

Thwarting counterfeits

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(June 24, 2007) — Every company tries to make products that can't be duplicated. Document Security Systems Inc. has made duplication impossible. The Rochester company is one of the leading developers of what it calls "optical deterrent technologies." It produces customized security features on printed items that are used to prevent counterfeiting and verify authenticity. This is done by blocking out information so it can be viewed only through a decoder, or by inserting holograms into products so they can instantly be verified as originals. "It's the idea that (companies) can take a sophisticated security process and put it into everyday printing, because the casual counterfeiters are going after that everyday printing," said David Wicker, vice president of operations and technology. Wicker's family has been in the print-coding business for decades. His father originally developed the anti-copying system for checks that would make the word "void" appear if they were duplicated.

Document Security Systems has moved beyond checks, or even paper. Using a full suite of products under the name AuthentiGuard, the company is able to work with plastic as well, coding items such as ID cards so they can't be duplicated. In February, the company introduced On-Demand — specialized software that allows anti-copy documents to be printed from any printer with any ink.

"This technology is based on decades of printing technology and printing expertise by Dave and his entire family. They are pioneers in this industry. ...They were out on the forefront before people even knew this stuff existed," said Michael Hughes, senior vice president of business development and general counsel.

The company went public in 2002 at 12 cents a share and now trades above \$12. Revenue has grown each year — it was up 175 percent to \$4.8 million in 2006 — but the company has yet to turn an annual profit. In its most recent quarter, Document Security Systems lost \$1.2 million. The company has 54 employees, more than half in Rochester, which company officials consider the worldwide center of the optics industry.

"We're surrounded by inventors in Rochester because of Kodak and Xerox," said Peter Ettinger, the company's president. Processes to stop illegal copying are crucial, Ettinger said. "Hopefully we will be able to make a global impact on a growing problem."

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TINA YEE staff photographer
From left, Document Security Systems executives Mike Caton of Oakfield, Genesee County, Phil Jones of Penfield and David Wicker of Dansville, Livingston County, want to make products that can't be duplicated.



TINA YEE staff photographer
David Wicker holds the AuthentiGuard Phantom product. When you tilt the card, you see different colors.