

Nos. 24-1287 & 25-250

IN THE
Supreme Court of the United States

LEARNING RESOURCES, INC., *et al.*,
Petitioners,

v.

DONALD J. TRUMP, PRESIDENT OF THE UNITED STATES, *et al.*,
Respondents.

DONALD J. TRUMP, PRESIDENT OF THE UNITED STATES, *et al.*,
Petitioners,

v.

V.O.S. SELECTIONS, INC., *et al.*,
Respondents.

On Writ of Certiorari Before Judgment to the United States
Court of Appeals for the District of Columbia Circuit and
On Writ of Certiorari to the United States Court of Appeals
for the Federal Circuit

**BRIEF OF AMERICAN WATCH ASSOCIATION
AND JEWELERS VIGILANCE COMMITTEE
AS *AMICI CURIAE* IN SUPPORT OF PETITIONERS
IN NO. 24-1287 AND RESPONDENTS IN NO. 25-250**

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INTERESTS OF *AMICI CURIAE*¹

The American Watch Association (AWA) is the national trade association for the U.S. watch industry, valued at more than \$18 billion in 2024. The AWA represents over 70 brands and their respective distributors, parts dealers, and service providers. AWA members include not only major corporations but also family-owned small businesses. Collectively, they directly employ approximately 55,000 Americans across all 50 states. AWA members also do business with independent jewelers, regional jewelry chains, and department stores throughout the country that separately employ some 200,000 more employees nationally.

The Jewelers Vigilance Committee (JVC) is a not-for-profit organization that provides legal guidance, industry guardianship, and member education to all sectors of the U.S. jewelry market, which was valued at roughly \$85 billion in 2024. JVC's 533 active members include designers, manufacturers, distributors, wholesalers, and retailers of jewels, jewelry, and watches. Its members range from sole proprietors to nationwide chains with over 500 storefronts in the United States.

Amici do not often have occasion to participate in matters before this Court. But this case—like the claimed tariff authority at issue—is exceptional. Because of the challenged tariffs, *Amici*'s members now face radical and unavoidable cost increases, with cascading negative effects for American businesses,

¹ This brief was not authored in whole or in part by counsel for any party, and no person or entity, other than *Amici*, their members, or their counsel, made a monetary contribution to the preparation or submission of this brief.

workers, and consumers. That is because watchmaking is a globally integrated industry that depends upon longstanding specialty manufacturers abroad for essential watch components. Faced with an upsurge in costs, many of *Amici*'s members are already being forced to lay off employees, close storefronts, or increase consumer prices. *Amici* submit this brief to provide a ground-level look at the pervasive harms inflicted on the U.S. economy within just one of many industries injured by the President's sweeping tariffs.

SUMMARY OF ARGUMENT

Globally integrated industries depend upon specialized centers of expertise, craftsmanship, and capital resources to produce high-quality goods. The President's so-called "reciprocal" tariffs threaten to paralyze such industries. These unjustified tariffs impose ruinous costs not merely on U.S. consumers but also on U.S. businesses and their employees, in most cases without any meaningful offsetting benefits.

The watch industry is an illustrative example.² *Amici*'s members depend on specialized precision components available exclusively abroad, primarily in Switzerland and Japan. There exist no domestic substitutes for these Swiss and Japanese watch

² This brief uses the term "watch" to refer to mechanical and battery-powered quartz timepieces primarily classified under the Harmonized Tariff Schedule of the United States (HTSUS) Headings 9101 (watches with precious-metal cases) and 9102 (watches with non-precious-metal cases). The term "watch" as used in this brief does not refer to "smartwatches," which are electronic devices that send and receive data and are accordingly classified under HTSUS tariff classification 8517.62.00.

components at the necessary commercial scale in the United States, nor is there any realistic prospect of generating the capabilities necessary to manufacture them in America. International trade in watch components and finished timepieces has proven advantageous both for U.S. businesses, who in turn employ thousands of workers across multiple sectors of the economy, and for American consumers, who benefit from greater selection and quality of goods.

The challenged tariffs obstruct this stream of commerce. Taxing watch imports will certainly result in higher prices for American consumers. But the tariffs will also cause U.S. businesses to reduce their short- and long-term investments, lay off employees, or even close their business entirely. And given the absence of any domestic suppliers and the unusually high startup costs for precision manufacturing, there is no realistic prospect that the President's tariff program will spur the creation of new manufacturing jobs in the United States. In short, the challenged tariffs unequivocally harm U.S. businesses, workers, and consumers.

