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December 11, 2006

VIA ELECTRONIC AND U.S. MAIL

The Honorable Donald S. Clark
Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

Dear Mr. Clark:

On behalf of the Jewelers Vigilance Committee and ten other major associations,¹ I am submitting a petition, pursuant to the Commission's Rules of Practice, 16 C.F.R. § 1.6, requesting that the FTC initiate a proceeding to amend the Guides for the Jewelry, Precious Metals, and Pewter Industries, 16 C.F.R. Part 23, to address the use of the term "cultured" in connection with lab-grown gemstones.

Very truly yours,

Elaine D. Kolish

Enclosure

cc: Lydia B. Parnes, Director, Bureau of Consumer Protection
James A. Kohm, Associate Director, Division of Enforcement
Robin Rosen Spector, Senior Attorney, Division of Enforcement

25191132IV-1

¹ We are still completing the administrative task of obtaining signatures. A supplemental submission with all signatures will be sent at a future date.

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
Washington, D.C. 20580**

**In Re: Petition to Amend Guidelines For
the Jewelry, Precious Metals, and Pewter
Industries.**

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I. Introduction.

The Jewelers Vigilance Committee (hereinafter, the “JVC”) petitions the Federal Trade Commission (“FTC”), pursuant to 16 C.F.R. § 1.6, to amend the Guidelines for the Jewelry, Precious Metals, and Pewter Industries (hereinafter, the “Guides”), 16 C.F.R. Part 23, to address the use of the term “cultured” in conjunction with lab-grown gemstones. The proposed amendment would add the term “cultured” to the list of other terms in Section 23.24 of the Guides that the Commission has already determined are unfair or deceptive to use in conjunction with manufactured products.¹ The JVC, as well as ten (10) other jewelry industry trade associations, believe this amendment is needed to protect consumers from the deceptive or unfair business practices that occur with the use of the term “cultured” in conjunction with jewelry industry products other than pearls.

This amendment is needed because a legal analysis of current marketing claims for lab-grown diamonds, in conjunction with the regulatory, technological and industry history regarding synthetic products, indicates that when the term “cultured” is used with synthetic diamonds, consumers are likely to be misled about the nature of the product. Consumer survey data obtained by the JVC indicates that consumers widely and erroneously associate the phrase “cultured diamond” as meaning a *natural product* or gemstone grown *naturally* with human intervention. Specifically, the use of the term “cultured” in the context of a lab-grown product incorrectly implies that the product has been created in an organic process, with humans simply initiating the natural diamond growth process, rather than artificially replicating it in a laboratory. The historical high regard consumers have for cultured pearls, combined with

¹ See 16 C.F.R. § 23.24 and n. 50, *infra* for the text of the proposed amendment.

current consumer interest in natural and organic products, make it particularly critical that the Commission amend the Guides as requested to prevent consumers from being misled into believing lab-grown diamonds are similar to cultured pearls or created in a process that is like the one used for pearls.²

Nearly 50 years ago, the FTC addressed concerns regarding the use of the term “cultured” for materials other than pearls, when it charged a seller of synthetic emeralds with deceptive advertising for describing its products as “Cultured Emeralds.”³ Today, technological innovations and market changes make the concern a pressing one in connection with marketing practices in the synthetic diamond industry. The synthetic diamond industry, once known exclusively for the manufacture of diamonds for industrial purposes, is now producing jewelry quality diamonds in significant quantities and further significant growth is expected in the years to come. These technological innovations and the growth of production in this market from a novelty to a mass-produced product have occurred since the completion of the last comprehensive review of the Guides in 1996 and the completion of a separate proceeding in 2000 addressing treatments to diamonds. Thus, the Commission has not previously had an opportunity to fully consider the issue, and the consumer perception data that is now available.

As explained below, there are substantial and material differences between the natural and organic process that creates cultured pearls and the manufacturing process that creates synthetic diamonds. Because of these differences “cultured” and “synthetic” are not terms that can be used interchangeably.⁴ Additionally, empirical data, consisting of three recent surveys of consumers (conducted in 2002, 2005 and 2006), show that consumers understand “cultured” to be a natural growth process with some human intervention, and that they value cultured products more than synthetic ones. These data show that consumers are likely to be misled or at best

² The culturing process for pearls, as explained in detail in Part III.C, is largely a natural one involving organic materials. Consumer preference and demand for “natural” and “organic” products of all types (*e.g.*, food, cleaners, cosmetics, textiles) is growing exponentially. *See* “Industry Stats,” at <http://www.organicexpo.com>. With this growth the need for standards and government intervention to ensure that these terms are used appropriately in marketing also has grown, particularly in the organic food context. *See* 7 C.F.R. Part 205 (USDA/Agricultural Marketing Services National Organic Program, setting, for example, definitions for “organic,” and “made with organic ingredients”). The need for standards is also present in the jewelry industry.

³ *See Chatham Research Laboratories*, 64 F.T.C. 1065 (1964).

⁴ Indeed, the Guides prohibit the use of the term “synthetic” to describe cultured pearls because cultured pearls do not meet the Guides’ definition of synthetic (16 C.F.R. § 23.20(k)). The FTC should similarly admonish against the use of the term “cultured” for synthetic products as they are not formed through the traditional organic process that is referenced in the Guides. *See* 16 C.F.R. § 23.18(b).

confused about the nature of the product they are purchasing when the term “cultured” is used to describe a lab-grown diamond or the process that created that product. Thus, representations that such diamonds are “cultured” products are likely to mislead consumers to their detriment.

Synthetic diamonds, when truthfully represented, are a welcome addition to the jewelry marketplace, which provides consumers with a vast array of jewelry products at every price point. However, when such manufactured products are represented as “cultured” products, a term historically used to describe the natural and organic process for producing pearls, and which is defined in the Guides in conjunction with pearls, consumer deception may occur. Because of this, and the industry’s need to foster consumer confidence in the industry and their desire to maintain high ethical standards, all of the leading trade associations in the jewelry industry support the proposed amendment. Additionally, the proposed amendment would be consistent with recent or newly-issued standards and definitions set by other countries that have considered this issue, by international standard-setting bodies, and other respected organizations.

For all of these reasons, FTC guidance at this point in time is necessary to help this emerging industry to grow while ensuring that consumers are not misled about the characteristics of its products. As the Commission is aware, the industry assigns great importance to the Guides and because of this and their importance to jewelry consumers the Commission has devoted significant time and resources to drafting and updating the Guides. It is crucial that the Guides continue to be adjusted to reflect changes in the market place and for the Commission to be cognizant of the view of leaders in the industry who are devoted to preserving consumer confidence in the industry by developing and maintaining standards to avoid deceptive practices and to promote ethical practices. Our goal is to create a set of standards that, when universally applied, will justify continued consumer confidence in our industry. The JVC strongly believes that the requested amendment is in the public interest and would facilitate a more widespread and equitable observance of the FTC Act as it applies to advertising and marketing practices in the jewelry industry.⁵

In Part II, we provide information about the JVC, its role in educating and policing the industry, and about the other associations that support this Petition. In Part III, we explain the

⁵ The purpose of FTC Guides is to provide the basis for voluntary and simultaneous abandonment of unlawful practices by members of the industry. *See* 16 C.F.R. Part 17.

important differences among synthetic, natural and cultured products. In Part IV, we discuss the current production of and marketing for lab-grown or synthetic diamonds. Part V describes the consumer perception data that we are submitting, showing how consumers interpret the terms “synthetic” and “cultured.” Part VI describes how the FTC now addresses the term “cultured,” and Part VII explains why the Guides need to be amended. In Part VIII, we explain how the proposed amendment would be consistent with the regulatory approach taken in other countries and by leading standard-setting and other relevant organizations. Part IX presents our conclusions and summarizes why FTC action is needed now.

II. Background on the JVC and the Associations Supporting This Petition.

A. The JVC and Its Mission.

The JVC is a trade association, founded in 1917, whose nearly 10,000 members come from all sectors of the jewelry industry. Its central mission is to uphold and maintain the integrity and ethics of the jewelry industry through the promotion of compliance with the legal standards that apply to its trade practices. It enjoys the support not only of every sector of the industry, but also a wide array of service providers in the industry, including banks, insurance companies, accountants, legal professionals, gemological laboratories and more. The JVC is the main recipient of complaints from consumers and from members of the trade regarding instances of non-compliance with accepted trade practices. The JVC investigates and resolves these allegations through its Alternative Dispute Resolution Service or through close cooperation with federal, state and local law enforcement agencies. The JVC also works closely with government regulators to help them understand the industry and to provide them with up-to-date information regarding industry practices.

One of the JVC’s main missions is to ensure that the industry understands and complies with applicable laws. In this regard, the industry looks to the FTC Guides as the primary source of industry standards and regulations. The Guides are universally cited as the “Bible” for all levels of industry because all industry segments are acutely concerned about regulatory requirements that apply to their businesses. Accordingly, the JVC dedicates a considerable portion of its resources to disseminating and policing compliance with the Guides. Also reflecting the industry-wide importance of the Guides, other industry educational institutions, such as the Gemological Institute of America, the American Gem Society, and other jewelry

trade associations (including those undersigned), offer training on the Guides. It is no surprise then that most jewelers keep the Guides handy at their retail and manufacturing locations for easy reference, and the decisions they make about the language they use to sell and promote their products are sourced in these Guides.

B. Other Associations Supporting the Petition.

All of the leading jewelry industry trade associations, representing all sectors of the industry, endorse an amendment to the Guides prohibiting the use of the term “cultured” in connection with non-pearl products. In reaching a consensus favoring this amendment, the jewelry industry is seeking to protect consumers from misleading descriptions.

The specific trade associations that endorse this clarification of terminology in the FTC Guides are:

- The American Gem Society (“AGS”), founded in 1934 by Robert M. Shipley, is a trade association dedicated to proven ethics, knowledge and consumer protection within the jewelry industry. Members are held to the highest ethical standards in the industry and are re-certified annually to maintain their AGS titles. AGS' membership consists of 1,600 firms and 3,500 credentialed jewelers.
- The American Gem Trade Association (“AGTA”) is an association of natural colored gemstone and cultured pearl industry professionals in the United States and Canada that is dedicated to promoting the natural colored gemstone and cultured pearl trade. AGTA pursues its aims through the combined use of educational programs, industry events, industry relations and publicity to the trade and consumers while promoting and maintaining the highest ethical standards among its members and within the industry.
- CIBJO is the international jewelry confederation of national trade associations. CIBJO's purpose is to encourage harmonization, promote international cooperation in the jewelry industry and to consider issues that concern the trade worldwide. CIBJO's chief mission is to protect consumer confidence in the industry.
- The Cultured Pearl Association is the leading association of dealers in cultured pearls dedicated to the education of consumers and members of the trade about the qualities and characteristics of cultured pearls.
- The Diamond Council of America is an association representing 6,200 jewelry stores that provides quality, affordable education to its members and associations enhancing their ability to sell fine jewelry with expertise, integrity and professionalism.
- The Diamond Manufacturing and Importers Association of America represents hundreds of diamond professionals including cutters, polishers, dealers, traders, manufacturers of diamond jewelry and more. The commitment of the organization is

to ethical business practices in compliance with all legal standards applicable to the sale and manufacture of diamonds.

- The International Diamond Manufacturers Association is a confederation of diamond manufacturing organizations from around the world. Its thousands of associated members agree to a code of conduct pertaining to the manufacture and sale of diamonds. The organization sets standards of conduct and ensures the highest ethical conduct among its members in the diamond trade.
- The Jewelers of America (“JA”) is the national trade association of the retail jewelry industry. JA represents nearly 14,000 jewelers nationwide and serves as a center of knowledge and as an advocate for professionalism and high social, ethical and environmental standards in the jewelry trade.
- The Manufacturing Jewelers and Suppliers of America is a national trade association with over 1,750 members, which includes finished jewelry manufacturers, designers and industry suppliers.
- The World Federation of Diamond Bourses (“WFDB”) was founded in 1947 to unite and to provide bourses trading in rough and polished diamonds and precious stones, with a common set of trading practice. The WFDB provides a legal framework and convenes to enact regulations for its 26 member diamond bourses around the world. Ethics, good business practices and morality are paramount and these are protected vigorously by the Constitution of the WFDB which provides for Arbitration and Disciplinary procedures against any bourse member who transgresses the code. The purpose of the WFDB is to promote understanding and closer co-operation between peoples all over the world who earn their livelihood in the diamond and precious stones trade.

The above trade associations represent tens of thousands of companies from all sectors of the jewelry industry, with potentially significant differing interests and perspectives. Despite these potential differences, there is a strong consensus among all sectors on this issue. All of the above trade associations believe the term “cultured” is appropriate only to describe pearls that are created through the traditional, organically-based culturing process described in the Guides. This consensus speaks both to the propriety of the requested amendment, and to the urgency of its incorporation into the Guides.

III. The Differences Among Synthetic, Natural and Cultured Jewelry Products.

Before discussing why an amendment to the Guides is needed to promote non-misleading advertising, it is important to understand the significant differences among synthetic, natural and cultured products, and how the production and marketing of synthetic diamonds have changed.

A. The Industrial History of Synthetic Diamonds.

In the past few years the technologies capable of producing laboratory-created diamonds of gem-quality have improved dramatically. There are now several different methods for creating large (one carat or larger) and high quality (colorless to near colorless) products and for producing relatively large quantities of these products. These include the High Pressure High Temperature (“HPHT”) method⁶ and the Chemical Vapor Deposition (“CVD”) method.⁷ These methods⁸ currently are being employed by several companies, including the Gemesis Corporation (hereinafter, “Gemesis”), Chatham Created Gems Inc. (hereinafter, “Chatham”) (both use HPHT),⁹ and the Apollo Diamond Corporation (uses CVD).¹⁰ This has resulted in the unprecedented production and sale of synthetic diamonds.¹¹

B. The Properties of Synthetic Diamonds.

Natural diamonds and synthetic diamonds have very similar chemical composition, physical properties and structure; they are both made of a very dense form of pure carbon and have a very similar degree of hardness, refractive index, and dispersion. Because of this, to the unaided eye, synthetic diamonds have all the same optical, chemical and physical characteristics of a natural diamond. Indeed, distinguishing whether a diamond product is made from natural or synthetic diamonds often requires training and sometimes the use of sophisticated and expensive-

⁶ The HPHT process, which was developed by General Electric in the mid-1950s, uses high heat and high pressure inside a ceramic vessel, where small synthetic crystals are used as seeds that act as templates for further crystal growth. See Gemological Institute of America (GIA), James E. Shigley, GEMS & GEMOLOGY IN REVIEW, SYNTHETIC DIAMONDS, Preface, at X (2005).

⁷ CVD takes place in a low-pressure hydrogen/hydrocarbon gas environment inside a metal reactor with a vacuum system, gas injectors, and counter electrodes, and under only moderately high temperatures. In this process, single-crystal synthetic plates are used as substrates, which act as templates for further crystal growth. This technology was first developed in 1952. GIA, James E. Shigley. GEMS & GEMOLOGY IN REVIEW, SYNTHETIC DIAMONDS, *Tomorrow's Challenge: CVD Synthetic Diamonds*, at 231 (2005).

⁸ It is important to note that the HPHT and CVD processes are very distinct from the manufacture of imitation or simulant diamond products, which merely have an appearance similar to that of diamonds and are produced using fairly simple and unsophisticated techniques. These imitation products include cubic zirconia, synthetic rutile, YAG, synthetic moissanite, and even glass.

⁹ See, e.g., Martin Rapaport, *A Diamond Is A Diamond?* RAPAPORT NEWS, Diamonds.net, Oct. 8, 2003, at 5.

¹⁰ BBC Horizon, *Diamond Labs Transcript*, BBC 2, March 4, 2004, at www.gemesis.com, “News and Contacts;” see also Jennifer Mulrean, *Man-Made Diamonds: A Girl's New Best Friend?*, at <http://moneycentral.msn.com/content/SavingandDebt/P97816.asp>, and GIA, James E. Shigley, GEMS & GEMOLOGY IN REVIEW, SYNTHETIC DIAMONDS, at 246 (2005).

¹¹ For example, Gemesis currently claims to produce at least 10,000 stones per year. See also n. 21, *infra*. Chatham claims it supplies at least 12,000 carats of HPHT synthetic diamonds per year. Apollo may be making 5,000 to 10,000 carats available. W. Boyajian, *Tomorrow's Challenge: CVD Synthetic Diamonds*, GEMS & GEMOLOGY, Editorial, Vol. 39, No. 4, 267 (2003).

to-develop-machinery that is available mainly at laboratories and main cutting and polishing centers.¹²

However, there are significant differences between natural and synthetic diamonds. First, natural diamonds crystallized over a very long period of time naturally from carbon-based elements deep within the earth.¹³ In contrast, synthetic diamonds are produced in a matter of days or weeks in a chemical environment under controlled factory or laboratory conditions.¹⁴ Second, a close examination of synthetic diamonds reveals that they have different growth patterns from natural diamonds, different fluorescence distribution, and also contain different impurity and inclusion types. In addition, synthetic diamonds grown under HPHT conditions can contain metallic inclusions from the metallic melt in which they were grown.¹⁵

Third, natural diamonds are a diminishing resource, and sometimes it requires highly technical mechanical means to find and extract them, whether from the earth, from rivers or from under the ocean. Natural diamond prices tend upwards on an annual basis. On the other hand, synthetic products are not rare and their costs are driven by the materials and increasingly efficient technology used to produce them. Thus, they can be and are marketed at substantially lower price points, such as 30% of what would be charged for a comparable mined diamond.¹⁶ As technology improves, the supply of synthetic products presumably will increase, thereby increasing the price differential between natural and synthetic products.

¹² Analytic equipment such as DiamondSure (a device that analyzes the stone's spectroscopic characteristics), and Diamond View (a device that uses ultraviolet radiation to reveal the stone's fluorescence and phosphorescence patterns) can be used to identify whether a diamond is natural or synthetic. GIA, James E. Shigley, GEMS & GEMOLOGY IN REVIEW, SYNTHETIC DIAMONDS, at 251 (2005).

¹³ The first known deposition of diamonds occurred 3.3 billion years ago; the most recent was 990 million years ago. "Integrated models of diamond formation and craton evolution," Shirey Richardson & Harris; *Lithos* 2004, vol. 77, No. 1-4, pp. 923-44.

¹⁴ It takes approximately 80 hours to produce a single synthetic diamond crystal of up to 3.5 carats. GIA, James E. Shigley, GEMS & GEMOLOGY IN REVIEW, SYNTHETIC DIAMONDS, at 178 (2005).

¹⁵ See GIA, James E. Shigley, GEMS & GEMOLOGY IN REVIEW, SYNTHETIC DIAMONDS, *Box A: A Practical Guide for Separating Natural from Synthetic Diamonds*, at 130-31 (2005); see also Jennifer Mulrean, *Man-Made Diamonds: A Girl's New Best Friend?*, at <http://moneycentral.msn.com/content/SavingandDebt/P97816.asp>.

¹⁶ See, e.g., *Diamonds: Made in the U.S.A.*, CBS NEWS, May 12, 2004 at <http://www.cbsnews.com/stories/2004/05/10/6011/main616666.shtml>.

C. **How the Culturing Process for Pearls Differs From the Process For Creating Synthetic Diamonds.**

In the process of “culturing” pearls the only human intervention that occurs is the placing of an organic seed into a mollusk. The seed typically consists of a small piece of tissue from another mollusk and a bead, made of shell. Importantly, both the tissue and the bead are organic, natural materials. The introduction of an organic seed then prompts a living organism – the mollusk - to produce pearls through a biological process. During this process, the pearl grows at its own natural pace, in a manner exactly similar to the growth of a natural pearl.¹⁷ Notably, unlike the process for manufacturing synthetic diamonds, the culturing process for pearls takes place in the same habitats where natural pearls grow: natural bodies of water such as oceans, lakes and rivers.

The organic series of events that produce cultured pearls are clearly distinguishable from the manufacturing process for synthetic gems. The creation of a synthetic or lab-grown product is not an organic process; rather, the entire process is technologically directed in a factory setting. Although a so-called seed is used in the synthetic production process, this seed is commonly made from a tiny piece of synthetic material and is removed from the final product. Unlike the pearl culturing process, human intervention in the manufacturing process for synthetic gems extends far beyond the planting of a seed and then simply letting nature take its course. A combination of chemicals, chemical engineering, sophisticated machinery, advanced technology and science is necessary to produce synthetic diamonds and gems.

IV. **The Production and Marketing of Synthetic Diamonds.**

The demand for (natural) diamond jewelry¹⁸ in the U.S. is substantial and rising. In 2006, the diamond jewelry market was measured at over thirty-three (33) billion dollars, up from twenty-eight (28) billion dollars in 2005.¹⁹ Against this back drop, the production of synthetic diamonds also has experienced dramatic growth in recent years and further significant growth is expected and planned. Some companies report that their current production is not meeting

¹⁷ GIA, COLORED STONES, Course material, *Life's Gems*, Assignment 5, at 6 (1997).

¹⁸ Diamond jewelry includes any jewelry piece that includes at least one natural diamond, no matter how small. Jewelers of America, THE COST OF DOING BUSINESS SURVEY (2005).

¹⁹ Diamond Promotion Service, April 2006.

demand²⁰ and others, such as Gemesis, have stated that they are increasing their production.²¹ Products that were once a novelty are now fairly readily available.

Since 2000, when the production of synthetic diamonds began growing, the producers of synthetic, laboratory-created diamonds have actively marketed and promoted their products as “cultured diamonds.” For example, by 2002, both Chatham and Gemesis had begun selling synthetic HPHT gem quality diamonds through marketing that described these laboratory-created diamonds with the term “cultured diamonds” or through comparisons to cultured pearls. These marketing efforts represent a clearly purposeful attempt to associate these products with cultured pearls, despite the vast differences in their origin and production, and to transfer high consumer regard for cultured pearls to lab-grown diamonds. These efforts have resulted in media reporting on this emerging sector of the jewelry industry using the term “cultured diamond” to describe these new synthetic products.

Current marketing for lab-grown diamonds include the following statements from the websites of the leading synthetic diamond manufacturers.

- **Gemesis’** website for “Gemesis, The Cultured Diamond” included the following statements: “One of the most common questions we are asked is ‘What is the difference between a Gemesis Cultured Diamond™ and a mined diamond?’ The answer is simply only where it came from. Diamonds are usually mined from underground, ours come from above the ground.”²²
- **Chatham’s** website asks and answers the following question: “Is a Chatham Created Gemstone like a cultured pearl? Yes. Just as man provides the natural ‘seeds’ and

²⁰ J. Shigley, Ch. Breeding, A. His-tien Shen, *An Updated Chart On The Characteristics of HPHT-Grown Synthetic Diamonds*, GEMS & GEMOLOGY, Vol. 40, No. 4, 303 (2004).

²¹ Gemesis predicts it will soon produce 20,000 carats of gem-quality synthetic diamonds annually, up from 4000 carats annually in 2002. J. Shigley, R. Abbaschian, and C. Clarke, *Gemesis Laboratory-Created Diamonds*, GEMS & GEMOLOGY, Vol. 38, No. 4, 301 (2002) and Sanjiv Arole, *Cultured Diamonds Are Here To Stay*, BUSINESS STANDARD, New Delhi, March 31, 2004.

²² <http://www.gemesis.com>, “About Our Diamonds.”(visited March 2, 2006). See also

“Gemesis wants to be absolutely certain that it distinguishes diamonds grown by man from those grown in nature. ‘Cultured’ is a term that has been used for many years to describe pearls that are engineered by man. That is, where man has found a way to recreate nature’s process, so Gemesis uses ‘Cultured’ and ‘Laboratory-Grown’ to describe accurately the origin of these diamonds. The term ‘synthetic’ is sometimes used to describe diamonds grown by man. However, it is often incorrectly interpreted as meaning ‘fake’ and, thus, is misleading. Even worse, the term ‘synthetic’ may be used by some to describe stones that aren’t actually diamond. However, both ‘Cultured’ and ‘Laboratory-Grown’ fairly and clearly describe this unique jewelry product.”

Id. (visited Nov. 15, 2006) (emphasis added). For the reasons discussed in Part III, *supra*, the term “cultured” does not fairly or accurately describe this product.

controlled environment to help grow a cultured pearl, Chatham provides the natural elements and controlled environment to grow crystals.”²³

- **Apollo’s** website contains the following statement: “Just as Mikimoto and Akoye introduced cultured pearls [...] Apollo has harnessed the natural growth process to bring you a cultured yet 100% pure diamond.”²⁴

The data from three consumer surveys, discussed below, show that the use of the term “cultured” is likely to be misunderstood by consumers, who associated “cultured” with an organic process. The Commission always has been sensitive to the effect on consumers of marketers’ efforts to insinuate that their products have the same benefits or characteristics of other products, and the FTC’s challenges to such practices, even when the practices are implied or subtle, have been upheld by the courts.²⁵ We ask that the FTC similarly respond to “cultured diamond” marketing by providing industry guidance on the use of the term “cultured” to help ensure consumers are not misled, directly or indirectly, when it is used in marketing for synthetic diamonds or other gemstones.

