



Division of Enforcement  
Bureau of Consumer Protection

United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

March 26, 2019

VIA EXPRESS MAIL

Ada Diamonds, Inc.  
888 Brannan Street, Suite 1190  
San Francisco, California 94103

Dear Sir or Madam:

After reviewing your advertising, we have concerns that your Instagram advertising of jewelry made with laboratory-created diamonds likely falsely implies that the jewelry has mined diamonds. The FTC enforces the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, one Instagram earring advertisement describes some of the diamonds as “cultured” and others as “lab grown,” thereby likely leading to the false impression that the “cultured diamonds” are mined rather than laboratory-created. Another Instagram advertisement for a bracelet states that the item contains diamonds without disclosing that the diamonds are laboratory-created. A third Instagram advertisement depicts what appears to be a diamond ring next to a description headed by “adadiamonds,” again without disclosing that the diamond is laboratory-created. Although each of these advertisements includes a list of hashtags, including the tags #labdiamonds or #labgrowndiamonds, these tags do not clearly and conspicuously disclose that the advertised jewelry contains laboratory-created diamonds rather than mined diamonds.

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).

We recommend that you review your marketing materials, both on Instagram and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a laboratory-created stone, unless such name is immediately preceded by a clear and conspicuous disclosure that the product is not a mined stone. *See* section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

In addition, section 23.12(c)(3) of the Guides addresses the use of the term “cultured” to describe laboratory-created diamonds. It states that the FTC does not consider the term unfair or deceptive if qualified by an adequate disclosure that the product is not a mined stone:

(c) The following are examples of descriptions that are not considered unfair or deceptive:

\* \* \*

(3) The use of the word “cultured” to describe laboratory-created diamonds that have essentially the same optical, physical, and chemical properties as mined diamonds if the term is qualified by a clear and conspicuous disclosure (for example, the words “laboratory-created,” “laboratory-grown,” “[manufacturer name]-created,” or some other word or phrase of like meaning) conveying that the product is not a mined stone.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that

- their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
  - (3) Marketing synthetic jewels in watches as rubies, *Art Nat'l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff'd*, 298 F.2d 476 (2nd Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff'd*, 310 F.2d 868 (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
  - (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and
  - (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. See 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC’s website under “Related Documents” at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

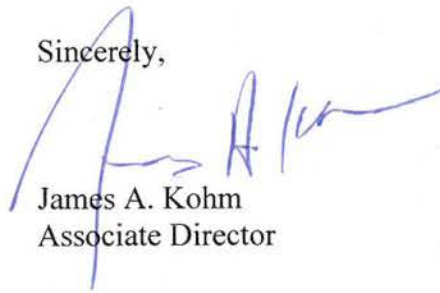
Finally, your advertising also touts the environmental benefits of your jewelry compared to mined diamonds. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. The FTC has issued “Green Guides” providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your online advertising to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether your advertising might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read 'James A. Kohm', written over the printed name.

James A. Kohm  
Associate Director



United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

Agape Diamonds LLC  
14341 N Dale Mabry Hwy  
Tampa, Florida 33618

Dear Sir or Madam:

After reviewing your website advertising, we have concerns that some of your advertising of jewelry made with simulated diamonds likely falsely implies that the jewelry has diamonds. The FTC enforces the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, one ring advertisement depicts what appears to be a diamond ring below the page heading “AGAPE/DIAMONDS” without disclosing near the product depiction or name, or in the product description, that the diamond is simulated. We also note that your webpage link titled <https://www.diamondslabcreated.com/> likely falsely implies that Agape markets laboratory-created rather than simulated diamonds. Although your “diamond education” page discloses that Agape markets simulated diamonds, consumers could easily overlook this webpage and other references to simulated diamonds when reviewing individual product descriptions on other webpages because the disclosures are not proximate to the individual product descriptions.

We recommend that you review your marketing materials, both on Instagram and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a simulated stone, unless such name is immediately preceded by a clear

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).



and conspicuous disclosure that the product is not a mined stone. See section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

We also caution marketers of simulated diamonds to avoid describing their products in a way that may falsely imply that they have the same optical, physical, and chemical properties of mined diamonds. Specifically, section 23.25(c) states:

It is unfair or deceptive to use the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” “synthetic,” or other word or phrase of like meaning with the name of any natural stone to describe any industry product unless such product has essentially the same optical, physical, and chemical properties as the stone named.

