news

THE MONTH IN FOCUS

Microsoft kicks out its much-hyped new OS only to face almost instant cracker attention, the EU vacillates between iron fist and kid gloves, and the US finally dumps encryption key escrow.

OTHER NEWS

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Alexander says more effort has to go into getting more people to vote online, but exactly what is he and the government going to do about it?

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Once again the EU proves how stunningly toothless it can be by caving in on the spam email issue.

35   Wear those PCs

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Nokia grabs top spot in connected devices, who's on top in the world of ISPs and what stuff we're buying online.

Cookie ban bad for business

European Parliament to vote on banning 'implicit consent' cookies due to a possible infringement on personal privacy

By the time you read this the European Parliament will have voted on whether to make certain web cookies illegal. Most likely it will only be those requiring 'implicit consent' that could be for the chop.

But if some cookies – the small files used as a type of bookmark by browsers to store information about users and their internet browsing patterns – are banned in the European Union, businesses in the UK alone stand to lose as much £187m, according to a study published at the end of October by the Interactive Advertising Bureau.

The possible ban on internet cookies is part of a much bigger draft legislation package, which is based on a report on data protection drafted by Italian MEP Marco Cappato. This legislation also

seeks to deal with unsolicited commercial email, commonly known as spam.

According to the report, the second version of which was approved by the influential EU Citizens' Freedoms and Rights, Justice and Home Affairs Committee on 22 October, the use of cookies by companies is an infringement of personal privacy and therefore a human rights violation under the European Convention for the Protection of Human Rights and Fundamental Freedoms.

"So-called cookies, spyware, web bugs, hidden identifiers and other similar devices that enter the users' terminal equipment without their explicit knowledge or consent in order to gain access to information, to store hidden information or to trace the activities of the user, may seriously intrude the privacy of these users. The use of such devices should therefore be prohibited unless the explicit, well-informed and freely given consent of the user

concerned has been obtained," the draft legislation reads. In other words, make them opt-in, or don't do them.

Thousands of e-commerce sites use cookies to authenticate users or store private data. The IAB contends that such a move will keep users from engaging in any type of e-commerce. Users will become so frustrated at having to re-register or re-enter preferences every time they visit a site that they will lose interest in e-commerce altogether, the nonprofit organisation said.

However, it is a moot point as to whether the EU will do something as drastic as this, considering its spineless behaviour over spam mail (see *EU chokes on email spam decision* on page 34).

XP cracked says pseudohacker group

Microsoft finally put an end to the fictional tension and apprehension surrounding the launch of XP in October – a cat that, by any standards, had been out of the bag for more than six weeks. Which is more time than it took, allegedly, to crack one of its fundamental components – the unloved product activation element.

Software firm BitArt labs slammed antipiracy features incorporated in Windows XP, claiming the software was cracked within hours of the product's launch.

BitArts' security expert John Safa said a 4KB crack file is freely available from online hacker, or Warez, pirate software sites. The download supposedly allows people to bypass the registration and activation process needed to use XP.

> **"There are no cracked copies out there and we are not aware of any so-called cracks in XP"**
>
> Duncan Reid, Microsoft security expert

Microsoft denies the allegations, saying that the hooky software doing the rounds are copies of corporate, site-wide licence editions. "There are no cracked copies out there and we are not aware of any so-called cracks in XP," said Duncan Reid, security expert at Microsoft. "What's available are purposely pirated copies created from leaked corporate volume licensing keys. They have not been generated from product cracks."

Another potential problem for the software giant is that people do not have to activate their product for 30 days after installation, giving them plenty of time to download a 'fix' to bypass the product activation process.

Breaking the beige box mould

In a departure from its build-to-order PC business model, Dell has begun selling a $599 prebuilt PC, the SmartStep 100D, on its US website. The move is a break from Dell's successful PC manufacturing strategy, which requires that PCs be assembled only once a customer order has been received. Whether Dell will be offering an equivalent system in the UK is as yet unknown, but this looks to us like standard toe-in-the-water stuff.

Based on a 1GHz Celeron processor from Intel, the Dell SmartStep 100D comes with 128MB of SDRAM, 20GB hard drive, 48-speed CD-ROM and 15in monitor. Unlike other desktop PC models offered by Dell that can be configured to meet the specific demands of a customer, the SmartStep 100D offers limited room for customisation – only warranty and extras are options, so what you see is what you get.

Dell UK said there were no plans as yet to release the system outside the US.

