

## Q&A: Authentication & Brand News and Judy Moon, Digimarc, Vice President



**Q: Please share your experience and challenges with the current global authentication and traceability industry.**

**A:** Global supply chains, evolving consumer expectations, and increasingly sophisticated counterfeiters have created a whole new level of complexity for manufacturers regarding authentication and traceability. Governments and consumers are seeking increasing levels of transparency and authenticity, while businesses seek visibility into individual products' journeys across the entire product lifecycle. Historically, the aggregation, sharing, and leveraging of data hasn't been easy or cost-effective -- especially at scale.

We are changing this dynamic with our powerful product digitization platform and digital watermarking technology and through collaboration with global solution partners and businesses across industries.

**Q: Please share the latest solutions Digimarc offers and how they are unique from others.**

**A:** As our world becomes increasingly digital, Digimarc maximizes the ways in which products and multimedia can digitally interact with the various systems that surround them.

For example, we are pioneers in digital watermarking technology -- bringing three decades of expertise and intellectual property to our digital watermarks --

directly applicable to the identification and authentication of physical and digital items. Our technology represents a step change in state-of-the-art digital watermarking proven in the fight to end plastic pollution, deter counterfeiting, protect content creators and consumers, and revolutionize the way brands and consumers interact.

Consumer products, packaging, and other assets may be physical 'things,' but they are increasingly extending into digital environments. Our technology uniquely connects physical and digital assets and delivers the same powerful capabilities across both domains. In today's omnichannel world, physical items rely upon digital support throughout the item's lifecycle, and only Digimarc seamlessly bridges both realms.

Unlike overt measures, Digimarc's robust digital watermarks easily confirm the credibility of real products and digital assets while remaining covert. Only Digimarc offers multi-factor authentication combining our imperceptible digital watermarks with serialized QR codes for exponentially more powerful protection from counterfeits and misinformation. Related and critical to brand authentication, Digimarc's platform can also support data carriers like RFID, NFC, and more.

**Q: How do Digimarc solutions address digital piracy and generative AI?**

**A:** Two equally important problems need to be solved in the era of GenAI: guarding real content and claiming our content before it is ingested into AI models.

Introduced in September 2023, Digimarc Validate provides immediate digital copyright protection and is the only solution powered by the unique advantages of Secure, Automated, Fair, and Efficient (SAFE™) digital watermarks. Digimarc also offers its SAFE™ detection software and services to a growing number of partners. In fact, we are so committed to protecting the rights of content creators and consumers, we recently announced that device and chip manufacturers and content creation platforms now have free access to our digital watermark embedding and detection tools for digital assets.

**Q: Digimarc has been recognised for its contributions to the fight to end plastic pollution. What is next for Digimarc Recycle?**

**A:** We will be making some big announcements in this space in 2024 to accelerate the global fight against plastic pollution. Following successful testing in Europe as a part of the HolyGrail plastic recycling project we look forward to launching Digimarc Recycle in new markets.

Digimarc Recycle overcomes the limitations of today's optical sorting technologies to drive a step change in the quality and quantity of recyclate. The limitations of today's technologies in identifying and sorting the myriad types and forms of plastic packaging prevent creating the variety, volume, and quality of recycled plastics needed for a viable circular economy to flourish. Digimarc Recycle's proven technology changes this dynamic by linking covert digital watermarks that deterministically identify plastic packaging to any desired level of granularity with an extensible cloud-based repository of product attributes like, packaging composition, food or non-food grade plastic, product variant, brand, SKU, and more. This improvement also unlocks new end markets for post-consumer recyclate that do not exist today.

Further extending the power of Digimarc's technology to promote a more sustainable world, our product digitization technology has been chosen to guard the integrity of a national deposit-return system (DRS).

**Q: What are Digimarc's plans? Where do you see the future of digital watermarking solutions in the regulatory, packaging and brand protection market?**

**A:** We are at an interesting intersection where digital watermarking technology has taken center stage -- globally and across industries. Largely in response to the universal effort to safeguard the development and deployment of AI but also because both the public and private sectors have come to recognize the enormous potential of the technology in the fight to end plastic pollution, deter counterfeiting, automate error-prone manufacturing processes, improve supply chain and in-store efficiencies, and take consumer engagement to a new level.

We have been vocal in our opinion that the tools to safeguard the development and deployment of AI should be regulated.

The European Commission (EC) has witnessed firsthand the power of digital watermarking via the HolyGrail initiatives. As a result, they included language requiring digital watermarking of packaging in their proposal for a revised Packaging and Packaging Waste Regulation. The EC understands the value digital watermarking will bring to improving the sortation of recycling today, as well as the value its incredible by-product -- data -- will bring tomorrow's consumers.

Digimarc is instrumental in supporting global industry standards efforts spanning both the physical and digital worlds. For instance, looking forward to regulations like Sunrise 2027 and the European Union's (EU) Digital Product Passport (DPP), Digimarc is actively advancing the standards required to implement both regulations.

**Q: With the increase in incidents of counterfeiting and illicit trade, can traceability alone fulfill the sustainability promise?**

**A:** The ability to understand the provenance of products and trace them through their entire lifecycle journey using secure, serialized, and covert digital marking technology such as digital watermarks, combined with a platform like Digimarc Illuminate that can aggregate and leverage data, can significantly defer illicit trade and counterfeiting. Our platform can connect to individual items and leverage an endless amount of data to support various use cases as well as collect data that can help take down illicit operations.

**Q: Lastly, you attended the recent World Economic Forum in Davos where sustainability was a critical topic. How was your experience from the authentication and traceability perspectives?**

**A:** Climate change continues to be a big topic at Davos and, as you know, recycling is an area of focus for Digimarc; but the bigger topic was AI. Digimarc is investing heavily in this area. From an authentication and traceability perspective, there is great need for digital watermarking technology to authenticate real from fake or manipulated digital content. The buzz at Davos – among some of the world's largest technology companies – was that governance and regulation are not keeping pace with the rate of change in the industry when it comes to AI.

Digimarc firmly believes the tools to safeguard the development and deployment of AI need to be regulated. We are lending our expertise and knowledge on this topic to national and global platforms. In January 2024, we co-hosted the AI Summit with the Center for Security in Politics at the University of California, Berkeley. And in December 2023, Digimarc shared its knowledge and expertise as a participant in the bipartisan Senate Forum on AI in Washington, DC.

## ■ About Judy Moon

*Judy Moon is Digimarc's Vice President of Market Development and Strategic Sales. In her role, Judy identifies, develops, and opens new market opportunities for Digimarc's product digitization and digital watermarking solutions focusing on the recycling, security solutions, building materials, and consumer goods industries, while also managing and expanding strategic accounts that have the most significant impact on the business.*