

European Pallet Market Faces Challenges, Undergoes Changes

By Chaille Brindley

WORLD Pallet Plans

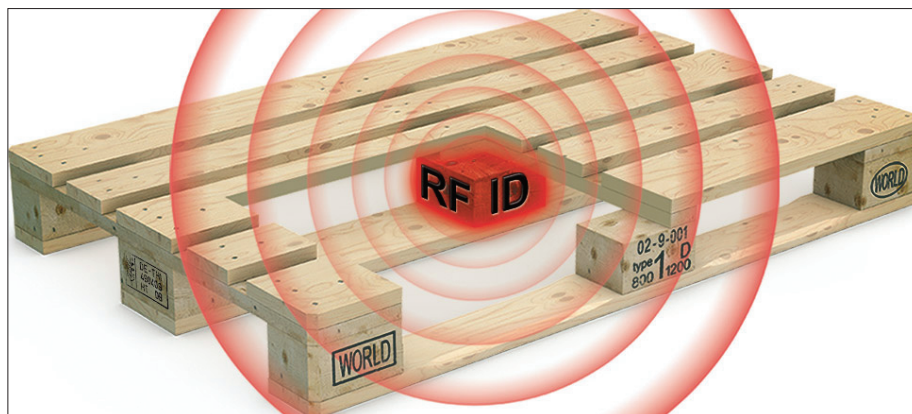
U.S. Market Launch

A competitor to the popular EPAL Europallet in Europe, WORLD Pallet AG, is looking to build its network in the United States and hopes to launch in this country by the end of 2013/early 2014.

“European customers that have used the WORLD Pallet have expressed interest in using this trusted brand in the United States,” said Marcus Falkenhahn, chief executive officer of World Pallet AG. “We are looking for large pallet manufacturers in the United States that could be partners for our expansion efforts.”

Falkenhahn added that the WORLD pallet has grown in popularity since it was first introduced in 2008. It now serves 500 customers with millions of pallets. Currently, the World Pallet in Europe is a 800x1200 mm size pallet, but Falkenhahn said that his organization would work with U.S. partners and use local standards, sizes and dimensions to produce 48x40 block and stringer styles for the U.S. market.

Contrasting his organization with the approach used by EPAL when it looked to make inroads in the United States, Falkenhahn said that the WORLD Pallet is open to work with local standards, defer franchise fees and would not require strict quality inspections. Unlike the EPAL pallet, there would not be specific nail or lumber requirements that would be difficult for U.S. producers to supply.



RFID Ready: *The WORLD Pallet recently added RFID capacity to its offerings although most customers are not willing to pay for it at this time.*

Falkenhahn said, “We would create a whole new WORLD standard for the U.S. market.” Quality hasn’t been a problem for the development of the European WORLD Pallet pool because all of the supply has been produced by Falkenhahn AG, a large manufacturer of pallets in Germany. Its highly automated manufacturing facility can produce up to 10 million pallets per year. The entire process uses automation and robotics to manufacture up to 50,000 per day using only three people in one shift, according to Falkenhahn. He added that the entire facility runs without a person having to touch a single board.

While partners in the United States would not have to be as advanced as the Falkenhahn facility, the organization behind the WORLD Pallet is looking for quality producers with automated nailing capacity to join its initial network in the United States.


Recently, the WORLD Pallet added RFID capacity to its offerings although Falkenhahn was quick to point out that most customers are not willing to pay for it at this time.

The WORLD Pallet began when Falkenhahn AG decided to stop working to produce EPAL pallets due to concerns about the royalty fee. Since Falkenhahn AG produced about 50% of the German

market at the time, Falkenhahn asked, “Why should we continue to work for EPAL?” He launched the WORLD Pallet program in 2008 and is the exclusive licensee in Europe.

Shortly after the new standard was launched, EPAL sued WORLD Pallet in Germany to stop alleged mark infringement. EPAL claimed that the WORLD mark depicted in an oval was too similar to its own quality mark, which was causing market confusion and the impression that the pallets were interchangeable. Although the German courts initially sided with EPAL, the court did not require that the existing WORLD pallets be destroyed or remarked. Eventually the German courts deemed that the WORLD mark could be used. Falkenhahn claimed, “We are 100% legal in terms of the trademark issue.”

U.S. companies that want to use the WORLD logo would need to be licensed by WORLD Pallet AG. Falkenhahn stated, “There is the possibility of contracting exclusive rights for specific regions in the American and Asian markets.” He also said that his organization is open to producing either block or stringer styles pallets in the United States.

For more information on the WORLD Pallet, visit www.world-pallet.com or email info@world-pallet.com. 

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—Marcus Falkenhahn, chief executive officer of World Pallet AG