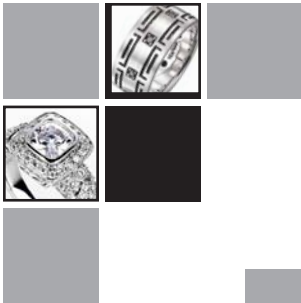




THE ESSENTIAL GUIDE TO
THE U.S. TRADE IN
PLATINUM JEWELRY





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I. INTRODUCTION

Ever since the late 19th century, when Louis Cartier became the first craftsman to create jewelry from platinum, this precious metal has been in high demand. Lustrous, malleable, and resistant to wear and tarnish, platinum is particularly well-suited to jewelry, and is also prized by other industries for its near immunity to corrosion and oxidation. Platinum is the perfect choice for today's consumer with its pure, rare and enduring qualities.

Platinum jewelry, traditionally, is almost pure platinum. Recently, higher platinum costs and growing consumer desire have driven the development of new jewelry products, with less platinum, in combination with base metals. In 2010, the Federal Trade Commission (FTC or Commission) re-examined its guidance to the industry, and released



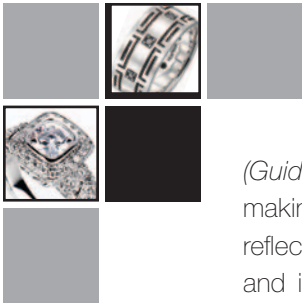
The information and guidance contained in this publication is not meant to be any form of legal advice.

revised standards on the marketing and stamping of platinum products to address these new products. This *Essential Guide* explains these revised standards, and what they mean in practical terms for those who manufacture, promote and sell platinum jewelry.

A. A Brief Word about the FTC Jewelry Guides

The Commission first issued detailed guides to the jewelry industry in 1996. Known formally as the *Federal Trade Commission Guides for the Jewelry, Precious Metal and Pewter Industries*





(*Guides*), these guidelines help marketers avoid making unfair or deceptive jewelry claims. They reflect the FTC's current views on jewelry claims and indicate how the FTC intends to apply the FTC Act (15 U.S.C. § 45) to the jewelry industry. If a business makes marketing claims about jewelry that are inconsistent with the *Guides*, the Commission is empowered to bring an enforcement action under Section 5 of the FTC Act, which prohibits unfair or deceptive acts or practices — and the FTC has done so. When the FTC brings an enforcement action, penalties may range from monetary redress to court-ordered injunctions against a marketing practice.

The basic premise of the *Guides* is that it is unfair or deceptive to misrepresent any material aspect



of an industry product. Although the original 1996 *Guides* do not address platinum, the Commission amended them in 1997 to include a specific section on that metal. The FTC's 2010 revisions to the *Guides* provide the FTC's latest regulatory guidance on platinum. The *Guides* are an important resource, providing comprehensive standards for claims and representations about industry products, including those with precious stones and metals. The *Guides* also help the industry in its ongoing effort to create an even-playing field for everyone involved in the highly-competitive jewelry trade.

B. Platinum Jewelry: Then and Now

When the FTC revised the *Guides* in 1997 to include a section addressing platinum, the platinum jewelry on the market was of the almost-pure variety, consisting primarily of platinum and other platinum group metals, referred to as "PGMs." Several metals in this group are used for jewelry



The word "Platinum" used by itself means the item contains 950 parts per thousand pure platinum.

and jewelry alloys, including platinum, iridium, palladium and ruthenium. These metals are highly resistant to wear, tarnish and corrosion. Understandably, the 1997 revisions to the *Guides* were written to address platinum primarily alloyed with other PGMs, as these were the products that were then available to consumers. Sometime later, platinum was alloyed with high percentages of base metals, and these products began to appear in showcases and on-line. While the 2010 amendments to the *Guides* retain many of the original platinum standards, they address a wider variety of products than the 1997 version. Most significantly, the revised FTC *Guides* set standards not only for products that have long been in the marketplace, but also for the more recent additions that combine platinum with high percentages of base metals such as copper and cobalt.