V. Consumer Survey Results.

Since 2002, the JVC has overseen one consumer survey and been provided with two others on this topic. Each of these surveys, described below, indicates a high level of confusion among consumers concerning the meaning and true nature of “cultured diamonds.” This confusion likely results in consumers being materially misled about the origin and characteristics of cultured diamonds. Notably, and in stark contrast to this confusion, consumer understanding of the term “cultured pearl” is very good. The Commission has relied upon similar consumer research in making other regulatory guidance decisions, such as its 1997 Enforcement Policy Statement on Made in USA and Other Origin Claims²⁶ and its Guides for the Use of Environmental Marketing Claims.²⁷ The research submitted with this Petition similarly provides a basis for further Commission guidance on the term “cultured.”

²³ <http://www.chatham.com/faq.html>, “The Chatham FAQs.” (visited Feb. 24, 2006).

²⁴ <http://www.apollodiamond.com/gemstones.html>, “Gem Quality Diamond Crystals.”(visited Feb. 24, 2006).

²⁵ See *Telebrands Corp. v. Federal Trade Commission*, 2006 WL 2243584 (4th Cir. Aug. 7, 2006).

²⁶ 62 Fed. Reg. 63756 at 63763-64 (Dec. 2, 1997).

²⁷ 16 C.F.R. Part 260. In particular, consumer perception data on consumer expectations for a “recycled” claim played a key role in the standard the Commission established for unqualified claims of “recycled content.”

16 C.F.R. § 260(7)(e). The Commission also has cited its past reliance on such data in comments to other agencies recommending that they too set standards or create definitions for terms - in conjunction with consumer perception

2002 JVC Research

In 2002, the JVC conducted consumer research among sophisticated jewelry consumers.²⁸ Research indicated that thirty-six percent (36%) of all respondents recalled hearing the term “cultured” applied to diamonds in product advertising or promotions. However, when asked the meaning of the term “cultured diamond,” over sixty-six percent (66%) of respondents had an incorrect understanding or no understanding of the term. Specifically, over forty-one percent (41%) of respondents believed that a “cultured diamond” is a gemstone grown naturally with human intervention; another fourteen percent (14%) of respondents indicated that they did not understand the meaning of the term; eight percent (8%) of respondents believed “cultured diamonds” are found naturally in the earth, but enhanced or improved by man using chemicals or artificial substances; and three percent (3%) believed the phrase referred to a gemstone found naturally in the earth. Only one-third (33%) of respondents understood that the term described a laboratory-created product. In contrast, over ninety percent (90%) understood the term “synthetic diamond” to mean a laboratory-created product.

Quite unlike consumers’ misunderstanding of the term “cultured diamond,” sixty percent (60%) of respondents to the survey correctly understood that cultured pearls are naturally grown with human intervention.²⁹ Furthermore, over fifty-four percent (54%) of consumers understood the independent term “cultured,” when used without qualifying the term “pearl” or any particular noun, to mean “naturally grown with human intervention.” At the same time, when asked to identify which items describe “synthetic” in connection with fine diamond jewelry, over eighty percent (80%) of consumers believed “synthetic” to mean “artificially created” while close to forty-two percent (42%) understood “synthetic” to mean “laboratory grown.”³⁰

Of particular interest, and likely related to the above understandings, when respondents were presented with a choice of five descriptive terms, including “genuine,” “cultured,”

data - to assist consumers in evaluating ad claims. *See* Comments of the Staff of the Bureau of Consumer Protection, the Bureau of Economics, and the Office of Policy Planning of the Federal Trade Commission, before the Department of Health and Human Services, Food and Drug Administration, “In the Matter of Draft Guidance for Industry and FDA Staff: Whole Grains Label Statements.” Docket No. 2006-0066, April 18, 2006 at n. 23.

²⁸ JVC’s research study was conducted using MVI Marketing Ltd.’s Jewelry Consumer Opinion Council (“JCOC”). The JCOC uses a demographic sampling to gather respondent feedback to a questionnaire that is completed via email. The survey is attached as Exhibit A.

²⁹ JCOC survey, Exhibit A. Note that for this question as well as some similar questions, respondents were given the opportunity to choose all applicable responses.

³⁰ *Id.*

“synthetic,” “treated,” and “enhanced,” respondents ranked “cultured” products as the third most valuable, and “synthetic” products as the least valuable of the five. In addition, the JVC survey indicated that nearly all respondents (95%) would expect to pay less for synthetic diamond jewelry as compared to genuine diamond jewelry, while over twenty-five percent (25%) of respondents would expect to pay the same for cultured diamond jewelry, and four percent (4%) would pay more.

These findings are particularly important because they indicate that consumers believe “cultured” products are more valuable than “synthetic” products, and consequently might be willing to pay more for “cultured” diamond jewelry than for “synthetic” diamond jewelry. In the context of this discussion of synthetic diamonds and/or gemstones, the products being sold and marketed as “cultured” diamonds or gemstones are in fact no different from those laboratory-created products that are labeled as “synthetic.”

2005 TNS Survey

In a second analysis of consumer perception regarding awareness and understanding of “cultured diamonds,” TNS conducted telephone interviews with consumers in October 2005.³¹ One-thousand (1,000) respondents, a sample representative of the United States population, were asked the following questions:

- “Have you heard of cultured diamonds?” (Yes/No/Don’t Know)
- For both “yes” and “no”: “What do you think they are?” (Open ended question)
- “Do you believe that cultured diamonds are a natural product?” (Yes/No/Don’t Know)

When asked whether they believed that “cultured diamonds” are natural products, astonishingly over one-in-four respondents (26%) believed that “cultured diamonds” are in fact natural products. This percentage of respondents who believed that “cultured diamonds” are natural was not significantly impacted by whether or not they had already been exposed to the term. Further, one out of every seven (14.6%) respondents was not sure whether “cultured diamonds” are natural. In sum, over forty percent (40%) of respondents either thought “cultured diamonds” are natural, or did not know whether they are natural or man-made.

³¹ TNS is one of the world’s leading market research firms with offices in 70 countries. Among other things, it conducts customized market surveys for clients in a wide range of industries. This survey is attached as Exhibit B.

Further, over thirty-four percent (34%) of the total respondents answered “don’t know” when asked for their understanding of the term “cultured diamond.” In fact, only thirty-two percent (32%) of all respondents had ever heard of the expression “cultured diamonds.” For these respondents, over eight percent (8%) claimed that they still did not know the meaning of the term. Of those who had never before heard the expression “cultured diamond,” almost half (47%) said that they did not know what they are.

Furthermore, those respondents who did provide an answer regarding their belief as to the meaning of the term gave a wide array of mostly inaccurate answers. Only about nine percent (9%) of the responses approached a fully accurate understanding of the term.³² Even if all respondents’ answers suggesting that “cultured diamonds” were understood to be generally non-natural are included,³³ only a total of thirty-five (35%) percent of respondents could be judged to hold even a basic understanding of the terminology.

2006 TNS Survey

In June 2006, TNS again surveyed consumers of fine jewelry through telephone interviews.³⁴ The study, which had over one thousand respondents, revealed that nine percent (9%) of respondents did not know the meaning of “cultured diamonds” and that forty-one percent (41%) of respondents believed that “cultured diamonds” are a natural product. In sum, this newest survey indicates that use of the term “cultured diamond” misrepresents, for a significant percentage of respondents, the origin of the product or how they are created.

VI. How the FTC Has Previously Addressed the Term “Cultured.”

The Commission or its staff has addressed the appropriate use of the term “cultured” in cases, the Guides, and in staff opinions, as discussed below. However, none of the Commission’s prior actions definitively address this issue. Since this issue was last considered by the FTC staff, the marketplace has changed further. Additionally, there is now information in

³² Specifically, about five percent (5%) of respondents described “cultured diamonds” as “manufactured diamonds;” about 2 percent (2%) described “cultured diamonds” as “synthetic;” and about two percent (2%) described “cultured diamonds” as “lab-made.”

³³ Such responses would not exhibit any specific understanding of the difference between synthetic, or laboratory-created diamonds, and simulated diamonds, such as moissanite or cubic zirconia.

³⁴ Respondents consisted of persons 18 or older whom either (1) reported purchasing or receiving as a gift fine jewelry in the past three years; or (2) expected to purchase or receive as a gift fine jewelry in the next year. This survey is attached as Exhibit C.

the form of consumer surveys, as discussed above, that demonstrate that Commission action to amend the Guides is critical. Finally, other countries and standard-setting entities have now addressed this issue and their conclusions support the need for an amendment to the Guides.

A. The Guides' Standards for the Description of Non-Natural Gem Materials.

Background

The FTC Guides, as they currently exist, are the result of a comprehensive review that was completed more than 10 years ago.³⁵ The FTC initiated this review in 1992 in response to a Petition the JVC filed in 1986, and supplemented in 1989, and pursuant to a program to review all FTC rules and Guides periodically to ensure that they remain relevant and useful in light of any changed technological, marketplace or other conditions. As a result of this review, the Commission updated the language in the Guides to reflect the legal terminology used in the Commission's Deception and Unfairness Policy Statements and made numerous substantive revisions to the Guides to reflect technological developments. Certain issues relevant to this Petition also were discussed during this proceeding, as noted below, but were not definitively resolved.

Relevant Sections of the Guides

The FTC Guides advise, in § 23.1, that it is unfair or deceptive to misrepresent any industry product in any material way, including the type, origin, preparation or production of an industry product. The Guides also highlight that to prevent deception any necessary qualifications or disclosures should be clear and prominent, and specifically emphasize the importance of clear language.³⁶

The Guides also provide specific guidance on various industry products, such as diamonds and pearls, as noted below. Section 23.11(a) of the Guides defines a diamond as “a natural mineral consisting essentially of pure carbon crystallized in the isometric system” (emphasis added). Section 23.23(a)-(b) states that it is unfair or deceptive to use the unqualified name of any precious or semi-precious stone to describe any product that is not in fact a natural stone. To describe such material, a qualification must be included so that the name of the stone

³⁵ 61 Fed. Reg. 27178 (May 30, 1996).

³⁶ 16 C.F.R. § 23.1, second “Note.”

is immediately preceded by the word “laboratory-grown,” “laboratory-created,” “(manufacturer name)-created,” “synthetic,” “imitation,” or “simulated” (depending on the nature of the material) in order to disclose clearly the nature of the product and the fact that it is not a natural gemstone.

In addition, § 23.23(c) states that it is “unfair or deceptive to use the word ‘laboratory-grown,’ ‘laboratory-created,’ ‘(manufacturer-name)-created,’ or ‘synthetic’ with the name of any natural stone to describe any industry product unless such industry product has essentially the same optical, physical, and chemical properties as the stone named.” In connection with cultured pearls, § 23.20(k) states that “it is unfair or deceptive to use the word ‘synthetic’ or similar terms to describe cultured or imitation pearls” since cultured pearls do not have the same optical, physical and chemical properties as natural pearls.³⁷

Unresolved Issues Regarding the Term “Cultured”

During the 1992-1996 review of the Guides, the JVC proposed amending the Guides to restrict the application of the term “cultured” to pearls and pearl products. The JVC believed, based on historical usage of the term and consumer familiarity with the term when used with pearls, that use of the term “cultured” to describe laboratory-created gemstones was misleading. Other participants in the proceeding took a contrary view and requested that the Commission specifically allow the term “cultured” for some or all of the then-used processes for manufacturing such products.³⁸

The FTC concluded that there was insufficient evidence concerning relevant consumer perceptions to explicitly allow the use of the term “cultured” with synthetic gemstones.³⁹ At the same time, while it recognized the Commission’s decision in the *Chatham Research Laboratories* case, which indicated that the word cultured as in “cultured emerald” is misleading (discussed below), the FTC decided not to explicitly prohibit the use of the term “cultured” with synthetic gemstones, again finding there was insufficient evidence on consumer perceptions on the term.⁴⁰ There is now, however, overwhelming evidence showing that the term “cultured”

³⁷ See also 61 Fed. Reg. 27178, at 27204 (May 30, 1996).

³⁸ *Id.* at 27208 and nn. 321-23.

³⁹ *Id.* at 27208-09.

⁴⁰ *Id.* at 27209-10 (but adding the words “precious” and “semi-precious” to the list of words that are deceptive when applied to synthetic or imitation gemstones because they falsely imply rarity) (16 C.F.R. § 23.24).

when used with synthetic diamonds misconveys the nature of the product. This evidence should establish to the Commission's satisfaction that consumers consider "cultured" and "culturing" as reflecting a largely organic, natural process. Because the use of such terms in conjunction with lab-grown diamonds implies they too result from a natural and organic process, the Commission should restrict use of the term "cultured" for the same reason that the Commission restricted use of the terms "precious" and "semi-precious" in 1996 -- to prevent consumer deception.

B. The Chatham Research Laboratories Case.

In 1959, the Commission brought an enforcement action for deceptive advertising against Chatham Research Laboratories regarding its use of the designation "Chatham Cultured Emeralds."⁴¹ In that case, Chatham Research Laboratories advertised synthetic emeralds it had manufactured as "Chatham Cultured Emeralds (as well as through other phrases)." The Commission ruled that the use of the phrase "Chatham Cultured Emeralds" was deceptive because it "misrepresented that ... said synthetic stones or synthetic emerald products had been cultured ... when in fact they ... were not cultured." The Commission also concluded that the phrase "Chatham-Created Emerald," when used with the advertiser's name "Cultured Gem Stones, Inc.," created an ambiguity and implied that the emeralds are possibly cultured rather than synthetic and that this ambiguity was deceptive. The trade name, in the Commission's opinion, "destroyed the reasonable inference that a 'Chatham-Created Emerald' is a synthetic emerald."⁴²

Even though the order against Chatham has sunsetted under the Commission's "Sunset Policy," the principles the Commission applied in that case have not.⁴³ The Commission's analysis of the advertising and its finding that the term "cultured" is misleading when applied to synthetic gemstones is as relevant today as it was in 1964.⁴⁴

⁴¹ *Chatham Research Laboratories*, 64 F.T.C. 1065-74 (1964).

⁴² *Id.*

⁴³ See 16 C.F.R. § 3.72(b)(3).

⁴⁴ See also Advisory Opinion No. 260, Regarding Synthetic Emeralds (1968)(using "grown" in conjunction with synthetic emeralds is improper as consumers likely to associate "grown" with its commonly accepted meaning of natural growth and thus inaccurately conclude the product is a "cultured" stone).

C. Subsequent Proceedings at the FTC.

In July 2001, the JVC, prompted by technological developments making the production of jewelry quality lab-grown diamonds a viable commercial enterprise,⁴⁵ solicited a staff opinion letter on the issue of the use of the term “cultured” in connection with the marketing of these products.⁴⁶ In October 2001, the resulting FTC staff opinion letter stated that it was unclear whether consumers would understand that a “cultured” diamond was created in a laboratory and was not natural.⁴⁷ The FTC, however, unequivocally stated that because a synthetic diamond is not a natural diamond, the term “diamond” must be qualified so that consumers purchasing the product are not misled into thinking that the product is natural.⁴⁸

It is noteworthy that the staff letter emphasized that because the term “cultured” had not been widely used to describe synthetic gemstones in the past, it would be the seller’s obligation to ensure that claims about its products were truthful and not misleading. The seller also would be obliged to ensure that customers notice and understand qualifying information about products described in this manner. The opinion letter concluded that consumer survey evidence was necessary, and that advertisements and marketing material needed to be evaluated in order to determine whether the term “cultured,” when describing synthetic diamonds, adequately qualifies the word “diamond,” or whether the term as a whole is instead deceptive.⁴⁹

VII. The Current Petition and the Need for an Amendment to the Guides.

Since the FTC last considered this issue as part of its review of the Guides and in the context of a staff opinion, the JVC has obtained consumer perception data, described above, which indicates that the term “cultured” is misleading when used with synthetic products. This evidence and the recent growth in this market make full FTC consideration of the issue now even more imperative. It is important to note that neither the JVC nor any of the other associations are requesting that the FTC bring law enforcement actions to address this situation at this time. In

⁴⁵ See Part IV, *supra*.

⁴⁶ J. Sperano, Letter from Jewelers Vigilance Committee to Bureau of Consumer Protection, FTC, July 18, 2001.

⁴⁷ R. Spector, Letter from the Division of Enforcement, Bureau of Consumer Protection, FTC, to Jewelers Vigilance Committee, Oct. 3, 2001.

⁴⁸ *Id.* See also L. DeMartino letter from the Division of Enforcement, Bureau of Consumer Protection, FTC, May 11, 2000.

⁴⁹ R. Spector, Letter from the Division of Enforcement, Bureau of Consumer Protection, FTC, to Jewelers Vigilance Committee, Oct. 3, 2001.

addition, neither the JVC nor any of the undersigned associations have any intent to restrict the sale or marketing of laboratory-created diamonds. This Petition merely asks the FTC to expand the guidance on nomenclature that it already provides in the Guides about practices that are unfair or deceptive when marketing synthetic products. Although representing, directly or by implication, that synthetic diamonds are comparable, contrary to fact, to cultured pearls in terms of their “production,” “preparation,” and the “manufacturing” process used and that they have the same type of “value” as cultured pearls may already be actionable as unfair or deceptive claims under § 23.1, the JVC and the supporters of the Petition believe that *specific* Commission guidance on the use of the term “cultured” is needed.

Specifically, we propose that the Commission amend § 23.24 of the Guides to include misuse of the word “cultured.”⁵⁰ This section already states that it is unfair or deceptive to use the word “*natural*” to describe synthetic or imitation products. Because the survey results show that consumers overwhelmingly interpret “cultured” to mean a “*natural*” product or a product *grown naturally*, it is appropriate and logical to revise this section to include the related word “cultured.”⁵¹ The practical effect of this amendment would be to limit the use of the term “cultured” to pearls, as set forth in § 23.18(b).

Additionally, in considering this issue it is important to recall that the Commission has already determined that “cultured” and “synthetic” are *not* interchangeable terms. In its review of the Guides in 1996, the FTC specifically addressed the difference between a synthetic product and a cultured pearl. The FTC explained that the term “synthetic” may be used to describe laboratory-created stones only if they have “essentially the same optical, physical, and chemical properties as the stone named.” Because cultured pearls do not have the same physical and optical properties as natural pearls, the FTC concluded that it would be deceptive to use the term “synthetic” for “cultured pearls.” The reverse also should be true. The proposed amendments would inform the industry that the FTC considers the use of the term “cultured,” a unique natural

⁵⁰ We recommend amending the title of this section to include the word “Cultured,” and to further amend the section as follows:

It is unfair or deceptive to use the word “real,” “genuine,” “natural,” “**cultured**,” “precious,” “semi-precious” or similar terms to describe any industry product that is manufactured or produced artificially, except as provided for cultured pearls in §§ 23.19 and 23.20.

⁵¹ See also Commission Advisory Opinion at n. 44, *supra*.

and organic process long associated exclusively with the pearl industry, deceptive when used in conjunction with products created in an entirely dissimilar way.

A. Deception Analysis.

In determining whether marketing is deceptive, the Commission analyzes whether there is a representation, omission or practice that is likely to mislead a consumer acting reasonably under the circumstances to his detriment.⁵² The JVC believes that current marketing materials disseminated by synthetic diamond manufacturers contain statements that are likely to mislead consumers to their detriment. Specifically, as described above, marketing materials for these products use the term “cultured” in a variety of ways that imply that synthetic diamonds are comparable to cultured pearls in terms of how they are produced and in other ways.

The results of the consumer surveys regarding consumer understanding of the term “cultured” support the conclusion that these uses of the term are misleading. No specific ads were copy tested because there is no intent to single out any marketer. Instead the research assesses how the term is understood by consumers and thus the likely impact of the use of the term in advertising generally. This is the type of data the Commission has used before when issuing guidance to the public.⁵³ These data evidence the need for Commission action to assist marketers by providing additional guidance on how to nondeceptively market lab-grown products.⁵⁴

These data show that over forty percent (40%) of consumers understand “cultured” to refer to a natural process involving human intervention, which is not the process that is used to manufacture synthetic products (*see* Part III). Additionally, a large majority of respondents to the October 2005 survey did not have an accurate understanding of the term “cultured” when used in the phrase “cultured diamonds.” These respondents either stated that they didn’t know what “cultured diamonds” are, or incorrectly described the nature and/or provenance of “cultured

⁵² Deception Policy Statement, appended to *Cliffdale Associates, Inc.*, 103 F.T.C. 110, 174 (1984).

⁵³ *See* Part V, nn. 26 and 27 and surrounding text.

⁵⁴ The Commission’s staff have advised other agencies, such as FDA, to provide guidance on terminology such as “100 whole grain” and “whole grain” so that marketers can use the terms without misleading consumers. *See* FTC comment to FDA in Docket No. 2006-0066, at n. 27, *supra*. *See also* FTC staff comments for Department of the Treasury on “Labeling and Advertising of Wines, Distilled Spirits and Malt Beverages” (recommending, *e.g.*, standardization of terms such as “drink” because of the wide variety of alcohol levels in various beverages) (Sept. 26, 2005).

diamonds.” In fact, over one-in-four respondents believed that “cultured diamonds” are natural products . The results from the June 2006 survey are even more probative. Specifically, the study showed forty-one percent (41%) of respondents believed that “cultured diamonds” are a natural product. Thus, the empirical data regarding the term “cultured” when applied to a lab-grown diamonds indicate that its use in marketing is likely to mislead consumers about the nature, characteristics and value of the product, while a term, such as “synthetic,” accurately conveys the nature of the product.⁵⁵

Even if marketing for a lab-grown product were to also describe the product as “synthetic” or “created,” or otherwise mention a manufacturing process, the use of the term “cultured” is highly likely, at a minimum, to introduce ambiguity about the nature of the process used to create the product. This ambiguity is likely to mislead consumers to their detriment, as the Commission previously determined in the *Chatham* case.⁵⁶ The Guides also recognize in § 23.1, note 2, that to prevent deception clear language is necessary for any disclosures and qualifications that may be necessary, as well as an absence of *contrary* claims that could undercut the effectiveness of any disclosures. Thus, even if marketing for synthetic diamonds stated, for example, that they were synthetic, created, or lab-grown, the use of the term “cultured” in the same marketing materials is a contrary claim. The very powerful associations created by the term “cultured” are very likely to overcome the other descriptors and to create a contrary impression or to create a misleading, deceptive ambiguity about the nature of the product. Under the proposed revision marketers of synthetic diamonds or other gemstones could continue to use the following terms, “synthetic,” “laboratory-grown,” “laboratory created,” {manufacturer-name}-created, or “artificial,” which the Commission has already determined are clear and unambiguous disclosures that the products are not natural stones. Similarly, the terms “man-made” and “machine-made,” which unambiguously convey the origin of the product could be used.

⁵⁵ See Question 7 of July 2002 survey data.

⁵⁶ See discussion of *Chatham* at n. 41. Although the Commission focuses on the “net impression” of advertising rather than the individual pieces of an advertisement, the *Chatham* case makes clear that the use of a term such as “cultured” by itself to describe a synthetic product is a false statement that cannot be cured by other statements in the ads. Additionally the use of the term may introduce so much ambiguity into the ad that other statements that may be non-deceptive on their own are now called into question, leaving the consumer with a misleading impression.

In any event, appropriate disclosure pre-sale is necessary to avoid harm to consumers. If consumers are misled about the nature of a product, they are deprived of the opportunity to make informed choices, including whether or not to buy a lab-grown versus a natural stone or what price to pay. The data indicate that consumers are willing to pay more for products that are created by a generally natural process than they are for synthetic products. Thus, adequate, appropriate and unambiguous disclosure about the fact that a product is synthetic and not natural is crucial.

Additionally, Commission guidance is likely to ensure that the product category is nondeceptively marketed at all levels of the trade, including at resale where original marketing materials or other information about the manufacture of the product may not be available. It also is not improbable that retailers may be confused about the nature of such products too.⁵⁷ With two market-place levels vulnerable to confusion, a scenario in which a retailer mistakenly sells a laboratory-created diamond to the ultimate consumer as a natural diamond is not unrealistic. This points to the need for adequate and clear disclosure of the nature and provenance of synthetic diamonds and gemstones in all contexts.