Amici fully support the merits arguments made by petitioners in No. 24-1287 and respondents in No. 25-250, and do not intend to repeat those arguments here.³ Rather, *Amici* file this brief to present the Court with just one case study of the catastrophic harm caused by the President's sweeping tariffs. *Amici* respectfully urge the Court to declare these tariffs to be unlawful and thereby prevent further harm to their industry and to the U.S. economy as a whole.

³ *Amici* take no position on the jurisdictional question in No. 24-1287.

ARGUMENT

I. The Watch Industry Is One of Many Globally Integrated Business Segments Needlessly Endangered by the Challenged Tariffs.

A. The U.S. Watch Industry Has Long Depended on Swiss and Japanese Components.

“The concept of time in modern society is inextricably intertwined with the watch.” *Omega S.A. v. Omega Eng’g, Inc.*, 228 F. Supp. 2d 112, 132 n.50 (D. Conn. 2002). And for decades, Americans have depended on Swiss and Japanese technology to tell the time. Since the advent of the wristwatch, Switzerland has been an unquestioned leader in the watchmaking industry.⁴ Japan, too, has long been a hub of precision watchmaking.⁵ Swiss and Japanese suppliers have spent generations refining micro-mechanical processes and quality systems for movements, dials, hands, crowns, escapements, balance springs, jewel bearings, bracelets, and cases. These expertly crafted components are used to assemble the highest quality watches in the world.

The United States’ ability to benefit from that expertise has been made possible by its strong trade partnerships. In 2024 alone, imports of watches and watch components totaled over \$7 billion.⁶ These

⁴ *A Brief History of Swiss Watchmaking*, Wall St. J. (Mar. 12, 2018), <https://perma.cc/NU38-DWS9>.

⁵ Michael Clerizo, *What Makes a Watch Truly Japanese*, Wall St. J. (Mar. 23, 2017), <https://perma.cc/L655-P35C>.

⁶ U.S. Int’l Trade Comm’n, *DataWeb Query: Imports for Consumption, Customs Value, HTSUS Headings 9101 and 9102, Full-Year 2024* (archived Oct. 23, 2025), <https://perma.cc/PT9X-LFRG>.

imports are coordinated by U.S. businesses who work with partners abroad to bring high-quality goods into the country and distribute them to retailers and other sellers.⁷ Such sellers include numerous small independent jewelers and regional jewelry chains, many of which are multi-generation businesses that anchor downtown retail districts and shopping centers. And after purchasing watches from these storefronts, consumers rely on American watchmakers and technicians for service and repair.⁸ These tradespeople likewise depend upon a steady supply of replacement parts from abroad to help serve their American customers. In short, U.S. businesses benefit heavily from access to foreign precision manufacturing to bring high-quality goods to U.S. consumers at a reasonable price and to protect consumers' investments through expert professional service.

B. The Challenged Tariffs Have Disrupted the Watch Industry.

Tariffs are not a new concern for the watch business.⁹ Watches have long been subject to highly complex compound duty rates under multiple tariff

⁷ Deloitte AG, *Swiss Watch Industry Study 2025*, at 7 (11th ed. Oct. 2025), <https://perma.cc/A2YT-QZCU>.

⁸ Daniel Miller, *In a Digital Age, Old-Fashioned Watchmaking Schools, Including a New One from Rolex, Are in Demand*, L.A. Times (July 29, 2025), <https://www.latimes.com/california/story/2025-07-29/rolex-new-school-watchmakers/>.

⁹ In general, tariff rates on watches and watch parts collectively averaged between 2.2% and 2.4% each year from 2020 through 2024. U.S. Int'l Trade Comm'n, *DataWeb Query: Imports for Consumption, Calculated Duties and Customs Value, HTSUS Headings 9101 and 9102, Full-Years 2020–24* (archived Oct. 23, 2025), <https://perma.cc/TBU7-GZCV>.

headings. Each of the four principal components of a watch—the “movement” (mechanical or electronic timekeeping mechanism); the case; the band, strap, or bracelet; and the battery (where applicable)—have different tariff classifications and subclassifications.¹⁰ When imported separately (i.e., not as part of a complete watch), watch parts, including the foregoing four principal components as well as individual sub-components of the movement such as dials, hands, jewels, plates, bridges, and springs, likewise carry their own different tariff classifications.¹¹ Many watches have different countries of origin for different parts, and assembly of the watch can occur in stages, rendering the tariff calculations still more complex.¹² *Amici*’s members have, in turn, devoted considerable time and effort to structuring their businesses in a way that complies with those rules while maximizing efficiency and minimizing costs to consumers.

