

Checkpoint Buys 100 Million Tags

Security and label maker Checkpoint Systems announced a multiyear contract to buy EPC tags from Matrics for deployment in the retail supply chain.

By Jonathan Collins

March 30, 2004—Security, labeling and packaging manufacturer Checkpoint Systems has announced that it will buy 100 million EPC-compliant RFID tags from Matrics, an RFID systems provider in Columbia, Md. Neither the value nor the length of the contract was made public.

The multiyear agreement was disclosed at the RFID Journal Live! conference in Chicago, and Matrics says it will start shipping tags to Checkpoint immediately. The deal covers Matrics Class 0 (read only) and Class 0+ (read-write) tags in quantities that will be determined during the contract and according to Checkpoint customer demand.

Checkpoint Systems says it will integrate the tags with its own EPC enterprise systems and that its supply chain application customers will be use them to tag pallets and cases. The company notes that its EPC/RFID Enterprise offering will provide customers with a migration path from case- and pallet-level applications to item-level applications in the store.

According to Checkpoint, the Matrics purchase agreement is part of the company's strategy to have access to enough tags to meet demand as EPC deployments expand. The company has worked with Matrics tags on several pilot implementations with its customers, but the deal does not necessarily signal that those pilots will be ramped up at this time.

"We want be sure to have access to enough tags as when that demand comes," says James Fehr, director of business development supply chain solutions at Checkpoint, which is based in Thorofare, N.J.

Although the deal provides for a mix of read-write and write-only tags, Matrics maintains that it charges the same for either tag. For quantities of 10 million, that price is between 20 and 30 cents per tag, depending on the features of the tag.

Checkpoint says the deal is the first in a number of similar agreements it expects to announce over the next few months with other EPC tag manufacturers.

The deal with Matrics will include Class 1 Generation 2 EPC tags, once the standards for Gen 2 tags become ratified by EPCglobal later this fall. "When Generation 2 tags become available, this relationship will include those tags as well," says Girish Rishi, senior VP of marketing at Matrics.

Last November, Matrics announced it would sell 100 million tags to McCarran Airport in a deal that was valued at \$25 million, but unlike the deal with Checkpoint, the airport was buying Matrics RFID readers as well as tags. (See Las Vegas Airport Bets on RFID.)

