
Photo Marketing Newslne / Wednesday, March 09, 2005



Picture

PMA headquarters to be renamed for former Executive Director Roy S. Pung

The Board of Directors of **Photo Marketing Association International**, Jackson, Mich., voted unanimously in its annual meeting at PMA 2005 to rename the headquarters after former Executive Director **Roy S. Pung**.

Pung, who led PMA from 1970-2003, died last summer. A rededication ceremony will be held in the spring.

Circuit City rejects \$3.25 billion take-over

Circuit City Stores Inc., Richmond, Va., turned down a \$3.25 billion takeover offer from private investment firm **Highfields Capital Management LP**, Boston, Mass., which had offered to acquire 100 percent ownership of the company for \$17 per share in cash.

Based on its evaluation, in which it was assisted by **Goldman, Sachs & Co.**, the Circuit City board unanimously determined further exploring the transaction proposed by Highfields or other sale alternatives would not be in the best interests of its shareholders, the company said in a press release.

Circuit City chairman and CEO **W. Alan McCollough**, said in a press release the company has made significant progress in positioning itself strategically, operationally and financially for long-term strength and success.

The board also authorized a \$400 million increase in the company's stock repurchase authorization, raising the total repurchase capacity to \$800 million.



Picture



Picture

LifePics offers support for cameraphones

LifePics now offers support for cameraphones as part of its online imaging solution. Users can send photos to a local photofinisher where photos will be ready in a short time. Users can transfer pictures from the phone to the photofinisher's website where photos can be edited, made into cards, shared, and saved.

The LifePics camera phone interface will be packaged with the LifePics Retail solution, allowing photofinishers to accept orders via the Internet and send them directly to the photofinishing lab. Visit www.lifepics.com.

LC Technologies retracts copyright charges against MediaRECOVER

A legal battle surrounding charges of copyright infringement took a twist during preliminary legal proceedings. The suit brought against **MediaRECOVER LLC**, Chandler, Ariz., by **LC Technologies International Inc.**, Clearwater, Fla., competitors in the digital image recovery software industry, alleged copyright infringement.

During depositions and court proceedings **David Zimmerman**, CEO of LC Technologies, admitted the lawsuit is over a contract breach not copyright infringement as stated in a prior news release issued by him. According to sworn testimony Zimmerman said the lawsuit is "for a license agreement violation" and "I don't own the copyrights."

This is a significant change and may signal the end of a nearly two-and-a-half-year legal battle between the two companies. At issue is the source code for digital image recovery owned by **Alexander Grau** of Germany, who sold rights to the source code to several individuals including Zimmerman and **Korey Bachelder**, president of MediaRECOVER.

Arrests made in toner counterfeiting

Undercover raids in three states resulted in the recent arrest of one man and an arrest warrant for another man, suspected of marketing counterfeit Lexmark toner cartridges. Based on records seized in this multi-state investigation, more than 13,000 counterfeit Lexmark toner cartridge boxes were fraudulently marketed.

Working with **Lexmark International Inc.**, Lexington, Ky., and **Stumar Investigations**, the **Allegheny County Police Department** in Pennsylvania, the **Clifton Police Department** in New Jersey, the **Florida Department of Law Enforcement** and the **United States Postal Inspection Service** issued multiple search warrants in an effort to stop the sale of counterfeit toner cartridges, Lexmark reports.

Kodak had several possible rivals in Creo bid, newspaper reports

More than 36 parties were asked to consider joining forces with or buying digital printing firm **Creo Inc.**, Vancouver, British Columbia, Canada, and 10 requested access to its data room, *The Globe & Mail* reports, citing a company circular. Names were not disclosed. Shareholders will vote at Creo's annual and special meeting March 29 on a US\$980-million bid for the company by **Eastman Kodak Co.**, Rochester, N.Y., Creo must pay Kodak a \$31.5-million break fee if the deal falls through.

People on the move

- **PhotoChannel Networks Inc.**, Vancouver, British Columbia, Canada, named **Peter Fitzgerald** president and CEO.
- **Sony Corp.**, Tokyo, Japan, named **Howard Stringer** CEO. He is vice chairman at Sony and CEO of **Sony Corp. of America**.
- **Longs Drug Stores Corp.**, Walnut Creek, Calif., named **Bruce E. Schwallie** executive vice president of Business Development and Managed Care; **Richard W. Dreiling**, executive vice president and COO; **Todd J. Vasos**, chief merchandising officer; and **Steven F. McCann**, executive vice president, CFO and treasurer.
- **Noritsu America Corp.**, Buena Park, Calif., named **Thomas Wetzelberger** sales representative for parts of the U.S. East Coast. **Noritsu Canada Ltd.** named **Anthony Welch** national sales manager.
- **Camasco Group Inc.**, St-Hubert, Quebec, Canada, named **Michel Martin** general manager of its subsidiary **Dynacam**, and development manager of the Camasco Group.
- **Arlon Inc.**, Santa Ana, Calif., named **Karine Gulati** assistant manager, R&D, and

Kimberley Jones, marketing communications specialist.

