

Technology Digest

December 2006

The Technology Digest is a compilation of noteworthy events in the technology sector world-wide. Whilst stories cited are from a range of reputable sources, we assume no responsibility for the selection or accuracy of the citations.

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Procyanidins, compounds commonly found in red wine, are good for your blood vessels and are probably one of the factors contributing towards the long life spans of the people from the southwest of France and Sardinia, say researchers from the William Harvey Research Institute, Queen Mary, University of London in the journal Nature. The researchers also found that levels of procyanidins are not the same in all wines. Wines from the Nuoro area in Sardinia and the Gers region in the Pyrenees tend to have higher levels of the compound – in some cases their levels were 10 times as high as wines from elsewhere. **(Medical News Today 1-Dec-06)**

Without notifying the public, US federal agents for the past four years have assigned millions of international travelers, including Americans, computer-generated scores rating the risk they pose of being terrorists or criminals. The scores are assigned to people entering and leaving the United States after computers assess their travel records, including where they are from, how they paid for tickets, their motor vehicle records, past one-way travel, seating preference and what kind of meal they ordered. The travelers are not allowed to see or directly challenge these risk assessments, which the government intends to keep on file for 40 years. **(AP 1-Dec-06)**

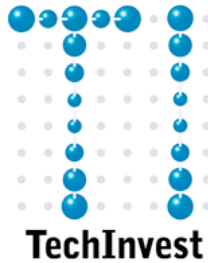
Online advertising is racing ahead in Britain, growing at a roughly 40% annual rate, and is expected to account for as much as 14% of overall ad spending this year, according to media buying agencies. That is the highest level in the world, and more than double the percentage in the United States. As recently as 2002, British advertising online was 1.4% compared with 2.5% in the United States. In the following year, Britain overtook the United States, and in 2005, nearly 8% of British ad dollars went online, compared with 4.6% in the United States. This year the Internet will account for 10.5% of British ad spending compared with 5.6% in the United States. In 2002, 15.7% of American households had broadband compared with only 5.1% of British homes. This year, Britain is ahead, with 47.4% of homes having broadband, which is more than the 43.9% in the United States. **(New York Times 4-Dec-06)**

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China will invest \$136 billion in research and development by the end of 2006, according to an Organization for Economic Cooperation and Development report, making it the second largest investor in the world. China finished ahead of Japan, which will invest \$130 billion. The United States remained in the top slot with \$330 billion. [I believe that China will be getting somewhat more for its research dollar as well.] **(Stratfor 4-Dec-06)**

The Association of Corporate Travel Executives warned its members that their laptops could be seized by the U.S. government after an informal survey of its members indicated that nearly 90 percent of executives were unaware that the information on their laptops was subject to inspection by customs officials. The U.S. Supreme Court will ultimately be asked to determine whether the U.S. government's practice of searching the contents of laptops, other electronic devices and their contents at U.S. points of entry violates the Fourth Amendment of the U.S. Constitution. Until then, international travelers should assume this information is not protected from inspection. **(Stratfor 4-Dec-06)**

The U.S. Commerce Department's security office warns that a cellular telephone can be remotely turned into a microphone and transmitter for the purpose of listening to conversations in the vicinity of the phone. An article in the Financial Times last year said mobile providers can remotely install a piece of software on to any handset, without the owner's knowledge, which will activate the microphone even when its owner is not making a call. Nextel and Samsung handsets and the Motorola Razr are especially vulnerable to software downloads that activate their microphones. **(Schneier 5-Dec-06)**

Worldwide spam volumes have doubled from last year and unsolicited junk mail now accounts for more than 9 of every 10 e-mail messages. Much of that flood is made up of a nettlesome new breed of junk e-mail called image spam, in which the words of the advertisement are part of a picture, often fooling traditional spam detectors that look for telltale phrases. Image spam increased fourfold from last year and now represents 25 to 45 percent of all junk e-mail, depending on the day. Also, instead of pushing products from a business that can be traced the spammers pump up penny-stocks and make a return when their clueless readers buy. **(New York Times 6-Dec-06)**

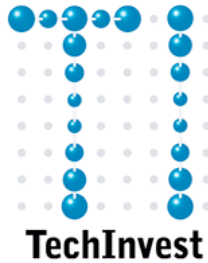
Liquid water has flowed on the surface of Mars within the past five years, leaving behind new deposits in gullies monitored by the now-lost Mars Global Surveyor, new images reveal. The results seem to boost the chances that Mars could harbour life. Many scientists believe the gullies were carved by liquid water, although others have argued they may be due to avalanches of carbon dioxide gas or rivers of dust. **(New Scientist 7-Dec-06)**

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MySpace and Facebook are social networking sites where at least to some extent your reputation is based on who are your "friends" and what they say about you. "Fake Your Space" is a new site where you can pay fake friends to leave their pictures and personalized comments on your page on these services. "Not only will you be able to see these Gorgeous friends on your friends list, but FakeYourSpace enables you to create customized messages and comments for our Models to leave you on your comment wall. FakeYourSpace makes it easy for any regular person to make it seem like they have a Model for a friend." **(Schneier 7-Dec-06)**

