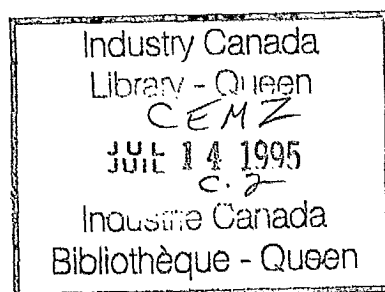

Guidelines with Respect to the Sale and Marketing of Diamonds, Coloured Gemstones and Pearls

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Industry
Canada

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Canada

Guidelines With Respect to the Sale and Marketing of Diamonds, Coloured Gemstones and Pearls

Preamble:

These Guidelines were developed in 1994 by a special committee of Jewellers Vigilance Canada Inc. in cooperation with the Canadian Jewellers Association, the Canadian Gemmological Association, the Quebec Professional Gemmologists Association, the Canadian Advertising Foundation and the federal government represented by Industry Canada to provide for voluntary compliance rather than a regulatory compliance program.

The Diamond Guidelines were originally adopted by Consumer & Corporate Affairs Canada in 1986 and have been revised when they were incorporated with the Coloured Gemstones and Pearls Guidelines which were adopted by Industry Canada in 1994.

These Guidelines are presented in three sections: Diamond Guidelines, Coloured Gemstones Guidelines and Pearl Guidelines.

Scope:

The principles and guidelines outlined herein were developed with reference to the Competition Act (a portion of which can be found in Appendix One of these Guidelines) which contains broad prohibitions against false and misleading representation. Adherence to the nomenclature contained in this document will enhance the provision of meaningful information to consumers, and will assist industry in their obligation to ensure compliance with the applicable legislation.

All methods of making representations, including printed or broadcast advertisements, written or oral representations, audio-visual promotions, and illustrations are within the general scope of these guidelines.

The examples contained in these guidelines are for the purpose of illustration only and are not intended to provide an exhaustive list of acceptable or prohibited practices. Advertisers with specific questions concerning proposed promotional plans are reminded to take advantage of the Program of Advisory Opinions of the Director of Investigation and Research, Bureau of Competition Policy. The views expressed in these guidelines are for assistance only and should not be considered as binding on the Director of Investigation and Research.

Finally, readers should note that the misleading advertising and deceptive marketing practices provisions of the Competition Act comprise only a portion of the relevant law in Canada. Most provinces and other federal departments and agencies also administer legislation dealing with advertising and marketing practices. These guidelines do not attempt to provide information on this other legislation.

Application:

In general, these guidelines apply to anyone promoting, directly or indirectly, the supply, use, description, or identification of any gem, carving, jewel, or work of art containing diamond, gemstone, pearl and related materials.

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Diamond Guidelines

Section D1 **Definitions**

D1.1 GEM or GEMSTONE:

A naturally occurring mineral or organic product which has been polished and fashioned for personal adornment or display and which possesses beauty, rarity, durability and value.

D1.2 DIAMOND:

A naturally occurring monocrystalline pure carbon mineral in the isometric (cubic) crystal system which has been polished and fashioned for personal adornment or display and which possesses beauty, rarity, durability and value. The word *diamond*, when used without qualification, always excludes synthetic, composite/assembled and artificial/imitation/simulated diamonds, and additionally means that the article has *not* been treated or enhanced by any method except for polishing and fashioning (see also section D3.1).

D1.3 NATURAL:

A product which has been formed completely by nature without human intervention during the formation process and which is unaltered by man except for polishing and fashioning.

D1.4 SYNTHETIC:

A product whose manufacture has been caused completely or partially through human intervention. Its physical, chemical and optical properties essentially correspond to its naturally occurring counterpart.

D1.5 COMPOSITE or ASSEMBLED:

A product resulting from the assembly through human intervention of a portion which is diamond and one or more portions of the same or other substances.

D1.6 ARTIFICIAL or IMITATION or SIMULATED:

Any product which imitates the effect and appearance of a diamond without possessing its chemical composition, and physical (including optical) properties and/or crystal structure.

D1.7 INDUSTRY ARTICLE:

Any product that is, or is purported to be, a natural, treated, synthetic or composite/assembled diamond.

D1.8 UNITS OF MEASUREMENT:

NOTE 1: The rules in this section "Units of Measurement" apply with equal import to all industry articles.

NOTE 2: See Appendix Two of these Guidelines for a listing of the acceptable measurement tolerances for industry articles.

a) The weight of a diamond is expressed in carats (symbol ct) to at least two decimal places or by a fraction;

b) The dimensions of a diamond are expressed in metric units to at least two decimal places.

D1.9 COLOUR:

An indication, by visual comparison to diamonds of precisely known colour grades, of how close an industry article is to being completely devoid of any hue, without reference to other optical phenomena.

D1.9.1 FANCY COLOUR:

An industry article which has a body-colour darker than the Gemological Institute of America's colour grade "Z." For such articles, "colour" is the combination of intensity (or saturation), tone (or brightness) and hue without reference to other optical phenomena.

D1.10 CLARITY:

An indication of the size, number, position and nature of an industry article's internal characteristics (exclusive of colour and phenomena) and external characteristics visible at 10 power magnification that cannot be removed by polishing without significant loss of weight.

D1.11 CUT:

Depending upon context, *cut* may refer to quality of cut or may refer to style of cut, as delineated below:

D1.11.1 CUT (MAKE):

The quality of workmanship in the fashioning of an industry article. It takes into account style of cut, shape, proportions and finish to indicate how well the cut of the stone conforms to the ideal.

D1.11.2 CUT (STYLE):

The distinctive or characteristic design upon which an industry article is fashioned. Some common styles of cut include brilliant, rose, single, step and profile. The name of a style of cut alone does not in any degree indicate the make (see section D1.11.1) of an industry article. The name of a style of cut alone does not necessarily indicate the shape (see section D1.12) except for the term *brilliant cut* which, unless it is accompanied by the name of another shape, always means *round brilliant cut*.

D1.12 SHAPE:

The general outline shape of an industry article as viewed from the top. Except for *baguette* (which is always step cut) the name of a shape on its own does not indicate the style of cut.

D1.13 PROPORTION:

The comparative relationship between various dimensions or between the dimensions of various portions of an industry article. Proportion has greater influence on make than any other factor, but is not a complete indication of make without consideration of style of cut, shape and finish.

D1.14 FINISH:

The quality of an industry article's polish, symmetry and general fashioning.

D1.15 PHENOMENON:

Optical characteristic other than simple body-colour in an industry article. Some commonly encountered phenomena in diamond are: *fire* (rainbow colours), *brilliance* (brightness) and *scintillation* (sparkle).

D1.16 TREATMENT or ENHANCEMENT:

Any process other than cutting and polishing that improves the appearance (colour, clarity and/or phenomena), durability, or availability of an industry article.

Section D2

Misuses of Terminology

D2.1 GEM or GEMSTONE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to, without qualification, identify, refer to or describe as a *gem* or *gemstone*:

- a) any industry article that does not conform in all respects to the definition of *gem* or *gemstone* as stated in section D1.1;
- b) any industry article that has been either partly or wholly created through human intervention no matter which basic material or methods are used;
- c) any industry article composed of two or more parts that are assembled, cemented or joined by any other artificial methods;
- d) any industry article which has undergone treatment or enhancement.

