



TWO OF A KIND

Oswaldo Patrizzi's New York City showroom, high over Madison Avenue, is full of empty display cases. Normally this would be worrisome, but when your work is auctioning off some of the rarest and most expensive watches, clocks, and timepieces to the highest echelon of collectors in the world, a room full of empty cases is a very good thing.



Mr. Patrizzi, chiseled and handsome at 64 as only an Italian can be, sits in the conference room with his partner, Philip Poniz (whose business card reads “Expert-in-Chief”) against the backdrop of a window engraved “Patrizzi & Co.” The watch expert and chairman of the auction house has been in the watch business for just over 50 years; indeed, he created much of the watch business as we now know it. With the founding of his first auction house, Antiquorum, he is credited with essentially creating the market for collecting high-end watches, and now, with Patrizzi & Co., he’s taken the experience gained over a lifetime to create a new concept in auctioneering. Founded in April of 2008, the company is truly collector-driven – it takes advantage of multi-screen technology to allow state-of-the-art virtual auctions, which for the collector means they can follow multiple threads within the auction at once, and for the house means moving up to 1,500 pieces per auction, rather than the limit of four or five hundred that most sites can currently handle. They’ve also eliminated the buyer’s commission, a considerable change, since most houses charge 20-25% of the sale price added to the cost, a fee which can be considerable when auctioning items in the millions of dollars. As Patrizzi & Co. is just celebrated their first anniversary after a very successful year, we went to the man himself to hear his thoughts on watches, auctions, and what he’s doing now.

100 Thousand Club: How did you get started in the watch industry:

Oswaldo Patrizzi: With watches? Oh, I had to. My father died when I was thirteen years old, and I had to work. I had an apprenticeship in a watch and clock workshop and it started my interest and my passion for watches, and after I saw that I had an interest not only from the technical point of view but the historical. I was smart, I was artistic, but I thought people were such geniuses to have invented this mechanism to give you the information you want, astronomic, astrological...today you have the GSM, the sun, and the watch. And the watch is able to, with precision, with the position of the stars and the sun, tell you where you are.

100K: How did you transition from watchmaking to auctioneering?

OP: I became a watchmaker because I had to work to make money for my family. When I had enough experience around the world and especially around Europe, I saw that Milano was too small. It’s okay, it’s a big city, it’s probably the number one city in Italy for industry, but it’s small. One of the best ways to succeed is to have a different kind of instrument, and to get to know people, and the best way to do that is the auction. You have the world in front of you; if you have a nice boutique you have the street. It’s why I enjoy the auction. Today, if we have one watch in New York, ten minutes later China, South America, they know, they say wow, that’s a lot of money. It’s really a test market for what the value of the watches is, for buying and selling.

100K: How do you find the watches that you auction? Do you source from individuals, from companies, from other avenues?

Philip Poniz: Yesterday, I was speaking with our partner in Los Angeles, who mentioned that Osvaldo was in Los Angeles for one day; he got about \$1 million or so of watches. I like mushrooms, when I go to the woods, I pick mushrooms. When Osvaldo goes anywhere, he picks up watches, I don’t know how, but that’s what he does! They just come to him. I know almost all watch people, there’s no one like Osvaldo, not even close.

OP: Today, it’s a good day!

PP: Usually, we quarrel.

This, we note, is patently untrue. Poniz joined Patrizzi at Antiquorum in 2000, and stayed with him after the dramatic breakup of Antiquorum in the summer of 2007. After Artist House, the Japanese holding company, purchased a 50% stake in Antiquorum, disputes between the investors and the founder led to a series of disputes, firings (including Patrizzi’s own ouster) and a flurry of lawsuits on both sides. Patrizzi never dwells on what happened between him and the company he



founded, though his anger at what took place was well-documented in the press the following year. The reticence we expected on the subject of his former firm never manifested itself; he seems to have channelled that energy into his new venture, and is enjoying coming from a very different place professionally – he comes in this time at the top of his game, in a market that he himself is credited with creating, with remarkable personal connections to the top experts, buyers, and sellers in the watch world.

100K: What was it like to start over?

OP: You mean between Antiquorum and now?

