



Daniel W. Roberts,
President

Roberts & Ryan Investments Inc.

Based in San Francisco, we provide "value added" information to our global asset managing clients.

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About Roberts & Ryan

We wish our readers the very best for the New Years. On a personal note, Mr. Roberts was recently elected to the FINRA's Small Firm Advisory Board. He will represent the Smaller Firms located in the 13 Western States to FINRA's Advisory Board.

In order to facilitate our receipt of directed order flow, we show our list of agents as follows:

Global markets:
Merrill Lynch
Societe Generale

(Pan European only)
Cheuvreux

(Asia only)
HSBC

(Australia only)
Deutsche Bank

Canada

Canadian company sues over video-game controllers

Nintendo, Sony and Microsoft have been sued by a Canadian company that claims their video-game systems infringe patents related to wireless controllers.

Eleven Engineering, a maker of microprocessors for home entertainment centers, contends the wireless controllers for the Nintendo Wii, Sony PlayStation 3 and Microsoft Xbox 360 are using its inventions without permission, according to the complaint, filed Nov. 25 in federal court in Wilmington, Del. The lawsuit targets the DualShock and Sixaxis controllers with the PlayStation 3, the Wii remote and Wii balance board, and the Xbox wireless controller and wireless

racing wheel. Nintendo's Wii has about 48 percent of the U.S. market for video-game systems, PlayStation 3 is second and Xbox is third, according to the researcher NPD Group.

The companies have all met with Eleven and had other business contacts and yet have "continued to infringe the asserted patents in an objectively reckless manner, with complete disregard of Eleven Engineering's rights,"



Eleven said in the complaint. Eleven, based in Edmonton, Alberta, seeks cash compensation for the use of its inventions, plus a court order that would stop further infringement of the patents, which were issued in 2001, 2002 and 2004 for remote frequency and wireless game controllers.

Kevin Kutz, a spokesman for Redmont, Wash.-based Microsoft, said the world's biggest software maker had no comment. Officials with Kyoto, Japan-based Nintendo and Tokyo-based Sony had no immediate comment. The case is *Eleven Engineering Inc. v. Nintendo Co.*, 09cv903, U.S. District Court for the District of Delaware (Wilmington).

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China

Immigrant Chinese pursue entrepreneurial dreams



“China has quickly grasped the fundamentals of Silicon Valley innovation: Daring investments in aggressive entrepreneurs...”

Tianjin, China – This city in northeastern China is a long way from Sand Hill Road, home to the world’s greatest concentration of venture capitalists. But a deal too good to pass up led Yong Li to leave his family in Palo Alto a few months ago and head here to pursue his dream of starting a company, with backing from an unlikely source – China’s newest capitalists, its Communist leaders.

“The government is rolling out the red carpet,” said Li, who rides a rickety bicycle through an open-air market every morning and evening, grabbing wok-fried meals on his way to building TerraBay Pharmaceuticals, which is working on a treatment for lung cancer. “The government takes the risks. And there are almost no strings attached.” China has quickly grasped the fundamentals of Silicon Valley innovation: Daring investments in aggressive entrepreneurs create world-changing companies. Officials across the country are luring back Chinese-American technologist and executives – many from Silicon Valley – in hopes of seeding an entrepreneurial culture that they hope will some day create world-class companies. As the U.S. economy sputters, provincial officials are finding a receptive audience on tours to the Bay Area and other parts of America. Silicon Valley has long been a global revolving door

for the bright and ambitious who use experience gained at successful startups and companies as a springboard to launch new careers in their homeland.

China’s efforts to entice star talent to return, though, represent a new wrinkle. It is tapping into the anxieties of Chinese professionals who increasingly feel the valley is a professional dead-end. “We were able to get funding in the valley, but the fund collapsed,” Li said. “So we ended up with nothing.” He now represents a wave of highly skilled immigrants flocking back to their homeland, which poses a threat to the Silicon Valley’s innovative culture, said Vivek Wadhwa, a researcher on immigration and labor issues at the University of California-Berkley.

Others, though, see such movement as yet another strength of the region; those who return to their countries of origin to start companies frequently come back to the Bay Area to set up research offices, as Li plans to do should TerraBay succeed. Evidence of China’s projected 8 percent-plus economic growth amid the global downturn is easy to find in Tianjin, a city of more than 11 million. Its skyline is clogged with construction cranes converting former rice fields into technology parks and high-rise office

buildings.

The experience of Li of TerraBay, on the other hand, reflects the sour venture funding picture in the United States; 2009 could be the leanest year for investments since the dot-com collapse. Li and his co-founder, Hui Zhao, have now received commitments of up to about half-million dollars and other forms of assistance from government agencies for their pharmaceutical company, whose lung cancer work would address a pressing problem in China, with its culture of smoking. Government agencies “are all chasing after the same group of people – people with a Chinese background who lost their job or just graduated from college and can’t find a job” in the United States, said Zhao, a former Oracle software engineer who also left her family in the Bay Area to explore this new land of opportunity. “The bad economy has played a significant role in this movement.”



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Asia

South Korea approves iPhone



“The Korea
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vices.”

South Korea’s telecommunications regulator cleared the way for the launch of Apple’s iPhone amid reports the hit device could reach consumers late next month. The Korea Communications Commission approved the granting of a business license to Apple to offer so-called location based services, said Oh Sang-jin, director of the communication’s privacy protection and ethics division. Location based services include functions such as maps and direction finders that are included on the iPhone. South Korean law requires companies that provide such applications to obtain government permission.