Encryption key escrow plan abandoned

As security concerns continue to grow, the controversial battle over the US government's ability to demand access to encryption tools, enabling it to unscramble electronic messages has once again reared its ugly head.

Questions about whether the US government should have authoritative control over the key escrow system were raised after it became clear encrypted emails may have been used to plan the 11 September terrorist attacks on Washington and New York. Key escrow is the enforced collection of digital encryption keys by government-approved agencies.

In October Senator Judd Gregg announced he will no longer attempt to push for legislation giving law enforcement entities a 'master key' with which they can access all encryption products made in the US.

The CCIA (Computer and Communications Industry Association), which had written a letter of disapproval to the

senator after his original announcement of the anti-encryption legislation, said it was pleased with the development.

"Without strong encryption technology, all Americans would be at risk of exposure of their most sensitive information," said the CCIA.

Before Senator Gregg's proposed encryption legislation ever saw the light of day, overwhelming criticism from the public and private sector over both privacy and technical concerns helped seal the fate of the directive.

One of the main problems associated with key escrow was that companies on both sides of the Atlantic were probably as distrustful of state powers as they are of other companies. So handing over encryption keys to agencies that ultimately had no power to prevent governments from accessing them looked like happily sticking one's head into the lion's mouth – not what firms wanted.
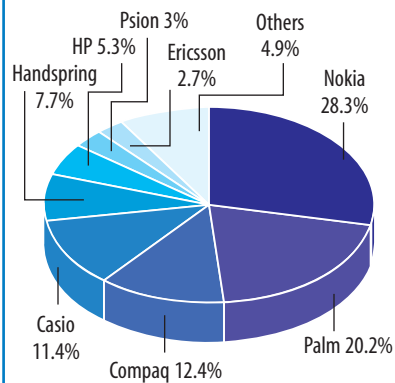
OUR LIVES IN NUMBERS:
Mobile device makers

Psion 3%
Others 4.9%
HP 5.3%
Ericsson 2.7%
Handspring 7.7%
Nokia 28.3%
Casio 11.4%
Compaq 12.4%
Palm 20.2%

Nokia's on top all over the shop. Not only has it dominated the mobile phone market but now it controls the mobile device market, which encompasses handhelds, PDAs, smartphones and other connected devices. Nokia's hold on this area is mainly down to the length of time the firm has been selling its brickphone, the Communicator.

Source: Esis Chart shows market share

Alexander struggles with e-voting problems

The government's 'e-minister', Douglas Alexander, has urged the government to rethink its policy on allowing voting over the internet, and called on the business and internet communities to work together with the government to make online voting a reality in the near future.

"We must make citizens feel democratically empowered beyond their few seconds in the polling booth," said Alexander at the Democracy in the Information Age conference in October.

But earlier this year, the Home Office and the Electoral Reform Commission seemingly dismissed the idea of voting by internet in national elections due to security issues, according to a spokesman at the Department of Trade and Industry, where the 'e-minister's' office is based. Alexander admitted that plans for online voting weren't exactly on the fast track.

"There is currently no timetable in place for the initiative, but the permanent introduction of electronic voting would require new primary legislation that has been debated through Parliament," Alexander said.

In the last general election in June only one in four people eligible to vote chose to do so. Indeed, in the 18-25 age group, over 60 percent decided not to vote, Alexander said.

It's your data so keep it safe

The DPA's (Data Protection Act's) first transition stage has come to an end. This means that companies now have to comply with provisions of the Act or face a hefty £5,000 fine. The DPA demands all personal data held by a company, whether stored in digital or handwritten format, must be held securely to ensure the rights of individuals are 'adequately protected'.
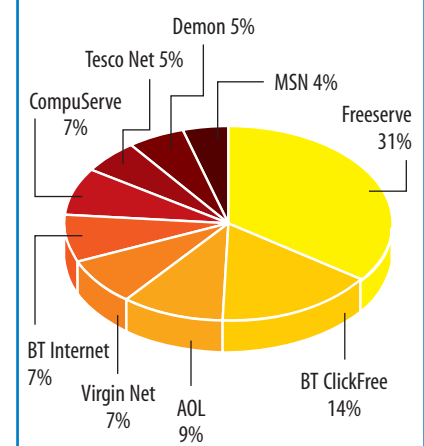
The provisions will mean that any company which holds an individual's personal data must notify them of what information they have

Although many small businesses have been struggling to comply with the terms of the Act, the EC has reiterated the positive benefits of the transition. It may be a little difficult from companies' perspectives to see just what these are. In effect the provisions will mean that any company which holds an individual's personal data, such as credit card details and addresses, must notify them of what information they have. If people demand their information is not passed on to a third party or used for marketing purposes, then the companies must comply with these wishes.