Fox, Viacom, CBS and NBC Universal are considering creating a jointly owned Web site to offer their programming online rather than have to chase down pirated clips on YouTube. The talks deal with complicated matters for the networks – how to put programming on the Internet without cannibalizing TV efforts; how to do that quickly enough to prevent YouTube from profiting; and how to avoid ceding control or branding to partners. **(Wall Street Journal 11-Dec-06)**

The US Congress has outlawed pretexting – when you call someone and pretend to be someone else or when you go online and pretend to be someone else, in order to get information or something else. The law doesn't go as far as some of the state laws – which it pre-empts – and was passed over the objections of lobbyists for the Motion Picture Association of America who claimed they need to pose as someone other than who they are in order to stop illegal downloading. **(Schneier 11-Dec-06)**

Researchers at the University of Washington have demonstrated a surveillance system that automatically tracks people through the Nike+iPod Sport Kit. The kit contains a transmitter that you stick in your sneakers and a receiver you attach to your iPod. This allows you to track things like time, distance, pace, and calories burned. However, it turns out that the transmitter in your sneaker can be read up to 60 feet away. And because it broadcasts a unique ID, you can be tracked by it. The researchers built a surveillance device (at a cost of about \$250) and interfaced their surveillance system with Google Maps. **(Schneier 12-Dec-06)**

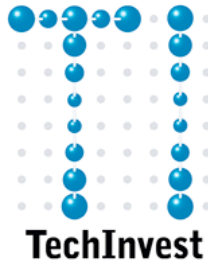
Google will create a system allowing employee options to be sold as well as exercised. Under the program, Google will work with Morgan Stanley to set up a market that will enable financial institutions and other investors to bid for those options. Google said the plan was aimed at showing employees the full value of their stock options. In addition to giving options to most new employees, Google also issues options annually to many employees who have been with the company for more than a year. These stock options give

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their owner the right to buy stock for as long as 10 years at a price set when the options are granted. Google officials said they believed that employees typically underestimated their value. Google said any options that are sold when their remaining life is greater than two years would immediately become two-year options, which substantially reduces their value to the new owner, but they will still be more valuable sold than immediately exercised. **(New York Times 14-Dec-06)**

Internet giant Yahoo has unveiled a global project aimed at tapping into the vast market of Filipino overseas workers called Pinoy Connect. It features a special website designed to meet the needs of an estimated 8 million Filipinos, or 10 percent of the population, working abroad as well as their families back home. In the first nine months of 2006, overseas Filipinos remitted an estimated US\$9.1 billion, providing critical support to the economy. The figure does not include cash sent home through informal, non-bank channels. The new site features news, entertainment, mobile services, chat groups, mobile communications, and instant messaging services targeting Filipino workers and their dependents. Yahoo! said the project has the support of Philippine government agencies, private firms, and other institutions. **(FinanceAsia 14-Dec-06)**

T-Mobile is now testing its new service that allows a subscriber to place calls from a mobile phone using both cellular and Wi-Fi networks, whether a home wireless network or a hot spot operated by T-Mobile. All calls originating on a Wi-Fi network to numbers in the United States are included in a monthly fee of \$20 for a primary phone and \$5 for additional phones in a family plan. The Wi-Fi plan must be coupled with a traditional voice cellular service plan of at least \$40 a month. **(New York Times 14-Dec-06)**

Three men have been jailed in the U.K. for their part in a massive data theft operation. When the gang's premises were raided by the members of the Serious and Organised Crime Agency (SOCA), the ringleader Kostap was handcuffed with his hands in front of his body but managed to leap up and flick an electrical switch that wiped databases and triggered intricate layers of encryption on the gang's computer systems which SOCA's experts were unable to crack. According to the Crown Prosecution Service (CPS), which confirmed that Kostap had activated the encryption after being arrested, it would take 400 computers 12 years to crack the code. **(CNET News.com 18-Dec-06)**

Westinghouse Electric (majority owned by Toshiba) will build four 1,100 megawatt capacity nuclear reactors by 2013 in Zhejiang and Guangdong for \$5.3 billion. For the contract Westinghouse beat out rival French nuclear

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power company Areva, whose new third-generation design was passed over because of Areva's difficulties in getting the new design up and running for a Finnish customer. China is planning to spend \$200 billion on nuclear power by 2030. **(Stratfor 19-Dec-06)**

EBay will open a new consumer auction site in China in partnership with online portal and wireless operator Tom Online. Tom Online will have a 51 percent stake in the site, which will open in 2007, despite contributing only \$20m to EBay's \$40m. The new site will focus on the domestic Chinese market. EBay's current Chinese portal, www.ebay.com.cn, will become a platform for Chinese merchants to sell to international buyers. International listings accounted for about half of the total value of goods sold on eBay in 2005. **(AP 19-Dec-06)**