I started [Patrizzi & Co.] for one special reason, to show that what the company said about me, it wasn't true. I mean, can you imagine, I have 35 years of experience auctioning, 50 in the watch world, even somebody coming in with all the problems I have, and I'm able to start a new company with no problems. Zero. Normally when you try to start with a problem like that on your back, with the lawyers, the money...I lost some money in Antiquorum, okay, but it's no problem. What is im-

portant is especially to show them that myself and the team that wanted to join me, they're the best people, more knowledge and experience than anyone in the world. I had somebody yesterday ask me "How many experts at our level are there in the world?" and I said, maybe eleven? And two are in the same company, in this room, it is fantastic. We thought we'd open a new company, to do what we like.

PP: Wait, I thought it was just for fun!

OP: It is fun, we have a lot of fun. We have a lot of problems, but the fun makes it easy to resolve the problems.

100K: What's been your biggest sale so far?

OP: There was a fantastic sale of renaissance clocks in May, in Milano. It was fantastic not only because we had so many clocks and early watches from one owner, but also these clocks are in excellent condition. We practically never get to exercise all of our passion, not only for the wristwatches, but also for the clocks. The watches, sometimes they're boring, this is several centuries, several different styles, different mechanical concepts. When you have the chance to see it all



together, it's really, really incredible. There are not many today who are interested in buying this kind of horological art. And also we had a spring sale in Geneva that was very good, and one in New York, and some very important watches coming up in September, there's a watch that will get probably a million dollars. We're cataloging everything now. The best souvenir for the moment is this collection of clocks.

100K: You pioneered some new ideas in auctions, including the themed sale, which you've continued to find success with. What do you think makes people respond to them?

OP: The idea to create the themed sale came from the way this business normally is done. You have some interested people, really cultivating one brand, one type of horology, but from the historical point of view, only. And missing on the market were people who didn't just approach the expert, because there's the collector approach. We live every day with the collectors, we know what the collector wants, what they want to see, what we have to explain. The thematic sale for us is the event where we can go deep on the history of the subject, to explain in an easy way for a dealer, collector or amateur who wants to know the brand or the subject. Also, themed sales are supported by a lot of promotions, it is commercial, most of its made by the collectors themselves. They're talking watches 18 hours a day. It's a lot of work, the thematic sale, but the interest in the brand comes from something we decide, something important, like a jubilee, or the anniversary of an iconic model of that brand, or we decide to focus on one kind of horology, say English or French. Or...remember Antiquorum in Love?

PP: That was a good sale.

OP: That was a very good sale.

We have to see the historical point of view, what gives us a reason to focus. When we have this reason we start to find the pieces, to find them, to describe and explain what the sale means and what we want to show, and we see the customer respond to that. The approach is totally different than the classic approach.

PP: Nothing like that in the history of the world, has ever been assembled.

100K: Will you seek out watches along the lines of a particular theme, or does the theme follow what you're finding?

OP: If we find a watch collection where the collection is possible for a thematic sale, we start to see if we have an intellectual interest, its important that it not just be a collection of very nice watches, and then we do an auction. We need to have something to talk about, something to explain. If we find that its just one kind, one style, we have to have an argument to explain at the beginning, to create an auction theme. I think it's a choice we made from the beginning, in 1974 when I started,

then it was really only Sothebys and Christies, who were selling. When I started, my choice was to go directly to the buyer, to explain and describe. You don't explain and describe it the same way to the dealers. And we started with this kind of education from the beginning, because the more people that have knowledge, the more that have the interest, and the ability to pay. And that is what happened.

PP: Take the Art of American Horology. It was something which was worth doing because American horology has a very special effect. He decided to do it, and when I go to shows now, people talk about it, and it was what, 10 years ago? Nobody else has done anything like this.

OP: It's true, you know, this approach, here and at Antiquorum, it created a lot of interest around watches, even in Switzerland. In 1975, only two students followed a horological path in school. They were thinking of closing, because no one was interested in mechanical watches. In 1980-81, when we were starting to sell those watches and focusing on those watches as a collectible, there were 24 students in the programme. Is it just because of us? Probably there were always people who loved watches, but people forget, if they don't have people showing them what's nice, regularly exciting them about what we do. This was the quartz period, and it caused a lot of problems. From 1980-90, we're missing a generation of watchmakers. The 1970s watchmaker changed

stand what the watchmaker made 200 years ago, by hand, to create one watch, one escapement, one complication...