The approval was the last major regulatory hurdle the company faced in bringing the iPhone to South Korea, Oh said. The iPhone’s arrival in South Korea has been keenly awaited as the market is dominated by domestic manufacturers Samsung Electronics and LG Electronics, which are also big players overseas. Local service providers KT and SK Telecom have been in talks with Cupertino-based Apple regarding the introduction of the hot-selling smart-phone. The Chosun Ilbo, South Korea’s largest mass circulation newspaper, reported that KT plans to start taking Internet orders for the iPhone. KT spokeswoman

Alice Park said her company had no comment on the commission’s decision as well as the newspaper report. She reiterated, however, that KT – the country’s second-largest mobile carrier – is committed to releasing the iPhone in South Korea as soon as possible. Lauren Kim, a spokeswoman for SK Telecom, South Korea’s largest mobile carrier, said her company had made no decisions regarding iPhone.

Apple spokesman Steve Park, meanwhile, had no comment, saying his company has yet to confirm whether it will introduce the phone to South Korea. Apple spokesman Steve Park, meanwhile, had no comment, saying his company has yet to confirm whether it will introduce the phone to South Korea. Apple’s Web site, which lists countries where the iPhone is or will soon be available, did not include South Korea in its “coming soon” section. South Korea would be one of the last major countries in Asia to get the iPhone. The device made its formal debut in China late last month via local partner China Unicom. It is also on sale in Japan, India and Australia. Worldwide the iPhone is available in 86 countries and territories and will be soon in four more, according to Apple’s Web site.

New Chinese regulation blocks foreign high-tech sales

Foreign companies are criticizing a new Chinese regulation they fear could block them from the multibillion-dollar business of selling high-tech products to government departments. The rule, in place for about six weeks but not widely known, requires sellers of high-tech products to have them accredited based on “indigenous innovation” – local intellectual property – before they can be listed in a government procurement catalog. Approved products will get preference over those without accreditation. More than 30 business groups from the United States, Europe, Japan and South Korea lodged a protest in a joint letter to three government ministries “to strongly urge the Chinese government not to proceed” with the new rule.

The letter suggested that the new policies dis-

criminated against multinational companies and ultimately would hurt Chinese government agencies. The move would “reduce competition and limit the ability of Chinese government agencies to make purchases solely on the basis of quality and price,” the American Chamber of Commerce in China said in a statement. The issue comes at a time of growing concerns about protectionism amid continued economic uncertainty. Chinese officials have been among the most vocal in complaining about the alleged protectionist measures against their country by other nations, including the U.S. The six categories requiring accreditation are computers and appliances, telecom products, modern office equipment, software, renewable energy and equipment, and energy-saving products.

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Japan

In Japan, Google struggles to compete with Yahoo



“Unaccustomed to being second, Google is bending some of its most time-honored traditions in a renewed push into the Japanese market.”

In 2001, a fledgling Internet company named Google opened its first overseas office in Japan, eager to tap a huge, tech-savvy market. But after eight years, Japan is one of a few major countries Google has yet to conquer.

The Web giant still trails far behind Yahoo Japan, the front-runner here, operated by the Japanese telecommunications giant Softbank. In a reversal of the rivalry in the United States, Yahoo Japan dominates Japan's Web search market with 56.5 percent of all queries, according to the Internet research company, GA-Pro. Google, at 33.7 percent, is a distant second.

Unaccustomed to being second, Google is bending some of its most time-honored traditions in a renewed push into the Japanese market. Earlier this year, Google's splash page for Japan abandoned the company's classic spare design and added links to YouTube, Gmail and other services – an

attempt to lure Japanese users who favor sites decorated with a cacophony of text and graphics. And in a first for Google, it initiated branding ads for Japan and staged attention-grabbing publicity stunts, including one in which it invited passers-by to float into the air with the help of 2,500 balloons.

Google's dogged in-

spite a sluggish economy, Japan's \$77 billion advertising market remains the world's second largest, one that an increasingly global advertising force such as Google cannot afford to ignore.

“Japan is absolutely a key market for Google,” said Koichiro Tsujino, president of Google Japan. Every day, for example, Japa-

penalty to try new things is the other reason Google is intent on staying put in Japan. Over the years, Japan has become a testing lab for many of the Web giant's cutting-edge new ideas, especially in mobile technology. Google's Tokyo-based programmers, immersed in Japan's mobile and Web culture, have become a valuable source of ideas for the entire company. Overseas markets account for half of Google's revenue, and the company is becoming more keenly aware of the need to tailor its services to local markets, as well as the advantages of absorbing ideas from outside the United States, company executives say. “Japan made us realize that non-U.S. ideas can go global,” David Eun, a vice president for Google, said on a recent trip to Japan, where he closed deals with two Japanese broadcasters to allow YouTube to run some of their content.



terest in Japan has partly to do with sheer size. Japan is one of the world's most wired countries, with more than 90 million regular Internet users – of which three-quarters use fast broadband connections and two-thirds also log in from cell phones. And de-

nese view 10 million clips on YouTube, Google's video-sharing site – and that is just from their cell phones, making them the world's most avid adopters of video on-the-go. “Japan leads the world in many ways,” he said.

That Japanese pro-

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