



Quality over quantity seemed to characterise floor traffic

MEDIA-TECH REPORT

Packaging suppliers propel show

The inclusion of the AIMMA and IDDA organisations generated for some booths new packaging leads not usually in attendance at the show, but slow floor traffic disappointed other exhibitors, reports Larry Jaffee

LONG BEACH, CA – Packaging was on full display at the two-day Media-Tech conference/‘tabletop’ show October 10-11 here at the convention centre with nearly two dozen exhibitors offering cases, automated equipment and creative services, making up about a third of the overall booths.

Some exhibitors, quietly grumbling about slow floor traffic, wondered where all the content owners and local replicators were since the event was taking place in Hollywood’s backyard. Still, others manning the booths expressed contentment they made the effort to be there.

David Coho, Univenture vice president of sales and marketing, appeared satisfied with the show a few hours before closing. “We saw lots of existing customers, and some new customers we hadn’t seen before,” he said, applauding Media-Tech for involving in the event the American Independent Media Manufacturers Association (AIMMA) and International Disc Duplicating Association (IDDA),

which represent small replicators and duplication companies, respectively. Both groups’ members serve customers that typically have a need for Univenture’s bind-in, sleeve-based packaging.

“I got a lot of high quality leads, which was better than I expected, but traffic was light,” said Michael Schlobohm, COO of Polyline,

Blu-ray-were emphasised at many booths. But some exhibitors expressed doubt that demand for the new formats will be more than a blip on the radar screen at retail, given the fact that the so-called replicator busy season was well into full swing, and orders, as well as retail sales, to date haven’t been all that impressive.

“There’s still money in packaging. It seems like the guys making the most money [in the media manufacturing business] are in packaging.”

noting that it was the first time his Elmhurst, Illinois-based company, which sells a full array of media packaging solutions, attended the show.

Dirk Boysen, Heino Ilsemann manager of sales and operations, lamented that replicators in a 50-mile radius of Long Beach “didn’t make the effort” to get to the show. “There weren’t enough new prospects. It’s the only show in North America this year,” he added.

Packaging for the next-generation DVD contestants-both the boxes themselves as well as automated equipment designed expressly for HD DVD and

“A new [major Hollywood movie] release that gets 10 million [DVD-Video] units shipped will see maybe 50,000 units for HD DVD and Blu-ray,” said Kim Sorenson, Scanavo North America president, whose company has developed an HD DVD prototype package. “I don’t think there’s enough business,” he said, adding that part of the problem lies with Asian companies that could produce virtually the same box at a fraction of the price.

Scanavo also has been somewhat disheartened by the lack of acceptance in the US of its metal-based, premium SteelBook

product, which is five times more popular in Europe than in America. However, in Canada, SteelBook has recently been tapped for a few DVD movies, such as *X-Men 3*, *Narnia*, and *The Little Mermaid* as exclusive Best Buy/Future Shop releases.

“There’s still money in packaging. It seems like the guys making the most money [in the media manufacturing business] are in packaging,” opined Cameron Serles, president of Xiris Automation Inc., which manufactures quality control equipment for packaging that makes sure the right disc is in the right package.

“While [packaging QC] was important for CDs and very important for DVDs. But it’s absolutely essentially for the next-generation DVDs because the consumer is paying a premium,” he said.

As with the discs themselves, upgrading to HD DVD for Xiris’ inspection gear is not as a daunting proposition as it is for Blu-ray. “There are more challenges with Blu-ray,” he said, citing its reflectivity formulation, an issue that has been since worked out.

Another “Achille’s heel” for Xiris is getting DVD marketing departments to allow bar codes in the booklets, Serles noted. If a booklet doesn’t have a bar code, Xiris’ sensor detects the image to ensure the right disc has been inserted, he added.

Xiris recently joined forces with an Irish company called PakScan, which specialises in making sure that the disc is held properly in the case’s hub and not floating loose.

Digital printing machines for optical discs were also a new wrinkle at Media-Tech with at least four competitors in the growing field: Coates/Sun, Tapematic, Sefar and Kammann.

“Digital looks gorgeous, and is the way to go for short runs,” commented Bob Nersesian, international marketing manager for optical discs for ink supplier Coates/Sun Chemical, which joined forces with CopyTrax, a UK-based equipment maker on the new machine.

Tapematic worldwide marketing VP Ron Goodwin said his company diversified into the digital printing due to a lack of growth in its core business.

