

WatchTime

THE WORLD OF FINE WATCHES

SPOTLIGHT

www.watchtime.com

**A HISTORY OF
PATEK PHILIPPE
WATCHES,
FROM THE PAGES
OF WATCHTIME
MAGAZINE**



PATEK PHILIPPE



Geneva in the 19th century

The Birth of a Legend

In a history spanning more than 160 years, Patek Philippe has not only won international renown, but time and again has reconfirmed its standing as one of the world's most important watchmakers. It has emerged unscathed from such crises as the quartz watch boom of the 1970s and the takeover wave of the past few years, and today is healthier than ever.

At the Congress of Vienna in 1815, when the victor-nations that had vanquished Napoleon once and for all started redrawing the map of Europe to their liking, it was the once-proud kingdom of Poland that suffered the most. What remained, after Russia had taken her fill, was the former Duchy of Warsaw, now known as "Congress Poland." In this tiny kingdom, in the little village of Piaski, there lived modestly a couple named Joachim and Anna Patek de Prawdzic with their son, Antoni Norbert, who had come into the world on June 12, 1812.

The era's turmoil did not spare the Pateks. Most notably, the momentous political decisions of Tsar Nicholas I would have a lasting impact on the young man's

life. At 16, Antoni Norbert joined the First Mounted Rifles of the Polish cavalry, under the ultimate command of the Tsar's brother, Grand Duke Constantine. So sure was Tsar Nicholas of "his" Poles that he made plans to send a portion of this army into Belgium and France, to suppress the revolution there. Somehow, word of the imperial brothers' unsavory intentions slipped out. So it was that in 1830, shortly before marching orders arrived from the Russian capital, a group of Polish cadets moved on Warsaw and occupied the Belvedere Palace. Two Russian generals were killed, and Grand Duke Constantine fled.

On January 18, 1831, the Polish Parliament repudiated the Tsar's rule, and anticipating the worst, quickly reinforced

the army from 30,000 troops to 80,000. Nicholas I reacted by dispatching Russian forces. In the ensuing clashes, Antoni Norbert Patek saw combat as a freedom fighter against Russian domination. By the end of 1831 the revolt had been put down. A period of ruthless Russianization followed. Thousands of Poles, including large portions of the army, fled the country to escape the Tsar's brutal reprisals and the threat of the firing squad. Among them was Antoni Norbert Patek.

He first found political asylum in Paris. After brief interludes working for a committee of refugees in Bamberg and as a typesetter in France, he chose Geneva as his new home. In this famed watchmaking metropolis, it was perhaps inevitable that Antoine Norbert de Patek, as he was now

Patek Philippe's former headquarters on Rue du Rhone. The shop is on the ground floor.



known, would catch the horological fever. He started by buying high-quality watch movements, which were mounted in cases under his personal supervision. But soon this was no longer enough for the ambitious Polish exile. On May 1, 1839, in collaboration with François Czapek, a Pole of Czech origin and himself an ambitious watchmaker, Antoine Norbert de Patek laid the cornerstone for his legendary life's work, founding his own watch manufactory under the name Patek, Czapek & Co. The managing pair and about half a dozen employees began producing approximately 200 high-quality pocket watches per year at their address at 29 Quai des Bergues in Geneva. The total ultimately reached around 1,120 time-pieces of exceptional quality, each signed and bearing its own serial number. Among the clientele were many Polish emigrants, who at least could bask in the memory of their eastern homeland whenever they glanced at their watches.

Antoine Norbert de Patek was granted Swiss citizenship in 1843. The next year, the young company showed its products at an exhibition in Paris. Here Patek heard for the first time of the gifted watchmaker Jean Adrien Philippe, born in 1815, who had built a pocket watch of aston-

ishing thinness. Even more amazing was that the watch was wound and set using the crown, eliminating the nuisance of a key. Patek was so taken with Philippe and his pioneering design that he made the Frenchman an offer: In 1845, on the expiration of the contract with Czapek, Philippe would join the Geneva company as technical director.

Patek noted that "Life in New York is very expensive. The cheapest cigar costs four cents."

