



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Division of Enforcement  
Bureau of Consumer Protection

February 2, 1999

William R. Chaney  
Chairman & CEO  
Tiffany & Co.  
727 Fifth Avenue  
New York, NY 10022-2503

Dear Mr. Chaney:

The staff of the Federal Trade Commission's Division of Enforcement has conducted an investigation of Tiffany & Co. to determine whether it engaged in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. In particular, the investigation concerned whether Tiffany was representing gemstone products in accordance with the Federal Trade Commission's Guides for the Jewelry, Precious Metals and Pewter Industries ("Jewelry Guides"), 16 C.F.R. Part 23. The Jewelry Guides provide that "[i]t is unfair or deceptive to fail to disclose that a gemstone has been treated in any manner that is not permanent or that creates special care requirements, and to fail to disclose that the treatment is not permanent, if such is the case."

Tiffany informed staff that it clearly and affirmatively requires that its gemstone product suppliers disclose gemstone treatments and follow Tiffany's policy of not submitting stones treated in certain ways. According to Tiffany, it discloses gemstone treatments to consumers orally and in writing. Tiffany provides consumers purchasing gemstones with a brochure that discloses the most common gemstone treatments, whether the treatments are permanent and/or create special care requirements. Tiffany also has trained its sales staff to disclose gemstone treatments to consumers orally.

The staff has concluded that no further action is warranted by the Commission at this time. Accordingly, the investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Very truly yours,

Elaine D. Kolish  
Associate Director

cc: Joe Kattan, Esq.