

Exclusive Rodeo-Drive Shop Sues Swiss Watchmaker

By Draeger Martinez

Among the glitzy boutiques of Beverly Hills' world-famous Rodeo Drive shopping district sits David Orgell, purveyor of jewelry, fine tableware and luxury watches since the 1950s. In recent years, the Orgell store served as an exclusive retailer for finery made by the Swiss watchmaker Chopard, but no longer.

In 2002, Chopard opened its own shop down the street from Orgell while imposing new business restrictions, such as tightening credit and payment terms as well as preventing Orgell from swapping slow-moving merchandise for newer items.

Orgell considered the moves unfair and

discriminatory business practices, and now it has slapped Chopard with a platinum-plated lawsuit filed in Los Angeles Superior Court over its unwanted block neighbor.

"Chopard terminated Orgell as an authorized retailer of their watches without any business justification," says Donald Pepperman, who represents Orgell in the lawsuit. "We think the main reason Chopard did this was because they opened their own store on Rodeo Drive, and they wanted to drive Orgell out of business."

Orgell had developed a group of regular customers based on its sale of Chopard watches, but when the company opened its own store, Orgell lost the business of those customers, the complaint says.

In 2004, Chopard stopped supplying Orgell with its products, according to the complaint. Chopard attorney David Keyko, a litigation partner with the New York office of Pillsbury Winthrop Shaw Pittman, says company policy precludes him from commenting on pending litigation. *R & S Antiques v. Le Petit-Fils de L.-U. Chopard & Cie S.A.*, BC329425 (L.A. Super. Ct. filed Feb. 25, 2005).

Pepperman, a litigation partner with Blecher & Collins in Los Angeles, says that although Orgell tried to reach a settlement with Chopard, those efforts have proved fruitless.

"While there wasn't a written contract establishing Orgell as having exclusive rights to sell Chopard items," Pepperman says, "Chopard did agree to an oral understanding

with the family that owns Orgell starting in 1996 setting them as the exclusive distributor for Chopard on Rodeo Drive."

Indeed, Pepperman expands on that statement in the court complaint he wrote, saying, "Chopard management assured [Orgell Vice President Ali] Soltani that Orgell would be the exclusive authorized retailer of Chopard products on Rodeo Drive for as long as Orgell desired to stock and sell those products."

The lawsuit charges Chopard with breach of contract, breach of good faith, intentional interference with Orgell's economic relationships, and violations of Section 17200 of the state Business and Professions Code.

Orgell is seeking more than \$1 million.