Dot's All You Need for Security

By Stewart Taggart

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SYDNEY, Australia -- As Ian Allen fires up his BMW at a boat marina, he doesn't see much point in gunning the engine. It isn't horsepower that makes him fawn over his car -- it's the 10,000 microdots sprayed all over it.

Any thief wanting to steal Allen's prized possession would need to remove all 10,000 of them to fully rebadge, or "rebirth," the car.

"Why 10,000 dots?" said Allen, a jocund Western Australian. "I figured it was a nice, big, round number."

The financial potential of these microdots could be another nice big number. Allen has adapted World War II spy technology for the global anti-theft market, attaching millions of the laser-etched identification dots to cars and industrial products. In the future, the dots could also be used on legal documents and even cattle.

Every new BMW sold in Australia since September is marked with the polyester adhesive dots, which each carry the car's unique manufacturer identification number. BMW is considering using the dots in all of its cars sold worldwide. Australian police and motoring organizations want the dots on all new cars sold in the country, and Ford, Holden and Mitsubishi are scrambling to follow BMW's example.

The dots are as small as grains of sand, and the information on them can only be viewed with a magnifying glass. They're sprayed all over a car's engine parts, air ducts and other automotive nooks and crannies. The dots are visible with black light because Allen wants thieves to know they are there.

"It's a bit like putting legal graffiti all over a car," he said. "It lets thieves know how impossible their job will be."

Allen first learned about the dot technology in 1996 while working as an insurance broker. Frustrated by the bloated and sometimes fraudulent claims he had to pay, he started looking into anti-theft devices to reduce claims.

When Allen saw a video of the dot technology, he immediately sensed the product's potential and visited the inventor, Brent McLaws, an engineer from Spokane, Washington. Until then, McLaws had found only sporadic success marketing the dots -- mostly to the Las Vegas gambling industry for marking gambling chips, and to police for sting operations.

Allen later bought the private company from McLaws and brought him in as a major shareholder. McLaws now handles the technical side of the business and Allen handles sales.

Since 1997, Allen estimates he's spent about $1.5 million building a market for the dots. Yamaha in the U.K. was one of the earliest successes. It marked motor scooters with the dots and saw theft rates fall dramatically.

The public school system in Woollongong, a medium-sized city south of Sydney, used the dots to mark computers, cameras and copiers. Theft rates there dropped significantly after word spread among local parents, pawnshops and the general community.

Next in line was Coca-Cola, which tagged all its logo-marked umbrellas, tables and chairs at the September 2000 Sydney Olympics, thereby reducing theft of the items after the Games. After that, the Australian Broadcasting Corporation dotted its television cameras, lenses and editing equipment –- and found them hanging around longer.

But Allen's biggest break came when BMW Australia agreed to place dots on all new vehicles sold in Australia as part of pre-delivery dealer preparation starting last September. BMW's auto insurance arm is reducing theft premiums by 10 percent or more for cars marked with the dots. Allen hopes to make the dots available soon in automotive after-markets in Australia, the United States and the U.K.

Dell Computer has signed up to spray the dots on the 250,000 computers it sells annually in Australia. Each dot will carry the computer's serial number.

The dot technology provides a pretty foolproof foil for thieves, said L. Burke Files, a financial specialist who edits the *ÆGIS e-Journal* for vulnerability management firm The LUBRINCO Group. The technology could also have applications in other industries, such as document authentication.

"I can't tell you the number of times I've seen fraudulent documents bearing my letterhead," Files said. "Having dots placed somewhere on a page could prove whether the documents are really mine or not."

Allen agrees that document authentication is a potential market, and he envisions many others. One of the most offbeat may be the Australian livestock industry. Ranchers currently tag cows with microchips, "but rustlers these days just cut off the ears," Allen said. "As a result, ranchers came to me asking if they could put dots on the animals' hoofs and horns."

Allen agreed. However, right now he's focusing instead on traditional valuables such as cars. Allen is also struggling to consolidate the various trade and company names –- Datatag, Databasix, IdentifyUSA and Microdata -- into one company name, DataDot Technology.

Allen admits his dots aren't a panacea. For instance, they're not much help for stolen cars shipped overseas. He and Files also acknowledge the dots can do little about one of the biggest causes of auto theft -- the idiocy of owners. This is called the "dope factor."

"Most cars are stolen because people leave their keys lying around," Files said. "There's not much you can do about that."