

## This Week's Stories

### **Facebook Pays \$40,000 to Bug Spotters**

Aug 30, 2011

Facebook wants you to try to hack into its site -- and if you succeed, it will pay you for the details.

Facebook said this week that that it has paid out more than \$40,000 under its new "bug bounty" security initiative. Launched three weeks ago, Facebook's program invites security researchers -- both the professional kind and hacker hobbyists -- to send it the details of any Facebook vulnerabilities that they uncover. If the report checks out, Facebook will pay a finder's fee of at least \$500.

It's willing to go higher for extra-impressive bug spotting.

"We've already paid a \$5,000 bounty for one really good report," Facebook Chief Security Officer Joe Sullivan wrote in a blog post. "One person has already received more than \$7,000 for six different issues flagged."

Although the social networking has its own security team, Facebook launched its bug bounty program to tap into the collective wisdom of the site's 750 million users.

"We hire the best and brightest, and have implemented numerous protocols," Sullivan wrote. "We realize, though, that there are many talented and well-intentioned security experts around the world who don't work for Facebook."

Researchers from more than 16 countries have successfully submitted bounty bugs, Facebook said. Its public "thank you" list names dozens of contributors.

Facebook also took pains to assure bug-hunters that it won't take any legal action against those who submit bugs, even if they were uncovered through less-than-legal routes into Facebook's systems.

That's often how hackers find vulnerabilities, but even those without any ill intent -- so-called "white-hat hackers" -- can land in hot water with companies if they tell them about their intrusion.

"We worked with several third-party groups to ensure that the language in our policy protects researchers and makes clear our intent to work with, not punish, those who report information," Sullivan wrote.

The Electronic Frontier Foundation, an advocacy group that often weighs in on Internet-related legal issues, is a fan of that approach.

"We hope to see others follow Facebook's lead and go even further," the EFF wrote last year about Facebook's security policy. "The more transparent companies are about their approaches to vulnerability disclosure -- and the more they encourage users to come forward -- the more often they will learn about problems that need to be fixed."

[money.cnn.com](http://money.cnn.com)

### **Microsoft Sued Over Phone Tracking**

Sep 1, 2011

Microsoft on Wednesday was sued in a district court in Seattle for allegedly tracking Windows Phone users without consent.

Plaintiff Rebecca Cousineau claims in the complaint that Microsoft is racing to develop a targeted location-based advertising system and has to map the locations of cell towers, wireless routers, mobile phones, and computers to do so effectively. The complaint alleges that Microsoft chose to collect this information from Windows Phone users rather than go through the expensive and laborious process of collecting the information itself.

"Microsoft brazenly continues to collect users' location information, regardless of whether or not the individual chooses 'cancel' so as to not allow such information to be tracked," the complaint states. "Thus, Microsoft surreptitiously forces even unwilling users into its non-stop geo-tracking program in the interest of developing its digital marketing grid."

Microsoft declined to comment.

Apple got into similar trouble for collecting tracking data in April. In a statement posted on its website, Apple insisted that it was not tracking individual phones or users. Rather, it said, it was maintaining a database of Wi-Fi hotspots and cell towers "to help your iPhone rapidly and accurately calculate its location when requested." The company suggested that users are confused because Apple and its peers have not done enough to educate the public about the issues.

To support the allegations against Microsoft, the plaintiff has included a report attributed to Samy Kamkar that presents an analysis of mobile data packets sent by a Window Phone. The report notes that in addition to transmitting location information

regardless of the user's response to the "Allow the camera to use your location?" dialog box, the Windows Phone tested--a Samsung Omnia 7--"begins sending location information while the location sharing dialog is open before the user has a chance to allow or disallow the sharing of this location information."

The report documents the presence of four distinct tracking numbers: ApplicationID, associated with an application; ClientGuid, a unique device identifier; DeviceID, a second unique identifier; and TrackingID, a tracking identifier that identifies each packet.

Particularly damning for Microsoft is a letter that the company sent to Congress in May, following Apple's tracking troubles. In the letter, the company states, "Microsoft does not collect information to determine the approximate location of a device unless a user has expressly allowed an application to collect location information."

[www.informationweek.com](http://www.informationweek.com)

## **Google's Schmidt: We Bought Motorola For More Than Just Patents**

Sep 2, 2011

Chairman Eric Schmidt said the search giant's proposed \$12.5 billion acquisition of Motorola Mobility (NYSE:MMI) is for more than just Motorola's patent portfolio--Google is interested in collaborating with Motorola on hardware.

Schmidt, an interview with Salesforce.com's CEO Marc Benioff at the annual Dreamforce conference in San Francisco, said that the deal is aimed at acquiring products as well as patent protection for Google's Android ecosystem. "We did it for more than just patents," he said. "We actually believe that the Motorola team has some amazing products coming. ... We're excited to have the product line, to use the Motorola brand, the product architecture, the engineers."

