

FEDERAL REGISTER NOTICE

U.S. Department of Justice
Antitrust Division

Proposed Termination of Judgments

Notice is hereby given that Defendant American Watch Association, Inc. (“AWA”) and Defendant Foote, Cone & Belding, Inc. (“Foote”) have filed a joint motion to terminate both the Final Judgment entered against the AWA (“the AWA Final Judgment”) and the Final Judgment entered against Foote (“the Foote Final Judgment”) on March 9, 1960 in *United States v. The Watchmakers of Switzerland Information Center, Inc.*, Trade Reg. Rep. (CCH) ¶ 69,655 (S.D.N.Y. Mar. 9, 1960) (collectively “the AWA and Foote Final Judgments”) and that the Department of Justice (“the Department”), Antitrust Division, in a stipulation also filed with the Court, has tentatively consented to termination of the AWA and Foote Final Judgments, but has reserved the right to withdraw its consent pending receipt of public comments.

The AWA and Foote Final Judgments, similar to the Final Judgment entered in *United States v. The Watchmakers of Switzerland Information Center, Inc.*, Trade Reg. Rep. (CCH) ¶ 69,655 (S.D.N.Y. Mar. 9, 1960) (“the Watchmakers Final Judgment”), arose out of a 1950s investigation of the anticompetitive practices of the Swiss watch industry, including Swiss watch manufacturers, Swiss trade associations, and their United States importers. The United States filed a complaint against more than 20 watch companies and associations in 1954, including the AWA and Foote. *United States v. The Watchmakers of Switzerland Information Center, Inc.*, Civil Action No. 96-170 (S.D.N.Y. Complaint filed Oct. 19, 1954). The AWA is an association

that promotes the growth and health of the U.S. watch industry and lobbies to influence regulatory policy. Its members include U.S. watch companies as well as U.S. subsidiaries of foreign watch manufacturers. Foote is an advertising agency that allegedly acted as an agent for some of the defendants.

The United States made several allegations in its complaint. It charged that certain Swiss and U.S. manufacturers and sellers of Swiss watches and watch parts engaged in a conspiracy “to restrict, eliminate and discourage the manufacture of watches and watch parts in the United States, and to restrain United States imports and exports of watches and watch parts for manufacturing and repair purposes.” *Id.* The United States also charged that these companies agreed to fix minimum prices for watches and maximum prices for repair parts, regulate the use and distribution of watches and repair parts, and boycott those who violated these restrictions. *Id.* The conspiracy came about through the adoption and enforcement of an agreement known as the Collective Convention of the Swiss Watch Industry. “The purpose of the Collective Convention was to protect, develop and stabilize the Swiss watch industry and to impede the growth of competitive watch industries outside of Switzerland.” *United States v. The Watchmakers of Switzerland Information Center, Inc.*, 1963-1 Trade Cas. (CCH) ¶ 70,600, at 77,426 (S.D.N.Y. Dec. 20, 1962).

The AWA was named as a defendant because, as a trade association whose members included most of the defendant manufacturers and importers, there was concern that the AWA could aid the alleged conspiracy by policing members’ conduct and influencing members to participate in the cartel.

Foote was named as a defendant in the Complaint, because as an advertising agency and

an agent for some of the defendants, there was concern that Foote, similar to the AWA, was policing the alleged conspiracy and thus aiding the defendants in the enforcement of the cartel.

On March 9, 1960, prior to trial, the United States and the defendant *importers* (not the AWA since it is a trade association, nor Foote since it is an advertising agency) named in the complaint agreed to enter into the Watchmakers Final Judgment in lieu of going to trial. *United States v. The Watchmakers of Switzerland Information Center, Inc.*, Trade Reg. Rep. (CCH) ¶ 69,655 (S.D.N.Y. Mar. 9, 1960). Also on March 9, 1960, the United States and Defendants AWA and Foote agreed to enter into the AWA Final Judgment and the Foote Final Judgment, respectively, in lieu of going to trial. *Id.* Most of the restrictions in the AWA and Foote Final Judgments prohibit conduct that each company, respectively, could have taken to facilitate the conspiracy.

The Department has filed with the Court a memorandum setting forth the reasons why the United States believes that termination of the AWA and Foote Final Judgments would serve the public interest. Copies of the AWA's and Foote's joint motion to terminate, the stipulation containing the United States' tentative consent, the United States' memorandum, and all further papers filed with the Court in connection with the AWA's and Foote's joint motion will be available for inspection at the Antitrust Documents Group, Antitrust Division, Room 215, 325 7th Street, N.W., Washington, DC 20004, and at the Office of the Clerk of the United States District Court for the Southern District of New York. Copies of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department regulations.

Interested persons may submit comments regarding the proposed termination of the AWA

and Foote Final Judgments to the United States. Such comments must be received by the Antitrust Division within sixty (60) days and will be filed with the Court by the United States. Comments should be addressed to John R. Read, Chief, Litigation III Section, Antitrust Division, U.S. Department of Justice, 325 7th Street, N.W., Suite 300, Washington, DC 20530.

Dorothy B. Fountain
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