Jean Adrien Philippe agreed. On May 15, 1845, Patek & Co. was founded, with headquarters in Geneva. Philippe was one of the partners. As of January 1, 1851, the aspiring company was renamed Patek Philippe & Co. That same year, Queen Victoria of England acquired a pocket watch bearing this signature. Prompted

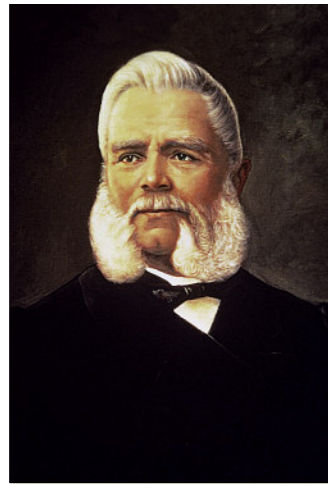
by Philippe's ingenuity, from 1845 onward the company used increasing amounts of production machinery of its own design. Philippe also spent time on his hobby, writing, and in 1863 his ground-breaking book on keyless pocket watches was published in Geneva and Paris. The daily *Journal de Genève* proclaimed him an expert writer.

In contrast to the technical enthusiast Philippe, Patek was a gifted businessman who concerned himself with marketing the pair's watches. When sales gradually stagnated in the economic depression that followed the European upheavals of 1848, Patek began traveling extensively. From December 1854 to May 1855 he visited the United States of America. On November 23, shortly before taking ship to cross the Atlantic, he wrote from Paris: "The travails of the journey have begun.

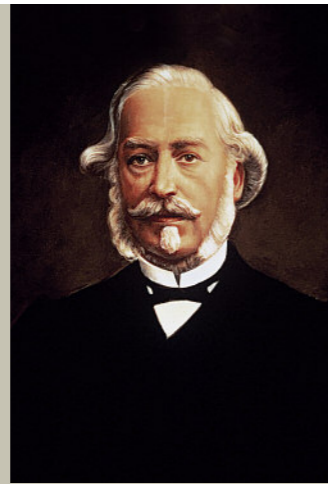
HISTORY: PATEK PHILIPPE

When will we be able to produce watches at low cost and then wait for the customers to come to us, instead of traveling with our products all over the world, at high expense and hazard to our health?" On December 14, he met Charles Lewis Tiffany for dinner. While the men dined, Patek's room at New York's first-class St. Nicholas Hotel was burglarized. Next day he wrote: "Life in New York is very expensive. Since for security reasons I stop only at first-class hotels, I cannot make do with less than 24 to 25 Swiss francs per day. Accommodations and meals cost 25 dollars per day, a small bottle of wine costs a dollar, and the cheapest cigar costs four cents. Mr. Reed and Mr. Tiffany were very surprised to see me. Because of the general state of crisis they cannot promise me to buy anything." Patek's worries were unfounded. Tiffany did buy, and in time became the company's largest American customer. In 1876, Tiffany appointed Patek Philippe the company's principal supplier of pocket watches for the next several years. But to accommodate their clientele's tastes, the Americans exerted a significant influence on the design of the Genevan watches.

On January 26, 1855, Patek wrote from Charleston: "The Americans want pocket watches that are not too expensive, with which they can time the speed of their horses to a quarter of a second." What he meant was chronographs, which in the next few years quickly gained importance within the broad-based Patek Philippe collection. By 1856,



Antoine Norbert de Patek
(1812 – 1877)



Jean Adrien Philippe
(1815 – 1894)



Three generations: President Philippe Stern (right) with father Henri and son Thierry

Patek Philippe was already introducing the first timepiece of this type – the chronograph hand was reset with a key. In 1861, Adrien Philippe's stem-winding works took its final form. Two years later, he invented the slipping mainspring which prevents the mainspring from breaking when fully wound, a crucial step in the evolution of the self-winding watch.

The company showed its pocket watches at the first Universal Exposition in 1855 in Paris and was promptly awarded a gold medal. In 1867, at another Paris Exposition, it offered models with a wide variety of complications. And in 1868

Patek Philippe made its first wristwatch, for Countess Kocewicz. Patek, by now a Count (he was ennobled by Pope Pius IX for his services to the Catholic Church), died in Geneva on March 1, 1877. His successor in the company's management was the Frenchman Joseph Antoine Bénassy-Philippe, a son-in-law of Adrien Philippe. Patek's son Léon was content with the role of a silent partner.