There are clear benefits for individuals but little benefit for companies other than the £10 fee they are able, under the terms of the Act, to charge individuals for accessing their personal information. For more information visit the government website at www.hmso.gov.uk/acts/acts1998/19980029.htm.

OUR LIVES IN NUMBERS:
'Main' ISPs in the UK

Demon 5%
Tesco Net 5%
MSN 4%
CompuServe 7%
Freeserve 31%
BT Internet 7%
Virgin Net 7%
AOL 9%
BT ClickFree 14%

It's astounding that Freeserve is still doing so well considering its original free business model failed so miserably. The above chart excludes the freebies, some of which are still excellent. In 1999 there were 300 ISPs in the UK alone.

Source: Esis

ILA scheme dropped after fraud

Training centres could have been ripping off the government for over a year due to poor tracking and reliance on 'honest' self-regulation. It's come to light that the government's ILA (Individual Learning Accounts) scheme was always wide open to abuse by firms claiming to train people in IT and other skills. IT training was a key part of the ILA scheme.

Education and skills secretary Estelle Morris announced in October that ILAs would be suspended from 7 December this year after evidence suggested that some companies had been abusing them. The DfES (Department for Education and Skills) would not comment on how many companies and centres were under investigation, but rumours have indicated the figure to be in the region of 250 firms.

According to the Trading Standards Institute, several scams were uncovered. One group was sending applicants booklets, which had cost them less than a tenner, claiming £200 ILA funding in return. TSI spokesman Matt Adams said ILA application forms were selling for as much as £20 each – "they were effectively as good as £200 cash when people signed away their ILA account number".

The ILA centre received over 5,200 individual complaints from people who had been pressured into taking courses, tricked by centres or who were unhappy with the training they had received.

The DfES said any centres which were found to be involved in fraudulent activities would be forced to repay funding.

Settlement reached in Microsoft case

The US DoJ (Department of Justice) announced in November that it reached a settlement with Microsoft in its antitrust case against the software giant. But several states may not stand by the decision.

The agreement 'imposes a broad range of restrictions that will stop Microsoft's unlawful conduct, prevent recurrence of similar conduct in the future and restore competition in the software market', according to a statement from the DoJ.

Under the agreement, Microsoft must license its operating system to key PC manufacturers on uniform terms for five years. The agreement also bans retaliation against manufacturers electing to use non-Microsoft middleware software.

Microsoft must disclose its middleware interfaces – data used by software developers to write Windows-compatible code – and its server protocols so non-Microsoft server software can work with Windows. The settlement also bans exclusive agreements for support or development of certain Microsoft software.

For more details, see our web news coverage. Go to www.pcadvisor.co.uk and enter Microsoft or antitrust in the searchbar.

news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news in brief   news

Nokia top for European PDAs
Nokia is the most popular supplier of PDAs in Western Europe, surpassing Palm and Compaq, according to a study by research company Canalys.com. The Nokia 9210 Communicator has outsold the entire Palm portfolio, but this still represents well under 1m sales per year – small fry compared to mobile phone sales.
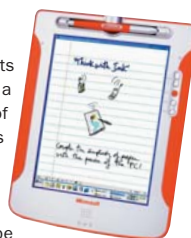

Bye bye Bonfield!
Sir Peter Bonfield, chief executive of BT, will stand down at the end of January 2002. He will receive a £1.5m pay-off and nearly £300,000 in shares. Bonfield has been plagued with disasters throughout his term of employment, including heavy criticism of the company's broadband rollout practices and internal disputes over the demerger of O2, BT's rebranded wireless division.

Sony multimedia
Sony hopes to lure technophiles to a pricey new all-in-one PC and multimedia entertainment system, the Vaio MX. This stylish product combines an assortment of media gadgets, including a full-featured Intel Pentium 4-powered desktop PC, TV, radio, video recorder, MiniDisc and CD and DVD players and recorders. But it will certainly carry a typical Sony price tag – it's $2,800 without a monitor.

Keep taking the tablets (part one)
Microsoft showed off its Tablet PC running a customised version of Windows XP at its Professional Developers Conference. It will be priced at around £1,400 (converted) and will be available during the latter half of next year.

Microsoft's Austrian problem
Microsoft is demanding that organisers of a mock awards ceremony withdraw their nomination of the company for practices deemed a threat to personal privacy. Microsoft is at the top of a list of companies, politicians and institutions being considered for the Austrian 'Big Brother Awards', a tongue-in-cheek ceremony intended to raise awareness of the issue of personal privacy.

