

name item, and the brand name as a property right, I think Mr. Cutler might comment on that.

Mr. CUTLER. Mr. Grossman, as you know, trade names and trademarks are permitted under our laws for all products really as a means of encouraging competition enabling manufacturers to call attention to their mark which identifies their origin, and to enable them to help the customer differentiate their product and someone else's product. The problem is just the same in drugs as it would be in Coca-Cola, bikes, or Mustangs, or whatever other brand name or trademark you might select. There is no reason why drugs should be treated any differently.

Mr. GORDON. Are you saying that drugs can be compared with bicycles, shirts, shoes, and other things? Don't you see any difference at all in the drug industry?

Mr. CUTLER. Certainly I see difference in products.

Mr. GORDON. I do not mean just in products.

Mr. CUTLER. I believe the same competitive forces and competitive values in calling to the customer's attention, in this case the doctor, the difference between one manufacturing source and another apply in drugs as they do in automobiles, Coca-Cola, or food or whisky or anything else.

Mr. GORDON. But you do see, do you not, a certain social responsibility the drug industry has?

Mr. CUTLER. Absolutely.

Mr. GORDON. That other industries do not have?

Mr. CUTLER. No question. Drugs are one of the most important products we have. But there is no reason why competition, as Mr. Stetler has said, should not be the method by which different drug products win their way into the favor of the doctor who is making comparative judgments.

Mr. GROSSMAN. Would you not agree they should win their way based upon one product being better than another product?

Mr. CUTLER. No question about it. The presence or absence of a trademark would not affect that. The value of the mark or the trade name is to permit the manufacturer to call attention to his product.

Mr. GROSSMAN. I have just looked through some of the literature sent out by industry to doctors, and sometimes I just see a picture of some people looking very happy and healthy, and just a big trademark name right in front of it. That doesn't tell me or the doctor why that product is better than any other product.

Mr. CUTLER. It would be equally true if the same ad said "Merck's prednisone." The fact that it might or might not have a trade name does not really affect the point, it seems to me.

Mr. GORDON. I think there is another very important problem with respect to using a trade name. I think Dr. Modell and others have testified that trade names can cause certain confusion.

But from your point of view, you say it makes no difference whether you use a trade name, or whether you say reserpine-Ciba?

Mr. STETLER. We say the important thing is for the doctor to identify the source. If he does that more easily or more effectively by using a brand name, he should have the right to do it. But the important thing is the identification of the source. There is no question about that.

Mr. GROSSMAN. Thank you.