

1 ANTHONY E. DESMOND
2 MARK F. ANDERSON
3 CHRISTOPHER S CROOK
4 Antitrust Division
5 Department of Justice
6 450 Golden Gate Avenue
7 Box 36046
8 San Francisco, California 94102
9 Telephone: (415) 556-6300

10 Attorneys for the Plaintiff

11 UNITED STATES DISTRICT COURT

12 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

13 UNITED STATES OF AMERICA,)
14) Civil No. 75-1076-N
15 Plaintiff,)
16) Filed: November. 14, 1975
17 v.)
18) COMPLAINT FOR INJUNCTIVE
19 SAN DIEGO COUNTY VETERINARY) RELIEF FOR VIOLATION OF
20 MEDICAL ASSOCIATION,) TITLE 15 U.S.C. § 1,
21) SHERMAN ANTITRUST ACT
22 Defendant.)
23)

24 COMPLAINT

25 The United States of America, plaintiff, by its
26 attorneys, acting under the direction of the Attorney
27 General of the United States, brings this civil action
28 against the above-named defendant, and complains and alleges
29 as follows:

30 I

31 JURISDICTION AND VENUE

32 1. This complaint is filed and proceedings are
instituted under Section 4 of the Act of Congress of
July 2, 1890, as amended (15 U.S.C. §4), commonly known as
the Sherman Act, in order to prevent and restrain the
continuing violation by the defendant, as hereinafter
alleged, of Section 1 of said Act (15 U.S.C. §1).

2. The defendant maintains an office, transacts
business and is found within the Southern District of
California.

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II

THE DEFENDANT

3. The San Diego County Veterinary Medical Association (hereinafter referred to as SDVMA) is made the defendant herein. SDVMA is a non-profit corporation organized under the laws of the State of California and having its principal place of business in La Mesa, California. SDVMA is an association of doctors of veterinary medicine engaged in the business of providing veterinary services.

4. At the present time, over 200 veterinarians are members of SDVMA. Almost all the SDVMA members practice within San Diego County, State of California.

5. SDVMA is composed of constituent chapters. Each chapter is established either on the basis of geographical considerations or the specific interests of its members. There are six geographic chapters in SDVMA, viz: Beach-Mesa Chapter, East County Chapter, Metropolitan San Diego Chapter, North County Chapter, and South Bay Chapter. In addition to these geographic chapters, there is one chapter based on a specific area of veterinary medicine, viz: the Large Animal Chapter.

III

CO-CONSPIRATORS

6. Various members and officers of SDVMA, not named as defendants in this complaint participated as co-conspirators in the violation hereinafter alleged and have performed acts and made statements in furtherance thereof.

IV

TRADE AND COMMERCE

7. Members of SDVMA are doctors of veterinary medicine who provide veterinary services for animal owners located in San Diego County, State of California. Members of SDVMA

1 are licensed to practice veterinary medicine by the State
2 of California.

3 8. SDVMA members in their veterinary practices realize
4 gross revenues in excess of \$10 million per year.

5 9. SDVMA members necessarily use anesthetics, anti-
6 biotics, vaccines, serums, other drugs and surgical supplies
7 in providing veterinary services. In doing so, SDVMA
8 members each purchase and resell to their customers those
9 drug and surgical items.

10 10. During the period of time covered by this complaint,
11 substantially all of the anesthetics, antibiotics, vaccines,
12 serums, other drugs and surgical supplies used by SDVMA
13 members were produced in states other than California and
14 were shipped to California from the various states of
15 manufacture. There was a substantial and continuous flow in
16 interstate commerce of such anesthetics, antibiotics,
17 vaccines, serums, other drugs and surgical supplies from
18 suppliers located outside of California directly and indirect-
19 ly through wholesalers to SDVMA members and thence to their
20 customers.

21 11. During the period of time covered by this complaint,
22 the activities of the defendant and its members, as
23 described herein, were performed within the flow of interstate
24 commerce, and are an essential and integral part of that flow.
25 Said activities had a substantial effect upon the aforesaid
26 interstate commerce.

27 V

28 VIOLATION ALLEGED

29 12. Beginning at least as early as 1958 and continuing
30 to the date of the filing of this complaint, the defendant
31 and the co-conspirators have engaged in a combination and
32 conspiracy in unreasonable restraint of the aforesaid

1 trade and commerce in violation of Section 1 of the Sherman
2 Act, as amended (15 U.S.C. §1). Said unlawful combination and
3 conspiracy is continuing and will continue unless the relief
4 hereinafter prayed for is granted.

5 13. The aforesaid combination and conspiracy has consisted
6 of a continuing agreement and concert of action among the
7 defendant and co-conspirators to raise, fix, stabilize, and
8 maintain fees charged by members of the defendant for rendering
9 veterinary services.

10 14. In effectuating the aforesaid combination and
11 conspiracy, the defendant and co-conspirators have done the
12 things which, as hereinbefore alleged, they agreed and conspired
13 to do, including, among other things, the following:

- 14 (a) conducted fee surveys;
- 15 (b) published results of fee surveys;
- 16 (c) adopted minimum fee schedules;
- 17 (d) adopted suggested fee schedules;
- 18 (e) published, circulated and utilized
19 minimum and suggested fee schedules; and
- 20 (f) prohibited SDVMA members from accepting
21 referrals from animal welfare agencies
22 for spay and neuter operations at reduced
23 fees.

24 VI

25 EFFECTS

26 15. The aforesaid combination and conspiracy has had
27 the following effects, among others:

- 28 (a) Fees for veterinary services of members
29 of defendant have been raised, fixed,
30 stabilized, and maintained at artificial
31 and non-competitive levels;
- 32

1 (b) Price competition among SDVMA members in
2 the sale of veterinary services has been
3 suppressed and restrained; and

4 (c) Animal owners requiring the services offered
5 by members of SDVMA have been deprived of the
6 benefits of free and open competition in the
7 sale of such services.

8 PRAYER

9 WHEREFORE, plaintiff prays:

10 1. That the Court adjudge and decree that the defendant
11 and co-conspirators have engaged in an unlawful combination and
12 conspiracy in restraint of the aforesaid trade and commerce
13 in violation of Section 1 of the Sherman Act.

14 2. That the defendant, its officers, directors, agents,
15 employees, and successors and other other persons acting or
16 claiming to act on its behalf be enjoined and restrained from,
17 in any manner, directly or indirectly, continuing, maintaining,
18 or renewing the combination and conspiracy hereinbefore alleged,
19 or from engaging in any other combination, conspiracy, contract,
20 agreement, understanding, or concert of action having a similar
21 purpose or effect, and from adopting or following any practice,
22 plan, program, or device having a similar purpose or effect.

23 3. That the defendant be directed to furnish a copy of
24 any final judgment entered in this case to each of its members.

25 4. That the plaintiff have such other and further
26 relief as the nature of the case may require and the Court
27 may deem just and proper.

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