In short, amending the Guides as requested will encourage an environment of non-misleading advertising that does not obscure the nature of these products. It is particularly important that representations about these products be truthful and nonmisleading because most jewelers in the United States do not have specialized equipment on hand to identify synthetic diamonds from natural ones. This equipment is typically available at independent gemological facilities (not retail jewelry stores) with the appropriate resources.⁵⁸

B. The Unfairness Analysis.

In determining whether a practice is unfair under the FTC Act, the Commission analyzes whether there is an act or practice that causes, or is likely to cause, substantial injury to

⁵⁷ This potential for confusion has been acknowledged by producers of synthetic gemstones. For example, Gemesis is adding tiny nickel particles to the production process in order to make it easier for laboratories to identify the nature of the stones. In addition, all synthetic diamonds weighing 0.25 carats or more have a unique serial number, bearing a laser inscription as to the Gemesis-origin of the stone on the girdle of the synthetic diamond. See <http://moneycentral.msn.com/content/SavingandDebt/P97816.asp>, “*Man-Made Diamonds: A Girl’s New Best Friend?*” Jennifer Mulrean. It is not clear how consistently such efforts will be applied on a voluntary basis, or the degree to which they will benefit the ultimate consumer. Further, such techniques can be contravened.

⁵⁸ See *Diamonds: Made In the U.S.A.*, CBS NEWS, May 12, 2004, at <http://www.cbsnews.com/stories/2004/05/10/60II/main616666.shtml>.

consumers that is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or competition.⁵⁹

In this regard, the research indicates that marketing for synthetic diamonds that invokes a connection between the process for creating cultured pearls and the ones used for creating synthetic diamonds or that likens a laboratory or factory-production setting to the process for culturing pearls in natural settings is likely to cause considerable consumer injury. Marketers that evoke imagery of the organic process used for cultured pearl production, or the positive reputation attributed to cultured pearls, would benefit from consumers pre-existing beliefs, to consumers' detriment. In essence, such marketing practices impute consumers' existing beliefs about cultured pearls and the high regard consumers have for such products to markedly different products.⁶⁰ Specifically, the consumer survey results show that consumers place a higher value on cultured diamond jewelry than on synthetic diamond jewelry and are willing to pay more for cultured jewelry than synthetic jewelry.

Thus, consumers are likely to be substantially injured economically from a practice of using "cultured" in marketing because of their preexisting beliefs about "culturing" that make them willing to pay more for such products. Consumers cannot avoid such harm because most consumers do not know (as shown by the survey data) what cultured diamonds are or that the processes used to create synthetic products are dramatically different from those used for cultured pearls. A practice of invoking consumers' positive views about cultured products for the purpose of transferring those beliefs to entirely different products does not have offsetting benefits to consumers or competition. Sellers of synthetic diamonds have many truthful and laudatory statements at their disposal to market their products and thus competition and the benefits that competition brings to consumers is not affected by a restriction on one unfair marketing term.

C. Other Equitable Considerations.

Another consequence of a long-term misuse of the term "cultured" in connection with synthetic diamonds may be to alter consumers' understanding of the term as it applies to pearls. The cultured pearl industry has dedicated enormous resources over many decades to help

⁵⁹ 15 U.S.C. § 45(n).

⁶⁰ See *Telebrands*, n. 25, *supra*.

consumers understand that the process by which cultured pearls are grown is largely a natural one. Consumer regard for such natural processes results in consumers valuing cultured pearls greater than synthetic products. These efforts to truthfully inform and educate consumers about the cultured pearl process could be undermined by allowing the term “cultured” to be applied to synthetic products. Specifically, such inappropriate and misleading use might lead to an erroneous consumer belief that a “cultured pearl” is a synthetic product. As noted previously, the Commission has already indicated that cultured pearls should not be marketed as “synthetic” products because they do not have “essentially the same optical, physical, and chemical” properties as natural pearls.⁶¹ Thus, the Commission should take action to also help ensure that consumers are not inadvertently misled about the nature of cultured pearls. Allowing the terms to be used interchangeably would create, in essence, exactly the kind of consumer confusion and deception that the Guides attempt to prevent.

Moreover, allowing the synthetic diamond industry to apply the term “cultured” to their products may set a dangerous precedent for other industry segments that may also seek to benefit from a lack of awareness among consumers. For example, if the laboratory-created diamond industry is permitted to describe its products as cultured, the simulated diamond industry may similarly feel that it is permissible for them to use the term “cultured” to describe its products. Companies that are now using the terms such as “cubic zirconia,” “moissanite,” “synthetic rutile,” and “YAG” may come to believe that it is appropriate to call their products “cultured diamonds.” Clearly, this would adversely affect consumers. It is therefore imperative that the FTC act now to highlight the importance of clear and accurate language in describing all jewelry products.

VIII. Harmonization with Other Countries, International Standards-Setting Bodies and Other Respected Bodies.

The Commission has long been aware of the need for and the benefits of harmonizing regulatory requirements, when possible, with those in other countries and with best practices established by reputable standards-setting organizations.⁶² As a result, a number of FTC

⁶¹ 16 C.F.R. § 23.21(d).

⁶² The Trade Agreements Act of 1979 states that no federal agency “may engage in standards-related activity that creates unnecessary obstacles to the foreign commerce of the United States and that federal agencies must, in developing standards, “take into consideration international standards and shall, if appropriate, base the standards on

regulations incorporate or reflect standards used in other countries or standards issued by the International Organization for Standardization (“ISO”).⁶³ In the jewelry industry, the Commission has reflected this view through, for example, its consideration of ISO standards for gold plating and platinum when it reviewed the Guides and its incorporation of certain ISO-based standards into the Guides.⁶⁴ With respect to the term “cultured,” internationally there is a strong movement towards restricting use of the term to cultured pearls, and Commission action to amend the Guides as proposed would be consistent with the actions of other governments and other highly regarded international and domestic organizations.

A. Actions by Foreign Countries.

In August 2005, the Australian Competition & Consumer Commission (“ACCC”) published a Guide to the Trade Practices Act for Advertising and Promotion in the Jewelry Industry. The Deputy Chair of the ACCC announced when the guides were issued that they were designed to give the jewelry industry the basic information they need to comply with the Trade Practices Act and similar provisions in state and territory fair trading legislation. These guides expressly advise the jewelry industry that the use of the term “cultured” to describe laboratory-made gemstones risks being misleading and deceptive because “it may be inferred from the word ‘cultured’ that the gemstone has been produced from a predominantly organic process.”⁶⁵

Similarly, in 2002, the French government issued Decree No. 2002-65. This decree requires that the term “synthetic” be used when describing a laboratory-created gemstone, and

international standards.” 19 U.S.C. § 2532(2)(A). A “standard” is defined as “a document approved by a recognized body that provides, for common and repeated use, rules, guidelines, or characteristics for products or related processes and product methods, with which compliance is not mandatory. Such term may also include or deal exclusively with terminology, symbols, packaging, marking, or labeling requirements as they apply to a product, process, or production method.” 19 U.S.C. § 2571(13).

⁶³ See, e.g., Textile Act regulations at 16 C.F.R. Part 303 at § 303.7 (Generic names and definitions for manufactured fibers; ISO-approved generic names permitted); Care Labeling Rule, 16 C.F.R. Part 423 (symbols permitted in lieu of words to present care instructions to ease burden on international commerce; permitted symbols based on ISO symbols). See also Appliance Labeling Rule, 16 C.F.R. Part 305 at § 305.11 (a)(5)(i)(K) (allowing Canadian and Mexican Energy labels to be adjacent to U.S. EnergyGuide).

⁶⁴ See 61 Fed. Reg. at 27188 (gold plating) and 62 Fed. Reg. 16669 (April 8, 1997) (platinum products) (FTC Press Release dated April 7, 1997 states “FTC Revises Guide For Platinum Jewelry Marketing: New Guide Simpler, Better Reflects International Standards, Agency Says”).

⁶⁵ A Guide to the Trade Practice Act: Advertising and Promotion in the Jewelry Industry, AUSTRALIAN COMPETITION & CONSUMER COMMISSION (Aug. 2005) at 17-18.

expressly prohibits the use of the term “cultured” (and the terms, “grown,” “cultivated,” and “natural”) to describe synthetic stones.⁶⁶

Also of interest is decision from a court in Germany involving the company Gemsmart GmbH, the German distributor of Gemesis diamonds. In that case, the court ordered that Gemsmart cease using the word “zuchtdiamond,” which translates to “cultured diamond,” when marketing its product in Germany.⁶⁷

B. International Standards-Setting Decisions.

The prestigious World Jewelry Confederation, also known as “CIBJO,” also has addressed the issue of nomenclature for synthetic diamonds. CIBJO is a confederation of dozens of international jewelry associations representing all sectors of the international jewelry industry, including manufacturers, retailers, diamond dealers, colored gemstone dealers, mining organizations (precious metals and gemstones), gemological laboratories, and more. CIBJO is a member of the UN Economic and Social Council (“ECSOC”), a UN-based gathering of approved trade associations with which the UN consults on matters pertaining to international trade. CIBJO develops and publishes nomenclature standards applicable to jewelry products as its member associations reach consensus on standards. These standards are then published in the CIBJO “Blue Book,” widely regarded as the most comprehensive guide to nomenclature in the international jewelry industry. To the extent that these standards are consistent with each member’s national laws, members of CIBJO agree to apply these standards to their trade practices.⁶⁸ In fact, some nations have adopted CIBJO standards into their respective legal systems.

The CIBJO Diamond Book is one portion of the Blue Book. It sets nomenclature standards specific to the diamond trade. Among the standards included in the Diamond Book is a provision that laboratory-created diamonds can only be described as “diamonds” if the phrase is immediately preceded by the terms “synthetic” or “artificial.” Furthermore, the 2006 Blue Book explicitly states that the designation “cultured” is not an acceptable description of

⁶⁶ See <http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numbo=ECOC0100138D>.

⁶⁷ Landgericht Muenchen I (Regional Court for Munich I), 1. Handelskammer (First Chamber of Commerce), Case Number 1HK O 9640/04.

⁶⁸ The CIBJO Blue Book essentially is the international voluntary equivalent to the FTC Guides for the United States jewelry industry.

laboratory-created diamonds, as it is not an adequate or accurate description of the product. In a similar vein, another section of the Blue Book, the CIBJO Pearl Book, specifically states that the term “cultured” should only be applied to pearls.

C. Other Organizations’ Best Practices Determinations.

Other leading jewelry organizations also have considered what terminology is appropriate for describing synthetic diamonds. Most recently the World Diamond Congress, which is the official forum of the general assemblies of two of the most influential diamond industry groups, the World Federation of Diamond Bourses and the International Diamond Manufacturers Association, addressed this issue. At its June 2006 conference in Tel Aviv, the 32nd World Diamond Congress passed a resolution stating that only the term “synthetic diamond” should be used for laboratory produced diamonds.

This issue also has been addressed domestically by the highly regarded Gemological Institute of America (“GIA”). This group maintains the leading gemological research facility in the U.S. It also provides laboratory reports on diamond characteristics and quality. Further, its educational institute has trained thousands of gemologists who practice around the world. In June 2006, after extensive consultation with every sector of the diamond industry, GIA announced that it would grade laboratory-created diamonds (previously GIA only graded natural gemstones). In its announcement, the GIA stated, however, that it would only use the term “synthetic” to describe these products in its grading reports.

In sum, the U.S. and international jewelry community have reached a general consensus that the use of the term “cultured” when applied to synthetic diamonds is misleading and confusing. To avoid contradictory and confusing business practices, and to promote consistent and harmonious standards that ensure that U.S. consumers are as equally protected from misleading terminology as consumers elsewhere, the FTC should amend the Guides as requested.

IX. Conclusion.


The evidence shows that the designation “cultured diamond” tends to confuse and mislead U.S. consumers about the nature of the product. Consumers mistakenly believe that cultured diamonds are created by a process that is similar to the process that creates cultured pearls – in essence, that they are grown naturally, and with minimal human intervention. As

more and more laboratory-created diamonds are produced and sold every year, marketing that incorrectly calls synthetic diamonds, “cultured diamonds” or that otherwise likens the process of the creation of this product to the cultured pearl process is likely to cause even greater consumer confusion and harm to consumers.

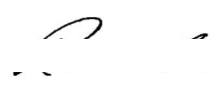
In a time of fast-moving change and growth in the synthetic gemstone industry, it is imperative that today’s jewelry consumer be fully informed regarding the origins and material properties of any synthetic diamonds and gemstones that they are considering purchasing. Requiring clear and unambiguous terminology to describe the true nature of all jewelry products is consistent with the expectations and best interests of consumers. Given the industry’s ongoing efforts to achieve credibility and honesty in jewelry transactions, the industry’s faith and reliance on the FTC Guides, and the importance of protecting consumers’ interests as the synthetic gemstone industry sector grows, the proposed amendment is critical to protect consumers and to promote fair competition.

Respectfully submitted this December 11, 2006.


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Jewelers Vigilance Committee Semantic Analysis Study



Research Conducted 11 April 2002 – 19 April 2002

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Executive Summary

The Jewelers Vigilance Committee (JVC) commissioned this study to assess consumer perceptions regarding terminology used by the jewelry trade in diamond and pearl products and product marketing.

The objectives for this study were:

1. To find out if the use of the word “cultured” in conjunction with the word “diamond,” was deceptive for the consumer and created a mistaken impression and/or meaning.
2. To determine if the use of the word “cultured” in conjunction with the word “pearl” caused a change in perception of value of pearl products by consumers.
3. To understand if consumers perceived a difference between the words “cultured” and “cultivated” as related to the pearl products.
4. To find out about consumer awareness of JVC in general.

The study collected opinions from some 565 individual consumer respondents, nearly 72% of whom stated that they had purchased at least one diamond jewelry product in the past three years and nearly 40% of whom stated that they had purchased one piece of pearly jewelry in the past three years.

Results of the study show that respondents are confused about the meaning of the term “cultured diamond” and that there may exist a semantic comparison between the meaning of “cultured diamond” and “cultured pearl.”

The majority of respondents believe a “cultured diamond” to be either “a gemstone grown naturally with human intervention” (41%) (similar to “cultured pearl”) or “a gemstone grown in a laboratory using natural substances” (27%).

The term “cultured diamond” is clearly not communicating that the product is synthetic or artificial.

With regards to pearls and pearl jewelry the study shows respondents have a very clear understanding of the word “cultured” and make a distinction between the meanings of “cultured” and “cultivated.” Additionally respondents have a strong sense of value differentiation and relative value between the different descriptive words. (see page 33, Q15).

There is very little awareness (either prompted or unprompted) of JVC as an organization that protects consumers against fraud in the jewelry industry (see page 32).

Description of the Methodology and Sampling

The JVC research study was conducted using the MVI Marketing Ltd.'s Jewelry Consumer Opinion Council (JCOC). This approach uses demographic sampling to gather respondent feedback to a questionnaire they complete via email.

The sample included men and women aged 21 years and older and resident in mainland USA. No other demographic quotas were applied.

Some 565 responses were received over an eight-day period from April 11- April 19, 2002. The respondents were skewed towards being female (83%), had a median age of 41 – 45 with 44% being college graduates. Respondents had a medium income of between \$35,000 and \$75,000.

The JCOC offered participation in a sweepstakes draw as an incentive to participation in the study.

The responses to demographic profile questions begin on page 33 of this report.

Analysis of Response to Questions












Question 1: Respondent Diamond Jewelry Purchasing Experience















1			Number of Respondents	Response Ratio
How many pieces of fine diamond jewelry have you bought for yourself or for others in the past three (3) years?(select one only) -			Total	565
NONE			159	28.1%
ONE			112	19.8%
TWO - THREE			199	35.2%
FOUR - SIX			62	11.0%
SEVEN OR MORE			33	5.8%

Question 2: Respondent Diamond Jewelry Purchasing Outlet

Which of the following best describes the type of store you usually buy your fine diamond jewelry product from? (select one only) -	Number of Respondents	Response Ratio
Total	565	100.0%
None, I don't ever buy fine diamond jewelry	48	8.5%
TV shopping channel (e.g. HSN, QVC)	26	4.6%
Local independent jewelry store	191	33.8%
National jewelry chain (e.g. Zales, Kays)	130	23.0%
Department store (e.g. JC Penney, Kohl's)	58	10.3%
Internet only retailer (e.g. ashford.com)	18	3.2%
Discount merchandise store (e.g. Wal-Mart or K-Mart)	55	9.7%
Shopping club (e.g. Costco or Sam's Club)	12	2.1%
Designer/local craftsman	27	4.8%





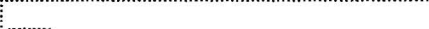

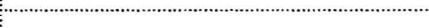
Question 3: Respondent Diamond Jewelry Terminology Recall








Thinking about buying diamonds or diamond jewelry, which of the following words do you recall seeing or hearing used in product advertising or promotion? (Select all that apply) -			Number of Respondents	Response Ratio
Total			365	100.0%
Natural			292	51.7%
Synthetic			217	38.4%
Cultured			204	36.1%
Authentic			297	52.6%
Real			273	48.3%
Created			135	23.9%
Man-made			171	30.3%
Laboratory created			179	31.7%
Enhanced			114	20.2%
Can't recall any of these words			87	15.4%
Other, please specify			19	3.4%

Thinking about buying diamonds or diamond jewelry, which of the following words do you recall seeing or hearing used in product advertising or promotion? (Select all that apply) - [Open Ended] Other, please specify			Number of Respondents	Response Ratio
Total			19	100.0%
Certified, Appraised			1	5.3%
clarity			2	10.5%
colored			1	5.3%
Cooked, Indian Goods			1	5.3%
cubic zirconia			1	5.3%
cz			1	5.3%
Diamonique (synthetic)			1	5.3%
flawless			1	5.3%
flawless, clarity, color, carots			1	5.3%
Genuine			5	26.3%
heat treated			1	5.3%
I've heard of "cultured pearls"; but not diamonds.			1	5.3%
radiated			1	5.3%
These words don't seem to apply to diamonds			1	5.3%

Questions 4-10: Respondent Understanding of Diamond Jewelry Terminology

Thinking about buying diamonds or diamond jewelry, which of the following product descriptions do you believe would refer to "real diamonds." (Here we have defined "real diamonds" as those mined from the earth and untreated by man other than for cutting and polishing). Select all that apply. -			Number of Respondents	Response Ratio
	Total		565	100.0%
Diamond	<input checked="" type="checkbox"/>		373	66.0%
Colored Diamond	<input checked="" type="checkbox"/>		164	29.0%
Genuine Diamond	<input checked="" type="checkbox"/>		521	92.2%
Cultured Diamond	<input checked="" type="checkbox"/>		47	8.3%
Synthetic Diamond	<input type="checkbox"/>		11	1.9%
Man-made Diamond	<input type="checkbox"/>		15	2.7%
Laboratory Created Diamond	<input type="checkbox"/>		4	0.7%
Enhanced Diamond	<input type="checkbox"/>		37	6.5%
Improved Diamond	<input type="checkbox"/>		14	2.5%
Synthetic Diamond	<input type="checkbox"/>		6	1.1%

Please describe what the term "Genuine Diamond" means to you. (Select only one) -			Number of Respondents	Response Ratio
Total			565	100.0%
A gemstone found naturally in the earth			491	86.9%
A gemstone created by man in a laboratory using natural substances			0	0.0%
A gemstone created by man in a laboratory using chemicals or artificial substances			0	0.0%
A gemstone found naturally in the earth but enhanced or improved by man using chemicals or artificial substances			44	7.8%
I don't understand what this term means			11	1.9%
A gemstone grown naturally with human intervention			12	2.1%
Other, please specify			7	1.2%

Please describe what the term "Genuine Diamond" means to you. (Select only one) - [Open Ended] Other, please specify			Number of Respondents	Response Ratio
Total			7	100.0%
A natural gemstone in the earth which has been cut and polished by craftsmen			1	14.3%
could mean several of these terms			1	14.3%
found and not messed with by man except cutting forsetting			1	14.3%
gemstone found naturally and cut by man			1	14.3%
naturally occurring but could be enhanced and still genuine			1	14.3%
that it is the chemical composition of a diamond(real or man-made)			1	14.3%
The real thing			1	14.3%

6			
Please describe what the term "Enhanced Diamond" means to you. (Select only one) -		Number of Respondents	Response Ratio
Total		565	100.0%
A gemstone found naturally in the earth	<input type="radio"/>	4	0.7%
A gemstone created by man in a laboratory using natural substances	<input type="radio"/>	14	2.5%
A gemstone created by man in a laboratory using chemicals or artificial substances	<input type="radio"/>	30	5.3%
A gemstone found naturally in the earth but improved by man using chemicals or artificial substances	<input checked="" type="radio"/>	450	79.6%
I don't understand what this term means	<input type="radio"/>	25	4.4%
A gemstone grown naturally with human intervention	<input type="radio"/>	40	7.1%
Other, please specify		2	0.4%

7			
Please describe what the term "Enhanced Diamond" means to you. (Select only one) - [Open Ended]		Number of Respondents	Response Ratio
Other, please specify			
Total		2	100.0%
a diamond found in the earth and irradiated or such for coloring	<input type="radio"/>	1	50.0%
a gemstone either found naturally in the earth but improved by man or grown naturally with human int	<input type="radio"/>	1	50.0%

7			Number of Respondents	Response Ratio
Please describe what the term "Synthetic Diamond" means to you. (Select only one) -				
		Total	565	100.0%
A gemstone found naturally in the earth			2	0.4%
A gemstone created by man in a laboratory using natural substances	██████████		123	21.8%
A gemstone created by man in a laboratory using chemicals or artificial substances	██		412	72.9%
A gemstone found naturally in the earth but enhanced or improved by man using chemicals or artificial substances			10	1.8%
I don't understand what this term means			7	1.2%
A gemstone grown naturally with human intervention			9	1.6%
Other, please specify			2	0.4%


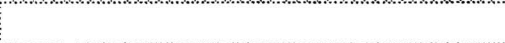
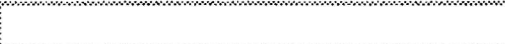

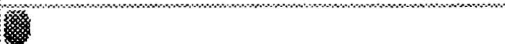
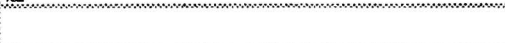
8			Number of Respondents	Response Ratio
Please describe what the term "Synthetic Diamond" means to you. (Select only one) - [Open Ended]				
Other, please specify				
		Total	2	100.0%
A gemstone created in a laboratory	██		1	50.0%
not a diamond, CZ or something like it	██		1	50.0%



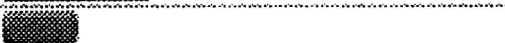
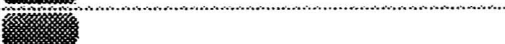


Please describe what the term "Treated Diamond" means to you. (Select only one) -			Number of Respondents	Response Ratio
Total			565	100.0%
A gemstone found naturally in the earth	<input type="radio"/>		2	0.4%
A gemstone created by man in a laboratory using natural substances	<input type="radio"/>		25	4.4%
A gemstone created by man in a laboratory using chemicals or artificial substances	<input type="radio"/>		39	6.9%
A gemstone found naturally in the earth but enhanced or improved by man using chemicals or artificial substances	<input checked="" type="radio"/>		388	68.7%
I don't understand what this term means	<input type="radio"/>		60	10.6%
A gemstone grown naturally with human intervention	<input type="radio"/>		50	8.8%
Other, please specify	<input type="radio"/>		1	0.2%





Please describe what the term "Treated Diamond" means to you. (Select only one) - [Open Ended] Other, please specify			Number of Respondents	Response Ratio
Total			1	100.0%
2, + or physical treatment such as heat	<input checked="" type="radio"/>		1	100.0%







Please describe what the term "Cultured Diamond" means to you. (Select only one) -			
		Number of Respondents	Response Ratio
		Total	565
			100.0%
A gemstone found naturally in the earth		18	3.2%
A gemstone created by man in a laboratory using natural substances		146	25.8%
A gemstone created by man in a laboratory using chemicals or artificial substances		42	7.4%
A gemstone found naturally in the earth but enhanced or improved by man using chemicals or artificial substances		45	8.0%
I don't understand what this term means		80	14.2%
A gemstone grown naturally with human intervention		233	41.2%
Other, please specify		1	0.2%

Please describe what the term "Cultured Diamond" means to you. (Select only one) - [Open Ended] Other, please specify			
		Number of Respondents	Response Ratio
		Total	1
			100.0%
Same as "synthetic"		1	100.0%