Until this year, the tariff regime was at least stable. But in April 2025, President Trump imposed massive additional tariffs on the countries that supply watches and watch parts to American businesses, invoking his purported authority under the International Emergency Economic Powers Act (IEEPA). *See generally* Exec. Order No. 14,257, 90 Fed. Reg. 15041 (Apr. 2, 2025). As part of this so-called “[r]eciprocal” tariff regime, the President initially

¹⁰ *See generally* U.S. Int’l Trade Comm’n, Harmonized Tariff Schedule of the United States, ch. 91 (2025 revision 25), <https://perma.cc/D6AQ-WPF9>.

¹¹ *See id.*

¹² *See, e.g.,* Nazanin Lankarani, *A Watch Is More Than Its Parts. But If You Can’t Get Them?*, N.Y. Times (June 10, 2020), <https://perma.cc/8BP9-7GTV>; U.S. Cust. & Border Prot., Ruling Ltr. HQ H243796, 50 Cust. B. & Dec. 63 (Dec. 8, 2015).

levied a 31% tariff on Switzerland and a 24% tariff on Japan.¹³ *Id.* at 15045, 15049–50. The announced tariffs represented a sudden and chaotic rupture to the well-established tariff rules on which the watch industry has long relied.

Compounding the chaos was the tariffs’ arbitrary and unpredictable implementation. The tariffs first took effect at a baseline 10% rate on April 5. *See* Exec. Order No. 14,257, 90 Fed. Reg. 15041, 15045 (Apr. 2, 2025). One week later, when additional country-specific tariff rates were set to take effect, the President postponed implementation of the additional tariffs for most countries (including Switzerland and Japan) by 90 days. *See* Exec. Order No. 14,266, 90 Fed. Reg. 15625, 15626 (Apr. 9, 2025). The President then postponed those tariffs by another 23 days, *see* Exec. Order No. 14,316, 90 Fed. Reg. 30823, 30823 (July 7, 2025), and then again by another week, *see* Exec. Order No. 14,326, 90 Fed. Reg. 37963, 37963–64 (July 31, 2025), while his Administration continued to negotiate with various countries. Following a trade agreement reached with Japan in July 2025, a 15% tariff rate on most Japanese goods (including watches) took effect on August 7, 2025. *See* Exec. Order No. 14,345, 90 Fed. Reg. 43535, 43536 (Sept. 4, 2025) (formalizing U.S.-Japan trade agreement).

¹³ Although the President declared the tariffs to be “[r]eciprocal,” *id.* at 15045, in most instances they are not reciprocal at all. They have no direct relationship with the published tariff schedules of other nations. Instead, they were apparently selected via crude reference to the estimated trade deficit that the United States has with each nation. Barath Harithas, Evan Brown & Catharine Mouradian, *Three Points on Trump’s “Reciprocal” Tariffs*, Ctr. for Strategic & Int’l Stud. (Apr. 7, 2025), <https://perma.cc/8BP9-7GTV>.

The United States' trade relationship with Switzerland has faced still greater disruption. As noted above, the country-specific 31% additional tariff on most Swiss goods was at first suspended pending trade negotiations. After failing to reach a trade agreement, however, the President not only reinstated the previously declared tariffs but increased them by adding 8% to the initial Swiss-specific tariff, to a total of 39%. *See* Exec. Order No. 14,326, 90 Fed. Reg. 37963, 37968 (July 31, 2025). The exceedingly high tariff imposed on Swiss products—coming atop the tariffs already applicable to watches—shocked the watch industry and Swiss officials, especially given that country's recent multibillion-dollar investments in the United States across many fields, including pharmaceuticals.¹⁴ The contrast between the 39% tariff on Switzerland, and the 15% tariff applicable to its neighbors in the European Union (EU), has proven especially stark.¹⁵

Sudden changes in tariff rates have been echoed by large monthly swings in trade, reflected in official data made public by the U.S. International Trade Commission (ITC). At first, watch imports to the United States surged in advance of the initially announced tariff effective dates, with imports increasing 169% as compared to April of the previous year. That surge was then followed by sharp year-over-year declines of 37% in May and 23% in June. In July, imports increased year-over-year by 58%, again

¹⁴ Liz Alderman, *Why Are Tariffs on Switzerland So High?*, N.Y. Times (Aug. 8, 2025), <https://perma.cc/P2QV-M8PQ>.

