

Industries Interveiw

'Hologram security will help Indian pharma companies get rid of counterfeiters'



Counterfeiting of drugs is an economic and social menace and over the years this has grown into a well-organised criminal activity in the country. Only a sustained and concerted action

backed jointly by the government, drug industry and consumer action groups can tackle it. Along with this, innovations in packaging technology have come to play a stellar role in helping the consumers identify the authentic products and to ward off counterfeiters. In light of this, adoption of holographic security in pharmaceutical packaging can help to some extent, and some of the leading pharma companies have taken to holograms for their products.

Rohit Mistry, chairman, Holographic Security Marking Systems, has been instrumental in introducing the technology of holography for commercial purpose in the country. He says that it was rather impossible to tackle a crime like counterfeiting in a country, where laws to protect the legitimate producer are not enforced stringently, before introduction of this concept. Mistry, who established Hole-tech, a company manufacturing holograms, in 1993 and currently vice president of Holographic Manufacturers' Association of India (HoMA!) talks about the emerging trends in the counterfeit market and the novel solutions to resist the same in an exclusive interview with Suresh Rathod of Pharmabiz.com. Excerpts:

• Could you brief us about the counterfeit market in India?

In the world, it is estimated that around 5 to 8 per cent business is in counterfeits. In India almost everyone has had the experience of buying a duplicate. The problem of counterfeits is very crucial indeed. Almost every sector of business in India is affected by illegal copying. I would estimate that counterfeiters in India comprise a parallel economy and in my opinion, this would be in the region of about 25 to 40 per cent of the total business. Thus, the hologram market in India has been growing at about 55-60 per cent per annum over the last couple of years. This is much slower than forecast and expectations, but this we believe, has to do with peculiar Indian conditions.

Many studies have been undertaken to establish the extent of counterfeiting in the pharmaceuticals market and most of the studies show that 15-40 per cent medicines are counterfeit in India. A recent study put the counterfeit medicines at about 20 per cent i.e. one in every five medicines is counterfeit. A very alarming figure of counterfeits, it is a delicate matter and many companies do want to publicise the fact that their products are affected. We have purchased several products which are look-alikes i.e. same drug, same type of packaging and colours. It takes extra care in reading the fine print to realise that it is not the original. From what we have been told by the companies themselves, around 20 per cent to 30 per cent of their product market is taken up by counterfeit products. One needs to develop an anti-counterfeit strategy, but before it is done, one needs to come to terms with the fact that there is a real counterfeit problem.

• How is the government tackling the threat from counterfeiters to genuine manufacturers?

As the Indian economy is being liberalized and opened up to foreign competition, there is an urgent need to protect one's own marketshare. The consumers often cannot tell the difference between the copy and genuine product, therefore after unknowingly purchasing a counterfeit product of a famous brand the consumer has a bad experience, resulting in bad publicity for the brand, if this happens frequently, then a brand, which has taken years to build, could be destroyed overnight.

The government has enacted the laws and it is up to the police and other agencies to ensure that the laws are implemented. In fact, it is not the paucity of the laws but the ineffective implementation of the laws, which causes the real problem.

• How can a hologram be effective against counterfeiting since even this can be duplicated?

Around the world, there are over 36 currencies, which have incorporated holograms to deter counterfeiters. If a hologram is correctly and properly designed then it is the most secure form of marking developed today. Holograms are like locks. One can buy a cheaper lock as well as an expensive lock with quality, as well. One buys the correct lock after assessing the risk and the value to be protected. It is the same with holograms. Do not expect an inferior quality lock to protect your silver and gold. In order to do that you will need to specify a more sophisticated lock.

Today hologram can be bought for little as Rs 25,000 and at the other end for as much as Rs 10 lakh and more. The hologram used on currencies would cost more than that. Currently the holograms have come a long way

from the sticker, it can be designed to be applied in whatever way the customer wants. This integration of the hologram into the product or the packing makes it very secure form of marking.

• How is pharseal effective for pharmaceutical products?

Pharseal is a hologram specially developed for the pharmaceutical industry. It is a pharmaceutical aluminium foil with holographic stripe to ensure authenticity of medicines. It is still the only product in the market for authentication of genuine pharma products. Currently, they are being used by Indian pharmaceutical companies like Alembic Ltd for their Roxid-150 mg and Althrocin of 250 and 500mg, Cadila Pharmaceuticals for their Cipro 0 250, Rhone Poulenc (India) for their Phensydl and Stematil. Others like Knoll Pharmaceuticals, Medreich Sterilab (SB), Medrel Pharmaceuticals (India), Maneesh Pharmaceuticals and Healthcare, Raptakos Brett and Co., Unichem Laboratories and Sol Health Pharmaceuticals are also using the same for product security.

• How many hologram producers are

HoMA! has about 20 members and there are probably about two or three others who are not members. Today, apart from us only a few like Everest Holo Vision has the technology to manufacture holograms for the pharmaceutical industry in India.

• How many types of holograms are available and what is its market?

