affidavit

103. Ms Redeker, as mentioned previously avers in her affidavit of 22nd April 2024, among other matters, as follows:

'18. ...On the basis of the applicable German Code of Civil Procedure and the relevant case law there is no reasonable doubt that contractual claims are not part of the German Proceedings subject matter and it is also an undisputed fact that they are not. [Court Note: Again, for all the reasons identified in this judgment, the fact that there is no breach of contract claim in Germany does not seem to me to be the end of matters.]

...

24. ...The actual issue at hand is the question whether it will decide upon Merck's

contractual claims against MSD arising from the 1970 Agreement. This will not be the case because the Court is prohibited from doing so. [Court Note: This seems to me to be, with respect, off-point. Ms Redeker is making the point that there is no claim for breach of contract, so the German court cannot say that there is not a breach of contract but that does not mean that the agreement will simply go without mention; nor in and of itself does it remove the potential for conflicting decisions.]

...

- 25.3. ...The Hamburg District Court certainly “considered” the 1970 Agreement. Hence, it “heard” the defence arguments. However, the Hamburg District Court did not make substantial findings, let alone rule upon, the question of whether or not the 1970 Agreement was the basis for injunctive relief for the plaintiff.

[Court Note: This seems to set the issue too narrowly.]

...

28. Furthermore, Mr Bothe points to a “risk that the German courts and the Irish court could come to different views on what the 1970 Agreement allows. [...] The Higher District Court of Hamburg could [...] express an opinion that contradicts the interpretation of the Irish court even though the Higher District Court of Hamburg will not have to take a decision on claims for alleged breach of contract”. This concern is unfounded for various reasons. The Hanseatic Higher District Court of Hamburg will not “express an opinion” on contractual claims because – as Mr Bothe states himself – it “will not have to take a decision on claims for alleged breach of contract”. This is because contractual claims are not part of the subject matter brought forward. [Court Note: This is, with respect, the same point again: there is no breach of contract claim before the German courts. But that does not address the fact that in the complaint addressed to the German Court of Appeal German Merck

repeatedly asserts that US Merck is in breach of the agreements? Am I to believe that despite all these invocations of the agreements no potential for conflicting German/Irish court decisions arises?]

7. Mr Bothe's Second Affidavit

104. As mentioned, Mr Bothe is a partner with Hogans Lovell International LLP, who act for US Merck. Mr Bothe avers in his affidavit of 3rd May 2024, among other matters, as follows:

- ‘30. ... I say and believe that the 1970 Agreement is part of the subject matter of the (statutory) claims asserted in the Hamburg proceedings, irrespective of the exact legal basis on which that is the case. Merck KGaA itself presented the 1970 Agreement as part of the facts of the case and used it as justification when interpreting the requirements of its statutory claim for injunctive relief. It thus interpreted the contents of the 1970 Agreement in the context of the statutory claims for injunctive relief. It therefore remains the case that the 1970 Agreement was not only introduced for defence purposes by Merck Sharp & Dohme LLC, but that Merck KGaA itself invoked the 1970 Agreement in support of its statutory legal claims....
31.Therefore, I remain of the view that there is a very real risk of conflicting decisions as to what the 1970 Agreement allows, if the Hamburg Higher District Court confirmed the Hamburg District Court's view, but if at the same time the Irish court ruled upon contractual claims...’.

A Miscellany of Points

105. A few of the points raised in the proceedings do not neatly fit into the foregoing consideration and/or merit separate mention.

106. [1] It was contended by German Merck that cl.7 (the provision relied upon by German Merck in the Irish proceedings) went without mention in the German proceedings. That is

factually incorrect.¹² But I cannot but note also that if the same contract is in issue in both proceedings (especially perhaps one that is a very few pages long) then it is a quite remarkable proposition for a party to assert that I am relying on one clause in one set of proceedings and so only that clause will be focused upon and another clause in the other set of proceedings and so only that other clause will be focused upon. I do not believe that any sensible system of interpretation would or could involve the hermetic sealing of contract clauses in this way. No contract clause is an island unto itself within a contract unless the parties expressly agree the contrary and here they did not. It is the reading of cl.5 and how that interacts with cl.7 and how the agreement is interpreted overall that is common to the cases.

