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FASHION: Calvin Klein goes big in Berlin, page 3.

ACCESSORIES: The latest in fine jewelry from Chaumet, Lorenz Bäumer and more, page 9. ►



► **EYE:** London's Serpentine Gallery fetes Jean Nouvel's big red pavilion, page 12.



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WWD MONDAY

Accessories/Innerwear/Legwear

The Longer View

PARIS — Giorgio Armani's trademark is chic practicality, and he showed it with the glamorous, high-powered day looks in his fall couture collection for Armani Privé. Here, one of them: a sleek cardigan jacket and flared skirt with a midcalf hemline, the freshest of the new longer lengths that made waves this season. For more, see pages 4 and 5.

Plague of Counterfeits: Despite More Seizures, Fakes Continue to Grow

By Liza Casabona

WASHINGTON — As quickly as they're seized, more flood the market.

Counterfeit products are benefiting from the economy's woes as consumers still try to flaunt a well-known brand but are perhaps no longer able to afford the real thing, while the criminal element, including terrorists, seeks to generate ever more funds by moving into the counterfeiting business. The result is that, even as federal and local governments crack down harder on fake goods, the activity is increasing at a record rate.

The flood of counterfeit goods into the U.S., mostly from China, costs legitimate businesses an estimated \$250 billion a year in lost revenues and is responsible for the loss of 750,000 jobs annually, according to the

See **Criminal**, Page 8



Macy's Names Langenstein Fashion Director

By David Moyn

MACY'S INC. HAS ITS FASHION GURU.

Molly Langenstein has been promoted to executive vice president of fashion and new business development, establishing the Macy's veteran as the department store chain's first national fashion director.

"She'll be in charge of the overall fashion direction for Macy's," said Jim Sluzewski, Macy's corporate spokesman.

It's the one top national slot Macy's hasn't filled since it centralized into a national chain from four divisions last year and seven divisions two years ago, and reorganized the top management with new assignments and titles.

Langenstein will work with the market on fashion direction and trends that translate into sales opportunities and will report to chief merchandising officer Jeff Gennette.

Nicole Fischelis continues as fashion director for women's and will report to Langenstein. Other fashion directors in men's wear and home areas also will report to Langenstein.

Langenstein also will be responsible for

procuring lease business opportunities and overseeing the multicultural business development organization, which seeks to develop minority- and women-owned merchandise suppliers and identify merchandise for multicultural customers.

Macy's leased operations inside the stores include Sunglass Hut and Motherhood Maternity shops, but the company is seeking to add more leased shops to fill voids in the assortments. "We are always looking to fill any white space," Sluzewski said. "It tends to be specialty businesses — niche categories that take a special expertise."

Previously, Langenstein was group vice president and divisional merchandise manager for neo sportswear [contemporary brands] and Impulse [youth contemporary sportswear].

Moving up to Langenstein's previous spot is Tim Baxter, who has been group vice president and dmm of fashion jewelry and watches.

Langenstein joined Macy's in January 1985 as a group manager for ready-to-wear in Boynton Beach, Fla., and steadily rose up the merchandising ranks.

Grangie Tapped to Head Louis Vuitton in Japan

By Joelle Diderich

PARIS — LVMH Moët Hennessy Louis Vuitton has tapped Frédéric Grangie, managing director of Goyard, as president and chief executive officer of Louis Vuitton's Japanese subsidiary, effective Sept. 1.

Grangie will also join the executive committee of the Paris-based luxury goods brand, LVMH said. A 20-year veteran of the luxury industry, the executive began his career with Vuitton before moving to New York to oversee the development of new markets for Marc Jacobs. Before working for Goyard, he was vice president of Fendi in Japan.

Philippe Schaus, executive vice president of Louis Vuitton, said: "At this time of strong worldwide growth of Louis Vuitton, we are realizing unprecedented investments in our retail network in Japan. Under these circumstances, we are pleased to welcome Frédéric Grangie to head Louis Vuitton operations in Japan at such a dynamic moment."

Tarantino Beauty Line to Appear on QVC

IN AN UNUSUAL CASE OF CROSS-CHANNEL retail collaboration, one of Sephora's exclusive color cosmetics brands — the recently launched Tarina Tarantino Beauty — will enter the world of TV shopping with a debut on QVC tonight.

BEAUTY BEAT

An accessories designer best known for her fanciful jewelry and accessories, Tarantino will appear on QVC's PM Style broadcast at 7 p.m. EST. She is scheduled to return to the air waves early Friday morning with a one-hour show at 1 a.m., according to the company. Tarantino and her brand also will be featured during the Friday Night Beauty Broadcast at 10 p.m.

Allan Burke, QVC's director of beauty merchandising, praised what Sephora has accomplished in the U.S. in establishing the concept of a chain of freestanding beauty specialty stores. He also, in turn, asserted that QVC has played a parallel role in creating an upscale TV selling platform. He noted that the two can work together:

"Our customers love the idea of meeting the creator of a brand," he said, referring to QVC's communication capability. However, shoppers also like to "smell, touch and try product and we are not in that business," Burke noted. Conversely,

if Sephora could do it, he added, "they would love to have Tarina in their stores every day. That's impossible and that's a role we can play."

He added that Sephora's success also has spawned a sprawling field of competitors, ranging from freestanding specialty stores to prestige components within drugstores. This leaves QVC faced with the possibility of incubating fledgling brands only to have them roll into broad distribution five years later, "making it more challenging," Burke noted. "It makes sense to pay attention to brands with a little distribution."

Michael McGeever, Sephora's senior vice president of strategic partnerships, stated, "This is a very exciting opportunity for us. Being on QVC allows us to capitalize on our success to date and expand the visibility of Sephora and the outstanding brands we carry."

The Tarantino brand was launched in Sephora in March as another step in the development of Sephora Presents, a strategy of co-creating exclusive lines for its stores.

The launch marked a homecoming for Tarantino, who started her career as a makeup artist before becoming an accessories designer. The look of the line lives up to her sparkly, fantasy-filled image with a waterproof eyeliner retailing for \$17 and a five-piece brush set for \$69.

— Pete Borm



Tarina Tarantino

WWD MONDAY

Accessories/Innerwear/Legwear

FASHION

6 Couturiers were taking the long view, as below-the-knee, midcalf and asymmetric skirts breezed through the Paris fall collections.

GENERAL

1 Counterfeit products are benefiting from the economy's woes as consumers still try to flaunt a well-known brand but are perhaps no longer able to afford the real thing.

3 Calvin Klein pulled out all the stops with a seven-figure World of Calvin Klein presentation during Berlin Fashion Week — its largest ever in Europe.

6 INNERWEAR: Tefron, Israel's second-largest manufacturer of seamless intimate apparel, activewear and swimwear, is in turnaround mode under new leadership.

9 ACCESSORIES: Chanel is launching its first men's diving watch, the J12 Marine, with help from surfing icon Laird Hamilton.

10 Shoe designer Alejandro Ingelmo will open his first store in New York's SoHo neighborhood at the end of next month.

EYE

12 Ping-Pong generally isn't considered a fashionable pursuit, but the glamorous crowd that turned out for the unveiling of Jean Nouvel's pavilion at London's Serpentine Gallery just couldn't get enough.



Charlotte Dellal in The Row.

Classified Advertisements.....11

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DAILY QUOTE

"We need to start looking at those masterminds as very intelligent businessmen."

— Sharon Melzer, criminologist at American University in Washington, on counterfeiters. Page one.

COMING THIS WEEK

TUESDAY: Texworld USA, New York (through Thursday).
 • The U.S. Commerce Department releases the May foreign trade report.
 • Levi Strauss & Co. reports second-quarter sales and earnings.

WEDNESDAY: Première Vision Preview New York (through Thursday).
 • The Commerce Department releases the June retail sales report.

THURSDAY: Mercedes-Benz

Fashion Week Swim, Miami (through July 19).
 • The U.S. Labor Department releases the Producer Price Index for June.
 • Joes Jeans Inc. reports second quarter sales and earnings.

FRIDAY: The Labor Department releases the Consumer Price Index for June.

SUNDAY: Cosmoprof North America, Las Vegas (through July 20).
 • ENK New York, MRket NY and Vanguard, New York (through July 20).



Lady Gaga look-alike contest winner Renee Cole.

