



Pfizer Animal Health  
5 Giralda Farms  
Madison, New Jersey 07940

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**Sandra Beaty**  
**Senior Vice President**  
**Communications & Public Affairs**

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Federal Trade Commission  
Office of the Secretary  
Room H-113 (Annex X)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**Re: Pet Medications Workshop, Project No. P12-1201**

Pfizer Animal Health (PAH) appreciates the opportunity to submit comments for the Federal Trade Commission's one-day public workshop to examine competition and consumer protection issues in the pet medications industry. PAH is a global leader in researching and manufacturing animal medicines and diagnostics for companion animals, horses and livestock. We are passionate about helping animals live healthier lives and, in pursuit of this, we believe veterinarians are both integral and central to ensuring this outcome.

Over the last 60 years, PAH has worked closely with veterinarians and animal hospitals to help them care for patients. We focus our research and development efforts to meet their needs. From our experience, we feel strongly that veterinarians are the most effective educators of pet owners when it comes to ensuring animal health. Therefore, we believe that preserving the direct relationship between the veterinarian, the client and the patient – in all facets of animal healthcare, including the dispensing of medications – is critically important to ensuring pet health for the following reasons:

- Veterinarians provide continuity and consistency of care by giving important guidance about the daily, monthly and yearly actions owners need to take to maintain their pets' health.
- Veterinarians educate pet owners on how to properly administer their pets' medicine. There are many challenges with administering medication to animals. The route and technique of administration can also play a role in the choice of medication prescribed and may require significant time for training and follow up with the pet owner.
- The veterinarian, through his or her professional training, understands potential side effects or drug interactions and can educate pet owners on the critical signs to watch for in their pets.

- Unlike veterinarians, retail pharmacists are not formally trained to deal with any of the above challenges.

With few exceptions, PAH's pet product portfolio is comprised of prescription-only products, many of which are further required by regulatory laws to be administered only by a veterinarian.<sup>1</sup> Accordingly, we sell our prescription products directly to veterinarians or through a select network of distributors who sell to veterinarians. We train veterinary distributors and veterinarians on proper transportation, handling and storage, and we track those metrics to ensure the quality and integrity of our products – which helps to ensure their ultimate safety to pets. Despite our efforts, the same cannot always be said in situations where our products are diverted away from the veterinary market and sold outside of our tracked and verified distribution channel (e.g. gray market distribution). We are concerned that mandating prescription writing could inadvertently increase the prevalence of product diversion through such unauthorized – and unverified – distribution channels.

Separate and apart from the diversion issue, we believe that prescription medications are generally best administered and dispensed by veterinarians due to their unique training and experience. While we have no doubt that pharmacists are competent at their trade, meeting the needs of animals and their owners still presents serious challenges. Pfizer believes that retail pharmacies currently do not have staff trained in animal medicines and pharmacology and are unable to caution owners appropriately to avoid injury when attempting to administer medications to animals. In fact, those dispensing would need to be trained on issues for multiple species and would also need to understand substantial differences among breeds within species, including behavioral signals warning that the pet might bite, scratch, kick or strike.

Notwithstanding the above, it is important to acknowledge that veterinarians do, in fact, write many prescriptions when requested, or when in the best interest of the patient, for dispensing at retail or online pharmacies. Indeed, while manufacturers, such as Pfizer, continue to innovate, many disorders in small animals for which veterinary-labeled products are not available (e.g., glaucoma, most heart diseases, most cancers, etc.) still exist. For these conditions, veterinarians routinely rely on prescribing human drugs that, to some extent, are dispensed at retail pharmacies. Recent audit data show that over 6 million prescriptions are written by veterinarians each year and filled by retail pharmacies.<sup>2</sup> As disclosed by one publically-traded online retailer, veterinarian-written prescriptions accounted for 40 percent of its \$238 million sales revenue in the fiscal year ending April 2012.<sup>3</sup>

Furthermore, market forces and data show that consumers are aware that they have the choice to have their prescriptions filled outside of the veterinary hospital. The number of retail and online pharmacies offering animal health products has grown as well as their investment in marketing campaigns to consumers. For example, one pharmacy spent more than \$200 million on a multi-year advertising campaign to consumers.<sup>4</sup> IMS National Prescription Audit data show an increase in veterinarian prescription writing every year since 2007, the first year for which data became

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<sup>1</sup> With a couple of exceptions, the product portfolio available to U.S. pet owners is generally categorized in these four areas: parasiticides (i.e. flea/tick/heartworm), vaccines, anti-infectives (i.e. antibiotics), and anti-inflammatory (i.e. NSAIDs). These products are either approved by the FDA, USDA or the EPA. Those products approved by the FDA and USDA generally require a veterinarian prescription and can require a veterinarian to administer them, i.e. injectables.

<sup>2</sup> [IMS National Prescription Audit \(NPA\)- Veterinary Rx through Human Pharmacy Channel](#), 2012

<sup>3</sup> See PetMed Express, Inc., 2012 Annual Report on Form 10-K; for the year ending March 31, 2012.

<sup>4</sup> See PetMed Express, Inc., Welcome to Fellow Investors, available at <http://investor-relations.petmeds.com>.

available.<sup>5</sup> In short, the retail and online options are available and well-advertised to consumers and they are responding by requesting millions of prescriptions from their veterinarians.

In addition to awareness, consumers can expect to receive a written prescription from their veterinarian if they request one. Many state statutes, policies or regulations already require veterinarians to provide a written prescription upon a client's legitimate request. And, in other states, veterinarians are subject to disciplinary action by state veterinary boards for unprofessional conduct if they fail to honor a legitimate prescription request. In particular, AVMA's Principles of Veterinary Medical Ethics, which many state veterinary boards have adopted, specifically include a provision that veterinarians should honor such requests.

In closing, Pfizer believes a strong and direct veterinarian-client-patient-relationship enhances the probability of consistent treatment and continuity of care for the pet, which is one of the primary reasons why we choose to sell through veterinarians. While many stakeholders rely on retail pharmacies to dispense their pet medications, this creates inherent risks because, unlike veterinarians, such pharmacy staff have no formal training on the nuances of animal drug interactions or the potential challenges associated with administration. We believe this could raise potential consumer protection issues and potentially compromise animal health. Lastly, state laws, regulations, policies and veterinary ethical codes of conduct ensure that if a consumer wants a prescription, he or she should receive it.

In light of these facts, PAH sees no need for legislation, regulation or other government action which might, inadvertently, diminish critical interaction between the veterinarians, patients and clients while putting more pressure on the retail pharmacies that are not properly equipped to meet the challenges.

We appreciate the opportunity to submit written comments.

Respectfully,

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Sandra Beaty  
Senior Vice President

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<sup>5</sup> IMS National Prescription Audit data, 2012.