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LEVERAGING QR CODES AND BLOCKCHAIN FOR ENHANCED PRODUCT AUTHENTICATION AND COUNTERFEIT PREVENTION

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Abstract: Counterfeit products have become a major concern for businesses and consumers, leading to financial losses, brand damage, and public safety risks. In response, the integration of QR codes and blockchain technology offers a promising solution for enhanced product authentication and counterfeit prevention. This paper explores the combined use of QR codes and blockchain to create a secure, transparent, and tamper-proof system for tracking and verifying products across the supply chain. QR codes, serving as digital markers, enable easy scanning and retrieval of product information, while blockchain's decentralized and immutable nature ensures an auditable and secure record of each transaction and movement of the product. Together, these technologies provide a reliable mechanism for consumers to verify product authenticity and for businesses to protect their brand integrity. The survey reviews current advancements in the field, evaluates key challenges such as scalability, privacy concerns, and the costs of implementation, and discusses opportunities for future innovation. A case study of a real-world implementation is also presented, demonstrating the practical benefits and limitations of the system. This research concludes that the integration of QR codes with blockchain has the potential to revolutionize product authentication, significantly enhancing trust in global supply chains.

Keywords: QR codes, Blockchain technology, Product authentication, Counterfeit prevention, Supply chain security, Decentralized verification, Brand protection, Immutable ledger, Transparency in supply chain, Anti-counterfeiting technologies, Consumer trust, Blockchain in logistics, Digital product authentication..

I. INTRODUCTION

The proliferation of counterfeit products has become a pervasive issue within modern supply chains, posing multifaceted challenges ranging from compromised consumer trust to significant safety concerns. As globalization continues to drive the expansion of trade networks and the complexity of supply chain ecosystems, the need for effective solutions to combat counterfeit goods becomes increasingly urgent. In response to this pressing need, this project introduces a novel approach leveraging blockchain technology to detect counterfeit products and ensure the integrity of goods within supply chains. Blockchain technology, renowned for its transparency, immutability, and decentralized nature, presents a compelling solution to the problem of counterfeit products. By recording transactions in a tamper-proof and transparent manner, blockchain offers a robust framework for tracking the provenance and

authenticity of products throughout their lifecycle. Leveraging the inherent features of blockchain, such as smart contracts and cryptographic hashing, this project aims to establish a secure and verifiable system for authenticating products and preventing the proliferation of counterfeit goods. The primary objective of this project is to design, develop, and implement a blockchain-based system capable of effectively detecting counterfeit products within supply chains. This entails the integration of various technologies and methodologies, including smart contracts, QR code scanning, and secure databases, to create a comprehensive solution that enhances supply chain transparency and consumer trust. By automating authentication processes, streamlining product verification, and fostering collaboration among supply chain stakeholders, the project seeks to significantly reduce the prevalence of counterfeit products and mitigate associated risks. Through a combination of theoretical research, practical implementation, and

stakeholder engagement, this project aims to address the root causes of counterfeit goods within supply chains and contribute to the creation of a more transparent, secure, and resilient ecosystem. By promoting fair trade practices, safeguarding consumer interests, and fostering trust in product authenticity, the project endeavors to establish a new standard for supply chain integrity in the digital age.

The integration of blockchain technology with a QR code generation system presents a robust and efficient solution to address the growing issue of counterfeit products in the market. Blockchain provides a decentralized and tamper-proof network that ensures the authenticity of each product, while QR codes offer a simple, user-friendly way for consumers to verify product legitimacy. This combination creates a reliable, transparent framework, allowing customers to easily access and trust the product's origin and authenticity. By instilling greater confidence in consumers, this system not only enhances product security but also plays a crucial role in combating the spread of counterfeit goods.

Bitcoin is the first use of the Blockchain in the real world. Public transaction ledger, decentralized transaction verification and peer-to-peer network, and fixed currency circulation are all features it contains.

The market today is inundated with counterfeit products, making it difficult to determine whether even basic items, like a water bottle, are authentic. Current methods, such as RFID-based approaches, are too costly for use on low-cost goods. Some existing solutions involve attaching or imprinting a unique identifier (UID) on products. To verify authenticity, consumers send the UID to the manufacturer for confirmation. However, this system is vulnerable, as counterfeiters can easily clone the UID on fake products.