PHOTO BY LEXIE MORELAND

TODAY ON WWD.COM

- Images from the Lady Gaga look-alike contest in Manhattan's Union Square
- Full coverage of Berlin Fashion Week, including looks from the collections
- Additional images of the World of Calvin Klein event
- More pictures from the Serpentine party

For more images, see **WWD.com**.

Models at the Calvin Klein show.



Calvin Klein Takes Berlin

By **Melissa Drier**

BERLIN — No game, no gain.

That could have well served as the motto for Calvin Klein, as the American brand pulled out all the stops with a seven-figure World of Calvin Klein presentation during Berlin Fashion Week — its largest ever in Europe. The maxim also applied to the viewing screens set up in the venue's back courtyard, an acknowledged necessity when the long-planned event suddenly ran up against the World Cup semifinal match between Germany and Spain the night of July 7 (Germany lost).

About 700 guests got the full Calvin Klein treatment in the company of Calvin Klein president and chief executive officer Tom Murry, creative directors Francisco Costa (women's Calvin Klein Collection), Italo Zucchelli (men's Calvin Klein Collection) and Kevin Carrigan (ck Calvin Klein, Calvin Klein Jeans) plus Calvin Klein ad campaign talent Lara Stone (Calvin Klein Collection, ck Calvin Klein and Calvin Klein Jeans), Kellan Lutz (Calvin Klein X Underwear), Diane Kruger (Calvin Klein Beauty) and Zoe Saldana, whose appearance in the fall Calvin Klein Underwear campaign was revealed just an hour before the event.

The former German mint, or Die Muenze, a disused landmark whose stately exterior hides a peeling, abandoned interior, was taken over for a graphic installation of the Calvin Klein brand portfolio among huge organic constructions by Berlin architect J. MAYER H. On show were selections from the women's resort Collection, a gently tinted lineup appearing on hangers on long Lucite rods.

"I had seen pictures of the building before," Costa remarked, "but when I walked in and saw the peeling walls, it was really emotional. It felt like the [resort] collection inspiration, and it felt so perfect."

For men's Collection, there was a slightly skewed still-life presentation of straight-off-the-Milan-runway looks for spring. There was also a preview of the fragrance Calvin Klein Beauty. And in a variety of tableaux vivants, 70 models stood, lounged and played and danced on the curved, wavelike installations clad in looks from the spring 2011 ck Calvin Klein, Calvin Klein Jeans and Calvin Klein Underwear brands. When they were clad, that is. Two male models in the buff lay on their stomachs amid some underwear-clad peers — a sight that hardly raised an eyebrow in this city, where people in the park start stripping when temperatures go above 60.

As for Calvin Klein Inc., the goal these



Diane Kruger



Lara Stone

days is to actively build its European business, especially in Germany, which, as Murry pointed out, is the number-one economy in Europe and number four in the world. "We're underpenetrated in this market," he said, which is one reason the firm felt it worthwhile to spend about \$1 million on its big night in Berlin.

"We believe that a large-scale event of this type will be instrumental in raising the awareness and image of the Calvin Klein brand and help provide a platform for commercial growth," he said. For 2010, Murry is projecting a 20 percent sales gain in Germany. Led by the Calvin Klein fragrance franchise, followed by underwear and then jeans, Calvin Klein generated \$129 million in retail sales in Germany in 2009, with sales this year expected to hit \$162 million.

Murry sees further opportunity for growth here with the ck bridge business, which is relatively new in Europe, he pointed out, whereas the Collection business is "almost nonexistent. We're starting in Quartier 206 Departmentstore for spring," he revealed, and Theresa in Munich, which has sold Collection on its Web site, is interested in carrying it in-store.

The strategy is to grow all three tiers: Collection, bridge and white label, Murry said. And from a retail standpoint, given Germany's uncertain department store structure, to grow via freestanding stores for Calvin Klein jeans, underwear, ck and eventually, Collection. "Though on the Collection side, there's still lots of potential here in multibrand stores," Murry added.

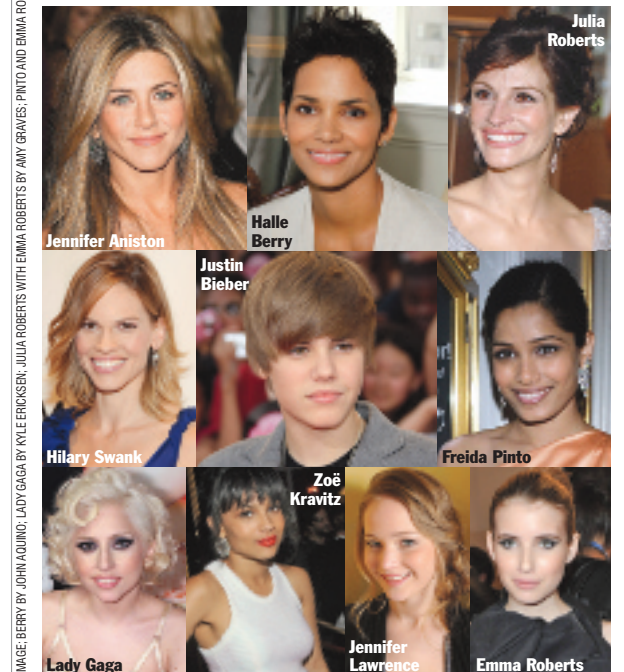
At present, the brand's top European market is Italy, followed by Spain, the U.K., Germany and then France. On a global level, the brand's sales of about \$6 billion are divided between the U.S., with about \$3 billion; \$2 billion in Europe and the Middle East, and about \$1 billion in Asia. "And what's interesting is that based on figures and the business plan, this [breakdown] will remain essentially constant through 2012. We are growing rapidly in Asia and China, but also in Europe, the U.S. and the Middle East," Murry said.

As for the soccer-dominated timing of the World of Calvin Klein Berlin event, any worries the crowd would stay away proved unfounded. And Carrigan, for one, thought the overlap with the semifinals was perfect.

"There's a certain energy in the air, and it's a one-time thing. It's about seizing the moment, taking the energy and moving forward — and that's so Calvin," he said.

MEMO PAD

BIEBER FEVER: As editors get set to ship their hopefully thicker-than-last-year September issues, their cover choices are surfacing and hold a few surprises. Harper's Bazaar is playing it relatively safe with **Jennifer Aniston**, while Elle is banking on **Julia Roberts** and the "Eat, Pray, Love" juggernaut. Meanwhile, first-half ad page leader InStyle is going with **Hilary Swank**, who, despite being pretty and talented, seems to be something of a cover dud (her November Marie Claire cover was the title's worst-selling issue of the year). Teen Vogue's September-October pick — **Justin Bieber** — is perfect for the teenybopper set, while **Lady Gaga**, who is set to cover Vanity Fair's September Style Issue, shot by **Nick Knight**, will probably raise a few eyebrows among its older readers. T: The New York Times Style Magazine landed "Slumdog Millionaire" star **Freida Pinto**, who's making her Stateside solo cover debut on the Aug. 22 women's fashion issue. And while at one point W was believed to be circling embattled starlet **Lindsay Lohan** for its September issue — **Stefano Tonchi's** first front-to-back effort — the magazine apparently ditched that idea in favor of a group cover. Word is Tonchi is featuring a mix of relative unknowns and Young Hollywood-ettes including **Emma Roberts**, **Zoë Kravitz** and **Jennifer Lawrence** (she's the star of Sundance winner "Winter's Bone"). Chez Vogue, **Halle Berry** is said to be **Anna Wintour's** pick for September. Wintour is no doubt counting on a juicy interview with Berry about her much-publicized breakup with **Gabriel Aubry**, the male model with whom she had a daughter in 2008, as the actress has no major film projects due out in August, although she does have a new fragrance. — **Nick Axelrod and Amy Wicks**



POPULARITY CONTEST: If marketing firm Stylophane has its way, the eighth graders of the world won't be the only people making sport out of collecting Facebook "likes" and Twitter followers. The company, which previously tracked social network stats for fashion brands through its Facebook Fashion Index, has set up a new meter for fashion magazines. On Friday, Vogue topped the Facebook list with more than 585,000 "likes," while InStyle won on Twitter with about 1.7 million followers. For those in need of even more judgment, the directory also assigns each title a grade. Magazines with six- and seven-digit followings are deemed "platinum," five-digit fan bases get "gold" and so on. As for the lonelier tables in the cafeteria, the bronze category — home to titles with less than 1,000 "likes" or followers — was littered with foreign editions such as Russian GQ and InStyle U.K. Pity the exchange students.

