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▶ **Preview, editorial and some soap boxing <new feature>**

We start this issue with some very good news from our own (NAPL's) chief economist, Andy Paparozzi, who says that things are looking better than they have in a long time. Next, several announcements about digital printing.

First, the Kodak announcements to buy the remaining digital printing assets previously shared with Heidelberg. Combined with their acquisition of the Scitex Digital Printing this makes Kodak a digital printing manufacturer – once again. Kodak sold its office imaging and FM business to Danka in 1997 for \$684 million.

Two new digital printing technologies are discussed. One is from Photogram Technologies called DRIP the other is a inkjet from Agfa. Like Kodak, Agfa used to sell digital presses. In 2001 Agfa sold its 25% of Xeikon and discontinued selling the Chromapress. On 1/5/04 Agfa bought Dotrix an inkjet digital press technology from Barco for 6 million Euros. And this month Agfa announced the first installation of this press called the.factory. Also in this issue Agfa:Afirma, a closed-loop platemaking QA system. And a question - why is Agfa using all these goofy punctuations in their products?

Agfa also announced that it is buying plate manufacturer Lastra. This sounds strangely like Creo's recent purchase of plate manufacturer Spectratech. Does this mean that the old razor and razor blade analogy is appropriate for companies that make platesetters?

Sadly, the editorial offices of Seybold publishing closed their doors in Media, PA. Thanks goes to all those wonderful writers and editors for helping us understand the technology and trends that helped shape our industry.

In a strange legal precedence a federal jury awarded On Demand Machine Corp. \$15 million in damages for their on-demand book printing patent. The defendants, Lightning Source, Ingram Industries and Amazon.com plan to appeal.

▶▶ **Howie's soapbox**

I'm sorry, but just gotta get on the box for a second. This, just like many other legal decisions in our industry just boggles my mind. Is it really a value added proposition when only one company can use the word "preflight" or acronym DI? Is it really in the best interests of the industry for a printer to pay a royalty to use stochastic screening technology with waterless printing or if they use a digital printing device to print an on demand book?

None of these expressions or technologies alone creates greater value or makes a company profitable. Not being able to use the same words only confuses an already jargon-overdosed industry and paying royalties to use certain technologies only hurts a already profit challenged industry. Where is common sense? Ok, got that off my chest, now off the box and back to the news!

▶▶ **NAPL's Latest Economic Report – "Lookin Good"**

According our own (NAPL's) chief economist, Andy Paporozzi, things are looking better then they have in a long time. Sales are up. Prices and profits are beginning to stabilize. And printers are thinking about hiring again. The upturn that started modestly last summer is finally beginning to look like the real thing. Sales rose 3.9% in December for the NAPL Printing Business Panel, the biggest increase of the year.

During the previous 11 months, sales fell eight times, were flat once, and rose modestly twice. Sales were up in December for nearly 55.0% of our Panel. And for the first time in three years, sales were up in every geographic zone.

Prices held steady in January for 50% of the printers we survey, up from 44% last September and 40% last June. Profitability held steady for 42%, up from 36.8% last fall and 32.5% last summer. We've got a long way to go—just 10.0% of our survey group report prices are rising and just 20% report profitability is rising. But restoring stability where we had been in free-fall is an important first step.

Full reports available to members at: www.NAPL.org

▶▶ **Kodak to Acquire NexPress and Heidelberg Digital**

Eastman Kodak Company announced that it has agreed to acquire two lines of business from Heidelberg. Kodak will purchase Heidelberg's 50 percent interest in NexPress Solutions which was a 50/50 joint venture of Kodak and Heidelberg that makes digital color printing systems, and the equity of Heidelberg Digital, a leading maker of digital black-and-white printing systems.

Kodak also will acquire NexPress GmbH, Heidelberg's German subsidiary, and certain inventory and assets held by Heidelberg's regional operations, or market centers, as well as offer employment to sales and service employees currently with Heidelberg's market centers.

