

RFID News Roundup

VeriChip announces IPO; RFID consortium to hold open workshop; Nordic ID rolls out UHF handheld for Europe; RFID maturing rapidly, says report; firms partner on retail RFID solutions; do-it-yourselfers devise tag killer.

Jan. 6, 2005—The following are news announcements made during the week of Jan. 2.

VeriChip Announces IPO

VeriChip, maker of the VeriMed RFID system based on a human-implantable passive RFID tag, as well as other RFID tracking systems for people, assets and animals, said last week that it filed a registration statement for the initial public offering (IPO) of shares of its common stock. The IPO will be valued up to \$45.8 million. Approximately 800 hospitals use VeriChip's tags to monitor infant location within maternity wards, and 68 hospitals are enabled to read the VeriMed implantable tag and access the corresponding medical records of the bearer. Since its founding in 2000, VeriChip has lost about \$7.7 million. Analysts had been pointing to VeriChip as one of several RFID vendors likely to announce an IPO in 2006. The other RFID vendors considered IPO candidates are RFID hardware systems provider Alien Technology, based in Morgan Hill, Calif., and Seattle-based RFID chipmaker Impinj. Financial service holding company Merriman Curhan Ford & Co. and Kaufman Bros., an investment bank, securities trading firm and brokerage operation, are underwriting the IPO. Neither the number of shares to be offered, nor the price range for the offering, have yet been determined. VeriChip is a subsidiary of Applied Digital, both based in Delray Beach, Fla. Applied Digital has stated that it plans to retain a majority interest in VeriChip, and to reserve for sale a percentage of the shares to be offered in the initial public offering to Applied Digital's shareholders through a directed share program.

RFID Consortium to Hold Open Workshop

The University of Arkansas (UA) is holding an organization workshop for its emerging International Research Consortium for Packaging, Manufacturing and Reliability for Low-Cost RFID and related Integrated SMART Tag Systems. The event will be held Jan. 24 to 26 in Fayetteville, Ark. The consortium is part of the University of Arkansas RFID Research Center, launched in June to research technology deployment, data analytics and business cases for deploying RFID (see University Opens RFID Research Center). The center issued a study in October concluding that Wal-Mart reduced out-of-stocks by 16 percent in stores tracking cases of goods via RFID tags (see EPC Reduces Out-of-Stocks at Wal-Mart). Organizers are offering the workshop to solicit input on the key issues and barriers regarding the manufacture of low-cost RFID tags, to identify research programs the consortium will support, to seek membership in the consortium and to define how the consortium will function. The workshop is open to any commercial, nonprofit, governmental or academic organization involved in RFID. Its agenda and registration forms are available here. Interested parties can also contact Claudia Cochrane at the University of Arkansas at 479-575-3605, or Becky Travelstead of TechSearch International at 512-372-8887 or by e-mail at becky@techsearchinc.com.

Nordic ID Rolls Out UHF Handheld for Europe

Nordic ID, a Finnish maker of mobile data collection devices, has introduced the PL3000 handheld ultra-high frequency (UHF) RFID interrogator. This reader is designed for use in the European regulatory environment, where the European Telecommunications Standards Institute stipulates the use of 865.6-867.6 MHz band for

UHF devices. The PL3000 can read and encode RFID tags compliant with the ISO18000-6 B, UCODE and EPC 1.19 standards. The device is available with a bar code scanner attachment and can communicate with a user's network via wireless LAN, Bluetooth or GPRS protocols. According to Nordic ID, the PL3000 weighs just over a pound and can run for approximately eight hours on a single battery charge, depending on use. It is available now and ranges in price from €3,000 to €6,000, depending on features and volume.

RFID Maturing Rapidly, Says Report

Regan, Jacob & Sydney (RJ&S), a startup market research firm, has released a report positing that RFID technology is rapidly maturing. The report points to expanding RFID applications—beyond the mandate-driven uses in the retail supply chain—as well as the use of RFID by the U.S. Department of Defense (DOD), as important drivers of the technology. It discusses the state of corporate development, via mergers and acquisitions of small RFID firms by larger enterprises, and how this is changing and growing the technology. The report also looks at the impact of standards development on the maturation of the technology. RJ&S includes a survey of the leading IT consultants, software, hardware, semiconductor and integration firms in the RFID industry, as well as predictions on which of these could announce initial public offerings in 2006. In creating the report, RJ&S polled about 500 individuals, interviewed approximately 30 executives dealing with RFID technology and reviewed more than 3,500 news stories and press releases. The report—entitled "Has RFID 'Crossed the Chasm?'"—is available for free download [here](#). RJ&S is owned by Dallas-based consulting and technology investment firm Incucomm, an investor of RFID systems integrator Xterprise.

Firms Partner on Retail RFID Solutions

Soft Solutions, a San Bruno, Calif., provider of Web-based retail merchandise management software, and OmniNuri Systems, a Hong Kong provider of RFID & Electronic Shelf Labeling (ESL) systems (manufactured by Korean electronics firm Seokyoung), are partnering to offer ESL solutions integrating Soft Solutions' merchandise and marketing applications. The combined solutions will enable retailers to manage merchandise and promotions through the integration of item-level RFID systems based on EPCglobal standards. The agreement also includes plans to establish the Store Lab at Soft Solutions' Product Development Center, which will be equipped with Soft Solutions' application suites and ESL and RFID technologies from OmniNuri. Its objective is to create a typical store model for partners and visiting retail executives to evaluate how store operations can be enhanced—from receiving through point-of-sale—through the use of these technologies.

Do-It-Yourselfers Devise Tag Killer

Two individuals have posted information online about a homemade device designed to permanently disable passive RFID tags. They say it could be used as a tool to protect personal privacy—which, they maintain, RFID tags are likely to threaten. The report, posted on a site linked to the Chaos Communication Club a German community of technology hackers describes how the team made the device by retrofitting the electronics inside a disposable camera, then adding a copper coil that generates a burst of electromagnetic energy strong enough to kill the tag. The team says it has successfully used the device on a number of passive tags, but does not specify how close to the tag the device must be, nor the frequency or protocol of the tags. Some tag manufacturers already build a kill command into the air interface protocol of tags; for instance, one is included in the EPCglobal Gen 2 standard. The report does not mention this, though, referring only to the ability to place some passive tags in a sleep mode rather than render them permanently disabled. It describes alternative methods of destroying RFID tags as cutting the link between the antenna and the chip, or "overloading and literally frying the RFID-Tag by placing it in a common microwave-oven for even very short periods of time." The report notes that this is not a safe means of killing tags permanently embedded in clothing, however, because it could cause the clothing to burn.