

## II. Essay Question

### MEMO

To: Mona L. Jaconde

From: Associate

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RE: Pfizer—VIAGRA

Pfizer's federal registration of its trademarks and trade dress gives it nationwide priority over future users, and provides nationwide constructive notice to others not to infringe upon its marks. Pfizer will have infringement and dilution claims against Podrobione and ViaGuara US once each company sells the energy drink and vodka products, respectively, thereby using their marks in commerce. (*Blue Bell*).

#### A. LIKELIHOOD OF CONFUSION

Since Pfizer has registered trademarks, Pfizer can bring a §32 infringement claim against Podrobione and ViaGuara US for likelihood of confusion as to the source, sponsorship, endorsement, affiliation, or connection of its ViaGuara energy drink and vodka. To determine likelihood of confusion, courts apply similar, non-exhaustive multi-factor tests: 2nd Circuit (*Polaroid*); 9th Circuit (*Sleekcraft*); and 8th Circuit (*Squirtco*). I will apply the eight *Sleekcraft* factors.

First, VIAGRA is a strong mark conceptually and commercially. Conceptually, VIAGRA is an arbitrary or fanciful mark, and thus inherently distinctive, because it does not suggest the qualities nor nature of the drug. (*Banfi*; *Dreamwerks*). Moreover, Pfizer's current federal registrations of VIAGRA, the blue diamond-shaped pill trade dress, and the slogan VIVA VIAGRA presumes that those marks are valid and distinctive (*Gallo*), as well as incontestable

with five years of continuous use (*Thrifty*). Commercially, VIAGRA has been one of the world's best known drugs since its introduction 18 years ago, with \$1.9 billion sales in 2008.

Second, the marks are similar at first glance. VIAGRA is one word, whereas VIAGUARA is arguably two words because of the larger letters "V" and "G," though there is no space between the two words and consumers will not see the difference (*Nutrasweet*).

VIAGUARA has an accent above the last "A," though consumers may also not notice the difference in spelling (*Dreamwerks*). The marks share the identical prefix VIA (*Nutrasweet*), while the respective suffixes GRA and GUARA are very similar. There are slight phonetic differences, particularly that GRA has one syllable, while GUARA has two syllables (*Banfi*). However, the pronunciation of the marks is very similar, especially the prefix VIA as pronounced on Pfizer's slogan VIVA VIAGRA. Podrobione may argue that the fonts and colors in the marks are even more distinguished than those in *Marshall Field*, where the court concluded that purchasers are not likely to confuse the source of the goods based on the script forms. Moreover, similar to the marks in *Banfi*, the marks here differ in English translation in that VIAGUARA means "by means of" guarana, whereas VIAGRA is Pfizer's coined term and has no meaning. Furthermore, Podrobione may argue that similar to the mark in *Quik-Print*, VIAGUARA is descriptive in that it immediately conveys the guarana ingredient of its energy drink and the guarana flavor of its vodka.

Third, Podrobione will argue there is disparate proximity of the goods since erectile dysfunction drugs do not compete for sales against energy drinks nor vodka (*Banfi*), though some courts accord little weight to this factor (*Maker's Mark*). Pfizer may argue that Viagra is sold to the same class of health and nutrition consumers who purchase energy drinks and sexual health products. Moreover, to party-going consumers of energy drinks and alcohol, Viagra may

have similar bedtime use and function as, or even be complementary to (*Dreamwerks*), energy drinks and alcohol.

Fourth, Podrobione may expand its product lines and bridge the gap. Though there is no clear indication in the facts, one can argue that because Podrobione has expanded its products from energy drinks to include vodka, Podrobione may join the many producers of fake aphrodisiacs that have imitated the name, shape, and color of Viagra.

Fifth, there's no evidence of actual confusion, though Pfizer's successful opposition to Podrobione's attempt to register VIAGUARA in the European Union may indicate that confusion is likely. Nonetheless, failure to prove actual confusion is not dispositive for infringement (*Gallo*), especially because the ViaGuara products are not currently sold.