Thus, as you consider revising your advertising in response to this letter, you should take care to follow the guidance in section 23.25(c) when describing simulated diamonds.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat’l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff’d*, 298 F.2d 476 (2nd Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff’d*, 310 F.2d 868

(D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);

- (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and
- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. *See* 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC’s website under “Related Documents” at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

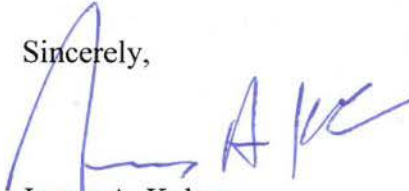
Finally, your advertising also describes your jewelry as eco-friendly. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. Marketers should not make unqualified general environmental benefit claims, such as “eco-friendly,” because it is highly unlikely that they can substantiate all reasonable interpretations of these claims. The FTC has issued “Green Guides” providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your website to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the website might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,



James A. Kohm  
Associate Director



United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

Diamond Foundry Inc.  
965 Terminal Way  
San Carlos, California 94070

Dear Sir or Madam:

After reviewing your website, Instagram, and Twitter advertising, we have concerns that some of your advertising of jewelry made with laboratory-created diamonds likely falsely implies that the jewelry has mined diamonds. The FTC enforces the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, one website ring advertisement states “Please note, diamonds used in this piece are above-ground real diamonds,” without disclosing that the diamonds are laboratory-created. The term “above-ground real diamonds” does not clearly and conspicuously disclose that the diamonds are laboratory-created. Similarly, several Instagram and Twitter advertisements depict or reference diamond jewelry without clearly and conspicuously disclosing that the diamonds are laboratory-created. Neither the company name “Diamond Foundry,” the hashtag #labgrowndiamonds, nor the statement “Real diamonds created in America” appearing in some of this advertising clearly and conspicuously discloses that the diamonds are laboratory-created. Although you disclose on several of your webpages that Diamond Foundry markets laboratory-created diamonds, consumers could easily overlook these webpages and other references to laboratory-created diamonds when reviewing individual advertising or product descriptions because the disclosures are not proximate to the individual advertising or product descriptions.

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).



We recommend that you review your marketing materials, both on Instagram and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a laboratory-created stone, unless such name is immediately preceded by a clear and conspicuous disclosure that the product is not a mined stone. *See* section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat’l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff’d*, 298 F.2d 476 (2nd Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff’d*, 310 F.2d 868 (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
- (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and

- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.*, 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. See 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC's website under "Related Documents" at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

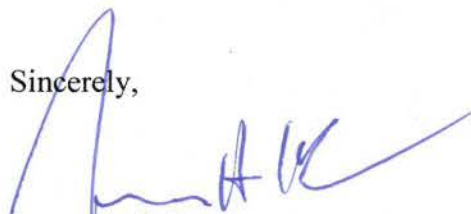
Finally, your advertising also touts the environmental benefits of your jewelry compared to mined diamonds. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. The FTC has issued "Green Guides" providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your online advertising to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the advertising might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,



James A. Kohm  
Associate Director



United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

Diamond Nexus  
5050 W. Ashland Way  
Franklin, Wisconsin 53132

Dear Sir or Madam:

After reviewing your advertising, we have concerns that some of your website, Facebook, Instagram, and Twitter advertising of jewelry made with simulated diamonds likely falsely implies that the jewelry has laboratory-created or mined diamonds. The FTC enforces the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, one website necklace advertisement depicts what appears to be a diamond necklace described as a “Contemporary Nexus Diamond™” without disclosing that the diamond is simulated. Another website advertisement describes rings as “Nexus Diamond™ Alternatives: The world’s first heirloom quality alternative stone” without disclosing that the diamond is simulated. Indeed, the unqualified statement of the company name “DIAMOND NEXUS” near the top of webpages and in other advertising likely implies that the jewelry has laboratory-created or mined diamonds. Although several webpages disclose that Diamond Nexus markets simulated diamonds instead of laboratory-created or mined diamonds, consumers could easily overlook these webpages and other references to simulated diamonds when reviewing individual advertisements or product descriptions on other webpages because the disclosures are not proximate to these advertisements and product descriptions.

