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FEDERAL COURT GREENLIGHTS \$180 MILLION ANTITRUST SUIT AGAINST CHINESE TELESCOPE MANUFACTURERS – Orion® Telescopes & Binoculars Seeks Relief from Collusion by Chinese-Owned Competitors Meade Instruments, Celestron, and Sunny Optics

April 1, 2019
Watsonville, California

A U.S. Federal Court in Northern California has ordered that antitrust and monopolization claims against Chinese-owned telescope companies Meade Instruments, Sunny Optics and their affiliates can proceed to trial.

The claims are brought by **Orion® Telescopes & Binoculars**, the last American telescope brand and distributor, with forty employees headquartered in Watsonville, California. Orion seeks compensatory and treble damages exceeding \$180,000,000.

Orion’s suit is one of the first of its kind to target collusive acquisitions of consumer brands by foreign manufacturers. In recent years, the U.S. telescope industry has experienced marked consolidation by Chinese suppliers who have purchased and now operate leading brands **Meade Instruments, Celestron** and **SkyWatcher**.

Orion alleges that Meade, Celestron, Sunny and others have operated as a cartel to coordinate the manufacture, marketing and distribution of telescopes in the U.S. Evidence presented to the Court shows that Defendants were able to use their conspiracy to divide the market and fix prices, harming consumers and Orion.

U.S. District Judge Edward Davila rejected defendants’ argument that there was no anti-competitive conduct or injury: “Defendants argue that Orion has not sufficiently pled anticompetitive conduct. The Court disagrees. As discussed above, Orion has adequately pled that Ningbo obtained its monopoly through an allegedly unlawful conspiracy to restrict competition and to allocate the market ... When the allegations and Exhibit 1 are seen as points of light in a broader constellation instead of as solitary stars drifting through the aether, they plausibly suggest a conspiracy to restrain trade.”

Orion President **Peter Moreo** expressed satisfaction in the Court’s ruling. “We are operating in a business environment that no one ever should have to face. Our manufacturers based in China have been conspiring for years to put us out of business so that their own brands can dominate the market and raise prices.” He added, “The Court’s order will give some peace of mind to our employees in Watsonville, and also serve as notice that American consumers cannot be harmed by this kind of activity without consequences. We look forward to presenting some of the striking evidence of defendants’ conduct.”

In its ruling, the Court explained that the collusion between manufacturers also involved defendants' 2014 acquisition of former U.S. publicly traded company, Meade Instruments:

“[The Chinese manufacturers’] alleged division of the market arises from an unlawful[] conspiracy, not lawful unilateral action. The advance knowledge implies that Ningbo saw no danger in informing its manufacturing competitor that it intended to acquire another factory [Meade Instruments]. Coupled with the specific factual allegations that the Settling Parties and Defendants share other sensitive information related to pricing, credit, and Ningbo’s manufacturing capabilities and capacity, they support the conclusion that Ningbo and the Settling Manufacturers conspired to divide the market.”

Orion’s trial counsel, **Noah Hagey**, noted that the case should help consumers and also serve as a teaching moment for other aggrieved brands: “Many consumer product categories are now owned or dominated by overseas manufacturers who are willing to collude to set prices and control the supply or products. Orion has been brave in leading the charge against this kind of unlawful conduct. The Court’s order should pave a path for brands in other markets to help prevent similar kinds of injury.”

Fact discovery in the case concluded in January 2019 and the Court has ordered a trial setting conference for May 2, 2019.

The lawsuit is *Optronic Technologies, Inc. v. Ningbo Sunny Electronic Co., Ltd., et al.*, Case No.: 5:16-cv-06370-EJD (N.D. Cal.).

Plaintiff Orion® Telescopes & Binoculars is represented by **Noah Hagey, Matt Borden, Jeff Theodore** and **Ron Fisher** of San Francisco litigation boutique **BraunHagey & Borden LLP**. www.braunhagey.com.

Orion® Telescopes & Binoculars is the only independent U.S.-owned telescope brand and distributor, with 40 employees based in Watsonville, California. www.telescope.com.