¹⁵ Liz Alderman, *Switzerland Is Stunned by 39% U.S. Tariff, Among the Highest in the World*, N.Y. Times (Aug. 1, 2025), <https://perma.cc/XJ7X-F56Q>.

reflecting a desire to maximize inventory before the President’s tariffs were expected to take effect.¹⁶

The ITC’s August 2025 import data—the first set of data to reflect implementation of the tariffs since August 1, 2025—have not yet been released.¹⁷ But double-digit declines are virtually certain. Indeed, authoritative industry data from Switzerland reflects that watch exports to the United States in August 2025 were down 24% compared to the previous year.¹⁸ Data for September 2025 is similarly expected to show sharp decreases in trade.

The volatility in tariff rates has frustrated attempts at effective business planning. A typical retailer plans purchases 6–12 months ahead, and brands schedule production 12–24 months out. But duties must be paid upon those goods at whatever rates are ultimately applicable at the time of importation. The size of these duties is substantial: for example, a shipment of 10,000 Swiss watch components at an average customs value of \$100 per unit would require a cash outlay of \$390,000. When faced with such sudden costs, businesses can be forced to impose retroactive price increases to make up the

¹⁶ These figures were calculated using U.S. dutiable value data for HTSUS Headings 9101 and 9102 accessible from the ITC’s DataWeb website, <https://dataweb.usitc.gov/>.

¹⁷ The President’s so-called “reciprocal” tariffs for Japan and Switzerland took effect on August 7, 2025. *See* Exec. Order No. 14,345, 90 Fed. Reg. 43535, 43536 (Sept. 4, 2025); Exec. Order No. 14,326, 90 Fed. Reg. 37963, 37963–64 (July 31, 2025).

¹⁸ Fed’n of the Swiss Watch Indus. FH, *Swiss Watchmaking in August 2025*, at 1 (2025), <https://perma.cc/6YQ7-FVQ4>; Allegra Catelli, *Swiss Watch Exports Plunge on Weak China Demand, US Tariffs*, Bloomberg (Sept. 18, 2025), <https://perma.cc/DE8U-XGDN>.

difference, alienating customers and violating purchase commitments with manufacturers. Alternatively or additionally, businesses may be forced to reallocate resources that would otherwise be used for payroll, rent, and marketing simply to pay unforeseen customs duties.

These massive tariffs especially burden *Amici*'s smaller members. Small businesses often have less-established credit histories and quickly exhaust lines of credit when seeking to cover unexpected costs associated with frequent discretionary rate changes. Small and mid-size firms also bear a disproportionately heavy administrative burden when attempting to adjust to those changes, as they do not have sufficient resources to employ or retain dedicated import specialists, increasing the risk of mistakes and penalties despite honest efforts to comply with the changing laws. Meanwhile, for large and small businesses alike, uncertainty about whether or how long current rates will remain in effect has caused many businesses to take a wait-and-see approach that has reduced the availability of consumer goods and further increased prices.

Discussions with Switzerland reportedly remain ongoing, leading some to hope that the 39% tariff may soon be lifted.¹⁹ But as of the filing of this brief, that punishingly high rate remains in effect. And even if the President were to adjust or suspend those rates, *Amici*'s members remain without any assurance that massive tariffs will not suddenly be reimposed. If IEEPA were interpreted to entitle the President to

¹⁹ See, e.g., *Switzerland Will Pursue Further Talks with US Over Crippling Tariffs*, Reuters (Aug. 7, 2025), <https://perma.cc/4ECJ-9VUR>.

impose, modify, suspend, or reimpose such broad tariffs at his sole discretion, it would leave *Amici*'s members in an inescapably precarious position.