He noted that Motorola produced the popular Razer phone and that Google is familiar with Motorola because of Motorola's extensive use of Android. "We like having at least one area where we can do integrated hardware," he added.

One of Google's primary justifications for acquiring Motorola was Motorola's 17,000 patents, many of which relate to wireless standards and non-essential wireless patents, as well as 7,500 patent applications in progress. A number of companies, including Apple (NASDAQ:AAPL) and Microsoft (NASDAQ:MSFT), have sued Android licensees for patent infringement,

and some analysts said the deal would be a good way for Google to try and shield Android licensees.

Executives from Android licensees have praised the purchase as a way to protect Android. "This acquisition is more to enhance Google's patent portfolio, to support us, to protect us, so this is good news," HTC CEO Peter Chou told the *Wall Street Journal* last month.

"It is important for us to protect the Android ecosystem," Nikolaus Scheurer, head of product marketing at Sony Ericsson, told *Reuters*.

Nokia (NYSE:NOK) CEO Stephen Elop said after the deal was announced that Google's Motorola purchase should worry other Android handset makers. Analysts speculated that Google could use Motorola to pressure or crowd-out other Android licensees.

In the discussion, Schmidt expressed his displeasure with the current state of the patent system, and said that he would like to see patents crowd-sourced or at least have them approved in a more "systematic" way. Schmidt also praised former Apple CEO Steve Jobs for delivering "certainly the best performance of a CEO in 50 years."

[www.fiercewireless.com](http://www.fiercewireless.com)

## **Products & Services**

### **Dolphin Browser Dives Onto iPhone**

Aug 30, 2011

While many prefer to stick to Apple's native Safari browser for searching the Internet on their iOS devices, a number of sophisticated alternatives are available through Apple's App Store. Add Mobotap's Dolphin to that list, as the company today announced availability of its tricked-out mobile browser for the iPhone.

The Dolphin browser, which has been a popular app for Android users for some time now, includes a number of features not available in Apple's Safari.

For instance, Dolphin's "Webzine" feature displays websites in a subscription format that eliminates ads, streamlining content down to just the articles a user wants to read.

Dolphin also includes gesture commands, which allows users to create personal symbols to access the websites they use most. For instance, a user might

write the letter "G" to reach Google.com, an "F" for Facebook.com.

Other features include one-click share via Twitter/Facebook, tabbed browsing, sidebars for easier navigation of the browser.

[www.wirelessweek.com](http://www.wirelessweek.com)

## **Will The Next iPhone Be Thinner And Wider? A Gazillion Leaked Cases Say Yes**

Sep 2, 2011

The Internet is awash in purported iPhone 5 cases. Like most iPhone related rumors, it's hard to decipher fact from fantasy, but the sheer amount of nearly identical cases seem to state that at least several manufacturing houses have the same iPhone dimensions. The image here is a iPhone 4 in one of these many cases. Look different? Yep, this case, and the many like it, are clearly for a phone that's both thinner and wider.

This isn't the first whiff of this rumor either. A rather official looking iPhone 5 clone popped up a month ago that was just 7mm thick, 2.3mm less than the iPhone 4. It also shared the same design cues with a rounded edge, slightly convex back and a wider design.

Now, not that any of us in the West truly understand the seedy underworld of Chinese gadget cloning, but it's entirely possible that, at least from where I sit, these cases and clones are sourcing the same set of unofficial dimensions. Makers are betting that they have the right specs and so they are building out a massive supply ahead of the next iPhone's launch. But leaked cases have been a major source of leaks for years, properly foretelling even the iPad 2's existence.

A wider but thinner iPhone would match the current trend of smartphones slightly larger than the traditional form factor. This is something might be something even Apple, who is generally a trend setter instead of follower, might not be able to avoid. But what about MG? He stated over and over again that the EVO 4G's 4.3-inch screen made the device too big. Would he actually pass on the next iPhone if it's wider? Shock!

[techcrunch.com](http://techcrunch.com)

## **Mergers & Acquisitions**

### **Justice Department Files Antitrust Lawsuit to Block AT&T's Acquisition of T-Mobile**

Aug 31, 2011

The Department of Justice today filed a civil antitrust lawsuit to block AT&T Inc.'s proposed acquisition of T-Mobile USA Inc.

The department said that the proposed \$39 billion transaction would substantially lessen competition for mobile wireless telecommunications services across the United States, resulting in higher prices, poorer quality services, fewer choices and fewer innovative products for the millions of American consumers who rely on mobile wireless services in their everyday lives.

The department's lawsuit, filed in U.S. District Court for the District of Columbia, seeks to prevent AT&T from acquiring T-Mobile from Deutsche Telekom AG.