In 1890, the senior Philippe received the Cross of the Legion of Honor for his services to France. In January of the next year he retired, turning over his place to his youngest son, Joseph Emile Philippe. On January 5, 1894, Jean Adrien Philippe died. Until early 1901, the heirs continued the company as a family firm. Effective February 1, 1901, they transformed it into a stock corporation, named "Ancienne Manufacture d'Horlogerie Patek Philippe & Co. S.A." The company was

worth 1.6 million Swiss francs and five of the seven shareholders were on the board. In 1915, Albert Einstein ordered a gold pocket watch from Patek Philippe, with an elaborately engraved case. And in 1923, American car manufacturer James Warren Packard expanded his collection of Patek Philippes with a lectern-shaped table clock with a perpetual calendar in a silver case.

In 1932, the worldwide repercussions of the Great Depression forced the company to seek a solvent buyer for a majority interest. It was a historic hour for brothers Charles and Jean Stern. As owners of



The House of Patek Philippe on the former Geneva harbor, 1839



Bracelet in the form of a belt with built-in watch, signed Czapek & Cie, Geneva, ca. 1850



This golden cigar box with enamel paintings, signed Czapek & Cie Geneva 1851, once adorned the collection of Egypt's King Farouk.

the famed dial maker Fabrique de Cadrans Stern Frères, they had long enjoyed close business relations with Patek Philippe. They came to the firm's rescue. They were well aware of the risks and the rewards involved in acquiring Patek Philippe and decided to make the most of the opportunity.

The Stern Brothers came from Gürzelen, a small town near Bern. Their parents had been enamel painters by profession. When the boys were still quite small, the family moved to Geneva, where the Sterns' superb handiwork was much in demand. The family established a dial factory and made a resounding success of it.

In 1931, contemplating the takeover of Patek, Charles and Jean Stern were not just following their nose for a good business opportunity; they were going where their hearts led them. Both wanted to preserve and expand a centerpiece of the Swiss watchmaking tradition. To this end, in 1933 they recruited Jean Pfister, head of the Geneva branch of the Tavannes Watch Co. and a man with a technical and commercial mastery of all aspects of watchmaking. In concert with the new owners, he quickly arrived at a decision that would have far-reaching consequences for the company's international reputation: From then on, Patek Philippe

would make its own movement blanks, rather than buying them from LeCoultre.

Charles Stern's son Henri, born May 25, 1911, recalled: "In 1932 my dear father fell very ill, and asked me to go into the dial factory for that reason. I worked there until 1935, every weekday from 7 till noon and from 2 to 6 in the afternoon, including Saturday mornings. Part of the time I was my father's assistant, part of the time I was an engraver. At last I managed to convince my father and my uncle to let me work at Patek Philippe. There I had the great good fortune to get to know Jean Pfister. He was cut from the same cloth as my father."

HISTORY: PATEK PHILIPPE



Above: Golden bracelet with built-in watch; the dial is concealed under a large diamond. Patek Philippe, 1868-73



Top right: View in 1862 across the new Pont du Mont Blanc to the old city; Patek Philippe headquarters is located on the left in the photo, on the far side of the lake.



Right: Golden lorgnette

Patek Philippe rapidly regained ground under its new management, recovering financially and acquiring new customers. An excellent start for the company's future was ensured by an American, Henry Graves, Jr. In 1933, he bought the then most complicated Patek Philippe pocket watch, a technical masterpiece equipped, among other features, with grande and petite sonneries, a Westminster chime, a minute repeater, a perpetual calendar, equation of time, an astronomical chart, and a chronograph rattrapante. The price: \$60,000. In 1999, the opulent pocket watch sold at auction for \$11 million.

Charles Stern served as Chairman of the Board of Directors from 1935 onward, assisted by his son Henri. By 1937, Henri was named head of Patek Philippe Incorporated of America, and soon became familiar with every corner of the American market. "I traveled the States for months," he said. "I think I knew

more about the country than the average American. I was on the road five or six months a year as a salesman, visiting customers or making friends, exploring new cities." When World War II broke out in Europe in 1939, Henri Stern returned to Switzerland for a few months to serve his stint in a cavalry unit of the Swiss Army.

In 1940 he flew from Lisbon back to New York in an old Yankee Clipper. That same year he showed up in South America, visiting the Patek Philippe agents there in extremely trying times. "It was more and more difficult to travel during the war years. More than once I had to sleep in an armchair in a hotel lobby because there were no more rooms. The work was hard, but it had to be done – it was what my fa-

ther expected." In 1942 Henri Stern opened his own sales firm in New York. Two years later he was mourning the loss of his father. From 1946 on, the Henri Stern Watch Agency, of New York, was responsible for sales and distribution of Patek Philippe watches throughout the U.S. Pfister resigned in 1946, and Henri Stern began spending a lot of time in airplanes. "I couldn't live in Geneva all year round. The in-

ternational business more or less forced me to commute between Geneva and New York."

