

This Week's Stories

Google Shuts Down Realtime Search as Twitter Deal Expires

July 5, 2011

Until recently, Googling "President Obama Twitter" would give you a page of search results topped with a smattering of the president's latest tweets.

That feature disappeared Saturday, when a nearly two-year agreement between Google and Twitter to include tweets in search results through a special feed expired.

The deal dated back to late 2009, when the companies struck a pact that would display real-time Twitter results in Google searches.

"We believe that our search results and user experience will greatly benefit from the inclusion of this up-to-the-minute data, and we look forward to having a product that showcases how tweets can make search better in the coming months," Marissa Mayer, then the company's vice president search products, wrote on Google's blog at the time.

Google (GOOG, Fortune 500) and Twitter are saying little about why the deal ended.

"Twitter has been a valuable partner for nearly two years, and we remain open to exploring other collaborations in the future," Google said in a written statement.

"We work with Google in many other ways," Twitter said in an official statement about the deal expiration. The company noted that it continues to provide real-time stream access to Microsoft (MSFT, Fortune 500), Yahoo (YHOO, Fortune 500), NTT Docomo and "dozens of other smaller developers."

One potential catalyst for the Google/Twitter schism: Google's recent launch of Google+, which adds a social-networking powered real-time layer to Google's product network.

Google also took down the standalone Google Realtime search page at <http://www.google.com/realtime> that it launched last year. That page now returns a 404 error. (A landing page describing the service was still accessible Tuesday afternoon.)

"We've temporarily disabled google.com/realtime. We're exploring how to incorporate our recently launched Google+ project into this functionality going

forward," Google said. "Our vision is to have google.com/realtime include Google+ information along with other realtime data from a variety of sources."

Meanwhile, Twitter has been working to improve its own search results. In June, the company launched a new version of Twitter search that delivers more relevant content as well as related photos and images.

money.cnn.com

Microsoft Trying to Raise Money by Charging Android Royalties?

July 7, 2011

Wireless Industry News has just learned that the software giant is trying to raise money from Google's Android OS and its tablet partners, but what kind of strategy is it really going for? Does that make any sense? Trying to get more revenue from users is one thing, but doing it that way?

The news has hit the blogosphere fast and everybody is now talking about it.

Late yesterday, it was reported that Microsoft is seeking \$15 for each smartphone or tablet that Samsung ships loaded with Google's Android operating system. We're talking about the Android OS here, not Windows 7... (!) Last time we checked, Android is owned by Google, not Microsoft.

And it gets worse... Samsung is now reported to be trying to lower the price to \$10. Are we missing something here? The source for this report is the South Korean Maeil Business Newspaper, which quoted unnamed industry officials.

The Samsung story follows a week in which Microsoft named three OEMs as having agreed to license its patents for devices they make and sell running Android. A fourth manufacturer was named on July 5, only this time Google's Chrome was added to the Android mix.

Microsoft said it had signed a deal with Wistron on tablets, mobile phones, eReaders and other wireless consumer devices that use Chrome in addition to Android.

The common theme in the Wistron and earlier agreements is that the manufacturers agree to license Microsoft patents and pay the Windows software some royalties. Hummm...

But so far, the amounts of money collected have been relatively small. Samsung is the world's number-two handset maker. The Galaxy S II that runs on Android has sold more than three million units since the phone was released in April.

And make no mistake-- Microsoft has gone after some bigger names already, but they all have resisted so far, and it looks like they won't budge one inch either.

Microsoft has been forced to take Motorola, the world's eighth-largest phone maker, to court over nine alleged patent infringements on Motorola's Android smartphones.

Motorola has struck back with claims that the Windows PC and server software, Windows mobile software, and Xbox products infringe on sixteen of its own patents. We're back to the same old, same old again...

But wait-- it gets worse. Microsoft is also suing Barnes & Noble, Inventec, and Foxconn International over alleged patent infringements by the Android-based Nook e-reader sold by Barnes & Noble.

