Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

May 7, 2004

XPLOR HELPING USERS LEVERAGE ECM

The future of the output industry is all about more effective communication. It's about transforming "junk mail" into something people are interested in. It's about tailoring messages so that people will respond to them… But how do users get there from here?

Xplor International wants to help. The organization is hoping to educate its members on the valuable role that information in ECM systems can play in creating effective output. "The adoption of personalized marketing is similar to the adoption of color printing," said Skip Henk who was recently appointed president and CEO of Xplor. "Everyone agrees it's a good idea, but they just don't have the infrastructure to do it yet."

Henk knows quite a bit about the printing industry, having worked in it for the past 25 years. Most recently he was with the Versamark business that **Kodak** acquired last year. Xplor is an organization of high-end output users. "Xplor began by focusing on the management of print streams like AFP and how it could be applied to pre-printed forms," said Henk. "What I'd like to start focusing on now is improving the content of the output being produced."

As its trade show attendance has dwindled in recent years from a high of over 9,000 end users in the mid-1990s to a current level of 4,500-5,000, Xplor has begun to focus more on education. Henk recently met with **AIIM** president John Mancini about setting up an education agreement between the two organizations. Henk is encouraging ECM vendors to consider participating in this year's Xplor Conference and Exhibit being held Oct. 24-28 at the **Dallas Convention Center**. For more information visit www.xplor2004.org.

Archiving Vendors Pouncing On Hot Market

The archival storage war is on. **Plasmon's** attempts to establish UDO (ultra-density optical) as a viable format are taking hold. Meanwhile, magnetic disk vendors like **EMC** continue to push their technology as the best solution for long-term records requirements. We talked with both Plasmon and EMC during March's **AIIM** show. At times, when discussing competitive offerings, things got a little heated.

EMC, for example, told us about an end-user that saved over a million dollars by replacing an optical system with magnetic disk. "The comparisons that we've seen by EMC were done against 12-inch optical systems, not 5.25-inch systems," said Nigel Street, the veteran CEO at U.K.-based Plasmon. "On top of that, they weren't even against the most recent generation of 12-inch. If EMC did the comparisons against UDO, I think they'd tell a different story."

Nigel Street, CEO, Plasmon.

Dave DuPont, Plasmon's VP of marketing in North America, claims to have done those comparisons for EMC. "Eight months ago, we did a study that shows a UDO system is five to eight times less expensive than a comparable sized EMC Centera system. [*Centera is the brand name for EMC's magnetic disk-based archival system.*]," said DuPont. "Those numbers hold up as the systems scale from the low-end (under five-terabytes), to multiple library, higher-end applications."

Centera Business Approaching $250 Million

Despite Plasmon's price assertions, Centera has nonetheless been a very successful product launch for EMC. Starting from scratch with its release in the spring of 2002 [*see DIR 5/17/02*], analyst estimates are saying

EMC will do $270 million worth of Centera-related business in 2004. Plasmon, by contrast, which has been in the archiving market since 1991, reported overall 2003 revenue of $95 million. Plasmon, however, didn't begin shipping UDO until November and is just now ramping up drive production.

Previous to staking its future on UDO, Plasmon had primarily been a jukebox manufacturer for previous generation optical technologies, including MO, CD, DVD, and 12-inch. Of those, MO made up the largest chunk of Plasmon's revenue. "At a list price of $90 for a 9.1 GB disc, the last generation of MO was just not competitive with other forms of storage technology," Street told *DIR*. "Because of that, and because people knew the 9.1 GB drives and media [released in 2001] were the last throw of the dice, MO sales have been in decline for some time. People were really waiting for a new technology to replace it."

With UDO, Plasmon feels it has delivered that technology. UDO was first announced in 2000 as a development initiative by **Sony** with support from Plasmon and **HP** [*see DIR 11/17/00*]. Sony is the leading vendor of MO drives, while Plasmon and HP are the leading MO jukebox vendors. However, when Sony scaled back its support less than a year later, the future of UDO looked questionable, especially in light of some other high-profile high density optical format failures [*see DIR 12/21/01*].

Without ever showing panic, Plasmon proceeded to raise funding and took on the responsibility of developing UDO drives and media, as well as the robotics. To date, the company reports to have spent $19.5 million on UDO development. Finally, after three years of work, Plasmon began shipping UDO drives last November [*see DIR 11/21/03*].

