

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman
Pamela Jones Harbour
William E. Kovacic
J. Thomas Rosch

In the Matter of)	
)	
)	
PFIZER INC.,)	Docket No. C-4267
a corporation,)	
)	
and)	
)	
WYETH,)	
a corporation.)	
)	
)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act, and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Pfizer Inc. (“Pfizer”), a corporation subject to the jurisdiction of the Commission, and Respondent Wyeth (“Wyeth”), a corporation subject to the jurisdiction of the Commission, have agreed to merge in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Pfizer is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its corporate head office and principal place of business located at 235 East 42nd Street, New York, New York 10017.
2. Respondent Pfizer is engaged in, among other things, the research, development, manufacture, distribution, and sale of human pharmaceutical products, as well as animal health products through its Pfizer Animal Health division.

3. Respondent Wyeth f/k/a American Home Products Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its headquarters at 5 Giralda Farms, Madison, New Jersey 07940.
4. Respondent Wyeth is engaged in, among other things, the research, development, manufacture, distribution, and sale of human pharmaceutical products, as well as animal health products through its Fort Dodge Animal Health (“Fort Dodge”) division.
5. Respondents are, and at all times herein have been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and are corporations whose businesses are in or affect commerce, as “commerce” is defined

13. The markets for lactating-cow and dry-cow mastitis treatments are highly concentrated, with Pfizer and Fort Dodge together accounting for more than 90 percent of sales in each of these markets. The proposed acquisition would increase the Herfindahl-Hirschman Index (“HHI”) by 3,292 points to 8,588 points in the lactating-cow mastitis market, as well as increase the HHI by 4,260 points to 9,011 points in the dry-cow mastitis market.
14. The proposed acquisition would combine two of only three companies that sell dairy cattle broad-spectrum antibiotic products with low milk-withholding times in the United States. Pfizer’s products are considered the most effective antibiotics for dairy cows and have a zero-day withholding period, while Fort Dodge’s product has a low withholding period of two to four days. A generic version of one of Pfizer’s products was recently introduced. As a result of the proposed acquisition, Pfizer would have a near monopoly in the \$162 million market for broad-spectrum antibiotics with low milk-withholding times for **dairy cattle**.
15. ~~Pfizer, Fort Dodge, and Merial~~ are the only three branded players in the U.S. market for cattle macrocyclic lactone parasiticides. The proposed acquisition would significantly increase the concentration in this market, leaving Pfizer with approximately 42 percent of this \$118 million market. Suppliers of generic macrocyclic lactone products do not provide a serious competitive constraint due to their poor reputation in this market. Further, such suppliers sell generic versions of only Merial’s product; there are no generic versions of Pfizer’s or Fort Dodge’s products currently available. The proposed acquisition would increase the HHI in this market by 875 points to 2,381 points.
16. Only Pfizer, Fort Dodge, and ISP offer cattle benzimidazole parasiticides in the United States. ISP accounts for 67 percent of this \$16 million market, with Pfizer and Fort Dodge the only two other market participants. As a result of the proposed acquisition, the HHI in this market would increase by 271 points to a post-acquisition HHI of 5,613 points.
17. Pfizer, Fort Dodge, Merial, and ISP are the only four significant companies that sell ~~in the U.S. market for cattle benzimidazole parasiticides~~ (HHI of 4,366) or ~~in the U.S. market for cattle benzimidazole parasiticides~~ (HHI of 4,366).

20. The proposed acquisition would combine the only two companies that currently supply canine monovalent leptospira vaccines in the United States. Pfizer has a 53 percent share of this \$9.2 million market, and Fort Dodge controls the remaining 47 percent of the market. The proposed acquisition would result in Pfizer having a monopoly in the market for canine monovalent leptospira vaccines, with the HHI increasing from 5,019 to 10,000 points.
21. Pfizer, Fort Dodge, ISP, Merial, and BI are the only five companies that supply canine bordetella vaccines in the United States, sales of which total \$53.3 million. The proposed acquisition would reduce the number of suppliers of canine bordetella vaccines from five to four, with Pfizer significantly larger than its three remaining competitors.
22. Pfizer, Fort Dodge, Merial, and ISP are the only four significant companies that supply feline combination vaccines in the United States. Total U.S. sales of feline combination vaccines are \$28 million. The proposed acquisition would reduce the number of significant suppliers of feline combination vaccines from four to three and produce a firm that is considerably larger than its two remaining competitors.

27. Pfizer, Fort Dodge, ISP, and BI are the only suppliers of equine herpesvirus vaccines in the United States, sales of which total \$30 million. The proposed acquisition would reduce the number of suppliers of equine herpesvirus vaccines from four to three, with Pfizer TD(pli)Tj12.7200 0.000h7.4400 TD(Pf)Tj10.6800 0.000 s0N082e

- d. by reducing the merged entity's incentives to pursue further innovation in the U.S. markets for each of the relevant products; and
- e. by increasing the likelihood that U.S. customers would be forced to pay higher prices for each of the relevant products.

VII. VIOLATIONS CHARGED

- 32. The Merger Agreement described in Paragraph 6 above constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.
- 33. The Acquisition described in Paragraph 6 above, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this fourteenth day of October, 2009, issues its Complaint against said Respondents.