"The combination of AT&T and T-Mobile would result in tens of millions of consumers all across the United States facing higher prices, fewer choices and lower quality products for mobile wireless services," said Deputy Attorney General James M. Cole. "Consumers across the country, including those in rural areas and those with lower incomes, benefit from competition among the nation's wireless carriers, particularly the four remaining national carriers. This lawsuit seeks to ensure that everyone can continue to receive the benefits of that competition."

"T-Mobile has been an important source of competition among the national carriers, including through innovation and quality enhancements such as the roll-out of the first nationwide high-speed data network," said Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "Unless this merger is blocked, competition and innovation will be reduced, and consumers will suffer."

Mobile wireless telecommunications services play a critical role in the way Americans live and work, with more than 300 million feature phones, smart phones, data cards, tablets and other mobile wireless devices in service today. Four nationwide providers of these services - AT&T, T-Mobile, Sprint and Verizon - account for more than 90 percent of mobile wireless connections. The proposed acquisition would combine two of those four, eliminating from the market T-Mobile, a firm that historically has been a value provider, offering particularly aggressive pricing.

According to the complaint, AT&T and T-Mobile compete head to head nationwide, including in 97 of the nation's largest 100 cellular marketing areas. They also compete nationwide to attract business and government customers. AT&T's acquisition of T-Mobile would eliminate a company that has been a disruptive force through low pricing and innovation by competing aggressively in the mobile wireless telecommunications services marketplace.

The complaint cites a T-Mobile document in which T-Mobile explains that it has been responsible for a number of significant "firsts" in the U.S. mobile wireless industry, including the first handset using the Android operating system, Blackberry wireless email, the Sidekick, national Wi-Fi "hotspot" access, and a variety of unlimited service plans. T-Mobile was also the first company to roll out a nationwide high-speed data network based on advanced HSPA+ (High-Speed Packet Access) technology. The complaint states that by January 2011, an AT&T employee was observing that "[T-Mobile] was first to have HSPA+ devices in their portfolio...we added them in reaction to potential loss of speed claims."

The complaint details other ways that AT&T felt competitive pressure from T-Mobile. The complaint quotes T-Mobile documents describing the company's important role in the market:

- T-Mobile sees itself as "the No. 1 value challenger of the established big guys in the market and as well positioned in a consolidated 4-player national market"; and
- T-Mobile's strategy is to "attack incumbents and find innovative ways to overcome scale disadvantages. [T-Mobile] will be faster, more agile, and scrappy, with diligence on decisions and costs both big and small. Our approach to market will not be conventional, and we will push to the boundaries where possible. . . . [T-Mobile] will champion the customer and break down industry barriers with innovations. . . ."

The complaint also states that regional providers face significant competitive limitations, largely stemming from their lack of national networks, and are therefore limited in their ability to compete with the four national carriers. And, the department said that any potential entry from a new mobile wireless telecommunications services provider would be unable to offset the transaction's anticompetitive effects because it would be difficult, time-consuming and expensive, requiring spectrum licenses and the construction of a network.

The department said that it gave serious consideration to the efficiencies that the merging parties claim would result from the transaction. The department concluded AT&T had not demonstrated that the proposed transaction promised any

efficiencies that would be sufficient to outweigh the transaction's substantial adverse impact on competition and consumers. Moreover, the department said that AT&T could obtain substantially the same network enhancements that it claims will come from the transaction if it simply invested in its own network without eliminating a close competitor.

[news.cnet.com](http://news.cnet.com)

## Industry Reports

### **Report: Android, iOS Vie for Late Adopters**

Sep 2, 2011

Those yet to pick themselves up a smartphone are an indecisive lot, as well as the next target market for Google and Apple, according to a report released yesterday by Nielsen.

Among likely smartphone upgraders, it is the "Late Adopters" who are most likely to say they are "not sure" which operating system they'd like in their next smartphone. According to Nielsen, fully 30 percent of late adopters are not sure which mobile OS they're targeting when they make the leap to a bigger, better device.

However, among those who say they are usually the first to embrace new technologies, a segment that Nielsen calls "Innovators" (one step above the "Early Adopter"), Android leads as the "Next Desired Operating System." Fully 40 percent of Innovators chose Android compared to 32 percent who said they've got their sights set on an iOS device.

Overall, among those who say they are likely to get a new smartphone in the next year, approximately one-third said they want their next smartphone to be an iPhone and one-third say they want an Android device.

According to Nielsen data from July 2011, 40 percent of mobile consumers over 18 in the U.S. now have smartphones. Of those, Android is the most popular operating system, with 40 percent of mobile consumers reporting they have a smartphone with an Android OS. Apple's iOS is in second place, with 28 percent.

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