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).

We have similar concerns about your Facebook, Instagram, and Twitter advertising. A Facebook advertisement describes jewelry as featuring the “world’s best heirloom-quality diamond alternative: the Contemporary Nexus Diamond” without disclosing that the diamonds are simulated. An Instagram advertisement depicts what appear to be diamond rings described as “diamondnexus” without disclosing that the diamonds are simulated, and with hashtags #labgrown and #diamondalternative suggesting that the diamonds are laboratory-created. Finally, a Twitter advertisement depicts what appears to be diamond jewelry described as having the “Contemporary Nexus Diamond™” without disclosing that the diamonds are simulated.

We recommend that you review your marketing materials, both on Instagram and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a simulated stone, unless such name is immediately preceded by a clear and conspicuous disclosure of the nature of the product and that the product is not a mined stone. *See* section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

We also caution marketers of simulated diamonds to avoid describing their products in a way that may falsely imply that they have the same optical, physical, and chemical properties of mined diamonds. Specifically, section 23.25(c) states:

It is unfair or deceptive to use the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” “synthetic,” or other word or phrase of like meaning with the name of any natural stone to describe any industry product unless such product has essentially the same optical, physical, and chemical properties as the stone named.

Thus, as you consider revising your advertising in response to this letter, you should take care to follow the guidance in section 23.25(c) when describing simulated diamonds.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious



stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat'l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff'd*, 298 F.2d 476 (2nd Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff'd*, 310 F.2d 868 (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
- (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and
- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. *See* 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC’s website under “Related Documents” at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

Finally, your advertising also describes your jewelry as environmentally friendly. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. Marketers should not make unqualified general environmental benefit claims, such as “environmentally friendly,” because it is highly unlikely that they can substantiate all reasonable interpretations of these claims. The FTC has issued “Green Guides” providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your online advertising to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the advertising might deceive consumers in other respects. The opinions



expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,



James A. Kohm  
Associate Director



United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

MiaDonna & Co.  
4 Lincoln Tower  
10250 SW Greenburg Rd  
Suite 212  
Portland, Oregon 97224

Dear Sir or Madam:

After reviewing your advertising, we have concerns that some of your website and Instagram advertising likely falsely implies that jewelry made with Diamond Hybrid® simulated diamonds has laboratory-created or mined diamonds, or that such advertising likely falsely implies that jewelry made with laboratory-created diamonds has mined diamonds. The FTC enforces the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, one website advertisement for a ring depicts what appears to be a diamond ring, refers to a “halo of diamonds” and “a channel bead set of natural recycled diamonds” without disclosing whether the diamonds are simulated or laboratory-created. In addition, Instagram advertisements refer to a miadonnadiamond without disclosing whether the diamond is simulated or laboratory-created. Although several webpages disclose that MiaDonna markets simulated and laboratory-created diamonds, consumers could easily overlook these webpages and other references to simulated or laboratory-created diamonds when reviewing individual advertisements or product descriptions on other webpages because the disclosures are not proximate to the individual advertisements or product descriptions.

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).

We recommend that you review your marketing materials, both on your website and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a simulated or laboratory-created stone, unless such name is immediately preceded by a clear and conspicuous disclosure of the nature of the product and that the product is not a mined stone. *See* section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

We also caution marketers of simulated diamonds to avoid describing their products in a way that may falsely imply that they have the same optical, physical, and chemical properties of mined diamonds. Specifically, section 23.25(c) states:

It is unfair or deceptive to use the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” “synthetic,” or other word or phrase of like meaning with the name of any natural stone to describe any industry product unless such product has essentially the same optical, physical, and chemical properties as the stone named.