C. There Is No Sound Justification for Applying the Challenged Tariffs to the Watch Industry.

Adding to the uncertainty experienced by *Amici*'s businesses is the absence of any cogent rationale for the imposition of these tariffs. As discussed in the parties' briefs, IEEPA allows the President to "regulate . . . importation" only in response to an "unusual and extraordinary threat" to the "national security, foreign policy, or economy of the United States." 50 U.S.C. §§ 1701(a), 1702. Most of the reasons urged by the government in this Court (Gov't Br. 2–3, 6–9) facially have no application here. The President has not identified any "flood of fentanyl and other lethal drugs" from Switzerland or Japan (Gov't Br. 2). Nor are they "hostile countr[ies]" or "geopolitical rivals" (Gov't Br. 6, 40). Japan is a longstanding economic and military ally of the United States, and as multiple Cabinet Secretaries have recently reaffirmed, Switzerland is a "sister republic" with whom the "United States values its strong and steady relationship."²⁰ And far from representing a national security threat, the importation of watches has been a mainstay of the U.S. economy for decades. To the extent the government intends any of those considerations as justification for the challenged

²⁰ Alderman, *Why Are Tariffs on Switzerland So High?*, *supra* note 14 (statement of Treasury Secretary Scott Bessent); Press Statement, Marco Rubio, U.S. Sec'y of State, Swiss Confederation National Day (Aug. 1, 2025), <https://perma.cc/6R54-44AS>.

tariffs as applied to Switzerland and Japan, this Court plainly should not credit them; the Court is “not required to exhibit a naiveté from which ordinary citizens are free.” *Diamond Alt. Energy, LLC v. Env’t Prot. Agency*, 145 S. Ct. 2121, 2140 (2025) (quoting *Dep’t of Com. v. New York*, 588 U.S. 752, 785 (2019)).

The President’s original rationale for the tariffs at issue concerned an alleged “lack of reciprocity in our bilateral trade relationships, disparate tariff rates and non-tariff barriers, and U.S. trading partners’ economic policies that suppress domestic wages and consumption.” Exec. Order No. 14,257, 90 Fed. Reg. 15041, 15041 (Apr. 2, 2025). *Amici* strongly disagree that longstanding trade deficits constitute an “unusual and extraordinary” “emergency.” *Cf.* 50 U.S.C. § 1701(a). But even taken on the President’s terms, his assertions cannot justify application of these tariffs to the watch industry (or, for that matter, most other globally integrated industries). As relevant here, there is no unfavorable lack of reciprocity in international trade: far from imposing “abus[ive]” tariffs on watch components (Gov’t Br. 2), neither Switzerland nor Japan currently imposes tariffs on them at all.²¹ As to Switzerland in particular, any perceived imbalance in the bilateral trade relationship is not the result of the watch industry but instead of other industries, including pharmaceuticals—which, unusually, the President

²¹ See Japan Cust. & Tariff Bureau, Japan’s Tariff Schedule, ch. 91 (Apr. 1, 2025), <https://perma.cc/J6MT-32YY>; Press Release, Fed. Council (Switz.), Swiss Industrial Tariffs Abolished (Jan. 2, 2024), <https://perma.cc/Q8NG-V9CY>; *Switzerland Scraps Tariffs on Industrial Product Imports*, Reuters (Jan. 2, 2024), <https://perma.cc/4ECJ-9VUR>.

exempted from the tariffs.²² Moreover, as further explained below, there is no realistic prospect that the tariffs will “increas[e] domestic manufacturing” or prevent loss of “manufacturing jobs” (Gov’t Br. 7); there exists no appreciable domestic manufacturing of precision watch components that the tariffs could conceivably protect.

The tariffs also will not generate revenue from abroad. Despite the President’s frequent assertions—now repeated in this Court—that the tariffs will cause “trillions of dollars [to be] paid by [foreign] countries,” Gov’t Br. 2, tariffs are paid by U.S. importers, not by foreign governments. The domestic revenue realized from the tariffs is also likely to be far less than the President believes. As discussed below, much of the cost of these tariffs will ultimately be borne by consumers. But even to the extent that some costs are absorbed by importers, that will cause a decrease in federally taxed corporate revenue, thereby offsetting a significant portion of the potential revenue generation. See 26 U.S.C. § 11(b) (corporate tax rate of 21%). Uncertainty and reduced company profitability will also put downward pressure on stock prices of retail and consumer goods companies, driving down capital-gains taxes and further reducing government revenue gains. In sum, the challenged tariffs are not a mechanism for forcing payments by foreign governments, but instead are a massive, unprecedented tax increase on U.S. businesses and consumers.

²² Exec. Order No. 14,257, 90 Fed. Reg. 15041, 15045–46 (Apr. 2, 2025); Alderman, *Why Are Tariffs on Switzerland So High?*, *supra* note 14.