Barnes & Noble has also rejected an initial Microsoft approach for royalties, preferring to go through the courts instead. What's at stake here is easy money – earning it, on the part of Microsoft, or losing it if you're one of the OEMs MicroMargins are extremely tight in consumer devices and paying Microsoft any royalty per device will hurt OEMs.

And \$15 is pretty high a price to pay on every handset sold. Microsoft is playing hardball, given that it is already charging phone maker HTC \$5 per Android device. Wow... Talk about being greedy!

However, Barnes & Noble refused to play the Microsoft game. According to B&N, the software behemoth demanded an "exorbitant royalty" on a per device basis for a license to its patent portfolio and would "demand an even higher per device royalty for any device that acted 'more like a computer' as opposed to an eReader."

Microsoft is giving mobile handset makers two choices: pay up over the long term or incur years of high legal fees. You decide which is best...

And that's a tough decision to make given that patent and intellectual property cases can drag on for many years in the Court system and can cost many billions of dollars in legal fees. It's a hard course of action to take when, given the fashion-driven nature of consumer devices, the product you're battling over stops selling or gets cancelled.

It's an even tougher decision to fight cash-rich Microsoft alone while the maker of the device you're fighting over, Android, doesn't want to step in to back you up. And why should it?

If Samsung does pay Microsoft the \$15 per device it sells, then charging that much per device would be something Samsung would have to decide to either absorb rather than to pass on to the consumer, reducing its profit margins, or add to the retail price, helping push up the price of the phone. Tough decision in deed.

The Galaxy S II with 16 Gb of memory has a list price of \$899 on Amazon and an actual street price of \$673.73 if you buy it without the carrier's calling plan. (Think AT&T or Verizon here)

While Microsoft's patent attorneys try to arm-wrestle Samsung and a few others, on the other side of the Microsoft table its product people are busy trying to sign up OEMs, wireless carriers, telcos and customers to Windows Phone. Conspiracy theorists will draw their own conclusions on this, and it won't take them long, we can assure you.

You can call the timing of the Samsung news coincidence, coming on the heels of the four smaller OEMs, or you could call it something else. Whatever it is, Microsoft is hoping for a win-win. Time will tell if this is going to work, however.

And Microsoft is placing other Android OEMs on notice too that it's coming after them for some easy patent money.

Microsoft will be hoping it can influence the courts in the Barnes & Noble and Motorola cases – and in any future cases – by saying "If you don't believe us on Android violating our patents, just look at all those who accepted we were right and have agreed to pay up."

www.wirelessindustrynews.org

Products & Services

Facebook Adds Skype Video Chat Feature

July 6, 2011

Facebook is encouraging its members to talk face to face -- over the computer.

The social networking giant introduced a video-calling feature on Wednesday in partnership with Skype, the popular Internet video-chat provider.

The product comes a week after Google launched a competing social network, called Google+, which also includes a video-chatting program.

Facebook's version will show up on the site as a "call" button at the top of users' profile pages. By clicking that or finding someone in a new "buddy list" bar on the right-hand side, Facebook users can talk to each other as long as they have webcams. The company began turning that service on for millions of users on Wednesday and will add it to more accounts over time, spokespeople said.

This is "the world's easiest one-click way" to chat over video, Facebook engineer Philip Su said at the news conference here. The Seattle programmer was Facebook's only full-time engineer working on its development along with Skype, a Facebook spokeswoman said.

Facebook on Wednesday also introduced a change to its instant-messaging service, which now allows people to create on-the-fly group conversations.

"This is their response to Google+ right now," said Ray Valdes, an Internet analyst at Gartner Research. "I think it's a little bit of catch-up in terms of features." Google bills its new network as a better way to communicate certain messages to subsections of friends. Google+ also has drawn praise for its ability, with a service called Hangouts, to let users video chat with several friends at a time.

Facebook's new video feature does not allow for group chats. However, Skype CEO Tony Bates noted that the union with Facebook leaves an opening to add new features later, such as group calling or paid features like calling to landlines.