According to Street, early demand has been overwhelming. "UDO addresses end users who need a permanent archive and are comfortable with a 5.25-inch format," said Street. "At a list price of $60 for a 30 GB disc, UDO media is five times

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CENTERA NOT A RAID REPLACEMENT

EMC offers several types of magnetic storage, and it's important that integrators and end users note the difference. A Centera storage system, for example, should be treated more like an optical library than a RAID server, cautioned Roy Sanford, VP, markets and alliances for the Centera division. "Centera is not a direct attached storage device like our CLARiiON products," he told *DIR*. "Centera is a networked storage device."

According to Sanford, the correct configuration of Centera in an ECM system is to attach Centera to the application server. "The application server is actually being used to capture the documents, which are then written to Centera for archiving," he said. "In larger applications, the application server could be a RAID system. The value of Centera is in the software that protects and controls the information once it's written to Centera."

cheaper than MO, and the drives and robotics are priced similarly to MO. UDO makes 5.25-inch professional-grade archival storage cost competitive again. Right now, we can't make enough drives to meet the demand and have a very good backlog."

Riding the Compliance Wave

A funny thing, however, happened on the way to market for UDO. Archiving applications suddenly got hot. Over the past couple years, scandals like those at **Enron** and several large stock broker/dealers have made records archiving a hot topic. EMC was the first magnetic storage vendor to recognize this trend and has capitalized on it mightily. Between the time Centera was introduced and UDO began shipping, EMC sold some 10 petabytes, or more than 10,000 terabytes, worth of Centera.

EMC was smart enough to see from the outset that the emerging opportunity for records archiving went beyond the relatively small market being addressed by optical storage. EMC, which has an enormous customer base, recognized that most were relying on their tape back-up as document archiving systems.

"We explained to these customers that taking data off-line, in either an optical or tape-driven solution, inhibits the ability to recover it," said Roy Sanford, EMC's VP, markets and alliances, Centera division. "In the event of deposition, try and recover 10 terabytes worth of data from back-up tapes. There's still a place for tape when backing up servers. But, any documents of value should be kept on Centera."

EMC has also used its tremendous clout to drive a very successful Centera partnership program. EMC currently has more than 100 software partners that offer integration of content and data-related applications with Centera. These include all the major e-mail management software vendors and most top-notch ECM vendors. "About 25% of our Centera business is related to ECM applications and another 25% to e-mail applications," Sanford told *DIR*.

Since Centera's introduction, EMC has also released a fairly significant upgrade called the Centera Compliance Edition, which addresses the very stringent archiving requirements of governing bodies such as the **SEC**. "About one-third of our Centera customers have purchased the Compliance Edition," said Sanford. "We count most of the major broker/dealers in the United States

[who must adhere to the SEC Rule 17a3-4] among our customers."

Bringing in the Big Guns

EMC's success has not gone unnoticed in the highly competitive storage space. **NetApp**, **Hitachi Data Systems** and **StorageTek** have all announced their own magnetic archival storage solutions. StorageTek and Sony are even offering tape-based archival solutions. How does a $100 million company like Plasmon expect to compete in a market suddenly descended upon by these behemoths?

One way is through partnerships with other behemoths. "Getting some big players on board as UDO partners is key to establishing the technology," said Street. "Some large vendors are now including UDO as part of their ILM (information lifecycle management) plans."

RAIDTEC ACQUISITION BOLSTERS MEDICAL EFFORTS

Plasmon's recent acquisition of magnetic disk storage specialist **Raidtec** is designed to boost the company's already burgeoning medical imaging systems business. For the past year and a half, Plasmon and Raidtec have been co-developing a storage subsystem for this market. "Optical libraries are an ideal place to archive the large files associated with medical imaging," said Dave DuPont, Plasmon's VP of marketing . "However, connecting an optical library with a medical imaging application requires a NAS server and operating system technology, which Raidtec specializes in."

Plasmon sells to medical practices through partners such as **Siemens** and **GE Healthcare**. "Their focus is on the imaging system, such as an MRI installation, and the software to run it," said DuPont. "For awhile our partners have been asking us for an integrated storage subsystem."

According to DuPont, Plasmon expects to deliver such a subsystem to GE next month and has been in discussions with other medical systems integrators. "There may be applications for a combined NAS/optical solution in other markets, but for now we are focusing solely on medical imaging ," he said. "That is our biggest and fastest growing market, and each of our partners has slightly different requirements. It's going to take us a while just to satisfy their demands."