To address this issue, we propose a blockchain-based anti-counterfeiting solution. This approach not only ensures product authenticity but also enables tracking and traceability across the supply chain. The method applies to any physical product in the market that is linked to a UID by the manufacturer. From this UID, a QR code is generated and either affixed to the product or printed on it. The QR code would be concealed beneath a scratchable film, which consumers can reveal for validation[2].

Upon scanning the QR code[2], consumers can instantly verify the authenticity of the product and access its complete supply chain history. Additionally, the process of revealing the QR code undermines any attempt to clone the product's UID, signaling that the item is legitimate and intended for consumer purchase. This makes it nearly impossible for counterfeiters or intermediaries to copy the

product's UID or QR code. By presenting blockchain-verified data, this system can also bolster public trust in product authenticity and governance. The approach involves exposing REST APIs that interface the application with a Hyperledger blockchain network layer, ensuring a secure and tamper-proof verification process.

II. LITERATURE SURVEY

"Fake Product Detection Using Blockchain Technology," proposes a blockchain-based system for identifying original products and detecting duplicate ones by utilizing QR codes linked to a blockchain to store product details and unique codes. This system allows consumers to verify product authenticity through a smartphone app. presents a blockchain-based system to identify original products and detect counterfeits. The system uses QR codes and barcodes linked to a blockchain to store product details and unique codes. Camera scanning is employed to identify fake products, and notifications are sent to consumers and manufacturers accordingly.

The growing issue of counterfeit products has led researchers to explore various technological solutions for product authentication. Among the most promising methods is the integration of QR codes and blockchain technology. In this literature survey, we review existing research and developments in the fields of product authentication, counterfeit prevention, blockchain technology, and QR code-based solutions, assessing their effectiveness and potential for further innovation.

1. Product Authentication and Counterfeit Prevention

The problem of counterfeit goods has been well-documented in various industries, including pharmaceuticals, luxury goods, electronics, and consumer products. Traditional methods for combating counterfeiting, such as holograms, RFID tags, and barcodes, have limitations due to their vulnerability to duplication and high implementation costs. Research has shown that these systems often fail to provide full transparency and traceability across the supply chain, leaving gaps for counterfeit products to enter the market. Studies have highlighted that the use of unique identifiers, such as QR codes, can offer a more accessible and cost-effective solution for product authentication. However, QR codes alone, when not integrated with a more secure system, can be easily copied or tampered with. Thus, the need for a more robust, decentralized, and tamper-resistant solution has emerged, leading to interest in blockchain technology.

2. Blockchain Technology for Supply Chain Security

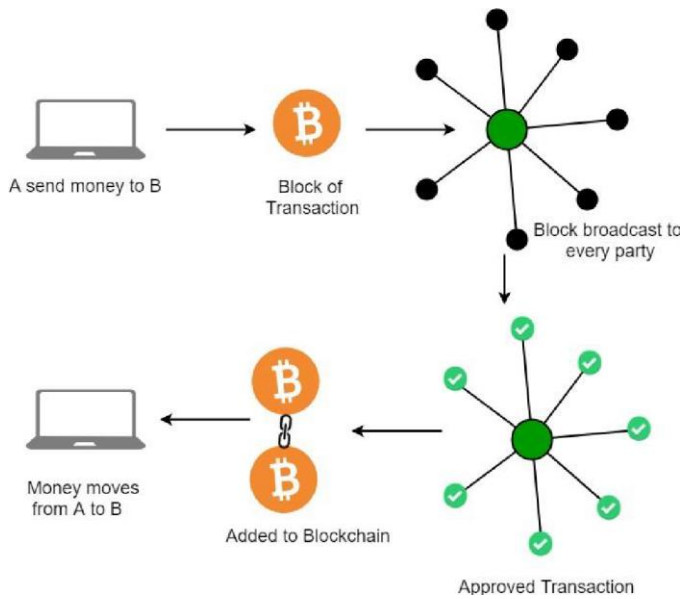


Figure 1: Working of Blockchain

Fig. 1 shows the visual representation of the transaction process in blockchain, demonstrating the secure transfer of data from sender A to recipient B through a decentralized and transparent network.

