



Apple Watch

Apple Watch

- The Apple Watch is a battery-operated, wearable electronic device in the form of a wrist-watch incorporating:
 - a touch-sensitive, active-matrix organic light-emitting diode (AMOLED) display,
 - a central processing unit (CPU), random access memory (512MB RAM),
 - an 8GB internal flash memory hard drive,
 - microphone,
 - speaker,
 - vibration motor,
 - accelerometer,
 - gyroscope,
 - heart rate sensor, and
 - a radio transceiver (NFC, Bluetooth® 4.0, and Wi-Fi).



Is the Apple Watch classified under 8517, 8519, 8521, 9029, 9031, or 9102?

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- Is the Apple Watch classified by application of General Rule of Interpretation (GRI) 1, in heading 9102, HTSUS, as a wristwatch, pocket watch, including stop watches, other than those of heading 9101, HTSUS,
- or by application of GRI 3(b), as a composite good made up of different components, classified as if it consisted of the material or component which gives the Apple Watch its essential character.
- GRI 3(b) covers mixtures, composite goods, and goods put up in sets for retail sale. For purposes of this rule, Explanatory Note IX to GRI 3(b) provides that, “composite goods made up of different components shall be taken to mean not only those in which the components are attached to each other to form a practically inseparable whole but also those with separable components, provided these components are adapted one to the other and are mutually complementary and that together they form a whole which would not normally be offered for sale in separate parts.” (Emphasis original).
- **As such, the Apple Watch can be described as a composite good because it consists of electrical components of independent, individual functions that are attached to each other to form an inseparable whole.**

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The ENs to GRI 3(b) provide, in pertinent part, that:

(VII) In all these cases the goods are to be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.

(VIII) The factor which determines essential character will vary as between different kinds of goods. It may, for example, be determined by the nature of the material or component, its bulk, quantity, weight or value, or by the role of a constituent material in relation to the use of the goods.

What is the essential character of the Apple Watch?

- **The radio transceiver?**
- **The microphone?**
- **The speakers?**
- **The central processing unit (CPU)?**
- **The accelerometer?**
- **The heart rate sensor?**
- **The gyroscope?**