

Real Deal

Counterfeiters Beware: Isotag GC Mark L. Weintrub Knows a Fake When He Sees It

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An Addison company is putting its scientific know-how to work combating both terrorism and counterfeiting.

Officials at Isotag Technology say their technology, including one-of-a-kind invisible markers that work as a kind of DNA for products ranging from bombs to bags, can be used to trace the origin of an explosive or the authenticity of a passport. The heightened concern over terrorism and the perennial problem of fake goods being sold on the street has kept business booming, they say, with their staff tripling in recent months and revenue on track to double for the second consecutive year.



Isotag GC Mark L. Weintrub

In the middle of the boom is Mark L. Weintrub, Isotag's general counsel, vice president of administration and secretary. He thrives on helping grow a company and enjoys performing a wide range of duties as top lawyer and head of human resources.

"I get to juggle lots of balls," he says.

His work involves legal and business matters for Isotag, which uses technology developed at Los Alamos National Laboratory in New Mexico -- where the federal government developed the atomic bomb during World War II -- to "fingerprint" products, ranging from cosmetics to gasoline to wine. By using invisible markers, Weintrub says, company sleuths can identify fake goods or establish that products peddled on the streets have been stolen. In addition, he says the markers can be used to trace buyers of materials, such as fertilizer, that end up in homemade bombs.

Weintrub, who came on board full time in October 2001 after consulting for the small, privately held company for a few months, says Isotag is growing. The company declines to release revenue reports, but Weintrub describes it as a multimillion-dollar international business. There are 40 employees on its payroll, and that number is expected to increase to 50 by the end of the year, he says.

Isotag, formed in 1995 by two Texas oilmen who patented the commercial application of covert identification processes developed at Los Alamos, describes its business as brand integrity and brand protection.

The company inserts either molecular markers or a fluorescing material in a product, then uses special equipment later to detect the presence of the invisible tags. The presence or absence of these tags reveals whether the product is authentic or fake. In addition, the level of the molecular marker will show whether a product, such as wine or gas, has been diluted, according to company reports.

The ability to track where a product came from helps battle gray market diversion, such as when illegally obtained Gucci bags sell for pennies on the dollar on the street corner, Weintrub says. The tags can provide indisputable evidence in court, he says.

"The markers are impossible to remove," he says. "You can't just scrape them off like a sticker."

Weintrub says a major U.S. oil and gas company has used the Isotag markers to prove that gas station owners have used another brand of gasoline or diluted the company's gas by mixing in a nonbrand. With that proof in hand, they have taken away the offenders' franchises.

TEXAS LAWYER

"They've never had a case brought against them in court for doing that [taking away a franchise]," he says.

In another case, after a major company divested its retail gasoline outlets, leaks and spills from some of the gas stations' tanks were discovered. The Isotag markers pinpointed whose gasoline, the seller's or buyer's, spilled and resolved who had to pay for the cleanup, Weintrub says.

The company also touts the isotope-based markers (thus the company name Isotag) as a security device. They can be put in ink and used to authenticate passports and other documents. By inserting the tags on product seals and caps, business owners can tell if someone has tampered with a product, such as over-the-counter medication, Weintrub says.

The markers also have been successfully tested for use as a tracing element in bombs, he adds. He says that as a result of the Oklahoma City bombing and the Sept. 11 terrorist attacks, standards will be developed for marking fertilizers and explosives.

Among Isotag customers are seven of the world's biggest oil and gas companies, makers of spirits and other beverages, cosmetic manufacturers and electronics companies, Weintrub says. The potential market for Isotag's kind of products and services is enormous, he says, pointing out that the Washington, D.C.-based International Anti Counterfeiting Coalition estimates corporations worldwide lose more than \$1 trillion annually to counterfeiting, with U.S. companies taking more than \$200 billion of the hit.

A True Generalist

Isotag has 27 core patents, as well as proprietary technology and know-how, which means that much of Weintrub's work focuses on intellectual property. As head of human resources - "people care" as it's called at the company - he also delves into other areas of the law. And as part of the senior management team, he helps create programs and strategies for developing and marketing goods and services.

"There's a lot of interaction between legal and business," Weintrub says. "It gives me an expanded role."

The 41-year-old attorney says his education and work background helped prepare him for the variety of duties and areas of law he handles at Isotag. After earning a business degree from the University of Missouri in 1983 and a J.D. from Oklahoma City University School of Law in 1986, Weintrub says he worked first at Linn & Neville in Oklahoma City and then at Middleberg, Riddle & Gianna in Dallas practicing civil and commercial law. He trained in professional mediation in Texas and has mediated more than 100 disputes, he says.

In 1993, Weintrub moved to the corporate world, taking a job with the Dallas holding company U.S. Industries Inc., which has manufacturing subsidiaries in the plumbing, hardware and lighting areas. He was corporate counsel for subsidiary Eljer Industries Inc. and associate general counsel for subsidiary Zurn Industries Inc., providing day-to-day advice and handling all sorts of other legal duties.

From there, he went to Ultrak Inc. in Lewisville, first as general counsel and secretary and later adding vice president of administration to his duties at the electronics company. In addition to his legal work, Weintrub's functions included administrative and human resource duties.

Next came Isotag. CEO David Moxam says a company committee selected Weintrub as general counsel because of his extensive corporate experience and his ability to manage IP attorneys. In addition, Weintrub can handle the challenges of a growing company, he says.

"He has strong personal integrity," Moxam adds. "With Mark, you get what you see."

Isotag's headquarters are in temporary digs in Addison while 23,000 square feet of nearby office space is readied into a state-of-the-art facility. When that work is completed, operations at a production facility in

TEXAS LAWYER

Houston and a laboratory in Albuquerque, N.M., will move there. Still remaining will be a research and development facility in Los Alamos and a sales office in Miami, which serves clients in Latin America.

Isotag is the first private corporation on Weintrub's résumé. At first, he was the sole member of the in-house legal team. Recently, he added a paralegal. He describes himself as a true generalist because of the range of his work.

His days are busy and Weintrub says he frequently handles three things at once.

"My day is planned but, typically, within the first hour, that goes out the window," he says.

He spends about 60 percent of his time on legal work, such as intellectual property issues, and the rest dealing with human resource matters. He spends about three-fourths of the day looking over contracts and handling customer questions. He also works with outside counsel.

Dallas solo George R. Schultz, who handles Isotag's patent work, says the GC provides clear direction and puts information in understandable terms. Weintrub also negotiates effectively and works well with people, Schultz says.

"He's one of the best [GCs] that I've worked with," Schultz says.

Richard L. Waggoner, a partner in Gardere Wynne Sewell in Dallas who handles corporate legal work for Isotag, says Weintrub's familiarity with so many areas of the law makes him an effective general counsel. His best quality is that when a question comes up, he knows to get in touch with an expert in that area of law to find out the right answer without delay, Waggoner says.

"Mark gives realistic deadlines when possible and is always appreciative of work," Waggoner says. "Outside attorneys appreciate a 'thank you' as much as anything."

Weintrub expects business to keep growing because of the billions of dollars lost to counterfeiting. Isotag works to keep on top of the situation by developing an online database that will provide information to customers as soon as it's gathered in the field, he says.

"This is an exciting opportunity with our fast growth," Weintrub says. "Who knows where we'll be in a year or two?"

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