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It was apparent....

....as soon as we entered the huge exhibit hall at Chicago's McCormick Place, that SCAN-TECH 94 (Oct 31-Nov 3) was the most impressive automatic data capture event ever held.

TV monitors in the entrance lobby exhorted visitors to stop by the booths to witness the industry's new technological wonders; enormous corporate banners and signs hung from the walls and rafters in the exhibit hall; a record 85,000 square feet was leased; the space used by the major vendors, in particular, seemed larger and more elaborate than ever before; small theater-like demonstrations were everywhere -- using professional actors, often in costumes; and many of the larger, busier booths were staffed by exhibitor personnel wearing stylish, logo'd sweaters or rugby shirts.

All in all, the scene was what a successful trade show for a prospering industry was supposed to look like.

Reed Exhibition Company, a division of Cahners, bought SCAN-TECH from AIM/US just prior to last year's show in Philadelphia. The Chicago exhibit was the first all-Reed event and the professionalism was evident throughout. There seemed to be knowledgeable, helpful staff available as needed; we heard nary a complaint about management.

For their part, Reed executives expressed great satisfaction with their new acquisition. Vice President Larry Kovarovic stressed that he expects to bring to bear the "full capabilities of Cahners' expertise, publications and extensive database to make SCAN-TECH a growing success."

Kovarovic indicated that Reed has no plans to move the convention around the country, as AIM/US had done since 1982. "SCAN-TECH will remain in Chicago for the foreseeable future," he said. "We have lease commitments in McCormick Place. We believe that this is where this show belongs and where it will do best."

Kovarovic would not discuss whether it made sense to have two shows in the same city each year. (ID Expo is held each spring at the Rosemont Convention Center, just thirty minutes from McCormick Place.) "Our only concern," he insisted, "is to create and maintain the most successful show that we can -- and this is where we plan to do it."



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INCLUDING THE INTERNATIONAL EDITION

SCAN-TECH 94

So, next year, it will be ID Expo at Rosemont (May 16-18), and SCAN-TECH at McCormick (Oct 24-26). When we questioned numerous exhibitors about their enthusiasm for two shows in the same town, the responses ranged from: "It's fine with us, so long as they continue to draw the crowds"; to "I would rather spend my time and resources on the 'vertical' industry shows and schedule a SCAN-TECH or ID Expo once every other year." A few noted the inconveniences at McCormick Place -- too large, confusing, difficult to get to and from -- compared to the "more intimate, relaxed" environment at Rosemont, where the hotels are just across the street.

So far, there were no signs of any defections from either event in 1995.

Reed allocated a special area....

....at SCAN-TECH 94 -- designated as the "New Product Showcase" -- to allow exhibitors to show off their newest hardware and software. The entry rules required that this be the first showing of the product at any industry convention. Unfortunately, there were no restrictions regarding prototypes and pre-production models, and we suspect that some of these submitted products may not make it to the market for some time -- if ever.

Of the twenty-eight entries, there were seven software packages, seven scanners (wands, lasers, CCDs), four printers, four portable data terminals and six miscellaneous items. A panel of judges selected these three as "Best-in-Show":

- Number One: Sensis (DeWitt, NY) introduced GEOscan, a new concept in scanning bar codes that are embedded in a product or part -- with no visible color contrast. The hand-held reader has a laser at one end to illuminate the bar code and a CCD at the other end to scan it.

The bar codes to be scanned are presented in a "relief pattern," on virtually any material, using conventional marking technologies such as molding, casting, etching, engraving, embossing, or milling. The laser creates the "color contrast" for bars and spaces by illuminating the hills and valleys of the embedded bar code resulting in different reflected-light values. The company envisions a number of choice niche markets for this neat technology.

- Number Two: Datasouth (Charlotte, NC) demonstrated two new direct thermal, linerless, label printers -- a desktop at \$1,495; a portable for \$1,995. These small, relatively inexpensive, well-packaged units -- which handle labels without the slippery liner material -- are attractive to users who need to print and immediately apply the labels. Referred to as "rip-and-stick," the selling features include more labels per roll, lighter weight, easy to load and, for those concerned with the ecology/environment, no tons of waste to dispose of.

Datasouth, a major manufacturer of impact printers for airline ticket printing, claims that these are the only linerless printers now in production. The linerless labels are made by Media Solutions, Inc (MSI) and distributed through Datasouth. [There are other linerless label products just over the horizon, which we will discuss next month.]

- Number Three: Eltron (Chatsworth, CA) unveiled its new TLP2242 Thermal Transfer Printer. This unit's claim to fame is that it has performance features comparable to printers costing \$4-500 more, including: stand-alone operation; multiple fonts and bar code selections (including 2-D symbologies); 2 ips speed; 4 inch width. "We knew the timing was right for a feature-filled, high-volume, desktop, thermal transfer printer for under a thousand dollars," said Eltron's President/CEO Don Skinner. Shipment of the \$995 printer will begin in January 1995.