This comes after the announcement earlier this year (1/04) in which Kodak completed the purchase of Scitex Digital Printing, the world's leader in high-speed inkjet printing, and renamed the company Kodak Versamark, Inc.

In an interview by Barb Pellow for the OnDemandJournal.com Jim Langley, President of Commercial Printing and Senior VP said the new "The integration of Versamark is going extremely well and is on schedule. We are pleased with how quickly Versamark has been able to incorporate some of Kodak's image and color science into its products...Versamark will be demonstrated at Drupa in May and illustrate a commitment to improving color quality and workflow to make high-volume digital color printing a reality for a larger segment of the commercial printing and transactional document market... In 3 years Kodak's digital printing business will be a multi-billion dollar business with double digit revenue growth and the most cost-effective digital alternative to offset printing."

<http://www.ondemandjournal.com/specialfeatures/pellow10.cfm>

▶▶ **Industry Chiefs Testify on Postal Reform**

Donnelley's CEO Mark Angelson joined with Time Inc.'s chairman Ann S. Moore in testifying before the U.S. Senate Committee on Governmental Affairs in support of congressional legislation that would reform the U.S. Postal Service and ensure steady and more predictable postal rates. "It costs our customers more to mail a catalogue or magazine than it does for us to manufacture it," reported Angelson. "Every single day, our employees and our customers see, feel, and experience the economic consequences of a postal service in need of reform. If our customers have stable rates, they will print more."

Added Moore, "Give us predictable rates, and we'll give the postal service more volume. But if I cannot predict the future cost of mail and the long-term cost of a new launch, the risk of building a new magazine is simply too great."

[http://www.gammag.com/NewsBriefs/index\(3_10_04\).html#3](http://www.gammag.com/NewsBriefs/index(3_10_04).html#3)

▶ **Agfa's new press, closed-loop platemaking & purchase of Lastra**

Dotrix, an Agfa company, announced that the first UK installation of the factory, its high-speed color inkjet press, is underway at specialty printer Gardner's. Gardner's employs over 100 people and produces various technical and promotional applications including point of sales materials, signs, labels and outdoor media. The factory incorporates the Single Pass Inkjet Color Engine (SPICE). SPICE uses piezo-ceramic drop-on-demand, greyscale, inkjet technology with inkjet heads from Toshiba TEC. The heads, integrated into the Dotrix's cartridges, are able to produce different tints of ink by varying the droplet sizes, thus providing a 300 dpi resolution with three-bit greyscale or eight levels of grey per spot. These different intensities combined with stochastic screening result in a high level of print quality at a "perceived resolution" of 900 dpi. Capable of printing 907 square meter per hour at widths of up to 63 cm, the factory is productive and flexible.

www.dotrix.be/About/index.asp

<http://news.agfa.com/corporate/news.nsf/0/15FC849613037BA7C1256E240038E46D?opendocument>

Agfa announced that it will acquire all the shares of Microgran S.r.l., the holding company owning Lastra S.p.A. Lastra is an Italian manufacturer of plates, related chemicals and equipment for the offset printing industry. Its 2003 sales amounted to approximately 240 million Euros. Lastra has historically focused on analogue printing plates and entered the digital plate market through its acquisition in 2002 of Western Litho Plate & Supply Co. Today, Lastra has six factories, in Italy and the US, and employs around 900 staff.

<http://news.agfa.com/corporate/news.nsf/news/678D9AD3BE63B5B1C1256E540024F700?opendocument>

Agfa has launched :Afirm, a closed-loop platemaking QA system. Using CCD cameras, an imaging wedge and quality-control software, :Afirm monitors all system variables to ensure that every imaged plate is press ready before it is delivered to the pressroom. The Afirm product includes support and consulting services to provide total quality control.

