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Prescription Pharmaceutical Products: A More Stringent Standard of Trademark Infringement

Syntex Laboratories, Inc., owner of the registered trademark "Vagitrol," instituted a trademark infringement action seeking to prevent Norwich Pharmacal Company from using its unregistered mark "Vagestrol." The district court granted Syntex's motion for a preliminary injunction and enjoined Norwich *pendente lite* from using the term "Vagestrol" in any further advertising or sale of a vaginal suppository. On appeal, Norwich claimed that the district court applied a more stringent standard of trademark infringement to these prescription pharmaceutical products than the courts have applied to products in general, and that such application was unwarranted in light of precedent. *Held, affirmed*: When confusion between plaintiff's and defendant's trademarks could lead to the use of the wrong product and result in physical harm to the consuming public, a stricter standard regarding infringement is entirely in accord with public policy, and its application is appropriate. *Syntex Laboratories, Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566 (2d Cir. 1971).

I. TRADEMARK INFRINGEMENTS: LIKELIHOOD OF CONFUSION

The development of modern trademark law was slow and confused, and the need for appropriate legislation was soon apparent.¹ The United States Congress responded in 1870 with its first federal trademark act.² After this act was declared unconstitutional,³ several other acts and amendments followed.⁴ The statute presently in use is the Lanham Trade-Mark Act of 1946.⁵

In an action for trademark infringement, the issue usually is whether the defendant's use of a trademark similar to the plaintiff's creates a likelihood of confusion. Two basic types of confusion were recognized under the Act of 1905: confusion of goods, and confusion of businesses.⁶ Confusion of goods resulted when an "ordinarily prudent purchaser would be liable to purchase one product in the belief that he was purchasing the other."⁷ Confusion of

¹ 4 R. CALLMANN, UNFAIR COMPETITION AND TRADE-MARKS 568 (3d ed. 1970) [hereinafter cited as CALLMANN].

² Act of July 8, 1870, ch. 230, § 77, 16 Stat. 210. This Act was entitled "An Act to revise, consolidate and amend the Statutes relating to Patents and Copyrights."

³ *United States v. Steffens*, 100 U.S. 82 (1879); *cf.* *United States Printing Co. v. Griggs & Co.*, 279 U.S. 156 (1929).

⁴ Act of Mar. 3, 1881, ch. 138, 21 Stat. 502. This Act apparently satisfied the constitutional imperatives. *See United States ex rel. South Carolina v. Seymour*, 153 U.S. 353 (1894); *Rosman v. Garnier*, 211 F. 401 (8th Cir. 1914); *Louis Bergdoll Brewing Co. v. Bergdoll Brewing Co.*, 218 F. 131 (E.D. Pa. 1914). *But see Illinois Watch-Case Co. v. Elgin Nat'l Watch Co.*, 94 F. 667 (7th Cir. 1889), *aff'd*, 179 U.S. 665 (1901).

Act of Feb. 20, 1905, ch. 592, 33 Stat. 724.

Act of Mar. 19, 1920, ch. 104, 41 Stat. 533. This Act included amendments to the 1905 Act. *Id.* §§ 6, 9.

⁵ Act of July 5, 1946, ch. 540, 60 Stat. 427 (codified at 15 U.S.C. §§ 1051-1127 (1970)).

⁶ Act of Feb. 20, 1905, ch. 592, § 5, 33 Stat. 724. *See also* 3 CALLMANN 539.

⁷ 3 CALLMANN 541. *See also Seven-Up Co. v. Get Up Corp.*, 340 F.2d 954 (6th Cir. 1965); *United Drug Co. v. Obear-Nester Glass Co.*, 111 F.2d 997 (8th Cir. 1940); *Fidelity Bond & Mortgage Co. v. Fidelity Mortgage Co.*, 12 F.2d 582 (6th Cir. 1926); *Jean Patou, Inc. v. Jacqueline Cochran, Inc.*, 201 F. Supp. 861 (S.D.N.Y. 1962).

this sort was applicable only to products actually in competition.⁸ Confusion of businesses occurred when a consumer believed that he was dealing with one business when in fact he was dealing with another.⁹ Confusion at this level could arise between noncompetitive as well as competitive parties.¹⁰ Although these distinctions were initially of importance in decisions regarding trademark infringement actions, many modern courts have tended to consider the issue of confusion in a more general manner, discounting the importance of the "type" of confusion involved.¹¹

