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K&L Gates Represents Pharmaceutical Company in Precedent-Setting WIPO Domain Name Victory

Introduction

On September 10, 2007, a three-member panel of the World Intellectual Property Organization (“WIPO”) found in favor of K&L Gates’ client Actelion Pharmaceuticals, Ltd (“Actelion”), that the use of its trademarked drug name TRACLEER by a law firm for the purpose of soliciting clients for litigation was improper under the Uniform Domain Name Dispute Resolution Policy (“UDRP”). The Panel’s decision, a clear departure from previous precedent, represents a positive outcome for trademark owners, especially those in the pharmaceutical industry, whose trademark rights are being improperly used by lawyers and law firms to attract litigation clients.

In a two-to-one decision, the majority Panel in *Actelion Pharms., Ltd v. Hackard & Holt*, WIPO Case No. D2007-0838 (September 10, 2007) ordered that the domain name <tracleerinfo.com> be transferred from the law firm that was using the domain name to attract potential clients for its products liability practice to Actelion, owner of the TRACLEER trademark.

Before *Actelion*, the seminal WIPO case involving use of a pharmaceutical company’s trademarked drug name by a law firm was decided in favor of the products liability lawyer. See *Pfizer, Inc. v. Van Robichaux*, WIPO Case No. D2003-0399 (July 16, 2003).

Background

The *Actelion* dispute began when Hackard & Holt, a California law firm specializing in products liability litigation, registered and began using the domain name <tracleerinfo.com> which incorporated Actelion’s trademark TRACLEER. TRACLEER is the brand name of Actelion’s drug used to treat WHO Class III or IV Pulmonary Arterial Hypertension.

After registering the domain name <tracleerinfo.com>, Hackard & Holt began using the domain name to advertise the law firm’s products liability practice. According to the Majority Panel, Hackard & Holt used the <tracleerinfo.com> domain name “for the purpose of soliciting clientele” even though Hackard & Holt’s website provided little information about TRACLEER, despite using the trademark in the domain name.

Hackard & Holt conceded that the domain name <tracleerinfo.com> was confusingly similar to Actelion’s TRACLEER trademark but argued that its use of the TRACLEER trademark was permitted under the same fair use analysis that was successfully used in *Pfizer*. Although the Majority Panel in *Actelion* acknowledged that a fair use defense was viable in a trademark infringement or cybersquatting case in a national court, the Majority Panel noted that it was required to decide the proceeding under the UDRP, and not under a particular country’s trademark or cybersquatting law.

In analyzing the facts under the UDRP, the Majority Panel recognized that there was “clearly initial interest confusion” as Hackard & Holt was using the domain name “to attract Internet users looking for information on TRACLEER.” After acknowledging the

initial interest confusion associated with Hackard & Holt's use of the domain name, the Majority Panel found that "the use of the name of a trademarked drug for the purposes of soliciting clientele is not using the disputed domain name in connection with a bona fide offering of services."

In finding bad faith, the Majority Panel noted that Hackard & Holt was not using the domain name incorporating Actelion's trademark to provide information regarding any known deleterious effects of TRACLEER and was not conducting litigation against the manufacturer of TRACLEER. Instead, Hackard & Holt was using the trademark in "a subtle ploy to use [Actelion's] mark to attract customers for other litigation." Such use, according to the Majority Panel, was evidence of bad faith registration and use of a domain name. The Majority Panel ordered the domain name <tracleerinfo.com> be transferred to Actelion.

The Pfizer Case

Four years earlier, a sole Panelist in the *Pfizer, Inc. v. Van Robichaux* case decided that fair use of a trademark in a domain name can be a defense in a UDRP proceeding if the domain name owner can show that the product is not readily identifiable without use of the trademark; only so much of the trademark is used as is reasonably necessary to identify the product; and the user of the trademark does not do anything that would suggest

sponsorship or endorsement by the trademark owner. After setting forth this standard, the *Pfizer* Panelist found that Robichaux's use of Pfizer's LIPITOR mark was fair and therefore Robichaux had a right or legitimate interest in the <lipitorinfo.com> domain name. Despite conceding that initial interest confusion would occur with Robichaux's use of <lipitorinfo.com>, the *Pfizer* Panelist determined that initial interest confusion could not, standing alone, preclude the fair use of a trademark in a domain name. Accordingly, the *Pfizer* Panelist refused to transfer the domain name to Pfizer because Robichaux's use of LIPITOR was fair and therefore Robichaux had rights or a legitimate interest in the domain name <lipitorinfo.com>. The sole Panelist in the *Pfizer* case was also the dissenting Panelist in the *Actelion* case.

Impact of the Actelion Decision

Pharmaceutical companies can now use the Majority Panel's decision in *Actelion* as a basis to persuade future UDRP panels to recover domain names that improperly incorporate trademarks to advertise legal practices. Additionally, the Majority Panel's rationale in *Actelion* should be generally applicable to other businesses and industries that are targeted by personal injury/product liability lawyers and law firms to solicit litigation clients.

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