Thinking about fine diamond jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices are permitted. - Genuine			Number of Respondents	Response Ratio
Total			565	100.0%
Natural			552	97.7%
Laboratory Grown			3	0.5%
Artificially Created			4	0.7%
Artificially Improved			10	1.9%
Naturally Grown w/ Human Intervention			18	3.2%
Don't Know			8	1.4%

Thinking about fine diamond jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices are permitted. - Cultured			Number of Respondents	Response Ratio
Total			565	100.0%
Natural			46	8.1%
Laboratory Grown			172	30.4%
Artificially Created			73	12.9%
Artificially Improved			80	14.2%
Naturally Grown w/ Human Intervention			308	54.5%
Don't Know			61	10.9%

Thinking about fine diamond jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices are permitted. - Synthetic			
		Number of Respondents	Response Ratio
		Total	565
			100.0%
Natural		3	0.5%
Laboratory Grown		236	41.8%
Artificially Created		455	80.5%
Artificially Improved		42	7.4%
Naturally Grown w/ Human Intervention		16	2.8%
Don't Know		8	1.4%







Thinking about fine diamond jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices are permitted. - Treated			
		Number of Respondents	Response Ratio
		Total	565
			100.0%
Natural		58	10.3%
Laboratory Grown		27	4.8%
Artificially Created		20	3.5%
Artificially Improved		446	78.9%
Naturally Grown w/ Human Intervention		105	18.6%
Don't Know		34	6.0%






Thinking about fine diamond jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices are permitted. - Enhanced			
		Number of Respondents	Response Ratio
		Total	565
			100.0%
Natural		60	10.6%
Laboratory Grown		28	5.0%
Artificially Created		23	4.1%
Artificially Improved		398	70.4%
Naturally Grown w/ Human Intervention		169	29.9%
Don't Know		27	4.8%






Questions 11-12: Respondent Valuation of Diamond Jewelry Terminology


Thinking about diamonds and diamond jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 5 to represent your perception of the least valuable. - Genuine			
		Number of Respondents	Response Ratio
		Total	565
1		517	91.5%
2		8	1.4%
3		1	0.2%
4		3	0.5%
5		23	4.1%
Don't Know		13	2.3%





Thinking about diamonds and diamond jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 5 to represent your perception of the least valuable. - Cultured			
		Number of Respondents	Response Ratio
		Total	565
1		11	1.9%
2		182	32.2%
3		126	22.3%
4		165	29.2%
5		30	5.3%
Don't Know		51	9.0%




Thinking about diamonds and diamond jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 5 to represent your perception of the least valuable. - Synthetic		Number of Respondents	Response Ratio
Total		565	100.0%
1		17	3.0%
2		14	2.5%
3		30	5.3%
4		63	11.2%
5		420	74.3%
Don't Know		21	3.7%





Thinking about diamonds and diamond jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 5 to represent your perception of the least valuable. - Treated		Number of Respondents	Response Ratio
Total		565	100.0%
1		6	1.1%
2		73	12.9%
3		209	37.0%
4		206	36.5%
5		46	8.1%
Don't Know		25	4.4%



Thinking about diamonds and diamond jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 5 to represent your perception of the least valuable. - Enhanced		Number of Respondents	Response Ratio
Total		565	100.0%
1		13	2.3%
2		237	41.9%
3		194	34.3%
4		82	14.5%
5		21	3.7%
Don't Know		18	3.2%





In each of the categories of diamond jewelry below, tell us if you would expect to pay more, the same or less compared to genuine diamond jewelry? - Synthetic Diamond Jewelry		Number of Respondents	Response Ratio
Total		565	100.0%
More		7	1.2%
The Same		11	1.9%
Less		537	95.0%
Don't Know		10	1.8%

In each of the categories of diamond jewelry below, tell us if you would expect to pay more, the same or less compared to genuine diamond jewelry? - Treated Diamond Jewelry		Number of Respondents	Response Ratio
Total		565	100.0%
More		38	6.7%
The Same		114	20.2%
Less		384	68.0%
Don't Know		29	5.1%





In each of the categories of diamond jewelry below, tell us if you would expect to pay more, the same or less compared to genuine diamond jewelry? - Cultured Diamond Jewelry		Number of Respondents	Response Ratio
Total		565	100.0%
More		24	4.2%
The Same		145	25.7%
Less		345	61.1%

In each of the categories of diamond jewelry below, tell us if you would you expect to pay more, the same or less compared to genuine diamond jewelry? - Authentic Diamond Jewelry			
		Number of Respondents	Response Ratio
	Total	565	100.0%
More		196	34.7%
The Same		290	51.3%
Less		60	10.6%
Don't Know		19	3.4%








In each of the categories of diamond jewelry below, tell us if you would you expect to pay more, the same or less compared to genuine diamond jewelry? - Created Diamond Jewelry			
		Number of Respondents	Response Ratio
	Total	565	100.0%
More		8	1.4%
The Same		42	7.4%
Less		502	88.8%
Don't Know		13	2.3%

In each of the categories of diamond jewelry below, tell us if you would you expect to pay more, the same or less compared to genuine diamond jewelry? - Enhanced Diamond Jewelry			
		Number of Respondents	Response Ratio
	Total	565	100.0%
More		77	13.6%
The Same		166	29.4%
Less		294	52.0%
Don't Know		28	5.0%





Question 13: Respondent Pearl Jewelry Purchasing Experience





13			
How many pieces of pearl jewelry have you bought for yourself or for others in the past three (3) years? (select one only) -		Number of Respondents	Response Ratio
	Total	565	100.0%
NONE		344	60.9%
ONE		124	21.9%
TWO - THREE		74	13.1%
FOUR - SIX		18	3.2%
SEVEN OR MORE		5	0.9%





Question 14: Respondent Pearl Jewelry Purchasing Outlet





14			
Which of the following best describes the type of store you usually buy your pearl jewelry product from? (select one only) -		Number of Respondents	Response Ratio
	Total	565	100.0%
None, I don't ever buy pearl jewelry		176	31.2%
TV shopping channel (e.g. HSN, QVC)		26	4.6%
Local independent jewelry store		131	23.2%
National jewelry chain (e.g. Zales, Kays)		68	12.0%
Department store (e.g. JC Penney, Kohl's)		56	9.9%
Internet only retailer (e.g. ashford.com)		8	1.4%
Discount merchandise store (e.g. Wal-Mart or K-Mart)		55	9.7%
Shopping club (e.g. Costco or Sam's Club)		10	1.8%
Designer/local craftsman		35	6.2%





Question 15: Respondent Valuation of Pearl Jewelry Terminology

Please choose how expensive you feel each category of pearl jewelry is as you understand them. - Cultured pearl jewelry			Number of Respondents	Response Ratio
Total			565	100.0%
Expensive			301	53.3%
Very Expensive			163	28.8%
Inexpensive			70	12.4%
Don't Know			31	5.5%

Please choose how expensive you feel each category of pearl jewelry is as you understand them. - Cultivated pearl jewelry			Number of Respondents	Response Ratio
Total			565	100.0%
Expensive			252	44.6%
Very Expensive			90	15.9%
Inexpensive			156	27.6%
Don't Know			67	11.9%

Please choose how expensive you feel each category of pearl jewelry is as you understand them. - Natural pearl jewelry			Number of Respondents	Response Ratio
Total			565	100.0%
Expensive			229	40.5%
Very Expensive			291	51.5%
Inexpensive			16	2.3%
Don't Know			29	5.1%

Please choose how expensive you feel each category of pearl jewelry is as you understand them. -			
Freshwater pearl jewelry		Number of Respondents	Response Ratio
	Total	565	100.0%
Expensive		205	36.3%
Very Expensive		130	23.0%
Inexpensive		195	34.5%
Don't Know		35	6.2%

Please choose how expensive you feel each category of pearl jewelry is as you understand them. -			
Imitation pearl jewelry		Number of Respondents	Response Ratio
	Total	565	100.0%
Expensive		4	0.7%
Very Expensive		2	0.4%
Inexpensive		537	95.0%
Don't Know		22	3.9%

Questions 16-21: True/False Valuation Statement

16			
Cultivated Pearls are more valuable than Cultured Pearls -		Number of Respondents	Response Ratio
		Total	565
			100.0%
True		134	23.7%
False		431	76.3%

17			
Cultured Pearls are more valuable than Natural Pearls -		Number of Respondents	Response Ratio
		Total	565
			100.0%
True		122	21.6%
False		443	78.4%

18			
Cultivated Pearls are more valuable than Natural Pearls -		Number of Respondents	Response Ratio
		Total	565
			100.0%
True		57	10.1%
False		508	89.9%

19

Freshwater Cultured Pearls are more valuable than Freshwater Pearls -		Number of Respondents	Response Ratio
		Total	565 100.0%
True		163	28.8%
False		402	71.2%

20




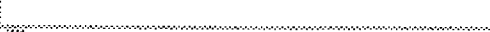
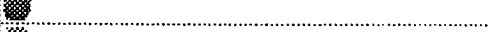
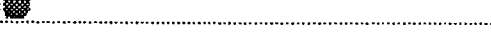
South Sea Cultured Pearls are more valuable than South Sea Pearls -		Number of Respondents	Response Ratio
		Total	565 100.0%
True		143	25.3%
False		422	74.7%

21



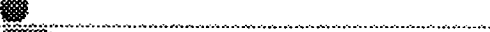


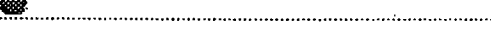
Black Cultured Pearls are more valuable than Black Pearls -		Number of Respondents	Response Ratio
		Total	565 100.0%
True		146	25.8%
False		419	74.2%

Question 22: Respondent Understanding of Pearl Jewelry Terminology


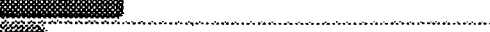
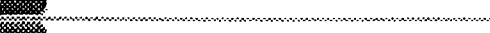


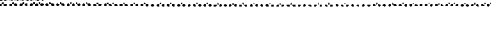
Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Natural

	Total	Number of Respondents	Response Ratio
Genuine		529	93.6%
Laboratory Grown		6	1.1%
Artificially Created		1	0.2%
Artificially Improved		3	0.5%
Naturally Grown w/Human Intervention		18	3.2%
Don't Know		21	3.7%





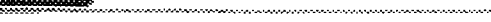
Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Cultured

	Total	Number of Respondents	Response Ratio
Genuine		126	22.3%
Laboratory Grown		91	16.1%
Artificially Created		40	7.1%
Artificially Improved		59	10.4%
Naturally Grown w/Human Intervention		339	60.0%
Don't Know		36	6.4%

Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Cultivated

	Total	Number of Respondents	Response Ratio
Genuine		79	14.0%
Laboratory Grown		127	22.5%
Artificially Created		47	8.3%
Artificially Improved		66	11.7%
Naturally Grown w/Human Intervention		295	52.2%
Don't Know		57	10.1%

Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Treated

	Total	Number of Respondents	Response Ratio
Genuine		43	7.6%
Laboratory Grown		28	5.0%
Artificially Created		28	5.0%
Artificially Improved		422	74.7%
Naturally Grown w/Human Intervention		102	18.1%

Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Enhanced			Number of Respondents	Response Ratio
Total			565	100.0%
Genuine	<input checked="" type="checkbox"/>		55	9.7%
Laboratory Grown	<input type="checkbox"/>		20	3.5%
Artificially Created	<input type="checkbox"/>		19	3.4%
Artificially Improved	<input checked="" type="checkbox"/>		408	72.2%
Naturally Grown w/Human Intervention	<input checked="" type="checkbox"/>		122	21.6%
Don't Know	<input type="checkbox"/>		46	8.1%

Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Imitation			Number of Respondents	Response Ratio
Total			565	100.0%
Genuine	<input type="checkbox"/>		2	0.4%
Laboratory Grown	<input checked="" type="checkbox"/>		114	20.2%
Artificially Created	<input checked="" type="checkbox"/>		459	81.2%
Artificially Improved	<input type="checkbox"/>		36	6.4%
Naturally Grown w/Human Intervention	<input type="checkbox"/>		13	2.3%
Don't Know	<input type="checkbox"/>		32	5.7%

Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Created			Number of Respondents	Response Ratio
Total			565	100.0%
Genuine	<input type="checkbox"/>		5	0.9%
Laboratory Grown	<input checked="" type="checkbox"/>		237	41.9%
Artificially Created	<input checked="" type="checkbox"/>		360	63.7%
Artificially Improved	<input type="checkbox"/>		30	5.3%
Naturally Grown w/Human Intervention	<input checked="" type="checkbox"/>		47	8.3%
Don't Know	<input type="checkbox"/>		34	6.0%








Thinking about pearls and pearl jewelry, please tell us what you understand each of the words in the left hand column below to mean. Select all that apply, multiple choices permitted. - Authentic			Number of Respondents	Response Ratio
Total			565	100.0%
Genuine	<input checked="" type="checkbox"/>		509	90.1%
Laboratory Grown	<input type="checkbox"/>		8	1.4%
Artificially Created	<input type="checkbox"/>		4	0.7%
Artificially Improved	<input type="checkbox"/>		8	1.4%
Naturally Grown w/Human Intervention	<input type="checkbox"/>		23	4.1%
Don't Know	<input type="checkbox"/>		37	6.5%

Question 23: Additional Respondent Valuation of Pearl Jewelry Terminology





Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Cultured		Number of Respondents	Response Ratio
Total		565	100.0%
1		121	21.4%
2		128	22.7%
3		139	24.6%
4		67	11.9%
5		47	8.3%
6		22	3.9%
7		4	0.7%
8		2	0.4%
Don't Know		35	6.2%

Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Treated		Number of Respondents	Response Ratio
Total		565	100.0%
1		2	0.4%
2		25	4.4%
3		91	16.1%
4		120	21.2%
5		111	19.6%
6		112	19.8%
7		34	6.0%
8		15	2.7%
Don't Know		55	9.7%

Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Enhanced

		Number of Respondents	Response Ratio
	Total	565	100.0%
1		3	0.5%
2		44	7.8%
3		115	20.4%
4		129	22.8%
5		132	23.4%
6		60	10.6%
7		23	4.1%
8		9	1.6%
Don't Know		50	8.8%







Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Natural

		Number of Respondents	Response Ratio
	Total	565	100.0%
1		371	65.7%
2		105	18.6%
3		36	6.4%
4		9	1.6%
5		4	0.7%
6		3	0.5%
7		4	0.7%
8		4	0.7%
Don't Know		29	5.1%







Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Cultivated		Number of Respondents	Response Ratio
Total		565	100.0%
1		22	3.9%
2		78	13.8%
3		109	19.3%
4		118	20.9%
5		81	14.3%
6		83	14.7%
7		17	3.0%
8		8	1.4%
Don't Know		49	8.7%

Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Imitation		Number of Respondents	Response Ratio
Total		565	100.0%
1		6	1.1%
2		3	0.5%
3		1	0.2%
4		8	1.4%
5		18	3.2%
6		30	5.3%
7		53	9.4%
8		412	72.9%
Don't Know		34	6.0%

Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Created

		Total	565	100.0%
1			4	0.7%
2			10	1.8%
3			9	1.6%
4			47	8.3%
5			56	9.9%
6			78	13.8%
7			223	39.5%
8			88	15.6%
Don't Know			50	8.8%

Thinking about pearls and pearl jewelry and based on your understanding, please tell us how you would rank each of the following words in terms of your perception of its product value. Please allow the number 1 to represent your perception of the most valuable product and the number 8 to represent your perception of the least valuable. - Authentic

		Total	565	100.0%
1			290	51.3%
2			146	25.8%
3			29	5.1%
4			20	3.5%
5			8	1.4%
6			14	2.5%
7			10	1.8%
8			8	1.4%
Don't Know			40	7.1%

Question 24: Unprompted Awareness of Jewelers Vigilance Committee

Can you name any organization in the USA that protects consumers against fraud and deception in the jewelry industry? (If not please click Continue) - [Open Ended] Enter organization name here:	Number of Respondents	Response Ratio
Total	112	100.0%
AGA	2	1.8%
AGI	2	1.8%
American gem society	1	0.9%
American gemological society	1	0.9%
American Gemological Institute?	1	0.9%
American Jewelers Society	1	0.9%
B.B.B.	1	0.9%
bbb	14	12.5%
BBB,Attorney General	1	0.9%
Beter Business Bureau	1	0.9%
BETTER BUSINESS Bureau	1	0.9%
Better Business Buereau	1	0.9%
better business bureau	12	10.7%
Better Business Bureau (not specific,but...)	1	0.9%
Better Business Bureau, National Jewelry Council	1	0.9%
Better Business Bureau?	1	0.9%
Bureau of Consumer Affairs?	1	0.9%
Certified Gemologist	1	0.9%
Consumer	1	0.9%
consumer affairs	1	0.9%
Consumer Counsel	1	0.9%
Consumer Protection Agency	2	1.8%
consumer protection board	1	0.9%
Continue	1	0.9%
consumer product safety commission	1	0.9%
dept of consumer affairs	1	0.9%
Diamond Institute of America	1	0.9%
do not know of any such organization	1	0.9%
don	1	0.9%
don't know	1	0.9%
dpm	1	0.9%
EPA	1	0.9%
FTC	1	0.9%
fda	1	0.9%
Federal Trade commission or attorney general	1	0.9%
FTC	1	0.9%
Gemological Institute of America	1	0.9%
Gemological Institute of America	2	1.8%
GIA	5	4.5%
GIA?	1	0.9%
GIA???	1	0.9%
have no clue	1	0.9%
I have no idea	1	0.9%
I personally don't know of any	1	0.9%
IGA	1	0.9%
International Gemological Institute	1	0.9%
Jewelers Board of trade	1	0.9%
jewelry consumer protection agency	1	0.9%
Jewelry Council	1	0.9%
Judicial System	1	0.9%
JVC	1	0.9%
n/a	1	0.9%
NA	1	0.9%
national association of gemologist	1	0.9%
national diamond exchange	1	0.9%
National Gemological Society, National Gold Council	1	0.9%
National Gemologists Assoc?	1	0.9%
National Jeweler's Association	1	0.9%
National Jewelry federation and gems	1	0.9%
NCL	1	0.9%
No	11	9.8%
No Idea!	1	0.9%
non e	1	0.9%
none	2	1.8%
Not sure.	1	0.9%
the BBB?	1	0.9%
us gemological association	1	0.9%
usda	1	0.9%
zales	1	0.9%

Question 25: Prompted Awareness of Jewelers Vigilance Committee

25			
Have you ever heard of an organization called the Jewelers Vigilance Committee (JVC), which protects consumers against fraud and deception in the jewelry industry? -		Number of Respondents	Response Ratio
		Total	566
Yes		18	3.2%
No		548	96.8%

Question 26: Respondent Gender

26			
What is your gender? -		Number of Respondents	Response Ratio
		Total	566
Male		93	16.4%
Female		473	83.6%

Question 27: Respondent Age

27			
What is your current age? (select one only) -		Number of Respondents	Response Ratio
		Total	566
21 - 25		31	5.5%
26 - 30		53	9.4%
31 - 35		78	13.8%
36 - 40		73	12.9%
41 - 45		109	19.3%
46 - 50		92	16.3%
51 - 55		57	10.1%
56 - 60		42	7.4%
61 - 65		18	3.2%
66 and over		13	2.3%

Question 28: Respondent Education

28			
What is the highest level of education you have attained? (select one only) -		Number of Respondents	Response Ratio
	Total	566	100.0%
High School Graduate		99	17.5%
Some College		219	38.7%
College Graduate		165	29.2%
Post Graduate		83	14.7%

Question 29: Respondent Household Income Level

29			
What is your current household income? (select one only) -		Number of Respondents	Response Ratio
	Total	566	100.0%
\$0 - \$25,000		69	12.2%
\$25,001 - \$35,000		71	12.5%
\$35,001 - \$55,000		132	23.3%
\$55,001 - \$75,000		102	18.0%
\$75,001 - \$100,000		71	12.5%
\$100,001 - \$125,000		34	6.0%
\$125,001 - \$150,000		17	3.0%
\$150,001 - \$200,000		10	1.8%
\$200,001 - \$250,000		1	0.2%
\$250,001 - \$300,000		1	0.2%
Over \$300,000		5	0.9%
Decline to answer		53	9.4%

Question 30: Respondent State of Residence

Please select the State in which you live. - [Open Ended] State			Number of Respondents	Response Ratio
		Total	567	100.0%
AL			9	1.4%
AR			6	1.1%
AZ			9	1.6%
CA			71	12.5%
CO			6	1.1%
CT			9	1.6%
DC			2	0.4%
DE			2	0.4%
FL			33	5.8%
GA			8	1.4%
IA			7	1.2%
ID			2	0.4%
IL			27	4.8%
IN			10	1.8%
KS			8	1.4%
KY			9	1.6%
LA			6	1.1%
MA			18	3.2%
MD			11	1.9%
ME			3	0.5%
MI			12	2.1%
MN			13	2.3%
MO			12	2.1%
MS			2	0.4%
MT			3	0.5%
NC			16	2.8%
ND			1	0.2%
NE			4	0.7%
NH			4	0.7%
NJ			16	2.8%
NM			3	0.5%
NV			5	0.9%
NY			44	7.8%
OH			30	5.3%
OK			6	1.1%
OR			9	1.6%
PA			24	4.2%
RI			1	0.2%
SC			7	1.2%
SD			2	0.4%
TN			11	1.9%
TX			43	7.6%
UT			3	0.5%
VA			12	2.1%
VT			1	0.2%
WA			13	2.3%
WI			12	2.1%
WV			3	0.5%

Significant Cross Tabulations

Please describe what the term "Cultured Diamond" means to you. (Select only one) -		How many pieces of fine diamond jewelry have you bought for yourself or for others in the past three (3) years?(select one only) -						
	TOTAL	BASE	NONE	ONE	TWO - THREE	FOUR - SIX	SEVEN OR MORE	
Count	567	567	160	112	199	62	34	
Column%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
A gemstone found naturally in the earth	18 3.2%	18 3.2%	9 5.6%	0 0.0%	6 3.0%	3 4.8%	0 0.0%	
A gemstone created by man in a laboratory using natural substances	146 25.7%	146 25.7%	45 28.1%	32 28.6%	56 28.1%	10 16.1%	3 8.8%	
A gemstone created by man in a laboratory using chemicals or artificial substances	42 7.4%	42 7.4%	13 8.1%	5 4.5%	19 9.5%	3 4.8%	2 5.9%	
A gemstone found naturally in the earth but enhanced or improved by man using chemicals or artificial substances	45 7.9%	45 7.9%	11 6.9%	12 10.7%	16 8.0%	3 4.8%	3 8.8%	
I don't understand what this term means	81 14.3%	81 14.3%	25 15.6%	18 16.1%	25 12.6%	6 9.7%	7 20.6%	
A gemstone grown naturally with human intervention	234 41.3%	234 41.3%	56 35.0%	45 40.2%	77 38.7%	37 59.7%	19 55.9%	
Other, please specify	1 0.2%	1 0.2%	1 0.6%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	

Cultured Pearls are more valuable than Natural Pearls -

		What is your gender? -			
		TOTAL	BASE	Male	Female
Count	567	567	93	474	
Column%	100.0%	100.0%	100.0%	100.0%	
True	122 21.5%	122 21.5%	17 18.3%	105 22.2%	
False	445 78.5%	445 78.5%	76 81.7%	369 77.8%	

Cultivated Pearls are more valuable than Natural Pearls -

		What is your gender? -			
		TOTAL	BASE	Male	Female
Count	567	567	93	474	
Column%	100.0%	100.0%	100.0%	100.0%	
True	58 10.2%	58 10.2%	7 7.5%	51 10.8%	
False	509 89.8%	509 89.8%	86 92.5%	423 89.2%	

MVI Recommendations and Conclusions

Our conclusions based on the above detailed research and relating to the original objectives of the study are as follows:

1. To find out if the use of the word "cultured" in conjunction with the word "diamond," was deceptive for the consumer and created a mistaken impression and/or meaning.

Respondents to this study suggest significant confusion about this term and certainly give no indication that they believe the term to mean the diamonds are either synthetic or artificial.

2. To determine if the use of the word "cultured" in conjunction with the word "pearl" caused a change in perception of value of pearl products by consumers.

Respondents to this study have a good awareness of the use of the word "cultured" in conjunction with the word "pearl." It is MVI's belief that these two words have become generic as a description of the pearl product category.

Responses suggest that the use of the word "cultured" does not change respondent perception of pearl value.

3. To understand if consumers perceive a difference between the words "cultured" and "cultivated" as relates to the pearl products.