Stylophane partner **Alex Mendoza** said the index is still a bit of a work in progress and the company is verifying accounts and fielding confirmation e-mails from magazines. (Elle, for example, should be in the top 10 for Twitter followers, but an unofficial page skewed its rank, and T: The New York Times Style Magazine, strong on the microblogging service, was absent altogether.) When fully operational, the list is updated daily, so there is plenty of potential for flux. As if to illustrate the point, Vogue launched its Twitter page on Friday. Its fairly vanilla first tweet simply touted an interview with **Anna Wintour** might someday distill her thoughts to 140 characters or less. — **Matthew Lynch**

NATURE SELLS: C'N'C Costume National designer **Ennio Capasa** turned to two rock 'n' roll offspring, **Lizzy Jagger** and **Jethro Cave**, to pose for the brand's fall campaign. Jagger, daughter of **Mick Jagger**, and Cave, son of **Nick Cave**, were photographed by **Dan Martensen** in London's Richmond Park. Capasa described the ads as if they were poetry, using words such as "a synthesis of nature and street culture" and "the merging of organic and inorganic." Or, more simply, nice photos to sell clothes. — **Luisa Zargani**

ANISTON PHOTO BY JASON MERRITT/FILMMAGIC; KRAVITZ, JULIA ROBERTS AND SWANK BY STEVE GRINER; BIEBER BY GEORGE PINTELL/WIREIMAGE; BERRY BY JOHN AQUINO; LADY GAGA BY KYLE ERICKSEN; JULIA ROBERTS WITH EMMA ROBERTS BY AMY GRAVES; PINTO AND EMMA ROBERTS BY FRED HANES/GETTY IMAGES

LENGTH WISE

COUTURIERS WERE TAKING THE LONG WAY THIS SEASON, AS BELOW-THE-KNEE, MIDCALF AND ASYMMETRIC HEMLINES BREEZED THROUGH THE PARIS FALL COLLECTIONS.

Alexis
Mabile



For full runs of show from
couture, see WWD.com.

Jean Paul Gaultier



Gustavo Lins



Christian Dior



Innerwear Report

Israel's Tefron Retools to Rebound

By Jessica Steinberg

TEFRON, ISRAEL'S SECOND-LARGEST manufacturer of seamless intimate apparel, activewear and swimwear, is in turnaround mode under new leadership.

Chief executive officer Amit Meridor, appointed in January to succeed Adi Livneh, wants to grow sales by increasing efficiency and planning, strengthening relationships between Tefron's development and manufacturing teams and creating a more streamlined cost structure.

There's a sense of urgency because the manufacturer reported a \$3.8 million gross loss and an operating loss of \$20.9 million for 2009.

The company needed a \$30 million line of credit from Israel's three largest banks. The signing of the credit line in December closed "the chapter on what has clearly been a challenging period for our company," then-chairman Jacob Gelbard said. Gelbard was replaced this month by Arnon Tiberg, former president and ceo of Delta Galil Industries, Israel's number-one manufacturer of intimate apparel and textiles.

Meridor arrived from Nilit Fibers Ltd., an Israeli producer of high-quality yarn and fibers, where he managed the export department. He also has executive managerial experience in business development, special situations and turnaround programs.

"The whole issue is how to manufacture in Israel at a high level and quality, and to be on time with the exports," he said. "Now we're fo-

creative in their business models. Given the small local market, the only way to survive and grow was to appeal to customers abroad. Those that succeeded did so by adapting sophisticated technology and by creating niche products. Moving part of the production to lower-cost countries in the Middle East such as Egypt and Jordan has helped generate profits, in addition to free trade agreements with the U.S. and European Union.

Like Delta Galil, Tefron began its business manufacturing underwear for the Israeli army in the Seventies.

In 1997, Tefron created its Hi-Tex division, purchasing the machinery of Italy's Santoni and producing its first seamless panty. The machines use state-of-the-art, computer-controlled, circular-knitting technology and have enabled Tefron to produce a wider range of fabrics, styles and product lines, as well as capture about 30 percent of the seamless-underwear market worldwide.

The company began working with well-known brands, including Patagonia, Victoria's Secret, Calvin Klein and Lululemon Athletica, and in 2006 launched a joint Center of Excellence with Nike at Nike's world headquarters in Beaverton, Ore. Tefron was the manufacturer of the NikePro seamless garments used at the 2008 Summer Olympics in Beijing.

Meridor said Tefron's problems stemmed from manufacturing and timely delivery, particularly because of its cut-and-sew departments. Most textile companies worldwide outsource their cut-and-sew work to countries where costs



The Eres store in Geneva.

Eres Shutting U.S. Stores

THE LUXURY LINGERIE AND SWIMWEAR BRAND ERES WILL close its three U.S. stores beginning in August and shift to franchises and shop-in-shops, which is similar to the brand's business model in Europe.

Olivier Mauny, president of Chanel-owned Eres, said the company is in discussions with several U.S. retailers, including Neiman Marcus, for in-store Eres spaces, as well as with retail franchise partners.

"We currently have opportunities for several possible franchises and in-store shops in Los Angeles, Palm Beach and Washington, D.C.," he said. "We expect to have other opportunities, especially after the Miami swimwear show this month."

"The commercial model best suited to our activity is the network of 60 retailers in the U.S., which includes Saks Fifth Avenue and Barneys New York," Mauny said. "This is why we are adapting our model and closing three boutiques in the U.S. that had expensive leases. We'll be focusing on the network of our 60 established retailers going forward."

The company has had a presence in the U.S. for 10 years and has three boutiques in Manhattan, Los Angeles and Palm Beach, Fla. A fourth unit in Manhattan's SoHo neighborhood closed in March.

In Europe, Eres operates five freestanding boutiques in Italy and two in Belgium, and has four franchised stores in Italy, Belgium, Switzerland and Capri, with two openings planned in France at the end of this year. There are also seven in-store shops at major department stores in France, one shop at Selfridges and another at Jelmoli in Zurich.

— Karyn Monget

Tefron-made athletic wear for Nike.



cus on delivering on time, which means that, if something needs to be delivered on Aug. 25, everything has to be in line for that to happen."

Meridor has made significant job cuts but declined to specify how many. He said the cost structure now fits Tefron's current level of service, allowing it to be more competitive.

The company reported a gross profit in the first quarter of \$0.9 million, compared with a gross loss of \$2.16 million in the fourth quarter of 2009 and a gross profit of \$5.5 million in the first quarter last year. First-quarter revenues were \$25.8 million compared with \$22.3 million in the fourth quarter last year and \$47 million in the first quarter of 2009. Revenues last year totaled \$115.5 million, a 33.5 percent decrease from \$173.8 million in 2008. The drop was attributed to lower sales in all the company's product lines, primarily because of the worldwide economic slowdown.

Even without the pressures of the recession, Israel's textile businesses have always had to be

are lower, such as Bangladesh, India and China. Delta Galil has outsourced to Egypt for years. Despite outsourcing a portion of its sewing and manufacturing to Jordan, China and Cambodia, a significant operation remained in Israel, which became too expensive for the company.

Tefron "had losses for all kinds of reasons, and all because of execution," Meridor said. "What got hit the most was cut-and-sew because of prices here in Israel. It's just not economic to do that here in Israel, and we lost on that segment."

"The textile world requires short delivery times and quality for the big brands," he said. "You have to be able to do mass production and do it in a cost-efficient manner."

With 40 percent of the business in cut-and-sew garments, the company is looking to Bangladesh, Egypt, India and China for that segment of the business, and is continuing to sew in Jordan. That transition is under way, Meridor said.

"In this business, there's a lot of sewing and you have to know how to do offshore work," Meridor said. "Jordan does great work — as good as China or India. That, along with our duty free agreements, gives us a break of 15 to 30 percent, and that helps us succeed."

The company has some new customers, including the National Football League, and is working with NFL licensee Reebok, creating new uniforms that help increase support for athletes but don't rip easily. Tefron also will be developing army uniforms in the U.S. and Europe.