Plasmon will pay just over $6 million for Raidtec, which bases its manufacturing in Ireland. Plasmon, which is publicly listed on the London Stock Exchange, financed the acquisition through a placement of ordinary shares. In the fiscal year ended Oct. 3, 2003, Raidtec reported sales of $6.3 million with an operating loss of $2 million. Plasmon CEO Nigel Street predicted the Raidtec unit should be profitable by Plasmon's fiscal 2006.

These players include HP, which recently announced it will ship Plasmon UDO drives and media with its StorageWorks optical libraries. According to Plasmon, **Dell** is also promoting UDO as an alternative to Centera, while the likes of **IBM**, **Veritas**, and even EMC (through its Legato/OTG business) have announced software support for UDO libraries.

We asked Street if it concerned him that long-time optical jukebox software market leader OTG was now in the hands of EMC. "It concerns us, but there are a lot of other vendors we can work with," he said. "I think there is a shift going on in the balance of the market. OTG has nowhere near the dominance it once had."

Plasmon Playing Price Card

In addition to establishing UDO technology through partnerships, Plasmon plans to hammer on the price advantages of UDO, especially in the small to mid-market, where Centera is hard pressed to compete. The smallest Centera system offers 3.5 TB of mirrored data (7 TB of raw data) and carries a list price of over $100,000. A 5 TB mirrored (10 TB raw) Centera system lists for around $200,000.

"We have several UDO configurations we can sell for $10,000-$60,000," said Street. "And UDO remains competitive as you move upstream. On top of that, UDO's cost of maintenance is less because once you record something to an optical disc you never have to rewrite it. How often do you need to replace spinning disks? Even if you have to replace optical media 10-15 years down the road as UDO reaches the end of its lifecycle, how often are you going to replace your spinning disks during that time?"

EMC, of course, argues that end users just don't want the headaches and expense of dealing with a type of storage that falls outside the traditional disk and tape based infrastructure. On top of that, EMC's Sanford adds, "In some Web-based applications, the sub-second retrieval times of magnetic disk can be very important. Recently, we did some work with a publishing company that has used Centera to make its archived materials available on-line for a premium. You really don't know the value of your information if you can't access it."

Archiving Achieves Priority Status

EMC and Plasmon may disagree on several fronts. However, they concur on the fact that end users are more keenly aware than ever of their archiving needs. "Customers have an increased desire to manage documents from the point they are created until they are retired," said Sanford. "This is part of the overall trend toward ILM. Customers also are

SONY'S SHIPS PDD; DOES ANYONE CARE?

HP's UDO deal with **Plasmon** appears to leave **Sony** on the outside looking in. In recent years, the optical jukebox space has been dominated by HP and Plasmon, which combined own over a 90% share of the market. Sony has been both vendors' primary MO drive supplier, but has decided not to support UDO. Instead, Sony surprised us last year with the introduction of its Professional Disc for Data (PDD) technology [*see DIR* 5/9/03].

PDD is based on the Blu-Ray technology the company is developing for the consumer market. Both UDO and Blu-Ray leverage blue laser technology, which enables higher storage capacity per optical disc than the red laser technology used in CD, MO, and DVD systems.

Last month, Sony announced it has begun shipping PDD media. Sony is hoping to use its own clout, as well as some established niche partners in markets like medical systems and broadcasting to drive sales of PDD.

beginning to understand that a back-up system does not equate with business continuity."

Street credits EMC for its efforts to educate end users. "The bright side of EMC's entering our market is that people now better understand what Plasmon's solution offers," he told *DIR*. "We just hope that after they have some experience with more expensive magnetic disk based alternatives, UDO will look even more attractive."

For more information: **Plasmon**, Melbourn, UK, 1763 261466; Plasmon, Englewood, CO, PH (720) 873-2501; **EMC**, Hopkinton, MA, PH (508) 249-5417.

New Owners Attempt to Change Course of DjVu

LizardTech is under new management and making one more attempt to establish DjVu as viable document imaging format. The company is trying to forge relationships with established document imaging players and has finally made the DjVuer—actually called the *DjVu Browser Plugin*—available for free. The question is, is it too little to late for DjVu?

One thing is for certain, the new management is doing its best to keep LizardTech's history from repeating itself. "Formerly the company was run by venture capitalists," said Carlos Domingo, Ph.D, the new president and CEO of Seattle-based LizardTech. "They were only focused on short-term gains and not the long-term viability of the company."