Net labels
The ICRA (Internet Content Rating Association), which is backed by Microsoft, AOL Time Warner and Yahoo, has devised an internet content labelling scheme. This would allow web users to restrict access to websites based on their own criteria and the information in the ICRA labels. For example, parents would be able to enforce a censorship system on their children's web surfing.

Keep taking the tablets (part two)
Hot on the heels of Microsoft, Sanyo has recently developed a tablet PC, which it is hoping to sell to companies that want to 'keep in close contact with their customers'. In other words, it is possible that companies could bundle the device for you in return for a subscription to a set of services, similar to digital TV companies' provision of keyboards and set-top boxes.

Cheap broadband
Cable group NTL has launched a high-speed unmetered internet package, providing always-on connection at the same price as most standard dialup services. The new package, available via a cable modem for £14.99 a month, will provide users with always-on access at 128Kbps (kilobits per second), over twice the speed of standard 56Kbps dialup services.

EU chokes on email spam decision

Decision makers in the EU continue to flip-flop on legislation designed to deal with spam – unsolicited commercial email – and whether to adopt an 'opt-in' or 'opt-out' method for people when they hand over personal information remains a moot point.

In the most recent move a committee for the European Parliament voted to back a largely unchanged second version of a report on data protection, drafted by Italian MEP Marco Cappato, according to a statement from the EU Citizens' Freedoms and Rights, Justice and Home Affairs Committee.

The move essentially reaffirmed its decision of three months ago to back the opt-out policy recommended in the report.

'Opting-in' to a company's mailing list requires an affirmative, physical act on the part of the potential recipient of the spam, whereas with the 'opt-out' approach a person is assumed to be a willing recipient unless they tick a box to remove themselves from a company's list.

The vote leaves it up to individual EU countries to decide on an opt-in or opt-out policy regarding unsolicited email from marketing mailing lists. But the Committee voted to recommend an opt-out amendment that would allow subscribers to request omission from a printed or electronic directory.
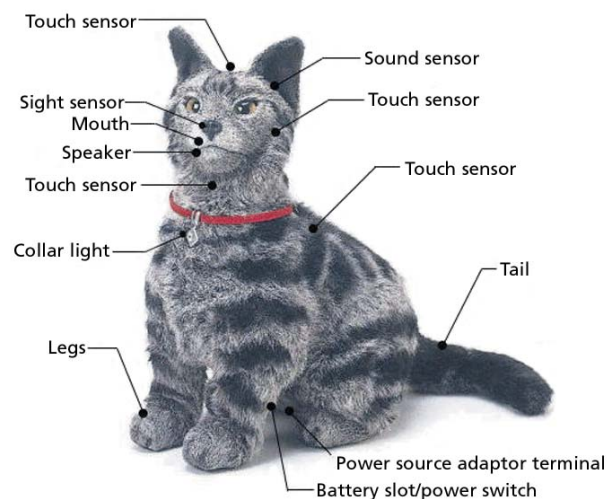
> **'Opting-in' requires an affirmative, physical act whereas with the 'opt-out' approach a person is assumed to be a willing recipient unless they remove themselves from a list**

Frankenstein cats poised to rule world

Problem: you want a robot pet, but you're a cat person and Sony's Aibo is too dog-like. Solution: Omron's cat-like entertainment robot that looks real and responds to its owner.

Omron's Necoro robot comes in two colours and is covered with artificial fur. Necoro is equipped with sensors on its head, chin, cheek and back, which can sense when it is touched. It also has voice- and visual-recognition systems and contains an acceleration sensor, which detects its own posture, according to the company.

Necoro cannot walk around but its body's 15 joints allow it to sit down and stand up naturally. Via a built-in audio speaker it makes 48 different miaows. Its rechargeable battery lasts up to one and a half hours. A limited number of 5,000 robots will go on sale in the UK on 20 November at around £1,060 and are already available for order within Japan by telephone or internet.

Touch sensor — Sound sensor — Sight sensor — Mouth — Speaker — Touch sensor — Collar light — Touch sensor — Legs — Tail — Power source adaptor terminal — Battery slot/power switch

Universal tries to stop PCs playing CDs

In an effort to protect its copyright material for digital distribution, music company Universal is preparing to incorporate technology that may keep consumers from playing their legally bought CDs on their PCs at work or at home.

