

Dr. GARB. Yes, sir.

Senator NELSON. Thank you.

Dr. GARB. The USAN name is a temporary drug name adopted by the AMA Council on Drugs, the Pharmacopeia Committee and the American Pharmaceutical Association. USAN means United States Adopted Name. It is used for new drugs before a generic or official name is selected. Often, the USAN later becomes the generic or official name.

The term "brand name" apparently means different things to different people. In the classical sense, a brand is a name or device which identifies the manufacturer or other agency responsible for placing the product on the market. In most areas of commerce, the brand name is used as an adjective to modify the common name of the product. Some examples are: Florsheim—shoes, Eversharp—pens, Eveready—batteries, Heinz—ketchup, Heinz—vegetarian beans, Heinz—kidney beans, Heinz—vegetable soup, Campbell's—beans, Campbell's—vegetable soup, Campbell's—tomato soup, Libby—beans, Ann Page—beans, and so forth.

Note that the brand names above are the names of the manufacturers.

Other manufacturers chose to use devices rather than their own names as a brand. Examples are: Arm & Hammer—bicarbonate of soda, Bumble Bee—tuna fish.

Sometimes, the product is natural, rather than manufactured, such as: Sunkist—oranges.

This use of a brand name stems from old English common law and is specifically protected by congressional act.

I want to make it clear that I am 100 percent in favor of this brand-name usage. I consider it to be helpful to the consumer and a major factor in encouraging manufacturer reliability.

Let us take note of some of the features of this system, even though they may seem obvious.

First, and most important, the brand name is almost always used with the common or official name. A person would be unlikely to ask a grocer for a "can of Heinz"—he would ask for Heinz vegetarian beans, or Heinz vegetable soup, and so forth. Therefore, the use of this kind of brand name does not in any way obscure, hide, or confuse the true nature of the product.

Second, this use of the brand name permits the consumer to compare prices in a rational manner. He or she realizes that there are differences between Heinz beans, Campbell's beans, Ann Page beans, Libby beans, and others. However, the consumer also realizes that the products are, nevertheless, basically similar. If the price difference is 1 cent per can, the consumer might decide and often does, that the flavor of one brand is worth the extra 1 cent, and purchases it. On the other hand, if one brand of beans sold for 19 cents per can, while another sold for 69 cents, few consumers would be willing to pay over three times as much, even if the more expensive bean tasted a little better.

Mr. GORDON. May I interrupt here?

Dr. GARB. Yes, sir.

Mr. GORDON. Now this wouldn't apply to drugs, would it? That is consumers can't flit from one—

Senator NELSON. You cover that in your statement, I believe?