PP: During our research, we have advanced the history of horology significantly. We discovered that the chronograph, the return to zero, it was made about 30 years before it was thought to have been made. We discovered the beginnings of Patek Philippe, we're still working on that. Many things, from horological analysis, we created a number of historic changes. Sixty percent of the watches that are in the most important horological museum [Patek's own museum] came through us.

OP: From what I hear yesterday in LA, we are only at the beginning. There's a machine that costs millions that can make a perfect watch. For the future, it's important. It makes it a million times more precise, really millions, and it's easier, cheaper, one wheel that would cost \$10, with this machine, costs \$3, and it has the capacity to finish and be developed in the next 10 to 15 years, to develop the most incredible watches in a medium size, not larger and larger. We're much more interested in the kind of horology of craftsmen, but from a technical point of view it's fantastic.

100K: Why is there emphasis on making watches smaller when the trend has been to make them bigger?

“when I go to the woods, I pick mushrooms. When Osvaldo goes anywhere, he picks up watches, I don't know how, but that's what he does! ”

from watches to electronics. After, we're starting again with manual and mechanical, and they've come back. Today we have probably the best period in horological history, where the watch industry makes incredible watches. We're changing from horology to kinetic art, it's a very nice evolution. We want to create our own customers, we want to tell them our passion first, and the way we see our business. When we get together, Philip and I, we don't talk football, we don't talk women, we don't talk cars, we talk watches.

Patrizzi's communications manager overhears this and begins to hassle him about his lack of outside interests – a particular issue when trying to get him to engage in, say, Twitter. He laughs at the gentle teasing, but then focuses in with his signature combination of excited gesticulation and intense concentration.

OP: But, okay, watches are not a boring subject! You have so many developments in art, engraving, enamel, repoussé, technical technical, and many times, it so rich, we have to think for days and days to under-

OP: At times, our interest, we explain to the customer, a lot of times they don't know the difference between a normal watch and an extra flat watch. A lot of people don't understand the importance to be small and flat – why? Because a smaller watch costs much more than a bigger watch. Today, sure, people like bigger, it's showier, but at the time small meant capacity, manual capacity, precision, requiring much more than a normal size watch. And flat, it required the ability to work in very small dimensions, it's much more explain. To explain why an extra flat watch costs much more than a large watch, it's hard to explain based on what we like. We have to show them and get them to participate and get pleasure out of it.

PP: 22mm difference could be a 100% increase in the price. This is in watches made in the beginning of the 20th century.

You didn't mention the concepts! The entire idea!

OP: About the new auction?

PP: About the collectors, friends, not making them pay...

OP: One of our qualities in this business is not to take advantage of the situation, to go deep in what we do, but also to see what's missing, what is not logical, or some situation where the business is driven by the financial people and not by the experts. It's important to put the church in the middle of the village. That's why we decided with this new company to start a new concept, and the concept is to give the real value to the buyer, to eliminate the buyer's commission and to become a partner with the vendor. It's difficult sometimes for people to approach the auction when they don't know how much they're going to have to pay. Emotion pushes them to go up, up, and up and afterwards they come down, and start to think "Oh, how much do I have to pay now? I have to pay \$100,000, plus the commission is \$125,000, plus tax is \$135,000, my god, 30-40% you pay on service. This is important because it's 30-40% of the auction house charges of the value.

If you want to include the service in the value of the watch, you have to reduce the value of the watch, to reduce the estimation and give the lowest bid to the buyer and say its low, I'd go up. Its not the reality of the market, when at auction you're selling, the estimation still exists, people don't understand why the sale prices are up and down. If I put down 100, I pay 100, its simpler from the buyer's point of view, and from our point of view, if you know how much you'll pay, maybe you'll buy more. It's simpler. And if we send to the vendor this watch worth \$80-\$100,000, we start at \$60-\$65,000 and split the difference, he says okay, he tries to make the best for everyone. We don't just to sell to get to the commission at any price, its not important how much it fetches, just to get the auction house the commission to survive. It's a friendly approach and a transparent approach, and today with a real global market, this kind of transparency helps a lot, and we see the result, we have spectacular sales.

100K: Have you noticed an influx of new watches in the economic downturn? Do you think people are trying to recoup some of what they may have invested in watches?