"We're in textile, but all our smarts are in our technology, so we have to go through the growing pains like any other technology company," Meridor said.

33.5%
DECLINE IN TEFRON
REVENUES IN 2009
COMPARED WITH 2008.

INTIMATE NOTES

HIGH ADVENTURE: High-end Belgian innerwear specialist Marie Jo L'Aventure has tapped local fashion label A.F. Vandevorst for a one-off lingerie line under the L'Aventure by A.F. Vandevorst banner.

Using lingerie of the future as its theme, the collection, which includes bras, panties and a suspender belt, will enter specialist lingerie stores in Europe and the U.S. in September. Details include a trompe l'oeil photographic felt print, panties with a sheer leg overlay echoing nylon stockings and corsets layered over transparent tulle bodies.

As the inspirational starting point for the collection, A.F. Vandevorst created three one-of-a-kind felt corsets molded onto wooden dummies using hat-making techniques. The conceptual installation this fall will tour Marie Jo L'Aventure stores in northern Europe, ending Dec. 7 to 19 in the entrance hall of Antwerp's MoMu fashion museum before being auctioned in support of the Pink Ribbon Foundation to promote breast cancer awareness.

UNDER ONE ROOF: British intimates label Janet Reger has relocated its Knightsbridge store to North London's quaint Belsize Village neighborhood. It is a cozy space filled with pastel and gem-hued lingerie. The new home unites the brand's headquarters, showroom and store and carries the Janet Reger Couture and Naughty Janet labels. The 484-square-foot store features large mirrors to elongate the space, an oak display counter with frosted glass drawers and rails of merchandise in a neutral color scheme.

"I wanted to create a bijoux boutique in the heart of Hampstead where we can accomplish a different experience to that of a department store," said chief executive officer Aliza Reger. "This will include our one-of-a-kind items, comfortable setting and our overall passion for personal service."

La Petite Coquette, Catriona Mackechnie and Lavender Lace carry the label in the U.S. Prices start at 55 pounds, or \$81 at current exchange, for a pair of silk French knickers and go to 250 pounds, or \$370, for a silk robe.

CFDA THROWS A CURVE: The Council of Fashion Designers of America has joined with CurveExpo Inc. to promote awareness of lingerie in the fashion world. The partnership includes the CFDA's charitable initiative, Fashion Targets Breast Cancer. Innerwear and swimwear brands that sign on as supporters of the CFDA can donate a percentage of sales to the charity at their discretion. The fee to become a supporter is \$500.

CurveExpo produces the CurveNY and CurveNV lingerie and swimwear trade shows in New York and Las Vegas. Jean-Luc Teinturier, chief executive officer of the Curve shows, said, "This partnership will elevate lingerie and its designers to a new level in the fashion industry." He added the partnership will be cross-promoted on both the cfda.com and curve.com Web sites.

Lisa Smiler, CFDA's associate executive director, said the initiative will provide networking opportunities for CFDA members and intimates and swimwear executives.

A woman with blonde hair is posing in a black lace bodysuit. She is standing next to a window with white curtains, looking out. The background is a dark, textured wall.

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Fax: 212-684-9699

Email: info@missioncontrolusa.com

www.missioncontrolusa.com

Criminal Enterprises Turn to Counterfeits

Continued from page one

International AntiCounterfeiting Coalition. In fiscal year 2009, U.S. Customs & Border Protection seized \$260.7 million of fake merchandise. Shoes are the most common counterfeit product, accounting for 38 percent of infringing goods seized, but handbags, watches, jewelry, sunglasses, perfumes, pharmaceuticals and other consumer goods continue to be knocked off at alarming rates, according to the most recent figures from Customs.

In 2009, seizures netted \$99.8 million of footwear, \$21.5 million of handbags and wallets, \$21.5 million of wearing apparel, \$15.53 million of watches and \$10.5 million of jewelry.

Luxury brands' counterfeit problems have escalated even as statistics from Customs & Border Protection reveal a slight decline in seizures. The value of goods seized in 2009 dropped 4 percent to \$260.7 million from \$272.7 million in 2008, and the number of seizures declined 1 percent to 14,841 in 2009.

However, the drop in seizures doesn't necessarily represent a decrease in the amount of fake goods being sold because savvy counterfeit rings have adapted their distribution patterns and shipping methods to avoid detection, said Harley Lewin, an intellectual property lawyer

PHOTO BY ERIC GALLARD/REUTERS/LANDAU



Above: The slogan, "I am original, I don't buy fake," is displayed on a counterfeit Louis Vuitton luxury handbag by French Customs officers before a destruction operation in Cannes last year. Below: Counterfeit goods seized at the U.K.'s East Midlands Airport last month.



A fake New Balance from the CNBC special "Crime Inc.: Counterfeit Goods."

TOP FASHION FAKES (2009)

Footwear	\$99.78 million
Handbags and wallets	\$21.5 million
Apparel	\$21.46 million
Watches	\$15.53 million
Jewelry	\$10.5 million

SOURCE: U.S. CUSTOMS & BORDER PROTECTION

and a partner with New Jersey-based McCarter & English, who appears in an upcoming CNBC program "Crime Inc.: Counterfeit Goods," which will be shown Wednesday at 9 p.m. and hosted by Carl Quintanilla.

"The problem hasn't diminished at all, but it has shifted," said Bob Barchiesi, president of the International AntiCounterfeiting Coalition.

Sales of counterfeit products have moved out of traditional brick-and-mortar locations like Canal Street in New York and Santee Alley in Los Angeles to direct-to-consumer Internet sales and smaller, mobile operations.

Top luxury apparel and accessories companies have spent millions of dollars fighting the rising tide of fake goods that put their brand integrity at risk, but highly adaptable and difficult-to-prosecute counterfeiters continue to make big money knocking off top brands. In the last three months alone, there have been several high-profile cases involving counterfeiters:

- In one of the largest luxury counterfeit-goods prosecutions in U.S. history, a federal jury in Richmond, Va., in May found two New York importers guilty of trafficking in counterfeits. The case involved more than \$100 million of fake goods bearing labels such as Burberry, Louis Vuitton, Gucci, Coach, Fendi and Chanel. The defendants, Chong Lam and Siu Yung Chan, are alleged to have imported more than 300,000 counterfeit goods into the U.S. from China.

- Coach Inc. sued the City of Chicago in May, alleging that vendors at a city-controlled street fair were selling fake Coach products. Coach is seeking \$2 million per trademark infringed.

- Versace SpA won \$20 million in damages in a seven-year counterfeiting lawsuit against dozens of defendants. The case resulted in seizures at 72 stores in southern California and Arizona.

- Gucci America Inc. is continuing to pursue an alleged counterfeiter, Curveal Fashion, through the courts in a year-old case. It won a \$13.7 million default judgment last January.

- Immigration and Customs Enforcement seized more than \$260 million of counterfeit apparel, accessories and other goods in April alone, a record month for counterfeit enforcement.

"If you're a luxury brand and you don't think you're being counterfeited, you're living in a cave," said Lewin. "It's a constant fight."

Quintanilla told WWD, "The business of counterfeit goods is booming in ways that would make corporate America jealous — huge percentage gains in seized goods for the past 10 years, which has law enforcement stepping up. Plus, in a weak economy consumers may be looking to get a bargain and, as this documentary shows, they need to be very careful of that."

"Crime Inc.: Counterfeit Goods" follows officers from the Los Angeles Police Department's Anti-Piracy unit on two undercover busts, profiles the prolonged battle New Balance has fought against fakes in China, shows the life-threatening experience of a Florida couple who received bogus Botox treatments and puts on display countless counterfeit handbags, jewelry, perfume and other goods seized by U.S. officials.

The show's cameras followed LAPD officers on two undercover busts of counterfeit purveyors selling fake Louis Vuitton and Coach handbags, luggage and shoes out of a small storage unit, and counterfeit Tiffany jewelry being sold out of the back of a car.

Criminals importing counterfeit goods into the U.S. are savvy about avoiding inspections, said Therese Randazzo, director of intellectual property rights for Customs. The agency's seizures of counterfeit products increased 475 percent in less than 10 years, she said, but now counterfeiters send smaller shipments of goods through express carriers or the U.S. Postal Service to avoid detection. Web sites that sell directly to consumers have also made counterfeiters' lives easier by shortening the path between the consumer and the counterfeiter, Randazzo told "Crime Inc."

