

## Complaint

## IN THE MATTER OF

## THE AMERICAN ROLEX WATCH CORPORATION

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
SEC. 2(d) OF THE CLAYTON ACT*Docket C-919. Complaint, July 21, 1965—Decision, July 21, 1965*

Consent order requiring a leading domestic distributor of watches, watch bracelets, watch accessories and related products in New York City, to cease discriminating among its competing customers in the payment of advertising and promotional allowances, in violation of Sec. 2(d) of the Clayton Act.

## COMPLAINT

The Federal Trade Commission has reason to believe that the above-named respondent has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Section 13), as amended; and therefore, pursuant to Section 11 of said Act, it issues this complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent The American Rolex Watch Corporation is a corporation organized and existing under the laws of the State of New York, with its principal office and place of business located at 580 Fifth Avenue, New York 36, New York. Respondent is one of the leading domestic distributors of watches, watch bracelets, watch accessories and related products, and its net sales during each of its fiscal years ended January 31, 1960 and 1961 exceeded \$1,000,000.

PAR. 2. Respondent has sold and distributed and now sells and distributes its products in substantial quantities in commerce, as "commerce" is defined in the Clayton Act, as amended, to customers located throughout the United States, many of which are engaged in substantial competition with each other in the resale of products purchased from respondent.

PAR. 3. Respondent's products are sold to consumers principally by retail jewelry and department stores. In each local trading area, all retailers handling respondent's products are engaged in substantial competition with each other in the resale of respondent's products as well as in the resale of products of other manufacturers. Such competition is characterized particularly by substantial expenditures by many such retailers for advertising in local media of general circulation, such as newspapers, radio and television, as well as for other forms of advertising, such as direct mailings,

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distribution of promotional material at point of sale, and maintenance of elaborate displays at point of sale.

PAR. 4. Respondent has paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished, or contracted to be furnished, by or through such customers in connection with the handling, sale or offering for sale of products sold to them by respondent. Such payments were not made available on proportionally equal terms to all other customers of respondent competing in the distribution of such products purchased from respondent. Even as between those of respondent's customers which did receive respondent's payments for services or facilities, or the benefits thereof, such payments were not made on proportionally equal terms.

PAR. 5. The acts and practices of respondent, as alleged above, are in violation of the provisions of subsection (d) of Section 2 of the Clayton Act, as amended.

## DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (d) of Section 2 of the Clayton Act, as amended, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent The American Rolex Watch Corporation is a corporation organized and existing under the laws of the State of New York, with its principal office and place of business located at 580 Fifth Avenue, New York 36, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

*It is ordered,* That respondent The American Rolex Watch Corporation, a corporation, and its officers, directors, employees, agents, and representatives, directly or through any corporate or other device, in, or in connection with, the offering for sale, sale, or distribution in commerce, as "commerce" is defined in the Clayton Act, as amended, of watches, watch bracelets, watch accessories and other products, do forthwith cease and desist from:

Paying or contracting for the payment of anything of value to or for the benefit of any customer as compensation or in consideration for any services or facilities consisting of advertising or other publicity in a catalog, newspaper, broadcast, or telecast or in any other advertising medium, furnished or distributed, directly or through any corporate or other device, by such customer, in connection with the processing, handling, sale, or offering for sale of any products manufactured, imported, sold, or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products.

*It is further ordered,* That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

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