Blockchain technology has gained significant attention for its ability to provide transparency, security, and immutability in various applications, particularly in supply chain management. Blockchain creates a decentralized and tamper-proof ledger where all transactions and movements of a product can be recorded and verified without relying on a central authority. Research has demonstrated how blockchain can address several challenges in supply chain management, including fraud prevention, counterfeit detection, and traceability[19][20].

Several studies have investigated blockchain’s potential for enhancing product authentication. In a decentralized blockchain network, each product movement can be traced from manufacturer to consumer, creating an auditable trail that is resistant to tampering. This immutability ensures that once a product’s data is recorded on the blockchain, it cannot be altered or erased, providing reliable verification of authenticity.

3. QR Codes as Digital Markers

QR codes have been widely adopted due to their ease of use, low cost, and ability to store large amounts of data. Research [19]explores the use of QR codes in various authentication systems, noting their versatility in linking physical products to digital records. QR codes enable consumers to scan a product and instantly retrieve its

associated data, such as origin, manufacturing details, and authentication status.

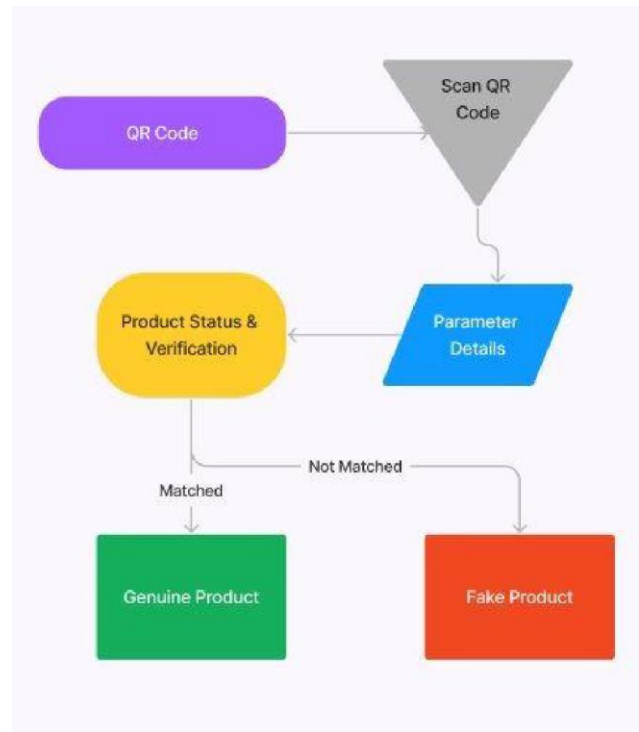


Figure 2 : QR Code-Based Product Authentication

A safe and effective method of tracking and certifying items at each level of the supply chain may be provided via QR codes in a blockchain-based supply chain transaction.

However, as pointed out by multiple researchers, QR codes alone are vulnerable to cloning and counterfeiting. This limitation has led to proposals for integrating QR codes with more secure systems, such as blockchain, to enhance their effectiveness. In a blockchain-based system, each QR code would represent a unique digital identifier that is securely recorded on the blockchain, reducing the risk of duplication or manipulation.

4. Integration of Blockchain and QR Codes for Product Authentication

Several research papers have proposed and tested the integration of blockchain and QR codes to create a more secure and transparent authentication system.[16] discussed the potential of combining these two technologies to ensure that each product can be tracked and authenticated throughout its lifecycle. The decentralized nature of blockchain, when combined with the simplicity of QR codes, offers a solution that is both secure and accessible to consumers and businesses.

One of the key studies [18] examines the real-world implementation of blockchain-based anti-counterfeiting solutions in the luxury goods and pharmaceutical industries. The study found that integrating QR codes with blockchain allows consumers to verify product authenticity by simply scanning a code, while manufacturers benefit from a tamper-proof system that enhances traceability and brand protection.

5. Challenges and Limitations

While the potential of blockchain and QR code integration for counterfeit prevention is widely recognized, several challenges remain. Scalability is one of the most prominent concerns, as recording every product transaction on a blockchain can require substantial computational resources, especially for industries dealing with high volumes of products. Research highlights the need for more scalable blockchain solutions to support large-scale applications[22]. Privacy concerns are another key issue, as not all stakeholders in the supply chain may want to expose sensitive information on a public ledger. Research has proposed the use of permissioned blockchains to address this challenge, allowing only authorized parties to access and verify product data while maintaining privacy.