Responses suggest that respondents do perceive a slight difference between the words "cultured" and "cultivated" with the latter being less well known and perceived as less valuable.

To find out about consumer awareness of JVC in general.

There is little to no awareness of JVC among the respondents to this study.

Addendum

The Jewelry Consumer Opinion Council's June 2002 Omnibus Study was conducted between 30 June and 11 July.

As part of this study the JCOC re-ran a single question on behalf of the Jeweler's Vigilance Committee in an effort to further substantiate the initial findings of JVC's proprietary research study above.

That re-run question was a repeat of question 9 in the study above with the addition of a response pinpointing the use of the word synthetic.

The results of the re-run question support the initial findings and further suggest that there appears to be very little understanding, among consumers, of what the term "Cultured Diamond" means.

The JCOC June 2002 Omnibus study results were as follows:

Methodology

The Consumer Purchasing Predictions for 2002 research study was conducted using MVI Marketing Ltd.'s Jewelry Consumer Opinion Council (JCOC).

This approach uses demographic sampling to gather respondent feedback to a questionnaire they complete via email.

The sample included men and women aged 18 years and older and resident in the USA. No other demographic quotas were applied.

502 responses were received over a twelve-day period from 30 June- 11 July 2002. Respondents not likely to participate in fine jewelry purchasing before the end of 2002 were screened out.

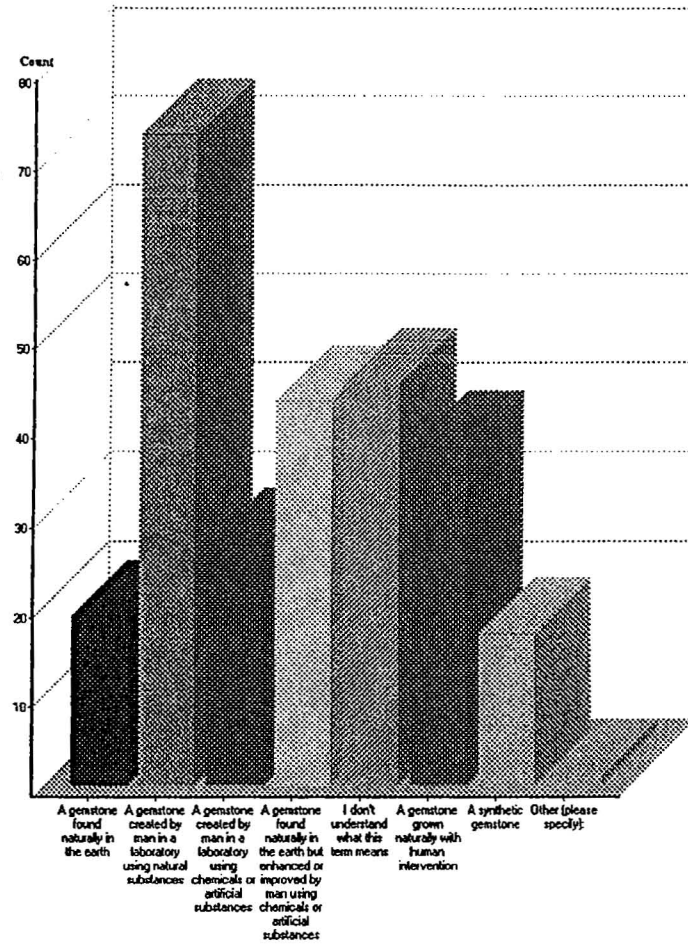
The JCOC offered participation in a sweepstakes draw as an incentive to participation in the study.

Complete results may be viewed at the following link:

http://jcoc.net/client_portal/reports/consumer_predictions.htm

Please describe what the term "Cultured Diamond" means to you (select only one).

- 19 7% A gemstone found naturally in the earth
 - ▨ 73 28% A gemstone created by man in a laboratory using natural substances
 - ▩ 27 10% A gemstone created by man in a laboratory using chemicals or artificial substances
 - ▧ 43 16% A gemstone found naturally in the earth but enhanced or improved by man using chemicals or artificial substances
 - ▦ 45 17% I don't understand what this term means
 - ▤ 38 14% A gemstone grown naturally with human intervention
 - ▣ 17 6% A synthetic gemstone
 - ▢ 1 0% Other (please specify)
- N=243



EXPRESS

TNS
 October 17, 2005
 Job #US-80041

Page ----	Table -----	Title -----	Base ----	Total -----
1	1	dial. Have you heard of cultured diamonds?	Total Respondents	1000
2	2	diala. What do you think they are?	Those respondents who have not heard of cultured diamonds	659
5	3	dialb. What do you think they are?	Those respondents who have heard of cultured diamonds	341
8	4	diala/dialb. What do you think they are?	Total Respondents	1000
11	5	dia2. Do you believe that cultured diamonds are a natural product?	Total Respondents	1000
12	6	Q.906 What is the last grade of school you completed?	Total Respondents	1000
14	7	Q.912 Age of respondent	Total Respondents	1000
17	8	Q.926 Marital Status	Total Respondents	1000
18	9	Q.931 Employment Status	Total Respondents	1000
19	10	Q.936 Counting yourself, how many adults live in your household?	Total Respondents	1000
21	11	Q.936a Of those adults, how many are males?	Total Respondents	1000
22	12	Q.936a Of those adults, how many are females?	Total Respondents	1000
23	13	Q.941 Presence of children	Total Respondents	1000
24	14	Q.941A Thinking about all the people living in your household related to you or not, how many are between the ages of 5 years or under?	Total Respondents	1000
26	15	Q.941B Thinking about all the people living in your household related to you or not, how many are between the ages of 6 to 11?	Total Respondents	1000
28	16	Q.941C Thinking about all the people living in your household related to you or not, how many are between the ages of 12 to 17?	Total Respondents	1000
30	17	q981. Are you or is someone else in the household the person who does most of the shopping for groceries and household items?	Total Respondents	1000

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Page ----	Table -----	Title -----	Base ----	Total -----
31	18	q982. Do you have internet access or e-mail?	Total Respondents	1000
32	19	q983. Do you own or rent your home?	Total Respondents	1000
33	20	Children by age groups	Total Respondents Those with children in the household	305
35	21	Q.956 Are you White, Black or African American, or some other race?	Total Respondents	1000
37	22	q960a. Thinking about your household's total investable assets, please INCLUDE all stocks, bonds, mutual funds, CDs, IRAs, SEPs, Keoghs, checking and savings accounts. Please EXCLUDE any company sponsored retirement accounts such as 401ks or Pension plans, and also EXCLUDE the value of your home?	Total Respondents	1000
38	23	Q.961 If you added together the yearly incomes, before taxes, of all the members of your household for the last year, 2004, would the total be...?	Total Respondents	1000
41	24	Q.971 Do you consider yourself to be the head of household?	Total Respondents	1000
42	25	Gender of respondent	Total Respondents	1000
43	26	Deluxe Banner by Standard Banner	Total Respondents	1000

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Table 1
 dial. Have you heard of cultured diamonds?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Yes	320	320	-	-	-	76	219	21	4
	32.0	100.0C	-	-	-	29.2	37.5	14.3	52.1
No	676	-	676	-	-	184	363	125	4
	67.6	-	100.0B	-	-	70.8	62.0	85.3	47.9
Don't know	4	-	-	4	-	-	3	1	-
	0.4	-	-	100.0	-	-	0.6	0.4	-
Refused	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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Table 2
diala. What do you think they are?

Base: Those respondents who have not heard of cultured diamonds

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	659 100	- -	655 100	4 100	- -	159 100	369 100	125 100	6 100
Total Weighted	680 100	-** -**	676 100	4** 100**	-** -**	184 100	366 100	125 100	4 100
Man-Made	70 10.4	- -	68 10.1	2 55.8	- -	8 4.4	60 16.3	2 1.6	1 14.4
Jewel/Jewelery	39 5.7	- -	38 5.7	1 15.0	- -	18 9.8	15 4.0	6 5.1	- -
Artificial	37 5.4	- -	36 5.3	1 29.2	- -	4 2.4	24 6.7	8 6.3	- -
Diamonds	34 5.0	- -	34 5.0	- -	- -	16 8.6	12 3.2	6 5.0	- -
Something related to health	21 3.1	- -	21 3.1	- -	- -	9 4.6	11 3.0	1 1.0	- -
Manufactured diamonds	15 2.2	- -	15 2.2	- -	- -	1 0.4	14 3.9	- -	- -
Gem	14 2.0	- -	14 2.0	- -	- -	3 1.9	8 2.3	2 1.5	- -
A company	10 1.5	- -	10 1.6	- -	- -	2 1.0	6 1.6	3 2.2	- -
Stone	10 1.5	- -	10 1.5	- -	- -	2 1.3	8 2.2	- -	- -

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

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Table 2
diala. What do you think they are?

Base: Those respondents who have not heard of cultured diamonds

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
	(A)	(B)	(C)	Know	Refused	(F)	(G)	Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Synthetic	10	-	10	-	-	-	10	*	-
	1.5	-	1.5	-	-	-	2.6	0.3	-
CZ/Cubic Zirconia or simulant	9	-	9	-	-	*	8	-	-
	1.3	-	1.3	-	-	0.2	2.3	-	-
Expensive	6	-	6	-	-	3	3	-	-
	0.9	-	0.9	-	-	1.5	0.9	-	-
Investment company/firm	5	-	5	-	-	2	3	-	-
	0.7	-	0.7	-	-	1.1	0.8	-	-
Lab-Made	3	-	3	-	-	-	3	-	-
	0.4	-	0.4	-	-	-	0.7	-	-
Colored diamonds	3	-	3	-	-	3	-	-	-
	0.4	-	0.4	-	-	1.4	-	-	-
Cut diamonds	2	-	2	-	-	1	1	-	-
	0.4	-	0.4	-	-	0.7	0.3	-	-
Something that is made in a mine	2	-	2	-	-	1	2	-	-
	0.3	-	0.3	-	-	0.4	0.4	-	-
Carbon/Carbon Compressed	2	-	2	-	-	1	1	-	-
	0.3	-	0.3	-	-	0.8	0.2	-	-
Natural or real Diamond	1	-	1	-	-	1	-	-	-
	0.2	-	0.2	-	-	0.7	-	-	-
Like a cultured pearl	1	-	1	-	-	1	*	-	-
	0.2	-	0.2	-	-	0.5	0.1	-	-
Branded diamond (new brand)	1	-	1	-	-	1	-	-	-
	0.1	-	0.1	-	-	0.5	-	-	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

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Table 2
diala. What do you think they are?

Base: Those respondents who have not heard of cultured diamonds

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Un-cut diamonds	1 0.1	-	1 0.1	-	-	-	1 0.1	-	-
Machine-made	* *	-	* *	-	-	* 0.1	-	-	-
Diamond for Cultured People	-	-	-	-	-	-	-	-	-
Something that builds on nature or enhances nature	-	-	-	-	-	-	-	-	-
Other	73 10.7	-	73 10.7	-	-	20 11.0	42 11.4	11 8.4	-
None/Nothing	7 1.0	-	7 1.0	-	-	1 0.7	4 1.2	1 1.2	-
Don't know	319 46.8	-	319 47.1	-	-	88 47.8	143 39.1	84 66.9	3 85.6
Refused	5 0.8	-	5 0.8	-	-	2 1.2	2 0.6	1 0.9	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

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Table 3
 dialb. What do you think they are?

Base: Those respondents who have heard of cultured diamonds

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	341	341	-	-	-	81	235	21	4
	100	100	-	-	-	100	100	100	100
Total Weighted	320	320	**	**	**	76	219	21	4
	100	100	**	**	**	100	100	100	100
Man-Made	100	100	-	-	-	24	73	3	-
	31.2	31.2	-	-	-	32.0	33.2	14.3	-
Artificial	44	44	-	-	-	5	37	1	-
	13.6	13.6	-	-	-	7.1	16.9	6.2	-
Manufactured diamonds	36	36	-	-	-	7	27	3	-
	11.3	11.3	-	-	-	8.6	12.1	14.1	-
Lab-Made	20	20	-	-	-	3	17	-	-
	6.2	6.2	-	-	-	3.3	7.9	-	-
Carbon/Carbon Compressed	16	16	-	-	-	5	12	-	-
	5.0	5.0	-	-	-	5.9	5.3	-	-
Synthetic	13	13	-	-	-	1	13	-	-
	4.2	4.2	-	-	-	1.1	5.7	-	-
Diamonds	10	10	-	-	-	3	5	-	2
	3.1	3.1	-	-	-	4.1	2.3	-	44.4
Natural or real Diamond	10	10	-	-	-	5	3	2	-
	3.0	3.0	-	-	-	7.1	1.1	8.0	-
Stone	8	8	-	-	-	3	5	-	-
	2.5	2.5	-	-	-	4.4	2.1	-	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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Table 3
 dialb. What do you think they are?

Base: Those respondents who have heard of cultured diamonds

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
CZ/Cubic Zirconia or simulant	7 2.2	7 2.2	- -	- -	- -	- -	6 2.8	1 3.6	- -
Gem	6 1.8	6 1.8	- -	- -	- -	1 1.6	4 2.0	- -	- -
Cut diamonds	5 1.6	5 1.6	- -	- -	- -	4 5.1	1 0.6	- -	- -
Expensive	4 1.4	4 1.4	- -	- -	- -	1 1.6	1 0.4	2 11.5	- -
Jewel/Jewelery	3 1.0	3 1.0	- -	- -	- -	2 2.8	1 0.5	- -	- -
Like a cultured pearl	3 1.0	3 1.0	- -	- -	- -	- -	1 0.7	2 8.0	- -
Something that is made in a mine	2 0.6	2 0.6	- -	- -	- -	1 1.6	1 0.3	- -	- -
Un-cut diamonds	1 0.4	1 0.4	- -	- -	- -	- -	- -	1 6.1	- -
Colored diamonds	1 0.3	1 0.3	- -	- -	- -	1 1.3	- -	- -	- -
Branded diamond (new brand)	1 0.3	1 0.3	- -	- -	- -	- -	1 0.4	- -	- -
A company	1 0.2	1 0.2	- -	- -	- -	1 0.7	- -	- -	- -
Something related to health	* 0.1	* 0.1	- -	- -	- -	- -	* 0.1	- -	- -

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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Table 3
 dialb. What do you think they are?

Base: Those respondents who have heard of cultured diamonds

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Something that builds on nature or enhances nature	-	-	-	-	-	-	-	-	-
Investment company/firm	-	-	-	-	-	-	-	-	-
Diamond for Cultured People	-	-	-	-	-	-	-	-	-
Machine-made	-	-	-	-	-	-	-	-	-
Other	32 9.9	32 9.9	-	-	-	11 14.2	16 7.3	3 16.3	1 32.5
None/Nothing	-	-	-	-	-	-	-	-	-
Don't know	27 8.4	27 8.4	-	-	-	7 9.8	15 7.0	4 19.9	-
Refused	1 0.3	1 0.3	-	-	-	-	-	-	1 23.1

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

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Table 4
diala/dialb. What do you think they are?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Man-Made	171	100	68	2	-	32	133	5	1
	17.1	31.2C	10.1	55.8	-	12.5	22.6	3.4	6.9
Artificial	80	44	36	1	-	10	61	9	-
	8.0	13.6C	5.3	29.2	-	3.7	10.5	6.2	-
Manufactured diamonds	51	36	15	-	-	7	41	3	-
	5.1	11.3C	2.2	-	-	2.8	7.0	2.0	-
Diamonds	44	10	34	-	-	19	17	6	2
	4.4	3.1	5.0	-	-	7.3	2.8	4.3	23.1
Jewel/Jewelery	42	3	38	1	-	20	16	6	-
	4.2	1.0	5.7B	15.0	-	7.7	2.7	4.3	-
Synthetic	23	13	10	-	-	1	22	*	-
	2.3	4.2C	1.5	-	-	0.3	3.8	0.2	-
Lab-Made	22	20	3	-	-	3	20	-	-
	2.2	6.2C	0.4	-	-	1.0	3.4	-	-
Something related to health	21	*	21	-	-	9	11	1	-
	2.1	0.1	3.1B	-	-	3.3	1.9	0.8	-
Gem	19	6	14	-	-	5	13	2	-
	1.9	1.8	2.0	-	-	1.8	2.2	1.3	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

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Table 4
diala/dialb. What do you think they are?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Stone	18 1.8	8 2.5	10 1.5	-	-	6 2.2	13 2.2	-	-
Carbon/Carbon Compressed	18 1.8	16 5.0C	2 0.3	-	-	6 2.3	12 2.1	-	-
CZ/Cubic Zirconia or simulant	16 1.6	7 2.2	9 1.3	-	-	* 0.1	15 2.5	1 0.5	-
A company	11 1.1	1 0.2	10 1.6b	-	-	2 0.9	6 1.0	3 1.9	-
Natural or real Diamond	11 1.1	10 3.0C	1 0.2	-	-	7 2.6	3 0.4	2 1.1	-
Expensive	11 1.1	4 1.4	6 0.9	-	-	4 1.5	4 0.7	2 1.6	-
Cut diamonds	8 0.8	5 1.6c	2 0.4	-	-	5 2.0	2 0.4	-	-
Investment company/ firm	5 0.5	-	5 0.7	-	-	2 0.8	3 0.5	-	-
Like a cultured pearl	4 0.4	3 1.0	1 0.2	-	-	1 0.4	2 0.3	2 1.1	-
Something that is made in a mine	4 0.4	2 0.6	2 0.3	-	-	2 0.8	2 0.4	-	-
Colored diamonds	4 0.3	1 0.3	3 0.4	-	-	4 1.3	-	-	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

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Table 4
diala/dialb. What do you think they are?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Branded diamond (new brand)	2 0.2	1 0.3	1 0.1	- -	- -	1 0.4	1 0.1	- -	- -
Un-cut diamonds	2 0.2	1 0.4	1 0.1	- -	- -	- -	1 0.1	1 0.9	- -
Machine-made	* *	- -	* *	- -	- -	* 0.1	- -	- -	- -
Diamond for Cultured People	- -	- -	- -	- -	- -	- -	- -	- -	- -
Something that builds on nature or enhances nature	- -	- -	- -	- -	- -	- -	- -	- -	- -
Other	104 10.4	32 9.9	73 10.7	- -	- -	31 12.0	58 9.8	14 9.6	1 16.9
None/Nothing	7 0.7	- -	7 1.0b	- -	- -	1 0.5	4 0.7	1 1.0	- -
Don't know	345 34.5	27 8.4	319 47.1B	- -	- -	95 36.7	158 27.1	88 60.2	3 41.0
Refused	6 0.6	1 0.3	5 0.8	- -	- -	2 0.8	2 0.4	1 0.8	1 12.0

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

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Table 5
dia2. Do you believe that cultured diamonds are a natural product?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Yes	260	76	184	-	-	260	-	-	-
	26.0	23.7	27.3	-	-	100.0	-	-	-
No	585	219	363	3	-	-	585	-	-
	58.5	68.4C	53.7	85.0	-	-	100.0	-	-
Don't know	146	21	125	1	-	-	-	146	-
	14.6	6.5	18.5B	15.0	-	-	-	100.0	-
Refused	8	4	4	-	-	-	-	-	8
	0.8	1.4	0.6	-	-	-	-	-	100.0

Proportions/Mean: Columns Tested (5%, 10% risk level) - E/C/D/E

** very small base (under 30) ineligible for sig testing

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Table 6
Q.906 What is the last grade of school you completed?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Not High School	101	16	85	-	-	36	44	19	1
Graduate (Net)	10.0	4.9	12.6B	-	-	14.0	7.4	13.2	14.1
8th Grade or Less	25	5	20	-	-	11	8	5	1
	2.5	1.7	2.9	-	-	4.2	1.3	3.7	14.1
Some High School	76	10	65	-	-	26	36	14	-
	7.5	3.2	9.7B	-	-	9.8	6.1	9.6	-
Graduated High School	365	112	250	2	-	104	198	62	1
	36.4	35.1	37.0	61.2	-	39.9	33.8	42.4	13.1
Some College (Net)	524	190	334	1	-	118	337	63	6
	52.4	59.1C	49.4	23.8	-	45.4	57.7	42.7	72.8
Trade or Technical School	27	8	19	-	-	6	18	3	*
	2.7	2.4	2.8	-	-	2.3	3.0	1.7	4.4
Some College	190	63	126	1	-	51	113	23	2
	19.0	19.6	18.7	23.8	-	19.7	19.4	15.8	23.0
Graduated College	193	72	122	-	-	45	126	21	2
	19.3	22.4	18.0	-	-	17.2	21.5	14.2	18.1
Post-graduate	115	47	67	-	-	16	80	16	2
	11.5	14.8C	10.0	-	-	6.1	13.7	11.1	27.3

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

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Table 6
 Q.906 What is the last grade of school you completed?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Refused	11	3	7	1	-	2	7	2	-
	1.1	1.0	1.1	15.0	-	0.7	1.1	1.6	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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 Job #US-80041

Table 7
 Q.912 Age of respondent

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
18-24 (Net)	142	21	121	-	-	61	67	14	-
	14.2	6.6	17.9B	-	-	23.6	11.5	9.3	-
18 - 20	83	13	70	-	-	38	39	6	-
	8.3	4.2	10.3B	-	-	14.7	6.7	4.2	-
21 - 24	58	8	50	-	-	23	27	7	-
	5.8	2.4	7.4B	-	-	8.9	4.7	5.1	-
18-24 Unspecified	1	-	1	-	-	-	1	-	-
	0.1	-	0.1	-	-	-	0.2	-	-
25-34 (Net)	170	50	120	-	-	49	94	26	1
	17.0	15.5	17.8	-	-	18.9	16.1	17.4	12.0
25 - 29	67	10	57	-	-	19	36	10	1
	6.7	3.3	8.4B	-	-	7.5	6.2	7.1	12.0
30 - 34	96	37	60	-	-	30	54	13	-
	9.6	11.5	8.8	-	-	11.4	9.3	8.6	-
25-34 Unspecified	6	3	4	-	-	-	4	3	-
	0.6	0.8	0.6	-	-	-	0.7	1.7	-
35-44 (Net)	182	57	123	2	-	56	102	21	3
	18.2	17.8	18.2	55.8	-	21.6	17.5	14.1	35.4

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
October 17, 2005
Job #US-80041

Table 7
Q.912 Age of respondent

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
35 - 39	89	28	61	-	-	25	52	12	-
	8.9	8.8	9.0	-	-	9.6	8.9	8.0	-
40 - 44	90	27	62	1	-	31	47	9	3
	9.0	8.4	9.2	23.8	-	12.0	8.0	6.1	35.4
35-44 Unspecified	3	2	*	1	-	-	3	-	-
	0.3	0.6	0.1	32.0	-	-	0.6	-	-
45-49 (Net)	93	45	47	-	-	19	59	15	-
	9.3	14.2C	7.0	-	-	7.3	10.1	10.1	-
45 - 49	86	40	45	-	-	19	52	15	-
	8.6	12.6C	6.7	-	-	7.3	8.9	10.1	-
45-49 Unspecified	7	5	2	-	-	-	7	-	-
	0.7	1.5C	0.3	-	-	-	1.1	-	-
50-54 (Net)	119	42	78	-	-	21	78	18	2
	11.9	13.0	11.5	-	-	8.1	13.4	12.4	21.3
50 - 54	116	41	75	-	-	21	75	18	2
	11.6	12.7	11.2	-	-	8.1	12.8	12.4	21.3
50-54 Unspecified	3	1	2	-	-	-	3	-	-
	0.3	0.3	0.3	-	-	-	0.5	-	-
55-64 (Net)	145	52	92	1	-	26	96	24	-
	14.5	16.4	13.6	29.2	-	9.8	16.3	16.3	-
55 - 59	76	29	47	-	-	14	50	12	-
	7.6	9.0	6.9	-	-	5.5	8.5	8.3	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

TNS
October 17, 2005
Job #US-80041

Table 7
Q.912 Age of respondent

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
60 - 64	65 6.5	23 7.1	41 6.0	1 29.2	- -	11 4.4	42 7.2	11 7.5	- -
55-64 Unspecified	5 0.5	1 0.2	4 0.6	- -	- -	- -	4 0.7	1 0.5	- -
65+ (Net)	145 14.5	51 16.0	93 13.8	1 15.0	- -	28 10.6	86 14.8	28 19.2	3 31.2
65 - 69	42 4.2	13 4.0	29 4.3	- -	- -	11 4.2	23 3.9	7 4.8	1 9.1
65+ Unspecified	7 0.7	2 0.7	4 0.6	1 15.0	- -	2 0.6	4 0.6	1 0.9	- -
70 - 74	39 3.9	14 4.5	24 3.6	- -	- -	5 1.8	26 4.5	7 4.5	1 9.1
75+	58 5.8	22 6.8	36 5.3	- -	- -	10 4.0	34 5.7	13 8.9	1 13.1
Refused	4 0.4	2 0.6	2 0.3	- -	- -	- -	2 0.4	2 1.2	- -
Mean	45.14	48.28	43.62	51.67	-	40.14	46.42	48.58	52.11
Standard Deviation	17.23	15.77	17.71	15.95	-	16.72	16.89	17.80	16.55
Standard Error	0.55	0.86	0.69	7.98	-	1.08	0.69	1.48	5.23
Median	45	48	42	40	-	38	47	48	53