<http://news.agfa.com/corporate/news.nsf/0/21DB5872582A72CAC1256DC20053DDBA?opendocument>

▶ **Hal Hinderliter Named Director of Graphic Communication Institute**

Congratulations to my old friend and former colleague from GATF Hal Hinderliter, as new director of the Graphic Communication Institute (GrCI), an auxiliary organization associated with Cal Poly's Graphic Communication program.

▶▶ **Drip a new high definition printing technology**

Photogram Technologies Inc., a printing technology development company founded in 1999 and a leading manufacturer of lenticular plastic products is pleased to announce the availability of its patent-pending Dense Raster Image Processing (DRIP) technology.

The Northrop Grumman Corporation (NGC), a global defense company, is the first print buyer to use the DRIP technology for an advertising campaign. NGC elected to test the technology to produce a paper carrier and a lenticular plastic magazine insert, to be published in the March 15, 2004 issue of Aviation Week magazine.

Paul Richer, Vice-President of Research and Development and developer of the DRIP technology, describes the competitive advantages of Photogram's printing innovation as "Our technology was developed and patented in order to solve many of the problems associated with traditional lithographic offset printing. After more than 3 years of intensive testing and fine-tuning, we are now able to combine a very high precision color reproduction capability with an extremely high definition detail, which opens the doors to a major quality upgrade for a wide range of printing equipment. Totally noiseless, DRIP can handle subtle color changes, while still maintaining true continuous tone appearance. Even low contrast sharp details are reproduced in their full original nature".

<http://members.whattheythink.com/news/newslink.cfm?id=14509>

▶▶ **Print On Demand Patent Infringed, Jury Awards \$15 Million in Damages**

The Associated Press reported that a federal jury has awarded On Demand Machine Corp. \$15 million in damages. The jury agreed with the plaintiff's claim that the nation's leading provider of on-demand book printing infringed on its patent for the technology. The defendants, Lightning Source, Ingram Industries and Amazon.com plan to appeal.

The patent in question is Patent No. 5,465,213, issued to Harvey Ross on November 7, 1995, and entitled System and method of manufacturing a single book copy. In 1990 he developed the concept of on-demand book printing. The suit was filed in October 2001 by On Demand Machine Corp., founded by engineer Harvey Ross. Ross passed away in 2002.

Ross' idea was that a customer could enter a bookstore kiosk, key a book title into a computer and access a synopsis, sales and other consumer information before clicking on a command that would produce a printed, bound and covered book within minutes. Reportedly he took his prototype to book expos in New York, but his idea never became a commercial reality.

The Abstract of the Patent reads as follows: "A computer based book manufacturing, distributing and retailing system for the high speed reproduction of a single copy of a book is disclosed. The system is especially adapted for direct consumer sales since the manufacture of a selected book can take place at the point of sale. A master module includes a computer having a database of books to be selected, the books preferably being stored in a digital book-description format. Upon selection of a particular book from the database, a single copy of the book (including the text and a color cover) is printed by means of high speed raster printing engines. The system includes a binder for binding the text pages and the cover into a book."

Lightning Source has printed over ten million books on demand since it opened its doors in 1997 as Lightning Print, Inc. The company also produces in excess of 35,000 e-books per month. Lightning Source, while perhaps the largest producer of on demand books, is certainly not the only producer of on demand books.

Other companies effected include R. R. Donnelley who has an on demand book manufacturing operation in Harrisonburg VA, and Quebecor World who operates a facility in Martinsburg, WVA. The impact on Donnelley maybe greater after the merger with Moore Wallace because the new combined company has \$8 billion in revenues and \$6 billion in market value.

The company has asked the Judge to halt the defendants' on-demand-book-printing operations. A decision on that request is expected within weeks. Also, the law allows for triple damages in cases of "willful" patent infringement according to the Kansas City Star.

