Do you want to own a business with a serious competitive advantage? You?re probably thinking of something with a name brand, preferably with cutting edge technology, that has a lot of market share. Maybe Apple. Or Google. Or if you?re a little older school, and just want the name brand without the tech, maybe Colgate, Procter & Gamble, and CocaCola.

But there?s a company that you may haven?t heard of in an industry you?ve probably never thought about that has incredible market share and profitability. That company is Italian eyeglass maker Luxottica (LUXTY).

Luxottica makes frames for many designers with whom it has contracts. The designers include Prada, Chanel, Dolce & Gabbana, Versace, Burberry, Ralph Lauren, Tiffany, Bulgari, Coach, DKNY, Armani, Kors, Oakley, and Ray-Ban. If you?ve ever wanted to own those brands, you can at least own a piece of all their eyeglass business if you own Luxottica.

But Luxottica?s advantage doesn?t end with its designer contracts. It also owns major eyeglass retail outlets such as Sunglass Hut, LensCrafters, Oliver Peoples, Pearle Vision and the optical departments at Target, Sears, JC Penney, and Macy?s. If you?re buying prescription glasses or sunglasses, it?s hard to avoid Luxottica. Making the product, and owning a major part of the distribution gives Luxottica a kind of vertical monopoly. In this 60-minutes expose, the firm estimated that nearly half a billion people around the world wore its eyeglasses.

Granted, Luxottica has rehabilitated at least one big brand it owns ? Ray-Ban. The iconic sunglasses were originally made by Bauch & Lomb for the U.S. Army. But it had fallen on hard times, and Ray-Bans were available in drug stores for $29. Now, with some ?brand rehabilitation,? Ray-Ban is the top-selling sunglass brand in the world, and many styles retail for more than $150.

But Luxottica doesn?t only do friendly rehabilitations. In a bare-knuckles battle with Oakley, another sunglass maker, Luxottica wound up buying Oakley after Oakley accused Luxottica of copying its styles and selling its knockoffs for less. When Luxottica bought Sunglass Hut, Luxottica threatened to drop Oakley from its stores, a move that could have destroyed Oakley?s business. Eventually Oakley had to sell out.

Here?s an exchange in the 60-Minutes segment with Lesley Stahl, Andrea Guerra of Luxottica, and Brett Arends, then of SmartMoney.

> Brett Arends: Yeah, there was a dispute about pricing, and they dropped Oakley from the stores, and Oakley's stock price collapsed. How is Oakley going to reach the consumer if they can't get their sunglasses in Sunglass Hut?
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> Andrea Guerra: There were some issues between the two companies in the beginning of the 2000s. But both of them understood that it was better to go along.
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> Lesley Stahl: Better to let you buy them?
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> Andrea Guerra: I wouldn't say this. We merged with Oakley in 2007.

> Lesley Stahl: You bought Oakley. They tried to compete and they lost and then you bought them.
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> Andrea Guerra: I understand your theory, but they understood that life was better together.

All of this means Luxottica can sell a pair of eyeglasses that costs the firm $30 for ten times that or more. The result is that Luxottica has achieved consistent operating profit margins of 15% and returns on assets of 10%.

The firm isn?t cheap. It trades at an enterprise value/EBIT of around 20. But, then again, you?d expect that from a company with such a competitive advantage and the profitability to prove it. With a 2% dividend yield, at least investors are getting paid to wait. The recent merger with French lens-maker Essilor should help. Essilor owns 40% of the U.S. prescription lens market. There goes Luxottica again ? tying up another player that can help it increase its dominance in this otherwise unremarkable, but necessary (at least for prescription lenses) product segment.