As originally enacted, the Lanham Act protected the owner of a registered trademark from use by another person of a similar mark that was "likely to cause confusion or mistake or to deceive purchasers as to source of origin" of the goods or services.¹² At first glance, it would appear that the words "as to source of origin" would preclude the court from considering confusion of the goods themselves. Indeed, in one of the first cases to interpret the Lanham Act, *California Fruit Growers Exchange v. Sunkist Baking Co.*,¹³ the court held that a claim of infringement would be disallowed unless there was confusion concerning the source of origin. Many courts followed this interpretation,¹⁴ although one authority has suggested that these restrictive words should have been dismissed and attributed only to inartistic draftsmanship.¹⁵ The confusion over this particular problem was eliminated, however, with the clarifying amendment of October 9, 1962,¹⁶ which deleted the words "purchasers as to source of origin." The Act now requires a showing only that the alleged infringer's use is "likely to cause confusion, or to cause mistake, or to deceive."¹⁷

An issue which often arises in trademark infringement actions involves the

⁸ 3 CALLMANN 550. See also *Mishawaka Rubber & Woolen Mfg. Co. v. Panther-Panco Rubber Co.*, 153 F.2d 662 (1st Cir. 1946), in which the court stated that the absence of actual competition between the parties may indicate no likelihood of confusion.

⁹ See, e.g., *Volkswagenwerk v. Frank*, 198 F. Supp. 916 (D. Colo. 1961); *Dodge Bros. v. East*, 8 F.2d 872 (E.D.N.Y. 1925); *MacSweeney Enterprises, Inc. v. Tarantino*, 235 Cal. App. 2d 549, 45 Cal. Rptr. 546 (1965).

¹⁰ 3 CALLMANN 551.

¹¹ See, e.g., *American Mfg. Co. v. Heald Mach. Co.*, 385 F.2d 456 (C.C.P.A. 1967); *Tiffany & Co. v. L'Argene Prods. Co.*, 67 Misc. 2d 384, 324 N.Y.S.2d 326 (Sup. Ct. 1971). But see *Norm Thompson Outfitters, Inc. v. General Motors Corp.*, 448 F.2d 1293 (9th Cir. 1971).

¹² Act of July 5, 1946, ch. 540, § 32, 60 Stat. 427.

¹³ 166 F.2d 971 (7th Cir. 1947). The court stated that there was little likelihood that confusion as to source of origin could occur between fruits and vegetables on the one hand, and bakery products on the other, since these products are neither competitive nor of the same general class. *Id.* at 973.

¹⁴ See, e.g., *Brown & Bigelow v. B•B Pen Co.*, 191 F.2d 939 (8th Cir. 1951), in which the court stated that the "plaintiff would be in unfair competition with the defendant if its use of the symbol . . . would give a false impression that plaintiff's goods emanate from defendant." *Id.* at 943. See also *Sterling Drug, Inc. v. Lincoln Labs., Inc.*, 322 F.2d 968 (7th Cir. 1963); *G. Leblanc Corp. v. H & A Selmer, Inc.*, 310 F.2d 449 (7th Cir. 1962); *Drexel Enterprises, Inc. v. J.R. Richardson*, 312 F.2d 525 (10th Cir. 1962).

¹⁵ 3 CALLMANN 540. Sections 2(d) and 45 of the Lanham Act, dealing with registration of trademarks, were directed at marks likely to cause confusion or mistake, or to deceive purchasers. Section 32(1), declaring the user of a mark civilly liable for infringement, seemed more restrictive in referring to marks likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of such goods. Since the Lanham Act was meant to broaden the rights of the trademark owner, Callmann argues that this difference in language should be dismissed. *Id.*

¹⁶ Act of Oct. 9, 1962, Pub. L. No. 87-772, § 17, 76 Stat. 773 (codified at 15 U.S.C. § 1114(1) (1970)).

¹⁷ 15 U.S.C. § 1114(1) (1970).

category of persons who must be confused by the similarity in the marks. The test is generally phrased in terms of the likelihood of confusion by the ordinarily prudent purchaser of the particular goods, buying under the normally prevalent conditions of the market, and giving the attention such purchasers usually give in buying that class of goods.¹⁸ Many courts will take into consideration the particular skill of the purchaser, or his familiarity with the product area.¹⁹ In addition, the test has traditionally been applied to consumers rather than experienced retailers and wholesalers.²⁰

In construing the language of the Lanham Trade-Mark Act, the courts have also been concerned with the meaning of the term "likelihood" as used in the Act. Generally, "likelihood" is defined as "probability,"²¹ with a mere possibility of confusion being insufficient for relief from infringement.²²