Cost is another important consideration, particularly for small and medium-sized businesses. While QR codes are inexpensive, blockchain implementation can involve significant costs related to infrastructure, maintenance, and transaction fees. Researchers such as Choi have suggested optimizing blockchain architectures and developing more cost-efficient solutions for product authentication.[17]

6. Real-World Implementations

Several real-world case studies have demonstrated the practical benefits and limitations of blockchain-based product authentication systems. For instance, IBM’s Food Trust blockchain platform, which uses QR codes and blockchain to track food products from farm to table, has shown how the integration of these technologies can improve traceability and consumer trust. Similarly, Everledger, a blockchain platform for tracking diamonds, has successfully implemented QR code-based blockchain solutions to combat counterfeiting in the luxury goods market.

These case studies highlight the effectiveness of blockchain and QR code integration in providing transparency and security in the supply chain. However, they also reveal certain limitations, such as the need for widespread adoption across all supply chain participants and the challenge of maintaining data privacy.

7. Opportunities for Future Research

The literature identifies several areas for future research and development. Advancements in blockchain scalability, the integration of smart technologies like AI and machine learning for more accurate counterfeit detection, and the exploration of new use cases in industries such as pharmaceuticals, food safety, and electronics are promising areas for further study. Moreover, collaborative efforts between businesses, governments, and technology experts are essential for driving innovation and standardizing blockchain-based authentication systems.

III. SYSTEM ARCHITECTURE

The workflow diagram outlines the process of product authentication and transaction tracking using blockchain technology, involving three key stakeholders:

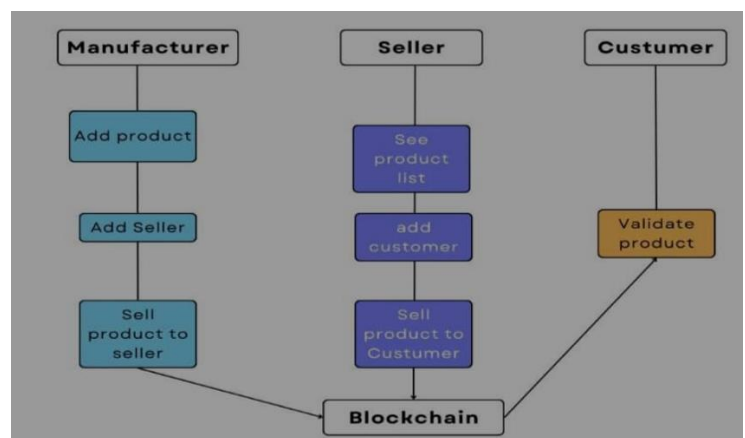


Figure 3 : Workflow diagram

the **Manufacturer**, **Seller**, and **Customer**. Below is an explanation of each step in the workflow:

1. **Manufacturer**

- **Add Product:** The manufacturer starts by adding the product to the system, assigning a unique identifier (UID), and linking it to the blockchain.
- **Add Seller:** After the product is added, the manufacturer assigns or registers a seller who will receive the product for resale.
- **Sell Product to Seller:** The product is then sold to the registered seller. This transaction, including product details and transfer of ownership, is recorded on the blockchain for transparency and security.

2. **Seller**

- **See Product List:** The seller can view a list of products received from the manufacturer that are available for sale.

- **Add Customer:** When a customer purchases a product, the seller adds the customer's details to the system, initiating a new record on the blockchain.
- **Sell Product to Customer:** The product is sold to the customer, and this transaction is also recorded on the blockchain, ensuring an auditable record of ownership transfer.

3. Customer

- **Validate Product:** The customer, upon receiving the product, can validate its authenticity by accessing the product's history through the blockchain. The customer scans the associated QR code or digital marker to verify that the product is genuine and has not been tampered with.

4. Blockchain

Throughout the process, the **blockchain** acts as the underlying infrastructure that securely tracks all product-related transactions. It ensures:

- **Immutability:** Once a transaction is recorded, it cannot be altered.
- **Transparency:** All parties involved (manufacturer, seller, customer) can view the history of the product.
- **Security:** The decentralized nature of blockchain prevents tampering or fraud by intermediaries or counterfeiters.

IV. SOFTWARE REQUIREMENTS

1. Blockchain Platform:

Ethereum: The primary blockchain platform chosen for its decentralized nature, smart contract capabilities, and suitability for our purposes.