A computer administrator angry about possibly losing his job has been charged with planting an electronic "bomb" in the systems of Medco Health Solutions, one of the nation's largest prescription drug management companies. Even after surviving a round of layoffs, Yung-Hsun Lin, 50, of Montvale kept the code in the system and tinkered with it in an attempt to set it off. The code could have caused widespread financial damage to the company, and possibly harmed a large number of patients. Among the targeted databases was one that tracked patient-specific drug interaction conflicts. **(AP 19-Dec-06)**

The S.E.C. said that a trader, Evgeny Gashichev, who was trading through an account of Grand Logistic, a Belize corporation based in Estonia, used the Internet to steal passwords of account holders at online brokerage firms, among them E*Trade Securities, TD Ameritrade and Scottrade. Mr. Gashichev would buy, through his own account, shares in a thinly traded company. Immediately after that he would use the accounts of victims to buy large quantities of the stock, driving up the price. He would then sell his shares at that higher price. In some cases, he would also then sell the stock short, profiting further when the price declined. Mr. Gashichev initially funded the Grand Logistic account with \$30,000 and, in approximately seven weeks, realized \$353,609 in profits from his trading in 21 securities. **(New York Times 20-Dec-06)**

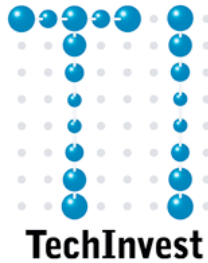
Starting next month, Best Buy will sell a "ConnectedLife" package that features a computer with software coordinating a high-definition TV, light switches, a thermostat and two remote cameras - all included in one \$15,000 price tag. The components talk to one another over the home's power lines and through a wireless network. Controlling all this is a black Hewlett-Packard Co. computer that looks as if it belongs on the rack with the

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rest of the stereo gear. For another \$19.95 a month, users can access the system over the Internet, so they can check on the house using the two video cameras or adjust the thermostat while on vacation. **(AP 20-Dec-06)**

Several major record labels are suing the operator of the Russian music Web site AllofMP3.com, claiming the company has been profiting by selling copies of music without their permission. AllofMP3 typically charges under \$1 for an entire album and just cents per track. By contrast, an album at Apple Computer Inc.'s iTunes Music Store and other licensed services typically costs about \$10 and a song 99 cents. AllofMP3 has maintained that by paying royalties to a Russian licensing group, the Web site is in compliance with Russian laws. The music industry contends that the Russian licensing group doesn't have the authority to collect and distribute royalties. **(AP 21-Dec-06)**

Microsoft's long-awaited Vista operating system is supposed to be one of the most secure products the company has produced, and is expected to be critical to its reputation, amid a growing stream of software attacks against Windows-based computers. However, computer security researchers and hackers have already begun to find potential flaws in the new operating system, which was released to corporate customers in late November. Determina, a Silicon Valley computer security firm, said it had notified Microsoft that it had found six vulnerabilities, including one that was described by a Russian programmer earlier in December. Determina also found a serious error in the software code behind Microsoft's new Internet Explorer 7 browser. The flaw is particularly troubling because it potentially means that Web users could become infected with malicious software just by visiting Web sites. **(New York Times 26-Dec-06)**

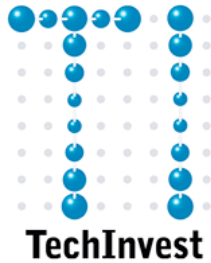
Todd Shriber, 28-year-old press aide to U.S. Rep. Denny Rehberg, R-Montana solicited hackers to break into the computer system at Texas Christian University and change his grades (so they would look better for grad school, he said). The hackers posted the entire email exchange to their blog instead. "I assure you the job wouldn't be anything like invading a government mainframe for classified documents or stealing money from a bank. Rather it'd be a modification of some personal data." "You are soliciting me to break the law and hack into a computer across state lines. That is a federal offense and multiple felonies." "I assure you no one will ever hear about this from me. I'll take this to my grave. The privacy aspect of this is critical for me." When the blog was widely circulated Shriber admitted the attempt, and was fired. **(Schneier 27-Dec-06)**

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Fixed-line and mobile international telephone connections were disrupted after a quake with a magnitude of 6.7 struck the Luzon Strait off southern Taiwan. Property damage was limited, but six of seven undersea cable systems, accounting for 90 percent of telecommunications capacity of the region, broke one by one in the quake and its aftershocks. The cables link countries in North and Southeast Asia to one another and to North America. The speed of the repair work will depend on how quickly the crews of cable maintenance ships found the severed ends of the cables, some of which were broken in several places. In the meantime much traffic has been re-routed via satellite and unbroken cables. **(New York Times 28-Dec-06)**

A recently released report from the US Government Accountability Office found that big pharma isn't generating such a good return on their R&D investments. The congressional watchdog agency's 48-page study said from 1993 to 2004 spending by U.S. drug companies on research and development jumped 147%, from \$16 billion to nearly \$40 billion annually. But the number of applications the pharmaceutical firms submitted to the Food and Drug Administration for potentially groundbreaking new drugs during that 10-year period increased only 7%. And since 1995, the number of applications for these innovative drugs has been dropping each year. **(Time 29-Dec-06)**