II. The Challenged Tariffs Harm U.S. Businesses, Workers, and Consumers Without Any Meaningful Offsetting Benefit.

A. The Tariffs Will Eliminate, Not Create, American Jobs.

The challenged tariffs have had a severe impact on U.S. importers and the domestic businesses that depend on them. Every American enterprise engaged in the watch business now faces an immediate and severe “duty shock” the moment that merchandise enters U.S. commerce. The industry has thus far been able to blunt some of these adverse effects by accelerating shipments in advance of tariff deadlines. But particularly for smaller businesses, there was a limit to their ability to overstock inventory. In order to keep importing goods for sale, many of *Amici*’s members have already had to cut payroll. Layoffs can be expected to continue for as long as the current status quo persists. These layoffs will not be confined to factory work abroad, but will fall squarely on well-paid, skilled American jobs—in sales, marketing, logistics, regulatory compliance, and after-sales service.

The harms flow further downstream from there. Layoffs and store closures will drive business away from downtowns and shopping centers that rely on spillover traffic. Higher prices will generate fewer purchases, which in turn will necessitate fewer repairs, thus shrinking the customer base for American service and repair businesses. Moreover, brands and retailers that are now forced to spend additional money on duties and compliance can be expected to spend less on product development, marketing, and training, or otherwise to invest in the

future of their businesses and thus the American economy.

Independent jewelers are especially harmed. Watch “designs and technology evolve continually,” *Belfont Sales Corp. v. United States*, 666 F. Supp. 1568, 1571 (Ct. Int’l Trade 1987), *aff’d*, 878 F.2d 1413 (Fed. Cir. 1989), but independent jewelers who are forced to swallow the costs of increased tariffs simply cannot afford to purchase new inventory to the same extent they otherwise could without this added significant cost burden. Without an assortment that includes much, if any, new inventory, independent jewelers cannot stock display cases, which drive foot traffic and service volume. This decreased supply generates less demand, forcing reductions in staff hours, benefits, and headcount.²³

These losses will not be offset through watchmakers shifting production to the United States. Standing up even a modest production facility for watch movements requires purpose-built machinery, sophisticated tools for precise measurement and control of product dimensions, clean-room assembly, and a highly trained workforce. Indeed, simply manufacturing the tools necessary for making watches (such as molds, dies, cutting and forming tools, jigs, and fixtures) alone requires prohibitively large capital investments. And even assuming some manufacturers were otherwise willing to undertake the billions of dollars in investment necessary to generate industrial watchmaking capacity, it would likely take a decade or more (from

²³ See, e.g., Victoria Gomelsky, *Trump’s 39% Tariffs Have Pushed the Swiss Watch Industry Into Crisis Mode*, Robb Report (Aug. 6, 2025), <https://perma.cc/2V8Y-GWGP> (quoting one retailer).

site selection to production part approval) before any sort of manufacturing capability could exist, let alone for such an investment to generate a positive return.²⁴ Moreover, given the expectation that the President or a future administration may reduce or eliminate the challenged tariffs even absent judicial intervention, the prospect of such an investment yielding a viable return is remote. Relocation to the United States is simply not a workable business solution.²⁵

B. The Tariffs Displace Commerce to Other Channels.

Even as the challenged tariffs will not bring foreign watch manufacturing to the United States, they are certainly expected to shift commerce away. Tariffs on Swiss and Japanese goods strongly incentivize so-called “gray market” activity, where authentic products are sold through channels that are not sanctioned by the original manufacturer or brand owner, circumventing U.S. consumer-protection, warranty, intellectual property, and tax regimes. *See, e.g., Omega S.A. v. Costco Wholesale Corp.*, 776 F.3d 692, 694–95 (9th Cir. 2015). As a result, authorized retailers suffer losses, while consumers can become confused as to source authenticity and lose out on valuable after-sales support.²⁶

²⁴ Andy Hoffman, *Swiss Watch Industry Fears Impact from 39% U.S. Tariff with Hopes for Last-Minute Deal*, Hodinkee (Aug. 1, 2025), <https://perma.cc/9PBT-PTN7>.

²⁵ Pascal Brandt, *The Impact of the 39% U.S. Tariff on the Swiss Watch Industry, and the Reactions of a Major CEO, the Swiss Fed and an Analyst*, Monochrome (Nov. 11, 2025), <https://perma.cc/7URQ-9GTX>.

²⁶ *How Trump Tariffs on Swiss Watches Could Reshape the Market*, TFL (Aug. 1, 2025), <https://perma.cc/9YU7-H67D>.

