

Summary

ALT is in strong support of Static Control's proposed classes of works that the copyright office exempt replacement chips from the DMCA if the DMCA does in fact apply. Application of the DMCA to replacement chips used in laser toner cartridges could spell the end of **ALT and the entire laser toner cartridge remanufacturing industry in 5 years.**

Comments

Applied Laser Technologies Inc., (ALT) has been in business since 1989. ALT's primary business is laser toner cartridge remanufacturing. ALT has 62 employees and 2002 revenues of 8.2M.

Over the years ALT has been battling various marketing schemes introduced by the OEMs in order to make it more difficult for ALT to provide alternative products to our customers. Most recently the OEMs have introduced electronic microchips (Chips) as a way of "locking out" and preventing ALT from being able to provide customers with remanufactured cartridges. The OEMs are claiming that the Chips are embedded into the toner cartridges to provide the printer users with additional functionality. It is obvious that the purpose of the Chips is primarily to "lock out" the competition and control market share.

Most recently Lexmark was able obtain an injunction and prevent Static Control Components from providing replacement chips, claiming it is in violation of the Digital Millennium Copyright Act (DMCA). This decision is extremely damaging, not just for ALT, but for the entire laser toner remanufacturing industry as well as many other industries. The recent ruling in the Lexmark case could potentially cause ALT a loss of 1.M in business. Over 30% of the toner cartridges that ALT currently remanufactures have a "lockout" Chip embedded into the toner cartridges. Most OEM's new line of printers comes with toner cartridges that contain "lockout" chips in the toner cartridge. If other OEM's follow Lexmark in claiming violation of DMCA and preventing the after-market producers of replacement microchips from supplying us with such chips, **ALT and the entire laser toner cartridge remanufacturing industry will cease to exist in 5 years.**

ALT requests that the copyright office exempt replacement chips from the DMCA if the DMCA does in fact apply.

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