Law enforcement and government officials are also concerned with the rise of health and safety and national security risks inherent in the underground counterfeit system.

"Sales of counterfeit goods have been tied to street gangs and terrorist organizations," said Kris Buckner, a counterfeit investigator based on the West Coast, to the interviewers for "Crime Inc." "There's a lot of implications from the sales of counterfeit goods that I don't think the general public knows or understands."

Counterfeit handbags that test high for lead, and fake shampoos with high levels of bacteria in them have been found, he said.

In addition, counterterrorism efforts after the attacks of Sept. 11, 2001, eliminated many of terrorists' old, preferred ways of making and laundering money and forced them to find new avenues to fund their criminal activities. The rewards of selling high-margin counterfeit goods far outweigh the risks, which has made it a popular fund-raising focus for terrorists and organized crime rings. Prosecuting counterfeiters is difficult, and the penalties involved are significantly less than other crimes like selling drugs or weapons, experts pointed out.

"We need to start looking at those masterminds as very intelligent businessmen," said Sharon Melzer, a criminologist at American University in Washington. "They make choices where they can maximize their profit, but also have the least amount of worry about being detected and being punished. The more rational choice is to pick counterfeits."

Lacoste Launching Brand for Younger Customer

By David Lipke

LACOSTE WILL INTRODUCE A NEW SUBBRAND THIS FALL dubbed Lacoste Live, targeting a younger, more contemporary customer than its core sportswear collections. The label will carry unique branding supported by a separate marketing campaign. In addition, 60 dedicated Lacoste Live stores are set to open in the coming months, the first slated to bow in early September in New York's SoHo neighborhood. Stores will follow in international markets including Paris, London, Berlin, Zurich and Tokyo.

"This is a new 360-degree concept that includes its own design team, stores, wholesale distribution and advertising," said Steve Birkhold, chief executive officer of Devanlay U.S. Inc., the U.S. subsidiary of Paris-based Devanlay SA, the worldwide apparel and accessories licensee for Lacoste.

While the stores will open later this year, the first men's wholesale collection for Lacoste Live will hit department and specialty stores next spring. Women's wear under the new label will bow in fall 2011.

"At our retail partners, we expect Live to sit with denim and

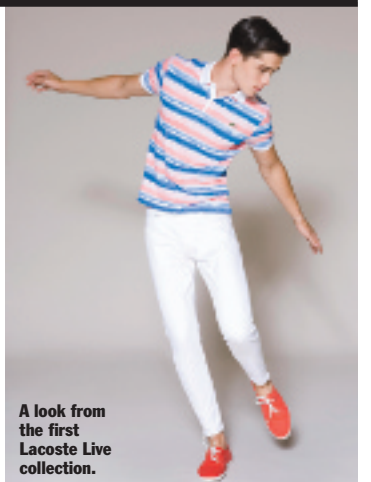
contemporary collections while the core Lacoste product will remain in sportswear departments," explained Birkhold.

Prices for Lacoste Live categories will be on par with other Lacoste products, with polos at \$79.50, wovens at \$88 to \$110, denim at \$130 to \$175 and jackets at \$125 to \$225. The differentiation will be in slimmer fits and more fashion-forward designs, such as optic prints and zigzag stripes on tops.

Lacoste Live will subsume the Lacoste Red product, which was the company's previous contemporary initiative but which did not carry a unique label. Lacoste Live is projected to account for 10 to 15 percent of total U.S. Lacoste sales in its first years.

The first Lacoste Live store will open at 134 Prince Street, replacing an existing Lacoste boutique. Additional markets being considered for units include Los Angeles, Boston, Miami and Georgetown. "The new design will have a warmer, more casual feel than the stark, white environment of the traditional Lacoste shop," said Birkhold.

Footwear, which is licensed to Pentland Group Plc, will be a key category in the new stores, comprising about 40 percent of projected sales. Lacoste Live product also will be available in the company's 67 U.S. Lacoste boutiques and on the Lacoste e-commerce site.



A look from the first Lacoste Live collection.

Accessories/Legwear Report

Grand Gestures



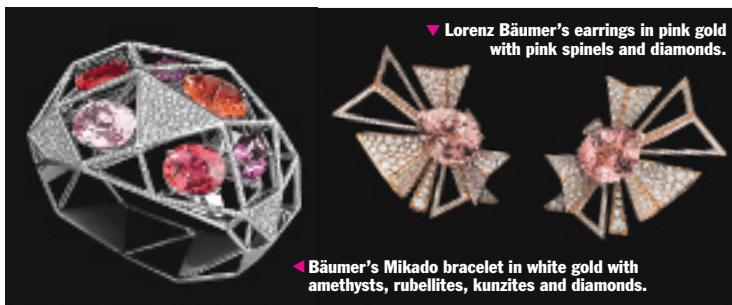
CHAUMET PHOTO BY DOMINIQUE MATHIE

A tiara and "head jewels" from Chaumet's Catch Me If You Can line.

NAPOLÉON BONAPARTE'S FIRST EMPRESS, JOSEPHINE, IS SAID TO HAVE launched the vogue for women wearing tiaras, encouraged by her husband, who pushed for them to be adopted by the ladies of the court as a reflection of his power and taste. Now Bonaparte's official jeweler, Chaumet, is determined to revive the trend. On Thursday, the house presented its latest collection of "head jewels," including tiaras and brooches and chains for the hair, at its historic Place Vendôme headquarters. On a chessboard-patterned stage, which recalled Alexander McQueen's set for his spring 2005 show, models in jewel-like faceted white paper frocks, designed by Alexandra Zaharova, moved in spots of light. Garnet and gold bee and spider pieces from Chaumet's Catch Me If You Can line were particularly appealing. In a witty backstage installation in another room, models in paper dressing gowns presented archive pieces, including a beautiful pansy tiara, circa 1840. The house is certainly not short on inspiration, boasting an archive of about 400,000 tiara drawings.

Across the square, Mellerio dits Meller, which was founded in 1613, showed timepieces and rings inspired by those commissioned by historic queens, including Marie-Antoinette, but rendered on a much simpler scale.

Meanwhile, Lorenz Bäumer, who is anything but rooted in the past, added a fresh perspective, aiming to show how technology can be used to create beautiful things. His collection included computer-designed golden cage earrings holding amethysts. "The idea was that the cage reproduces the facets of the stones," Bäumer said. Among the other geometric hits were angular fanning diamond and pink gold earrings carrying central rose spinels and a 3-D white gold bejeweled faceted cuff with bold sculptural dimensions.



▼ Lorenz Bäumer's earrings in pink gold with pink spinels and diamonds.

▼ Bäumer's Mikado bracelet in white gold with amethysts, rubellites, kunzites and diamonds.

Surf's Up for Chanel Diving Watch

By Marcy Medina

CHANEL IS LAUNCHING ITS FIRST MEN'S DIVING watch, the J12 Marine, with help from surfing icon Laird Hamilton.

The timepiece is hitting Chanel boutiques this month and is the latest addition to Chanel's J12 line, the rest of which is unisex. The watch features either a black band with a black or blue face, or a white band with a white face. It comes in two sizes, a 38 mm, retailing for \$4,700 and a 42 mm, retailing for \$4,900.

In addition, the J12 is waterproof to more than 300 meters, has glow-in-the-dark numbers and hands, a steel unidirectional rotating bezel, a self-winding Swiss movement and a rubberized strap with openings that allow water to flow through.

"Since we are known in watches more by women, we liked the idea of having a male ambassador for the J12 Marine," said John Galantic, president and chief operating officer of Chanel Inc. "In Laird's case we admired his energy. He is a true man of the sea, and he has been revolutionary in his sport and involved in charity. That spirit is very much in line with the watch."

Hamilton will join Diane Kruger and Anna Mouglalis as personalities who represent Chanel through events and public appearances, rather than an ad campaign.

"I don't endorse a lot of product and have never endorsed a watch, and I think that's what brought me up on Chanel's radar," he said. "A real authentic, masculine timepiece is a departure from the Chanel brand image, and I think they were also looking for a departure in the type of spokesperson they chose."

