

Co-existing in the internet age

- ▶ Co-existence agreement dating back to the First World War upheld by court
- ▶ Use of the trade mark on the internet accessible from the prohibited territory
- ▶ Irrelevant that only certain territories targeted by the website

What's it about?

A co-existence agreement between Merck US and Merck Global, dating back to the First World War, governed the use of the MERCK trade mark in certain territories. Under the agreement, Merck US were permitted to use the trade mark in the US, Canada and associated territories, and Merck US recognised Merck Global's rights to use the trade mark in Germany and elsewhere. Merck US then began using the trade mark online. Merck Global claimed that such use breached the terms of the co-existence agreement.

Why does it matter?

The court agreed that Merck US' use of the trade mark online breached the terms of the co-existence agreement. In the court's view, the co-existence agreement was intended to be an all encompassing co-existence arrangement, which was entered into by two parties who were aware that technology evolved.

The court rejected Merck US' argument that the use of the trade mark online was really targeted at the US and Canadian markets and that the ability to access websites using the trade mark from the UK was simply unfortunate.

A key factor to the court's decision was that Merck US had not used any technical means on its websites to restrict access to the websites from the UK (e.g. geo-targeting or territorial restrictions on social media sites).

Now what?

Given the willingness of the court to look at the overall purpose of the co-existence agreement in this case, we recommend reviewing the terms of any historic co-existence agreements to see if they need refreshing to reflect advances in technology and/or the development of the parties' businesses.

Where a co-existence agreement restricts the use of trade marks by territory, consider implementing geo-targeting and other technological filtering systems to ensure compliance with such restrictions.

[Merck KGaA v Merck Sharp & Dohme Corp and others \[2016\] EWHC 49 \(Pat\), 15 January 2016](#)

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