II. LEGAL STANDARDS FOR PLATINUM



A. The Amended FTC Platinum Guides: an Overview

For purposes of the FTC Platinum *Guides*, it is helpful to think of platinum products as divided into three categories. These are:

- Products that contain at least 850 parts per thousand pure platinum. The Guides indicate that these may be referred to as “traditional platinum.”
- Products that contain at least 500 but less than 850 parts per thousand pure platinum, and at least 950 parts per thousand platinum group metals.



The standards described in this brochure do not apply to metals that are used in the manufacture of costume jewelry.

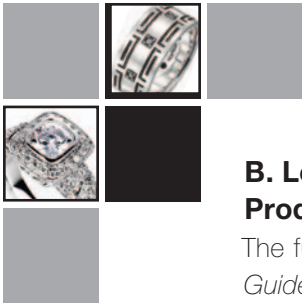
- Products that contain at least 500 but less than 850 parts per thousand pure platinum, and **less than** 950 parts per thousand platinum group metals. These are the products that contain a high percentage of base metal.

The amended *Guides* contain new disclosure provisions which are focused on the third category of products, the platinum/base metal alloys. Base metals such as copper and cobalt are

more susceptible to oxidation and corrosion than precious metals, such as those in the platinum group. Depending on the alloys used, platinum/base metal jewelry may not have the same product qualities as products that are almost pure platinum or have a high percentage of platinum. The FTC concluded that it would be misleading to describe platinum alloyed with high percentages of base metals as “platinum” without qualification.

The FTC’s 2010 amendments to the *Guides*, therefore, instruct manufacturers and promoters on what additional information regarding product composition and attributes they must provide to consumers in order to non-deceptively market platinum alloyed with high percentages of base metal alloys. Generally stated, if the product attributes of a platinum/base metal product are not the same as those of a “traditional platinum product,” consumers must be advised of that fact. Moreover, when describing platinum/base metal products, marketers must also disclose the amount of pure platinum and other metals in the product, using the full name — and percentage — of each metal. On the other hand, when stamping platinum/base metal products, the *Guides* permit the use of both abbreviations and parts per thousand.





B. Legal Standards for Platinum Products: the Specifics*

The full text of the platinum section of the FTC's *Guides* appears in the supplement at the end of this publication. Here is a summary of the details, broken down by category of platinum product:

- *Products that are at least 950 parts per thousand pure platinum:* These products may be described or marked as "platinum," or an abbreviation of the word, without any qualification. It is not necessary to disclose the parts per thousand of pure platinum, although it is certainly permissible.

- o Examples of appropriate markings: "Plat.," "Pt.," or "Pt950."
- o This product would be considered a "traditional platinum product"
- o When quality stamping or promoting it is permissible to use the abbreviations "Plat.," or "Pt.," and parts per thousand, "950Pt.," or "Pt950."

- *Products that are at least 850, but less than 950, parts per thousand pure platinum:* These products may be marked or promoted as "platinum," or an abbreviation, provided that the term is preceded by the parts per thousand of pure platinum.

- o Examples of appropriate markings or descriptions for this category of product: "900Pt.," "900Plat.," "850Pt.," or "Pt850."
- o These products would be considered "traditional platinum products."
- o Whether quality stamping or promoting it is permissible to use the abbreviations "Plat.," or "Pt.," and parts per thousand "900Pt."

- *Products that consist of at least 500, but less than 850 parts per thousand pure platinum, and at least 950 parts per thousand platinum group metals:* These products may be marked or promoted as "platinum," or an abbreviation, provided that the name for each platinum group metal is preceded by a number indicating the amount of each platinum group metal in parts per thousand.

- o Examples of appropriate markings or descriptions for these products:

"600Pt.350Ir.," "600Plat.350Irid.,"
 "550Pt.350Ru.50Ir.," "550Plat.350Ru.50Irid."
 or "600Pt.200Ir.150Ru."



- o When quality stamping it is permissible to use parts per thousand and chemical abbreviations.

- * The parts per thousand may either precede or follow the abbreviation for platinum.

- *Products that contain at least 500 but less than 850 parts per thousand pure platinum, but the total of platinum group metals is less than 950 parts per thousand.* The *Guides* provide the following regarding these products:

- o Sellers or promoters must disclose the full composition of the product, by name and **not chemical abbreviation**, and the percentage of each metal, totaling 100%. The use of parts per thousand is not permitted. Examples: "50% Platinum, 40% Copper, 10% Cobalt" or "60% Platinum, 40% Cobalt" or "80% Platinum, 10% Cobalt, 10% Copper."

