

Philips, Checkpoint Form Alliance

The companies will harness Checkpoint's antitheft expertise and Philips's chip-making knowledge to develop and deliver RFID equipment and services for retailers.

By Jonathan Collins

May 26, 2004—Looking to combine their market and technology strengths [Checkpoint Systems](#) and [Royal Philips Electronics](#) have announced a strategic alliance. Checkpoint, a provider of antitheft systems for retailers, says it will bring its own antenna technology and experience in attaching tags to packaging and items to help develop tags, smart labels and sensors using Philips chips and the substrates the chips are delivered on. “Philips is a preeminent player in the RFID market, and they can do marvelous things in putting together chips and straps in an efficient way. We will add our antenna experience from our theft-protection developments,” says George W. Off, chairman and CEO of Checkpoint Systems, which is based in Thorofare, N.J.

By combining Checkpoint Systems' experience in selling RF electronic article surveillance (EAS) systems in the retail market with Philips' RFID expertise and technology strengths, the companies believe that the nonexclusive alliance will help them supply the growing demand for deploying RFID in retailing worldwide leverage.

“This announcement is not just part of a sales campaign, it is about building joint and aligned strategies,” says Saleem Miyan, global strategic business manager for the identification division of Philips Semiconductors, which is based in Amsterdam, the Netherlands. “There is no sense in us competing. We know who the market leaders are—like Checkpoint in retail and the retail supply chain—and we will build our route to market with such partnerships.”

In January, Philips and IBM's Global Services division announced a strategic partnership to develop and deploy RFID and smart card systems for retailers and manufacturers (see [IBM and Philips Pair Up](#)). Within the scope of this week's agreement, Checkpoint Systems will be building and integrating applications and solutions for the retail industry and its supply chain based on Philips' HF and UHF RFID chip solutions, including those based on Electronic Product Code (EPC) standards. The companies say they will work together to develop tags and readers and also systems integration services that will all be sold by Checkpoint.

“Checkpoint has developed over 100 antenna designs for its EAS products. They know how to get tags on products and items. Combined with our chips, that knowledge can help retailers apply RFID in their businesses,” says Miyan at Philips.

Checkpoint asserts that the combination of Philips's chip manufacturing techniques and processes combined with Checkpoint's sales strength in the retail market will quickly help drive down RFID tag costs, although neither company would set a price target or time line for those developments.

Checkpoint and Philips have already worked together to deploy in-store RFID systems for the Metro Group in Germany and have jointly implemented a dozen or so in-store or supply chain applications in Europe this

year.

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