One of the highlights....

....of SCAN-TECH 94 was the well-attended presentation of the twelfth annual Percival Award (co-sponsored by *SCAN Newsletter* and AIM/US).

The "Percival," inaugurated in Dallas in 1982 at the first SCAN-TECH, is given to an individual or organization -- from the user community only -- who has made an outstanding contribution to the automatic data capture industry. Previous winners have included: Mike Noll (DOD); Bill Maginnis (Hunt Wesson); Eric Brodheim (NY Blood Bank); Uniform Code Council; Alan Gilligan (Bell Labs); VICS Group; Jack Loeffler (AIAG); Karen Longe (American Hospital Assn); Bob McQuade (Bellcore); Gary Ahlquist (Eastman Kodak); David Carlson (Kmart).

This year, the plaque was given to United Parcel Service, the first commercial company to receive this honor. At the presentation ceremony, George Goldberg, Publisher of *SCAN*, described the reasons that prompted this year's selection:

"As the largest package delivery company in the world, UPS had an enormous stake in the development of any auto ID system that was adopted by the transportation industry. UPS delivers 11.5 million parcels and documents each day to 185 countries, including service to every address in the United States. The 87-year-old company now has 303,000 employees, 120,000 ground vehicles and 220 jet aircraft servicing 1.2 million customers who receive daily pickup service.

"In the late 1980s, UPS realized that its customers wanted increased information about their shipments, including real-time tracking and other special services. UPS needed a high-density, two-dimensional symbol to handle the large amounts of package-related information. After looking around and rejecting what was commercially available, UPS proceeded to develop the MaxiCode symbology and the high-speed readers to go with it. UPS recently placed this special symbology in the public domain and an industry specification is now being written. It is anticipated that MaxiCode will be adopted within the next few months by the American National Standards Institute as the ANSI standard symbology for the high-speed sortation of packages.

"The excellent work completed by the UPS Research and Development team, the UPS decision to give its proprietary MaxiCode symbology to the automatic data capture industry with no restrictions, and the company's active participation to help develop and fund industry standards to support that decision, convinced AIM/USA and *SCAN Newsletter* that UPS was a worthy nominee for this year's Percival Award."

SCAN-TECH 94

When Lynn Newport, VP Research & Development at UPS, was advised that his company was selected to receive the Percival Award, he commented: "The sermon that I give to our people is that we are not doing this for the good of mankind. Remember, in the end, we are doing this for the good of UPS. It just so happens that the more we got into it the more we found that we were also providing a benefit to industry." In his acceptance remarks, Newport, who is based at corporate headquarters in Atlanta, acknowledged the outstanding dedication and innovative development work of the UPS R&D staff in Danbury, CT.

Although UPS took an exhibit booth at SCAN-TECH -- to introduce and demonstrate its new CCD-array, hand-held MaxiCode scanner -- the company is not interested in manufacturing or selling equipment or systems. Its goal is to have the MaxiCode broadly accepted in the transportation industry and to license its technology to as many equipment manufacturers as possible.

[In a related development, on November 2nd both UPS and Federal Express announced competing plans to enable personal computer users to call for pickups, track packages and check billing information. Fedex has teamed up with IBM, Apple, Intuit, American Online and CommerceNet. UPS has enlisted CompuServe and Prodigy. All of these information services will rely on the accurate and timely information generated by automatic data collection systems.]

The tragic airplane crash....

....in Roselawn, Indiana on October 30 -- of the American Eagle flight from Indianapolis to Chicago -- took the life of Nancy Baker, an AIM/US delegate who represented Dynic USA (Hillsboro, OR). Baker, who was based in Danville, CA, was the Sales Manager of Dynic, a manufacturer/distributor of woven and non-woven fabric label stock for thermal transfer, laser, ink jet, hot-stamp and impact printing.

Although Dynic was not exhibiting at the SCAN-TECH show, Nancy was scheduled to visit the exhibition and had offered to spend time in the AIM/US booth to answer questions about her special products.

Aaron Eggers, Dynic's Customer Service Manager, told SCAN: "Dynic USA will miss Nancy very deeply. She was not only a great asset and a very dynamic sales person, but also a very dear friend." Nancy Baker, who was forty-eight, is survived by her husband Robert, daughter Tina Connery and son Eric Campbell.

SCAN Newsletter joins with AIM/US and the ADC industry to extend our heartfelt condolences to the family of Nancy Baker, and to her associates at Dynic.

* Next month, we will continue our exclusive coverage of SCAN-TECH 94 *
* (and SCANTECH Expo Europe 94). We will also report the latest *
* developments in 2-D symbologies and scanners. *

Continuing its aggressive....