Hologram is an "umbrella" word to cover all types of "diffractive optical variable image devices" (DOVID). Generally, holograms are of two types viz. embossed holograms and dichromate holograms. Of these, embossed holography finds wide application for pharmaceutical products. Also most currencies use these types of images. Today there are many features available that can be incorporated into an image to make it secure; very much like a lock for which greater the security desired, greater the number of levers attached. Similarly with hologram, what must be noted is that it is now available for use on almost any surface and it the combining of the technologies which make for increased security.

• What is the science behind a hologram and of what material are these manufactured?

Holograms are actually 3-D images formed using a laser and light sensitive material, which is chemically similar to a photographic emulsion. Basically it records a pattern of infinitesimal lines called interference pattern due to the interaction of two beams of laser light.

After processing, the hologram is illuminated at the same angle as one of the beams (the reference beam) used during the original exposure. The hologram re-creates the second beam to form a virtual 3-D image. A hologram is a complex product as it combines various disciplines i.e. physics, chemistry, printing, and engineering together to produce the final product. It can create everything your eyes see - for e.g. size, shape, texture, and relative position. Generally, most common type hologram media is the sticker - this is made from polyester film, this is a self-adhesive type and can be applied to most surfaces. Whereas the hologram on a credit card is fused with the surface of the card and it is not a sticker. This type of hologram is polymer coating based and is made up of several micro layers.

The holographic sector is known for continuous development. In fact, one needs to continually be developing new products to keep pace with the ever-inventive counterfeiter. Over the last few years there have been many innovations and like all innovations it has a price.

• Are the holograms tamper proof and are they available in varied shapes and sizes?

Almost all holograms available are tamper proof or tamper evident. It is this very feature of

the hologram, which has made them so effective as a security device. Holograms, which we manufacture are tailor made and therefore they can be made in any form, media, size and quantity. A Japanese company has recently introduced the imaging technology to arrest counterfeiting of pharmaceuticals. There have been many imaging technologies, which have been introduced into the market. However, any technique, which can be scanned or copied, is not secure. Hologram cannot be scanned, electronically transmitted, photo copied or duplicated by any known printing technique! This cannot be said of any laser printing or ink jet printing or thermal printing - hologram is unique.

• In spite of counterfeiting problem of pharmaceuticals why hasn't the pharma industry shown any interest towards putting holograms on their products?

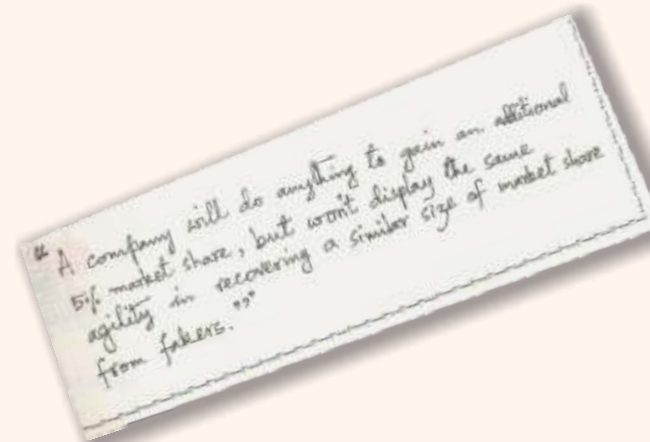
It is a complex issue. Companies, which have used holograms have seen tremendous benefits. In order to take advantage of the hologram one needs to change the mind set from cost analysis to benefit analysis. USA is the world's biggest user of holograms - 60 per cent of the world's production is consumed in that country. They use holograms despite having such an excellent and quick legal system, efficient police force, etc. The Americans use holograms because the

hologram helps them to make more money, they believe in prevention rather cure; that is why all the top American corporations use holograms to protect their brands.

• How will a hologram help a pharmaceutical company to gain a bigger market share? Won't the technology make the product expensive?

One has to know that a hologram also acts as a good branding vehicle. A hologram pays for itself. Moreover, you recover your lost market share and thus better profits. At the same time, the consumer remains loyal to you because he knows that your product is carrying a hologram thereby assuring him of genuine medicines at his time of need. Well, the cost to use a hologram will not make the product expensive since it is as low as an unbelievable just 3 paise for a very basic sticker-type hologram. However, this has hidden costs of application and inline wastage. The more cost effective method is to use PharmaSeal holograms, which are combined with other packaging technologies to create a secure protection from counterfeiting. Glaxo UK use holograms for their Zantac drug and they say that the hologram helped them to increase their sales by 12 per cent as they could to isolate the percentage that the hologram made to the brand. The problem faced in India is that companies are not forthcoming with their data.

Protect your brand with PHARMASEAL™ only.



Ashok Chabra,
Executive Director, Protar & Gamble (P & G)
&
Chairman, BPC (Brand Protection Committee)
Source : India Today, September 2, 2002

Across the world, holograms have been largely successful in combatting the menace of counterfeiting.

Get the PHARMASEAL™ advantage today. And protect your market share and profits it like nobody's business.

PHARMASEAL™ Because it pays to protect your brand.



So what's the answer ?

PHARMASEAL™ from Holotechs.

Holographic Security Marking Systems P. Ltd.

109, Blue Rose Ind. Est., W.E. Highway, Borivali (E), Mumbai-400 066., India.