Thus, as you consider revising your advertising in response to this letter, you should take care to follow the guidance in section 23.25(c) when describing simulated diamonds.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);

- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat'l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff'd*, 298 F.2d 476 (2nd Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff'd*, 310 F.2d 868 (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
- (4) Marketing jewelry insets made of glass or materials other than precious stones as "jewel stones," *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and
- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. *See* 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC's website under "Related Documents" at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

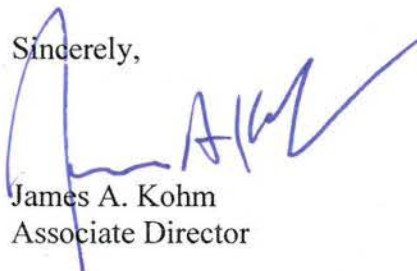
Finally, your advertising also describes your jewelry as eco-friendly. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. Marketers should not make unqualified general environmental benefit claims, such as "eco-friendly," because it is highly unlikely that they can substantiate all reasonable interpretations of these claims. The FTC has issued "Green Guides" providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your online advertising to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the advertising might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. A. Kohn', written over the printed name.

James A. Kohn  
Associate Director





United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

Pure Grown Diamonds  
517 Route 1 South, Suite 1000  
Iselin, New Jersey 08830- 3023

Dear Sir or Madam:

After reviewing your advertising, we have concerns that some of your website, Facebook, Google +, Instagram, Twitter, and YouTube advertising of jewelry made with laboratory-created diamonds likely falsely implies that the jewelry contains mined diamonds. The FTC enforces the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 ("Jewelry Guides").<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, some of your webpages and other advertising state the company name "Pure Grown Diamonds" and the terms "above earth diamonds" or "Above-Earth alchemy" without stating clearly and equally conspicuously that the diamonds are laboratory-created. The company name and the terms "above earth diamonds" and "Above-Earth alchemy" do not adequately disclose that the diamonds are laboratory-created and could suggest that the diamonds are naturally grown ("pure grown") or mined on the Earth's surface. Although several webpages disclose that Pure Grown Diamonds markets laboratory-created diamonds instead of mined diamonds, consumers could easily overlook these webpages and other references to laboratory-created diamonds when reviewing individual advertisements or product descriptions on other webpages because the disclosures are not proximate to the individual advertisements or product descriptions.

We recommend that you review your marketing materials, both on your website and in any other medium, with the following in mind:

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<sup>1</sup> You can find the FTC's Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a laboratory-created stone, unless such name is immediately preceded by a clear and conspicuous disclosure that the product is not a mined stone. See section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41; (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F. Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat’l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff’d*, 298 F.2d 476 (2d Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff’d*, 310 F.2d 868 (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
- (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and
- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. See 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC's website under "Related Documents" at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

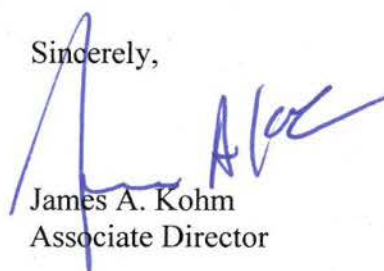
Finally, your advertising also describes your jewelry as eco-friendly, eco-conscious, and sustainable. It is possible that consumers interpret the term "sustainable" to imply certain environmental benefits. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. Marketers should not make unqualified general environmental benefit claims, such as "eco-friendly" or "eco-conscious" because it is highly unlikely that they can substantiate all reasonable interpretations of these claims. The FTC has issued "Green Guides" providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your online advertising to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the advertising might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please call contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,



James A. Kohm  
Associate Director



United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

Stauer  
14101 Southcross Drive W., Suite 155  
Burnsville, Minnesota 55337

Dear Sir or Madam:

After reviewing your advertising, we have concerns that some of your website advertising likely falsely implies that jewelry made with DiamondAura® simulated diamonds contains laboratory-created diamonds. The FTC enforces the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of your advertising fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. For example, one website advertisement for a bracelet depicts what appears to be a diamond bracelet described as “lab-created DiamondAura®” without disclosing that the diamonds are actually simulated.

We recommend that you review your marketing materials, both on your website and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a simulated stone, unless such name is immediately preceded by a clear and conspicuous disclosure of the nature of the product and that the product is not a mined stone. See section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,”

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).



“birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

We also caution marketers of simulated diamonds to avoid describing their products in a way that may falsely imply that they have the same optical, physical, and chemical properties of mined diamonds. Specifically, section 23.25(c) states:

It is unfair or deceptive to use the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” “synthetic,” or other word or phrase of like meaning with the name of any natural stone to describe any industry product unless such product has essentially the same optical, physical, and chemical properties as the stone named.

Thus, as you consider revising your advertising in response to this letter, you should take care to follow the guidance in section 23.25(c) when describing simulated diamonds.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F. Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat’l Manufacturers Distributing Co.*, 58 F.T.C. 719; (May 10, 1961), *aff’d*, 298 F.2d 476 (2d Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff’d*, 310 F.2d 868 (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
- (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and



- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. See 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC's website under "Related Documents" at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

Finally, your advertising also describes your jewelry as sustainable. It is possible that consumers interpret the term "sustainable" to imply certain environmental benefits. We note that marketers must have a reasonable basis for any environmental benefit claims they make for their products, and qualify any such claims adequately to avoid deception. Marketers should not make unqualified general environmental benefit claims because it is highly unlikely that they can substantiate all reasonable interpretations of these claims. The FTC has issued "Green Guides" providing guidance on making such claims non-deceptively. You can find information about the Green Guides at <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/green-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your website to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the website might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,



James A. Kohm  
Associate Director



United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

March 26, 2019

VIA EXPRESS MAIL

Timepieces International Inc.  
10701 NW 140th Street, Suite 1  
Hialeah Gardens, Florida 33018

Dear Sir or Madam:

After reviewing your website, we have concerns that your use of the term “diamondeau®” to describe simulated diamond jewelry likely falsely implies that the jewelry contains mined or laboratory-created diamonds. The FTC enforces the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45, which prohibits deceptive advertising. In July 2018, the FTC issued updated Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23 (“Jewelry Guides”).<sup>1</sup> These Guides provide marketers with detailed information about how to make non-deceptive representations about jewelry and related products, including mined, laboratory-created, and simulated diamonds.

The FTC staff is concerned that some of the advertising using this term fails to conform to the Jewelry Guides and therefore may deceive consumers, in violation of Section 5 of the FTC Act. Although your FAQ webpage discloses that diamondeau® is a simulated diamond, consumers could easily overlook this webpage when reviewing individual product descriptions on other webpages because the disclosures are not proximate to the individual product descriptions. The addition of the letters “eau®” after “diamond” does not adequately disclose that the product contains a simulated diamond rather than a mined diamond.

We recommend that you review your marketing materials, both on your website and in any other medium, with the following in mind:

The Jewelry Guides caution marketers not to use the name of any precious stone, including diamonds, to describe a simulated stone, unless such name is immediately preceded by a clear

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<sup>1</sup> You can find the FTC’s Statement of Basis and Purpose summarizing and explaining the rationale for the amendments to the Jewelry Guides at [https://www.ftc.gov/system/files/documents/public\\_statements/1393857/g71001\\_jewelry\\_guides\\_statement\\_of\\_basis\\_and\\_purpose\\_final\\_8-8-18.pdf](https://www.ftc.gov/system/files/documents/public_statements/1393857/g71001_jewelry_guides_statement_of_basis_and_purpose_final_8-8-18.pdf).

and conspicuous disclosure that the product is not a mined stone. See section 23.25 of the Guides. Specifically, section 23.25(b) states:

It is unfair or deceptive to use the word “ruby,” “sapphire,” “emerald,” “topaz,” or the name of any other precious or semi-precious stone, or the word “stone,” “birthstone,” “gem,” “gemstone,” or similar term to describe a laboratory-grown, laboratory-created, [manufacturer name]-created, synthetic, imitation, or simulated stone, unless such word or name is immediately preceded with equal conspicuousness by the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” or some other word or phrase of like meaning, or by the word “imitation” or “simulated,” so as to disclose clearly the nature of the product and the fact it is not a mined gemstone.

We also caution marketers of simulated diamonds to avoid describing their products in a way that may falsely imply that they have the same optical, physical, and chemical properties of mined diamonds. Specifically, section 23.25(c) states:

It is unfair or deceptive to use the word “laboratory-grown,” “laboratory-created,” “[manufacturer name]-created,” “synthetic,” or other word or phrase of like meaning with the name of any natural stone to describe any industry product unless such product has essentially the same optical, physical, and chemical properties as the stone named.