D2.2 DIAMOND:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to:

- a) without qualification, identify, refer to or describe as a *diamond* any article that does not conform to the definition of *diamond* as stated in section D1.2 in all respects;
- b) identify, refer to or describe as a *diamond* or use the word *birthstone*, any article that has been either partly or wholly created through human intervention no matter which basic material or methods are used, unless the word *synthetic*, *composite*, *assembled*, *artificial*, *imitation*, or *simulated* (as appropriate) immediately precedes the word *diamond* or the word *birthstone* and neither word shall be given greater prominence or emphasis than the other, nor may they be separated;
- c) without qualification, identify, refer to or describe as a *diamond* any article which has undergone treatment or enhancement;
- d) use the word *diamond* together with any geographical, historical or adjectival qualifier to describe, identify or refer to any article or substance which is not, in fact, a diamond (unacceptable examples: quartz as "Herkimer diamond," colourless zircon as "Matara diamond");
- e) use the word *diamond* in association with an asterisk or other device which makes reference to a footnote explanation of the fact that the article is a treated, synthetic, composite/assembled or artificial/imitation/simulated diamond;
- f) use any word or phrase which incorporates, is a variation of, sounds similar to, or could be mistaken for the word *diamond*, including when such a word or phrase is all or part of a registered trademark, unless the word(s) *diamond*, *synthetic diamond*, *composite diamond*, *assembled diamond*, *artificial diamond*, *imitation diamond* or *simulated diamond* immediately precedes or follows the word or phrase, and no word shall be given greater prominence or emphasis than another, nor may they be separated (unacceptable examples: "diamonite," "diamonique"; acceptable examples: "diamondine imitation diamond," "[Trademark name] imitation diamond");

g) use the word *diamond* to identify, refer to or describe an industry article which has fewer than 17 facets unless it is accompanied by a qualifying word or phrase that correctly identifies the article (acceptable examples: "rose-cut diamond," "diamond chip," "diamond dust").

D2.3 NATURAL:

In the selling, advertising, offering for sale or distribution of industry articles or artificial/imitation/simulated articles, it is contrary to the purposes of these guidelines to use the term *natural*:

a) if the industry article has undergone any treatment or enhancement whatsoever other than cutting, polishing and fashioning;

b) if the product has been manufactured or produced through human intervention.

D2.4 SYNTHETIC:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *synthetic* or similar term unless the article's physical, chemical and optical properties essentially correspond to a diamond. For such articles, the word *synthetic* must be placed immediately preceding the word *diamond* and neither word shall be given greater prominence or emphasis than the other, nor may they be separated (acceptable examples: "synthetic diamond," "[Company name] synthetic diamond").

D2.5 COMPOSITE or ASSEMBLED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *composite*, *assembled* or similar term unless the article is composed of two or more parts assembled by cementing or other artificial methods, and at least one of the major components of the article is diamond. For such articles, the word *composite* or *assembled* must be placed immediately preceding the word *diamond*, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable example: "composite diamond").

D2.6 ARTIFICIAL or IMITATION or SIMULATED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *artificial*, *imitation*, *simulated* or similar term unless the article imitates the appearance of a diamond. For such articles, the word *artificial*, *imitation*, or *simulated* must be placed immediately preceding the word *diamond*, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable examples: "imitation diamond").

D2.7 MEASUREMENT:

NOTE 1: The rules in this section "Measurement" apply with equal import to all industry articles.

NOTE 2: See Appendix Two of these Guidelines for a listing of the acceptable measurement tolerances for industry articles.

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

a) to misrepresent the weight or dimensions of any diamond or group of diamonds;

b) to represent the weight of a diamond or group of diamonds by a fraction unless the weight meets or exceeds the equivalent decimal carat weight;

c) to represent a weight declaration of any diamond or group of diamonds in any unit other than the carat. Additional units of measurement as prescribed by the Weights & Measures Act and Regulations may be used providing they are not of greater prominence than the carat declaration;

d) to represent the weight of a diamond or group of diamonds in any form whatsoever without using the term *carat* or *carats* or the symbol *ct* as appropriate;

e) to use the plural *carats* in reference to any weight which is, in fact, not equal to or greater than 1.01 ct (unacceptable example: "0.17 carats");

f) to represent the weight of all diamonds contained in an article unless such statement is accompanied by the words *total weight* in full so as to indicate clearly that the weight shown is that of all diamonds in the article and not that of the centre, or the largest, or of a single diamond;

g) to represent the total weight of all diamonds and other gemstones contained in an article unless such statement is accompanied with equal emphasis and conspicuousness by the total separate weight(s) of each variety or species of gemstone;

h) to represent the weight of any diamond where such weight is less than 1.00 carat, using decimal notation, without a zero preceding the decimal point in equal size and prominence to the other numerals in such a weight statement (e.g., "0.25 ct");

i) to use the term *carat* or the symbol *ct* in a context where it could be presumed to refer to either carat weight or precious metal quality (unacceptable example: "10 ct diamond bracelet," acceptable examples: "10.00 ct diamond in 18 kt bracelet," "10.00 ct total weight diamond bracelet in 10 kt gold");

j) to represent the dimensions of any diamond or group of diamonds in terms of any unit other than metric (millimetres or centimetres);

k) to state the weight or total weight of any diamond(s) weighing less than 0.01 ct.

D2.8 COLOUR:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

a) to represent the colour of an industry article which is not a fancy colour in any terms other than those found in an internationally recognized diamond grading system (e.g.: GIA, AGS, HRD, Scan. DN);

b) to use any symbols, words or other indications of quality or desirability of colour found in an internationally recognized grading system unless the colour of the industry article conforms to the standards of that system.

D2.9 CLARITY:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to represent the clarity of an industry article in any terms other than those, based on corrected ten power magnification, found in an internationally recognized diamond grading system (e.g.: GIA, AGS, HRD, Scan. DN);
- b) to use any symbols, words or other indications of quality or desirability of clarity found in an internationally recognized diamond grading system unless the clarity of the industry article conforms to the standards of that system;
- c) to use the term *flawless* as an indication of quality or desirability of clarity for any industry article which discloses blemishes, inclusions or clarity faults of any kind when examined using corrected ten power magnification;

D2.10 GEM (QUALITY):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *gem* or a similar term, as a quality designation or as an adjectival description of:

- a) a synthetic, composite/assembled or artificial/imitation/simulated diamond (unacceptable examples: "gem cubic zirconia," "gem quality synthetic diamond");
- b) any diamond which does not possess all relevant desirable qualities.

D2.11 PERFECT:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *perfect* or any variation of the word to describe, identify or refer to any article or as a description of or with reference to any attribute of any article (unacceptable examples: "a perfect gem," "perfectly polished," "perfect make").

D2.12 CUT (MAKE):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to use any symbols, words or other indications of quality or desirability of cut found in an internationally recognized diamond cut grading system unless the make of the industry article conforms to the standards of that system;
- b) to use any wording to describe the appearance of any industry article as being especially attractive or desirable (e.g., *blazing*, *fiery*, *etc.*) unless the article, in fact, possesses these qualities;
- c) to use the terms *properly cut*, *proper cut*, *well-made*, *good make*, or expressions of similar import to describe any industry article as having any one or more of style of cut, shape, proportions or finish of a quality which detracts from the visual appearance of the article;

d) to use any word or phrase which either directly or indirectly states or implies, or can reasonably be presumed to imply, that an industry article possesses any special or unusual characteristics of perceived brilliancy and/or dispersion resulting from any consideration or circumstance other than the cut (make) as defined in section D1.11.1;

e) to use any word or phrase in reference to the make, shape, proportions or finish characteristics of an industry article in such a manner that a consumer not fully conversant with the customs and usages of the diamond trade could reasonably infer that the article referred to possesses proportional or other characteristics, qualities or values which it does not, in fact, possess (unacceptable example: "modern fine cut" in reference to a diamond with a very thin crown and shallow crown angles);

f) to make any representation regarding cut (make) without due consideration of each and every one of: style of cut, shape, proportions and finish.