What Facebook does have, however, are 750 million people actively using its service, said Mark Zuckerberg, the company's CEO. Google+ is nary a week old and only available to people who managed to procure an invite from a member of the media or a tech-savvy friend.

Zuckerberg took subtle jabs Wednesday at the new Google network, saying Facebook provides the best way for people to organize their friends into groups -- with minimal effort.

"If you think about it, it makes it so that your networking community can do the work of organizing your communities for you," Zuckerberg said of Facebook's grouping features. "You don't have to curate."

He described Google as part of a group of companies, which also includes video-streaming provider Netflix, that haven't traditionally integrated social networking into their software.

Google's do-it-alone approach to social networking -- as opposed to one that integrates with other tech companies -- is poised to fail, Zuckerberg said.

"We're doing this with Skype, and I think that this is kind of symbolic," Zuckerberg said. "Entrepreneurs who focus on a specific type of thing will always do better than a company trying to do a million things." Skype, the Luxembourg communications firm, is in the process of being acquired by Microsoft, a longtime Facebook partner. The day Microsoft announced its intentions, Skype executives met with Zuckerberg and his team, Bates said. Their talks had been going on long before then, however, and the Skype desktop software already integrates some of Facebook's utilities.

Defending the decision not to offer multi-person video-chat sessions like in Google+, Zuckerberg said: "The vast majority of video chat is one-on-one chat." "I wouldn't rule anything out," he added. "But I wouldn't undersell the importance of what we're rolling out today."

In their presentation, Facebook engineers and Zuckerberg emphasized the simplicity of placing a video call. However, like with most video-chat services, users will need to install a plug-in before they can use it.

Zuckerberg may have ginned up unrealistic expectations for Wednesday's event when he told reporters last week that the company would be announcing "something awesome." Some people following along on news sites' live blogs said they were underwhelmed by the news.

www.cnn.com

Emerging Technology

Toshiba to Launch Breakthrough Glasses-Free 3D Laptop

July 5, 2011

Toshiba UK will begin selling what it calls the first glasses-free 3D laptop next month. The awkwardly named Qosmio F750 will allow viewing of both two- and three dimensional content such as games and movies. But the drawback is that only one person at a time can enjoy the 3D effects by sitting directly in front of it.

Toshiba did not announce the price of the 15.6-inch display Qosmio F750, which will debut in England, but some press reports estimated it at a hefty \$2,100.

The Qosmio is part of a growing slate of glasses-free 3D products hitting the market, from Nintendo's recent 3DS portable game player to smartphones such as HTC's 3D 4G, which debuted this month and several televisions, including Toshiba's REGZA GL1.

So where does a 3D laptop fit in and what is its intended demographic?

"This seems aimed more at hard-core gamers than anyone else, due to the audio system," said Charles King, principal analyst at Pund-IT, referring to the distortion-free stereo speakers designed for Dolby Advanced Audio HDMI-CEC optimization. "I doubt Alienware will stay up late worrying about it, though. I suppose you could also use it for 3D films but the single-user limitations would kill showing off for your date."

Alienware, a subsidiary of Dell, is a Miami based maker of computers designed especially for gaming.

Other laptops on the market that support 3D include the Fujitsu Lifebook, HP's Envy 17 and the Asus G51JX.

Toshiba lists five 3D laptops on its Web site: The Qosmio X775 (\$1899.99), Satellite 5775 (\$1,199.99) and three models of the Satellite A655 (\$1,299.99 each).

The Qosmio F750 uses a "lenticular" screen which creates a slightly different perspective for each eye to create the 3D effect with full HD resolution for vivid images, and Toshiba says a 120Hz refresh rate will eliminate blur or ghosting.

The integrated webcam tracks the user's eye movements, allowing the laptop to adjust the 3D effect to match the eye position. Both 2D and 3D images can be displayed simultaneously so users can browse web sites while watching 3D content.