Thus, as you consider revising your advertising in response to this letter, you should take care to follow the guidance in section 23.25(c) when describing simulated diamonds.

For general guidance on making adequate qualifying disclosures online, please see the FTC’s guidance “.com Disclosures: How to Make Effective Disclosures in Digital Advertising” at <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

Furthermore, in a series of litigated decisions during the 1960s, the Commission determined, among other things, that it is an unfair or deceptive act or practice in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to misrepresent simulated diamonds, emeralds, rubies, precious stones, and pearls as natural ones. The Commission determined the following specific marketing practices to be unfair and deceptive, and hence unlawful under the FTC Act, and issued orders addressing the practices:

- (1) Marketing simulated diamonds using the word “gem” without “clearly disclosing, at the same time, that [their] stones are not natural stones or natural gems, thereby implying that their stones are a counterpart of natural, precious or semi-precious gems or stones,” *Harry E. Straus et al. trading as Capra Gem Co.*, 63 F.T.C. 1912, 1939-41 (Dec. 18, 1963);
- (2) Marketing simulated emeralds as emeralds or cultured emeralds, *Carroll F. Chatham trading as Chatham Research Laboratories et al.*, 64 F.T.C. 1065 (Feb. 28, 1964);
- (3) Marketing synthetic jewels in watches as rubies, *Art Nat’l Manufacturers Distributing Co.*, 58 F.T.C. 719 (May 10, 1961), *aff’d*, 298 F.2d 476 (2d Cir.), *cert. denied*, 370 U.S. 939 (1962); and *Helbros Watch Co.*, 59 F.T.C. 1377 (Dec. 26, 1961), *aff’d*, 310 F.2d 868



- (D.C. Cir. 1962), *cert. denied*, 372 U.S. 976 (1963), *rehearing denied*, 374 U.S. 85 (1963);
- (4) Marketing jewelry insets made of glass or materials other than precious stones as “jewel stones,” *Michael Z. Berger et al. d/b/a M. Z. Berger & Co.*, 56 F.T.C. 1000 (Mar. 7, 1960); and
- (5) Marketing simulated pearls as cultured or genuine pearls, respectively, *Panat Jewelry Co.* 71 F.T.C. 99 (Feb. 8, 1967), and *Sidney J. Greenblat et al. trading as G & G Mfg. & Souvenir Co.*, 62 F.T.C. 663 (Feb. 19, 1963).

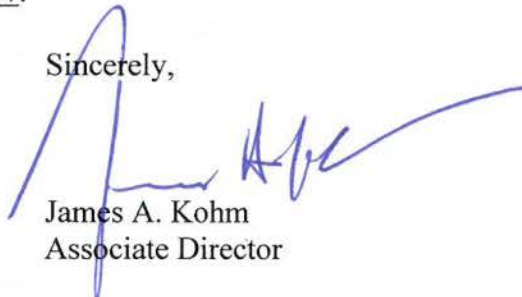
Marketers who knowingly engage in acts or practices determined by the Commission to be unfair or deceptive and unlawful, such as those described above, have potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B). The current maximum penalty for each violation under Section 5(m)(1)(B) is \$42,530. See 16 C.F.R. §1.98. Copies of the FTC determinations cited above are on the FTC’s website under “Related Documents” at <https://www.ftc.gov/news-events/media-resources/tools-consumers/jewelry-guides>.

Please advise us by April 8, 2019 of the steps you plan to take to revise your marketing so that it follows the Jewelry Guides and therefore complies with Section 5 of the FTC Act.

Please note that we limited our review of your website to the marketing of jewelry containing or purporting to contain diamonds or simulated diamonds. We did not attempt to determine whether the website might deceive consumers in other respects. The opinions expressed in this letter are those of the staff and not necessarily those of the Commission or of any Commissioner.

Thank you for your attention to this matter. If you have any questions, please contact Robert Frisby at 202-326-2098 or [rfrisby@ftc.gov](mailto:rfrisby@ftc.gov).

Sincerely,



James A. Kohm  
Associate Director