Industry notes

- **Merisel Inc.**, El Segundo, Calif., acquired **Color Edge Inc. (CE)**, **Color Edge Visual Inc.** and **Photobition New York Inc. (CEV)**, and **Comp 24 LLC**, each based in New York. The price for the CE and CEV assets was \$20.5 million in cash and up to \$7.9 million in cash over a three year period. The purchase price for Comp 24 was \$10.8 million in cash and up to \$1.6 million in cash for a three year period.
- **Olympus Imaging America Inc.**, Melville, N.Y., announces a \$100 rebate on any EVOLT E-300 Digital SLR system with or without Zuiko Digital Specific lenses, bought through March 31. Visit www.OlympusAmerica.com/rebate.
- Workers at a Wal-Mart store in Windsor, Ontario, Canada, will try to form a union for a second time, *The New York Times* reports. The union delayed its application after **Wal-Mart Stores Inc.**, Bentonville, Ark., said a unionized store in Jonquière, Quebec, Canada, would close in May.
- "The Book of Photography" by **John Hedgecoe**, is now fully revised and updated and includes the latest advances in digital technology. It will retail in April for \$30.
- **OmegaSatter**, Baltimore, Md., was named exclusive U.S. distributor for FOMA, which manufactures black-and-white photographic papers and film for the photographic industry.
- **Eastman Kodak Co.**, Rochester, N.Y., completed its \$51.3 million acquisition of **OREX Computed Radiography Ltd.**, now a wholly owned subsidiary within Kodak Health Group.
- **Epson America Inc.**, Long Beach, Calif., offers UltraGiclée print certification and warranties prints to resist noticeable fading for 80 years. To earn certification, printmakers will attend classes offered in various cities. A website, www.epson.com/ultragiclee, will be available March 14.
- **Concord Camera Corp.**, Hollywood, Fla., received a notice from NASDAQ indicating it is not in compliance. Concord intends to file its second quarter 10-Q on or before March 31.

For global industry news, visit *Newsline International on the Web*

- **PMA Data Watch: 82 percent of households use digital camera to preserve memories (March 7)**
- **Cameraphones help drive strong mobile phone sales worldwide (March 4)**
- **Young workers gain clout in marketplace, USA Today says (March 3)**
- **Advertisers using cameraphones to reach consumers (March 3)**
- **Digital photos a hit with auto repair customers (March 2)**

You'll find it only online, Monday through Friday, at www.photomarketing.com. The site is updated by 10:00 a.m. EST.

Environs

Conduct proactive information collection

The technology used to output images in our industry has changed dramatically, posing new regulatory issues for each facility.

Far too often, employers rely on the promotional materials provided by the purveyors of the latest technology to assess regulatory issues associated with the new equipment. This may lead potential purchasers to believe inkjet and other digital

output methods are greener (more environmentally friendly) than past image processing technologies. Promotional material uses terms like "light solvent" and "eco-solvent" to convey the idea digital technology is essentially environmentally benign.

For every new product or piece of equipment that is brought into the work place, it is the responsibility of the employer to assess the hazards of particular job(s) associated with the equipment. This task becomes increasingly difficult when the information necessary to make such an assessment is not readily available or information provided is purposefully murky.

This point was driven home during a recent visit to a commercial digital lab. When visiting the area containing a large UV printer and a grand-format inkjet printer, the manager took time to point out a large air-filtering device positioned against the wall. He explained, after the two printers were installed, the operator continuously complained of eye and throat irritations after just a short time operating the equipment. Even though both machines had been installed with the manufacturer's recommended venting, it was discovered fugitive fumes emitted into the work area made it nearly impossible to work around the machines. At times, the odors were so severe people entering the area would quickly cover their nose and mouth and exit the area. The facility was forced to install additional air purification equipment, a significant unanticipated cost.

Another issue involved the proper disposal of the empty ink "cartridge." While we observed the operator changing out the empty cartridge on the UV printer, the question was asked about proper disposal of the empty container. The manager said they had been told there were no environmental issues with the inks or the empty container, and tossing it in the trash was acceptable. A quick review of the label on the ink cartridge revealed a very different story as the label advised the product required special handling and could not be tossed in the trash - a surprise to the manager and the employee.

Admittedly there is a certain amount of "buyer beware" when it comes to purchasing new equipment, but there are also defined responsibilities for the manufacturer to supply adequate information concerning the product. Because of the complexity of regulations in the digital area, it is very important that image processors educate themselves on the "ins and outs" of the new health and safety issues including outside air discharges and how they might apply to their facility.

A good first step is to conduct a due diligence investigation into the piece of equipment. Consider visiting a facility that is already in operation and use your trained eye to look at the operation with more than just production in mind. Whenever you bring new equipment into your place of business, take the time to investigate such things as the need for air venting, waste disposal issues, employee exposure issues or contingency costs associated with additional items that that might be needed when this equipment is put into operation. When it comes to digital output technology, be proactive rather than reactive concerning regulatory issues.

California Electronic Waste Collection Fees

The California Electronic Waste Collection Fees program began Jan. 1. Do your stores need to register? Retailers must collect the electronics recycling fee according to the provisions of Senate Bill 50, Stats. 2004, Ch. 863.

The fee applies to every retailer who sells or leases televisions, computers, and

other equipment with a video display screen larger than four inches. The fee currently applies to cathode ray tubes (CRTs) and devices that contain CRTs, flat panel monitors and liquid crystal displays. The fee does not apply to video display devices that are: Part of a motor vehicle; contained within or part of a piece of industrial, commercial or medical equipment; contained within certain appliances, e. g. refrigerators, microwave ovens, etc.

Part of the regulation covers customer notification by the manufacturers concerning the devices subject to the fee. The retailer is ultimately responsible for collecting the fee even if the manufacturer does not notify the customer that the device is covered. Visit www.boe.ca.gov/sptaxprog/ewaste.htm.

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