D2.13 CUT (STYLE):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

a) to specify a style of cut to which the article indicated does not, in fact, conform;

b) to indicate *style* of cut rather than *quality* of cut (see section D1.11.1) in reference to the "four C's" of colour, clarity, cut and carat weight;

c) to use the name of a style of cut alone, in the absence of a correct diamond name, to describe, identify or refer to an article (unacceptable examples: "brilliant," "baguette" in reference to otherwise unspecified industry articles).

D2.14 SHAPE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

a) to specify an outline shape to which the article indicated does not, in fact, conform;

b) to represent the name of the shape of an industry article as its style of cut.

D2.15 PROPORTION:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to make any false or misleading representations regarding quality or desirability of proportion.

D2.16 FINISH:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the words *well-polished*, *well-finished* or any language of like import in describing an industry article whose finish does not, in fact, warrant such description according to generally accepted diamond trade standards.

D2.17 PHENOMENON:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to:

- a) make any representation regarding a phenomenon which the article referred to does not, in fact, exhibit;
- b) use any word or phrase in reference to a phenomenon which indicates a level of quality it does not, in fact, possess.

D2.18 AUTHENTIC or REAL or GENUINE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *authentic*, *real*, *genuine* or a similar term, to describe, identify or refer to any article or substance made entirely or partially through human intervention (unacceptable example: "real synthetic diamond").

D2.19 REPRODUCTION or REPLICA:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *reproduction*, *replica* or similar term to describe, identify or refer to:

- a) a synthetic or artificial/imitation/simulated stone unless the stone replicated is a famous named stone, is reproduced in size, shape and appearance, and the component material(s) of the simulant are specified, and no word shall be given greater prominence or emphasis than another, nor may they be separated (acceptable example: "glass replicas of the Cullinan Diamonds");
- b) a multiple component article unless all component materials are the same as the original (unacceptable example: "reproduction [Famous Artisan] brooch," for a brass and glass copy of a gold and diamond object).

D2.20 LANGUAGE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word from another language, or to create a new word, to disclaim the authenticity of a diamond (unacceptable example: "poussiere diamond").

Section D3 **Disclosures**

D3.1 TREATMENT or ENHANCEMENT:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to refer to an industry article without the use of the term *treated* or *enhanced* if the article has been altered by any treatment whatsoever. For such articles the word *treated* or *enhanced* must be placed immediately preceding the correct article name and no word shall be given greater prominence or emphasis than another, nor may they be separated (acceptable example: "clarity enhanced diamond").

Alternatively, the treatment method or process (with or without any trademark or patent name) shall immediately precede the correct article name instead of the word *treated* or *enhanced*. For such articles the name of the treatment process shall be given equal prominence and emphasis to the correct article name, and they may not be separated (acceptable examples: "glass filled synthetic diamond," "[Company name] lasered diamond," "irradiated green diamond").

D3.2 GENERAL:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to describe as a *diamond* any industry article, other than fancy coloured articles, which has a clarity grade lower than "I-3" unless the phrase "below minimum grade" immediately precedes the word *diamond*, and no word or phrase shall be given greater prominence and emphasis than another, nor may they be separated;
- b) to make any misleading or deceptive statement, representation or illustration concerning any material matter relating to formation, production, condition or quality;
- c) to declare the identity of differing gemstones in an article in any order except in descending order of content by weight;
- d) to identify, refer to or describe an article containing differing gemstones by referring to only one gemstone unless the named gemstone is of greater weight than any other gemstone or variety.

D3.3 GEOGRAPHICAL ORIGIN:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to make a statement as to the geographical origin of an industry article unless its origin can, in fact, be substantiated.

D3.4 CARE & MAINTENANCE:

It is recommended that all purchasers of industry articles be advised as to their care, cleaning and maintenance.

D3.5 WARRANTIES:

Specific legislation regarding warranties are laid out in the Competition Act, section 52 (see Appendix One of these Guidelines) as well as provincial legislation. Industry should be aware that in the selling, advertising, offering for sale or distribution of industry articles every statement or reference as to identity or quality or value of an article constitutes a warranty by the vendor. This principle applies in every instance and includes circumstances where the vendor quotes, makes reference to, or provides access to copies of the independent opinion of a third party, even if the vendor claims to be in dispute with the quoted opinion.

D3.6 SEALED PACKAGING AND WARRANTIES:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to limit a purchaser's opportunity to make or obtain an independent examination of any industry article by delivering the product in a sealed container under a warranty which becomes void if the seal is broken.

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Coloured Gemstones Guidelines

Section C1 Definitions

C1.1 GEM or GEMSTONE:

A naturally occurring mineral or organic product which has been polished and fashioned for personal adornment or display and which possesses beauty, rarity, durability and value.

C1.2 GEM NAMES:

The name of any gemstone species or variety, when used without qualification, always excludes synthetic, composite/assembled and artificial/imitation/simulated gemstones, and additionally means that the article has *not* been altered by coating, filling, dyeing, coloured oiling, surface diffusion, or by any other treatment which is unstable or impermanent in normal wear and maintenance or in recutting or repolishing, or by any treatment which yields an item of significantly less value than similar appearing untreated material. (see also section C3.1)

C1.3 NATURAL:

A product which has been formed completely by nature without human intervention during the formation process and which is unaltered by man except for polishing and fashioning.

C1.4 SYNTHETIC:

A product whose manufacture has been caused completely or partially through human intervention. Its physical, chemical and optical properties essentially correspond to its naturally occurring counterpart, where such exists.

C1.5 ORGANIC:

A product of animal or vegetable origin.

C1.5.1 CULTURED:

An organic material (or organic surfaced product) whose manufacture has been caused completely or partially through human intervention. Its physical, chemical and optical properties essentially correspond to its naturally occurring counterpart, where such exists. The term *cultivated* is synonymous with *cultured*.

C1.6 COMPOSITE or ASSEMBLED:

A product resulting from the assembly, through human intervention, of a portion which is gem and one or more other portions of the same or other substances.

C1.7 ARTIFICIAL or IMITATION or SIMULATED:

Any product which imitates the effect, colour and appearance of a named gem without possessing its chemical composition and physical (including optical) properties and/or structure.

C1.8 RECONSTRUCTED or RECONSTITUTED:

An artificial product manufactured by melting, bonding or fusing particles or fragments of the named material to form a coherent whole. The term *reconstituted* is synonymous with the term *reconstructed*.

C1.9 INDUSTRY ARTICLE:

Any product that is, or is purported to be, a natural, treated, synthetic or composite/assembled coloured gemstone.

C1.10 UNITS OF MEASUREMENT:

NOTE 1: The rules in this section "Units of Measurement" apply with equal import to all industry articles.

NOTE 2: See Appendix Two of these Guidelines for a listing of the acceptable measurement tolerances for industry articles.

a) The weight of a gemstone is expressed in carats (symbol ct) to at least two decimal places or by a fraction;

b) The dimensions of a gemstone are expressed in metric units to at least two decimal places.

C1.11 COLOUR:

The combination of intensity (or saturation), tone (or brightness) and hue without reference to other optical phenomena.

C1.12 CLARITY:

An indication of the size, number, position and nature of an industry article's internal characteristics (exclusive of body-colour and phenomena) and external characteristics that cannot be removed by polishing without significant loss of weight.