High tariffs on imports also encourage travelers to purchase watches while abroad or in duty-free stores, to the loss of American distributors and retailers that are cut out of the stream of commerce.²⁷ Purchasing abroad also invites evasion, as travelers can decline to declare their purchase upon return to the United States.²⁸ In the long run, brand investment in the U.S. market will decrease in light of the dissolution of relationships of trust and mutual benefit between watchmakers, retailers, and consumers.²⁹

C. The Tariffs Increase Costs for U.S. Consumers.

Finally, because domestic substitution of goods will not be possible, American consumers will inevitably pay more for their watches.³⁰ Trade publications and industry magazines report that most if not all watch brands have already increased prices in response to the President's IEEPA tariffs, and did so even before the full brunt of those tariffs took effect in August.³¹ And while some importers have been able

²⁷ Alexey Tarkhanov, *Swiss Watchmaking Industry Grapples with Spike in US Trade Tariffs* (Sept. 12, 2025), <https://perma.cc/G6BH-AYDR>; Gomelsky, *supra* note 23.

²⁸ Erica York & Alex Durante, *Trump Tariffs: Tracking the Economic Impact of the Trump Trade War*, Tax Found. (Oct. 3, 2025), <https://perma.cc/RG4L-DDKH>.

²⁹ Imogen Foulkes, *Has the Clock Stopped on Swiss US Trade?*, BBC (Oct. 9, 2025), <https://perma.cc/RH22-9S4Z>.

³⁰ Deloitte AG, *Swiss Watch Industry Study 2025*, *supra* note 7, at 7.

³¹ Hoffman, *supra* note 24; Ripley Sellers, *The Impact of U.S. Tariffs on the Watch Market*, Wrist Aficionado (May 2, 2025), <https://perma.cc/5DL3-3SGP>; Mark Xu, *Retail Prices of Luxury Watches Are Skyrocketing in 2025: A Mid-Year Update*, WatchCharts (July 10, 2025), <https://perma.cc/5VAL-XGX3>.

to limit price increases by working through inventory secured at pre-tariff rates, once that inventory is exhausted, they will be left with no choice but to pass on steep price increases to consumers.³² In practice, the average increase in consumer prices may very well ultimately exceed the tariff amount itself, as importers and resellers strongly resist substantial reductions in their gross-margin percentages.³³ And U.S. consumers purchasing watches directly from foreign sellers will bear the full weight of the 39% and 15% tariffs on Swiss and Japanese goods, respectively.

The effects on consumers are not limited to sticker price. As already noted, jewelers and other retailers facing cost pressures from tariffs may also choose to reduce the range of inventory they sell or to decline to participate in new-product releases. Such reduction in consumer choice is particularly likely for the entry-level and mid-price segments of the watch industry. Businesses operating on thinner margins will also offer fewer promotions and discounts, effectively further raising costs on consumers.

³² Carol Besler, *Swiss Watch Exports to U.S. Surge Ahead of 39% Tariff*, *Forbes* (Aug. 25, 2025), <https://perma.cc/M3H7-SAAK>; Brandt, *supra* note 25.

³³ For example, assume that a Swiss watch has an import value of \$100 and that both the importer and the retailer each operate with a 50% gross-profit margin. Before the tariff, the consumer price would be \$225 (i.e., 150% of 150% of \$100). After imposition of a 39% tariff, the consumer price would rise to \$312.75 (i.e., 150% of 150% of \$139)—an \$87.75 increase, more than twice the tariff itself. The importer and retailer would each need to reduce their gross-profit margins from 50% to approximately 38% before absorbing any portion of the tariff burden that would otherwise be passed on to consumers.

CONCLUSION

The challenged tariffs impose extraordinary costs on American businesses, workers, and consumers without generating any meaningful offsetting benefit. From *Amici*'s perspective, the most salient "unusual and extraordinary threat," 50 U.S.C. § 1701(a), is the one posed by the President's arrogation of authority to disrupt wide swaths of the economy without statutory authorization and without any rational policy basis for doing so. *Amici* urge this Court not to overlook them or similarly situated industries when evaluating the President's remarkable and unprecedented assertion of taxation authority over U.S. businesses and consumers.

For the foregoing reasons, *Amici* respectfully urge the Court to affirm the judgment of the court of appeals in No. 25-250, or otherwise to declare the challenged tariffs to be unlawful.

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October 24, 2025