In 1948 Patek Philippe established its own electronics department, which presented its first clock in 1950. Later it took on the task of developing its own quartz movements with analog time displays, as

When Philippe Stern took over the company, quartz ruled. Mechanical watches were an endangered species.

an alternative to mechanical movements. Henri Stern was a particular fan of this type of timepiece. Asked whether he was impressed with watch production, the father of today's president, Philippe Stern, answered: "Yes. But making electronic instruments fascinated me even more. They're significantly more precise. We're no longer talking about tenths or hundredths of a second, but thousandths." Henri Stern took over as president of Patek Philippe in 1958. In 1960 he proudly presented the world's smallest quartz clock to date, a box that measured just 5 by 4 by 2.3 inches and caused a sensation.

Around this time the first wristwatches with independently adjustable hour hands also reached the market. They were conceived for discriminating jet-setters who wanted to reset their watches conveniently to the local time. Two different configurations were available, with one hour hand or two. The latter version showed not only the local time but the time at home.

It went without saying that Patek Philippe would have a share in the Centre Electronique Horloger S.A. (CEH), founded in 1962. The company pursued research in electronic timekeeping, and ultimately developed a competitive quartz caliber for wristwatches. The product was ready for serial production in 1969. Thus Patek Philippe was among the proud presenters when Switzerland's first quartz



Above: Back dial of Caliber 89 with the sky above Geneva; the dial indicates solar time, equation of time, sunrise and sunset, date of Easter, and signs of the zodiac. Bottom left: Caliber 89 in its presentation case. Below: The workbench of master watchmaker Paul Buclin, who worked on Caliber 89 for many years.



HISTORY: PATEK PHILIPPE



The Patek Philippe showroom, located on Rue du Rhone at Patek Philippe's former headquarters (below)



wristwatches, containing the legendary Beta 21 caliber, were introduced at the Basel Fair on April 10, 1970.

Henri Stern successfully guided the family firm until 1977, when he yielded the helm to his son Philippe. Born in 1938, thoughtful and dynamic in equal measures, Philippe Stern has taken Patek Philippe to new heights over the last two decades.

However, when Philippe Stern took over the manufactory, times were not so easy. King Quartz reigned supreme, and only the most old-fashioned executive still gave any thought to mechanical watches. Philippe Stern had little choice but to attempt to straddle the awkward gap between tradition and modernity – in other words, to maintain parity between electronic and mechanical wristwatches. For instance, 70% of Patek's women's wristwatches were powered by quartz movements.

Yet in the next few years the picture slowly but surely changed. Around 1984, collecting vintage wristwatches came into vogue and sparked a tumultuous renaissance in mechanical watches. One of the greatest beneficiaries by far was Patek Philippe. Prices for timepieces from past decades soared. By 1989, when Patek Philippe celebrated the 150th anniversary of its founding, "Patek fever" had infected watch connoisseurs and was reaching new heights. A book on the firm's wristwatches stimulated the market still further. A Patek Philippe anniversary auction generated sensational prices. Limited-edition models sold out entirely in advance. A chronograph with a flyback seconds hand (ref. no. 1436) that had sold for about \$1,000 at a watch shop in 1961, was auctioned for more than \$175,000 not even 30 years later. Patek's limited-edition officer's watch of 1989 fetched more than twice its original price.

One rather skeptical witness to this feeding frenzy was Philippe Stern. "Of course we like to see our timepieces maintaining their value," he commented in 1993, "but when one so often hears that you can buy a new Patek Philippe today and resell it at a big profit tomorrow – I think that's simply dishonest. If someone buys a Patek, first and foremost he should enjoy it. Then there will be no disappointments if prices don't develop as expected. And another thing: I think the prices peo-

ple paid at the auction for the 150th anniversary of Patek Philippe in 1989 were unnaturally high. That is why they've leveled back off again." Stern backed up his words with action. He consistently limited the development and production of particularly speculative wristwatches with complex additional functions like a chronograph, a perpetual calendar, a tourbillon or a minute repeater. "At Patek Philippe we are looking for stability in the market. We have no desire to make complications simply for complication's sake. For example, we have no intention of producing a self-winding chronograph with a flyback seconds hand, perpetual calendar and minute repeater. We could easily do it, but we regard such massive watches as more for show."

