Gluecode Creator Thinks He Can Take Google's App Engine

by Maureen O'Gara

A Philippines-based Web 2.0 start-up called Morph Labs Inc thinks its cloud can rain on Google's newfangled App Engine.

Morph Labs was founded by Winston Damarillo, the guy who did Gluecode, the only open source company IBM ever bought, a move made to protect its precious WebSphere franchise.

The start-up claims to have done all the back-end scutwork to make it easy for developers to get their software up and running as a service on Amazon's Web Services (AWS), freeing them from Google's Microsoft-like vendor lock-in.

With App Engine a developer has to use Google's authentication, Google's framework, Google's file system, Google's database, Google's APIs, Google's storage and Google's pet language, without hope of ever moving the widgetry, once it's running on App Engine, to another platform.

And if your software is on App Engine, you can't execute user-specified maintenance tasks.

Morph promises to deliver the same SaaS effect as App Engine using open source software like PostgreSQL on Amazon. No proprietary database, no proprietary APIs, no proprietary framework. And Morph, unlike Google, can tell developers now what it's gonna cost.

Morph is renting infrastructure from Amazon – Amazon's Elastic Computer Cloud (EC2) and Simple Storage Service (S3) – and using its own homegrown virtualization to carve it up and lease

it out.

CEO David Abramowski called it "time slicing the grid." Morph can put eight application instances on an Amazon server.

Its so-called Platform-as-a-Service (PaaS), called simply the Morph Application Platform, promises to instantly provision an enterprise-quality application environment as large as needed to meet real-time highs and lows on-the-fly thanks to EC2 and starts at a dollar a day in production for two instances. Ten can cost $8-$240 a month.

A development account, including an app server, a database server, load balancing, backup, routing and testing, is free.

AWS director of developer relations Steve Rabuchin says Morph-based applications "can be delivered and scaled to millions of user in minutes."

Morph is supposed to save developers the time and expense of harnessing Amazon's infrastructure, a task that's supposed to take – by Morph's calculations – two systems specialists two weeks (four man/weeks) to set up five servers: two load balancers, two app servers and a database server.

Using Morph developers don't need to buy or lease hardware or install or configure software.

They are supposed to be able to focus instead on business logic, application presentation and strategic differentiators – to innovate rather than administer. Load balancing, security, monitoring

SAP Flubs SaaS

SAP has run into a nasty little rollout problem with its new on-demand Business ByDesign widgetry, the stuff that's critical to its future growth and competes with, oh, say, Sales-force.com, Net-Suite and Microsoft.

Seems ByDesign isn't properly automated and so SAP's grand plan to get 10,000 small to mid-sized companies up and running on the stuff and generate $1 billion in revenue by 2010 has fallen by the wayside.

It's going to take SAP another year to 18 months to hit those targets while it uses the time to figure out how to make it cheaper. "Otherwise," SAP CEO Henning Kagerman said, "the cost base will be too high and the profit will not be good enough."

He's looking for margins at least as good as what he gets on its conventional business.

So as it stands By-Design will be limited to six markets this year and is expected to see less than 1,000 customers.

The news came when SAP posted weaker-than-

Yahoo & Google Think They Can Pull Off Ad Deal: WSJ

At press time the Wall Street Journal was reporting that Yahoo and Google think they've come up with a way around the Justice Department's anticipated objections to them climbing into bed together – one of Yahoo's alternatives to being acquired by Microsoft – and that a deal could be announced next week.

Yahoo, the Journal said, was just waiting to see which way the Microsoft chips would fall – whether Microsoft would turn hostile or retreat.

They think the trick lies in a non-exclusive deal – and they think they could get away with it without undue bad press.

The Journal says they're thinking of a real-time auction system "that would choose the most lucrative ads for any given consumer query from among those sold by Yahoo, Google and any of their competitors" – even Microsoft's ads could be sold alongside Yahoo's search results.

It could even happen if Microsoft acquired Yahoo, the paper said.

Whether it would pass regulatory scrutiny remains to be seen. It's unclear whether they've sounded out the DOJ, which has been asking questions since Yahoo and Google ran their two-week experiment and reportedly raised an eyebrow at least. Google and Yahoo together represent 83% of US search advertising, according to one estimate.

Citigroup estimates that outsourcing search advertising completely to Google would increase Yahoo's cash flow by a billion dollars a year.   ◆

No Decision Yet: Ballmer

Report Says Microsoft May Go Hostile

Microsoft CEO Steve Ballmer is on the horns of dilemma about what to do about Yahoo since Yahoo ignored his Saturday deadline to deal or be acquired by force at a lower price.