107. [2] There seemed to be a degree of suggestion during the proceedings that US Merck should just accept the UK judgment. A possible answer to that is why does German Merck not simply accept the German judgment? After all that is a decision of a German court that applies German law (the law that German Merck wishes to see applied). I do not see that I have to resolve this dispute. I merely note that it is an argument that can be made both ways.

108. [3] German Merck seeks to make much of the fact that, *e.g.*, US Merck settled proceedings in Australia and Singapore so clearly considers that there is substance to German Merck's case. I am not persuaded by this line of argument. US Merck will have settled in those jurisdictions following the receipt of local law advice that is based on the applicable local laws. US Merck has not, to my knowledge, indicated any intention to settle the within proceedings, doubtless by reference to local (Irish) law advice from local (Irish) legal practitioners. That is the way of the world: when the law is different, sometimes even where only the advising lawyers are different, different positions may be taken.

109. [4] As to the chronology point, *viz.* the English judgments came first; the German judgment came second, so the Irish court would apply the judgment that was first in time. No law requires that such an approach be taken by an Irish court and I do not accept the notion that any Irish court would so proceed.

110. [5] My attention was drawn to the similarities between the Irish and English legal systems

¹² My attention was drawn by counsel for US Merck to an instance where cl7 gets express mention in, respectively, the judgment of the District Court of Hamburg, the statement of grounds of appeal from the judgment of the District Court of Hamburg, the writ of 8th May 2014, and the comments on the statement of defence in the course of the proceedings before the District Court of Hamburg. So there are references to cl.7 in the District Court pleadings and in the ensuing judgment.

and hence the likelihood that Irish court would follow the judgments of the English courts in these proceedings. It is true that the Irish courts often follow their English counterparts when there is an English law judgment that covers a point that arises in Irish proceedings. However, while that might typically be the case, it is worth standing back for a moment and recalling the unusualness of what has happened here. An English court proceeding on evidence as to a foreign law (German law) has arrived at one interpretation of an agreement. A German court proceeding by reference to the same German law (the law that it applies every day of the week and without need for evidence as to what German law provides) has arrived at a diametrically opposite interpretation of the same contract. My own sense is that any sensible Irish court would have very considerable regard to what the German court had decided in those circumstances. As to the notion that, *e.g.*, were an English court faced with a similar situation (an Irish court applying German law and reaching one interpretation of a German-law contract; and a German court applying the same German law and reaching the opposite interpretation of the same contract) the English court would say ‘Ireland is a common law jurisdiction, just like us. Let us go with their reading’, I just cannot see that happening; nor, in truth, do I consider it likely that the reverse would happen here.

111. [6] As to the governing law, it is true that in some jurisdictions US Merck has conceded that German law is the governing law, I assume (and in fact it was put to me in the submissions by counsel for US Merck) because governing law is a matter for the *lex fori*. But all of this, with respect, seems to me to be, if I might use a colloquialism ‘by the by’. Why so? Because it does not resolve the problem of overlapping issues. In truth, the potential for conflict seems to me to become even more likely if the Irish courts apply German law. And it is not as if one has to look far to see what can happen in such an instance: look at what has happened when it comes to the competing decisions of the English and German courts. (I would but add that any proposition that an Irish court could avoid this potential for conflict by applying issue estoppel in favour of a UK judgment applying German law seems an unusual proposition, as well as being one that does not reflect the applicable European rules.)

112. [7] The core purpose of these proceedings is to decide whether there is a risk of conflicting decisions. That does not involve pre-judging the outcome of the proceedings. It is simply an informed call as to whether overlap is likely in whatever judgments emerge, with MacMenamin J., for the Supreme Court in *Websense*, indicating that a judge deciding an application such as

this should err on the side of caution.

113. [8] On a related note I do not have to decide whether the English/German judgment is right or wrong. The application now before me could be made without any judgment having been handed down. What I have to consider is the risk of two courts addressing the same issue or same cause of action. The grounds of appeal filed in Germany ask the German court to look at the agreement and to reject the proposition that there has been consent. (That is in the grounds of appeal). I do not see how it can seriously be contended that there is, in such circumstances, no risk of the type just mentioned.

114. [9] Counsel for German Merck contended that no other court could give a remedy for these harms. This also features in the written submissions of counsel for German Merck where it is submitted that ‘The approach being taken by [US Merck]...in this jurisdiction gives rise to a real risk of unique prejudice in the pursuit of remedies for breach of contract in Ireland.’ However, no explanation has been provided as to why German Merck could not litigate matters in New Jersey.