This DRM (digital rights management) technology could come into effect as soon as November and, according to a source close to Universal, it's closely considering Cactus Data Shield, from the Israeli company Midbar Tech.

The technology would be used to scramble the data on an audio CD so that CD and DVD drives in PCs can't play them. The technology is expected to be applied to at least one new CD release from Universal before the end of the year, with production to be ramped up after that, the source said.

Consumer-advocate campaigners, such as UK-based Campaign for Digital Rights, are concerned that it is simply a matter of time before the major music companies use such technology as a matter of course to keep consumers from playing legally bought CDs in their PCs at work or at home. Music companies may do so, the consumer rights bodies say, without warning buyers or lowering the price of a CD that some may find less useful.

Dell overhauls the little black (laptop) bag

PC manufacturer Dell turns to the London College of Fashion for help on redesigning its laptop carry case

Dell has unveiled something of a misnomer: a laptop bag you'd be proud to be seen with. Conscious that most portable PC carry cases are black, bulky and not particularly well suited to easy portability, Dell asked London College of Fashion students to help it come up with something radically different.

"Today's laptops are slim, sexy and outrageously good-looking… but laptop bags are still firmly in the doldrums", read Dell's brief. The PC maker invited 350 students from the London College of Fashion to submit their designs for a 'fun, fashionable and colourful case' to house its recently-launched Inspiron 4100.

Sandra Rogers, general manager of Dell's UK and Ireland consumer division, said the idea for a rethink of the bag came about when she first joined the company two years ago: "I was offered a selection of bags to choose from. They were all black or, if you were really lucky, brown leather – very much for the male professional."

By asking fashion students to submit their ideas, Dell hopes it will give its products a broader market by appealing to women, students and young professionals. Red or Dead designer Wayne Hemingway announced the winning design on the *Big Breakfast* TV show on 8 November.

Winning designer Darren Murphy, wanted to get away from the repetition of most laptop bags currently on the market. His 'colourful and tactile' rucksack/courier bag design was thought most likely to appeal to a broad range of customers.

Judges included Jason Roberts, director of Planet 21 UK which designs and manufactures Dell's current laptop bags, Suzi Vaughan, from the London College of Fashion, and Selina Knight of Dell's software and peripherals division.

The 2.7kg Inspiron 4100 notebook, which has a base specification of 866MHz Mobile Pentium III processor, 128MB of RAM and 10GB hard disk, starts at £899. The bag will initially be issued in a limited edition of 500, available via Dell's website.
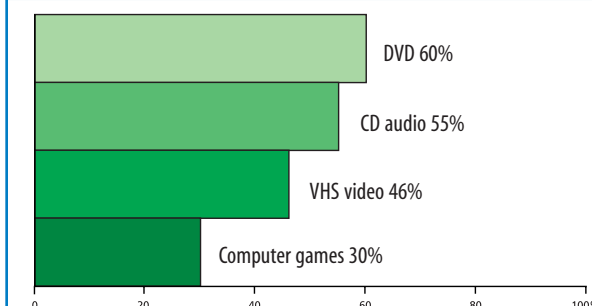
Sony and Apple have reaped rewards by producing good looking, desirable consumer electronics in pursuit of a trendier, more youthful market. Now Intel is following suit with a prototype range of wearable computing products, described by designer Helen Rosen of Central St Martins College of Art and Design as "virtually instant clothing that adapts to your lifestyle and how you use technology".

The clothing, inspired by the Pentium 4 processor, includes T-shirts with shoulder straps and backpacks that house MP3 players, digital cameras and PDAs (personal digital assistants). According to an Intel spokeswoman the company doesn't have any plans for a commercial release of the clothing range, though it is assessing responses to the prototypes.

→ In designing its new laptop bag, Dell turned to the fashion pack. Its aim was to attract a trendier market, including women and young professionals

← Although a commercial release is not yet planned, Intel's prototype range of computer clothing includes T-shirts that house MP3 players and digital cameras

OUR LIVES IN NUMBERS: Entertainment e-commerce sites

DVD 60%
CD audio 55%
VHS video 46%
Computer games 30%
(axis: 0 20 40 60 80 100%)

It seems people love buying digital products using digital networks – just as many analysts and firms predicted back in the mid- to late-90s. This not only proves that even analysts can come up with more than just guff occasionally, it also opens the way to the provision of streamed digital content to the home. Of course, you'll still want the ability to record this media – unless on-demand services are up to scratch and are so cheap as to be almost unnoticeable on your comms bill. Computer games sales are representative of how static those companies' revenues are generally.

Source: Esis