SFIA THOUGHT LEADERSHIP WEBINAR

September 5, 2019

Brand Protection: Advanced Connectivity Solutions for Privileged Relations with Your Customers

Featured Speaker:
Alex Lewis
Vice President of Sales
SURYS

Webinar Host:
Alli Schulman
Coordinator, Communications & Marketing
SFIA

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SFIA INDUSTRY LEADERS SUMMIT
Innovate | Activate | Accelerate

REGISTRATION CLOSES SEPTEMBER 13, 2019
China 301 Exclusion Requests: How to Obtain Favorable Results and Secure Duty Refunds

September 12, 2019
2:00 PM (EST)

John Brew
Partner
Racing Ahead & Keeping Pace in Wearable Technology: Evolution of the Industry and its Legal Risks

Scott McLean
Senior Manager
Exponent
Engineering and Scientific Consulting

Michelle Gilboe
Partner
Bowman and Brooke LLP

September 17, 2019
2:00 PM (EST)
Brand Protection: Advanced Connectivity Solutions for Privileged Relations with Your Customers

SFIA
September 5th 2019
Agenda

- Introduction

- Threats to Product

- Fighting Back – What steps can a brand owner take?

- Implementing a corporate brand protection program – The Authentication Device

- SURYS – A world leader in anti-counterfeiting technologies

- Employing a multi-functional technology – Maximizing ROI with Optokey™

- Conclusion
Introduction

In general terms, commercial counterfeiting can be described as the fraudulent practice of affixing a false trademark to a product. The false trademark then appears superficially indistinguishable from its legitimate counterpart.

Conservative estimates suggest that hundreds of millions of dollars in sales revenues are diverted annually through the manufacturing and trafficking of counterfeit goods.

The purpose of this fraudulent activity is to dupe the consumer into purchasing the counterfeit under the mistaken belief that the product is the genuine article.

For the consumer who unknowingly purchases a counterfeit, the result is typically dissatisfaction; for the firm whose goods are counterfeited, loss of revenue and goodwill are possible; for the counterfeiter, profits are reaped with little financial or legal risk and with minimal marketing effort.
Threats to Product

- Diversion
- Adulteration
- Imitation
- Tampering
- Counterfeiting
- Theft
- Over-run
Fighting Back - What steps can a brand owner take?

- Register your brand, logo & trademarks in countries where you sell, manufacture, ship or store your products.
  - Give yourself something to protect.
  - Eliminate the potential risk of legal battles.

- Record your trademarks with national customs organizations wherever possible.

- Provide training for local law enforcement and customs personnel on your branded products and any brand protection programs that you have in place.
  - Create authentication manuals.
  - Training seminars at major ports.

- Join industry associations.
  - Enables the sharing of information, resources and best practices.
Fighting Back - What steps can a brand owner take?

- **Monitor & Protect you company’s supply chain.**
  - Secure supply chain to alleviate threat of IP theft (designs, tooling, materials, etc.).
  - Have strong manufacturing agreements in place.
  - Be aware of 3rd shift production.
  - Audit manufacturing sites regularly.
  - Implement authentication features to minimize risk of over-production disappearing out the back door.

- **Monitor online marketplaces.**
  - Utilize software to scour the internet for keywords.
  - Once perpetrator is identified, follow the trail to identify other listings and remove all associated sites.
  - Social media a growing forum for marketing of illicit product.
  - Implement test purchase programs across internet sites.
Fighting Back - What steps can a brand owner take?

- Monitor what product brick & mortar stores are selling.
  - Identify areas where products are generally sold at deep discounts.
  - Engage ‘on the ground’ investigative services.
  - Utilize local employee base.
  - Information share with other brand owners.

- Implement a corporate brand protection program and train employees on anti-counterfeiting measures.
  - Focus on key issues: anti-counterfeiting, anti-tampering, diversion, etc.
  - Look for additional benefits: consumer engagement, brand enhancement, etc.
  - Multi-layered solution – overt, covert & forensic.
  - Engage customer base – informational web pages, point of sale education, provide peace-of-mind.
Determining which security technologies and security features to deploy

- Security product must be proven and difficult to emulate.
- Barriers to entry for a particular technology must be high.
- Technology must be cost effective and easy to deploy.
- Unique, random serialization for each brand and SKU.
- Security product must enable consumer authentication and interaction.
- Technology must be flexible and be able to be deployed on a variety of substrates.
- Production must be scalable to high volumes.
From science to confidence
SURYS – A world leader in anti-counterfeiting technologies

390 employees worldwide

Present in 127 countries

90% of our business is international

10% is reinvested in R&D

Offices

Trumbull, Connecticut, USA
Production site
56,000 ft²

Bussy-Saint-Georges, France
Head office, Production site
150,000 ft²

Dieburg, Germany
Production site

Amsterdam, Netherlands
Keesing Technologies

Warsaw, Poland
Business offices

Dubai, UAE
Business offices

Bussy-Saint-Georges, France
Head office, Production site
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Dieburg, Germany
Production site

Amsterdam, Netherlands
Keesing Technologies

Warsaw, Poland
Business offices

Dubai, UAE
Business offices
Business units

Identity  Banknotes  Vehicles  Brands & Products
Global Reach

- Identity
- Brand & Products
- Vehicles
- Fiduciary

[Map of global reach with markers for different categories]
Optokey™ - A disruptive Optical Chip

A comprehensive platform to:

• Authenticate at first sight
• Prevent product tampering
• Provide track & trace services
• Create consumer engagement opportunities

...Connecting any genuine product to the digital world
A disruptive Optical Chip

- A secure substrate
  - Tamper-evident
  - Pre-cuts
  - Security printing
A disruptive Optical Chip

• A secure substrate
  ▪ Tamper-evident
  ▪ Pre-cuts
  ▪ Security printing

• Authentication
  ▪ All user groups
  ▪ Zero doubt
  ▪ Brand integrity
A disruptive Optical Chip

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- Identification
  - Secure database
  - Item-level traceability
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- **Consumer Engagement**
  - Loyalty programs
  - Warranty registration
  - Marketing reach

Loyalty program
Tailored communication
Email marketing
Social platforms
A disruptive Optical Chip

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Conclusion

- There are multiple threats to our IP that can impact upon revenues and create brand erosion.

- Fortunately, there are numerous weapons we can use to fight back, including: registering our marks, partnering with law enforcement, auditing our supply chain and implementing authentication technologies.

- Vet security technology partners thoroughly to ensure experience and robustness of technologies.

- Look for additional benefits. How can technology help to maximize ROI?
Thank you for your attention

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MARK YOUR CALENDARS

"China 301 Exclusion Requests"
2:00 PM (EST)
September 12, 2019

"Racing Ahead & Keeping Pace in Wearable Technology"
2:00 PM (EST)
September 17, 2019

September 25-26, 2019
Baltimore, MD

Expert Panelist:
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Have any questions?
Additional questions or contact information can be submitted to
webinars@sfia.org

Thank you to all of our participants!