115. [10] It was suggested that German Merck was not aware of any of curative changes that were made by US Merck between May and July before the application. That sits oddly with the chronology of these proceedings which saw exhibits put before the Court in July that show the changes (following on a previous letter between the parties that identified the changes being made).

116. [11] It was suggested that the German court could not have addressed the interpretation of the agreements because they did not decide what law governed. I was briefly taken by this point when it was made. However, there is an answer to this. The court took German Merck’s case, applied German law, and decided the case against German Merck.

117. [12] The point was made that the trade mark infringements are different to the contract breaches. Obviously, there may be some acts that would be forbidden by a contract but which would not be a trade mark infringement (because in trade mark law it is not enough simply to show absence of consent). *Easy Rent* makes clear that this is so. But this does not remove the risk of conflicting decisions and that is the focus here.

118. [13] As to the same parties point, (i) reference was made to *The Tatry* but no indication given as to how there are separate and different interests in this case, (ii) no explanation has been given as to why only MSD Ireland has been sued, (iii) the German proceedings bind US Merck and its subsidiaries, so an order made in Germany will bind US Merck and its subsidiaries and affiliates, including the Irish company.

119. [14] It was suggested that Art.30 EUJR is all about giving an opportunity to consolidate proceedings in the place of the court first seised. I am not quite sure how to address that point except to state that, respectfully, it is not. That is a proposition which finds no support in the applicable case law. Article 30 is about whether proceedings involve a risk of conflicting reasoning.

120. [15] Counsel for German Merck suggested that no-one knows how long the German proceedings are going to take and that there has been delay in Germany. That point is not made in the evidence (unlike in *Easy Rent*). In any event, the issue of delay is not an issue of past delay but of prospective delay and the potential for prospective delay does not feature in the evidence before me. (I cannot but also note that there has not exactly been quickness of pace in Ireland on the part of German Merck.)

121. [16] It was posited that US Merck might appeal matters further in Germany and that there might even be a preliminary reference to the CJEU, somehow denying German Merck of a remedy. Again, this is not made out in the evidence before me. And I struggle to accept the proposition that the operation of the German legal system violates German Merck's right to an effective remedy.

122. [17] When it came to *Easy Rent* it did not seem to me that US Merck's analysis of same was substantively disputed (if it was disputed at all), including the analysis of the Court of Appeal about consent being a necessary component of a trade mark case. (And it is difficult to see how this could be disputed when it flows from the EUTMR.) This being so, and given also the materials that have been placed before the German courts I find it difficult to accept that it was a surprise to the German lawyers for German Merck who attended the proceedings before me that consent was in issue in Germany. Just to give one example, I considered the grounds of

appeal in Germany previously above and the allegations that there was a breach of the agreements between the parties, all of which has as its focus the fact that there was no consent. To give but two examples which shows that this is so, I respectfully refer the parties to the reply to the statement of defence (of 8th May 2014) in the proceedings before the District Court of Hamburg and the reference therein (Book 16, p.2610, p. 5 of 334) to (i) there being '[n]o contractual entitlement of the Defendants to the distinctive sign use in dispute', and (ii) (at p.2875, p. 270 of 334) in the same remarkably long document) that '[T]he Defendants are not contractually entitled to the distinctive sign use in dispute.' Moreover, I cannot but note that the District Court judgment is replete with references to the agreements and to what German Merck agreed. If the agreements are not about consent, why are they addressed at the start of the pleadings and the complaints in Germany? I note also in this regard the following averment in the affidavit of 3rd May 2024 Mr Bothe (a lawyer for US Merck):

‘44. ...[A]s Merck KGaA itself introduced the 1970 Agreement into the facts of the matter of its statutory claims, it had to be expected that the Hamburg District Court would consider the scope of the 1970 Agreement in any case – and indeed clearly did so when rejecting Merck KGaA’s claims....For this reason, I remain of the view and still strongly believe that a negative declaratory action was neither necessary nor possible.’

123. [18] When it comes to Order 11, German Merck has failed to address how New Jersey is not a better locale for its proceedings. Order 11 requires that this be addressed and it has not been addressed.

