Hungarian Drugmaker Foresees Benefits From RFID

Though satisfied with the results of a pilot involving tagged items and cases, Teva Hungary is holding off deployment until political and privacy concerns are resolved.

By Claire Swedberg

March 13, 2007—Teva Hungary has participated in a pilot using RFID-enabled packaging for its pharmaceutical products, though it has no scheduled plan to implement a full deployment of item-, case- or pallet-level RFID tracking at this time. The goal of the pilot, completed on Jan. 30 of this year, was to examine the possibility of using RFID in a pharmaceutical distribution center.

According to Peter Lakatos, Teva's supply chain director, the pharmaceutical company began participating in a project with Állami Nyomda and Kner Packaging, a maker of pharmaceutical packaging, and began the trial in 2005. ODIN Budapest, a subsidiary of ODIN Technologies, joined in October 2006 to provide infrastructure support, as well as tests for determining the best positioning where tags should be placed on packaging of pharmaceutical items, and RFID hardware, including readers and antennas.

The trial involved using pharmaceutical packaging embedded with RFID tags, as well as other tags applied to cases, to improve supply chain visibility, reduce the opportunity for counterfeiting and make the entire supply chain more efficient. The pilot successfully achieved those goals, Lakatos says, adding that although Teva was pleased to be a part of this pilot, it has no plans to fully implement RFID tagging anytime soon. "It is not realistic today," he explains. "This was only a pilot, but we were very happy to participate."

For the pilot, Teva used UPM Raflatac 865 MHz RFID tags made with Impinj chips and complying with the ISO 18000-6C air-interface standard. ODIN embedded the tags into the original packaging. The pilot utilized 1,000 to 2,000 packaged products, as well as 100 tagged cases. The products included liquid bottles, plastic containers filled with pills and other products containing foil packaging.

Stationary interrogators made by Motorola (formerly Symbol Technologies), installed into the table on which the items were packed into the cases, captured each tag's unique EPC, provided by GS1 Hungary. Oracle's Sensor Edge Server Middleware compared the read of the case tag with the order for which the contained items belonged. The application screen displayed the product name, expiration date, production number and other information. If an item was missing from a case, the screen delivered a warning.

"We received several thousand medicine boxes, for which we tagged and encoded only a couple of hundred different types [of medicines]," says Ferenc Balázs, ODIN Budapest's CTO. Additionally, approximately 100 plastic cases were tagged and loaded onto tagged pallets.

Lakatos says he is very interested in RFID technology from a logistics perspective, but still sees several hurdles. "In this pilot," he says, "we gave our physical space as potential users. Me and my colleagues are very interested in knowing more about how this works."

At the same time, Balázs says, further investigation into privacy issues would have to take place before deployment. Until the 1990s, he points out, Hungary was a member of the Warsaw Pact and still under Communist rule. These days, the country has greater privacy concerns than some other countries might. Hungarian consumers would be wary about bringing home a product that could be tracked. This fear would exist, he maintains, even though, in the case of drug packaging with embedded RFID tags, such concerns would be unfounded. "Since all the product codes are unique, no one can get relevant info about them without the database."

RELATED_ARTICLES Once the political and privacy concerns are ironed out, Lakatos suggests, Teva may move forward with RFID. "For our long-term strategy," he says, "one of our big targets is improving control of a product in the supply chain."

Based on the success of this pilot, however, Balázs believes pharmaceutical companies could go into full deployment this year or next year. "From a technological side," he says, "we are ready to deploy the system right now."