Stern pared back production of highly complicated models, systematically thinned out the dealer network, and imposed iron discipline on distribution partners. Complicated pieces could no longer be ordered for stock; today, orders must be accompanied by a down payment and the buyer's name. Success has proved Philippe Stern right. Patek Philippe's new watches are more coveted than ever, as is evidenced by the continually growing demand. Potential customers may wait several months for certain models. They understand why, and are willing to wait, uncompromisingly, for their watches.

Maintaining its "high-mech" heritage is of fundamental importance for Patek Philippe. "Most of the men's watches we make today incorporate mechanical movements," says Stern. "Our quartz watches are primarily for women. Many women prefer quartz technology for its convenience. With quartz, you don't have to wind and set the watch." Regardless of which type they are, almost all movements used today come from the company's own manufactory. Patek Philippe buys only the movement blanks for its hand-wound chronograph from outside suppliers. But that too probably will change soon. "We're working on a movement of that kind," reports Stern. But he's keeping mum as to when it will reach the market.

By contrast, Stern is anything but taciturn about the significance of the compa-



Patek Philippe's first quartz watch, Ref. 3603/1, with caliber Beta 21, 1970

ny's more than 160 years of history to its position today: "Our history is extremely important to our all-around success. Patek Philippe has been an uninterrupted presence on the market since 1839, and has regularly made news with outstanding products. That represents a very material contribution to a brand's reputation. The crucial factor for us is that down through the years, we've always made watches. That, in turn, has brought us a great deal of indispensable know-how, from which naturally we can profit today."

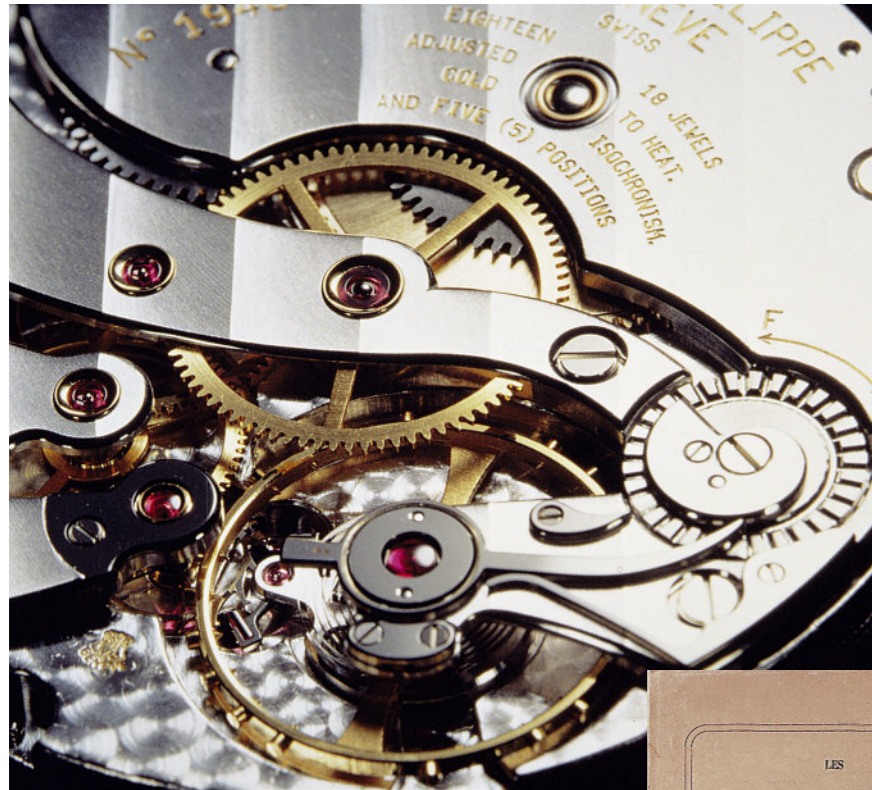
That know-how has taken Patek Philippe to the very top of the luxury watch trade – and almost without rivals. What other maker can offer such a broad range of complications or such a degree of sustained continuity? "This is where a family firm has real advantages," Stern explains. "We can plan and invest long-range, because we know exactly who we're doing it for. Our new factory would certainly never have been built if Patek Philippe were under the umbrella of a corporate group. The shareholders would be more interested in

The family firm's independence seems assured. Thierry Stern calls it his top priority.