Hamilton put the watch to the test in the ocean and said its best attribute is perhaps the most basic: "It stays on my arm. A watch is going to take a beating getting banged around on surfboards and paddles, which is why probably every other watch I've ever had I've lost."

The big-wave surfer, who is married to pro volleyball player and model Gabrielle Reece, explained, "I'm not coming from the fashion side of it. I wear a watch to tell time, and I need to be able to see in the dark. And it's water-resistant to deeper than I will ever go. It's the simple things."



J12 Marine watches.

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Douglas Taliaferro, Darren Pinsker, Kevin Logan, Christopher Davies and Diane D'Erasmus.

PHOTO BY JOHN AQUINO

HSBC: Current Downturn Unprecedented

By Vicki M. Young

"THIS TIME, IT REALLY IS DIFFERENT."

That was the conclusion of Kevin Logan, U.S. chief economist at HSBC, who spoke on the macroeconomic business environment at an HSBC roundtable discussion hosted by WWD in New York last month. Also speaking were Christopher Davies, senior executive vice president and head of commercial banking, North America, and Diane D'Erasmus, executive vice president for commercial banking, who spoke on apparel industry challenges.

"The economy has been expanding since last summer, but the recovery is weak," Logan said. "The surprise is that, usually, deep recessions are followed quickly by fast recoveries."

Logan said gross domestic product has not rebounded following the Great Recession of 2008. Typically, recessions are marked by GDP growth of more than 7 percent, but growth is currently running at around 3.5 percent, he said.

What else is different this time around? "We have an excessive level of household debt. Both households and businesses have debt," Logan concluded. He said the debt-to-income ratio was 88 percent in 1997, but jumped to 130 percent in 2007.

"Mortgage debt is about 78 percent of total debt, and most consumers are now underwater as house prices have come down and assets have collapsed," the economist said.

At 9.5 percent, unemployment is down from its 10.1 percent peak in October, but still distressingly high. Logan said consumers don't expect their real incomes to increase in the coming year and, "as for getting a raise or a better job, they're not thinking that right now."

Also distinguishing the most recent downturn from its predecessors is the attitude of upper-income households. They usually lead the way out of a recession, but this time they are pessimistic, Logan noted. The top 20 percent of households account for 50 percent of the spending in the U.S., but this time they don't see their wealth increasing and so are reluctant to spend.

"This segment is unusually pessimistic," Logan said, pointing out that when these consumers do spend, they're looking for a bargain. "Household spending is driven by the availability of discounting," he remarked.

“What we’re seeing in Europe we will see here at the state and local level, such as cutbacks in New York in services, and higher fees.”

— Kevin Logan, HSBC

The picture will be further muddied as governments try to right budget imbalances, as the U.K., Greece and Spain are attempting.

"What we're seeing in Europe we will see here at the state and local level, such as cutbacks in New York in services, and higher fees. It will occur across the nation, and we'll hear more of that in July and August," when many state budgets are due. "That will affect consumer incomes and attitudes and their ability to spend," Logan concluded.

HSBC's Davies sees the new flexibility of the Chinese currency as a possible movement into other currencies: "You'll see the U.S. dollar strengthen against the euro and see the renminbi maybe go down."

He expects a period of harsh austerity stretching for the next 18 to 24 months, particularly in the U.K. As for the renminbi, the future is hard to predict, particularly given inflationary pressures and costs from production in China.

On the flip side, however, U.S. companies should look to China as a potential growth opportunity for their products. "There will be a large increase in demand," he said, "and some U.S. brands are doing a good job exploiting that."

Davies further noted that Latin America and India provide U.S. companies "vastly better" opportunities than the U.S. market right now. He cautioned, however, that when expanding overseas, American businesses must find the right partners to help pave the way into these other countries and help them understand the local currency fluctuations and other issues.

D'Erasmus addressed a question on expanding overseas and possible receivables issues for U.S. firms. She said banks like HSBC offer receivables programs in international markets that work in similar ways to domestic factoring services. However, the bank does not provide a single global program to cover multiple overseas markets and companies must set up individual accounts in each country they work in.

She added the apparel industry has been "very slow to venture abroad," but the time to do so is right now. Overseas businesses came into the U.S. when consumer spending here was aggressive, she stated, "but now the growth opportunities are in the emerging markets."

Fortunately for firms looking to expand, financing has become easier to attain due to the improved financial health of most companies. "I'm sure many of you have banks crawling all over you making improper suggestions," said Davies. "It's a pretty liquid market now."

— With contributions from Jean E. Palmieri and D.L.

Retail Shares Ride Rebound

By Arnold J. Karr

RETAIL STOCKS LAST WEEK BOUNCED BACK FROM THEIR 2010 LOWS OF the prior week, advancing 2.5 percent despite declines during two of the four trading sessions.

On Friday, the S&P Retail Index gained 0.6 percent to end the week at 395.34, putting it 3.8 percent below the 2009 close and 20.8 percent beneath the high for the year of 499.41, reached on April 26.

Nearly all of last week's gains came from a 2.4 percent pickup on Wednesday, when the index enjoyed the fourth best performance of the year as the Dow Jones Industrial Average staged a 275-point rally and vaulted back over the 10,000 mark after spending five trading days below it. On Friday, the Dow registered its fourth consecutive advance, growing 0.6 percent to 10,198.03. That translated into a 5.3 percent increase for the week, its strongest since a year ago. The retail index never regained the 400 plateau surrendered on June 29, however.

Financial and material stocks were behind Wednesday's rally, but the rising tide lifted retail as well. Nearly all of stores' equity gains were retained on Thursday despite lackluster reports about June comparable-store sales. Some of the poorest performances for the week came from stores whose June comps disappointed investors, including The Buckle Inc., down 7.3 percent in June with its shares off 10.9 percent for the week, and Gap Inc., flat in June with shares off 4.9 percent last week.

Of 172 fashion and retail issues tracked by WWD, 141 had increases last week, 26 had decreases and five were flat. By contrast, all but 20 were down the previous week, when the retail index dropped 5.4 percent.

Major European and Asian indices were up, both on Friday and for the week. London's FTSE 100 logged a 6.1 percent gain for the week and reduced its year-to-date decline to 5.2 percent, while the 6.2 percent increase at Paris's CAC 40 put the year-to-date decline at 9.7 percent. In Tokyo, the Nikkei 225 was up 4.2 percent last week, cutting its 2010 contraction to 9.1 percent. The Hang Seng Index enjoyed a 2.4 percent increase and is now down 6.8 percent for the year.

For WWD's weekly stock chart and more financial news, see WWD.com/business-news.

Zumiez May Bid for Canada's West 49

ALREADY SET TO BE ACQUIRED BY AN AUSTRALIAN FIRM, CANADIAN ACTION sport retailer West 49 Inc. now has a U.S. suitor.

The Burlington, Ontario-based firm said Friday that Zumiez Inc. has expressed interest in making an offer for the chain for about 1.30 Canadian dollars a share, or a total of about \$80 million at current exchange.

Executives at Zumiez could not be reached for comment.

West 49 currently has an agreement with Australia's Billabong International Ltd., a West 49 supplier, for the purchase of the firm, also at 1.30 Canadian dollars a share. At the time of the bid on June 30, shares of West 49 traded on the Toronto Stock Exchange at 0.55 Canadian dollars, or about 53 cents. As of Friday, they'd risen to 1.40 Canadian dollars, or \$1.34.

Should West 49 elect to pursue a transaction with Zumiez, Billabong would have the right to match the offer and be entitled to a breakup fee of 2.5 million Canadian dollars, or \$2.4 million.

The possible offer is subject to a due diligence review but no financing conditions, West 49 said. The Canadian firm also said the proposed offer, if submitted, would be for the acquisition of all outstanding common and preferred shares of West 49 for a cash price in excess of 1.30 Canadian dollars, or about \$1.24, a share.

West 49 said Zumiez indicated "it believes that its acquisition proposal would reasonably be expected to lead to a superior proposal, and has indicated that it would like to enter into a confidentiality and standstill agreement with the company."

In May 2009, West 49 rejected an offer from Adrenalina Inc., which, in late 2008, had made an unsuccessful bid to acquire Pacific Sunwear of California Inc.

West 49 operates 138 stores in nine Canadian provinces, while Zumiez operates 389 units.