C1.13 CUT:

Depending upon context, *cut* may refer to quality of cut or may refer to style of cut, as delineated below:

C1.13.1 CUT (MAKE):

The quality of workmanship in the fashioning of an industry article. It takes into account orientation, style of cut, shape, proportions and finish to indicate how well the cut of the stone conforms to the ideal for the specimen.

C1.13.2 CUT (STYLE):

The distinctive or characteristic design upon which an industry article is fashioned. Some common styles of cut include cabochon, carving (e.g. cameo, intaglio), bead, rose, single, brilliant, step, scissor, mixed and profile. The name of a style of cut alone does not in any degree indicate the make (see section C1.13.1) of an industry article. The name of a style of cut alone does not necessarily indicate the shape (see section C1.14) except for the term *brilliant cut* which, unless it is accompanied by the name of another shape, always means *round brilliant cut*.

C1.14 SHAPE:

The general outline shape of an industry article as viewed from the top. Except for *baguette* (which is always step cut) the name of a shape on its own does not indicate the style of cut.

C1.15 PROPORTION:

The comparative relationship between various dimensions or between the dimensions of various portions of an industry article. In transparent faceted stones proportion has greater influence on make than any other factor, but is not a complete indication of make without consideration of orientation, style of cut, shape and finish.

C1.16 FINISH:

The quality of an industry article's polish, symmetry and general fashioning.

C1.17 PHENOMENON:

Optical characteristic other than simple body colour in an industry article. Some commonly encountered phenomena are: *chatoyancy* (cat's eye), *asterism* (star effect), *play of colour* (in opal), *metamerism* (colour change), *pleochroism* (directional colour), *adularescence* (in moonstone).

C1.18 TREATMENT or ENHANCEMENT:

Any process other than cutting and polishing that improves the appearance (colour, clarity and phenomena), durability, or availability of an industry article.

Section C2

Misuses of Terminology

C2.1 GEM or GEMSTONE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to, without qualification, identify, refer to or describe as a *gem* or *gemstone*:

- a) any industry article that does not conform in all respects to the definition of *gem* or *gemstone* as stated in section C1.1;
- b) any industry article that has been either partly or wholly created through human intervention no matter which basic material or methods are used;
- c) any industry article composed of two or more parts that are assembled, cemented or joined by any other artificial methods;
- d) any industry article which has undergone treatment or enhancement the result of which is unstable or impermanent in normal wear and maintenance or that has a value which, solely because it has been treated, is significantly less than an otherwise identical appearing untreated article.

C2.2 COLOURED GEM NAMES:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use:

- a) any gem name which does not conform in all respects with approved gemmological species and variety names as set forth in nomenclature adopted by the International Confederation of Jewellery, Silverware, Diamonds, Pearls and Stones (CIBJO);
- b) any gem name, or the word *birthstone*, to describe, identify or refer to any man-made stone unless the word *synthetic*, *composite*, *assembled*, *artificial*, *imitation* or *simulated* (as appropriate) immediately precedes the gemstone name and neither word shall be given greater prominence or emphasis than the other, nor may they be separated;
- c) any unqualified gem name, or the word *birthstone*, to describe, identify or refer to any article or substance which is not, in fact, a gemstone of the species or variety described (unacceptable examples: citrine as "topaz," or serpentine as "jade");
- d) any gem name, or the word *birthstone*, together with any geographical, historical or adjectival qualifier to describe, identify or refer to any article or substance which is not, in fact, a gemstone of the species and variety described (unacceptable examples: hematite as "Alaska black diamond," red spinel as "balas ruby," or sodalite as "Canadian lapis");
- e) any unqualified gem name, or the word *birthstone*, to describe, identify or refer to any article or substance which has been treated or enhanced by any method to improve its appearance, durability or availability when the result of the treatment is unstable or impermanent in normal wear and maintenance or in recutting or repolishing, or by any treatment which yields an article of significantly less value than a similar appearing untreated stone;

f) any gem name, or the word *birthstone*, in association with an asterisk or other device which makes reference to a footnote explanation of the fact that the article is a treated, synthetic, composite/assembled or artificial/imitation/simulated stone;

g) the names of minerals or gems as descriptive attributes of colour (unacceptable examples: “topaz quartz” or “ruby spinel”);

h) the term *semi precious*.

C2.3 NATURAL:

In the selling, advertising, offering for sale or distribution of industry articles or artificial/imitation/simulated articles, it is contrary to the purposes of these guidelines to use the term *natural*:

a) if the industry article has undergone any treatment or enhancement whatsoever other than cutting, polishing and fashioning;

b) if the product has been manufactured or produced through human intervention.

C2.4 SYNTHETIC:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *synthetic* or similar term unless the article’s physical, chemical and optical properties essentially correspond to its naturally occurring counterpart, where such exists. For such articles, the word *synthetic* must be placed immediately preceding the correct name of the gemstone which has been synthesized and neither word shall be given greater prominence or emphasis than the other, nor may they be separated (acceptable examples: “synthetic ruby,” “[Company name] synthetic emerald”).

C2.5 COMPOSITE or ASSEMBLED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *composite*, *assembled* or similar term unless the article is composed of two or more parts assembled by cementing or other artificial methods. For such articles, the word *composite* or *assembled* must be placed immediately preceding the correct name of the gemstone which has been assembled, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable example: “assembled opal triplet”).

C2.6 ARTIFICIAL or IMITATION or SIMULATED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *artificial*, *imitation*, *simulated* or similar term unless the article imitates the colour and appearance of a gemstone. For such articles, the word *artificial*, *imitation*, or *simulated* must be placed immediately preceding the correct name of the gemstone which has been imitated, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable examples: “imitation emerald,” “simulated ruby”).

C2.7 RECONSTRUCTED or RECONSTITUTED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the term *reconstructed*, *reconstituted* or similar term unless the article has been manufactured by melting, bonding or fusing of particles or pieces of the named material to form a coherent whole. For such articles, the word *reconstructed* or *reconstituted* must be placed immediately preceding the correct name of the gemstone which has been reconstructed, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable example: "reconstituted turquoise").

C2.8 MEASUREMENT:

NOTE 1: The rules in this section "Measurement" apply with equal import to all industry articles.

NOTE 2: See Appendix Two of these Guidelines for a listing of the acceptable measurement tolerances for industry articles.

In the selling, advertising, offering for sale or distribution of gemstones, it is contrary to the purposes of these guidelines:

- a) to misrepresent the weight or dimensions of any gemstone or group of gemstones;
- b) to represent the weight of any gemstone or group of gemstones by a fraction unless the weight meets or exceeds the equivalent decimal weight;
- c) to represent a weight declaration of any gemstone or group of gemstones in any unit other than the carat. Additional units of measurement, as prescribed by the Weights & Measures Act and Regulations, may be used providing they are not of greater prominence than the carat declaration;
- d) to represent the weight of a gemstone or group of gemstones in any form whatsoever without using the term *carat* or *carats* or the symbol *ct* as appropriate;
- e) to use the plural *carats* in reference to any weight which is, in fact, not equal to or greater than 1.01 ct (unacceptable example: "0.17 carats");
- f) to represent the weight of all gemstones contained in an article unless such statement is accompanied by the words *total weight* in full so as to indicate clearly that the weight shown is that of all gemstones of the same variety in the article and not that of the centre, or the largest, or of a single gemstone;
- g) to represent the total weight of all gemstones contained in any article having more than one variety of gemstone unless such statement is accompanied with equal emphasis and conspicuousness by the total separate weight(s) of each variety of gemstone;
- h) to represent the weight of any gemstone where such weight is less than 1.00 carat, using decimal notation, without a zero preceding the decimal point in equal size and prominence to the other numerals in such a weight statement (e.g., "0.25 ct");
- i) to use the term *carat* or the symbol *ct* in a context where it could be presumed to refer to either carat weight or precious metal quality (unacceptable example: "10 ct emerald bracelet," acceptable examples: "10.00 ct emerald in 18 kt bracelet," "10.00 ct total weight emerald bracelet in 10 kt gold");

j) to represent the dimensions of any gemstone or group of gemstones in terms of any unit other than metric (millimetres or centimetres);

k) to state the weight or total weight of any gemstone(s) weighing less than 0.01 ct.