- o It is necessary to convert the amount in parts per thousand to a percentage that is accurate to the first decimal place, for example: 58.5% Platinum, 41.5% Cobalt.
- o It is the **obligation** of any entity selling or promoting this product to evaluate how the product compares to traditional platinum products with respect to the following attributes: **durability, luster, density, scratch resistance, tarnish resistance, hypoallergenicity, ability to be resized or repaired, and retention of precious metal over time.**
- o It is also the obligation of the entity selling or promoting this product to evaluate **any other properties or attributes of traditional platinum products that would be material to consumers.**
- o If the seller or promoter does not have “**competent and reliable scientific evidence**” supporting the conclusion that **this product does not differ materially from traditional platinum products with respect to these attributes, then the seller or promoter must clearly and conspicuously disclose that fact to consumers immediately following the name or description of the product.**
- o When quality stamping these products (as opposed to promoting) it is permissible to use parts per thousand and chemical abbreviations. The amounts of the metals, combined, must total 1000ppt. Examples: “600Pt.300Co.100Cu.” or “500Pt.300Co.200Cu.” or “580Pt.420Co.” or “850Pt.100Co.50Cu.”

- *Products that contain less than 500 parts per thousand pure platinum:* The term “platinum” (or any abbreviation) may not be used to mark or promote these products in any circumstances.

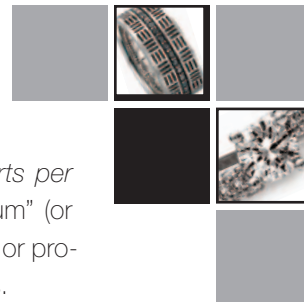


Chemical abbreviations may not be used when advertising products composed of platinum combined with base metal.

- *A Word About Quality Stamping and Disclosure:* While the FTC *Guides* require that products be described or promoted in a particular way in labeling, advertising, promotional materials, and all other forms of marketing, there is no mandate in the *Guides* or elsewhere that jewelry contain a stamp. If the jewelry is stamped, however, the stamp must describe the product in compliance with the *Guides*. If a jewelry item is not quality stamped, then any disclosure that is required should be made clearly and conspicuously and placed immediately following the name or description of the product in any labeling, advertising, promotional, or other marketing materials. The disclosures should be made available to consumers prior to purchase.



- While the *Guides* do not address pieces that are platinum covered, coated, plated, filled or clad, any item that is **less than 500** parts per thousand pure platinum should not be marked or described as “platinum.”





III. PLATINUM TOLERANCE CHARTS

A. Platinum Products Alloyed with Platinum Group Metals

At least 950ppt pure platinum: Platinum or abbreviation, no qualification required, may be referred to as “traditional”

At least 850ppt, but less than 950ppt pure platinum: Platinum or abbreviation, preceded by number indicating ppt Platinum

Platinum Content	PGM	Stamp	How to Describe
950	- 0 -	Platinum or 950 Plat.	Platinum
900	50lr.	900 Plat.	900 Platinum
850	100Ru.	850 Plat.	850 Platinum
800	100Pd.,50lr.	800Plat./100Pd./50Irid.	800Platinum, 100Palladium, 50Iridium
750	100Ru.,100lr.	750Plat./100Ru./100lr.	750Platinum, 100Ruthenium, 100Iridium
700	150lr.,100Pd.	700Plat./150lr./100Pd.	700Platinum, 150Iridium, 100Palladium
650	150Pd.,150lr.	650Plat./150Pd./150lr.	650Platinum, 150Palladium, 150Iridium
600	200Pd.,150lr.	600 Plat./200Pall./150lr.	600Platinum, 200Palladium, 150Iridium
550	200Pd.,150lr.,50Ru.	550 Plat./200Pd./150lr./50Ru.	550Platinum, 200Palladium, 150Iridium, 50Ruthenium
500	300Irid.,150Pall.	500Pt./300lr./150Pd.	500Platinum, 300Iridium, 150Palladium

PGM (Platinum Group Metal) – “Plat.” or “Pt.” for **Platinum**; “Irid.” or “lr.” for **Iridium**; “Pall.” or “Pd.” for **Palladium**; “Ruth.” or “Ru.” for **Ruthenium**; “Rhod.” or “Rh.” for **Rhodium**; and “Osmi.” or “Os.” for **Osmium**.