II. MEDICINES AND PHARMACEUTICALS: A DIFFERENT STANDARD

The confusion of goods in the field of medicines and pharmaceuticals has a greater potential to cause harm than the confusion of ordinary goods. For example, a product intended for external use may be mistakenly purchased for internal use, and its use result in severe consequences. In addition, some medicinal products may be purchased directly by the consumer, while others may be available only by prescription. With such varied methods of purchase and use attached to medicines and pharmaceuticals, and with such a potential for harm resulting from confusion, in infringement actions it is necessary to examine carefully each stage in the offering, ordering, sale, and use of these products.²³

In cases involving goods sold only on prescription, confusion is considered less likely than when products move competitively through the same trade channels.²⁴ However, the fact that one product is sold only by prescription and

¹⁸ *Nebraska Consol. Mills Co. v. Shawnee Milling Co.*, 198 F.2d 36 (10th Cir. 1952); *Stephano Bros. v. Stamatopoulos*, 238 F. 89 (2d Cir. 1916); *Pharmaceuticals, Inc. v. United Whelan Corp.*, 22 Misc. 2d 532, 197 N.Y.S.2d 22 (Sup. Ct. 1959). *See also* *American Chicle Co. v. Topps Chewing Gum, Inc.*, 208 F.2d 560 (2d Cir. 1953) (likelihood of confusion by careless customer sufficient if imitation was intentional); *Stork Restaurant, Inc. v. Sahati*, 166 F.2d 348 (9th Cir. 1948) (likelihood of confusion by innocent and gullible customer sufficient).

¹⁹ *See, e.g.*, *American Mfg. Co. v. Heald Machs.*, 385 F.2d 456 (C.C.P.A. 1967); *National Motor Bearing Co. v. James-Pond-Clark*, 266 F.2d 799 (C.C.P.A. 1959); *Minnesota Mining & Mfg. Co. v. Tarrant Mfg. Co.*, 219 F.2d 716 (C.C.P.A. 1955); *Chicago Pneumatic Tool Co. v. Bendix Aviation Corp.*, 157 F.2d 201 (C.C.P.A. 1946); *W.A. Baum & Co. v. Becton, Dickinson & Co.*, 20 F. Supp. 707 (D.N.J. 1937).

²⁰ *J. CALIMAFDE, TRADEMARK AND UNFAIR COMPETITION* 337 (1970). *See also* *Dresser Indus., Inc. v. Heraeus Engelhard Vacuum, Inc.*, 395 F.2d 457, 462 (3d Cir. 1968); *O. & W. Thum v. Dickinson*, 245 F. 609 (6th Cir. 1917).

²¹ *General Adjustment Bureau, Inc. v. General Ins. Adjustment Co.*, 381 F.2d 991 (10th Cir. 1967); *Squirrel Brand Co. v. Barnard Nut Co.*, 224 F.2d 840 (5th Cir. 1955).

²² *Coca-Cola Co. v. Nehi Corp.*, 27 Del. Ch. 318, 36 A.2d 156, 165 (Sup. Ct. 1944); *E. VANDENBURGH, TRADEMARK LAW AND PROCEDURE* 138, 139 (2d ed. 1968).

²³ *1 A. SEIDEL, S. DUBROFF & E. GONDA, TRADEMARK LAW AND PRACTICE* 421 (1963).

²⁴ *See* *Endo Prods., Inc. v. National Package Drugs, Inc.*, 100 U.S.P.Q. 250, 251 (Comm'r 1954), in which the Commissioner noted: "For example, are the products sold over the counter or by prescription only? If both are sold over the counter, are they of the same potency? Are the intended uses of the products substantially the same, i.e., for internal or external use?" *See also* *Dolcin Corp. v. Harvey Labs., Inc.*, 112 U.S.P.Q. 143 (Comm'r 1957) (One product was limited to sale for use by physicians only, while the other product

another over the counter may not be sufficient to avoid the likelihood of confusion if other factors are given more weight. It may be determined that even though likelihood of confusion is slight, the nature of the medicine is such that the use of one product when another product is prescribed could have dangerous effects. When such potential for harm is exposed, the Patent Office may refuse an application for registration of a trademark which is similar to a previously registered mark.²⁵

The Patent Office has many times looked to the confusion not only of consumers, but also of physicians and pharmacists, particularly when the goods are dispensed by prescription only.²⁶ The particular skill of the physicians and pharmacists is taken into account in determining the likelihood of confusion.²⁷ Since the purchasers in these cases are professionals, they fall outside the category of average, unwary purchasers, and are held to a higher standard of ability to distinguish between goods. However, it is recognized that these professionals are not immune to confusion or mistake, and the marks must be sufficiently distinguishable to avoid likelihood of confusion.²⁸