Sixth, a court may presume that Podrobione intended to copy the VIAGRA mark because Podrobione was at least cognizant of the potentially infringing nature of its use of VIAGUARA, as demonstrated by its direct knowledge of Podrobione's successful opposition to VIAGUARA in the European Union. (*Gallo*). Podrobione may argue that it innocently adopted the VIAGUARA mark as a descriptive mark that indicates the guarana ingredient. However, with an "infinity" of other names to choose from, including "VIAGUARANA" as a more descriptive mark to distinguish itself from VIAGRA, Podrobione still chose VIAGUARA. (*Stork Club*).

Seventh, energy drinks and \$19.99 vodka are inexpensive, "impulse" products (*Nutrasweet*), and consumers of such products are likely "unsophisticated" and would exercise a low degree of care (*Gallo*). Podrobione may argue that health conscious consumers at GNC carefully look at labels, so they will know the difference between VIAGRA and VIAGUARA.

Eighth, the marketing channels may converge in major convenient stores that have pharmacies. The marketing channels also may converge in the Latino communities where Pfizer

has promoted its slogan VIVA VIAGRA. However, energy drinks and alcohol can be marketed and sold at stores that don't have pharmacies.

In conclusion, although certain factors weigh against it, Pfizer has a strong argument for infringement because of Pfizer's strong mark, the similarity of the marks, and Podrobione's likely intent.

B. INITIAL INTEREST CONFUSION

Pfizer may argue, under the likelihood of confusion factors discussed above, that there is a likelihood of initial interest confusion, even if there is no actual confusion at the time of purchase, by showing that an appreciable number of ordinarily prudent purchasers are likely to be misled or confused as to the source of the ViaGuara energy drinks and vodka. (*Mobil*).

Podrobione may gain crucial credibility in the initial phase of consumer interest since VIAGUARA is lesser known mark that resembles the well-known VIAGRA mark. (*Mobil*).

Moreover, similar to *Mobil*, a court may focus on Podrobione's likely intentional copying of the VIAGRA mark to presume a likelihood of confusion. However, unlike the facts in *Blockbuster*, the products here are not identical and there would be little or no "sunk costs" for the consumer, whether she sees the VIAGUARA energy drink or vodka online or at a brick and mortar store.

Similar to the online consumers in *Network Automation*, an energy drink consumer who sees the ViaGuara product on GNC's website, thinking it was produced by Pfizer, would simply hit the back button once she realizes that ViaGuara is the brand. Likewise, brick and mortar store consumers of ViaGuara's energy drinks and vodka would simply place the item back on the shelf without "sunk costs."

C. DILUTION

Pfizer can bring claims for §43(c) federal dilution or state dilution, to enjoin Podrobione's use of the VIAGUARA marks, without proving a likelihood of confusion. Pfizer can satisfy the threshold determination that VIAGRA became famous before the diluting activity because, similar to Hershey's mark in *Art Van*, VIAGRA is recognized by the general consuming public of the United States, and is not merely niche famous, since Viagra is one of the world's best known drugs since 1998, with \$1.9 billion sales in 2008. A blurring claim would be subject to a similar analysis as infringement and would likely prevail accordingly. Similar to *Stork Club*, though there is no diversion of trade here, a court may protect Pfizer as a producer by preventing Podrobione from reaping where it has not sown and from diluting the value of Pfizer's dearly bought prestige. A tarnishment claim may not prevail since there are no indications that Podrobione and ViaGuara US's marks carry negative connotations.

D. SECONDARY LIABILITY

Pfizer may prevent the sale and distribution of ViaGuara energy drinks and vodka by suing Podrobione and ViaGuara US for inducement. Unlike the representatives in *Inwood*, Podrobione is in a position to directly suggest to its subsidiary, ViaGuara US, to import the infringing products into the United States. Similarly, ViaGuara US will be liable for inducement for contracting with GNC to carry the energy drink in GNC stores and for contracting with Lawrenceburg Distillers to distill and bottle the vodka.

