

Submission on the “Right to Repair”

It is my opinion that consumers and repairers of most Swiss watches have no “right to repair” at all. Swiss watch manufacturers refuse to supply spare parts and technical communications openly to independent and qualified watch repairers. Some of them skirt around trade practice acts by claiming to supply parts and technical information providing you pass an exam of their own making, and then purchase many brand specific repair tools of their choosing that can cost tens of thousands of dollars. An independent multi-brand watch repairer would have little hope of recouping such costs, providing they even pass the exam. There is no independent assessment of a repairer’s skill or qualification, as the watch factory supervises the exam and sets the exam pass level, which they can choose to set impossibly high. There is no transparency or accountability. Other Swiss factories just refuse point blank to supply anyone any parts or technical service information whatsoever.

I serviced many high end watches made by one particularly well known Swiss factory during the 1970’s and 80’s up until it became increasingly difficult to purchase spare parts from them. A watchmaker at their service centre back then said that they could tell I was repairing their watches to a high standard, simply by the types and numbers of parts I was purchasing from them, but this meant nothing when policy dictated “no more”. As a result, I have had to reluctantly refer many of my own clients to this factory service centre in Melbourne, clients who would have much preferred me to undertake their watch servicing. The Swiss service centre won that battle. I continue to service older vintage model watches made by this factory as I know in the past the service centre has not been interested in servicing these. Now with the rise in value of vintage mechanical wrist watches, even this appears to have changed.

I’d like to share with you a recent example of how these restrictive practices effect a consumer’s and repairer’s choice-

I have serviced and maintained a rare model vintage 1950’s watch for a client for over twenty years. The client recently chose to send his watch to the factory service centre in Melbourne, which is his free choice to make. This service centre said his watch would have to be sent to Switzerland for an estimate to repair. The cost of obtaining this estimate was to be \$1000. The client agreed. The estimate for the cost of repair that the client eventually received was \$10,000. He declined to proceed and returned the watch to me for service. I have serviced the watch to the best standard I can, given no availability of parts. In my opinion it is once again in good running condition, for a tenth of the factory cost. I have had to make several parts for this watch over the years out of necessity, and have striven to match the factory standard of quality and finish, which I believe I have achieved. It could therefore be argued that my workshop equipment, my 50 years of experience and my ability to make parts is actually greater than those of the Melbourne factory service centre. Does that allow me access to parts and technical communications? No. I suspect that the factory estimate had little to do with labour or parts costs, and more to do with the current re-sale value of this particular watch being around thirty thousand dollars now.

The Swiss watch factories would argue they are just trying to control the quality of repairs but the factory service centres themselves are not as perfect as they would have you believe. I have had multiple clients over the years come to me after experiencing problems with watch repairs undertaken at these same factory service centres and were very reluctant to return to them, even though they had every right to complain. I have endeavoured to help these people where I can within the limits set by an absence of factory support. I have even had instances where I have successfully modified some modern Swiss watches that failed to meet consumer expectations, due in my opinion, to poor design. Something the factory service centres would never do. No manufacturer would ever admit to poor design I’m sure, especially the Swiss.

Restricting parts and technical information is not the only way some Swiss companies try to control the watch service industry. I sight the example of one umbrella company that controls many watch brands. Once it became general knowledge that spare parts were going to be stopped, they increased the price of their parts massively. For instance, in recent years I used to purchase a packet of 5 watch screws for a particular watch brand that worked out at a cost of roughly one dollar each screw. I thought this a little excessive but was happy to pay. Once the date was set for discontinuation of parts supply, I was then paying eight dollars for the same screw. All their watch parts received the same price rises. Considering that watch screws are made by Swiss auto machines that produce thousands of screws a day, for probably a few cents each at most, this sounds a lot like price gouging to me and another way of eliminating competition.

The watchmakers of Switzerland used to be great industry supporters here in Australia and around the world. When I began my watchmaking apprenticeship in the early 1970's, the Swiss factories would be constantly supplying new watch movements and technical communications to the watchmaking department at RMIT for the students to practice and learn from. The Swiss service centres themselves would employ and train many apprentices here in Melbourne. All that has now stopped, and to my knowledge, no Swiss service centres employ any watchmaking apprentices. Many qualified and independent watchmakers have been enticed (head hunted) to work at these service centres, once again making it far more difficult for the general public to find an independent qualified watchmaker outside of the main service centres. These same service centre watchmakers are employed under confidentiality contracts that severely limit what they say and do outside of the service centre.

Cousins, an independent watch part supply company in the UK, has been using fair trading laws to fight in the European courts against the Swiss watch factories cutting supply of parts. The cost is massive and the Swiss factories have unlimited capital to legally fight. A real David and Goliath battle. The Swiss will likely drag this, and any other challenge regarding parts supply, on for as many years as they can, through as many courts as they can in both the UK and Switzerland. They no longer care about the watch repair industry or the end product user but only the bottom line of profit.

The Swiss factories like to use the term "vertical integration". In other words, control over manufacturing, control over who sells their product (often limited to the factory's own retail outlets) and control over who repairs their product. I would think a more fitting word would be "monopoly". If restrictions of spare parts and service information continues, it will likely kill nearly all independent qualified watchmakers both here and around the world. There will be no one left to help consumers that have had bad experiences of factory service centres. Consumers will be left with no choice over who services their watch. Exactly what the Swiss factories probably hope for but would never admit to.

I have deliberately omitted factory names as I know how much some of these manufacturers love litigation, they're ruthless. Details can be provided confidentially if needs be. Client details can also be supplied providing the client agrees.

Yours sincerely,
Rodger Peters

Member of the Watch and Clock Makers of Australia
Member of the British Horological Institute