— V.M.Y.

Ingelmo to Open First Shop

RISING STAR SHOE designer Alejandro Ingelmo will open his first store in New York's SoHo neighborhood at the end of next month. Located in a brownstone at 51 Wooster Street, the 800-square-foot store initially will sell Ingelmo's women's collection, with men's to be added at a later date. Ingelmo also will move his offices and wholesale showroom to the floor directly above the store from his location at 25 Mercer Street.



Alejandro Ingelmo

"I've been in the neighborhood for a while and I wanted a retail space where I could interact and learn about my customers firsthand. You can't buy that kind of experience," said Ingelmo, who has signed a five-year lease for the space.

Ingelmo aptly called the new store space "a shoebox — it's very quaint, like an old cobbler's shop," he said.

The designer, whose parents immigrated to the U.S. from Cuba, has four generations of shoe making in his family. Ingelmo is known for his fashion-forward women's line that boasts plenty of sex appeal in its towering heels in materials such as snakeskin, laminated ponyskin and vegetable-dyed leathers. Prices in the store will range from between \$400 to \$1,400.

The label also has made a splash in the men's market with its high-end metallic sneakers. A new collection of women's sneakers also will make its debut exclusively in the store.

Last year, Ingelmo was nominated for the CFDA's Swarovski Award for Accessory Design. In 2008, he was a finalist for the CFDA/Vogue Fashion Fund prize. Next year, Ingelmo plans to expand the business into leather bags, belts and wallets.

— David Lipke

FASHION SCOOPS

CLOONEY IN COURT: George Clooney is expected to appear in court on July 16 in Milan in a trial against GC Exclusive, an Italian firm that two years ago claimed was launching the actor's signature women's and men's fashion lines. Clooney is slated to testify against GC Exclusive, which is accused of fraud and forging the actor's signature. The press will not be admitted in court, but, as the word about the trial spreads in Milan, it's likely hordes of fans will camp outside the courthouse to try and catch a glimpse of the star.

EAGLE EYE: Since retiring from fashion design in 2005, Helmut Lang has shifted his focus from the human body to creating two- and three-dimensional nonfigurative artworks. One of his most dramatic pieces, "Three," transformed the hulking, mahogany eagle statue that long dominated his store in New York's SoHo into three distinct sculptures, which Lang coated with tar. Created in 2008, the works now have found a new retail home, as they were acquired by Sweden's Acne brand on June 30, through the Sadie Coles HQ gallery in London. Acne will install the artwork at its new London store, which opens July 15 at 13 Dover Street in Mayfair. Lang himself, who is based in New York and Long Island, is working on new works for a group exhibition in Los Angeles this September and a solo exhibition slated for the MAK Museum of Applied Arts in Vienna late next year.

HIP TO BE SQUARE: Hermès, famed for its silk squares, has teamed up with designer Marc Berthier to launch a square watch dubbed Carré H. Generally considered a hard sell by the watch industry, square watches are a relative rarity. Creative director Pierre-Alexis Dumas said the case, made from lightweight titanium, had been softened thanks to the use of rounded angles, while the dial featured interlocking squares designed to draw the eye. "I know from experience, having worked for years on silk squares, that if you don't create a dynamic within a square, it becomes boring quite quickly," he explained. "These

small nuances and details mean the object is not static." The Carré H will be available in a limited edition of 173, which is the number of years since Hermès was founded in 1837.

INSPIRATION FROM EVERYWHERE: A CFDA nomination brings many things — recognition, opportunities — but how about a little design inspiration? For her first-ever resort collection for Fallon, 2010 accessories nominee Dana Lorenz was inspired by the crystal, pearl and speaker-wire necklace she created for The CFDA Swarovski Award Collection. "I wanted to explore the clash of traditional jewelry ideas with something nontraditional, like speaker wire," said Lorenz, who uses the same materials in the 25-style resort lineup. Beribboned earrings, which resemble tied cables, are wittily named Wire Management, while a more extravagant spike and crystal necklace is dubbed Speed of Light and tiny stud earrings are simply called Sound Bite. As for the more graphic and structured vibe in the collection, Lorenz noted: "I see resort as a good time to do something different. It'll be a good way for me to take risks and give the customer something newer and fresher."



A Dana Lorenz necklace.

MARIO'S MOMENT: "Where's Mario? Where's Kate? I'm here, and then I'm out," said a rushed Manolo Blahnik as he entered the Phillips de Pury gallery in London for a show of Mario Testino's photographs of Kate Moss. The dapper Blahnik arrived with a cane in hand and is still nursing some nasty injuries from a fall earlier this year. He joined guests including Gwyneth Paltrow, Stella McCartney, Sir Philip Green and Anita Pallenberg, who gathered to ooh and aah at a selection of photos that will appear in the book "Kate Moss" by Testino, to be published by Taschen later this month in Europe and next month in the U.S. It will feature a mix of previously unpublished photos of Moss and some of Testino's most famous shots. Before heading off to a dinner at Mark's Club that was hosted by McCartney and Elizabeth Saltzman, Testino reflected on Moss. "Her beauty — that's just luck. She has other qualities, as well: She's sophisticated and she's

got great taste," he said. "And do you know how some people are snobby? Well, she's not one of them. She's very human."

IN AND OUT: Stacey Pecor, owner of Olive & Bette's, is wasting no time keeping the status quo. The day after she closes her Bleecker Street store on Aug. 10, she will open her third New York uptown location at 1249 Third Avenue. Olive & Bette's moved onto Bleecker Street six years ago. With her current lease set to expire in 2012, the building's owner, Beck Street Capital, offered to buy out Pecor's lease, paving the way for a new 2,900-square-

Psalm 23, a range of hip-hop attire produced in collaboration with German rapper Fler.

Danish pop singer Aura Dione, who has stormed the German pop charts, treated guests to a performance of her hit singles. Dione not only writes and performs her own songs, but she directs her own music videos and creates her own outfits, from vintage finds or together with close designer friends. Not to be tied down by sartorial convention, Dione is planning a showstopping outfit for her performance at this year's Live Ball in Vienna: "The theme is 'Earth,' so I am having a dress made out of leaves and am going as a tree," she said.



The new Tod's store design.

NEW LOOK: Tod's continues to roll out its new store design with the inauguration on Thursday evening of its renovated Saint-Tropez boutique with a cocktail event. The new concept aims at delivering a welcoming, homelike atmosphere with special vintage furniture and unique decorative pieces, making each boutique distinctive. Tod's has been renovating several of its flagships around the world, including the ones in Milan, London, Paris, Munich and Los Angeles.

foot store opening on the Upper East Side. "The Upper East Side is home to a high female-to-male ratio, and it's one of the most densely populated neighborhoods, so we like those numbers," said Pecor. The Third Avenue boutique will feature pink-striped walls, pink floral curtains and zebra-patterned dressing rooms against natural wood floors and white-washed furniture. Pecor said she expects to do "well over \$3,000 per square foot" in the new store, which joins her three other shops — one in SoHo, one on the Upper West Side and a recently expanded Madison Avenue outpost.

DOWN TO EARTH: "Nowhere is the connection between music and fashion as strong as in Berlin right now," Frank Briegmann, president of Universal Music in Germany, Austria and Switzerland, declared at a party last week. Universal has opened a pop-up clothing store in Deutsche Bank's Q110 event space for a trio of pop- and rock-inspired labels, including

A RAPPER BOOST: T-Pain has new collaborators in retailer Anchor Blue and apparel brand Swag Like Us. The Grammy Award-winning rapper is leading the "Can You Rock?" contest, running July 15 to Aug. 26, to select a promising singer or rapper from demo submissions on Anchor Blue's Web site. T-Pain, who is expected to be featured in advertising associated with the contest, will record a song with the winner that he will write and produce. "This is a great opportunity for me to work with some up-and-coming talent, while giving someone a head start in the music business," he said. In conjunction with the contest, Swag Like Us will introduce music-influenced apparel in Anchor Blue stores for the back-to-school season. Southern California-based Anchor Blue has 112 stores but is planning to add another 10 more this year, as well as e-commerce capabilities. T-Pain, whose 2008 album "Th3R3 Ringz" went gold, is at work on his next album, called "Revolver."

