



**DIAMOND
PRODUCERS
ASSOCIATION**

【CVD Diamond】DPA Issues Statement on FTC Guides, Concerned About Consumer Confusion

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Source: Diamond Loupe

The Diamond Producers Association recently released a statement addressing the controversial changes the US's FTC has adopted regarding the definition and description of diamonds, among other issues. The DPA, while welcoming the FTC's guideline that man-made diamonds should still be identified as such by using appropriate descriptors, ultimately charge that the Guides, "fail to provide the clarity required to avoid more consumer confusion and deception, instead introducing unnecessary ambiguity." The FTC's Guides differ significantly from the Diamond Terminology Guidelines agreed to by nine leading diamond industry organisations, built on two internationally accepted standards: the ISO 18323 Standard ("Jewellery – Consumer confidence in the diamond industry") and the CIBJO Diamond Blue Book. We reproduce the DPA's statement in full below.

Statement about Federal Trade Commission Jewelry Guides

The DPA welcomes the release of the new Federal Trade Commission (FTC) Jewelry Guides following six years of consultation with the industry. This document plays an important role, alongside other applicable norms and standards, in protecting consumers from deceitful communication by marketers. The DPA commits to respecting the FTC Guides – as it has always done – in its communication, and in particular as it pertains to the way it describes synthetic diamonds – diamonds created in a laboratory – and natural diamonds. We note and welcome synthetic diamond manufacturers' public pledge to respect the new Guides.

The DPA appreciates that the FTC still requires marketers of man-made stones to differentiate their product conspicuously from natural diamonds in their marketing communication. While we disagree with the change in the FTC's definition of a diamond, we want to remind the industry that all other norms and standards continue to support that a diamond is a mineral of natural origin, and to clarify that the FTC Guides continue to ask marketers to qualify the use of the word "diamond" to describe any product that is not "a mined stone."

Furthermore, the DPA expresses deep concerns that the new Guides fail to provide the clarity required to avoid more consumer confusion and deception, instead introducing unnecessary ambiguity. In particular, the Guides support the broad use of terms which – while potentially incorrect and misleading – can be qualified through communication to avoid consumer deception. This is the basis on which the FTC approves the qualified use of the term "cultured diamonds" even though it has been demonstrated that the majority of consumers mistakenly interpret "cultured" as a description used for natural diamonds. The DPA believes that this principle, if widely applied, would open the door to yet more consumer confusion and deception and would require the

agency to address a large number of claims on a cumbersome case-by-case basis. DPA had hoped that the agency would provide clearer guidelines for industry on these important issues and looks forward to engaging further the FTC on the subject.

Finally, the DPA is surprised at the wide use of the expression "mined diamond" throughout the FTC Guides in lieu of "natural diamond", a terminology heavily promoted by man-made diamond producers. Indeed, "mined diamonds" refers to an extraction process, and not to a creation process, and the vast majority of the world's diamonds will never be mined, making this an incorrect qualification.