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President

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Asia

Philips says Samsung infringing patent

A unit of Royal Philips Electronics, Europe's biggest maker of consumer electronics, accused South Korea's Samsung Electronics of infringing a U.S. patent for encoding signals for mobile telephones. Philips contends Suwon-

based Samsung is violating U.S. patent laws by making, importing and selling the phones without a license, according to a complaint made public in federal court in Wilmington, Del. "The infringement by Samsung has been deliber-

ate and willful" and Samsung should pay triple damages after a jury trial, lawyers for the U.S. Philips subsidiary of Andover, Mass., said in court papers.

Alibaba—Founders rejoin

Alibaba, the Chinese Internet company whose biggest shareholders is Yahoo, said its 18 founders will apply to rejoin the company as "regular employees" after tendering their resignations. The move, which was made on the 10th anniversary of Alibaba's founding, was a "symbolic decision to signal a new era" of growth, the company said in an e-mailed statement. Chairman Jack Ma, one of the founders of the Hangzhou, east China-based company, said the shift won't entail changes in the Internet op-

erator's ownership structure. Yahoo, based in Sunnyvale, owns about 39 percent of closely held Alibaba, while Japan's Softbank owns 29 percent. "It's not easy for the 18 founders to be united together for almost 10 years," Ma said at a press conference in Hangzhou. "Over the next 10 years, the company will move from a founder-culture, to a partner-culture."

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Europe

Microsoft's olive branch in Europe



“Microsoft will make changes to allow users to choose their own default Web browser.”

Microsoft offered to give European computer users a choice of Web browsers, an unprecedented move that the world's largest software maker hopes will avert another antitrust conviction and fine. Microsoft said users of new computers running Windows 7 in Europe would get a ballot screen that would let computer buyers easily download other browsers from the Internet and turn off Microsoft's default Internet Explorer.

If European officials approve the proposal, and drop their antitrust case against Microsoft, the version of Windows 7 with the ballot screen could be available in Europe shortly after the official release of the software Oct. 22, the company's general counsel, Brad Smith, said in an interview. The European Commission, the European Union's executive body, said in a statement released in Brussels that it “welcomes this proposal and will now investigate the practical effectiveness in terms of

ensuring genuine consumer choice.”

The offer by Microsoft, which a decade earlier had fought attempts to open Windows to another competing browser, Netscape, represents an unprecedented concession in its latest antitrust clash with European regulators. Smith said the concessions have the potential to settle the latest European antitrust case. “This is an important step forward and follows extensive and lengthy discussion between Microsoft and the commission. But until the commission approves something, nothing is really done. Given the state of the economy, we believed it was very important to move forward quickly,” he said.

The ballot screen would not be an option for buyers of PCs using Windows 7 software in the United States or in other markets outside of the European Union. But Microsoft said it also planned to release confidential technical information

worldwide that would help competitors design software that worked more smoothly with Windows, Windows Server, Exchange, Office and SharePoint. Microsoft said it would publish details of the plan for Europe in a few days. Its rivals were taking a wait-and-see attitude. “It is, of course, a good development that Microsoft will make changes to allow users to choose their own default Web browser,” said John Lilly, CEO of Mozilla, which makes Firefox, the second-most-used browser after Internet Explorer.

But Lilly said he reserved judgment on the proposal until several details were clarified, including which browsers would be able to participate in the ballot and under what terms, and whether Microsoft would use its automatic updates to offer a browser choice to existing Windows users. Google, which makes the Chrome browser, had no comment.

Google wins U.K libel case

A British judge has ruled that Google cannot be held responsible for defamatory words that appear in results on the Internet search engine. Justice David Eady said Google is not a publisher because searches are carried out entirely by computers and the search engine does not choose the terms itself. The case was closely watched because the United Kingdom is perceived as having particularly stringent libel laws. The ruling came in a suit by Metropolitan Inter-

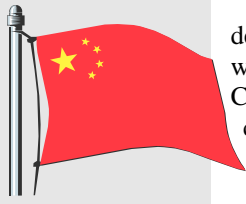
national Schools, a British company that offers distance learning courses. Google cannot be “regarded as a publisher” for what its searches discover on the Web, the judge said, noting that Google had prevailed against similar suits in the Netherlands, Spain and France.



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China

China tightens screws on social networking



“Harsh measures are part of a long-term strategy to pare back the power of the Internet and silence some voices finding expression online.”

Two more Web sites dedicated to social networking went offline in China amid tightening controls that have blocked Facebook, Twitter and other popular sites that offered many Chinese a rare taste of free expression. China’s crackdown on social-networking sites began in March, when Chinese Web users found they could no longer visit YouTube shortly after video appeared on the site purporting to show Chinese security officials mistreating Tibetans.