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Poppy Delevigne
in Matthew
Williamson with
the designer.



Dizee Rascal
in Moschino.



Carice van Houten with
Eddie Redmayne.

SEEING RED

Ping-Pong generally isn't considered a fashionable pursuit, but the glamorous crowd that turned out for the unveiling of **Jean Nouvel's** pavilion at London's Serpentine Gallery — accessorized with chess sets and Ping-Pong tables (for more, see story, right) — just couldn't get enough.

Guests including **Grace Jones, Julia Restoin-Roitfeld, Lily Cole, Tracey Emin, Zaha Hadid, Bianca Jagger, Anish Kapoor** and **Jared Leto** mingled under the red geometric glass structure.

"The pavilion is a little sleazy, in a red-light district sort of way," said London gallerist **Kenny Schachter**, "but I love it."

The Champagne and watermelon martinis flowed as some partygoers viewed an exhibition of **Wolfgang Tillmans'** works in the gallery, while others recorded their heartbeats in French artist **Christian Boltanski's** installation "The Heart Archive."

Meanwhile, **Matthew Williamson** eyed the 66-foot wall of changing lights. "I'd like one for my show but they're very expensive," said the designer, who slipped out to hit the after party for the premiere of **Leonardo DiCaprio's** film "Inception."

But not everyone appreciated the highbrow happenings taking place. "We don't care about none of this art s-t," said British rapper **Dizee Rascal**, who took to the stage to perform tracks from his latest album. "Let's get into something a little bonkers."

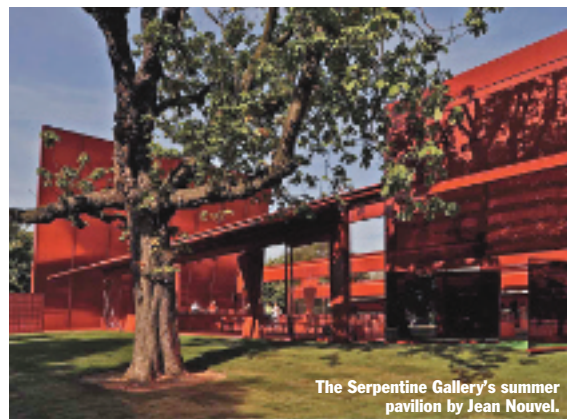


Alice
Temperley
in her own
design.

Charlotte Dellal
in The Row.

Hayley Atwell in
Pussy Willow.

PHOTOS BY TIM LEIKINIS



The Serpentine Gallery's summer
pavilion by Jean Nouvel.

NOUVEL RICHE

A BRIGHT RED FUN HOUSE HAS LANDED IN LONDON'S KENSINGTON Gardens, complete with color-coordinated Ping-Pong tables, chess and backgammon sets, bar stools with bicycle pedals and fat cushions for lounging. It's the work of **Jean Nouvel**, the latest architect to design the Serpentine Gallery's annual summer pavilion, open to the public through Oct. 17.

"This park is a space of freedom. People can act naturally, they can sleep, kick a ball and play with their kids," says the French architect, sitting on a long, vibrant red picnic bench.

Nouvel's stark, angular structure, which spans 2,420 square feet, is made from steel, with a canopy of retractable roller blinds and a facade fashioned from fabric, reflective mirrors and glass covered in red film. The goal is for visitors to appreciate "the intensity" of sun and light seen through the fabric and glass, and to see the pavilion's color (a cue to traditional British phone booths, mailboxes and buses) as a complement to Kensington Gardens, which is in Hyde Park.

"From here, the green is more green," says Nouvel. "My aim is to accentuate and accelerate the experience of being in this park."

Nouvel — whose work includes L'Institut du Monde Arabe in Paris, 40 Mercer Street in New York, the Ferrari factory in Modena, Italy, and the Copenhagen Concert Hall — is the 10th architect to design the Serpentine's annual project, which marks its 10th anniversary this year. Pavilion commissions are given to those who do not have any completed work in the U.K. Past participants include Zaha Hadid, Oscar Niemeyer, Toyo Ito, Rem Koolhaas, Frank Gehry and Olafur Eliasson.

The architects have six months to think up and execute a pavilion, with the costs paid by sponsorship and the eventual sale of the structure. (This year, the project also received money from Arts Council England.)

Nouvel said his approach was simple: "Each architect gives a sample of his attitude, and mine is the architecture of situation and context. I have always fought against generic architecture, and I believe every client has the right to an authentic, unique answer to their request. That's what we've tried to build here." The deadline, he says, was his biggest challenge. "The timing is crazy. There are so many details I would like to change, but you can't do everything you want to do. But that just means this space is very much alive."

Nouvel's next big splash in London will be One New Change, a \$760 million office and shopping complex next to St. Paul's Cathedral. The complex is due to open in December, and is so near the cathedral that visitors will be able to reach out and touch Sir Christopher Wren's famous dome.

Although Nouvel describes his Serpentine project as "small and ephemeral" compared with One New Change, he wants it to have an equally large impact. "I hope people will think back on the 10th anniversary of the pavilion and remember a strange red structure," he says with a smile.

— **Samantha Conti**

MIX TAPE

THERE IS A NEW INCENTIVE TO POP INTO THE JEROME DREYFUSS BOUTIQUE IN Manhattan, beyond the designer's soft, understated leather and skin handbags. Dreyfuss has commissioned French artist Julien Gardair to create a special installation inspired by the same Palm Springs, Calif., vibe as his summer collection of carryalls. Gardair can be seen masking black tape on the store's tiled white walls, and once it's finished, the piece will remain up through September.

Dreyfuss has wanted to embark on such a collaboration ever since laying eyes on the former Waterworks location.

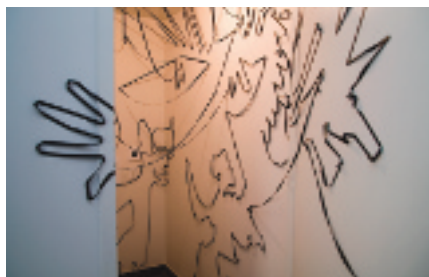
"When I first saw the store, I thought, Oh that is going to be a great place to make an exhibition. I'm not a gallerist, I don't know anything about art, I just like it very much," says Dreyfuss, who always makes the rounds in Chelsea when he visits New York. "[Designers] always have to make new pieces, new pieces and we never have time to sit and think about art. This gives me the opportunity to express myself with my friends."

Gardair has proved an ideal partner. Born in Versailles, France, and raised in the suburbs of Paris and Montpellier, France, he obsessively collected contemporary art magazines he bought at the flea market as a teenager and catalogued them at home.

"I guess I was kind of cuckoo," he says with a grin. Gardair earned an MFA from the Ecole Nationale Supérieure d'Arts Paris-Cergy and has been Brooklyn, N.Y.-based for the past two-and-a-half years, where he works in as many as five mediums in one day, ranging from delicate



"Untitled, 2003," made using
bleached black fabric.



"DHANY, 2009," a site-specific installation at Artillery for
EyeLevel BQE in Brooklyn, made using black tape.

See more images at WWD.com/eyescoop.

As for how his final result will mesh with Dreyfuss' designs, Gardair sees them as a natural pair (his cutouts already have inspired Dreyfuss' upcoming fall collection).

"I don't have to push anything very much to find the connection with the brand. [His bags] look so simple, and at the same time, they are so exclusive. I guess I'm the same because I use tape or bleach or cardboard or really bad carpet and try to make the best out of it. But he's working with good material," muses Gardair, who has been using Dreyfuss' shopping totes to carry his tools. "They're a bit tight for my shoulder. Maybe he can design something like a whole series [of bags] for me."

— **Vanessa Lawrence**

ink and stamp drawings (a selection is on display at the Martos Gallery) to large-scale cutout felt installations.

Dreyfuss, who first met Gardair a year ago through his artist friend Caroline Rennequin, connects with the 33-year-old's unconventional approach.

"I think it's very interesting when young artists don't have money to express themselves. Then they have to find ways to be able to say what they want to say...using materials you don't use normally for art," he says.

Indeed, armed simply with rolls of black tape, Gardair is using the Broome Street store's tiles as a kind of grid to give structure to his otherwise fluid, free-form mural.

"I give myself very strict rules and try to find freedom inside of them," explains Gardair.