124. [19] German Merck maintains that the courts are wary of the risk of fragmentation. But it is German Merck that fragmented its own proceedings.

125. [20] German Merck contends that Art.136(1)(a) EUTMR only has effect if the national mark and the EUTM are registered for completely the same classes. (In its written submissions it notes in this regard that ‘The EU trademark is, as is clear, registered for multiple classes that the Irish trademarks are not registered for’). Respectfully, I do not accept this proposition. That, to me, would effectively rob Art.136(1)(a) EUTMR of any meaningful effect, save in very rare cases.

126. [21] In written submissions, German Merck notes its puzzlement that US Merck has elected to challenge jurisdiction in Ireland. I would simply note that US Merck has done so and has succeeded for the reasons stated in this judgment.

Some Conclusions

127. I note before proceeding to my conclusions that, as stated at the outset of this judgment, US Merck is being sued here for breach of contract. MSD Ireland is being sued here for infringement of Irish trade marks and passing off.

128. Having regard to the text of this judgment to this point, it seems to me that the following conclusions can safely be reached:

- (1) it seems to me that the present case comes within Art.136(1)(b) of the EUTMR.
- (2) when it comes to the Order 11 point a basic requirement has not been met by German Merck. I was told that it is not possible to sue in New Jersey but I as yet do not know why this is so, nor has any good reason been offered as to why it is so (if it is so). The burden rests on German Merck to satisfy me in this regard. It has failed to discharge this burden.

129. All the foregoing being so, it seems to me that the following orders fall to be made: (i) an order pursuant to O.12, r.26 RSC, setting aside the order of 31st July 2023 giving the plaintiffs leave to serve these proceedings out of the jurisdiction, (ii) an order pursuant to Art.136(1)(b) EUTMR staying the claim of infringement against MSD Ireland, (iii) an order pursuant to the inherent jurisdiction of the court staying the balance of the proceedings remaining after (i) and (ii).

130. Finally, I recall the observation of MacMenamin J., at para 47 of his judgment in *Websense*, where he quotes from the opinion of AG Lenz in *Owens Bank Ltd v. Bracco* to the effect that, as MacMenamin J. summarises, a second seised court must ‘err on the side of

caution'. I have taken that cautious approach in this judgment.

BREACHES OF CONTRACT COMMITTED IN IRELAND RELIED ON BY GERMAN MERCK

Contract Breach Allegation Made in MF Order 11 Affidavit [Book 6, tab 13]	Exhibit Tab identified	Does Tab Contain the alleged breach?	If not, is it in Tab 57 correspondence?	Comments
(1) Para.55.1: Five “@merck.com” email addresses on msdconnect.ie	Tab 35 [Book 9, tab 35, page 936]	Yes	n/a	<ul style="list-style-type: none"> No dispute that email addresses allocated in the US by headquarters, but JK says (without evidence) they were “promoted” by Irish residents. The email addresses have been in use since at least 2011, prior to the litigation in 2013 – this acquiescence/statute bar point has gone unanswered. These email addresses phased out Sept-Dec 2023 and Plaintiff’s Replies accept removed in November 2023. MSD has 3,000 employees in Ireland.
(2) Para.55.2: Use of “Merck” on msd-Ireland.com	Tab 36	No (copyright legend in agreed form)	Yes: a “@merck.com” email address (Items 8 and 10)	<ul style="list-style-type: none"> See above comments. JK First Affidavit accepts this email was removed in <i>December</i> 2023 (but it was earlier as it did not appear in the exhibit to Mr Finn’s <i>July</i> 2023 O.11 Affidavit), but Mr Koelle in any event identifies one other “@merck” email address appearing elsewhere on this website.
(3) Para.55.3: Use of “Merck” on msdconnect.ie	Tab 38	No	Item 7 not legible but may reference Oka/Merck Varivax	<ul style="list-style-type: none"> Plaintiff’s Replies accept the Oka/Merck name was removed in June 2023 and it was told this by letter of “20 July 2023” (sic: actually 20 June 2023)– prior to the O.11 application. JK First Affidavit accepts this Varivax strain name removed in November 2023 (contradicting above), but says there is a