LEGAL UPDATE

Twin-disc patent case continues

BDMO wins UK round, but Pozzoli appealing court decision; France and Germany cases pending

LONDON – After 11 months of litigation and a three-day trial, the UK Patents Court ruled against Italian media packaging company Pozzoli, finding that the patent for its twin-disc package was invalid, and in favour of the defendants BDMO and MIP.

The dispute between the companies centres on the Double Push Tray from BDMO and MIP, which Pozzoli claimed infringed its own patent for a twin media tray, which was originally launched in 1995.

Mr Justice Lewison said that he had found flaws in the interpretation Pozzoli had put on its own patent and found that its arguments for infringement were “unconvincing and artificial”.

The court found against Pozzoli and ordered a cost order to be made with an interim payment of £180,000. BDMO declared itself “delighted at the outcome of the English proceedings,” according to managing director Geert Casselman.

However, the case isn’t necessarily over. Although the court that heard the case refused permission to appeal the declaration

of invalidity, Pozzoli is now seeking that permission from the Court of Appeal at a hearing in April 2007.

Meanwhile, the case is still being heard in a French court with no judgement yet reached. In Germany, the Dusseldorf Regional Court ruled that a company dealing in the BDMO tray had infringed Pozzoli’s European patent, contrary to the subsequent finding in the UK.

www.bdmom.com www.pozzoli.com



Stora Enso’s new DBS FF-80 automates packaging for its DVD version of the DBS Discbox Slider

Discbox Slider goes DVD and is embraced by MPO

Stora Enso has capitalised on the popularity of its DBS Discbox Slider packaging solution by developing a DVD version of the case. The environmentally friendly packaging is being supported by the launch of a new automated packaging system, the DBS FF-80, which consists of a line for transporting package blanks, three product-feeder robots and a booklet feeder, hot melt gluing and a combiner unit.

The new DVD version of the Discbox Slider, as well as the standard CD version, has been snapped up by MPO. The company, which has 1,300 employees and four production sites in Europe and Asia, has an annual capacity of 375 million CDs and 225 million DVDs. The media production company has built up its own printing facilities and packaging services and has adopted the DBS Discbox Slider as a packaging solution.

“Being the first pre-recorded media company to offer the novel, carton-based DBS DVD case on the market helps us maintain our pioneer role in the industry,” said Alban Pinget, the development director of MPO. “The new packaging will allow MPO clients, mainly from the Home Entertainment sector, to position a new product range on a new price level. We think music, games and video markets will be interested in this product. The main advantage is the fact that it is 100% cardboard, allows for greater design creativity and has an attractive price.”

The cases are being produced by the DBS Pac Master, which is an automatic system for forming and filing cases and both it and the new DBS FF-80 have been installed at MPO’s premises in Averton, France.

www.storaenso.com

Super Jewel Box to double, or triple production in 2007

Company ramping up to meet demand from international Universal Music Group adoption as standard package, reports Larry Jaffee

Capacity for Super Jewel Box production will double in 2007 to keep up with international demand and triple if the Universal Music Group (UMG) in the US follows its European subsidiary in adopting the premium case as the standard package instead of a jewel case, reported Jan Schuurs, Super Jewel Box president, at its Media-Tech booth in October.

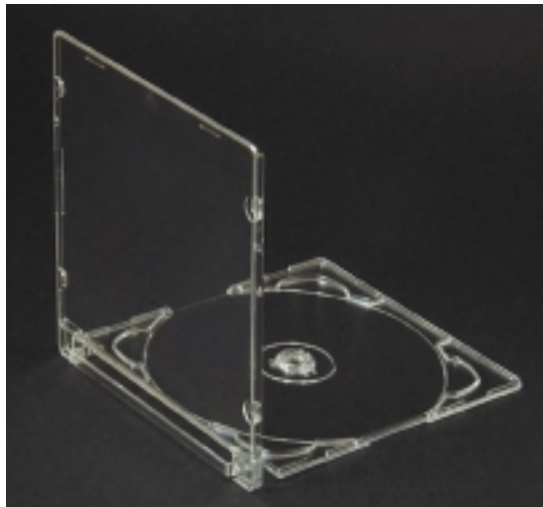
The volume of Super Jewel Boxes in 2007 should be a minimum of 100 million to 120 million units, Schuurs forecasted.