LizardTech was founded in 1992 with the acquisition from the **Los Alamos National Laboratory** of technology for compressing geospacial images. Today that product line is known as *MrSID* and accounts for the great majority of LizardTech's revenue. In 2000, just as competitively priced color document scanners were hitting the market, LizardTech attempted to move into the document imaging space with the acquisition of the DjVu technology from **AT&T Labs**.

AT&T had introduced DjVu at **AIIM 1999**. At the time, it was pretty revolutionary. It was one of the first products to employ the mixed raster content (MRC) concept of separating document images into layers of text, graphical, and background elements. By separating these elements, they can be compressed with different technologies. This can create both smaller file sizes and higher quality images.

Along with the new breed of color scanners, it appeared that DjVu just might represent the future of document imaging. However, by all accounts LizardTech did everything it could to prevent this. LizardTech held the technology close to its vest and would not even give away the viewer for free. People complained that DjVu was expensive and the compression was slow. Also, end users did not want to take the risk of working with a proprietary file format.

Let's remember, however, that PDF is also a proprietary format. In contrast to LizardTech though, Adobe has been very good about distributing its viewer and also publishing specs that enable other vendors to write programs to create PDFs. As a result, there are hundreds of vendors with PDF applications. LizardTech remains the only developer of DjVu software. Despite all the competition, guess who's more successful?

Last summer, LizardTech was acquired by Tokyo-based imaging technology holding company **Celartem** for $11.25 million. Celartem is publicly traded on the Japanese market and has an annual revenue run rate of approximately $30 million. Domingo was named CEO in August. "Over the last eight months, we narrowed our focus to one market for DjVu," Domingo told *DIR* at AIIM. "We think there is some great opportunity in the document imaging space because almost all the scanner vendors have color models, but maybe only 10% of

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>
> **Carlos Domingo, LizardTech**

documents are being scanned in color.

"This is partly because the PDF and JPEG formats typically being produced in color scanning applications are not very easy to work with. They are either too large, or take too long to produce, or there are artifacts around the characters that make them hard to apply OCR to. We think we can address a lot of these problems with DjVu."

LizardTech is not the only vendor that focused on creating better color document images. In its latest version of *Acrobat*, Adobe introduced an advanced compression mode that leverages segmenting and variable compression techniques to create smaller PDFs. Queens, NY-based **CVision**, which was featured in our 3/5/04 issue, also has software for segmenting and creating highly compressed PDFs. German vendor **Algo Vision LuraTech,** meanwhile, is selling software to produce highly compressed color files in the JPEG 2000, Part 6 format [*see DIR 3/21/03*].

We asked Domingo how LizardTech expects to compete using a proprietary format like DjVu that does not have the acceptance of a de facto standard like PDF? We pointed out that CVision, for instance, told us its business took off after it switched from a proprietary format to PDF. "When you are working with PDF, you are limited by what Adobe wants to include," Domingo said. "We distribute our viewer as part of a very lightweight browser plug-in. It offers a much better experience for document images than *Acrobat Reader* does.

"We are starting to see more interest in DjVu because of Adobe's incorporation of advanced compression in *Acrobat* and PDF. People are realizing that maybe some sort of MRC is the best way to work with color document images. And when it comes to advanced compression, we are more efficient than Adobe."

Of course, as **Microsoft** has proven over and over again, just having the most effective technology does not necessarily make you the winner. Just like Microsoft leveraged the visibility of its operating systems to conquer the office applications market, Adobe has leveraged the visibility of its reader to dominate the PDF market. LizardTech is currently trying to establish some visibility for DjVu within the document imaging space.

"Part of the reason *MrSID* has been so successful is that it is integrated with all the major applications in the geospacial market," said Domingo. "We are trying to establish similar relationships in the document imaging market. Along those lines, we recently joined the **Kofax** technology alliance partner program. We have also had discussions with **FileNET**. We are hoping to partner with as many imaging vendors as possible and also working to build a document imaging-focused reseller channel."

LizardTech has also landed a high profile end user in **Samsung**. DjVu versions of product manuals can be found in the download section at www. samsung.com. A link for downloading the DjVu browser plug-in is also present. DjVu manuals are placed next to PDF versions of the same manuals. The ones we looked at were approximately half the size of the PDF manuals— although the latter did not utilize Adobe's advanced compression technology. Unfortunately for LizardTech, we did not notice any major advantages to viewing the DjVu format instead of the PDF format. Yeah, it was a little bit nicer and cleaner and faster, but is that enough to unseat PDF as the heir apparent to TIFF Group 4?