Additionally, Pfizer may bring a contributory liability claims against ViaGuara US for providing Podrobione with services to import the ViaGuara energy drink as well as for contracting with GNC and Lawrenceburg Distillers. Pfizer is likely to prevail on contributory infringement claim against ViaGuara US since a court may infer that ViaGuara US, as a

subsidiary of Podrobione, had specific knowledge that Podrobione was using ViaGuara US's services to import and sell infringing goods. (*Tiffany*).

Pfizer may also bring contributory liability claims against GNC if GNC sells the energy drinks and against Lawrenceburg Distillers for distilling and bottling the vodkas. Arguably, because GNC sells sexual health products, GNC should know that the ViaGuara energy drink infringes on VIAGRA. Such knowledge is difficult to infer on Lawrenceburg Distillers. GNC and Lawrenceburg Distillers may successfully argue that, similar to eBay in *Tiffany*, they did not have the requisite knowledge of identified individuals who are using their services to infringe. Thus, Pfizer should send cease and desist letters to GNC and Lawrenceburg Distillers, giving the companies sufficient knowledge that their services provided to Podrobione and ViaGuara US are being used to sell infringing goods.

E. FAIR USE

As a defense to infringement and dilution, Podrobione may invoke a §33(b) descriptive fair use defense to Pfizer's incontestable marks. Podrobione may argue that, similar to the *US Shoe* slogan, VIAGUARA describes the virtue of the products, particularly the guarana ingredient in its energy drink and the guarana flavor of its vodka. However, such a defense fails because Pfizer can show that Podrobione adopted the mark in bad faith since Podrobione was at least cognizant of the potentially infringing nature of VIAGUARA, as demonstrated by Pfizer's successful opposition to Podrobione's VIAGUARA registration. (*Gallo*).

F. GENERICIDE

Podrobione may try to seek to cancel Pfizer's trademarks by arguing that Viagra became a generic term. Similar to the promotional campaign in *Thermos*, Pfizer's VIVA VIAGRA slogan uses "Viagra" as a noun, which may have the effect of making "Viagra" a generic term

descriptive of the product rather than its origin. Moreover, the fact that there are many fake aphrodisiacs calling themselves “herbal viagra,” or copying the blue color and shape of Pfizer’s product, may similarly indicate genericide. However, unlike the Aspirin in *Bayer*, VIAGRA pills are imprinted with “Pfizer” and the Viagra package displays the Pfizer house mark and the “Sildenafil” compound name. Therefore, consumers know that the Viagra tablets are Pfizer’s make of Sildenafil. Moreover, Pfizer may argue that consumers are good at sorting out brand names, like VIAGRA and TEFLON, from common names. (*DuPont*).

G. SLOGAN

Pfizer may have a separate claim for infringement against ViaGuara US for its rumored slogan “*Paint the night blue.*” The word “blue” in the slogan can mislead consumers into believing ViaGuara US is the brand that produced the incontestable blue Viagra pill. Moreover, although Pfizer’s slogan VIVA VIAGRA differs in sound and sight compared to ViaGuara US’s slogan, the meanings may be similar in that VIVA VIAGRA translates to “Long live Viagra!” and “*Paint the night blue*” similarly invokes the thought of Viagra use for bedtime activities. ViaGuara US may argue a §33(b) descriptive fair use defense to Pfizer’s incontestability that, similar to the slogan in *US Shoe*, ViaGuara’s slogan uses the word “blue” to describe the blue graphic on the vodka label or to describe ViaGuara US’s possible sponsorship of the Blue Note Jazz Festival. However, such a defense fails if Pfizer can show that ViaGuara US is not using “blue” in good faith, which can be inferred if ViaGuara US knew about Pfizer’s successful opposition to Podrobione’s registration of VIAGUARA. Pfizer has a stronger argument if ViaGuara does not become the official vodka sponsor of the festival.

THIS ESSAY IS 1962 WORDS.