PPT – parts per thousand.



B. Platinum/Base Metal Metal Alloys

Products that contain at least 500ppt but less than 850ppt pure Platinum and less than 950ppt total Platinum Group Metals*

Platinum Content	Base Metal	Stamp	How to Describe
800	150Co.,50Cu.	800Pt./150Co./50Cu.	80%Platinum, 15%Cobalt, 5%Copper
750	100Co.,100Cu.,50Ni.	750Pt./100Co./100Cu./50Ni.	75%Platinum, 10%Cobalt, 10%Copper, 5%Nickel
700	200Co.,100Cu.	700Pt./200Co./100Cu.	70%Platinum, 20%Cobalt, 10%Copper
650	300Co.,50Cd.	650Pt./300Co./50Cd.	65%Platinum, 30%Cobalt, 5%Cadmium
600	200Co.,100Zn.,100Cu.	600Pt./200Co./100Zn./100Cu.	60%Platinum, 20%Cobalt, 10%Zinc, 10%copper
550	300Co.,150Cu.	550Pt./300Co./150Cu.	55%Platinum, 30%Cobalt, 15%Copper
500	250Co.,150Cu., 50Ir.,50Ni.	500Pt./250Co./150Cu./50Zn./50Ni.	50%Platinum, 25%Cobalt, 15%Copper, 5%Zinc, 5% Nickel

PGM (Platinum Group Metal) – “Plat.” or “Pt.” for **Platinum**; “Irid.” or “Ir.” for **Iridium**; “Pall.” or “Pd.” for **Palladium**; “Ruth.” or “Ru.” for **Ruthenium**; “Rhod.” or “Rh.” for **Rhodium**; and “Osmi.” or “Os.” for **Osmium**.

PPT – parts per thousand.

***It is the obligation of the manufacturer or any entity selling or promoting these products to evaluate the following attributes: durability, luster, density, scratch resistance, tarnish resistance, hypoallergenicity, ability to be resized or repaired, and retention of precious metal over time. The seller or promoter of these products also must evaluate any other properties or attributes that would be material to consumers. If the seller or promoter lacks “competent and reliable scientific evidence” that the product does not differ materially from traditional platinum products with respect to these attributes, then the seller or promoter must clearly and conspicuously disclose that fact to consumers immediately following the name or description of the product.**

IV. QUESTIONS AND ANSWERS

How can I describe or promote a product containing less than 500 ppt pure platinum?

You may describe or promote the product using the predominant metal but you may not use the word “platinum” in any manner.

What is “traditional” platinum for purposes of the revised FTC Guides?

The FTC has indicated that for the revised *Guides*, “traditional” platinum products contain at least 850 parts per thousand pure platinum.

I manufacture a product that is 700ppt platinum and 300ppt copper. How do I describe this product and how do I stamp it?

When describing your platinum/base metal product you must use the full name of each metal, without abbreviation, and state the quantity of each metal, using percentages. Here’s an example: “70% platinum 30% copper.” You must also disclose to consumers that the product may not have the attributes of traditional platinum (unless you have competent and reliable scientific evi-

dence to the contrary about your product). When stamping your product, however, you may use chemical abbreviations and parts per thousand. Here’s an example: “700Plat./300Cu.”

Where should I place the disclosures required by the revised Guides for platinum/base metal products?

The disclosures must be clear, conspicuous, and be placed immediately following the name or description of the product in any labeling, advertising, promotional, or other marketing materials which could include, on the box, carton, tag, receipt, invoice or on the item itself. The disclosures should be made available to consumers prior to purchase.

Where can I find out more about the revisions to the platinum section in the FTC Guides?

Guidance for consumers and the industry can be found on the FTC website at <http://www.ftc.gov/opa/2010/12/platinumguides.shtml>, or contact JVC.



V. THE JEWELERS VIGILANCE COMMITTEE

The Jewelers Vigilance Committee was formed in 1912 to provide education and self-regulation to the jewelry industry. Members operate under the highest standards of business practice after

pledging to comply with all applicable laws and to make accurate representations about the products they sell. Find out more about the JVC at www.jvclegal.org.