“The next step is to step up capacity,” he said. “We will add new partners to step up produc-

tion. Schuurs noted that a Japanese manufacturing partner of Super Jewel Box, Fuji Seiki, operating a plant in China has worked out well, and most likely will figure prominently in expansion plans. “We will also need to expand somewhere in North America,” he said, noting that UMG in the United States is observing closely the progress of its European cousins, which debuted the three-tier packaging scheme (Super Jewel Box is the middle option) this past January in France.

Germany and Italy began using the Super Jewel Box as standard in June, and the programme will be rolled out to the rest of Europe next year. Schuurs added that increased capacity is likely to come from a new factory in Europe, and possibly one in the US.

www.superjewelbox.com



Universal Music Group has been given a boost to Super Jewel Box as being its standard European CD package

KPG Medialog set for expansion

European CD and DVD manufacturer KPG Mediatech sees its logistics division, KPG Medialog, set to expand with a 7,200 sqm facility and a future logistics unit set to open in November.

The new site already features a shop floor for production, packaging and finishing, as well as logistics. The planning for the newer building has been completed, and construction began in September.

The expansion has come at a good time for the company because it has just secured a major logistics account with home entertainment provider and Bollywood specialist KSM and the company is rumoured to be readying another high-profile customer by the time the new logistics centre is completed.

"Logistics currently appear to be the priority in this industry," explained Michael Hosp of KPG. "Interest has risen over the past two years and only one thing counts among logistics customers: how



KPG plans production, packaging and finishing, as well as logistics, for its new facility

they are assessed and evaluated by the clients they supply on a day-to-day basis. That's why we are proud to have established our reputation in the industry in less than a year." Harald Schneider, CEO and owner of KSM, added, "Right from the start there were three things about

KDG Medialog which we found highly impressive – its dedication, transparency and speed. Ultimately, that's what tipped our decision to go with them. After all logistics is a delicate business and you have to rely on your partner 100%."

www.kdg-mt.com

Amtec boosts wrapping range

Amtec recently announced two new additional products to its wrapping line. The MEDIAwrap is aimed at the small to mid-sized duplicator or replicator and requires a 220 volt AC power supply and no compressed air. The unit has a 50 parts per minute speed and can wrap CDs and DVD in both their regular and slim versions.

To compliment the machine, the company has also introduced the ROTOWrap, a larger carousel wrapper with speeds between 65 and 100 ppm. "The ROTOWrap is for customers who have a requirement to pack larger volumes of a single type of product, single DVDs for example, in a short lead time. Its low cost means that multi-machine installations become cost effective," explained Richard Thomas, technical director and UK representative of Amtec.

The company has also introduced a range of overwrappers that can handle larger packs such as multi-DVD and A4-sized software packages.

www.amtec-machines.com

Inbrief

New York-based packaging specialists INFORMATION PACKAGING recently announced the latest addition to its range of products. The Snap-Pac is a DVD packaging solution that is suitable for both single and double disc sets and its patent pending design features a smooth disc button that allows the disc to snap on to the case and does away with brittle trays. The casing also displays a large area to showcase the discs and any custom panel graphics.

"Many of our customers have asked for an alternative to plastic DVD cases and packaging that utilizes plastic trays and we responded," said Brenda Fitzsimons, marketing manager of Information Packaging. "We designed it with their needs in mind."

www.infopkg.com

TWO INFLUENTIAL US LP DESIGNERS have sadly died in this past summer. Long-time Warner Bros Records art director Ed Thrasher died of cancer at his home in Big Bear Lake, California on August 5. He was 74. Thrasher, who designed hundreds of major albums, including Jimi Hendrix *Experience's Are You Experienced?*, worked at Warner between 1962 and 1979. Burt Goldblatt, a designer of approximately 3,000 mostly jazz LP album covers beginning in the early 1950s for artists like Dizzy Gillespie, Billie Holiday, and Bud Powell, died on August 30 in Boston. He was 82.



Blockbuster strips fully packaged videogames of their shrinkwrap and Amaray boxes, and they manually repack them in security cases

Repacking of Blockbuster game product creates waste

Rental giant Blockbuster manually removes videogame discs from shrink-wrapped packages and then places them into special security boxes. But why can't they skip the middle step, asks Larry Jaffee

In 1989 US independent record label Rykodisc and record industry consultant Martin Folkman led a movement called "Ban the Box," dedicated to getting labels to stop placing the already standard jewel case in a 6-inch by 12-inch, cardboard-constructed "long box."

Three years later the rumbling about the environmental waste of the long box hit a feverish pitch, and the Record Industry Association of

America formally announced that it would adopt the 6-inch x 5-inch jewel case as the standard CD packaging and begin phasing out the long box.