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

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Table 8
Q.926 Marital Status

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Married	587	218	367	1	-	132	368	81	5
	58.6	68.2C	54.3	29.2	-	50.8	62.9	55.1	64.4
Separated	27	6	19	1	-	8	16	3	-
	2.7	1.9	2.9	23.8	-	3.0	2.7	2.0	-
Divorced	75	25	50	-	-	22	44	10	-
	7.5	7.8	7.4	-	-	8.4	7.5	6.6	-
Widowed	72	23	50	-	-	13	36	21	2
	7.2	7.1	7.3	-	-	5.0	6.2	14.5	21.6
Never married	229	44	184	1	-	83	115	30	1
	22.9	13.6	27.2B	32.0	-	32.0	19.6	20.2	14.1
Refused	11	4	6	1	-	2	7	2	-
	1.1	1.4	0.9	15.0	-	0.7	1.1	1.6	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

TNS
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Table 9
Q.931 Employment Status

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know		Yes	No	Don't Know	
				Refused	Refused			Refused	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Employed Part-Time	125	31	93	1	-	42	75	7	1
	12.5	9.7	13.7	32.0	-	16.2	12.8	4.9	10.4
Employed Full-Time	491	176	315	1	-	118	295	75	4
	49.1	54.8C	46.6	23.8	-	45.2	50.4	51.0	47.4
Unemployed	58	16	42	-	-	20	30	7	1
	5.8	5.0	6.3	-	-	7.8	5.1	5.1	11.0
Laid off	6	1	3	1	-	*	2	3	-
	0.6	0.3	0.5	29.2	-	0.1	0.4	2.1	-
Retired	202	67	136	-	-	42	120	38	3
	20.2	20.8	20.1	-	-	16.0	20.5	26.2	31.2
Full-time homemaker	49	17	32	-	-	14	29	6	-
	4.9	5.2	4.7	-	-	5.5	4.9	3.9	-
Student	24	3	21	-	-	11	8	5	-
	2.4	0.9	3.1b	-	-	4.1	1.4	3.2	-
Unemployed due to disability	33	6	26	-	-	9	21	3	-
	3.3	2.0	3.9	-	-	3.6	3.5	2.0	-
Refused	12	4	8	1	-	4	6	2	-
	1.2	1.3	1.1	15.0	-	1.5	1.0	1.6	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

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Table 10
 Q.936 Counting yourself, how many adults live in your household?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
1	155	44	111	1	-	36	80	38	1
	15.5	13.6	16.4	15.0	-	13.8	13.6	25.8	17.5
2	606	206	397	3	-	149	372	80	5
	60.6	64.2	58.7	85.0	-	57.2	63.6	54.8	54.6
3	154	45	108	-	-	49	92	12	1
	15.4	14.1	16.0	-	-	18.8	15.6	8.3	11.0
4	64	22	41	-	-	17	34	11	1
	6.4	6.9	6.1	-	-	6.6	5.8	7.4	16.9
5	18	3	15	-	-	7	5	5	-
	1.8	1.0	2.2	-	-	2.9	0.9	3.7	-
6	4	-	4	-	-	2	2	-	-
	0.4	-	0.5	-	-	0.7	0.3	-	-
20	*	*	-	-	-	-	*	-	-
	*	0.1	-	-	-	-	0.1	-	-
Mean	2.20	2.19	2.21	1.85	-	2.30	2.19	2.08	2.27
Standard Deviation	0.92	0.96	0.90	0.41	-	0.94	0.90	0.98	1.00
Standard Error	0.03	0.05	0.04	0.21	-	0.06	0.04	0.08	0.32

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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Table 10
 Q.936 Counting yourself, how many adults live in your household?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Median	2	2	2	2	-	2	2	2	2

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
 Job #US-80041

Table 11
 Q.936a Of those adults, how many are males?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
0	134	31	101	2	-	36	64	33	1
	13.4	9.7	15.0B	47.0	-	13.7	11.0	22.6	11.3
1	690	235	453	2	-	175	425	85	5
	69.0	73.4c	67.0	53.0	-	67.2	72.7	58.1	60.8
2	147	46	100	-	-	39	83	22	2
	14.7	14.4	14.9	-	-	15.1	14.1	15.3	27.9
3	21	5	17	-	-	9	8	5	-
	2.1	1.4	2.5	-	-	3.4	1.4	3.2	-
4	1	1	-	-	-	-	1	-	-
	0.1	0.4	-	-	-	-	0.2	-	-
Refused	7	2	4	-	-	2	4	1	-
	0.7	0.7	0.6	-	-	0.6	0.6	0.8	-
Mean	1.06	1.09	1.05	0.53	-	1.08	1.06	0.99	1.17
Standard Deviation	0.61	0.57	0.63	0.58	-	0.65	0.57	0.72	0.64
Standard Error	0.02	0.03	0.02	0.29	-	0.04	0.02	0.06	0.20
Median	1	1	1	1	-	1	1	1	1

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
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Table 12
Q.936a Of those adults, how many are females?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
0	80	25	55	-	-	17	48	14	1
	8.0	7.7	8.1	-	-	6.6	8.2	9.4	6.2
1	730	243	484	3	-	177	439	108	6
	73.0	75.8	71.6	68.0	-	67.8	75.1	73.5	76.9
2	150	46	102	1	-	55	74	19	1
	15.0	14.5	15.1	32.0	-	21.2	12.7	13.1	16.9
3	32	4	28	-	-	10	17	5	-
	3.2	1.2	4.1B	-	-	3.7	3.0	3.2	-
4	3	-	3	-	-	-	3	-	-
	0.3	-	0.4	-	-	-	0.5	-	-
Refused	6	3	3	-	-	2	3	1	-
	0.6	0.8	0.5	-	-	0.6	0.5	0.8	-
Mean	1.14	1.09	1.17	1.32	-	1.22	1.12	1.10	1.11
Standard Deviation	0.61	0.51	0.64	0.54	-	0.62	0.60	0.59	0.50
Standard Error	0.02	0.03	0.03	0.27	-	0.04	0.02	0.05	0.16
Median	1	1	1	1	-	1	1	1	1

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

TNS
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Table 13
 Q.941 Presence of children

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Yes	369	112	256	1	-	116	206	42	5
	36.9	35.1	37.8	23.8	-	44.7	35.2	28.6	56.7
No	631	208	420	3	-	144	379	104	4
	63.1	64.9	62.2	76.2	-	55.3	64.8	71.4	43.3

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

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Table 14
Q.941A Thinking about all the people living in your household related to you or not, how many are between the ages of 5 years or under?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
0	838	274	562	2	-	209	489	134	7
	83.8	85.4	83.2	61.2	-	80.2	83.5	91.5	85.2
1	105	28	76	1	-	25	73	6	1
	10.5	8.8	11.3	23.8	-	9.6	12.5	4.2	14.8
2	39	14	26	-	-	22	14	3	-
	3.9	4.2	3.8	-	-	8.5	2.4	2.3	-
3	3	-	3	-	-	1	1	1	-
	0.3	-	0.4	-	-	0.4	0.1	0.8	-
4	1	-	1	-	-	1	-	-	-
	0.1	-	0.2	-	-	0.5	-	-	-
5	1	1	-	-	-	1	-	-	-
	0.1	0.2	-	-	-	0.3	-	-	-
Refused	12	4	8	1	-	2	9	2	-
	1.2	1.3	1.1	15.0	-	0.7	1.5	1.2	-
SIGMA	1000	320	676	4	-	260	585	146	8
	100.0	100.0	100.0	100.0	-	100.0	100.0	100.0	100.0
Mean	0.20	0.19	0.21	0.28	-	0.31	0.18	0.11	0.15
Standard Deviation	0.54	0.53	0.54	0.54	-	0.72	0.45	0.44	0.38

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
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Table 14
 Q.941A Thinking about all the people living in your household related to you or not, how many are between the ages of 5 years or under?

Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product				
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Standard Error	0.02	0.03	0.02	0.31	-	0.05	0.02	0.04	0.12

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
October 17, 2005
Job #US-80041

Table 15
Q.941B Thinking about all the people living in your household related to you or not, how many are between the ages of 6 to 11?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
0	814	271	541	2	-	211	474	122	7
	81.4	84.5	80.0	61.2	-	81.0	81.0	83.0	85.9
1	131	31	99	1	-	37	74	19	1
	13.1	9.6	14.7B	23.8	-	14.4	12.6	12.9	14.1
2	34	10	24	-	-	9	23	3	-
	3.4	3.1	3.6	-	-	3.3	3.9	2.2	-
3	7	2	5	-	-	*	6	1	-
	0.7	0.7	0.7	-	-	0.1	1.0	0.7	-
4	1	1	-	-	-	-	1	-	-
	0.1	0.3	-	-	-	-	0.2	-	-
5	2	2	-	-	-	2	-	-	-
	0.2	0.6c	-	-	-	0.7	-	-	-
Refused	11	4	7	1	-	1	8	2	-
	1.1	1.2	1.0	15.0	-	0.5	1.4	1.2	-
SIGMA	1000	320	676	4	-	260	585	146	8
	100.0	100.0	100.0	100.0	-	100.0	100.0	100.0	100.0
Mean	0.24	0.22	0.24	0.28	-	0.25	0.24	0.20	0.14
Standard Deviation	0.58	0.66	0.55	0.54	-	0.64	0.58	0.50	0.37

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

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 October 17, 2005
 Job #US-80041

Table 15
 Q.941B Thinking about all the people living in your household related to you or not, how many are between the ages of 6 to 11?

Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product				
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Standard Error	0.02	0.04	0.02	0.31	-	0.04	0.02	0.04	0.12

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
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Table 16
Q.941C Thinking about all the people living in your household related to you or not, how many are between the ages of 12 to 17?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
0	809	258	548	2	-	202	481	122	5
	80.9	80.6	81.1	61.2	-	77.5	82.1	83.1	58.0
1	114	37	77	-	-	37	64	11	1
	11.4	11.4	11.4	-	-	14.2	11.0	7.5	16.9
2	57	21	36	1	-	15	29	11	2
	5.7	6.5	5.3	23.8	-	5.8	4.9	7.8	25.0
3	7	1	6	-	-	4	3	1	-
	0.7	0.3	0.9	-	-	1.4	0.4	0.5	-
4	1	-	1	-	-	1	-	-	-
	0.1	-	0.2	-	-	0.5	-	-	-
5	1	-	1	-	-	-	1	-	-
	0.1	-	0.2	-	-	-	0.2	-	-
Refused	11	4	7	1	-	1	8	2	-
	1.1	1.2	1.0	15.0	-	0.5	1.3	1.2	-
SIGMA	1000	320	676	4	-	260	585	146	8
	100.0	100.0	100.0	100.0	-	100.0	100.0	100.0	100.0
Mean	0.26	0.26	0.27	0.56	-	0.32	0.24	0.25	0.67
Standard Deviation	0.63	0.58	0.65	1.08	-	0.69	0.59	0.61	0.91

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
 Job #US-80041

Table 16
 Q.941C Thinking about all the people living in your household related to you or not, how many are between the ages of 12 to 17?

Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product				
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Standard Error	0.02	0.03	0.03	0.62	-	0.04	0.02	0.05	0.29

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
 Job #US-80041

Table 17
 q981. Are you or is someone else in the household the person who does most of the shopping for groceries and household items?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Respondent	567	184	379	3	-	151	333	80	3
	56.7	57.5	56.1	85.0	-	57.8	57.0	54.5	40.5
Someone else	259	84	176	-	-	67	154	37	1
	25.9	26.1	26.0	-	-	25.7	26.3	25.5	16.9
Respondent and someone else	162	49	114	-	-	41	92	26	4
	16.2	15.2	16.8	-	-	15.7	15.6	18.0	42.6
Don't know	1	-	1	-	-	-	-	1	-
	0.1	-	0.1	-	-	-	-	0.4	-
Refused	11	4	7	1	-	2	7	2	-
	1.1	1.1	1.0	15.0	-	0.7	1.2	1.6	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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Table 18
q982. Do you have internet access or e-mail?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know		Yes	No	Don't Know	
				Refused	Refused			Refused	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
At home	339	105	231	2	-	85	203	49	2
	33.9	32.9	34.2	61.2	-	32.7	34.7	33.6	20.0
At work	60	16	44	-	-	13	35	12	*
	6.0	4.9	6.5	-	-	5.0	5.9	8.1	4.4
Both	306	122	183	1	-	70	205	27	3
	30.5	38.0C	27.0	23.8	-	27.0	35.0	18.6	39.3
Neither	286	74	213	-	-	90	139	55	3
	28.6	23.0	31.5B	-	-	34.6	23.7	37.2	36.2
Don't know	1	-	1	-	-	-	-	1	-
	0.1	-	0.1	-	-	-	-	0.4	-
Refused	9	4	5	1	-	2	4	3	-
	0.9	1.1	0.7	15.0	-	0.7	0.8	2.0	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E
** very small base (under 30) ineligible for sig testing

TNS
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Table 19
q983. Do you own or rent your home?

Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product				
	Total	Yes	No	Don't	Refused	Yes	No	Don't	Refused
				Know				Know	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Own	741	260	479	2	-	171	455	110	5
	74.1	81.2C	70.8	53.0	-	65.5	77.8	74.9	64.4
Rent	238	51	186	1	-	85	116	34	3
	23.8	15.9	27.5B	32.0	-	32.7	19.8	23.1	35.6
Don't know	7	4	2	-	-	3	4	-	-
	0.7	1.3	0.4	-	-	1.0	0.7	-	-
Refused	15	5	9	1	-	2	10	3	-
	1.5	1.6	1.3	15.0	-	0.7	1.7	2.0	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
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Table 20
Children by age groups

BASE: Those with children in the household
Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	305	97	207	1	-	95	174	32	4
	100	100	100	100	-	100	100	100	100
Total Weighted	356	104*	251	1**	-**	116	195	40	4
	100	100*	100	100**	-**	100	100	100	100
Under 1 year old	39	9	30	-	-	15	18	5	1
	11.0	8.9	11.9	-	-	13.1	9.3	12.4	19.8
1 year old	26	9	18	-	-	13	10	3	-
	7.4	8.2	7.0	-	-	11.2	5.2	7.5	-
2 years old	36	6	30	-	-	15	18	2	-
	10.1	5.8	11.9	-	-	13.3	9.5	4.7	-
3 years old	31	8	23	-	-	8	18	5	-
	8.8	8.1	9.1	-	-	7.1	9.3	12.1	-
4 years old	35	11	23	1	-	15	19	1	-
	9.9	10.5	9.3	100.0	-	13.3	9.7	1.7	-
5 years old	19	9	10	-	-	7	11	1	-
	5.4	9.2c	3.9	-	-	5.8	5.9	2.9	-
6 years old	29	8	21	-	-	7	13	8	1
	8.3	8.2	8.3	-	-	6.4	6.8	19.0	26.9
7 years old	29	8	20	-	-	10	14	5	-
	8.0	7.8	8.1	-	-	8.7	7.0	11.6	-
8 years old	49	12	37	-	-	14	30	5	-
	13.9	11.5	14.9	-	-	12.1	15.4	13.2	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
* small base; ** very small base (under 30) ineligible for sig testing

TNS
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Table 20
Children by age groups

BASE: Those with children in the household
Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
9 years old	39 11.0	8 7.8	31 12.3	- -	- -	15 13.2	22 11.2	2 4.5	- -
10 years old	25 7.0	8 8.2	16 6.2	1 100.0	- -	7 6.2	17 8.5	1 2.9	- -
11 years old	44 12.3	18 17.7c	25 10.1	- -	- -	10 8.5	30 15.4	4 9.4	- -
12 years old	39 11.1	8 8.2	31 12.3	- -	- -	14 12.3	21 11.0	4 9.2	- -
13 years old	40 11.2	11 11.0	28 11.3	- -	- -	16 13.7	18 9.2	5 12.3	1 21.0
14 years old	43 12.2	13 12.2	31 12.2	- -	- -	14 12.3	21 10.7	8 20.0	- -
15 years old	44 12.5	19 18.0c	25 9.9	1 100.0	- -	14 12.2	24 12.4	3 8.6	3 59.2
16 years old	31 8.6	12 11.4	18 7.1	1 100.0	- -	9 7.7	15 7.6	6 14.2	1 26.9
17 years old	45 12.6	10 10.0	34 13.7	- -	- -	17 15.0	18 9.4	8 20.3	1 21.0

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
* small base; ** very small base (under 30) ineligible for sig testing

TNS
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Table 21
Q.956 Are you White, Black or African American, or some other race?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't		Yes	No	Don't	
				Know	Refused			Know	Refused
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
White	701	246	451	3	-	166	437	93	5
	70.0	76.8C	66.7	85.0	-	63.6	74.6	63.6	64.8
Black or African-American	98	23	75	-	-	29	50	19	-
	9.8	7.2	11.0b	-	-	11.2	8.5	12.9	-
Hispanic (Net)	124	26	98	-	-	41	58	24	-
	12.4	8.1	14.5B	-	-	15.8	10.0	16.7	-
White Hispanic	56	20	36	-	-	20	27	9	-
	5.6	6.1	5.3	-	-	7.5	4.6	6.3	-
Black Hispanic	17	3	14	-	-	6	10	-	-
	1.7	0.8	2.1	-	-	2.5	1.8	-	-
Hispanic (No race given)	51	4	47	-	-	15	21	15	-
	5.1	1.2	7.0B	-	-	5.8	3.6	10.4	-
Asian	9	5	4	-	-	4	3	2	-
	0.9	1.5	0.7	-	-	1.4	0.5	1.6	-
Native American	13	5	8	-	-	4	6	1	2
	1.3	1.7	1.2	-	-	1.6	1.1	0.6	23.1
Other Race	31	5	26	-	-	11	17	3	-
	3.1	1.6	3.8b	-	-	4.3	2.8	2.1	-

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
 Job #US-80041

Table 21
 Q.956 Are you White, Black or African American, or some other race?

Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product				
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Refused	25	10	14	1	-	5	14	4	1
	2.5	3.1	2.1	15.0	-	2.1	2.5	2.6	12.0

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

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Table 22
 q960a. Thinking about your household's total investable assets, please INCLUDE all stocks, bonds, mutual funds, CDs, IRAs, SEPs, Keoghs, checking and savings accounts. Please EXCLUDE any company sponsored retirement accounts such as 401Ks or Pension plans, and also EXCLUDE the value of your home?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Under \$25,000	276	76	197	2	-	82	163	29	2
	27.6	23.8	29.2	55.8	-	31.5	27.9	19.8	20.3
\$25,000 to \$49,999	117	29	88	-	-	40	60	16	1
	11.7	9.1	13.0b	-	-	15.5	10.3	10.8	11.0
\$50,000 to \$99,999	102	30	72	-	-	24	65	14	*
	10.2	9.4	10.7	-	-	9.0	11.0	9.5	4.4
\$100,000 to \$499,000	126	41	85	-	-	30	78	18	-
	12.6	12.8	12.6	-	-	11.6	13.4	12.3	-
\$500,000 or more	51	22	29	-	-	10	33	8	1
	5.1	6.9	4.3	-	-	3.8	5.6	5.5	9.1
Don't know	148	45	102	1	-	41	71	35	1
	14.8	14.0	15.1	29.2	-	15.8	12.2	23.9	6.9
Refused	179	77	102	1	-	33	115	27	4
	17.9	24.0C	15.0	15.0	-	12.8	19.7	18.3	48.4

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
October 17, 2005
Job #US-80041

Table 23
Q.961 If you added together the yearly incomes, before taxes, of all the members of your household for the last year, 2004, would the total be...?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Under \$25,000 (Net)	164	39	125	-	-	58	70	35	1
	16.4	12.3	18.4B	-	-	22.2	12.0	23.8	13.1
Less than \$12,000 (\$10K)	55	11	44	-	-	22	21	12	1
	5.5	3.5	6.5b	-	-	8.3	3.6	8.2	6.2
\$12,000 but less than \$15,000 (\$13.5K)	26	5	21	-	-	8	14	3	1
	2.6	1.5	3.2	-	-	3.2	2.4	2.2	6.9
\$15,000 but less than \$20,000 (\$17.5K)	34	5	29	-	-	10	18	6	-
	3.4	1.6	4.3B	-	-	4.0	3.0	4.2	-
\$20,000 but less than \$25,000 (\$22.5K)	40	16	24	-	-	15	16	9	-
	4.0	5.0	3.6	-	-	5.9	2.7	6.0	-
Don't know	7	2	4	-	-	1	1	4	-
	0.7	0.8	0.6	-	-	0.4	0.2	2.9	-
Refused	2	-	2	-	-	1	-	1	-
	0.2	-	0.2	-	-	0.4	-	0.4	-
\$25,000 or over (Net)	720	238	479	3	-	180	437	95	7
	72.0	74.1	70.9	85.0	-	69.2	74.7	65.1	86.9

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
 Job #US-80041

Table 23
 Q.961 If you added together the yearly incomes, before taxes, of all the members of your household for the last year, 2004, would the total be...?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product				
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
\$25,000 but less than \$30,000 (\$27.5K)	80 8.0	14 4.3	65 9.6B	1 32.0	- -	22 8.5	39 6.6	19 13.1	* 4.4	
\$30,000 but less than \$35,000 (\$32.5K)	46 4.6	16 5.0	30 4.4	- -	- -	8 2.9	32 5.5	5 3.3	1 11.0	
\$35,000 but less than \$50,000 (\$42.5K)	116 11.6	35 11.0	80 11.8	1 23.8	- -	28 10.9	74 12.6	14 9.4	- -	
\$50,000 but less than \$75,000 (\$62.5K)	92 9.2	34 10.5	58 8.6	- -	- -	26 10.0	56 9.6	9 5.9	1 14.1	
\$75,000 but less than \$100,000 (\$87.5K)	217 21.7	72 22.5	144 21.2	1 29.2	- -	62 23.8	124 21.2	29 20.1	1 16.9	
\$100,000 or more (\$125K)	101 10.1	39 12.1	62 9.2	- -	- -	18 6.9	72 12.3	10 7.1	1 9.1	
Don't know	46 4.6	16 4.9	30 4.5	- -	- -	13 5.1	25 4.3	7 4.7	1 10.4	
Refused	22 2.2	12 3.7C	10 1.5	- -	- -	3 1.0	16 2.7	2 1.5	2 21.1	
Don't know	38 3.8	13 4.0	25 3.7	- -	- -	8 3.2	23 4.0	7 4.5	- -	

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
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Table 23
 Q.961 If you added together the yearly incomes, before taxes, of all the members of your household for the last year, 2004, would the total be...?

Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product				
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Refused	78	31	47	1	-	14	55	10	-
	7.8	9.6	7.0	15.0	-	5.4	9.3	6.5	-
Mean	59.91	65.93	57.29	52.30	-	55.53	63.73	52.90	60.19
Standard Deviation	36.25	35.93	36.15	31.35	-	35.06	36.46	35.89	40.87
Standard Error	1.28	2.21	1.56	18.10	-	2.46	1.66	3.33	15.45
Median	43.8	55.0	40.7	36.9	-	41.1	49.4	35.5	50.7

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E
 ** very small base (under 30) ineligible for sig testing

TNS
October 17, 2005
Job #US-80041

Table 24
Q.971 Do you consider yourself to be the head of household?

