

Making RFID Payments Ubiquitous

Philips and Visa want people to be able to pay for goods and services anywhere by using RFID chips embedded in phones and other devices.

June 2, 2003 - The folks at Visa International would like you to use your Visa credit or debit card to pay for everything, no matter where you are. Their counterparts at Royal Philips Electronics would like to sell millions of RFID chips used in smart cards. So the two companies have teamed up to try to make wireless payments as common as pocket change.

Philips declined to provide details of how the partnership will proceed. But the company did say that the partners will recruit third parties to incorporate Philips MiFare smart card chips, which operate at 13.56 MHz, into devices. They will also try to work with media companies that can provide content and services for RFID-enabled devices.

Philips has been pursuing a goal of embedding its smart card chips in a wide variety of consumer electronics products. Last year, the Dutch company teamed with Sony to create a system of using RFID technology to pass information between consumer devices (see [Sony, Philips Creating RFID Link](#)). And Philips recently unveiled a software platform for connecting and authenticating RFID-enabled devices remotely over the Web (see [Sony, Philips to Test RFID Platform](#)).

The general concept behind the Philips-Visa alliance is that you might use an RFID tag in a handheld device to authenticate yourself to an online music site, so you could download your favorite tunes. Or you might wave a chip embedded in your mobile phone near a reader on a bus to pay the transit fare. In both cases, the payment would be charged to your Visa card or deducted from your account through a Visa debit card.

The broad aim of the two companies is to stimulate use of their products by making shopping even easier. Today, you can purchase airline tickets online and get an electronic ticket instead of a paper one. Philips sees no reason why the same concept can't be used at movie theaters, concerts and other events. The e-ticket could be downloaded directly into a MiFare chip embedded in almost any device.

The concept could be extended to retail shopping. No more looking for an ATM card or digging a credit card out of your wallet. Just whip out your phone or PDA, wave it by the reader and you've paid. The technology to make this possible already exists. Philips and Visa will work with third parties to create specific applications and devices to employ contactless technology.

Reinhard Kalla, VP and general manager of identification at Philips Semiconductors, sees contactless Visa payments using Philips technology as a big opportunity for both companies. He says the process will be not only convenient, but also private and safe for consumers and merchants.

"Philips has been working for years in RFID with tags and labels, and contactless applications are also based on RFID," Kalla says, "You would use this technology as if it were a smart card." He adds that consumers will see "new and more exciting applications and content" resulting from the relationship with Visa in about a year. -- Lynn DeRocco

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