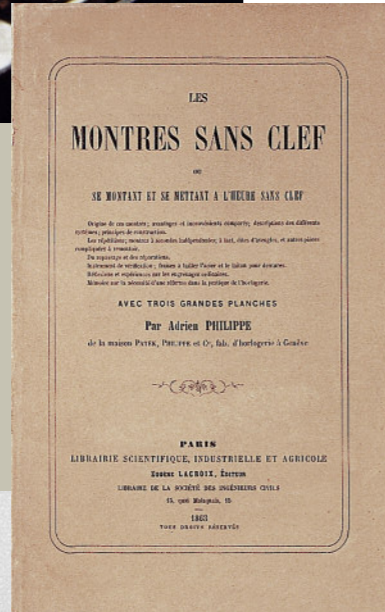
their dividends than in any such building. As a family operation with a deep tradition, we can always take the time to think out carefully what we want to do, and what we don't. Such as holding on to old strategies, or planning new ones. Or developing a new movement, which takes three to four years. But it makes no difference. What counts for us in the end is the result. And the result has to meet our high expectations."

In this family firm, the owner guides events personally. Stern's designated successor is his son, Thierry. Says Stern: "I hope Thierry will stick with the strategy of keeping Patek Philippe an independent family firm." Thierry, for his part, feels thoroughly at home in his role as Crown Prince, though he admits that "it's not always easy. But it's wonderful being able to work with my father, and learn from him. Of course it would be my goal too to remain independent and not be swallowed up in a corporate group. I realize Patek Philippe embodies a style all its own, and I hope I have a real sense for that style. It would be extremely important to me to preserve our customers' confidence in our taste." Thierry is well aware of the difficulties in having to tread in the footsteps of such a successful fa-

HISTORY: PATEK PHILIPPE



Movement of a Patek Philippe pocket watch with a screw compensation balance, typical index cam for the regulator adjuster, and the Geneva Seal (bottom left)



Right: Cover of the first edition of "Keyless Watches" by Adrien Philippe, Paris 1863

View of the old city with the lake and the fountain, 1886



ther. "But I'd rather be in this situation than any other," he says. "I'm very proud of what he's achieved, and I hope I can accomplish something similar, possibly even better. Why not? But there's a lot to learn, first."

He has no lack of role models. History is always a presence at Patek Philippe. Philippe Stern, a graduate in business administration and a seasoned manager, is at Thierry's side to help. He sent Thierry to Germany to gather retail experience at Wempe and Huber. And in New York, where his grandfather Henri once did such important developmental work, Thierry Stern learned to handle distribution for an entire country. He also completed a course in watchmaking. Now he's back at the head office in Geneva, working his way through all departments. As president-designate, he has to know all the different things that go on in the company. The competition never sleeps, and avid investors are just waiting for a chance to add this priceless pearl to their portfolio. Which is one major reason why Thierry Stern repeatedly emphasizes that preserving independence is his top goal. "My father laid the groundwork. Our manufactory couldn't be better, the collection is just right. I'll follow him, of course, in keeping complicated watches and developing new calibers. And for the rest, I have to give a great deal of attention to sales and the creative side. Both are very important for keeping Patek Philippe at the top."

A small portion of all that Patek Philippe has achieved in technology and watchmaking over more than 160 years is gathered in a prestigious collection that now comprises more than 2,000 pocket watches and wristwatches. A representative sample of these will be on display at the company's new museum starting in the autumn of 2001. Then, anyone who is interested can experience the great tradition of this Geneva family firm firsthand. And discover that historical reality at Patek Philippe is far more fascinating than any words or pictures can explain.

Gisbert L. Brunner



Exclusive limited-edition watches: To celebrate the opening of the new watchmaking workshops in 1997, the Pagoda (top left) was produced in an edition of 2,000 men's models (Ref. 5500) and 750 ladies' models (Ref. 4900). The self-winding minute repeater (Ref. 5029), commemorating the same event, was produced in a strictly limited edition of only 30 watches (top right). On the occasion of its 150th anniversary in 1989, Patek Philippe launched several new models, among them the Ref. 3969, a men's watch with a jumping digital hour indicator (edition of 500, bottom left) and the officer's watch (Ref. 3960, edition of 2,200, bottom right), modeled after an original dating from 1916.