And a meeting of Microsoft's board to debate the issue Wednesday apparently didn't find a way around his problem.

His problem is money. He simply doesn't want to pay what Yahoo wants.

He told a town hall meeting with Microsoft staffers Thursday, where he promised a decision "in short order," that "We're interested in paying for it at some level and beyond that level we're not willing to pay for it. I know exactly what I think Yahoo is worth and I won't go a dime above."

He said Microsoft had three options: "There's the friendly deal, there's an unfriendly deal, third path is simply to walk away. Given [Yahoo's] just a part of a strategy – if neither of those looks good, we walk away. It makes sense at the price we proposed and I think it's a good deal for Yahoo shareholders. It's a huge premium. It's one of the largest valuations."

"If Yahoo doesn't happen," he said, "there's a number of other things we'll look at."

But he still thinks he's in the game because he also said, "We missed the deadline but we're in the process."

Microsoft's official leak site, the Wall Street Journal, reported Wednesday when the Microsoft board was meeting that it heard Microsoft was willing to go to $32 or $33 a share, up from $31 (or around $29 and change thanks to the post-Yahoo stock hit), but that Yahoo's major shareholders, which Microsoft has been courting, wanted $35-$37 and Yahoo's board wanted somewhere in the "upper 30s," down from its previous $40.

The paper said that Microsoft is shy about launching its threatened hostile takeover and could walk away – which, let's face it, might be the most sensible thing to do. It could probably pick Yahoo up for less later on, or so the thinking goes.

One can understand Ballmer reluctance to get embroiled in a expensive, time-consuming and distracting proxy fight he may not win.

However, around midnight Thursday night the Journal reported that Microsoft, lusting after what it perceives as Yahoo's scale, was veering toward going hostile and could announce the decision today.

The situation, it said, was still "fluid" and could change in the wee hours.

The price it would offer is unclear and Microsoft would have to replace Yahoo's board to dismantle its poison pill defenses.

Yahoo, meanwhile, appears to be enamored of acquiring AOL and giving Time Warner 20% of the combined company as well as pursuing its notions of tying up on advertising with Google to boost its cash flow, a scheme that the antitrust regulators may disallow – despite Google claiming it would fly.

AOL's results in the first quarter, by the way, turned up flat on display ads.

It said it's been having problems integrating a billion dollars worth of acquisitions like Tacoda and Quigo into its Platform A, but thinks the issue is behind it.

Its revenues fell 23% year-over-year and its 1% gain in advertising couldn't offset the 38% dive in subscriptions.

It's definitely the low man on the totem pole compared to Google, Microsoft and Yahoo.

PTO Decisions May Be, Well, Unconstitutional

If patents expert John Duffy, a professor at the George Washington University Law School, is right then the Patent and Trademarks Office unconstitutionally appointed nearly two-thirds of the patent appeals judges currently sitting, and close to half of the trademark appeals judges.

And that means that the hundreds of decisions they made over the last eight years – worth billions of dollars – could be null and void – at least in those cases still subject to direct appeal and pending before the Federal Circuit or the Supreme Court, as one derivative argument runs.

Duffy's analysis of the situation is on the Patently-O site at www.patentlyo.com/lawjournal/files/Duffy.BPAI.pdf and has already been made the basis of an appeal to the Supreme Court by a company whose patent was denied by a three-judge Board of Patent and Interference (BPAI), according to the National Law Review.

Seems the Intellectual Property and Communications Reform Act of 1999, which went into effect on March 29, 2000, transferred the power to appoint BPAI judges from the Secretary of Commerce to the director of the PTO. But the legislation also requires that the guy making the appointments be the head of a department – and guess what – the director of the PTO is not the head of a department.   ◆

Tibco Picks Silverlight

Tibco is going with Microsoft's Silverlight browser plug-in widgetry, as opposed to, say, Flash, for RIA development in future products when AJAX isn't enough.

It's also going to try positioning its Enterprise Messaging Service as an alternate channel to Microsoft's Message Queuing in Microsoft's Windows Communication Foundation platform for Web Services. It says it will give .NET services and applications greater reliability and scale.   ◆

Adobe Makes Flash & AIR Free for Mobile Widgets

A bunch of the boys have joined Adobe in forming the Open Screen Project to drive a consistent rich Internet experience across TVs, PCs, mobile devices and consumer electronics regardless of operating system.