Toshiba is also marketing the Qosmio F750 to developers and other creators, noting that product concepts, architecture plans, medical information or educational tools "can be viewed with unparalleled realism and greater depth."

The Qosmio F750 is powered by an Intel Core i7 processor, Nvidia Geforce GT540M graphics processor with a SATA 640 gigabyte hard drive with 6GB DDR3 (1333MHz) random access memory. It also has a Blu-ray XL re-recordable drive and runs Microsoft's Windows 7 operating system, with Wi-Fi 802.11 and Bluetooth 3.0.

In its hands-on review of a test model, Engadget said the "the videos we saw were pretty mouthwatering -- at least once our eyes and brain adjusted to the 3D effect" and "The eye-tracking system was remarkably quick." But reviewer Sharif Sakr noted that the single-user 3D limit was "a major downside."

www.mobile-tech-today.com

The Droid Bionic is Coming

July 6, 2011

So many new and technologically impressive handsets are being released these days. Remember when it seemed like the iPhone was IT back in the day? Now there is so much competition and there are plenty of quality devices to choose from. Another 4G LTE Android phone is to be released on August 4th and it'll be the only dual-core LTE Android confirmed for Verizon Wireless.

I'm talking about the Motorola Droid Bionic of course. It even received the official stamp last week from the Federal Communications Commission. The FCC has to certify every phone sold in the United States and it gives each phone an SAR rating so essentially no junk-smartphones are released into the market.

The Bionic is one of a couple of phones to run a 1.2 GHz OMAP4 processor by Texas Instruments. This is also exciting because it means that the Bionic may come with Netflix HD because TI recently announced that its OMAP4 platform will be the first to receive Netflix HD. The phone must first be certified by Netflix says a TI representative, but the 4.5-inch qHD TFT 540 X 960 pixel resolution screen will be perfect for media entertainment and I think it'll be certified by Netflix in a jiffy.

The Bionic is poised to be the most powerful 4G LTE Android handset and it'll have the new input features of accelerometer sensor for UI auto-rotate, multi-touch input method and proximity sensor for auto turn off. A nice 16 GB hard drive sits inside the bionic with 2 GB ROM and its RAM is expected to be upgraded from 512 MB to 1 GB. In terms of radio capabilities it'll have Wi-Fi 802.11 b/g/n, DLNA, Wi-Fi hotspot and more. The rear camera of the Bionic will be 8 MP with geo tagging and face detection, and its battery will be Li-Po 1930 mAh which will provide the user with heavy usage before having to recharge.

All in all this phone seems to be very impressive and it's just another weapon that Verizon will add to its already expansive arsenal of Smartphones.

www.goinglte.com

Mergers & Acquisitions

HTC Buys Graphics Firm S3 for \$300M, Gets Patent Trove

July 6, 2011

HTC said it purchased graphics firm S3 Graphics Co. for \$300 million, a move that will bolster the smartphone maker's patent position via S3's portfolio of 235 patents, many of which cover graphics visualization and compression technologies.

The Taiwanese smartphone maker bought S3 from chipmaker Via Technologies, which acquired S3 in 2001. Under the terms of the deal, Via will receive \$147 million; and WTI Investment International, a major S3 shareholder in which HTC and Via Chairwoman Cher Wang has a large stake, will get \$153 million.

"S3 Graphics' patents are highly complementary to HTC's existing innovations and multimedia capabilities," HTC CEO Peter Chou said, according to *IDG News Service*. The patents S3 holds took on special significance last week after a U.S. International Trade Commission judge ruled that Apple (NASDAQ:AAPL) infringed on some of the claims in two S3 patents. Apple and HTC have been locked in patent litigation since last year.

This is the latest HTC acquisition that is intended to strengthen its position in the graphics, services and multimedia fields. In February, HTC invested \$48.6 million in content delivery platform provider Saffron Digital, which powers HTC's Watch video service. Around that time HTC also acquired a \$40 million stake in cloud gaming firm OnLive.