III. SYNTEX LABORATORIES, INC. v. NORWICH PHARMACAL CO.— A PUBLIC POLICY DECISION

The defendant's contention, in *Syntex Laboratories, Inc. v. Norwich Pharmacal Co.*,²⁹ was that the district court applied an unwarranted and excessively stringent standard of trademark infringement. First, defendant Norwich contended that the standard looked to confusion of the products themselves by physicians and pharmacists instead of to confusion among ordinarily prudent purchasers as to source of origin. Secondly, Norwich contended that the standard applied was unnecessarily stringent on the issue of the likelihood of confusion.

The court answered the first contention by referring to section 32(1) of the Lanham Trade-Mark Act, taking special notice of the 1962 amendment.³⁰ The court noted that a portion of the statute was eliminated by the amendment, thereby evincing, as the court stated, "a clear purpose to outlaw the use of trademarks which are likely to cause confusion, mistake, or deception of any

was sold over the counter to the general public. The court looked not only to the fact that the average purchaser of the products was different, but also to the differences of the physical properties of the products, the purposes of the products, and the differences in the marks.); *Ex parte* Chicago Pharmacal Co., 102 U.S.P.Q. 414 (Comm'r 1954).

²⁵ *Merritt Corp. v. Sterling Drug, Inc.*, 277 F.2d 956 (C.C.P.A. 1960). See note 34 *infra*, and accompanying text.

²⁶ Under the present Act, the confusing similarity test is identical in both registration proceedings and in the infringement section.

²⁷ *Baxter Labs., Inc. v. Sharp & Dohme, Inc.*, 102 U.S.P.Q. 216 (Comm'r 1954). It was pointed out that the products were not sold to the average, ordinary, and unwary purchaser, and under such circumstances it was not believed that confusion, mistake, or deception was likely to occur.

²⁸ *R.J. Strassenburgh Co. v. Kenwood Labs., Inc.*, 106 U.S.P.Q. 379 (Comm'r 1955). The court pointed out that the likelihood of confusion among physicians and pharmacists was enhanced by the practice of telephoning prescriptions to the pharmacist, and by the frequent passing of illegible handwritten prescriptions from the physician to the pharmacist. *Id.* at 380.

²⁹ 437 F.2d 566 (2d Cir. 1971).

³⁰ See note 16 *supra*, and accompanying text.

kind, not merely of purchasers nor simply as to source of origin."³¹

The legislative history, however, does not indicate so clearly the purpose which the court attributes to the Congress in excluding these particular words. Although the Senate report states that "[t]he word 'purchasers' [was] eliminated so as to avoid the possibility of misconstruction of the present language . . .,"³² the report further states that the misconstruction arose because the provision was meant to apply to potential purchasers as well as actual purchasers. No mention is made in the report that the term was eliminated to extend the application of the test to anyone other than actual or potential purchasers.

Cases from the Patent Office concerning registration objections, however, have indicated that potential confusion among physicians and pharmacists is an important factor in the determination of whether a similar mark should be registered.³³ Since the Lanham Trade-Mark Act tests for both infringement and registration of a trademark are identical,³⁴ it would appear that confusion among physicians and pharmacists would certainly be a factor to be examined in infringement actions.³⁵

With respect to defendant Norwich's contention that the correct standard of trademark infringement is one which looks to the likelihood of confusion as to source of origin rather than likelihood of confusion of goods, the court pointed to the "clear purpose" of the Congress in omitting the words "source of origin" in the 1962 amendment. Although the legislative history does not indicate why these words were omitted, it is indeed clear from case law that courts do look to product confusion as well as confusion as to source of origin in determining whether a particular mark has been infringed.³⁶

The defendant's second contention, that the district court looked only for a possibility of confusion rather than a likelihood of confusion, was also unsuccessful. First, the court said that it was not clear whether the district court had indeed applied a separate standard, since there was evidence of a substantial likelihood of confusion under the normal "likelihood" test.³⁷ However, the second Circuit held that even if the district judge did find confusion only

³¹ 437 F.2d at 568.

³² S. REP. NO. 2107, 87th Cong., 2d Sess. 2 (1962).

³³ See cases cited notes 27, 28 *supra*.