The blockages continued through the 20th anniversary of the Tiananmen Square demonstrations and the resent ethnic riots in Xinjiang, with home-grown and overseas micro-blogging and photo sharing sites among those targeted. Though cutting off access to sites can be often traced to a specific trigger – such as the June 4 Tiananmen anniversary – experts say the fact the sites are not coming back online shows the harsh measures are part of a long-term strategy to pare back the power of the Internet and silence some voices finding expression online. “I

am especially pessimistic about this fall and next spring,” said Wen Yunchao, a well know Chinese blogger based in Guangzhou in south China. “I expect they will be more and more restrictive because they have yet to come up with a good way to manage the Internet.

so it could be moved to a new server. She said it would be down for at least a week. “It’s a sensitive period, so we are not in a rush to reopen it,” Zhang said, adding that some Digu users had recently tried to post politically sensitive material to the site and that the company was having to

bly related to the 10-year anniversary of the banning of Falun Gong spiritual movement. Also, the technology channels of the popular Sina and Netease Web portals were shut for about six hours, apparently because they had posted news about a corruption probe without clearance from state censors. The technology channels could not be opened for several hours after both sites posted news about a Namibian probe into corruption allegations against Nuctech, a Beijing company that makes scanning equipment.

The articles were deleted and the channels were online again later that day. Xiao Qiang, director of the Berkley China Internet Project at the University of California-Berkley, said the closure of a whole channel is unusual. “These two channels have a lot of readers ..so their being shut down is a very big thing, more than shutting down a blog or something like that,” said Xiao. “My guess is ...their chief editors are being punished.”



They are aware that it has this great power and they are afraid of it.” Digu and Zuosa, two Chinese web sites that offer micro-blogging services familiar to Twitter, were both shut down for maintenance, according to notices posted on their home page. A Digu spokeswoman who would give only her surname, Zhang, said the site was offline

She wouldn’t give any specific examples. Zuosa employees did not respond to an e-mail seeking comment about the site’s closure. Wen, the blogger from Guangzhou, said having two sites close on the same day indicates pressure from authorities for them to shut down.

He said the timing of the closures was proba-

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Israel

Israeli-Palestinian venture -Engineers from both sides launch a virtual desktop



“Israeli entrepreneur Zvi Schreiber partnered with Palestinian engineers to launch G.ho.st Virtual Computer...”

In a rare show of cooperation, a team of Israeli and Palestinian software developers came together earlier this month in the shadow of Israel’s West Bank separation barrier to launch a product they hope will revolutionize personal computing and perhaps improve communication between the two conflicted sides. Israeli entrepreneur Zvi Schreiber partnered with Palestinian engineers to launch G.ho.st Virtual Computer, a Web-based operating system that recreates the attributes of a personal computer’s desktop from any computer with an Internet connection.

“Our idea is simply to use the Internet to give people a computing environment that is not just stored on a physical device, but is available on a Web page or any mobile device and gives you everything you need: your desktop, your files, your programs,” G.ho.st CEO Schreiber said at the launch, in the West Bank town of Beit Jalla, close to Jerusalem’s southern edge.

The company started more than three years ago after Schreiber sold his second high-tech start-up. He had never worked with Palestinians and knew very little about the fledgling software industry in the

West Bank. “I wanted to combine my technological interests with my social interests. I always wanted to do something to help resolve the complete mess that we’ve all made of this part of the world,” he said.

The company’s name refers not only to the virtual computer’s ability to float through

areas in the West Bank due to security concerns. Schreiber has never been to the G.ho.st main office, in the West Bank town of Ramallah, though it’s only nine miles from his house.

The site for the July 14 launch was chosen deliberately; a wind-swept hilltop crossed by a section of the nearly 500-mile barrier that stretches

along the frontier between Israel and the West Bank.

“Ghosts go through walls, and the very first wall that G.ho.st goes through is the ... wall and fence that Israel is building in the West Bank between itself and the Palestinians and which physically divides the G.ho.st team into two,” the firm’s Web site says.

G.ho.st does not charge to use the

virtual computer, which can be translated into more than 20 languages and has been tried out by more than 200,000 users in its test phase.

The virtual desktop comes with 15 gigabytes of free file storage, file sharing capability, instant messaging and an open directory of free Web-based applications. Schreiber said G.ho.st plans to charge for more storage or subscriptions, but he would not list prices.



the boundaries of a physical computer, but also to the G.ho.st team’s cross-border collaboration. The Palestinian staff of nearly 30 workers confers with its Israeli counterparts mostly by video conference or at meetings in a roadside coffee shop in the desert between Jericho and Jerusalem.

Many of the engineers living in the West Bank aren’t able to get the permits needed to get into Israel, while Israelis are barred from most Palestinian

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