

DirecTV suing Dish for ads saying it's cheaper

February 12 2010, By DEBORAH YAO , AP Business Writer

(AP) -- Satellite TV provider DirecTV Inc. is suing its rival, Dish Network Corp., for running an advertisement claiming that Dish delivers the same programs for less money.

The TV commercial shows three TV sets broadcasting the same programs, with Dish costing \$39.99 a month, DirecTV costing \$63.99 and cable TV at \$63.83.

DirecTV's lawsuit, filed Thursday in U.S. District Court in New York, accuses Dish of "blatantly false and misleading advertising." DirecTV said the subscription plan used in the commercial offers more than 140 channels while Dish Network's cheaper plan has fewer than 100 channels.

Dish said it stands by its claim. Dish launched its "Why Pay More" ad campaign last summer and since has been reversing a decline in subscribers.

During the Jan. 31 Grammy Awards, Dish unveiled a 30-second TV commercial that said customers are paying more for TV at DirecTV because the company used expensive celebrity endorsements. Dish said it has pulled the ad after getting complaints from some celebrities.

Behind Dish's recent ad campaign is advertising industry veteran Ira Bahr, Dish's chief marketing officer who joined the company in February 2009. He has said that so far, Dish's direct comparisons to

DirecTV have been working.

Dish lost 94,000 net subscribers in the first quarter of 2009 and added 26,000 in the second quarter, its first increase in five quarters. By the third quarter, it gained 241,000.

Shares of Dish, based in Englewood, Colo., were up 3 cents to \$18.26 in afternoon trading Friday. DirecTV, based in El Segundo, Calif., fell 35 cents to \$30.88.

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