OP: To buy new watches to make money, it's not a very clever idea. You have to buy the watches because you like them and you have the capacity to buy and get pleasure out of them. It's a mistake at the beginning to think that, "I'll buy the watch at the next watch show and keep it six months and sell it for a profit." You don't buy one car and keep it six months and expect to make money. You have some cars and some watches that are so rare that are made in so few models that are so spectacular that sometimes, yes, its true, the limited number, the quantity of demand push up the price, but most of your new wristwatches are time instruments, not investments. You have to give at the time what they want and keep it while the price evolves for 10 or 15, after 20 or 30 years the price will be stable and it will be vintage. But not in two or three years.

I think it's a mistake in the beginning to buy for investment; you should buy what you like. And what you like depends on the amount

of money you have, the pleasure you get, you buy what you like. Later, collecting for investment, its possible. We see that when the value of the money goes up, the value of everything else goes down, but the watches are more stable than some other art because its small, easy to transport and there's a worldwide appreciation. It's more difficult for the Chinese to appreciate a piece of modern art than a watch, because it's known worldwide. Pieces of modern art, from a new artist...this is much more of an investment. Philip just come from Shanghai and I think, well, why don't you ask him?

PP: I called Osvaldo and said "We've got to establish an office in China, we've got to." The level of sophistication and interest of the Chinese is remarkable, and it's developed very quickly. I believe that the most expensive watch from our next sale, the Only Watch, will be bought by a Chinese collector.

100K: Is it difficult establishing presence in Asia?

OP: It's much more difficult to find good people. To find a place, no, to get the documents and meet people, no, but to find nice people to work in the same spirit, its not easy, because you need time to see who is really passionate, or just trying to make money. After so many years, though, we know people who are able to help us.

100K: You seem to consider new collectors in your thinking quite a bit; what was your first watch?

OP: The first watch I ever bought...I received it when I made First Communion, when I was 11; it was a Zodiac. At the time, it was like, wow. My first purchase, I was probably 14, but it was not for myself, just to buy something to sell it. In Italy at the time, the fashion was to buy the English style long-case clocks, and many of the companies change their names for Italy. I remember I bought one very nice long-case clock from Scotland, I put it at home in my apartment, and after a few days, somebody came in and wanted to buy it, and I said no, this is for me – but hey, if I sell it, I make money!

100K: Do you find that a lot of watch collectors are interested in clocks?

OP: At the time in Italy, most people were interested in clocks. They were easy because you enter in the house and see them; in watches you need to keep them in safes, go to the bank to see them. If watch collectors now buy clocks, it's just for decoration. The pocketwatch collectors sometimes overlap, because a pocketwatch and clocks come from the same kind of passion. Wristwatches are a different world, and different age. Watches, the youngest watch collector we have is 11 years old, he came with his mother to the auction, and the mother said, my son is bidding, whatever he does is okay. He bought four, five, six watches, very very clever choices, very nice. He was Chinese, he bought for a real amount of



money, \$60-70,000 dollars. Wristwatches are probably around 55-60 years old, the people. Pocketwatches start probably at 25 and go up from there. And clocks are probably more around 40-50 years old, the average age of a collector.

100K: And what do you wear now?

OP: Now, it's a Rolex Daytona, with the dial that's changed color. I was the first to realise this kind of mistake, and collect them.

PP: He was the first to realise that certain types of Rolex dials with age, change colours. Collectors started calling those dials Patrizzi's dials.

OP: This is my own brand, Rolex! But really, what is nice is that these mistakes sometimes are so charming, we see in the plate collections some color, from black to chocolate, or chocolate to red, or bluish—you'd never produce it. Like Indian Summer.

100K: Did you ever consider taking your career in another direction? What would you be doing if you weren't doing this?

OP: I'm very happy with what I do. Just yesterday, we had a meeting with several people, collectors, investors, but also musicians, and when I was talking music, I see that, I think okay, in my next life, I'd like to go down that path. I like piano, the violin. It's fantastic because these people are from a foundation for young musicians, we find one young guy who plays fantastically and needs money, and decided to support him.

PP: Ah! Now I understand the concert before our last Milano auction! We organised a concert of string instruments, but the real old strings, the way they used to be strung a 100 years ago, natural guts. A little bit softer, it was hard to organise when he was in Paris, but he brought an orchestra from London to Milan and it made quite an impact. Maybe that's why we sold those clocks so well!

OP: Especially because the music was specially composed for clocks.

PP: Yes, I forgot, about the music, not many people know about Mozart and others, they made music for clocks. This was a concert from that music. They were making very sophisticated music.

