
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 6, 2007

IRIDEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

000-27598

(Commission File No.)

77-0210467

(IRS Employer Identification No.)

**1212 Terra Bella Avenue
Mountain View, California 94043**

(Address of principal executive offices and zip code)

(650) 940-4700

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into a Material Definitive Agreement.

On April 6 2007, IRIDEX Corporation, (“IRIDEX”) entered into a Settlement Agreement (“Settlement Agreement”) with Synergetics, Inc. and Synergetics USA, Inc. (collectively “Synergetics”). Pursuant to the Settlement Agreement, IRIDEX and Synergetics agreed that within five business days following the execution of the Settlement Agreement the parties will jointly execute and file dismissals of the each of the following legal actions: *IRIDEX Corporation v. Synergetics USA, Inc. and Synergetics, Inc.*, United States District Court for the Eastern District of Missouri, Case No. 4:05-cv-01916-CDP; *Synergetics, Inc. v. IRIDEX Corporation*, United States District Court for the Eastern District of Missouri, Case No. 4:07-cv-358-MLM; and *Synergetics, Inc. v. Peregrine Surgical, Ltd., Innovatech Surgical, Inc., and IRIDEX Corporation*, United States District Court for the Eastern District of Pennsylvania, Case No. 2:06-cv-00107-TMG.

Under the terms of the Settlement Agreement, both IRIDEX and Synergetics will release the other party, together with such party’s affiliates, from any and all claims, causes of action, demands, damages, liabilities and losses of any nature, as of the effective date of the Settlement Agreement. These actions will terminate all legal proceedings between IRIDEX and Synergetics.

In addition, IRIDEX and Synergetics agreed to a fully paid-up, royalty free, worldwide cross licensing of various patents between the two companies. In consideration of these licenses Synergetics agreed to pay IRIDEX \$6.5 million over a period of five years. The first payment of \$2.5 million by Synergetics is to be paid on April 16, 2007, followed with annual payments of \$800,000 on each April 16th until 2012. Furthermore, IRIDEX and Synergetics, Inc. have agreed to a Manufacture and Supply Agreement under which Synergetics, Inc. obtained the exclusive right to manufacture and supply various disposable products for IRIDEX.

Additional information describing the terms of the settlement agreement is included in our press release dated April 10 2007, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 8.01. Other Events.

On April 10 2007, we issued a press release disclosing the events set forth in this report. A copy of the press release is filed as Exhibit 99.1 to this report and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	IRIDEX Press Release, “IRIDEX Announces Settlement of All Litigation with Synergetics,” dated April 10, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

IRIDEX CORPORATION

Dated: April 12, 2007

By: /s/ Meryl Rains
Meryl Rains,
Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	IRIDEX Press Release, "IRIDEX Announces Settlement of All Litigation with Synergetics," dated April 10, 2007.

FOR IMMEDIATE RELEASE

Contact: Larry Tannenbaum
Chief Business Officer
650-940-4700

April 10, 2007
Mountain View, California

IRIDEX Announces Settlement of All Litigation with Synergetics
IRIDEX to Receive Payments Totaling \$6.5 Million
Companies Cross License Certain Patents and Sign Supply Agreement

IRIDEX Corporation (NASDAQ:IRIX) today announced that it has reached an agreement with Synergetics USA, Inc. (NASDAQ:SURG) settling all outstanding claims against each other in both of their patent litigation suits. The terms of the agreement require payments from Synergetics to IRIDEX totaling \$6.5 million over a period of five years. The first payment of \$2.5 million by Synergetics is to be paid on April 16, 2007, followed with annual payments of \$800,000 on each April 16th until 2012.

In addition, IRIDEX and Synergetics agreed to a fully paid-up, royalty free, worldwide cross licensing of various patents between the two companies. These actions will terminate all legal proceedings between the companies, including all litigation claims in the United States District Court of Missouri, for which the trial was scheduled to begin on April 16, 2007, and all litigation claims between the companies in the United States District Court of Pennsylvania. The Missouri litigation concerned the IRIDEX proprietary laser probe connector technology. The Pennsylvania litigation concerned the patented Synergetics directional laser probe technology and the IRIDEX patent pending application on its intuitive laser probe technology.

The two companies also agreed to a Manufacture and Supply Agreement under which Synergetics obtained the right to manufacture and supply various disposable products for IRIDEX. This agreement could result in total revenue in excess of \$3.0 million for Synergetics over the next five years at terms that are expected to generate gross margins for IRIDEX consistent with historical margins for these products.

“We believe that this Settlement Agreement represents several positive steps forward for IRIDEX and we are pleased to successfully resolve this litigation,” said Barry G. Caldwell, President and Chief Executive Officer of IRIDEX. “The two companies had to work hard to get this settlement completed and together came up with some creative solutions. We now have the opportunity in the future to find ways in which we might work together to better serve the ophthalmic retinal community. Finally, the conclusion of this litigation will enable us to save a substantial amount of legal fees during the second quarter and positions us to improve our operating performance.”

About IRIDEX

IRIDEX Corporation is a leading worldwide provider of therapeutic based laser systems, disposable laser probes and delivery devices to treat eye diseases in ophthalmology and skin diseases in dermatology markets (also referred to as aesthetics). IRIDEX products are sold in the United States through a direct sales force and internationally through a network of 77 independent distributors into 107 countries. For further information, visit the Company's website at www.iridex.com.

Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Act of 1934, as amended, relating to the Company's growth strategy and prospects, revenues, gross margins, and earnings, potential acquisitions, new product releases, and the outcome of pending or future litigation. Actual results could differ materially and adversely from those projected in the forward-looking statements based on, among other things, the actual order and shipment rate for the Company's ophthalmology and dermatology product lines, the rate of sales to OEM customers, the rate of growth in sales of disposables and services, the rate of introduction and market acceptance of the Company's products, and the impact of any continuing weakness and uncertainties related to general economic conditions or weakness in overall demand in the Company's markets, especially with regard to the Company's dermatology products which are typically used for elective procedures that can be deferred. Additional risks and uncertainties to which the Company are subject may include, but may not necessarily be limited to, the amount of orders that the Company receives and ships, dependence on international sales and the Company's network of independent distributors, the risks associated with bringing new products to market, and the results of clinical trials and competition in our markets, as well as the risks associated with a competitive market for management talent and the risks inherent with identifying, negotiating and integrating strategic acquisitions of complementary businesses, products or technologies. Please see a detailed description of these risks contained in our Quarterly Reports on Form 10-Q and Annual Report on Form 10-K for the fiscal year ended December 31, 2005 filed with the Securities and Exchange Commission. Forward-looking statements contained in this announcement are made as of this date and will not be updated.