Fast forward to 2006 and there's another obviously wasteful media packaging practice. Blockbuster is obviously the world's largest renter of movie DVDs and VHS tapes. But it's also one of the five largest renters of videogames, which accounts for 8% to 15% of the chain's overall revenues.

However, the retailer receives game product from manufacturers in shrink-wrapped packages that have to be torn apart manually and then put into Blockbuster's special ZenithPac security cases supplied by Clear-Vu. The ZenithPac contains

a locked plastic rod that prevents the case from being opened by consumers, and is removed by store personnel at the cash register.

"I'd much rather have the discs come to us on a spindle, and receive the art separately," says Rod Murray, Blockbuster senior director of rental games. "They can go through automated machines at the company's Dallas-based DC (distribution centre)," Murray says, adding that that's the way DVD movies are handled.

Clear-Vu CEO Michael Lax remembers a brief testing period of the discs being provided on spindles, but the practice never caught on.

"They tried for a while to get them on spindles," says Lax, "but the replicators weren't receptive to making a slight modification on their automation equipment. They looked at stocking a different box as another SKU, and an encumbrance."

An ironic twist is that both the long box and the Clear-Vu box were invented to help curb in-store theft by consumers.

Obviously if game publishers told their replicators that they wanted their discs placed on spindles, the plants would heed the call of their customers and make the necessary adjustments. In the same way that the "Ban The Box" movement resulted in some paper suppliers suddenly losing substantial amounts of business, if Blockbuster's disc inventory only used the Clear-Vu case obviously some DVD case suppliers would feel the impact.

Introducing the 'JakeBox'

All-paper disc package from Swedish startup looks to take market share away from the still-ubiquitous jewel case, reports Larry Jaffee

A new Swedish packaging company JakeBox AB, founded in 2004 by Jakob Skarin, has the objective to create attractive, user-friendly and environmentally friendly packaging concepts for optical discs that add value to products, primarily within the media market.

To serve customers globally, JakeBox AB, based in the financial district of Stockholm, is now discussing licencing with established packaging companies around the world.

The JakeBox's most significant characteristic is its folded "claw" that holds the disc, and in an eye-catching way unfolds itself, lifting it

up and making it easily accessible. It's made of 100% carton or paper, and weighs 70% less than traditional plastic packaging, thereby cutting shipping costs by half.

"Everybody wants to get rid of the jewel case," said Skarin, who invented, developed and patented the JakeBox concept. "Four years ago I got fed up with the fragile plastic thing that surrounds the CD (until you drop it once...) and started developing my invention, putting into production and selling it."

Two years ago he founded the company, one year ago his partner Peter Wergens joined the company, and this spring further development and automated machine development was funded by venture capitalist Iteksa.

The JakeBox is available in an unlimited range of sizes, materials, finishing, number of panels or

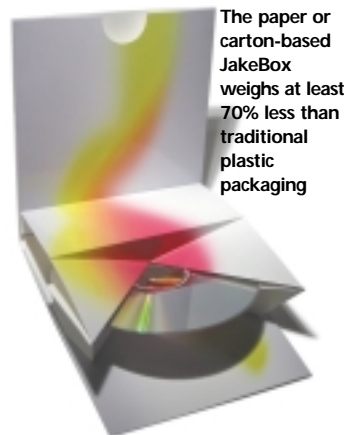
booklet options, with or without customized print.

Skarin has a graphic design degree from Berghs School of Communication, and several years of experience as an art director at advertising agencies, and writer/producer/director within film and television.

Early adopters of the JakeBox have been Swedish-oriented advertising, retail and promotional related by such companies as Nokia, Volvo and the Swedish State Budget. Swedish rock icons The Ark tapped the package for a limited-edition version of its latest album. Skarin is making the rounds with content owners in the music, film and videogame industries.

The Jakebox recently received its first orders from abroad - Denmark, Germany, Italy, Spain, Finland, Luxembourg, the UK, the US, Japan and Holland.

Skarin he said was in Los Angeles in September meeting with US packaging companies, with whom letters of intent



The paper or carton-based JakeBox weighs at least 70% less than traditional plastic packaging

have been written and signed to become licencees of the Jakebox. In November, he met with a half dozen UK packaging companies to discuss licence arrangements, which provide the right to produce the patented concept - along with the necessary equipment, which he described as "a small and relatively inexpensive machine."

www.jakebox.com