³⁴ 15 U.S.C. § 1114(1) (1970) provides a remedy for trademark infringement against "[a]ny person who shall, without consent of the registrant—(a) use in commerce any . . . colorable imitation of a registered mark in connection with the sale . . . of any goods . . . on or in connection with such use which is likely to cause confusion, or to cause mistake or to deceive"

15 U.S.C. § 1052(d) (1970) provides that "[n]o trademark . . . shall be refused registration . . . unless it—(d) . . . so resembles a mark registered in the Patent Office . . . as to be likely . . . to cause confusion, or to cause mistake, or to deceive"

15 U.S.C. § 1127 (1970) defines "colorable imitation" as including "any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive."

³⁵ See *Morgenstern Chem. Co. v. G.D. Searle & Co.*, 253 F.2d 390 (3d Cir. 1958), where the court stated that in view of the fact that the two medicinal products were dispensed only upon prescription by a physician, the inquiry was limited to the likelihood of confusion within the specialized group of physicians and pharmacists.

³⁶ See, e.g., *Dresser Indus., Inc. v. Heraeus Engelhard Vacuum, Inc.*, 395 F.2d 457, 462 (3d Cir. 1968); *John R. Thompson Co. v. Holloway*, 366 F.2d 108, 113 (5th Cir. 1966); *David Sherman Corp. v. Heublein, Inc.*, 340 F.2d 377 (8th Cir. 1965).

³⁷ The district court judge found that the two marks were similar, both visually and phonetically, that the intended use of the products was for treatment of medically related conditions, and that the products were likely to be closely associated in the minds of those who prescribe and dispense them. 437 F.2d at 569.

upon proof of a possibility of confusion, such a conclusion was correct. In so concluding, the court of appeals stated that where "[c]onfusion between plaintiff's and defendant's marks . . . could result in physical harm to the consuming public, whether through failure to receive effective medication or through adverse reaction to inadvertently prescribed or dispensed drugs . . . a stricter standard . . . seems desirable."³⁸

The court's conclusion was a specific approval of the rationale in *Morgenstern Chemical Co. v. G.D. Searle & Co.*³⁹ that public policy may demand less exacting proof of confusing similarity in the field of medicines and pharmaceuticals. The precedent for such a lesser proof of confusion, however limited, certainly illustrates the better view. Although the use of such a standard has been condemned,⁴⁰ in cases involving medicines and pharmaceuticals some courts have realized the potential harm to the public and have proceeded with caution when rendering an infringement decision or allowing registration of a similar mark.⁴¹ These decisions reflect a consumer protection philosophy based on sound public policy.

IV. CONCLUSION

It has been stated that "[t]here is no ineluctable rule to test infringing similarity or 'likelihood of confusion.' Each case is decided on its own merits."⁴² Thus, it is submitted that when the merits of a case involve strong public policy considerations, those considerations should prevail. The decision in *Syntex*, while keeping within the language of the statute, correctly included the important issues of public benefit and protection.

In the ordinary infringement action, the concern is generally with damage to the plaintiff in a monetary sense; if the infringement is allowed to continue, it is possible the plaintiff's business may suffer. Infringement actions concerning medicines and pharmaceuticals, however, are not ordinary in the sense that the concern is not only with monetary damage, but with bodily harm as well. When confusion of medicinal products could result in physical harm to the consuming public, a standard requiring that only a possibility of confusion need be shown is not only desirable, but indeed necessary.

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³⁸ *Id.*

³⁹ 253 F.2d 390 (3d Cir. 1958). *Morgenstern* involved similar trade-names of two products, both products dispensed by prescription, yet prescribed for radically different conditions and for different uses and desired effects. The court reasoned that in such circumstances the prevention of confusion and mistakes was too vital to be trifled with.

⁴⁰ See, e.g., *Squirrel Brand Co. v. Barnard Nut Co.*, 224 F.2d 840, 844 (5th Cir. 1955), in which the stated test was "whether there is a probability that the average person will be . . . confused . . ." See also *Coca-Cola v. Nehi Corp.*, 27 Del. Ch. 318, 36 A.2d 156, 165 (Sup. Ct. 1944), in which the court stated that "the likelihood of deception must be reasonably probable and not merely speculative."

⁴¹ See, e.g., *Merritt Corp. v. Sterling Drug, Inc.*, 277 F.2d 956 (C.C.P.A. 1960); *R.J. Strassenburg Co. v. Kenwood Labs., Inc.*, 106 U.S.P.Q. 379 (Comm'r 1955); *Cole Chem. Co. v. Cole Labs.*, 118 F. Supp. 612 (E.D. Mo. 1954).

⁴² *Bakers Associates, Inc. v. Kellogg Co.*, 296 F. Supp. 772, 773 (N.D. Ill. 1969).