2. Development Tools:

Truffle: A development framework for Ethereum that provides tools for smart contract compilation, testing, and deployment.

Remix: An online IDE for Ethereum smart contract development, offering a browser based environment for writing and testing Solidity code.

Ganache: A local blockchain development environment for testing and simulating Ethereum blockchain operations.

Meta mask : A browser extension for managing Ethereum wallets and interacting with the Ethereum blockchain through web applications.

3. Programming Language:

Solidity: The programming language used for writing smart contracts on the Ethereum platform.

JavaScript: Used for developing frontend interfaces and backend logic, as well as for interacting with the Ethereum blockchain.

4. Web Development Frameworks:

React.js: A JavaScript library for building user interfaces, used for developing dynamic and user-friendly frontend interfaces

Node.js: A JavaScript runtime environment used for developing backend logic and facilitating communication between the frontend interfaces and the Ethereum blockchain..

5. Database Management System:

SQL Database: Used for storing non-blockchain related data such as user information, product details, and transaction records.

6. Testing and Quality Assurance Tools:

Mocha: A JavaScript testing framework used for testing smart contracts written in Solidity. chai A JavaScript assertion library used in conjunction with Mocha for writing test assertions.

Truffle Test: A built-in testing framework provided by Truffle for testing Ethereum smart contracts.

7. Version Control:

Git: A distributed version control system used for tracking changes in the project codebase and collaborating with team members

V. CONCLUSIONS

The integration of QR codes and blockchain technology represents a transformative approach to addressing the pervasive issue of counterfeit products. By combining the accessibility and convenience of QR codes with the security and transparency of blockchain, businesses can create a robust and tamper-proof system for product authentication. This synergy provides both consumers and companies with a trustworthy method for verifying the authenticity of products and ensuring traceability throughout the supply chain.

The research highlights the effectiveness of this approach in creating an auditable, immutable record of product movements, which helps mitigate counterfeiting and enhances brand protection. The ability for consumers to easily scan a QR code and access verified product information fosters greater confidence in product quality and safety.

In conclusion, the integration of QR codes and blockchain has the potential to revolutionize product authentication systems, offering a promising solution to counterfeiting challenges. As more industries adopt this technology, it can significantly improve trust, security, and transparency in global supply chains, creating a more reliable and consumer-friendly marketplace.

VI. FUTURE SCOPE

The integration of QR codes and blockchain technology for product authentication presents a powerful foundation, but its full potential lies in future developments and expansions. Below, we explore various future directions that could enhance the system, making it more adaptable, effective, and widely applicable across different sectors.

1. Expanding to Multiple Industries and Supply Chains

As the system evolves, it can be scaled to accommodate a broader range of industries and diverse supply chain networks. Currently, the focus may be on consumer goods, but its applicability can extend to sectors like electronics, pharmaceuticals, food, and luxury items. Each of these industries faces distinct counterfeiting challenges, and a flexible system capable of addressing various types of products and supply chains will significantly increase its impact. For example, by tailoring the blockchain and QR code integration to specific industry requirements, such as regulatory standards in pharmaceuticals or food safety protocols, the system can become a universal tool for product authentication across industries.

2. Leveraging Smart Technologies: AI and Machine Learning

Incorporating machine learning (ML) and artificial intelligence (AI) into the system can greatly enhance its efficiency and accuracy. These technologies can analyze large datasets to detect patterns in counterfeit activities and predict potential risks before they occur. AI-driven algorithms could automate the verification process, flag suspicious transactions, or even enhance the speed at which product data is verified on the blockchain. As a result, the system would not only be reactive—detecting counterfeit products after they are in circulation—but also proactive, identifying and preventing counterfeit attempts in real-time.

3. Advancements in Blockchain Technology

As blockchain technology evolves, its capabilities will improve, offering even more sophisticated solutions to product authentication challenges. Enhancements such as increased scalability, faster transaction times, and lower energy consumption will make blockchain more accessible to businesses of all sizes. Future developments like the integration of smart contracts could automate specific verification tasks, while advancements in interoperability will allow different blockchain networks to communicate seamlessly, further enhancing supply chain transparency. As blockchain becomes more mainstream, it could help address related problems, such as data integrity, fraud prevention, and secure documentation in industries beyond product authentication

VII. FUTURE SCOPE

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