In other HTC news, the company posted its second-quarter earnings, and said its net profit more than doubled to \$608 million, up from \$299 million in the year-ago period. Sales also exceeded expectations, coming in at \$4.32 billion.

www.fiercewireless.com

As We Wait For U.S. Push, Spotify Inks Multi-Platform Deal with UK's Virgin

July 6, 2011

Spotify may be close to finally, at long last, launching its service in the U.S. But in the meantime it is continuing to build out its reach in markets where it already exists. Today it announced a deal with Virgin Media: an exclusive tie-up that will see the broadband,

mobile and cable operator offering the music streaming service across multiple platforms. A tie-up between the two companies had been rumored for a while already, and it's been more than two years since Virgin first announced plans for a streamed music service.

The service will give users the option of listening to Spotify's 13 million tracks online, via mobile or through their digital TV set-top boxes, via Virgin's TiVO service. For now, Virgin Media (NSDQ: VMED) will have a lock-down on the cross-platform service, which is planned to have a full launch "in the coming months," according to the emailed release.

Virgin, which currently has some four million customers taking its fiber optic broadband services but is in a distant fifth place as a mobile provider, is hoping that the Spotify service will help drive more triple-play bundled subscriptions.

Leading up to the commercial launch, Virgin will be rolling out a number of deals on the music company's paid-for products like Spotify Unlimited (the ad-free service, online only) and Spotify Premium (the service that gives users access to their Spotify libraries on mobile as well). Virgin also promises "exclusive features and content", although what these will be was not specified.

Prices for the launch have not yet been made public, either. Current prices for Spotify services are £4.99 (\$8) per month for the Unlimited service and £9.99 for the Premium service (\$16).

While beefing up its content portfolio is a good way for Virgin to attract more subscribers to its services, it is also a key move for Spotify to continue to build out its user base beyond early adopters and music enthusiasts, to the more mainstream public.

The TV-based access is a particularly significant move. It puts Spotify in more direct competition with the likes of Apple (NSDQ: AAPL) and potentially other operators like Orange, which has launched cross-platform music services in other markets like France, but not the UK.

For its part, Virgin Media already offers a music service of sorts on mobile, a service called PushLife, operated in partnership with the Canadian outfit of the same name and announced last December. PushLife got bought by Google in April—possibly for Google's own plans for mobile music services.

It's not clear what will happen with that service with this Spotify deal in place—whether the two mobile services will coexist or whether the older service will quietly be closed down. Virgin Media has not been forthcoming about how well it has done in the last six

months. We have contacted Virgin to ask and will update the post as we learn more.

A Virgin Media spokesperson tells us that PushLife will continue alongside the company's new Spotify service. No comment on how many subscribers it has, or any other usage information.

Virgin Media first announced plans for an unlimited music download service way back in early 2009. At the time, Universal stepped up as a partner for the service but other labels stayed away.

Virgin says it is continuing to talk with more entertainment and content providers to add more services and products to its portfolio.

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Industry Reports

We Got Game: Nielsen Figures Show Games Are the Most Popular Mobile Content

July 6, 2011

If the rankings you see of most popular apps—and the IPO filing from mobile and social gaming giant Zynga and Tapjoy's recent \$30 million round—didn't already tell the story for you, Nielsen has spelled it out a bit more: games are the most popular category for mobile content. Figures released today by its analysts note that games are the biggest form of apps content and paid content; and those gamers on the iOS platform play games far more than those on other mobile operating systems.

According to Nielsen's figures, 93 percent of those who have downloaded apps in the last 30 days say that they would be willing to pay for games; compare that to news, at 76 percent. Overall, a whopping 64 percent of downloaders said they had downloaded a game—showing how, while games can be considered niche content by some, they are, at the end of the day, more mainstream than even weather apps.

It also found that those using iPhones are much more dedicated to their games, playing for an average of 14.7 hours each month, nearly double the mobile average overall of 7.8 hours per month.