100K: IS that something you see yourself doing more of?

OP: I think we have to think, I'd like if one day we could do American music, to get an American composer from that same period, because they're really two different things but so similar in some ways. Something that explains another thing.

PP: We got the oldest existing American-made watch, from the 1760s. A watch with a really unusual escapement. The ébauche bounces, the finish and everything is American. A remarkable piece. We got it because of the Art of American sale.

OP: Oh?

PP: And, it's from a clock collector! It requires an article, it requires someone to write good music for it.

100K: So what's coming up next for Patrizzi & Co.?

OP: Next, I can't tell you, because we haven't signed the contract yet, but the company is very famous, in the next year they're having a very important anniversary, and the company is really interested in giving to us and to explain to the public their brand and model that's very important, to explain the design, and how the model changed the way we produce and made watches. I'll tell you, it's not Rolex, it's not Patek.

We also have the Only Watch, which is a special sale, important for several reasons. The auction is for a charity, the whole amount is given to research for muscular dystrophy. I founded it with Luc Pettavino four or five years ago, and asked each manufacturer to give us one watch. It went very well, with the patronage of these companies, and being in Monaco is important. We asked for watches for selling, and sold them well because its during the Monaco Yacht Show, the best event for boats, which brings to the same place, a few square metres, billionaires from all over the world, and we can show them something different than boats. And the second year, when the catalog was prepared, we had the fight with Antiquorum; last year, the manager of the yacht show, after I'd already opened this company, asked if I wanted to do it again, the Only Watch. I said yes, but we decided to change the aspect of the sale, and the reason for the sale. Not where the money goes, but the idea is really to make a gala of extraordinary watches.

Just to get watches for selling, okay, it's nice, but it's not exciting enough to do three times, people won't find a reason to pay double just for charity. But for an extraordinary, unique piece, yes. We explained to the watch manufacturers the project, and we got a fantastic result, because all the major manufacturers decided to produce a special watch for this occasion – one watch, one incredible watch. And you have some watches, the evolution of them, they're modern and still unique, or they're the first of a very small series, still with something different. The commercial part, from the psychological point of view, that the manufacturers decided to accept it, decided to put their name

with our name, this is very important. It means a lot to us after what happened, to have 100% support and it's a pleasure to do something there.

And this is something really new, somebody from Singapore with somebody from Richemont asked me if we're interesting in making, every year or every two years, one new concept at Basel, only for a spectacular watch, just to create an event, push people worldwide to talk about something spectacular.

PP: Like a contest – one watch, and one of the most important manufacturers.

OP: The Basel fair, the Geneva fair, it's nice, but it's made for production, its made for a thousand, ten thousand – this, we'll make one. It'll push the boundaries...it's so important that they see the capacity and the savoir faire of the watch industry, the manufacturers. This is really something.

PP: For Only Watch, they made something that has been not unheard of, but unthinkable. They changed the meaning of time. They made a watch where you can adjust your pace of time, literally. It's a philosopher's stone sort of watch, literally. If the time goes well for you, if you're having a good time, you switch the lever, and the watch goes slowly so the time expands twice as big. The other way around, if it's a lousy time, everything goes bad, stressful, you switch the lever to the other side, and the time starts flying. Then of course when you come to your senses, you put the lever in the middle and the hands go regular time. Nothing like that had ever been thought of, to say nothing of making – they made it for us, for this Only Watch.

OP: The approach is very interesting, because practically we go out of what is the gold standard regulation of watchmaking. It's really a philosophical point of view, and like I said, kinetic. Finally, it's not more important than time, but when I met with another guy [from the watch company MBR], it was really the new frontier. When I saw this watch, I'd been to the offices, and I said "Nice, okay, its different, it's a new conception, but I don't see the time." And it's not important! You make the watch but it's not important that it tells the time. We started talking and I opened my mind and I thought ah, maybe we're not talking about a watch, we're talking about a piece of art. And because the idea comes from the mechanical pieces, it becomes kinetic art. It's not important what they do. When I ask him, "But who is your customer?" because they produce 35 watches a year, no more, he gave me the names and practically all these people are major collectors worldwide of modern art.

Practically it's that concept, to do something, use the shape, the wrist, that is logical with the personality of the owner, and sometimes you make these; it's not a time instrument, it's a piece of art moving to help you find more or less where you are – what kind of time is now. ■