<http://members.whattheythink.com/news/newslink.cfm?id=14378>

<http://members.whattheythink.com/news/newslink.cfm?id=14386>

http://www.printingiq.com/industries/catalogs/631-printingiq_catalogs.html

▶▶ **GraphicConverter 5.0 released**

Looking for a less expensive option for Photoshop. Lemke Software has updated their "Swiss army knife" for imaging. A favorite feature of mine is the image database feature that shows thumbnails of images and allows you to move them.

This version imports 175 file formats, exports about 75, supports batch conversion, incorporates image manipulation features, supports AppleScript, supports lossless cropping of JPEGs, conversion to CMYK, adds a browser search function, includes a sepia color change function, adds a border function, and makes dozens of other changes and costs US\$35.

www.LemkeSoftware.com

►► **Thanks and Goodbye to Seybold Publishing in Media, PA**

In my 15 years in this industry, and for 17 years before that, there has been one publication to go for to learn about the new emerging changes in technology and evolving philosophies of production and that was the Seybold Reports. It did not matter if it was proprietary typesetting equipment, Postscript imagesetters, digital proofers, computer to plate devices or digital presses – if you wanted the in-depth, objective, well thought out editorials you went to Seybold Reports. Earlier this month the editorial offices in Media, PA closed their doors.

Gene Gable the former President of Seybold Publishing and Events, has written a interesting and sad obituary available at creativepro.com about our industry and the doors closing in Media PA. A short note about Gene, although not well known Gene has been around long enough to have run a typesetting company. I first met while Gene about a decade ago when he was a editor for Publish magazine while I was waiting to be interviewed for a job. He later went on the become the publisher for Publish and the president at Seybold.

Over the years there has been great talent driving the Seybold publications including: Pete Dyson, George Alexander, Mark Walter, Patricia Evans, Stephen Edwards, and one of my favorites the venerable Andy Tribute. Gene hit the nail on the head when he wrote "It's fair to say that the Seybold Report was, by any standard, one of the greatest gatherings of intellectual talent an industry has been fortunate to see. In this quick-and-dirty publishing era we live in, I was always impressed by the focus on detail, accuracy, and impeccable grammar that the Seybold editors upheld. "

"It is thanks, in a great part, to the Seybold editors that we saw PostScript publishing technology move from "good enough" to "better than." By never giving vendors a pass, by setting the bar for digital input and output very high, and by always analyzing new developments with a cynical eye, the editors at Seybold Report can rightfully claim their place alongside industry notables like John Warnock, Chuck Geschke, Steve Jobs, and the many others who changed our work lives for the better."

Thanks Seybold and thanks to you too Gene for keeping Seybold alive!

<http://www.creativepro.com/story/feature/20990.html>



▶ **Podi Show is a hit**

The most encouraging aspect of the recent PODI Applications Forum in Las Vegas was not increasing sales of digital presses or the pages that are created divitally but rather the sheer number of attendees - more than 300, up from less than 100 at the previous forum in June. The highlight of the show was: "The Best of the Best - a review of award winning digital print applications." Of course that can only mean one thing .. the 2004 Podi Award book will be shipping soon. Yes!

www.podi.org

▶ **All editorial comments are strictly the opinion of the author, not NAPL**

Are there questions or issues you are wrestling with - lets schedule a visit - here is a travel schedule.

Date	City	Purpose
3/23	Chicago, IL	New Print Basics (Banta Show)
3/25	NYC, NY	New Print Basics (Banta Show)
3/31	Bloomington, IL	Process Control (DMIA Show)
3/31	Bloomington, IL	Workflow (DMIA Show)

Adding or Removing Names

To be added to the list simple email HowieAtPre@aol.com and write "add to production or executive list" in the subject line

To be removed simple email HowieAtPre@aol.com and write "remove from production or executive list" in the subject line

Questions about the alphabet soup of digital prepress...

- **CTP (computer to plate)**
- **QC (Quality Control) or process control,**
- **PDF (Portable Document Format)**
- **CMS (Color Management Systems)**

drop me a note: HowieAtPre@aol.com