Adobe has made its intentions clear, it wants PDF to be the next de facto format for document imaging as the market evolves from black-and-white to color, and from back office to front office. While that idea is starting to gain traction, the transition is not quite complete. What may be hindering it somewhat is that from what we've heard, Adobe hasn't been the easiest company for document imaging vendors to work with. Still, as we said earlier, when it comes to PDF, Adobe isn't the only game in town.

There likely remains just a small crack in the window of opportunity for LizardTech and DjVu. Getting tight with document imaging vendors is one way to widen that crack slightly. To break open the window [see where we're going?] entirely of course may require partnering with that other Seattle-based company at odds with Adobe. Weren't they supposed to include some form of MRC-based technology in an upcoming version of *Office* anyway?

For more information: **LizardTech**, Seattle, WA, PH (206) 652-5211.

DR-7080C Delivers Flatbed Functionality

Canon continues to shore up its position in the low-volume production segment of the document scanner market. The recently announced DR-7080C adds a flatbed option to Canon's growing list of products in this segment. It is the third scanner Canon has announced in the past year that is priced in the $7,500 to $10,000 range.

Based on digital copier technology, the DR-7080C represents Canon's first internally developed production document scanner with a flatbed.

"We are not trying to be all things to all people in the market," said George Morris, Canon USA's product marketing manager for integrated business systems. "Our product line is very focused."

The 7080 actually marks Canon's first internally developed document scanner that includes a flatbed. It is based on the design of the company's recently released C6800 ImageRunner digital copier. "We've taken a proven flatbed with an ADF design and added some of our DR scanner series functionality to it," Morris told *DIR*.

The 7080 is rated at 70 ppm in simplex mode for 200 dpi color, bi-tonal, and grayscale scans. Like the ImageRunner series, for duplex scans it inverts the paper and scans it twice. Therefore the 7080 slows down to 36 ipm in duplex. "The 7080 is a fairly efficient design, so it uses only one camera," said Morris. "This has enabled us to keep the price down."

The 7080 will list for $7,995—easily making it the least expensive 70 ppm scanner on the market. "The price is in line with our goal of setting new standards of price and performance with each new scanner we release," said Morris.

The 7080 will replace the DR-4580U, which was a model that Canon sold through an OEM agreement with **Panasonic** parent **Matsushita**. "The biggest demand we see for flatbed enabled document scanners is probably in county governments where users deal with a lot of old records," said Morris. "Anybody dealing with fragile or bound documents has a need for a flatbed. This includes historical societies or libraries. It could also include chemical companies that scan scientific notebooks."

Morris also sees an attractive opportunity for the 7080 in the high-volume print-on-demand space. "We have some very high-end ImageRunner color

printers that don't include scanners," he said. "We expect about a third of our 7080 sales to address that market."

One feature the 7080 will include that is not available on the ImageRunner C6800 is support for **Kofax** VRS. To enable that support, Canon had to switch the background that images are captured against from white to black. Morris expects software VRS support to be available on May 17—also the expected shipping date of the scanner.

The 7080 is priced between the DR-6080 and DR-9080C, both of which Canon announced last fall [*see DIR 10/10/03*]. Canon also continues to ship the lower priced DR-5020, which it first introduced in 1999. "Including our check scanner, we've introduced four new products since last fall," said Morris. "Stick around, there are more coming in the second half of the year."

For more information: **Canon USA**, Lake Success, NY, PH (516) 328-5000.

FileNET and Captiva Post Impressive Numbers

Both **FileNET** and **Captiva** recently reported fairly good first quarters. Captiva reported revenue of $15.9 million, a growth of 26% over the first quarter of 2003. And FileNET reported $99.5 million in revenue, a growth of 14% over 2003.

The majority of FileNET's growth was driven by a sale to a large telecom customer that accounted for almost $9 million. On FileNET's quarterly conference call, CFO Sam Auriemma said the customer bought BPM, content management, forms management, and image management components from FileNET. He added that there was a compliance element to the purchase and that the installation would touch 150,000 end users when completed.

That's the type of deal that ECM vendors dream about. According to Auriemma, **IBM** was the other finalist for the deal. FileNET won another telecom deal in the quarter where integration with an **SAP** system was a key requirement. We're guessing **Open Text/IXOS** wasn't too happy about letting that one get away. For the quarter, telecom accounted for 31% of FileNET's software sales.

