

Final Order

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The provisions of this paragraph shall include any arrangement pursuant to which American General acquires the market share, in whole or in part, of any concern, corporate or noncorporate, which is engaged in fidelity and/or surety underwriting in the United States, (a) through such concern's discontinuing the underwriting of such product lines or (b) by reason of such concern's discontinuing the underwriting of such product lines and thereafter transferring to American General customer and account lists or in any other way making available to American General access to customers or customer accounts.

XII

Within thirty (30) days from the effective date of this Order and every sixty (60) days thereafter until it has fully complied with Paragraph I of this Order, American General shall submit a verified report in writing to the Federal Trade Commission setting forth in detail the manner and form in which it intends to comply, is complying or has complied therewith. All such reports shall include, in addition to such other information and documentation as may hereafter be requested, (a) a specification of the steps taken by American General to make public its desire to divest Fidelity and Deposit, (b) a list of all persons or organizations to whom notice of divestiture has been given, (c) a summary of all discussions and negotiations together with the identity and address of all interested persons or organizations, and (d) copies of all reports, internal memoranda, offers, counter-offers, communications and correspondence concerning said divestiture. [5]

XIII

American General shall notify the Commission of any proposed change at least 30 days prior to the proposed change in the corporate respondent, American General, such as dissolution, assignment or sale resulting in the emergence of a successor corporation(s), the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

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ADVISORY OPINIONS

Marking of jewelry produced from a 14 karat gold sheet laminated upon sterling (File No. 773 7004).

Opinion Letter

February 18, 1977

Dear Mr. Goldberg:

This is in response to your request for an advisory opinion concerning the marking of articles of jewelry produced from a 14 karat gold sheet laminated upon sterling, the gold sheet constituting at least 1/20th of the weight of each jewelry item's metal content. The items of jewelry contemplated for manufacture include bracelets, necklaces and earrings. You propose marking such articles "Sterling and 14K" or "Sterling + 14K," on the premise that such markings are permitted by Section 4 of Commercial Standard CS51-85, "Marking Articles Made of Silver in Combination with Gold."¹ In the Commission's opinion, the use of either marking would have the tendency and capacity to mislead consumers and thus be in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

The sample of the laminated metals submitted to the Commission might be described as having an obverse side of yellow gold and a reverse side of silver. The different metals in the sample provided are clearly distinguishable, but casual inspection cannot determine the relative thicknesses of the gold layer and the silver. The 1:20 ratio you have specified, however, does no more than meet the minimum requirements for "gold fill," "gold plate," or "gold overlay." See 16 C.F.R. 23.22(c)(2).

The markings "Sterling and 14K" or "Sterling + 14K," in the Commission's view, could suggest to consumers that the amounts of gold and silver in the articles of jewelry so marked are approximately equal or, at least, would suggest more than five percent 14K gold. Such markings, accordingly, would have the capacity to mislead consumers.

The Commission does not construe Commercial Standard CS 51-35 to justify a different conclusion. In the circumstances presented, a marking must be used which makes clear to consumers the relative

¹ The Standard, a voluntary guide developed by industry members with the cooperation of the National Bureau of Standards, was recently redesignated as PS68-76.

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yellow gold to silver, either by use of a "gold plate" or related designations set forth in the Trade Practice Jewelry Industry, 16 C.F.R. 23.22(c)(2)) or by preceding the designation with a fraction consisting of the ratio of the 14K gold to the weight of the metal in the entire article, clearly not inconsistent with the Commercial

limited to the circumstances presented by your sample, silver is combined with yellow gold and both the gold and silver are equally visible in jewelry made from the laminates.

that the sterling and 14K yellow gold meet the designated standards and that the 14K gold is at least 1/20th the weight of any finished article of jewelry, the following markings, in your opinion, would comply with Section 5 of the Federal Trade Commission Act:

[or +] 14K Gold Plate*

or +] 1/20th [or other fraction] 14K Gold

filled," "Gold Overlay," or "Rolled Gold," or their abbreviations set out in 16 C.F.R. § 23.22(c)(2), may be used if they are appropriate for the laminating

the Commission.

Letter of Request

has been in business three years and we manufacture and operate the finest retail stores in the United States.

developed a new process whereby we laminate, by mechanical means, a layer of 14 karat gold directly upon sterling silver. We enclose a sample of our product. Please note, the gold is easily distinguishable from the sterling.

The purpose of this letter is to request a formal advisory opinion under the Federal Trade Commission Act to determine whether or not this process of making jewelry made from 14 karat gold and sterling can be stamped 14K gold or 14K gold sterling in accordance with Commercial Standard CS

51-35, Marking Items Made of Silver in combination with Gold, as recognized in the Federal Trade Commission Trade Practice Rules for the Jewelry Industry, Rule 23 (see footnote No. 4).

The weight of the 14 karat gold to the weight of the entire article will be at least 1/20th of the weight of the entire metal or better.

Commercial Standard CS 51-35, we believed, would apply, since the silver of the 14 karat gold is easily distinguishable, one part from the other part. Paragraph four of this Standard would permit, we believe, this item to be stamped "Sterling and 14K" or "Sterling + 14K".

We are currently not manufacturing this product nor selling the same and request this opinion so that we may correctly designate our jewelry to our retailers for the protection of the consumer.

Since jewelry is a fashion item, and since we would like to produce this product for our Fall market season, we would greatly appreciate your efforts in forwarding this opinion to us no later than June 30, 1976. Your cooperation within this period of time would be, as stated, greatly appreciated.

Sincerely,

/s/ VICTOR GOLDBERG
President