C2.9 COLOUR:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to make any false or misleading representations regarding quality or desirability of colour;
- b) to use any symbols, words or other indications of quality or desirability of body colour found in an internationally recognized gemstone grading system unless the colour of the industry article conforms to the standards of that system;
- c) to use a geographical location when referring to the colour of an industry article unless the locality specified is generally known to produce a variety of gemstone having a specific renowned appearance (unacceptable example: "Toronto colour blue sapphire");
- d) to use a geographical location when referring to the colour of an industry article if the article so described does not conform with the appearance renowned for the locality specified (acceptable example: "Kashmir colour sapphire" in reference to a stone which does conform).

C2.10 CLARITY:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to use any symbols, words or other indications of quality or desirability of clarity found in an internationally recognized gemstone grading system unless the clarity of the industry article conforms to the standards of that system;
- b) to use the term *flawless* as an indication of quality or desirability of clarity for any industry article which discloses blemishes, inclusions or clarity faults of any kind when examined using corrected ten power magnification;
- c) to use the word *flawless* or any similar term as an indication of quality or desirability of clarity for any composite/assembled or artificial/imitation/simulated product.

C2.11 GEM (QUALITY):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *gem* or a similar term, as a quality designation or as an adjectival description of:

- a) a synthetic, composite/assembled or artificial/imitation/simulated stone (unacceptable examples: "gem cubic zirconia," "gem quality synthetic emerald");
- b) any gemstone which does not possess all relevant desirable qualities.

C2.12 PERFECT:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *perfect* or any variation of the word to describe, identify or refer to any article or as a description of or with reference to any attribute of any article (unacceptable examples: "a perfect gem," "perfectly polished," "perfect make").

C2.13 CUT (MAKE):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to use any symbols, words or other indications of quality or desirability of cut found in an internationally recognized gemstone cut grading system unless the make of the industry article conforms to the standards of that system;
- b) to use any wording to describe the appearance of any transparent faceted industry article as being especially attractive or desirable (e.g., *blazing*, *fiery*, *etc.*) unless the article, in fact, possesses these qualities;
- c) to use the terms *properly cut*, *proper cut*, *well-made* or expressions of similar import to describe any industry article as having any one or more of orientation, style of cut, shape, proportions or finish of a quality which detracts from the visual appearance of the article;
- d) to use any word or phrase which either directly or indirectly states or implies, or can reasonably be presumed to imply, that an industry article possesses any special or unusual characteristics of perceived brilliancy and/or dispersion resulting from any consideration or circumstance other than the cut (make) as defined in section C1.13.1;
- e) to use any word or phrase in reference to the make, orientation, shape, proportions or finish characteristics of an industry article in such a manner that a consumer not fully conversant with the customs and usages of the gemstone trade could reasonably infer that the industry article referred to possesses proportional or other characteristics, qualities or values which it does not, in fact, possess;
- f) to make any representation regarding cut (make) without due consideration of each and every one of orientation, style of cut, shape, proportions and finish.

C2.14 CUT (STYLE):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to name a style of cut to which the article indicated does not, in fact, conform;
- b) to indicate *style* of cut rather than *quality* of cut (see section C1.13.1) in reference to the "four C's" of colour, clarity, cut and carat weight;
- c) to use the name of a style of cut alone, in the absence of a correct gemstone name, to describe, identify or refer to an article (unacceptable examples: "brilliant," "baguette" in reference to otherwise unspecified industry articles).

C2.15 SHAPE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

- a) to specify an outline shape to which the article indicated does not, in fact, conform;
- b) to represent the name of the shape of an industry article as its style of cut.

C2.16 PROPORTION:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to make any false or misleading representations regarding quality or desirability of proportion.

C2.17 FINISH:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the words *well-polished*, *well-finished* or any language of like import in describing an industry article whose finish does not, in fact, warrant such description according to generally accepted gemstone trade standards.

C2.18 PHENOMENON:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to:

- a) make any representation regarding a phenomenon which the article referred to does not, in fact, exhibit;
- b) use any word or phrase in reference to a phenomenon which indicates a level of quality it does not, in fact, possess.

C2.19 AUTHENTIC or REAL or GENUINE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *authentic*, *real*, *genuine* or a similar term, to describe, identify or refer to any article or substance made entirely or partially through human intervention (unacceptable example: "genuine synthetic emerald").

C2.20 REPRODUCTION or REPLICA:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *reproduction*, *replica* or similar term to describe, identify or refer to:

- a) a synthetic or artificial/imitation/simulated stone unless the stone replicated is a famous named stone, is reproduced in size, shape and appearance, and the component material(s) of the simulant are specified, and no word shall be given greater prominence or emphasis than another, nor may they be separated (acceptable example: "glass replica of the Black Prince's ruby");

b) a multiple component article unless all component materials are the same as the original (unacceptable example: "reproduction [Famous Artisan] brooch," for a brass and glass copy of a gold and gemstone object).

C2.21 LANGUAGE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word from another language, or to create a new word, to disclaim the authenticity of a gemstone (unacceptable example: "faux emerald").

Section C3 **Disclosures**

C3.1 TREATMENT or ENHANCEMENT:

a) In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to refer to an industry article without the use of the term *treated* or *enhanced* if the article has been altered by irradiation, surface diffusion, coating, filling, dyeing, coloured oiling or by any other treatment which is unstable or impermanent in normal wear and maintenance or in recutting or repolishing. For such articles the word *treated* or *enhanced* must be placed immediately preceding the correct gemstone name and no word shall be given greater prominence or emphasis than another, nor may they be separated.

Alternatively, the treatment method or process (with or without any trademark or patent name) shall immediately precede the correct gemstone name instead of the word *treated* or *enhanced*. For such articles the name of the treatment process shall be given equal prominence and emphasis to the correct gemstone name, and they may not be separated [acceptable examples: "dyed lapis," "diffusion treated sapphire," "dyed agate (dyed with metallic salts)"];

b) It is recommended that all purchasers of industry articles be advised that many gemstones are treated by methods which duplicate natural processes, or are undetectable by standard gemmological techniques, and which are stable and permanent. The vendor should be prepared to provide to the purchaser, on request, information regarding any treatment which may have been applied to the article(s) offered for sale.

C3.2 GENERAL:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

a) to make any misleading or deceptive statement, representation or illustration concerning any material matter relating to formation, production, condition or quality;

b) to declare the identity of differing gemstones in an article in any order except in descending order of content by weight;

c) to identify, refer to or describe an article containing differing gemstones by referring to only one gemstone unless the named gemstone is of greater weight than any other gemstone or variety.

C3.3 GEOGRAPHICAL ORIGIN:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to make a statement as to the geographical origin of an industry article unless its origin can, in fact, be substantiated.