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Yes	600	211	387	1	-	151	351	93	5
	59.9	65.9C	57.3	23.8	-	57.9	59.9	63.8	54.5
No	371	100	269	2	-	104	218	45	4
	37.1	31.1	39.8B	61.2	-	40.1	37.3	30.8	45.5
Both partners equally	-	-	-	-	-	-	-	-	-
Don't know	2	1	1	-	-	1	1	-	-
	0.2	0.3	0.1	-	-	0.4	0.2	-	-
Refused	27	9	18	1	-	4	15	8	-
	2.7	2.7	2.7	15.0	-	1.6	2.6	5.4	-

Proportions/Means: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
October 17, 2005
Job #US-80041

Table 25
Gender of respondent

Base: Total Respondents

	Heard of Cultured Diamonds					Believe A Natural Product			
	Total	Yes	No	Don't Know	Refused	Yes	No	Don't Know	Refused
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total Unweighted	1000	341	655	4	-	240	604	146	10
	100	100	100	100	-	100	100	100	100
Total Weighted	1000	320	676	4**	-**	260	585	146	8
	100	100	100	100**	-**	100	100	100	100
Male	484	168	316	-	-	123	286	69	6
	48.3	52.4	46.7	-	-	47.1	48.9	47.1	65.7
Female	517	153	361	4	-	138	299	77	3
	51.7	47.6	53.3	100.0	-	52.9	51.1	52.9	34.3

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

TNS
 October 17, 2005
 Job #US-80041

Table 26
 Deluxe Banner by Standard Banner
 Base: Total Respondents

	Heard of Cultured Diamonds				Believe A Natural Product			
	Total	Yes	No	Don't	Yes	No	Don't	Refused
				Know			Refused	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Total	1000	320	676	4**	-** 260	585	146	8
	100.0	100.0	100.0	100.0**	-** 100	100.0	100.0	100.0

Heard of Cultured Diamonds

Yes	320	320	-	-	-	76	219	21	4
	32.0	100.0C	-	-	-	29.2	37.5	14.3	52.1
No	676	-	676	-	-	184	363	125	4
	67.6	-	100.0B	-	-	70.8	62.0	85.3	47.9
Don't Know	4	-	-	4	-	-	3	1	-
	0.4	-	-	100.0	-	-	0.6	0.4	-
Refused	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Believe that cultured diamonds are a natural product

Yes	260	76	184	-	-	260	-	-	-
	26.0	23.7	27.3	-	-	100.0	-	-	-
No	585	219	363	3	-	-	585	-	-
	58.5	68.4C	53.7	85.0	-	-	100.0	-	-
Don't Know	146	21	125	1	-	-	-	146	-
	14.6	6.5	18.5B	15.0	-	-	-	100.0	-
Refused	8	4	4	-	-	-	-	-	8
	0.8	1.4	0.6	-	-	-	-	-	100.0

Proportions/Mean: Columns Tested (5%, 10% risk level) - B/C/D/E

** very small base (under 30) ineligible for sig testing

Marketing Research Report:

Use of the term "Cultured" for Fine Jewelry

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July 5, 2006



the sixth sense of business™

Methodology

Methodology

- Respondent households selected via Random Digit Dialing with quota sampling for nine census regions.
- Selection of household member to be interviewed done via “gender rotated, last birthday” method. If that person is not available at the time of the initial call, up to two callbacks attempted. This approach minimizes the effects of “at home bias” and gives us a high quality approach to generating a representative sample.
- Respondents screened for being 18 or older and relevant to the fine jewelry category:
 - reported purchasing/receiving as a gift fine jewelry in the past 3 years and/or
 - expect to purchase or receive as a gift fine jewelry in the next year
- Significance testing was conducted at the 90% confidence level.

Summary of Findings

Summary of Findings

Key Finding #1: “Thinking about different kinds of jewelry, which one kind of fine jewelry do you most associate with the word ‘cultured’?” (open-ended question)

- **Over half, 50.4%, of respondents said they most associated ‘pearls’ most with the word “cultured”.**
- **That level is more than three times greater than is the case for ‘diamonds,’ which was most associated with the word “cultured” by 14.2%.**
- **Other answers besides ‘pearls’ and ‘diamonds’ were given much less often..no one answer was given by more than 6% of respondents.**

Summary of Findings

Key Finding #2: “Which of the following kinds of fine jewelry have you ever heard of being associated with the word ‘cultured’?” (closed-ended question)

- **81% of respondents associate pearls with the word “cultured”.**
- **45% of respondents associate diamonds with the word “cultured”.**
- **Between 32% - 34% associate rubies, emeralds and sapphires with the word “cultured”.**
- **The youngest age group, 18-34 year olds significantly are driving the thought that Diamonds (59%) , Rubies (47%), Emeralds (39%) and Sapphires (42%) are associated with the word “cultured”, which are all significantly higher levels than the two older age groups 35-54 and 55-74 year olds.**

Summary of Findings

- **Key Finding #3: Of all of these different kinds of fine jewelry, which single one do you most associate with the term “cultured”?**

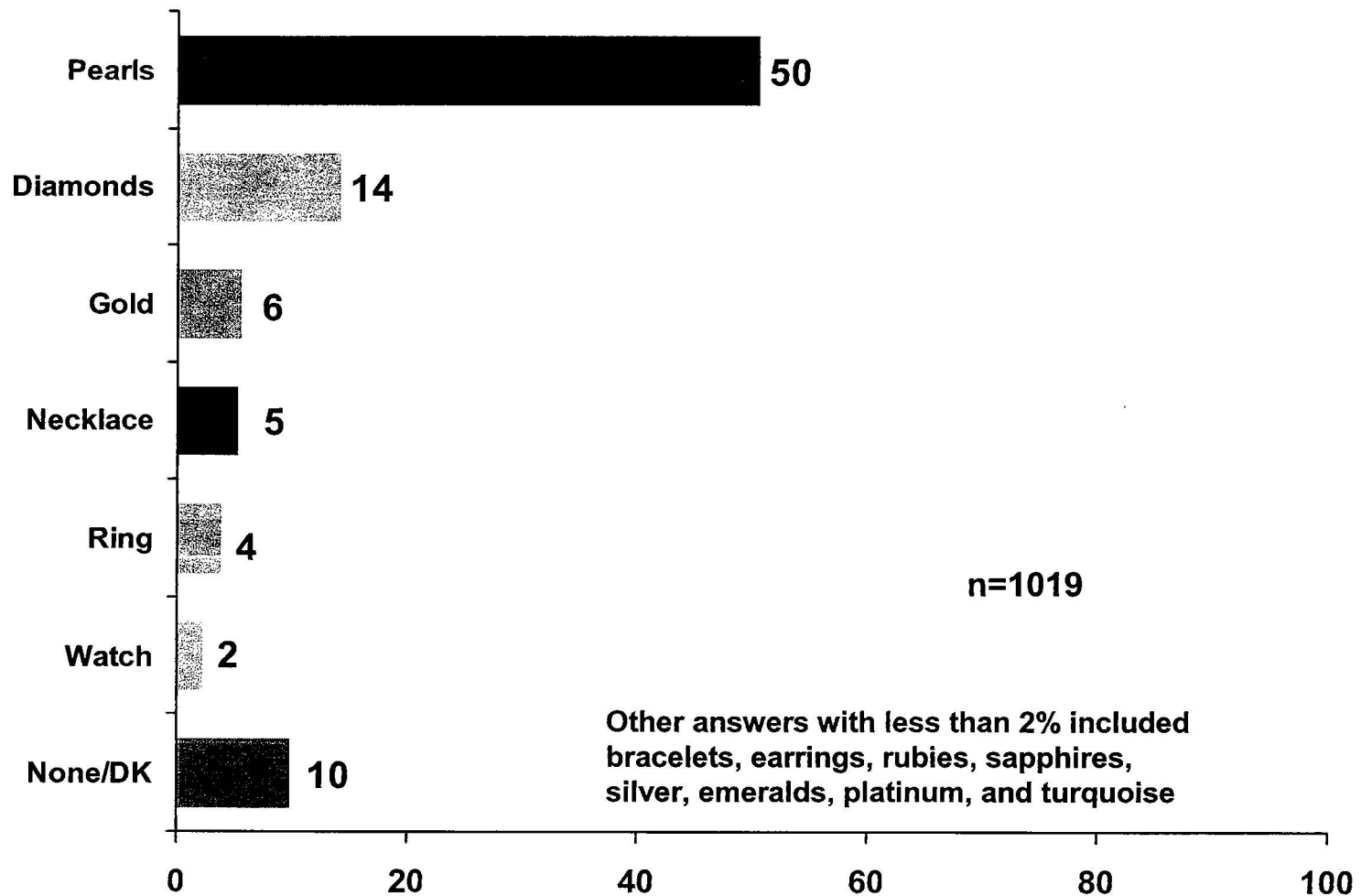
Answer:

- **62% believe that Pearls are most associated with the term “cultured”.**
- **22% believe that Diamonds are most associated with the term “cultured”.**
- **None of the other types of fine jewelry have more than 5%.**

Detailed Findings

Thinking about different kinds of fine jewelry, which ONE kind of fine jewelry do you most associate with the word “cultured?” (open-ended)

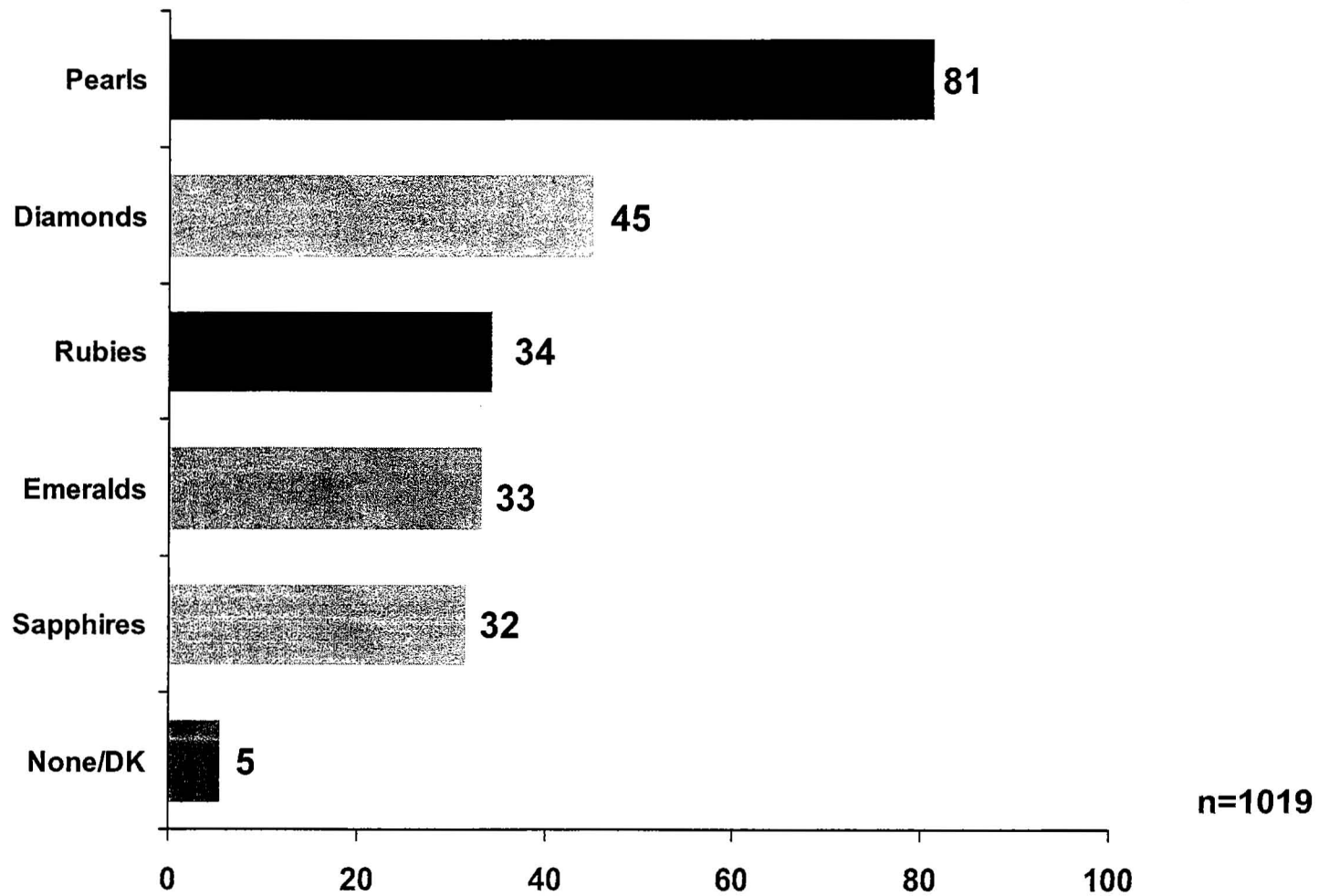
- Half of all respondents associate the word “cultured” with Pearls.
- The next highest level is for Diamonds, at 14%.



Q1 Thinking about different kinds of fine jewelry, which ONE kind of fine jewelry do you most associate with the word "cultured?"

Which of the following kinds of fine jewelry have you ever heard of being associated with the word “cultured”? (closed ended)

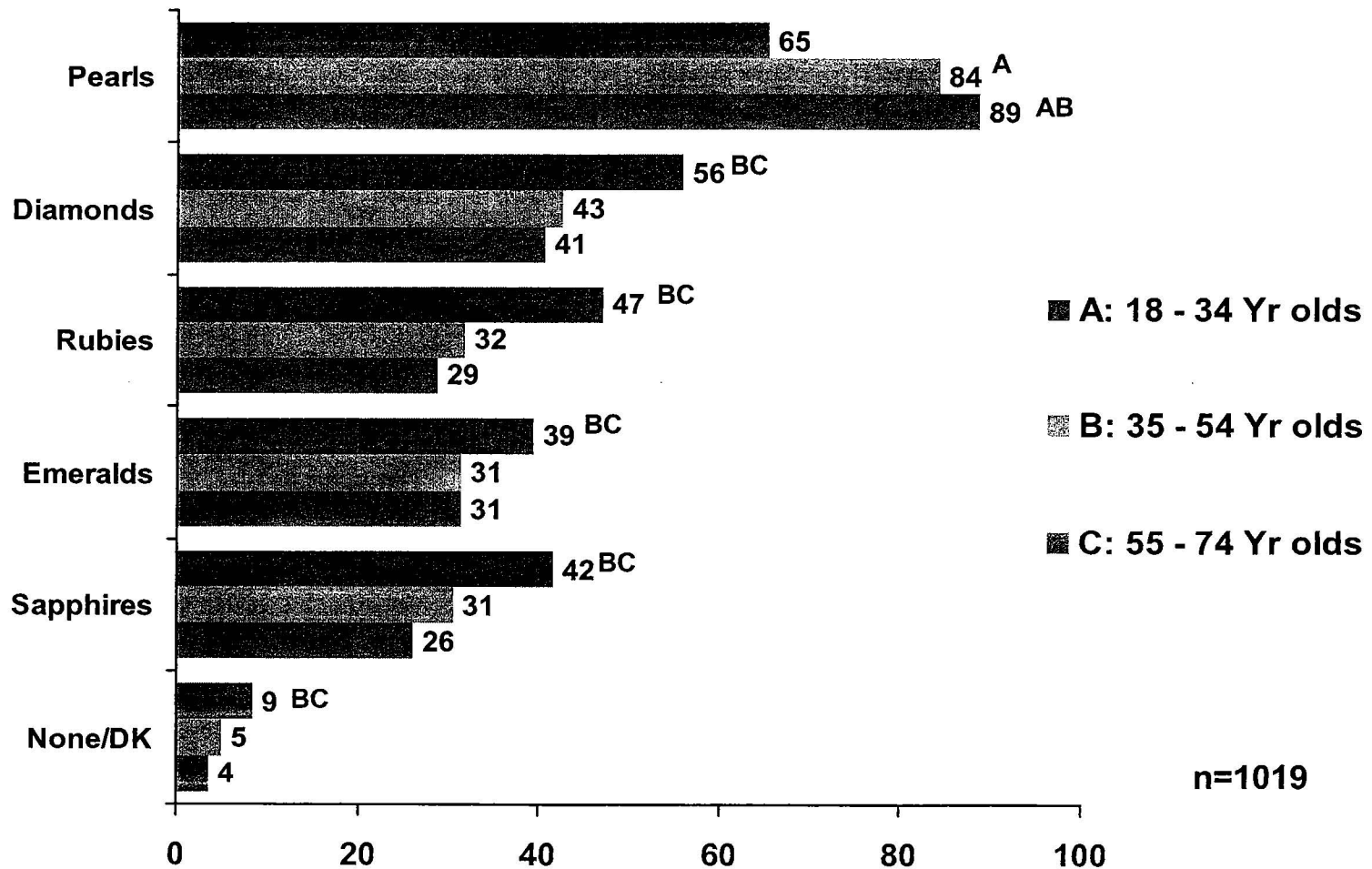
- More than 4 out of every 5 respondents associate Pearls with the word ‘cultured’, with less than 50% associating Diamonds with being ‘cultured’.
- Almost a third of respondents relate Rubies, Emeralds or Sapphires with the being ‘cultured’.



Q2 Which of the following kinds of fine jewelry have you ever heard of being associated with the word “cultured”?

Which of the following kinds of fine jewelry have you ever heard of being associated with the word “cultured”?

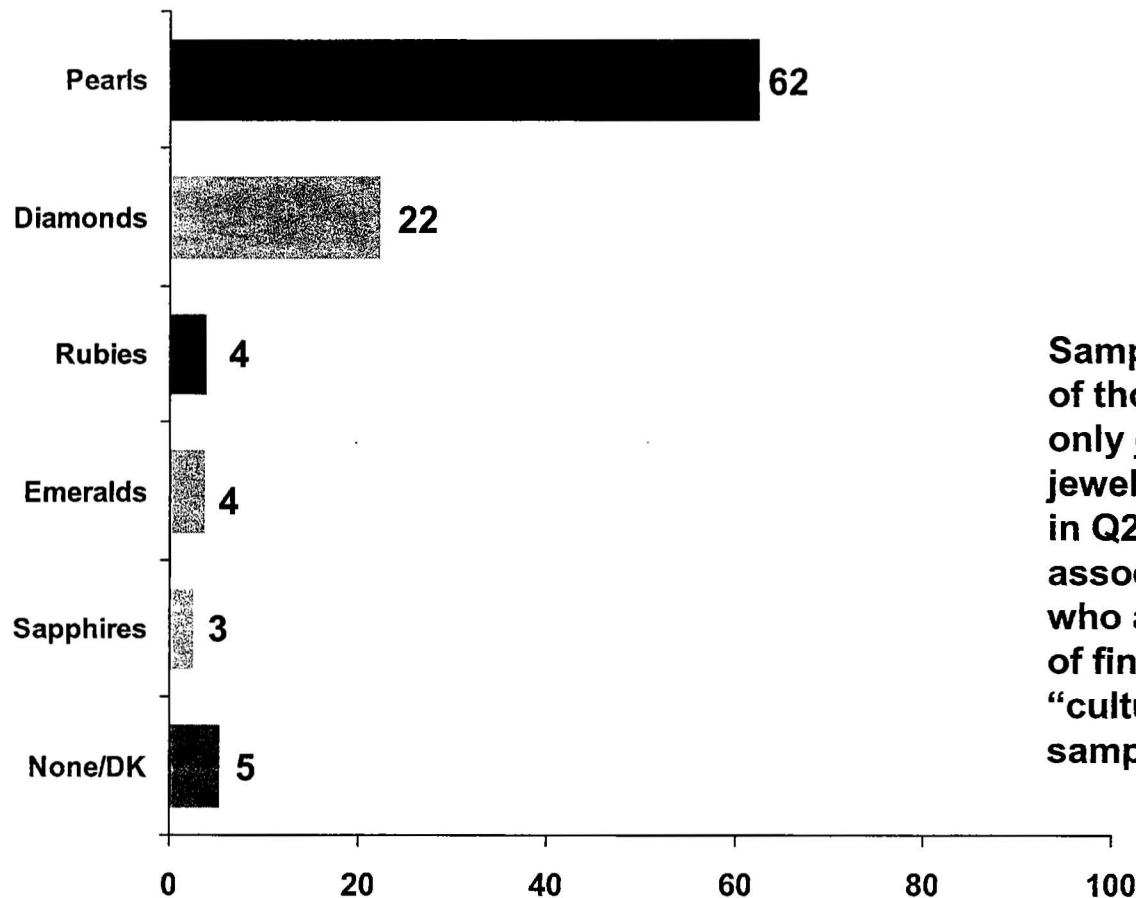
- The youngest age group, 18-34 year olds, had a significantly higher level of association of the word ‘cultured’ with diamonds, rubies, emeralds and sapphires than both the older age groups.



Q2 Which of the following kinds of fine jewelry have you ever heard of being associated with the word “cultured”?

Of all of these different kinds of fine jewelry, which single one do you most associate with the term “cultured”? (net of Q2 ‘single associations’ and “most” in Q3 among those with multiple associations in Q2)

- 62% respondents most associate the word “cultured” with pearls.
- The next highest level is for diamonds, at 22%.



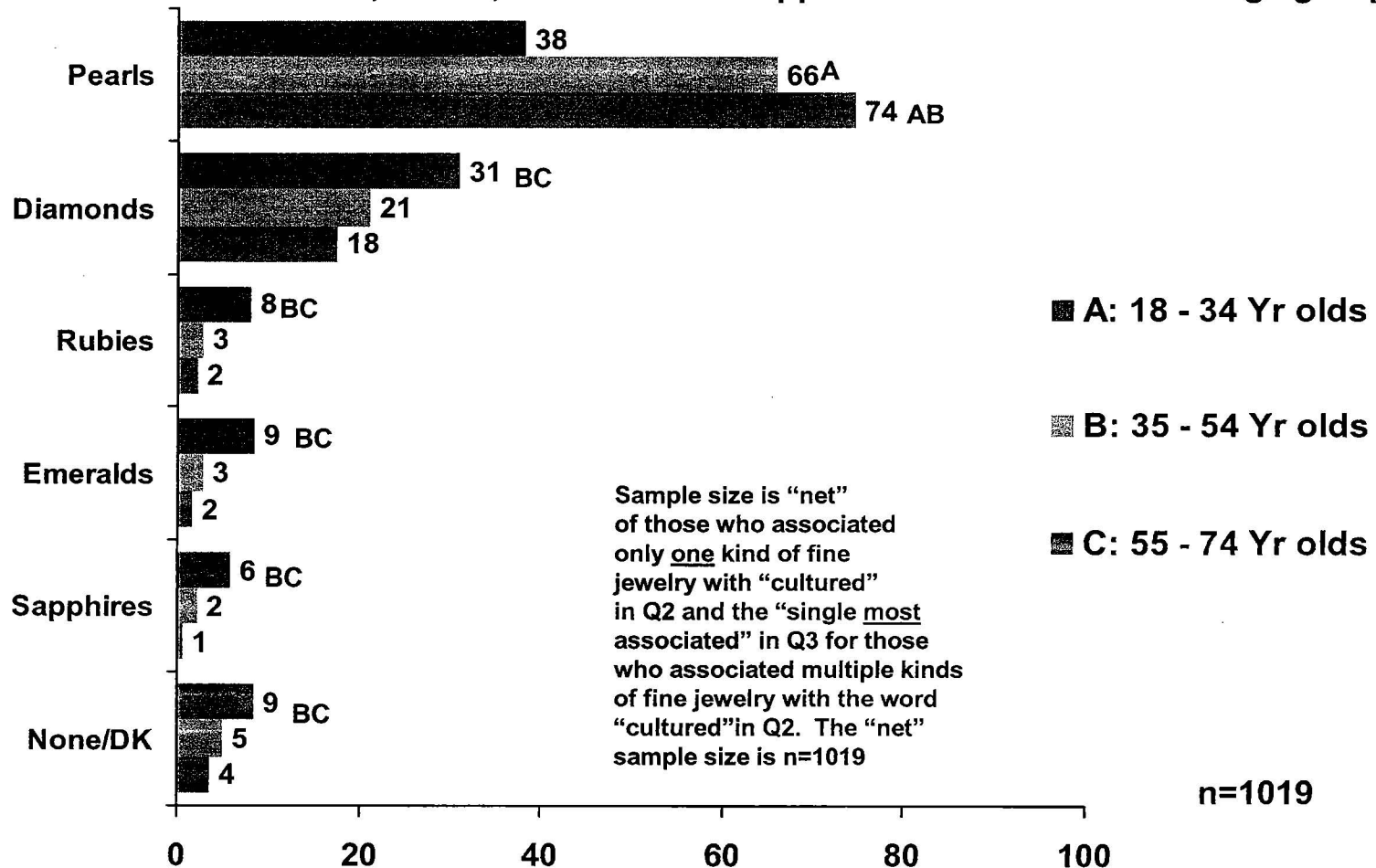
Sample size is “net” of those who associated only one kind of fine jewelry with “cultured” in Q2 and the “single most associated” in Q3 for those who associated multiple kinds of fine jewelry with the word “cultured” in Q2. The “net” sample size is n=1019

Q2 Which of the following kinds of fine jewelry have you ever heard of being associated with the word “cultured”?