PLATINUM GUILD INTERNATIONAL USA

Platinum Guild International USA is dedicated to promoting platinum and its pure, rare and eternal qualities to the consumer and the jewelry trade. PGI has offices in each of the world's major

jewelry markets, providing information, assistance and education on all aspects of platinum jewelry. For more information, please visit the PGI website at: www.platinumguild.com.

PLATINUM DESIGNS IN THIS GUIDE

JVC and PGI acknowledge the JVC members whose platinum jewelry designs are featured throughout this Guide. These timeless pieces showcase the uniqueness of platinum jewelry.

Bulgari
Chad Allison
Gumuchian
Kwiat
Memoire

Mercury Ring Corp/
Division of Interjewel USA
Novell Design Studio
Stuller
Suna Bros



VI. GLOSSARY OF TERMS

Base Metal – a common metal, such as copper, tin or zinc, that is not considered precious. Base metals oxidize or corrode relatively easily in comparison to precious metals (gold, silver and the platinum group metals).

Competent and Reliable Scientific Evidence

– according to the Commission, this generally consists of “tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that have been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.”

FTC – Federal Trade Commission

Jewelry Guides or Guides – shorthand for the Federal Trade Commission “Guides for the Jewelry, Precious Metal and Pewter Industries”

Information “Material” to a Consumer – Information that would be relevant and significant to a consumer’s purchasing decision.

Platinum – this term, when used without qualification, indicates a product that contains at least 950ppt pure platinum

Platinum Group Metals – also known as PGMs, these consist of Platinum, Iridium, Palladium, Ruthenium, Rhodium and Osmium. The metals in this group that are commonly used for jewelry and jewelry alloys are platinum, iridium, palladium and ruthenium



PPT – parts per thousand

“Traditional Platinum” – for purposes of the platinum section of the FTC’s *Guides*, these are products that are at least 850 parts per thousand pure platinum.

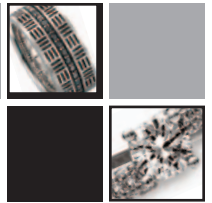
Traditional Platinum Attributes – for purposes of the platinum section of the FTC’s *Guides*, these are durability, luster, density, scratch resistance, tarnish resistance, hypoallergenicity, ability to be resized or repaired and retention of precious metal over time, and any other attribute or property material to consumers

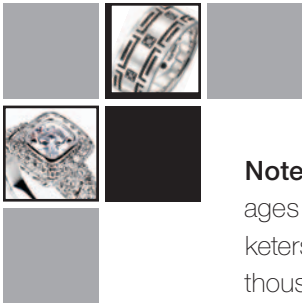
VII. SUPPLEMENT: THE TEXT OF THE *PLATINUM GUIDES*

PART 23—GUIDES FOR THE JEWELRY, PRECIOUS METALS, AND PEWTER INDUSTRIES

§ 23.7 Misuse of the words “platinum,” “iridium,” “palladium,” “ruthenium,” “rhodium,” and “osmium.”

- (a) It is unfair or deceptive to use the words “platinum,” “iridium,” “palladium,” “ruthenium,” “rhodium,” and “osmium,” or any abbreviation to mark or describe all or part of an industry product if such marking or description misrepresents the product’s true composition. The Platinum Group Metals (PGM) are Platinum, Iridium, Palladium, Ruthenium, Rhodium, and Osmium.
- (b) The following are examples of markings or descriptions that may be misleading:
- (1) Use of the word “Platinum” or any abbreviation, without qualification, to describe all or part of an industry product that is not composed throughout of 950 parts per thousand pure Platinum.
 - (2) Use of the word “Platinum” or any abbreviation accompanied by a number indicating the parts per thousand of pure Platinum contained in the product without mention of the number of parts per thousand of other PGM contained in the product, to describe all or part of an industry product that is not composed throughout of at least 850 parts per thousand pure platinum, for example, “600Plat.”
 - (3) Use of the word “Platinum” or any abbreviation thereof, to mark or describe any product that is not composed throughout of at least 500 parts per thousand pure Platinum.
 - (4) Use of the word “Platinum,” or any abbreviation accompanied by a number or percentage indicating the parts per thousand of pure Platinum contained in the product, to describe all or part of an industry product that contains at least 500 parts per thousand, but less than 850 parts per thousand, pure Platinum, and does not contain at least 950 parts per thousand PGM (for example, “585 Plat.”) without a clear and conspicuous disclosure, immediately following the name or description of such product:
 - (i) Of the full composition of the product (by name and not abbreviation) and percentage of each metal; and
 - (ii) That the product may not have the same attributes or properties as traditional platinum products. *Provided, however,* that the marketer need not make disclosure under § 23.7(b)(4)(ii), if the marketer has competent and reliable scientific evidence that such product does not differ materially from any one product containing at least 850 parts per thousand pure Platinum with respect to the following attributes or properties: durability, luster, density, scratch resistance, tarnish resistance, hypoallergenicity, ability to be resized or repaired, retention of precious property material to consumers.