C3.4 CARE & MAINTENANCE:

It is recommended that all purchasers of industry articles be advised as to their care, cleaning and maintenance.

C3.5 WARRANTIES:

Specific legislation regarding warranties are laid out in the Competition Act, section 52 (see Appendix One of these Guidelines) as well as provincial legislation. Industry should be aware that in the selling, advertising, offering for sale or distribution of industry articles every statement or reference as to identity or quality or value of an article constitutes a warranty by the vendor. This principle applies in every instance and includes circumstances where the vendor quotes, makes reference to, or provides access to copies of the independent opinion of a third party, even if the vendor claims to be in dispute with the quoted opinion.

C3.6 SEALED PACKAGING AND WARRANTIES:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to limit a purchaser's opportunity to make or obtain an independent examination of any industry article by delivering the product in a sealed container under a warranty which becomes void if the seal is broken.

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Pearl Guidelines

Section P1

Definitions

P1.1 GEM or GEMSTONE:

A naturally occurring mineral or organic product which has been polished and fashioned for personal adornment or display and which possesses beauty, rarity, durability and value.

P1.2 PEARL:

A natural organic formation of concentric layers of the same material as that lining the interior surface of a mollusc's shell, secreted by the mollusc when provoked by the intrusion of a foreign element (often a parasite) into the interior of the mollusc without human intervention. It may be fashioned for personal adornment or display and must possess beauty, rarity and value.

P1.3 PEARL NAMES:

The name of any pearl species or variety, when used without qualification, always excludes cultured composite/assembled and artificial/imitation/simulated pearls, and additionally means that the article has *not* been altered by coating or by any other treatment which is unstable or impermanent in normal wear and maintenance or in polishing, or by any treatment which yields an item of significantly less value than similar appearing untreated material (see also section P3.1). Natural pearls have several classifications:

P1.3.1 CYST PEARL:

A pearl which is produced within the living tissue of a mollusc and not in contact with the mollusc's shell.

P1.3.2 ORIENTAL PEARL:

A nacreous cyst pearl formed exclusively in salt water molluscs.

P1.3.3 SEED PEARL:

A nacreous cyst pearl which is under two millimetres in diameter.

P1.3.4 BLACK PEARL:

A nacreous cyst pearl having a natural body colour of black to grey.

P1.3.5 SWEET WATER or FRESHWATER PEARL:

A nacreous cyst pearl occurring in a variety of colours and indigenous to freshwater molluscs inhabiting rivers and lakes.

P1.3.6 BLISTER PEARL:

A naturally occurring convex nacreous swelling, not part of the normal anatomy, on the interior surface of the shell of a mollusc.

P1.3.7 CONCH PEARL:

A non-nacreous cyst pearl produced by the giant or queen conch (*Strombus gigas*).

P1.4 NATURAL:

A product which has been formed completely by nature without human intervention before or during the formation process, and which is unaltered by man except for cutting, drilling, polishing and/or fashioning.

P1.5 CULTURED:

A nacreous article created when a nucleus, usually a sphere of mollusc shell (mother-of-pearl) and/or a section of mantle tissue, is introduced within or adjacent to living tissues of a mollusc by a human agency and is coated with concentric layers of nacre by the mollusc. The unqualified phrase *cultured pearl* means a nacreous bead-nucleated cultured cyst pearl.

P1.5.1 SALT WATER:

A bead-nucleated cultured cyst pearl from a salt water mollusc.

P1.5.2 FRESHWATER:

A mantle tissue-nucleated or bead-nucleated cultured cyst pearl from a fresh water mollusc. Mantle tissue-nucleated freshwater cultured pearls may also be described as *non-nucleated cultured pearls*.

P1.5.3 KESHI:

An accidentally cultured nacreous cyst pearl by-product of pearl culturing (usually hollow and baroque), produced when isolated epithelial cells accidentally form a pearl-sac in the flesh of a mollusc following surgery to produce a cultured pearl at another location in the living tissue of that mollusc.

P1.6 COMPOSITE or ASSEMBLED:

A product resulting from the assembly through human intervention of a portion which is pearl or cultured pearl and one or more other portions of the same or other substances.

P1.6.1 MABE:

An assembly of a purpose-grown cultured blister pearl which has been cut from its shell, the original nucleus upon which it grew removed, filled with a man-made material, and backed by a layer of mother-of-pearl, the assembly being held together by an adhesive.

P1.7 ARTIFICIAL or IMITATION or SIMULATED:

Any product which imitates the effect, colour and appearance of a pearl or cultured pearl and which may or may not possess its physical or chemical properties.

P1.8 INDUSTRY ARTICLE:

Any product that is, or is purported to be a natural, treated, cultured or composite/assembled pearl.

P1.9 NACRE:

The organic layered material which comprises the entire bulk of most good quality natural pearls, the surface of a cultured pearl and the lining of the shell of most pearl-bearing molluscs, and which yields the characteristic appearance of pearl and mother-of-pearl. It is composed of microscopic platelets of aragonite (a calcium carbonate) deposited parallel to the surface and bound together in a fine network of horny material called conchiolin.

P1.10 LUSTRE:

The shine that results when light is reflected from the surfaces and structure of the surface or near surface layers of an industry article.

P1.11 ORIENT:

An optical phenomenon caused by the interference of light which yields the subtle yet distinct iridescent rainbow colours seen in some industry articles.

P1.12 COLOUR:

The general body-colour such as: pink, white, cream, yellow, grey.

P1.13 OVERTONE:

Secondary colouration superimposed upon the body colour and which may be localized.

P1.14 SURFACE TEXTURE:

An indication of the extent of any surface dimples, bumps, wrinkles or other surface irregularities.

P1.15 SPOTTING:

An indication of the extent of any surface or localized sub-surface irregularities or blemishes.

P1.16 UNITS OF MEASUREMENT:

NOTE 1: The rules in this section "Units of Measurement" apply with equal import to all industry articles.

NOTE 2: See Appendix Two of these Guidelines for a listing of the acceptable measurement tolerances for industry articles.

The dimensions of pearls are expressed in metric units of measurement;

- a) The millimetre (mm) is the unit of measurement for measuring individual pearls;
- b) The centimetre (cm) is the unit of measurement for measuring lengths of pearl strands.

P1.17 SHAPE:

The overall shape of a cyst pearl or the outline shape of a blister pearl as viewed from the top. There is no definable limit to the descriptive terms which may be used with reference to the shape or appearance of pearls. The following are some generally recognized terms: round, off-round, oval, pear, baroque (irregular shapes not having specific names).

P1.18 DRILLED:

Having a man-made perforation suitable for the purposes of stringing or mounting into an article of jewellery. If the drill hole does not extend completely through and out the other side it is called *half-drilled* regardless of the depth of penetration of the hole.

P1.19 CUT:

Having an exterior surface that has been deliberately sliced off or abraded flat.

P1.20 WHOLE:

Having a fully continuous exterior surface which has been neither drilled, cut nor reshaped.

P1.21 TREATMENT or ENHANCEMENT:

Any process that improves the appearance, durability or availability of an industry article.

Section P2

Misuses of Terminology

P2.1 GEM or GEMSTONE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to, without qualification, identify, refer to or describe as a *gem* or *gemstone*:

- a) any industry article that does not conform in all respects to the definition of *gem* or *gemstone* as stated in section P1.1;
- b) any industry article that has been either partly or wholly created through human intervention no matter which basic material or methods are used;
- c) any industry article composed of two or more parts that are assembled, cemented or joined by any other artificial methods;
- d) any industry article which has undergone treatment or enhancement the result of which is unstable or impermanent in normal wear and maintenance or that has a value which, solely because it has been treated, is significantly less than an otherwise identical appearing untreated article.