....expansion program, Peak Technologies (New York City) announced on November 1st that it had acquired Endata Group Ltd (Chippenham, Wilts, United Kingdom) for an undisclosed amount of "part cash and mainly Peak stock."

Last year, Peak's President Nick Toms had predicted that he would be "turning his attention to Europe" and would "actively seek acquisition opportunities there" (SCAN Jan 94). Endata, a systems integrator of bar code capture and wireless data transmission products, is one of Europe's largest resellers for Symbol Technologies, Zebra, and (most recently) Norand.

Peak, founded in 1988 and a public company since August 1992, operates as a national distribution network for automatic data collection products for the non-retail market. Peak represents a broad range of manufacturers and products; acting as a reseller or VAR, it offers its customers a single source for their total auto ID system requirements. Since 1988, Peak has acquired a string of regional distributors blanketing the US market (by using a combination of stock, cash, and earn-out deals). Peak claims to be Zebra's largest customer and the largest VAR for both Symbol Technologies and Norand.

Recently, on the exhibit floor at SCAN-TECH, Toms elaborated on his newest corporate move. "Although Endata may provide entry into the entire European Union," he told SCAN, "their primary distribution is in the UK, so it is more than likely that we will be seeking other new acquisitions. Endata's current annual sales are more than \$5 million and we expect them to go to \$10 million as a result of this merger. Peak's expertise, experience and complementary software should enhance Endata's product line."

Toms was very optimistic about Peak's future, reinforced by its financial results for the first nine months of this year: \$82.7 million sales, \$2.5 million (\$.45/share) earnings; vs. last year's \$62.3 million and \$1.2 million (\$.23/share). "We do not forecast sales and earnings," he said, "but the consensus of analysts who follow our company is for \$115 million sales and \$.70 per share this year going to \$135 million and \$.95-1.10 per share in 1995."

Aggressively pursuing....

....its policy to protect its patent position, PSC (Webster, NY) has filed a patent infringement complaint against Accu-Sort (Telford, PA). The action is based on PSC's so-called "750" patent (#4,652,750), which covers: "A bar code scanner having a housing in which a laser diode and optics...and a photodetector are assembled as a unitary structure upon a printed circuit board..."

Two years ago, PSC filed similar claims against Spectra Physics and Metrologic (SCAN July 92, Aug 92). Those actions, which are still pending, involve hand-held laser guns. In its latest complaint, PSC is alleging infringement by certain models of Accu-Sort's fixed position scanners.

Symbol Technologies is the only company ever licensed by PSC under their "750" patent. That pact was the result of a cross-licensing agreement reached in 1991 (SCAN April 91); the decision ended the suits between those two litigants.

According to a PSC spokesman, the company does not plan to negotiate similar licensing agreements with Spectra Physics, Metrologic or Accu-Sort. The spokesman noted: "I do not believe that we intend to license anyone else. There are alternative technologies available to assemble circuit boards -- although we believe that our method is the best."

[As usual, Al Wurz, President of Accu-Sort, was very frank and forthcoming when asked about his reaction to the suit. "We would like to settle as soon as possible," he told *SCAN*, "without incurring costly legal fees or going to court. We will probably try to work out some kind of exchange of technology with PSC based on our patented DRX system."]

After we reported....

....two years ago (*SCAN* April 92) that Spectra Physics and Symbol Technologies had reached a final agreement in their legal disputes, we dropped that folder into the "History File."

[S-P had sued Symbol in 1990 charging unfair competition, restraint of trade and other complaints. In April 1991, Symbol countersued, specifying infringement of four of its patents.]

We didn't know, in 1992 -- after the principals had arrived at a handshake agreement -- that the deal fell apart when the lawyers got to wrangling over some unresolved issues that the corporate officers had not addressed. Months later, the case went back to the courts.

After the usual motions and appeals were routinely filed -- and duly dismissed -- the parties are now, for all practical purposes, back to square one. They have picked up where they left off in the discovery procedure; no one will even venture a guess as to when the case might appear on the District Court docket in Eugene, Oregon.

Surprise and consternation....

....was the reaction when Advanstar Exhibitions announced on November 1st that they had cancelled the seminar program at SCANTECH EXPO Europe 94 (Paris, Nov 15-17). The program was to have included comprehensive workshops and sessions on new technologies and standards. [This move did not affect the rest of the exhibition which was to take place as scheduled.]

Advanstar's reason for cancelling the three days of seminars was the "low number of pre-registered delegates." Although Advanstar will not reveal the exact number of delegates who actually signed up, *SCAN* has learned that it was considerably lower than last year's 120 registrants in Köln, and the 277 in Paris the year before. Some of the eighteen sessions scheduled for Paris this year had registered fewer than five delegates and could not be sustained.