Q3 Of all of these different kinds of fine jewelry, which single one do you most associate with the term “cultured”?

Of all of these different kinds of fine jewelry, which single one do you most associate with the term “cultured”? (net of Q2 ‘single associations’ and “most” in Q3 among those with multiple associations in Q2)

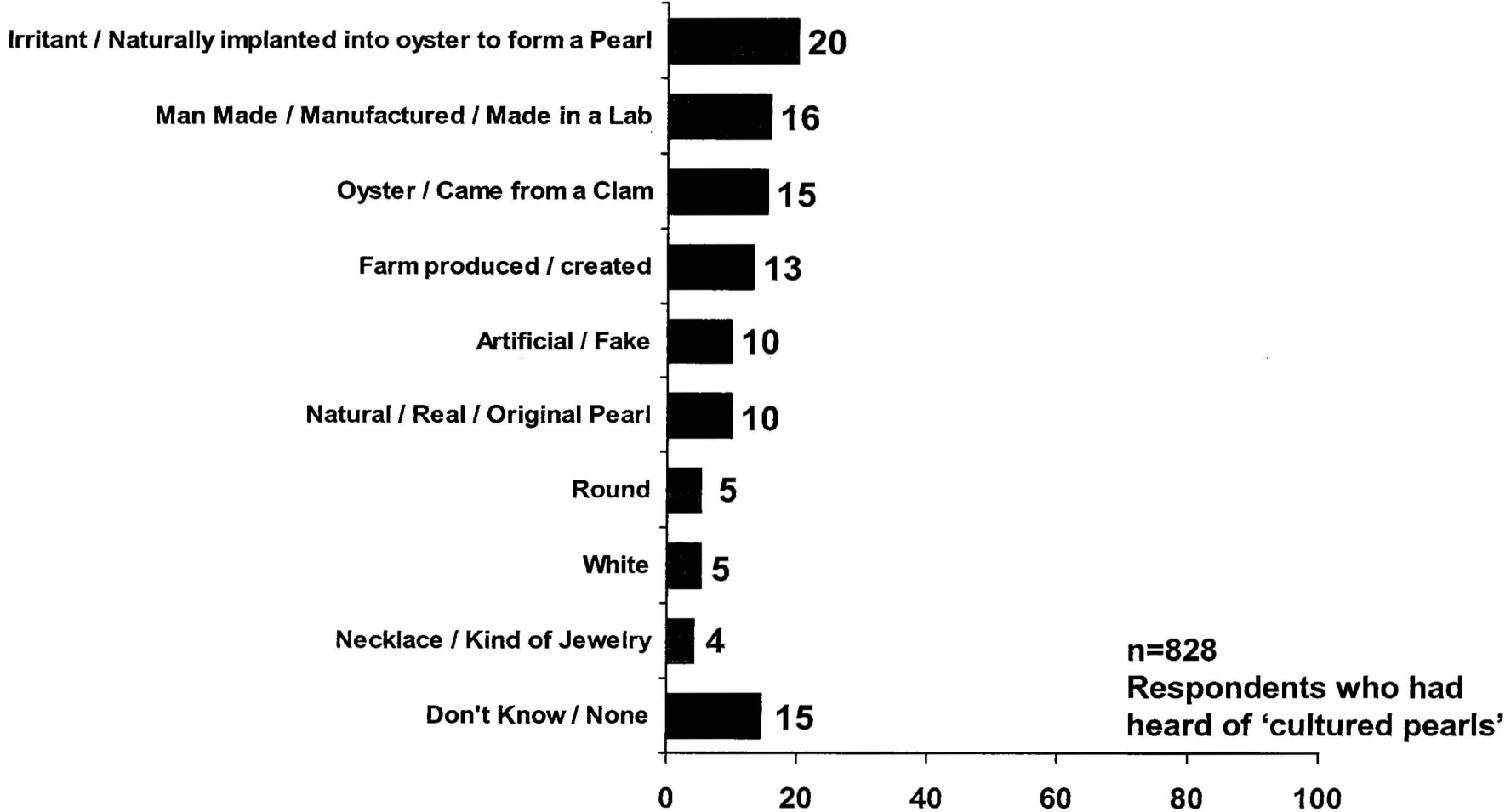
- 74% of 55-74 year olds, and 66% of 35-54 year olds most associate the word ‘cultured’ with pearls.
- The youngest age group, 18-34 year olds, had a significantly higher level of “most associated” with the word ‘cultured’ for diamonds, rubies, emeralds and sapphires than both the older age groups.



Q2 Which of the following kinds of fine jewelry have you ever heard of being associated with the word “cultured”?
 Q3 Of all of these different kinds of fine jewelry, which single one do you most associate with the term “cultured”?

Open-ended question: “What do you think a cultured pearl is? Please describe.” (coded answers)

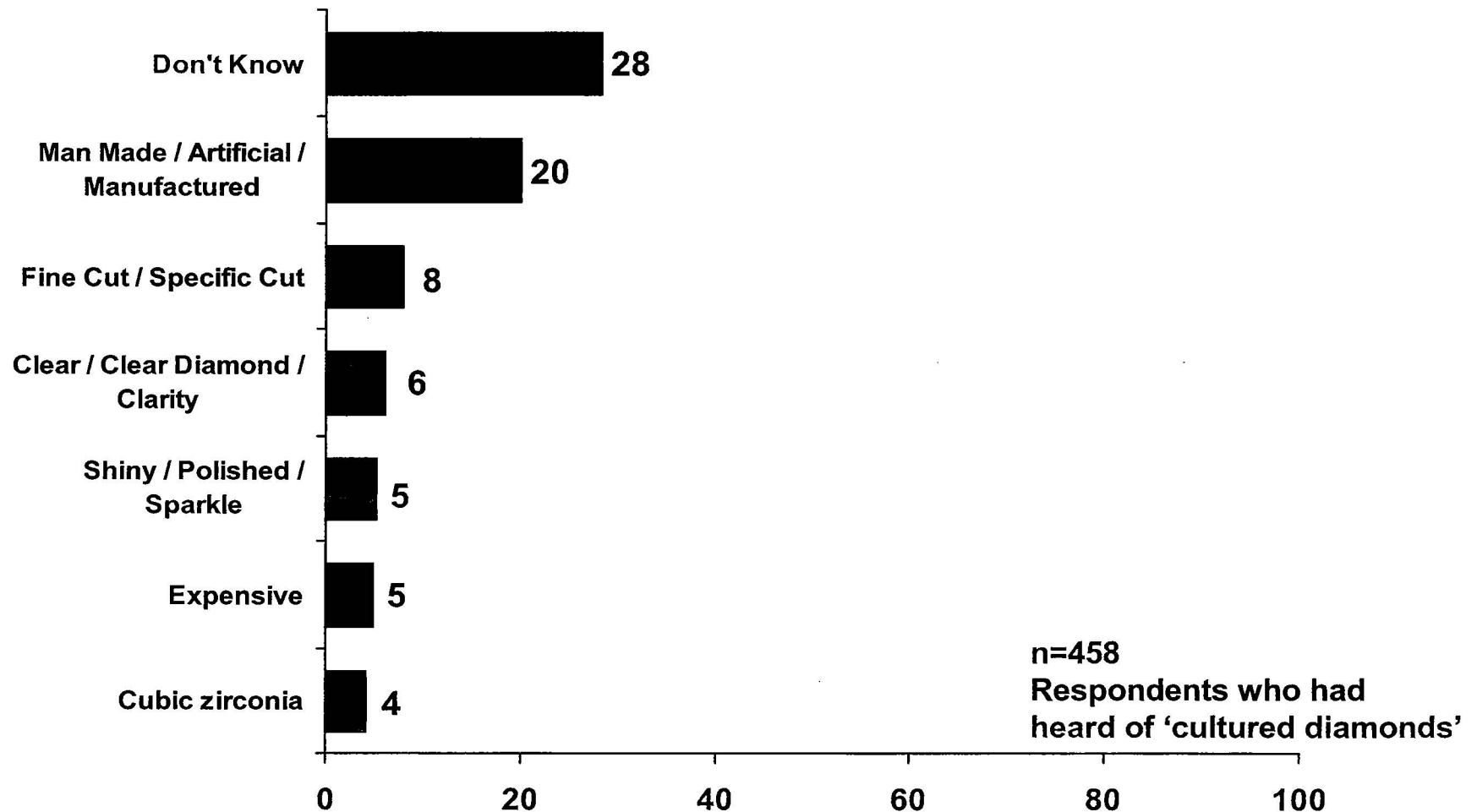
• The most common answers (coded) was that a “cultured” Pearl was “irritant/naturally implanted into an oyster to form a pearl.” Next most common answers: 16% of respondents thought it was a ‘man-made’ substance, while 15% thought a “cultured” pearl came from an oyster or clam.



Q4A_1 What do you think a cultured pearl is? Please describe

Open-ended question: “What do you think a cultured diamond is? Please describe.” (coded answers)

- The most common answer (28% of respondents) was “don’t know.”
- The next most common answers were that a cultured diamond is (coded) “man-made/ artificial/ manufactured”

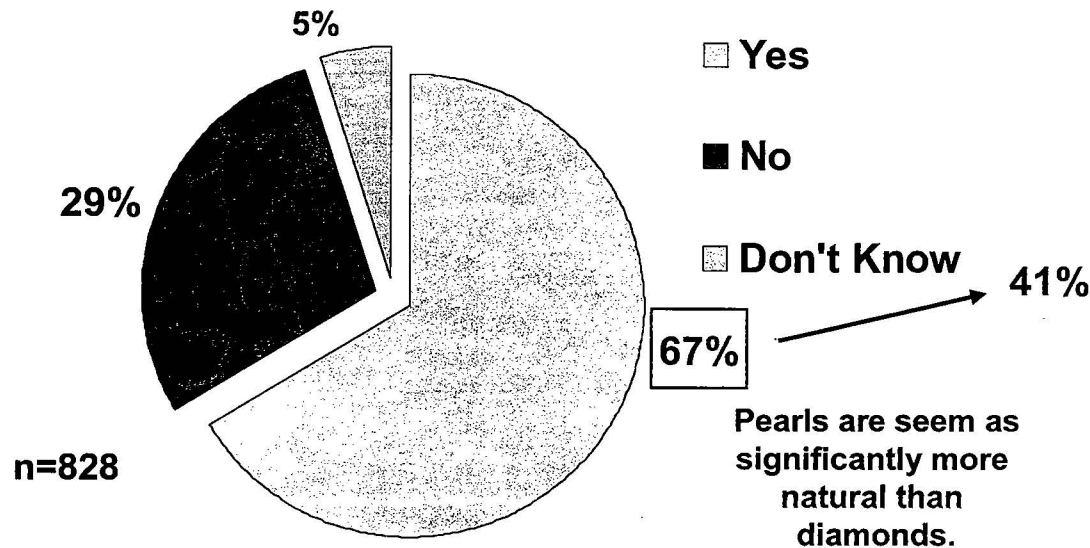


Q4A_2 What do you think a cultured diamond is? Please describe

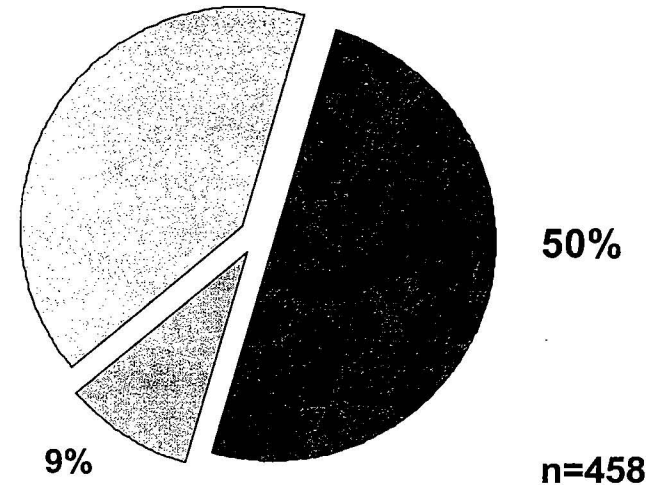
Do you believe that a cultured pearl / cultured diamond is a natural product? (Among respondents who have heard of either)

- 67% believe that the cultured pearl is a natural product compared to 41% who believe a cultured diamond is a natural product (difference significant at 90% confidence).
- There are age differences: over half of 18 - 34 year olds believe that a cultured diamond is a natural product. At 90% confidence that is significantly higher than the proportion of 35-54 & 55-74 year olds.

Cultured Pearl - A natural product?



Cultured Diamond - A natural product?



Cultured Pearl - A natural product? - by age

	A:18-34	B:35-54	C:55-74
Yes	62%	64%	72% ^{AB}
No	35% ^C	31% ^C	23%
DK	3%	6%	5%

Cultured Diamond - A natural product? - by age

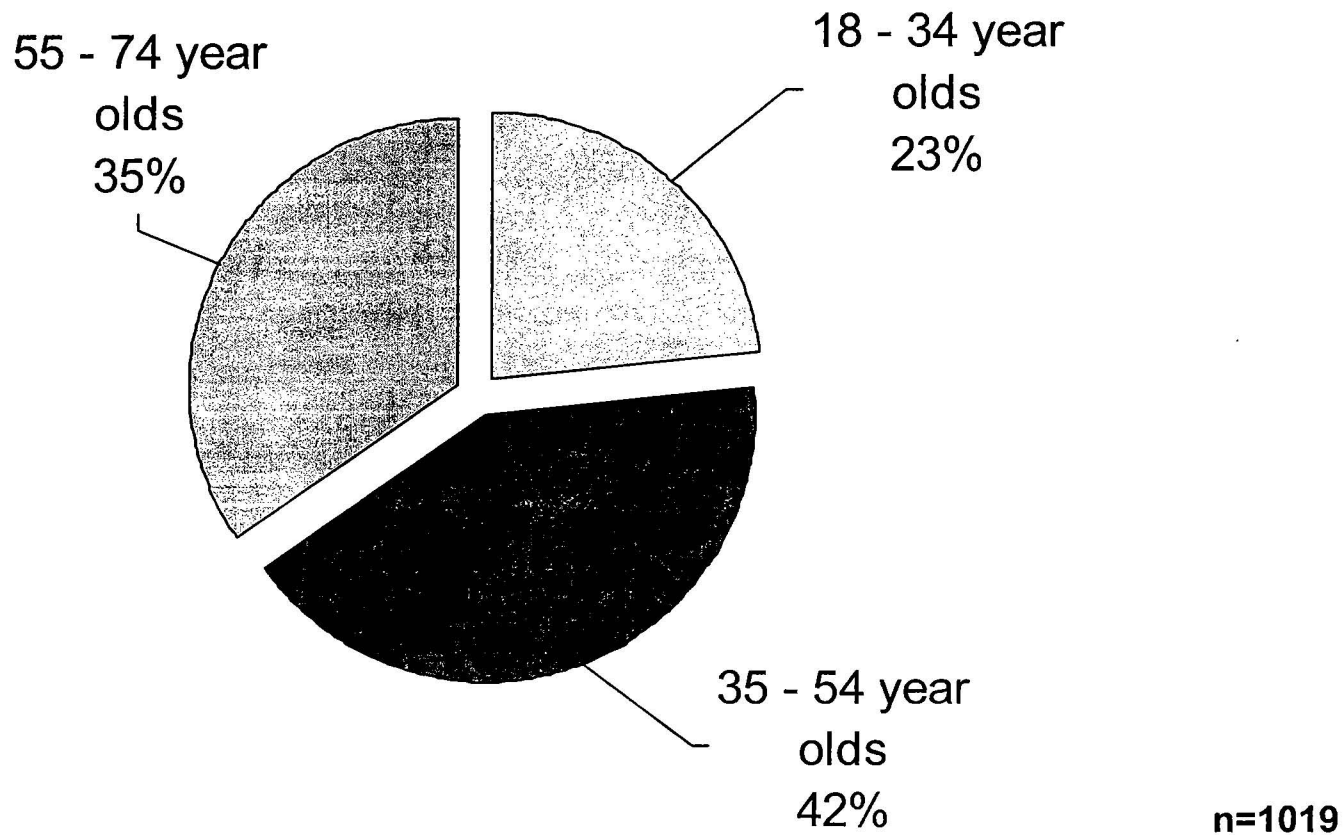
	A:18-34	B:35-54	C:55-74
Yes	55% ^{BC}	34%	36%
No	42%	56% ^A	49%
DK	3%	10% ^A	15% ^A

Q4B Do you believe that a cultured pearl / cultured diamond is a natural product?

Demographic profile of respondents

Age Distribution of Respondents

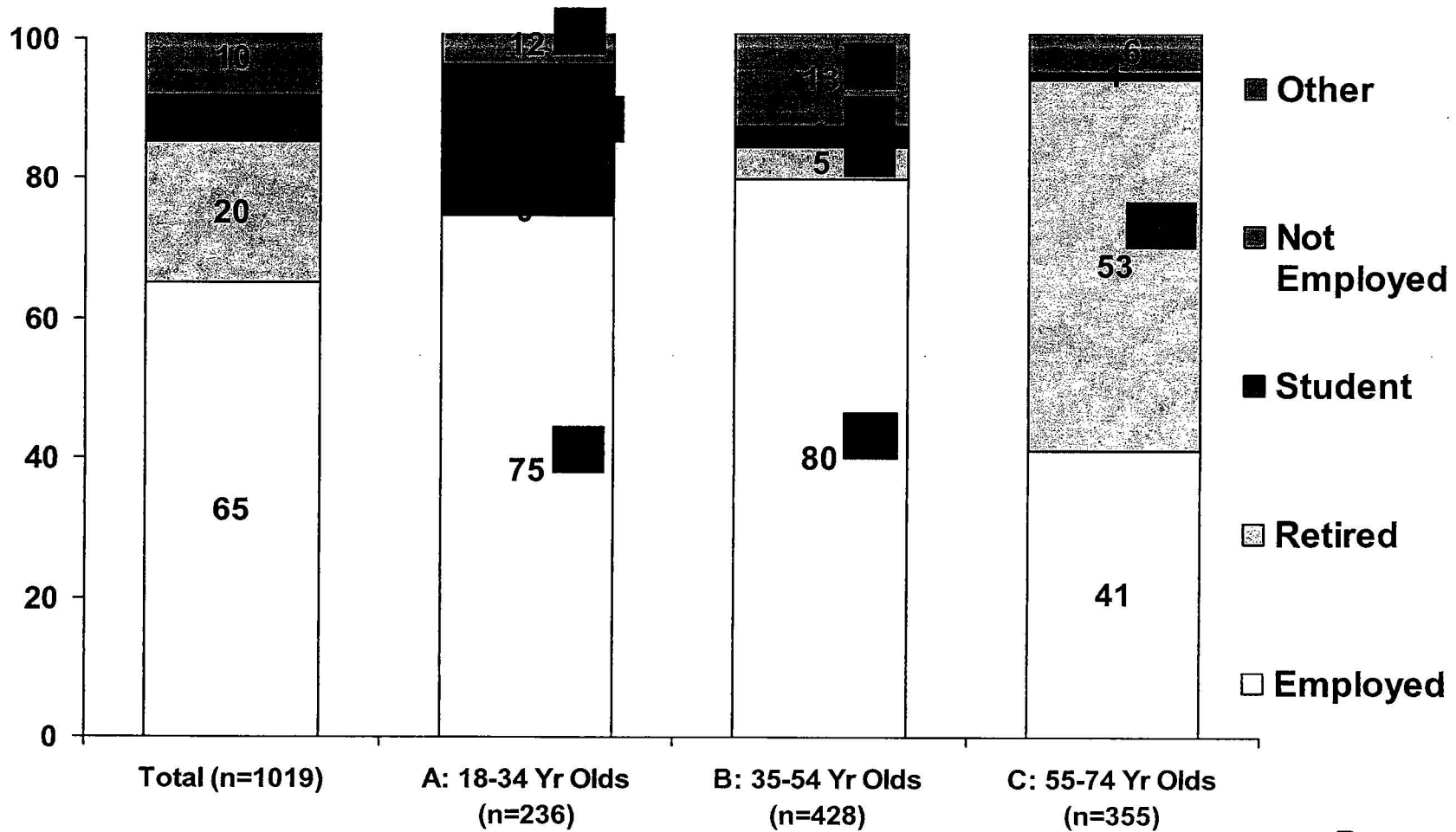
Respondents who qualified were age 18+ and recent/anticipated acquirers of fine jewelry. The qualified respondents spanned all age groups as shown below.



QC What of the following age categories best describes your age?

Current Employment Situation of Respondents

- 65 percent of respondents are employed. 20 percent are retired.
- Not surprisingly, younger respondents are more often students and older respondents are more often retired.

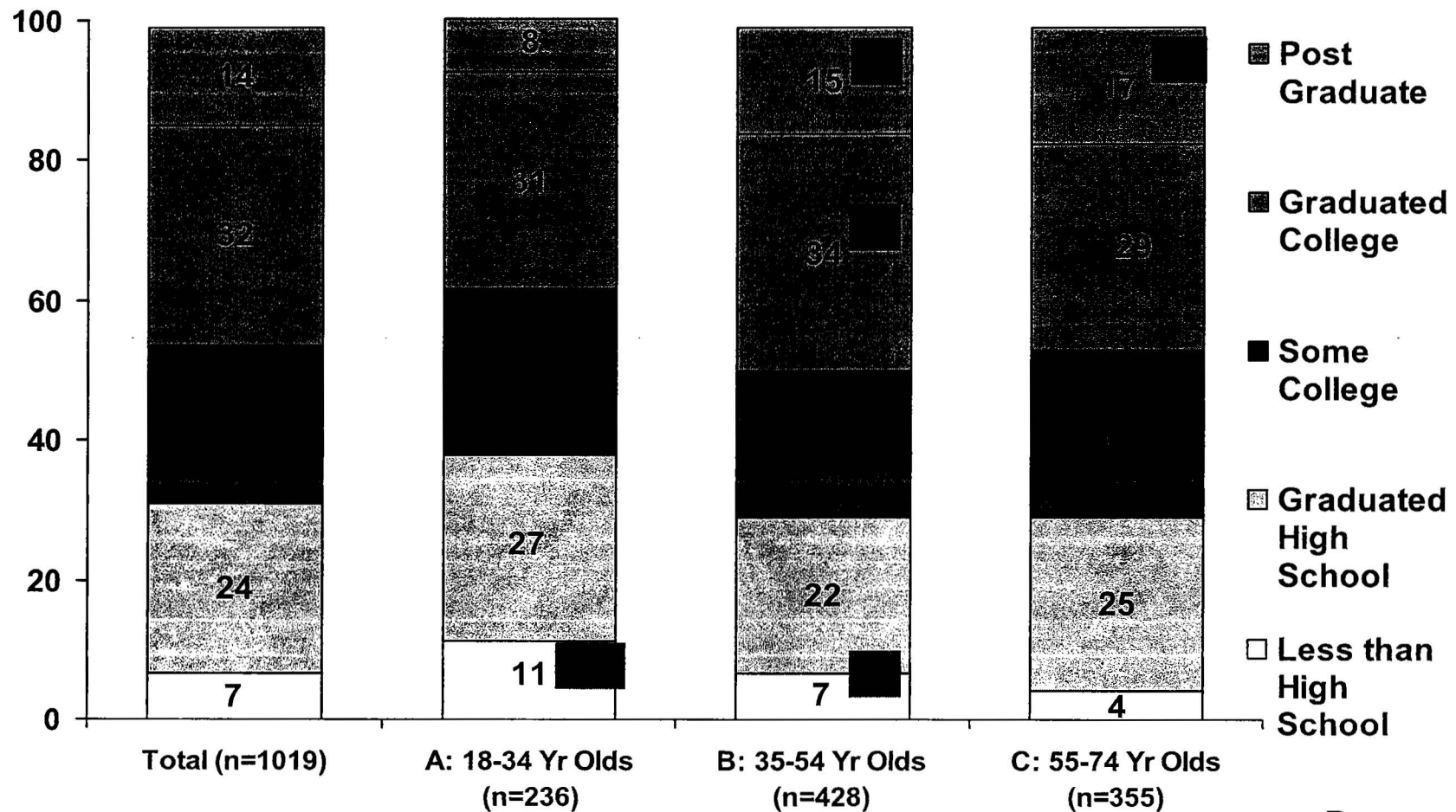


Q5 What is your current employment situation?

Demographics

Highest Level of Education of Respondents

- The education levels of respondents spanned all levels.
- Not surprisingly, older respondents have more often completed higher levels of education.



Q6 What is highest level of education you have completed?

Demographics

Thank You!



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