P2.2 PEARL:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to, without qualification, refer to or describe as a *pearl*:

- a) any article that does not conform to the definition of *pearl* as stated in section P1.2;
- b) any article that has been either partly or wholly cultured, produced, initiated or created through human intervention no matter which basic material or methods are used;
- c) any article composed of two or more parts that are assembled, cemented or joined by any other artificial methods;
- d) any article that is composed of any substance made entirely or partially by man;
- e) any article which is or was part of the normal anatomy of any mollusc;
- f) any article which has undergone treatment or enhancement the result of which is unstable or impermanent in normal wear and maintenance or that has a value which, solely because it has been treated, is significantly less than an otherwise identical appearing untreated article.

P2.3 PEARL NAMES:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use:

- a) the unqualified word *pearl* or the name of any species or variety of any naturally occurring pearl to describe, identify or refer to any article or substance which is not, in fact, a pearl of the species and variety described;

b) the unqualified word *pearl* or the name of any cultured, composite/assembled or artificial/imitation/simulated pearl to describe, identify or refer to any article or substance which does not conform to the definitions in section P1;

c) the word *pearl*, or the name of any pearl or cultured pearl variety, or the word *birthstone* to describe, identify or refer to any article created through the human intervention unless the word *cultured*, *composite/assembled* or *artificial/imitation/simulated* (as appropriate) immediately precedes the pearl name and neither word shall be given greater prominence or emphasis than the other, nor may they be separated;

d) the unqualified word *pearl*, or the name of any pearl or cultured pearl variety, or the word *birthstone* to describe, identify or refer to any article or substance which has been treated or enhanced by any method to improve its appearance, durability or availability when the result of the treatment is unstable or impermanent in normal wear and maintenance, or by any treatment which yields an article of significantly less value than a similar appearing untreated pearl;

e) the word *pearl* or the name of any pearl or cultured pearl variety, or the word *birthstone* in association with an asterisk or other device which makes reference to a footnote explanation of the fact that the article is a treated, cultured, composite/assembled or artificial/imitation/simulated pearl;

f) the word *Oriental* or *oriental* in reference to the quality or appearance of any industry article or artificial/imitation/simulated pearl;

g) the word *pearl*, or the word *birthstone*, together with any geographical, historical or adjectival qualifier to describe, identify or refer to any article or substance which is not, in fact, a pearl of the species and variety described and/or from the location described (unacceptable examples: "Biwa quality" to describe an article from another source, "Biwa pearl" for anything other than a natural pearl from that source);

h) the word *pearl* to describe, identify or refer to *keshi* unless the word *cultured* immediately precedes the word *pearl* and neither word shall be given greater prominence or emphasis than the other, nor may they be separated (acceptable example: "keshi cultured pearl;" unacceptable example: "keshi pearl");

i) the term *semi precious*.

P2.4 NATURAL:

In the selling, advertising, offering for sale or distribution of industry articles or artificial/imitation/simulated articles, it is contrary to the purposes of these guidelines to use the term *natural*:

a) if the industry article has undergone any treatment or enhancement whatsoever other than polishing and fashioning;

b) if the product has been manufactured or produced through human intervention other than drilling or cutting (unacceptable example: "natural cultured pearl").

P2.5 CULTURED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the term *cultured*, *cultivated* or similar term unless the article conforms in all respects to the definition specified in section P1.5 above. For such articles, the word *cultured* must be placed immediately preceding the name of the pearl variety which has been cultured, and neither word shall be given greater prominence or emphasis than the other, nor may they be separated (acceptable example: "cultured pearl").

P2.6 COMPOSITE or ASSEMBLED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the term *composite*, *assembled* or similar term unless the article is assembled through human intervention using a portion of pearl or cultured pearl and one or more other portions of the same or other substances. For such articles, the word *composite* or *assembled* must be placed immediately preceding the correct name of the pearl which has been assembled, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable examples: "assembled pearl," "mabe composite pearl," "mabe cultured composite pearl").

P2.7 ARTIFICIAL or IMITATION or SIMULATED:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the term *artificial*, *imitation*, *simulated* or similar term unless the article imitates the effect, colour and appearance of pearl or cultured pearl. For such articles, the word *artificial*, *imitation* or *simulated* must be placed immediately preceding the pearl variety which has been imitated, and neither word shall be given greater prominence or emphasis than the other, nor may the words be separated (acceptable examples: "imitation pearl," "simulated black pearl").

P2.8 NACRE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to:

- a) use the word *nacre* or *nacreous* or any similar word to describe, identify or refer to any article which does not, in fact, have a surface covered by nacre;
- b) use the word *nacreous* unless the article has nacre as its external surface with the layers of nacre parallel to the surface (unacceptable example: to describe a mother-of-pearl bead as "nacreous");

P2.9 GEM (QUALITY):

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *gem* or a similar term as a quality designation or as an adjectival description of any:

- a) sliced or cut cultured pearl, composite/assembled pearl or artificial/imitation/simulated pearl (unacceptable examples: "gem quality mabe," "3/4 cut cultured gem");
- b) pearl which does not indisputably possess all of the following qualities without exception: desirable body colour, symmetrical shape, near blemish-free surface texture, complete absence of undesirable spots, bright lustre, thick nacre (0.50 mm or over) and obvious orient (acceptable example: "gem quality cultured pearl").

P2.10 FLAWLESS:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *flawless* or any word or quality grade of similar meaning or import as a quality designation or as an adjectival description of any pearl or cultured pearl which is not, indisputably, both whole and entirely free of blemishes or surface irregularities.

P2.11 PERFECT:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use the word *perfect* or any variation of the word to describe, identify or refer to any article or as a description of or with reference to any attribute of any article (unacceptable examples: "a perfect pearl," "perfectly drilled," "perfectly round").

P2.12 LUSTRE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to the lustre of an industry article which indicates a level of quality it does not, in fact, possess.

P2.13 ORIENT:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to orient which an industry article does not, in fact, possess or which indicates a level of quality which it does not, in fact, possess.

P2.14 COLOUR:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to a colour which an industry article does not, in fact, possess.

P2.15 OVERTONE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to an overtone which an industry article does not, in fact, possess.

P2.16 SURFACE TEXTURE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to the surface texture of an industry article which indicates a level of quality which it does not, in fact, possess.

P2.17 SPOTTING:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to the spotting of an industry article which indicates a level of quality which it does not, in fact, possess.

P2.18 MEASUREMENT:

NOTE 1: The rules in this section "Measurement" apply with equal import to all industry articles.

NOTE 2: See Appendix Two of these Guidelines for a listing of the acceptable measurement tolerances for industry articles.

In the selling, advertising, offering for sale or distribution of pearls, it is contrary to the purposes of these guidelines to:

- a) misrepresent any measurement of any pearl or group of pearls;
- b) represent any measurement of any pearl or group of pearls in any units other than metric. Additional units of measurement, as prescribed by the Weights & Measures Act and Regulations, may be used providing they are not of greater prominence than the metric declaration;
- c) represent the diameter of pearls using any term other than millimetres (mm);
- d) represent the measurement of irregularly shaped pearls unless at least their minimum dimensions are included;
- e) misrepresent the thickness of the nacre on a pearl.

P2.19 SHAPE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word or phrase in reference to the shape of an industry article to which it does not, in fact, conform.

