



IP ITeasers 073:

Perfect Paper Procurement

Counterfeiting is the illegal use of trade marks. Piracy is the illegal use of copyright works. However, the term counterfeit is also used for illegally produced currency notes, which typically involves the illegal use of copyright works, but not trade marks. Producing counterfeit money is quite difficult, and most governments go out of their way to make it even more difficult as technology develops. An exception is, rather oddly, the United States of America. Let me explain. There are three major difficulties in producing counterfeit currency notes: the plates, the ink and the paper. The plates from which the notes are stamped are very intricate, and few have the skill to produce convincing copies – but there are those who do, and not all of them are employed by appropriate authorities. The ink is sophisticated, and the supply of the component parts is controlled – but there are always laboratories that can brew up something special for a price. The paper, though, is often really difficult to make. So difficult to make in fact, that even authorised manufacturers have difficulty in maintaining the necessary quality control. This is where the USA exposes its Achilles Heel. Unlike most countries, the denominations of the US dollar are all the same size: a \$1 bill is the same as a \$100 bill – unlike the situation with €5 and €500 notes for example. Therefore, to procure perfect paper, one merely has to obtain original dollar bills, bleach them, and then reprint with a suitably higher denomination onto the perfect paper from the former \$1 bill. The bottleneck then becomes obtaining sufficiently large amounts of say, \$1 bills, to make the enterprise viable. That, actually, is quite challenging as most places only have a few \$1 bills. This scam has been done, nearly always outside of the USA. A reason the US currency has not been updated, and in particular why there has not been a break with tradition in changing the size of its notes, is political not technological – the wish to convey strength by remaining the same. Vanity, vanity, all is vanity (misquoting

Ecclesiastes 1:2). Interesting, this scheme formed the plot of the Killing Floor, the first Jack Reacher book by Lee Child, and a central character was the person who solved the sourcing of the \$1 bills on a large scale. Fiction mimics real life.