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**THE BRAND PROTECTION ALLIANCE, LLC**

*SPECIALISTS IN PRODUCT AUTHENTICATION AND BRAND SECURITY SOLUTIONS AND SERVICES FOR GENUINE BRAND OWNERS*

*Bud Gray  
Acucote Incorporated*



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## Speaker Introduction



- Mr. Bud Gray
- Bud Gray is a printing industry veteran with over 30 years experience serving in executive positions with several narrow web label companies and industry trade organizations.
- Former Executive Director of TLMi
- Member of FTA Board of Directors
- Business Development Manager for Brand Protection at Acucote Incorporated
- Board Member of The Brand Protection Alliance



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## What is Brand Protection?

Brand Protection encompasses the collective actions a genuine brand owner takes to ensure the company's reputation and intellectual property are not jeopardized by fraudulent actions, including:

- Product & Packaging Counterfeiting
- Product Diversion
- Product Tampering
- Retail Theft & Return Fraud



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## Why should we be concerned about brand protection?

- IP theft in all forms is growing exponentially...
- Counterfeits are becoming increasingly dangerous...
- Economies around the world are being impacted...
- Jobs are being lost at an astounding rate.



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## What are the markets for counterfeits?

- **Primary Market:** Counterfeiters infiltrate distribution channels with substandard products. Consumers are deceived to think these products are real.
- **Secondary Market:** Involves consumers who willingly purchase "bargain" products via internet purchases, street vendors, etc.




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## What products are under attack?

Virtually all products of high value and/or high volumes are suspect for attack.

There is a clear shift from luxury goods to more common products such as electronics and electrical products where consumer demand is higher.



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## Supply-side Dynamics

- High profitability
- Large potential market size
- Moderate levels of investment
- Low risk of discovery
- Weak enforcement
- Absence of non-deterrent penalties

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## Drivers of Consumer Demand

- Low prices
- Acceptable perceived quality and value
- Availability and ease of acquisition
- Low regard for IP rights
- Low risk of discovery
- Absence of penalties

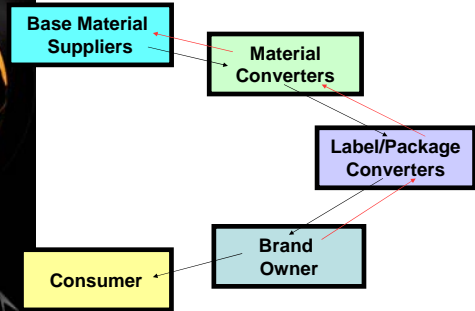
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## How Does The Package Converter Capitalize On Anti-Counterfeit Products?

*For the first time in many years, the package converter has the opportunity to be the true solutions provider and not locked in another commodity products quoting battle.*

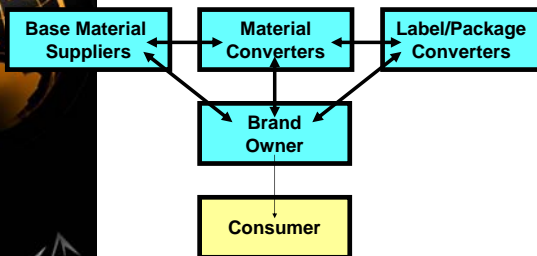
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## Conventional Value Chain



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## Brand Protection Value Chain



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## What Role Do Package Converters Play?

Package converters are the bridge between the technology providers and the genuine brand owner.

Let's start with the basics...

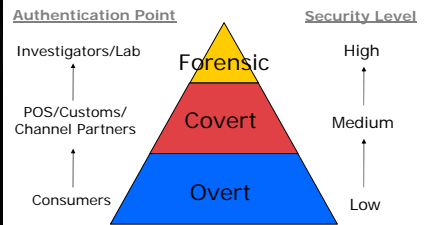
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## Authentication Technologies

- Can be easily integrated into current production processes
- Provide objective and often immediate proof of counterfeits vs. genuine products
- Offer many, many different ways to interchange techniques to fit specific investigative needs
- Enable effective investigations and provide solid evidence for legal proceedings

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## Types of Authentication Technologies



The highest levels of security are achieved by layering multiple methods!

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## Overt Features

Primarily for the consumers' sense of safety and well-being

### Advantages:

Easily recognized by consumers

Provides sense of protection for consumer

Can be a part of graphics and/or the substrate

### Disadvantages:

Requires broad consumer education

Easy to duplicate

Lowest level of security

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## Covert Features

Primarily for field investigators and/or genuine brand owner uses

### Advantages:

Do not interfere with graphics

Not readily apparent to the criminal element & difficult to duplicate

Identified/verified only by enforcement personnel armed with detection equipment

### Disadvantages:

Not apparent to the consumer so no sense of protection is felt

Specific readers needed to authenticate and can be expensive

Moderate level of security

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## Forensic Features

Primarily for use by field investigators, brand owners, and regulatory agencies

### Advantages:

Provides the highest levels of security

Can incorporate "track & trace" programmable features

Utilize customer-specific codes that are only authenticated by calibrated readers

### Disadvantages:

Most expensive technology with limited but emerging options

Reader/verifiers are very expensive

Provides no sense of protection for the consumer

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## Layered Solutions

- Combinations of authentication technologies are more difficult for criminals to duplicate
- Provide greater protection to the genuine brand owner
- Be proactive and modify the solution often to stay ahead of the counterfeiters

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## Example of a Layered Solution

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## The Strategic Goal of Brand Protection

In all brand protection programs, the strategic goal should be to provide protection solutions that are **easy to authenticate but difficult to duplicate.**

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## With The Proper Resources....

Brand protection is hard work work but not an impossible task.

However, it is necessary for long term survival!

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## What Does It Take To Be A Player?

- Right Commitment
- Right Equipment
- Right Resources

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## The Right Resources!

Since 2005, a collection of technology and service companies that service the package printing and converting industries have come together to form

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## OUR CHARTER:

The BPA was established to serve as a resource organization for package converters and genuine brand owners who are struggling with brand protection strategies and implementation.

## OUR MISSION:

The purpose of the BPA is to provide a comprehensive range of authentication, prevention, and security solutions to global consumer products manufacturers.

**The BPA does not manufacture products. We design and deliver lasting solutions. Commercial activities are conducted by individual BPA members based on the selection of their technology or products in the solution strategy.**

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