Bill Windsor, President of Advanstar Expositions (Cleveland, OH), says the poor showing for the SCANTECH EXPO Europe conference reflects a "general downturn" in attendance at this type of seminar. "We believe there are many alternative educational opportunities in Europe," he told *SCAN*, "and these other options

have affected attendance figures at conference programs across the board. We worked with AIM/Europe to develop a good series of presentations and we promoted them on a wider basis than ever before. We are disappointed in the results -- but this has not dampened our enthusiasm for SCANTECH EXPO and ICAP/UK, our two auto ID shows in Europe."

[For the past few months, Advanstar had faced a much more serious problem that had threatened to interfere with the opening of the entire Paris event. Last August, when AIM International sold Advanstar the "exclusive right to use the SCAN-TECH name and mark" in Europe (SCAN Sept 94), a very sensitive issue had remained unresolved. Info Promotions, a French exhibition management company, claimed that AIM/France had previously sold them the rights to the SCAN-TECH name (for France only). Info Promotions filed for an injunction in court to prevent SCANTECH EXPO Europe from opening on November 15.

On November 10, Bill Windsor told SCAN that a French judge had thrown out the case that day, clearing the way for Advanstar to proceed with the event. Whew!]

AIM/Europe still has a vested interest in all of these matters. The terms of AIM/Europe's sale of SCAN-TECH/Europe to Advanstar last year called for an "earn-out" as part of the payment. This amount was to be based on a percentage of total SCANTECH EXPO Europe revenues from last year and this year only. Obviously, any decrease in the revenue stream because of the cancellation of the conference program (or the potential loss of the entire Paris event) is not good news to AIM/Europe.

On the positive side, Advanstar told SCAN that this year's show in Paris, with 3,000 square meters of exhibit space, was forty percent larger than last year, and currently "oversubscribed" -- requests for additional space are being turned down. The number of pre-registered, show-only attendees also exceeds last year's figures.

SCANTECH EXPO Europe 95 will return to Köln on November 7-9, 1995; as far as we know, a full seminar conference is scheduled.

We were introduced....

....several weeks ago, to yet another new 2-D symbology -- this one, sponsored by Omniplanar (Princeton, NJ) has an interesting history. Called the MiniCode, this unique, patented symbology (dubbed "multiresolution" by its inventors) incorporates two separate messages: a short message visible when scanned at low resolution; a long message when scanned at high resolution. MiniCode superimposes a high density "datafile" (long message) on top of an easy-to-read "license plate" (short message) so that they can be read separately as needed.

According to Eric Batterman, President of Omniplanar, an example of an application for this type of multiresolution capability is high-speed package sortation. "Most of the scanning stations employed by United Parcel Service in their package sorting facilities need only ZIP code and possibly tracking code data," Batterman explains. "At these stations, a low resolution, less expensive scanner can be used. There is no need for the more costly features -- such as

auto-focus, brighter lights and higher data rates -- which are incorporated into the expensive overhead CCD-array scanners to capture the longer messages."

Batterman, and his partner Donald Chandler, invented the MaxiCode, the 2-D symbology now sponsored by UPS for high-speed sortation. They developed MaxiCode in 1987, while working for P.A. Technologies, a New Jersey consulting firm retained by UPS to help develop their automated systems. The MaxiCode patent, issued in 1989 and assigned to UPS, lists Chandler and Batterman (and their associate, Govind Shah) as the inventors.

In 1990, after Batterman and Chandler had left P.A. Technologies and formed Omniplanar, they developed the MiniCode, their new multiresolution 2-D symbology. That same year, they were sued by UPS for patent infringement. Omniplanar countersued. In May 1994, according to a statement issued by Omniplanar, a federal court found that "UPS misappropriated the trade secrets of...Omniplanar and intentionally interfered with its business [and] UPS has paid an undisclosed settlement."

Batterman disclosed that there are no MiniCode scanners available. "We are now developing a scanner in-house," he told *SCAN*, "and investigating other avenues. We are four years behind schedule because of the UPS lawsuit. We are investigating the best way to bring the MiniCode symbology to the market. We have not yet resolved the proprietary/public domain issues, but we realize that the best way would be to have some version placed in the public domain."

The slogan proposed....

....by Deb Navas, Editor of ID Systems magazine, in her October 1994 editorial, was right on the money!

She was commenting on the perceived "deep-seated sensitivity in the health care community to bar codes." Navas quoted one hospital spokesman who said that bar coded wristbands are viewed by some health care administrators as having "dehumanizing implications."

Navas proposed a "simple but eloquent" solution. Place the following message on every admissions desk and tape it to a wall in every hospital room:



Further along, in the same issue, Navas provides a worthwhile, in-depth analysis of "Auto ID in Health Care"; the article takes the reader through the history and current status of the technology in that important market.

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