P2.20 AUTHENTIC or REAL or GENUINE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *authentic*, *real*, *genuine* or a similar term, to describe, identify or refer to any article or substance made entirely or partially through human intervention (unacceptable examples: "genuine cultured pearl," "real mabe").

P2.21 REPRODUCTION or REPLICA:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use *reproduction*, *replica* or similar term to describe, identify or refer to:

- a) a cultured or artificial/imitation/simulated pearl unless the pearl replicated is a famous named pearl, is reproduced in size, shape and appearance, and the component material(s) of the simulant are specified, and no word shall be given greater prominence or emphasis than another, nor may they be separated (acceptable example: "plastic replica of the La Peregrina");
- b) a multiple component industry article unless all component materials are the same as the original.

P2.22 LANGUAGE:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to use any word from another language, or to create a new word, to disclaim the authenticity of a pearl (unacceptable example: "faux pearl").

Section P3

Disclosures

P3.1 TREATMENT or ENHANCEMENT:

a) In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to refer to an industry article without the use of the term *treated* or *enhanced* if the article has been altered by coating or by any other treatment which is unstable or impermanent in normal wear and maintenance or such that the value of the treated article is significantly less than the value of a similar appearing untreated article. For such articles the word *treated* or *enhanced* must be placed immediately preceding the correct pearl name and no word shall be given greater prominence or emphasis than another, nor may they be separated.

Alternatively, the treatment method or process (with or without any trademark or patent name) shall immediately precede the correct pearl name instead of the word *treated* or *enhanced*. For such articles the name of the treatment process shall be given equal prominence and emphasis to the correct pearl name, and they may not be separated (acceptable examples: "dyed cultured pearl," "irradiated black pearl");

b) It is recommended that all purchasers of industry articles be advised that most pearls have been bleached by exposure to sunlight or bleaching agents, that many pearls have been tinted with dye, and that such treatments are usually permanent, stable and are undetectable by standard gemmological techniques. The vendor should be prepared to provide to the purchaser, on request, information regarding any treatment which may have been applied to the article(s) offered for sale.

P3.2 GENERAL:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines:

a) to make any misleading or deceptive statement, representation or illustration concerning any material matter relating to formation, production, condition or quality;

b) to declare the identity of differing gemstones in an article in any order except in descending order of content by weight;

c) to identify, refer to or describe an article containing differing gemstones by referring to only one gemstone unless the named gemstone is of greater weight than any other gemstone or variety.

P3.3 GEOGRAPHICAL ORIGIN:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to make a statement as to the geographical origin of an industry article unless its origin can, in fact, be substantiated (acceptable examples: "Scottish pearl," "Biwa freshwater cultured pearl").

P3.4 CARE & MAINTENANCE:

It is recommended that all purchasers of industry articles be advised as to their care, cleaning and maintenance.

P3.5 WARRANTIES:

Specific legislation regarding warranties are laid out in the Competition Act, section 52 (see Appendix One of these Guidelines) as well as provincial legislation. Industry should be aware that in the selling, advertising, offering for sale or distribution of industry articles every statement or reference as to identity or quality or value of an article constitutes a warranty by the vendor. This principle applies in every instance and includes circumstances where the vendor quotes, makes reference to, or provides access to copies of the independent opinion of a third party, even if the vendor claims to be in dispute with the quoted opinion.

P3.6 SEALED PACKAGING AND WARRANTIES:

In the selling, advertising, offering for sale or distribution of industry articles, it is contrary to the purposes of these guidelines to limit a purchaser's opportunity to make or obtain an independent examination of any industry article by delivering the product in a sealed container under a warranty which becomes void if the seal is broken.

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APPENDIX ONE

Federal Legislation

The Competition Act, subsection 52, states that:

52. (1) No person shall, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever,

- (a) make a representation to the public that is false or misleading in a material respect;
- (b) make a representation to the public in the form of a statement, warranty or guarantee of the performance, efficacy or length of life of a product that is not based on an adequate and proper test thereof, the proof of which lies on the person making the representation;
- (c) make a representation to the public in a form that purports to be:
 - (i) a warranty or guarantee of a product, or
 - (ii) a promise to replace, maintain or repair an article or any part thereof or to repeat or continue a service until it has achieved a specific result

if the form of purported warranty or guarantee or promise is materially misleading or if there is no reasonable prospect that it will be carried out; or

- (d) make a materially misleading representation to the public concerning the price at which a product or like product have been, are or will be ordinarily sold, and for the purposes of this paragraph a representation as to price is deemed to refer to the price at which the product has been sold by sellers generally in the relevant market unless it is clearly specified to be the price at which the product has been sold by the person by whom or on whose behalf the representation is made.

52. (2) For the purposes of this section and section 53, a representation that is

- (a) expressed on an article offered or displayed for sale, its wrapper or container,
- (b) expressed on anything attached to, inserted in or accompanying an article offered or displayed for sale, its wrapper or container, or anything on which the article is mounted for display or sale,
- (c) expressed on an in-store or other point-of-purchase display,
- (d) made in the course of in-store, door-to-door or telephone selling to a person as ultimate user, or
- (e) contained in or on anything that is sold, sent, delivered, transmitted or in any other manner whatever made available to a member of the public,

shall be deemed to be made to the public by and only by the person who caused the representation to be so expressed, made or contained and, where that person is outside Canada, by

- (f) the person who imported the article into Canada, in a case described in paragraph (a), (b) or (e), and
- (g) the person who imported the display into Canada, in a case described in paragraph (c).

52. (3) Subject to subsection (2), every one who, for the purpose of promoting, directly or indirectly, the supply or use of a product or any business interest, supplies to a wholesaler, retailer or other distributor of a product any material or thing that contains a representation of a nature referred to in subsection (1) shall be deemed to have made that representation to the public.

52. (4) In any prosecution for a contravention of this section, the general impression conveyed by a representation as well as the literal meaning thereof shall be taken into account in determining whether or not the representation is false or misleading in a material respect.

52. (5) Any person who contravenes subsection (1) is guilty of an offence and liable

- (a) on conviction on indictment, to a fine in the discretion of the court or to imprisonment for a term not exceeding five years or to both; or
- (b) on summary conviction, to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding one year or to both.

APPENDIX TWO

Jewellery Industry Measurement Tolerances

Commodity	Weight		Length		Count
Diamonds	Single Stones	1 mg (0.005 ct)	0.1%		0 to 1000 0
	Multiple Stones	(undecided)			> 1000 1 per 1000
Gemstones	Single Stones	1 mg (0.005 ct)	0.1%		Same as above
	Multiple Stones	(undecided)			
Pearls	Up to and including 30 g	12.5 mg	0 to 50 mm	0.1 mm	Same as above
	50 g	17 mg	> 50 mm	5 mm	
	100 g	30 mg	(includes spacers, clasps, knots, etc.)		
	200 g	56 mg			
	300 g	81 mg			
	500 g	131 mg			
	1,000 g	240 mg			
	1,500 g	350 mg			
	2,000 g	425 mg			
	3,000 g	575 mg			
	5,000 g	900 mg			
	6,000 g	1,050 mg			
	> 6,000g	0.0175 %			
		of stated quantity			
Precious Metals	Same as above. (Precious Metal limits of error currently exist in the Weights & Measures regulations)		0 to 50 mm	0.1 mm	Same as above
			> 50 mm	5 mm	

NOTE: "Outlined" figures denote that consensus has not yet been reached and further discussion will be required.

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Canada. Industry Canada. (Guidelines with respect to the sale and marketing of CEMZ c. 2 aa IC

DATE DUE - DATE DE RETOUR

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