Tel : +91-22-6570 4590-3 Fax : +91-22-2854 0872

e-mail : rajan@holotechonline.com;prathiba@holotechonline.com

After processing, the hologram is illuminated at the same angle as one of the beams (the reference beam) used during the original exposure. The hologram re-creates the second beam to form a virtual 3-D image. A hologram is a complex product as it combines various disciplines i.e. physics, chemistry, printing, and engineering together to produce the final product. It can create everything your eyes see - for e.g. size, shape, texture, and relative position. Generally, most common type hologram media is the sticker - this is made from polyester film, this is a self-adhesive type and can be applied to most surfaces. Whereas the hologram on a credit card is fused with the surface of the card and it is not a sticker. This type of hologram is polymer coating based and is made up of several micro layers.

The holographic sector is known for continuous development. In fact, one needs to continually be developing new products to keep pace with the ever-inventive counterfeiter. Over the last few years there have been many innovations and like all innovations it has a price.

● **Are the holograms tamper proof and are they available in varied shapes and sizes?**

Almost all holograms available are tamper proof or tamper evident. It is this very feature of

the hologram, which has made them so effective as a security device. Holograms, which we manufacture are tailor made and therefore they can be made in any form, media, size and quantity. A Japanese company has recently introduced the imaging technology to arrest counterfeiting of pharmaceuticals. There have been many imaging technologies, which have been introduced into the market. However, any technique, which can be scanned or copied, is not secure. Hologram cannot be scanned, electronically transmitted, photo copied or duplicated by any known printing technique! This cannot be said of any laser printing or ink jet printing or thermal printing - hologram is unique.

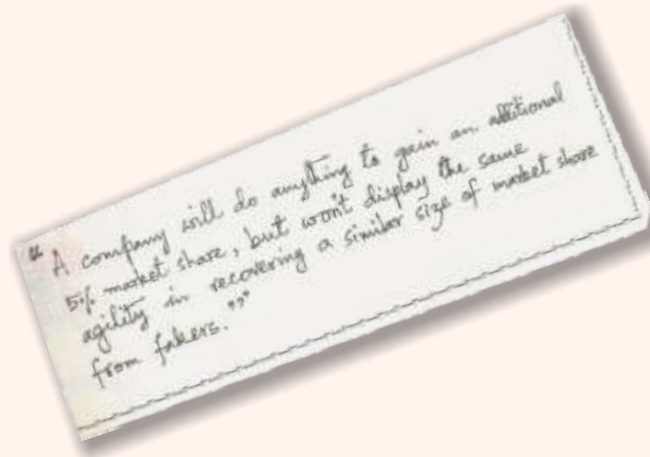
● **In spite of counterfeiting problem of pharmaceuticals why hasn't the pharma industry shown any interest towards putting holograms on their products?**

It is a complex issue. Companies, which have used holograms have seen tremendous benefits. In order to take advantage of the hologram one needs to change the mind set from cost analysis to benefit analysis. USA is the world's biggest user of holograms - 60 per cent of the world's production is consumed in that country. They use holograms despite having such an excellent and quick legal system, efficient police force, etc. The Americans use holograms because the

hologram helps them to make more money, they believe in prevention rather cure; that is why all the top American corporations use holograms to protect their brands.

● **How will a hologram help a pharmaceutical company to gain a bigger market share? Won't the technology make the product expensive?**

One has to know that a hologram also acts as a good branding vehicle. A hologram pays for itself. Moreover, you recover your lost market share and thus better profits. At the same time, the consumer remains loyal to you because he knows that your product is carrying a hologram thereby assuring him of genuine medicines at his time of need. Well, the cost to use a hologram will not make the product expensive since it is as low as an unbelievable just 3 paise for a very basic sticker-type hologram. However, this has hidden costs of application and inline wastage. The more cost effective method is to use PharmaSeal holograms, which are combined with other packaging technologies to create a secure protection from counterfeiting. Glaxo UK use holograms for their Zantac drug and they say that the hologram helped them to increase their sales by 12 per cent as they could to isolate the percentage that the hologram made to the brand. The problem faced in India is that companies are not forthcoming with their data.



Today the Indian Pharmaceutical Industry is worth s. 20,000 crore. And guess what the spurious drug manufacturing industry is worth ?

So what's the answer ?

PHARMASEAL™ from Holotechs.

Holographic Security Marking Systems P. Ltd.

109, Blue Rose Ind. Est., W.E. Highway, Borivali (E), Mumbai-400 066., India.
Tel : +91-22-6570 4590-3 Fax : +91-22-2854 0872
e-mail : rajan@holotechonline.com;prathiba@holotechonline.com

Protect your brand with PHARMASEAL™ only.

Ashok Chabra,
Executive Director, Protor & Gamble (P & G)
&
Chairman, BPC (Brand Protection Committee)
Source : India Today, September 2, 2002

Across the world, holograms have been largely successful in combatting the menace of counterfeiting.

Get the **PHARMASEAL™** advantage today. And protect your market share and profits it like nobody's business.

PHARMASEAL™ Because it pays to protect your brand.