				<ul style="list-style-type: none"> medinfo_ireland@merck.com email address still on the website for reporting adverse events. However, the Plaintiff's Replies actually state this email address was removed in November 2023.
(4) Para.55.4: Use of "Merck" on msd-animal-health.ie	Tab 40	Not apparent (Copyright legend in agreed form)	n/a	<ul style="list-style-type: none"> JK First Affidavit says there is an embedded link to merck.com/careers. MF Replying Affidavits says that the text appears if you hover cursor over link. JH exhibit shows that the link brings up a notice saying that the website is intended for US & Canada residents and JH avers link in any event now requested to be removed. Difficult to see how this could be a use targeting the Irish market and so a breach committed in Ireland.
(5) Para.55.5: Use of "Merck" on msd.com	Tab 42	No (copyright legend in agreed form)	No	
(6) Para.55.6: Use of "Merck" in text of MSD Manual Professional App on Apple and Google App Stores	Tab 44	Yes	n/a	<ul style="list-style-type: none"> Plaintiff's Replies accept references to "Merck" were removed on the app after June 2023 (prior to O.11 application), and that it was told this by letter of "20 July 2023" (sic: actually 20 June 2023)– prior to the O.11 application. JH affidavit explains the App was available globally via Google and Apple stores, but Android App never used the term "Merck".

(7) Para.55.7 Merck Manual Home Health Handbook eBook on Amazon.co.uk	Tab 45	Yes	n/a	<ul style="list-style-type: none"> JH avers that this is not being sold by MSD. This does not appear to be disputed. Difficult to see how this could even arguably be a breach committed in Ireland even if MSD was selling it. Plaintiffs' Replies state that it ceased be available on Amazon between May and November 2023 (again possibly prior to O.11 application).
(8) Para.55.8: 2019 Conference refers to a Merck Participant	Tab 46	Yes	n/a	<ul style="list-style-type: none"> The Merck attendee – “VP Quality Assurance” - appears to have been in the US business . JH avers that this event was not organised by MSD and this does not appear to be disputed. Unless MSD LLC organised the event, it is difficult to see how this could be a breach committed in Ireland.
(9) Para.59: Examples of use of @Merck.com email addresses	Tab 51	No	No	<ul style="list-style-type: none"> See comments above about email addresses.
Claims of Additional Instances				
(10) German Merck's Affidavit evidence and Submissions (eg. para 16) variously assert that para 29 and paras 39 -42 of JK Entry Affidavit supplements the “detailed evidence of examples” of breaches given in the MF O. 11 Affidavit.				<ul style="list-style-type: none"> Paras 29, 39-42 of the JK Entry Affidavit do not reference any potential breaches at all; they are unrelated paragraphs.

Replies to Particulars				
(11) MSD gave copies of the Merck Veterinary Manual to UCD				<ul style="list-style-type: none"> The Merck Veterinary Manual was first published in 1955 – the claim has to be barred by statute or acquiescence at this stage.
(12) Posting in January 2023 on LinkedIn by MSD Ireland that “MSD’s global TealTalks podcast is now live” and included a link to merck.com				<ul style="list-style-type: none"> This is a stretch: it’s a link to the US business website.

Overall Conclusions:-

- MF Affidavit 2 (Bk 2, Tab 15) avers that a “team” under Mr Finn’s supervision “*have consistently monitored ... all websites mentioned in the Order 11 Application... for unauthorised use of Merck*”.
- Thus the above can be taken to represent the totality of uses identified, and the results of the team’s work through what must be thousands of web pages seems to be very slim pickings indeed.
- The evidence amounts to scant and occasional use of “Merck” – mainly in a single digit number of email addresses which were allocated in the US – and which now have been removed in most instances.
- Some of the instances cannot be breaches committed by MSD LLC, or breaches in Ireland (2019 conference, Amazon sale).

- The evidence can hardly amount to evidence of a “*persistent course of conduct*” (O.11 MF Affidavit, para 60) of use of “Merck” in Ireland MF avers to, but the fact that a claim is made reflects an implicit acceptance that a handful of alleged breaches cannot by themselves justify taking jurisdiction.
- The evidence seems to present too tenuous a connection to Ireland in terms of the breach of contract case to justify forcing a US defendant to defend in Ireland, as opposed to in its home (New Jersey) (Grehan – a connection of substance is required).
- The scant and sparse nature of the evidence suggests that the proceedings have been instituted for tactical rather than substantive reasons.
- The very limited number of breaches is also relevant to the Rule 2 discretion (comparative cost & convenience).