

UCC Ready To Commercialize EPC

UCC and EAN have formed AutoID Inc., which will issue Electronic Product Codes later this year. They have also clarified their position on RFID standards.

May 23, 2003 - The Uniform Code Council this week announced that it has reached a deal with the Massachusetts Institute of Technology to license Electronic Product Code technology developed by MIT's Auto-ID Center. The move takes EPC out of the realm of academic research and a step closer to commercialization.

"This is the fitting climax of nearly four years of very hard work by everyone involved in the Auto-ID Center," says Auto-ID Center executive director Kevin Ashton. "It signifies that they system is nearly ready for true commercial use."

The UCC is a not-for-profit organization that was originally set up to develop and manage standards for bar codes. It has expanded into other technologies that are critical to running global supply chains and was a founding sponsor of the Auto-ID Center. The agreement with MIT gives the UCC exclusive rights to EPC technology.

UCC and EAN have agreed to form a joint venture called AutoID Inc. to commercialize the technology. Dicki Lulay, a former senior executive at McCormick & Co., was recruited to be president of AutoID Inc., which will have its own board that reports to the boards of EAN and UCC. The board will be made up of members from across different industries, according to Michael Di Yeso, the UCC's executive VP and chief operating officer.

"One thing that we believe is absolutely critical in bringing EPC to market is that we demonstrate, in a very tangible manner, that this technology will work across many vertical industries," says Di Yeso. "The structuring of the board is one way to show that, so board members will come from fast-moving consumer goods companies, but also other industries, such as high-tech, healthcare, transportation, government and so on."

The deal with MIT takes effect on Nov. 1. At that time, the Auto-ID Center will transition into two parts, Auto-ID Inc. and Auto-ID Labs, which will continue to do research on EPC technology at MIT and five other universities around the world. Sanjay Sarma will continue to head the research efforts.

AutoID Inc., which will be based out of UCC's headquarters in New Jersey, will establish a presence in Cambridge to coordinate with the Auto-ID Labs. The UCC and EAN plan to form an implementation task group by the third quarter to begin commercializing EPC technology. Di Yeso says that the technology is ready for companies to use and that AutoID Inc. will begin issuing EPCs as soon as the task group is up and running.

"Part of the contract is that [the Auto-ID Center] needs to turn over to us Version 1.0 of the EPC technology, and we're well on track to get that in a nice bundle," he says. "Gillette and others have demonstrated clearly that much of the technology is available and ready to use today to drive substantial returns on investment."

The implementation task group will bring together early adopters, technology vendors supporting EPC and researchers from the Auto-ID Center. Companies can join AutoID Inc. immediately if they want to participate in the group. The not-for-profit organization will charge a fee for joining and a small annual membership fee, which entitles companies to use EPCs and related technologies, get some training, and participate in AutoID Inc. task groups.

One issue that AutoID Inc. will have to deal with is the question of standards. The EPC air interface protocols -- the way tags and readers communicate -- are designed to be open, but they have not been approved by the International Organization for Standardization. A number of other protocols are in the final phases of approval as international standards, and end users have been confused about whether to invest in EPC technology or RFID technology based on ISO standards.

Di Yeso says AutoID Inc. will address the issue by seeking ISO approval for the EPC protocols at the appropriate time. "We believe that we need to get this technology to market," he says. "It's our intention to work with the implementation task group, develop draft standards and get them into practice. Once we know they work and are delivering results for the trading partners, then we'll go through the ISO process."

EAN and UCC have invested a lot of time and effort in the GTAG initiative, which aimed to be a global standard for RFID tags operating in the UHF range. GTAG was merged with ISO 18000-6, an emerging standard for UHF, last year. But that effort appears to have been superceded by the work on the Electronic Product Code.

"It's critical to have clarity in the marketplace," says Di Yeso. "So the Uniform Code Council and EAN have agreed that we are going to have one RFID program and that program is AutoID Inc., based on EPC technology. At the same time, there's a lot of great work that was done on GTAG. If there's an opportunity to bring it into AutoID Inc. and use it as part of the EPC system, we are happy to do that."

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