

CJA Guidelines to Advertising Lab Grown Diamonds

In response to the increase of lab grown diamonds being marketed to Canadian consumers the CJA has designed the *CJA Guidelines to Advertising Lab Grown Diamonds (LGD)* to assist industry trade members (retail, wholesale and manufacturers) in presenting LGD in compliance with Canadian law so consumers are not misled by unsubstantiated or false claims. Failing to meet the requirements of the *Competition Act* regarding marketing practices could mean breaching the law.

In developing these Guidelines, the CJA took into account the Canadian law concerning advertising and marketing to consumers, *the Competition Act*, as well as the Competition Bureau's *Environmental claims: A guide for industry and advertisers* and the recognized industry standard- *Canadian Gemstone Guidelines*. In addition, the CJA guidelines were developed in light of the US Federal Trade Commission's Jewelry Guides and other international guidelines.

Definitions:

Diamond- A naturally occurring crystalline carbon mineral in the isometric (cubic) crystal system with a hardness of 10 on Mohs's scale, specific gravity of approximately 3.52 and a refractive index of approximately 2.42 and can be found in many colours. When the word "diamond" is used alone it must be a natural diamond.

Lab-grown diamond (LGD) [also known as lab created diamond]- A substance that has been produced completely or partially through human intervention. Its physical, chemical and optical properties correspond to its naturally occurring counterpart. LGD must state that it is a lab-grown, lab created diamond or synthetic. The word synthetic, laboratory grown, or lab created must be placed immediately preceding the word diamond and neither word(s) shall be given greater prominence or emphasis than the other(s), nor may they be separated.

Important links:

The Competition Act: <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04267.html>

Environmental claims: A guide for industry and advertisers: <https://competition-bureau.canada.ca/en/how-we-foster-competition/education-and-outreach/publications/environmental-claims-and-competition-act#sec05->

Canadian Guidelines for Gemstones: <https://canadianjewellers.com/wp-content/uploads/2024/09/CJAGemstoneGuidelines-2023.pdf>

Guidelines:

1. **Know your supplier of LGD**- Any claims a supplier/manufacturer makes to you and in turn are made to a consumer must be truthful and substantiated as well as not mislead consumers. Request substantiation for any claims such as “eco-friendly”, “sustainable”, carbon neutral or similar terms. If no credible evidence or data is available refrain from using such unqualified terms.

Establish the country location of the lab. Does the lab conform to the environmental standards of the producing country?

Buy from a reputable source.

2. **Representations made to consumers**-It is important that anyone (jewellers and their employees) selling to consumers know the facts about LGD in light of the environmental claims being made in the marketplace and online so they can address any concerns or misconceptions consumers may have. LGD is a legitimate product. However, it appears that many companies selling LGD are making environmental claims, such as having less of an impact on the environment, have not been proven. With out proof that claim cannot be made. From the Competition Bureau's *Environmental claims: A guide for industry and advertisers*:

“If vague claims relating to the environment are used as slogans and are not based on real environmental protection and/or benefit, they could be considered false or misleading. Such claims must be based on adequate and proper tests undertaken prior to making such representations to the public, if they relate or refer to the environmental performance or efficacy of a product.

Environmental claims that are vague, non-specific, incomplete, or irrelevant and that cannot be supported through verifiable test methods should not be used.”

Furthermore, making claims of LGD retaining or increasing in value have not been proven so the claim should not be made.

3. **Disclosure**-It is imperative that full disclosure along the full supply pipeline be adhered to.
4. Use the *Canadian Gemstone Guidelines* as a reference for what terms/words should be used to describe an LGD. See sections D1 and D4.

For further information contact the CJA at info@canadianjewellers.com, 1-800-580-0942, 416-368-7616.