



FOR IMMEDIATE RELEASE

November 14, 2018

1-800 Contacts Statement on FTC Ruling on Trademark Settlement Agreements

Draper, Utah – 1-800 Contacts’ General Counsel Roy Montclair issued the following statement on today’s ruling by the Federal Trade Commission (FTC) on the company’s trademark settlement agreements:

“1-800 Contacts disagrees with the ruling today by a majority of the Federal Trade Commission that our trademark settlement agreements violate antitrust principles. As the 46-page dissent from Commissioner Phillips recognizes, the majority’s “truncated antitrust analysis” is inconsistent with the law, and its opinion “discard[s] entirely the value” of 1-800 Contacts’ legitimate trademark claims. The majority decision will, as the dissent recognizes, “create uncertainty for parties considering settlement” and, by disregarding valid trademark rights, “reduc[e] the incentive to build brands.” We will appeal this ruling in court and are confident that our right to protect our trademarks will be upheld.

“1-800 Contacts has made significant investments in establishing its brand name and building its reputation with consumers. Indeed, as Commissioner Phillips explained in his dissent, 1-800 Contacts’ massive investment is “the kind of conduct trademark law is intended to foster” and “did more than benefit 1-800 Contacts: it pioneered the mail-order contact lens business and then the online contact lens business to the direct benefit of consumers in the form of reduced prices and increased convenience and choice.” We have the legal right to stop others from unlawfully using our trademarks that protect our brand name and from free-riding on our investment. The settlement agreements were a standard way to resolve such trademark claims and were not a means to hinder competition for contact lenses.

“1-800 Contacts believes in a fair and competitive contact lens marketplace. Since our founding in 1995, we have provided millions of customers with a simple, convenient way to order contact lenses while delivering exceptional customer service. We have always been a champion for consumer rights. We advocated for passage of the Fairness to Contact Lens Consumers Act of 2003. We successfully fought against price fixing policies by the contact lens manufacturers disguised as unilateral pricing policies. And we have been a leader in the fight to protect consumers’ right to purchase contact lenses from their retailer of choice. We intend to continue to advocate for providing consumers with more choice, greater convenience, and lower prices.”

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ABOUT 1-800 CONTACTS

1-800 Contacts, Inc. is the largest retailer of contact lenses in the United States, and is dedicated to making it easier for consumers to purchase contact lenses. 1-800 Contacts offers all of the most popular brands of contact lenses at competitive prices while delivering exceptional customer service. The company has served more than 12 million customers, stocks more than 15 million contact lenses, and delivers more than 200,000 contact lenses every day directly to customers. Through its award-winning website, www.1800contacts.com, its industry leading mobile applications and its easy-to-remember, toll-free telephone number “1-800 Contacts” (1-800-266-8228), the company ships an industry leading 98 percent of its orders within one business day of receipt and verification of prescriptions.