The numbers are based on mobile research Nielsen conducts mostly online every year covering some 300,000 mobile users in the U.S. It defines "mobile gamers" as those who have played a game in the last 30 days. Within apps, Nielsen says it surveys twice

per year 4,000 consumers who have download apps in the past 30 days.

Given the dedication and engagement you see in games, it's no surprise that people have been trying to figure out how to "gamify" other kinds of content to make it more valuable—both for users and for those looking to create business models around that content.

But there are two big questions that come out of this: Are consumers willing to take games parameters to other kinds of content? And will we soon see games companies like Finland's Rovio taking their expertise and applying it to other areas of content altogether?

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Will Nokia Brand Disappear By 2012?

July 7, 2011

The phone manufacturer that was the number one handset maker in the world until it was surpassed by Samsung in the second quarter of this year has been put on a list that predicts it will be gone by the end of 2012. Sony Ericsson also is on that list, and the only thing surprising about that is that it is still around to be included on any list.

24/7 Wall Street put out its annual list of 10 brands it expects to become extinct, and its track record is good enough that you can't just dismiss the list as someone's fanciful prediction. Last year's list included names like Blockbuster, T-Mobile, BP, Kia Motors, and Radio Shack. While it missed on some, it nailed a few others. Blockbuster is in the throes of bankruptcy, for example, and T-Mobile's brand threatens to disappear if the AT&T acquisition is approved.

This year, Nokia made the list. Nokia has been struggling in recent years. The iOS and Android platforms radically changed the smartphone landscape and Nokia's Symbian platform simply wasn't up to the task. There were also some false starts with Meego and Maemo. Rather than try to introduce another platform to the market, Nokia has decided to go with a partner that has deep pockets and experience in developing platforms and developer tools the market likes--Microsoft. The Windows Phone platform still has to prove itself, but the partnership with Nokia will put WP7 on millions of devices and in virtually every phone store in the world.

Some consider this a "jumping the shark" moment for Nokia, and that it is only prolonging Nokia's descent to irrelevancy. While I doubt that Nokia is going away anytime soon, it is ripe for an acquisition or merger, which would either alter or obliterate its brand. 24/7

Wall Street thinks HTC is a viable suitor and it would be a good fit. Both companies focus on innovative designs, have strong carrier relationships, and have a strong partnership with Microsoft.

I think the more interesting candidate though is Microsoft itself. Having stamped its logo on mice, keyboards, the Xbox, and Zune MP3 players, the software giant isn't afraid to sell hardware. Having a handset division would give Microsoft a number of advantages it currently doesn't have. Right now, it has to negotiate and work with handset makers on exactly what it is allowed to do versus what handset makers are allowed to do with respect to Windows Phone. If it makes its own phones, those negotiations would be nothing more than strategy sessions within its own teams.

It would also have an edge in selling to enterprise customers that have big contracts on the software side. I'm sure Microsoft would love to come up with some package deals that involve not only seat licenses, but phone hardware as well that are designed to work with Exchange, Sharepoint, and Office.

Sony Ericsson also made the list. Once a handset powerhouse, it is now dwarfed by companies like Samsung, LG, and HTC. The thinking is Sony would take over and remove Ericsson from the name. New devices would be marketed with VAIO and PS3 products. In my opinion, Sony is mistaken if it thinks its name has any sway with smartphone buyers. Its only chance would be to adopt Android and just make some fantastic hardware. The only issue for end users, though, is it would be just one more line of Android phones that would increase platform fragmentation. Sony is known for putting so much stuff on its VAIO computers there is no way it wouldn't also pour its thick syrupy Sony code all over the user interface.

For these two companies, I tend to think 24/7 Wall Street is right. Nokia will be acquired or merge in the next 18 months, and Sony Ericsson will just wither away. Time will tell.

www.informationweek.com

120 Madison St. 15th Floor
Syracuse, New York
13202
(315) 470-1350
1-888-8KSRINC