Also, FileNET's strategy to mine its customer base seems to be working out well. The company reported that 87% of its revenue was generated from existing customers.

Bish Touts Software Growth

The diversity of Captiva's growth was impressive. The company's gross revenue growth of $3.2 million was split fairly evenly among its hardware, software, and services lines. Software sales were up 20%, although some of that can be attributed to the Context acquisition which closed at the end of January [*see DIR 2/6/04*]. Captiva President and CEO Reynolds Bish discounted that number as fairly minimal, however, as Context sells its software mostly as a subscription service, so revenue recognition is spread out over the life of its contracts.

Reynolds Bish, president & CEO, Captiva Software.

Bish was optimistic that Captiva's software sales would continue to increase throughout the year. "I expect digital scanner sales to slow down and be no better than flat for the rest of the year," Bish said on Captiva's conference call. "However, we're still projecting overall revenue growth of around 20% for the year. We expect most of that will come from our higher margin businesses."

The investment community seemed unimpressed, however, as Captiva's stock value took a 16% hit in the week following its earnings announcement. Perhaps it was Bish's announced plans to raise $32.6 million through an offering of 2.5 million new shares of common stock that scared investors. A document discussing the offering was filed with the SEC the day following Captiva's financials announcement.

The document isn't very specific as to Captiva's plans for the money, but based on Bish's history, you can bet that acquisition is clearly on his mind.

BRIEFLY

Kliendeinst Sold To Output Specialist

You may have seen a couple months ago that mainframe output software specialist **Beta Systems Software AG** acquired **Kliendeinst**. Kliendeinst develops document scanners, sorters, and software and has historically specialized in the payment processing market. John Richardson of the European analyst firm **Strategy Partners** called Kliendeinst "the BancTec of Germany."

"As paper checks have started to go away in Europe, Kliendeinst's business has suffered," said Richardson. "Their revenue has been in a steady decline over the past five years, and they have attempted to replace their check processing business

with invoice and mailroom processing applications. Personally, I think their IDR [intelligent document recognition] technology is very good."

According to Richardson, Beta was also in a declining market as mainframes offer only limited opportunities. "Kliendeinst was actually bigger than Beta, but Beta had a store of cash it needed to invest," he said. "Kliendeinst will help Beta move into the ECM space, which they view as a growth opportunity."

Based on full-year results of 2003, the acquisition will create a company with revenue of more than 120 million Euro and pre-tax profits of over 8 million Euro. Kliendeinst will now become a business unit of Beta, which has its headquarters in Berlin.

For more information: **Strategy Partners**, Datchet, UK, +44 (0)1753 592787, www.strategy-partners.com.

VisionShape Offers Bridge into New Markets for PDI

Speaking of acquisitions, last fall, image capture software specialist **VisionShape** was acquired by **Peripheral Dynamics Inc.** (**PDI**), a vendor of mark sense scanners to the gaming/lottery market. At AIIM, *DIR* caught up briefly with Ed Meehan, VP of operations for Philadelphia-based PDI. Meehan told us PDI had been in discussions to acquire VisionShape even before co-founder Dan Borrey's untimely death last year [*see DIR 2/21/03*]. "As we sought to take our expertise in scanning and move into new markets, we felt VisionShape's software expertise in areas like OCR would be a big help," Meehan told *DIR*.

In addition to the gaming space, PDI sells into the educational market for test scoring and into the voting market. About half the company's business comes outside the United States. "We sell almost exclusively through partners and OEMs," said Meehan. "In addition to looking at new markets like financial services, we wanted to give our partners extra ammunition to go deeper into their current customers. We're experts extracting data from small-sized documents. VisionShape has some impressive full-page imaging technology that can also be used on smaller documents."

VisionShape develops a variety of image processing and management tools and applications. At AIIM, VisionShape announced capture solutions involving checks, MFPs, and PDFs. The company also has a line of document scanners that is now being manufactured out of PDI's Philadelphia facility. VisionShape's software development remains in Placentia, CA.

For more information: **PDI**, Plymouth Meeting, PA, PH (610) 825-7090; www.pdiscan.com. ▣

MILLENNIUM STILL AT IT

If you were hoping **Millennium L.P**. was going to go away before they got to you, just give them time. From what we understand they just filed complaints against four more companies this month. **ScanSoft** is the biggest name on the current hit list, which also includes **Docubase** and **SER**. We also understand that settlements are being hammered out with several companies that had considered fighting Millennium's patent claims.

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