

New USPS Electronic Postmark Service Introduced Illegally

-- Formal Complaint May Force Postal Service to Pull Product --

WASHINGTON, February 25, 2004 – In the world of computers, how do you prove exactly when you created a piece of writing, design, or other information? How do you prove exactly when and with whom you shared that information?

DigiStamp answered that question several years ago with “e-TimeStamp”. The service has been providing proof of ownership of intellectual property for five years.

Today, DigiStamp filed a complaint against the U.S. Postal Service for bullying its way into its business. According to DigiStamp, the government agency has illegally introduced a direct competitor to its product, which the Post Office calls the “Electronic Postmark” service.

At issue is whether the Postal Service violated the law by introducing a new postal product without the approval of their regulatory body, the Postal Rate Commission (PRC). By law, the Postal Service must first request approval of new mail services and rates from the PRC before implementing them.

"What shocks us is that this huge government agency can storm into an industry created by the hard work of private enterprise," said DigiStamp spokesperson Rick Borgers. "We are a team of entrepreneurs who have spent years creating a business and jobs in our community, only to have the Post Office waltz in once the idea has been proved sound?"

According to DigiStamp's analysis, the USPS has spent millions of dollars developing a product inferior to theirs. "On a level playing field, the USPS could not compete," Borgers said. "But they aren't competing on a level playing field. The Postal Service has huge advantages as a federal agency." Borgers pointed out that the Postal Service uses revenue from first-class mail to underwrite its new product, and it has the use of thousands of government buildings and media outlets at its disposal.

The USPS product was developed in partnership with Microsoft, and it requires users to own the latest version of Microsoft's expensive Microsoft Office 2003. Not only does the USPS product compete directly with DigiStamp, but it ensures Microsoft a huge advantage in its competition for the lucrative "office suite" business.

"Whether the USPS is overstepping its boundaries and undermining American businesses is the sort of thing the PRC is supposed to review," said Borgers. "That is why we have initiated this complaint: to encourage the proper oversight for a huge public wallet that operates without stockholders or market controls."

If DigiStamp prevails in the case, the Postal Service could be forced to pull its "Electronic Postmark" from the market.

About DigiStamp: DigiStamp was founded in 1998 as a pioneer Time Stamp Authority to

protect intellectual property. The technology is based upon Internet Engineering Task Force (IETF) standards and European ETSI standards. DigiStamp's media contact is rick.borgers@digistamp.com or call (817) 428-8872. For more information on time stamp services, please visit www.DigiStamp.com