Note to paragraph (b)(4): When using percentages to qualify platinum representations, marketers should convert the amount in parts per thousand to a percentage that is accurate to the first decimal place (e.g., 58.5% Platinum, 41.5% Cobalt).

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

(1) The following abbreviations for each of the PGM may be used for quality marks on articles: "Plat." or "Pt." for Platinum; "Irid." or "Ir." for Iridium; "Pall." or "Pd." for Palladium; "Ruth." or "Ru." for Ruthenium; "Rhod." or "Rh." for Rhodium; and "Osmi." or "Os." for Osmium.

(2) An industry product consisting of at least 950 parts per thousand pure Platinum may be marked or described as "Platinum."

(3) An industry product consisting of 850 parts per thousand pure Platinum, 900 parts per thousand pure Platinum, or 950 parts per thousand pure Platinum may be marked "Platinum," provided that the Platinum marking is preceded by a number indicating the amount in parts per thousand of pure Platinum (for industry products consisting of 950 parts per thousand pure Platinum, the marking described in §23.7(b)(2) above is also appropriate). Thus, the following markings may be used: "950Pt.," "950Plat.," "900Pt.," "900Plat.," "850Pt.," or "850Plat."

(4) An industry product consisting of at least 950 parts per thousand PGM, and of at least 500 parts per thousand pure Platinum, may be marked "Platinum," provided that the mark of each PGM constituent is preceded by a number indicating the amount

in parts per thousand of each PGM, as for example, "600Pt.350Ir.," "600Plat.350Irid.," or "550Pt.350Pd.50Ir.," "550Plat.350Pall.50Irid."

(5) An industry product consisting of at least 500 parts per thousand, but less than 850 parts per thousand, pure Platinum, and not consisting of at least 950 parts per thousand PGM, may be marked or stamped accurately, with a quality marking on the article, using parts per thousand and standard chemical abbreviations (e.g., 585 Pt., 415 Co.).

Note to §23.7: Exemptions recognized in the assay of platinum industry products are listed in the Appendix.

Appendix—Exemptions Recognized in the Assay for Quality of Gold Alloy, Gold Filled, Gold Overlay, Rolled Gold Plate, Silver, and Platinum Industry Products

e) Exemptions recognized in the industry and not to be considered in any assay for quality of a platinum industry product include springs, winding bars, sleeves, crown cores, mechanical joint pins, screws, rivets, dust bands, detachable movement rims, hat-pin stems, and bracelet and necklace snap tongues. In addition, the following exemptions are recognized for products marked in accordance with section 23.8(b)(5) of these Guides (i.e., products that are less than 500 parts per thousand platinum): pin tongues, joints, catches, lapel button backs and the posts to which they are attached, scarf-pin stems, hat pin sockets, shirt-stud backs, vest-button backs, and ear-screw backs, provided such parts are made of the same quality platinum as is used in the balance of the article.

CONTACTS

PLATINUM GUILD INTERNATIONAL USA
500 Fifth Avenue, Suite 5120
New York, NY 10110
212-404-1601
www.platinumguild.com

JEWELERS VIGILANCE COMMITTEE
25 W. 45th Street, Suite 1406
New York, NY 10036
212-997-2002
www.jvclegal.org



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NEW YORK CITY, NEW YORK 10036 212-997-2002 WWW.JVCLEGAL.ORG

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