They've been persuaded that the way to squeeze the World Wide Web into those little bitty phones and newfangled MID things – and make it look like a PC – is to enable, maintain and optimize a consistent runtime environment using Adobe's Flash Player and later on Adobe AIR.

The Open Screen Project is supposed to address what's called "potential technology fragmentation" by enabling the runtime environment to be updated seamlessly over the air on mobile devices.

To advance the cause – and extend its franchise – Adobe is gonna drop the licensing fees on the next major release of both its Flash Player and AIR, making them free for devices.

It's also going to immediately remove restrictions on the use of SWF and FLV/F4V specifications; publish the device porting layer APIs for the Flash Player; and publish the Flash Cast protocol and AMF protocol for robust data services.

Adobe, which recently moved its Flash and Flash mobile people together in anticipation of Open Screen, will be giving up something like an estimated $60 million a year in royalties. It took it 14 months to sign off on the sacrifice, which won't start until the middle of next year when the next generation of Flash Player comes out.

The project includes ARM, Intel, Motorola, Cisco, Marvell, Nokia, Verizon Wireless, NTT DoCoMo, Sony Ericsson, Toshiba, Samsung, Qualcomm, LG Electronics and Chunghwa Telecom as well as content providers like the BBC, MTV Networks and NBC Universal.

No, the Flash-trashing Apple is not among them.

Google and Comcast will probably join and Yahoo could too if it ever gets undistracted by Microsoft.

Adobe director of standards David McAllister, responsible for freeing Flash, said the move was only incidental to competing with Microsoft Silverlight. It was not the point.

Adobe says the effort will make it easier for developers and designers to distribute content. And it won't hurt its own, already large, ecosystem either. It argues that with compatibility across all devices the time-to-market for RIAs, rich media content and video will be dramatically reduced.

Flash Player content already reaches over 98% of the Internet-enabled desktops and more than a half-billion handsets and mobile devices and Adobe expects at least another billion handsets and mobile devices will ship with Flash technology by next year. More than 75% of broadcasters who stream video on the web use Flash technology.

For those who don't know, the SWF binary file format specification is used to deliver vector graphics, text, video, sound and interactivity via the Flash Player and AIR.

The FLV/F4V media container formats, the de facto standards for web video, document the file formats for storing media content used to deliver audio and video playback in Flash Player and AIR.

The APIs Adobe is going to release enable the Flash Player to work on different operating systems and devices.

By removing the licensing restrictions from SWF developer will now be able to write software that will "play" SWF files as well as software that outputs SWF.

Flash Cast is a client/server protocol that synchronizes data between a mobile phone and network-based server. Adobe says it should be available in the next few months.

AMF is the binary format for exchanging data usually between Flash or Flex software and a database. The specification has been open sourced at http://opensource.adobe.com/wiki/display/blazeds/Developer+Documentation.

Sun's Quarter Sucked; Layoffs Planned

Sun's back in the red again after five profitable quarters and five years in the red following the dot.com bust.

The March quarter turned sour on it, starting, it said, with the first week in March when the channel started reporting a drop in sales, a miasma that spread to its end-user business as the month progressed.

It blamed the US economy, where business was down 10%, some of it traceable to smaller businesses and the government, it said. (Former Sun CEO Scott McNealy runs Sun Federal.)

It gets 40% of its revenues from the US and the gains it made in 12 out of 16 geographies weren't enough to make up for the "significant" shortfall.

The problem, however, may be more Sun-specific than the company allows considering that sales have been dropping for quarters now.

It thinks this quarter may not be as bad, maybe flat with last year, but "solidly profitability," however, things are bad enough that it's going to restructure again – and can somewhere between 1,500 and 2,500 people to lower its operating expenses by $100 million-$150 million a year.

It's also abandoning its dearly held promise of seeing a 10% operating margin next fiscal year, which starts in June. Now it's looking at 7%-8%, and it's going to cut R&D.

Sun's losses surprised Wall Street. It was thinking the company would clear 18 cents on revenues of $3.38 billion. Instead it showed up negative four cents, or $34 million, on revenues of $3.27 billion, down 0.5% year-over-year. Its stock sunk over 14.5% in after-hours trading.

It earned seven cents or $67 million a year ago.

MySQL, its billion-dollar open source acquisition, cost it four cents in the quarter, an impact Sun expects will repeat this quarter. Without MySQL it would have at least broken even, but it's delighted with its purchase and the market's response to it. Integration advances apace, it said.

On the sales side what it described as high-end systems were off $100 million. Ditto high-end storage, tape and libraries.

CFO Michael Lehman said Sun didn't lose the business to competitors and deals were still active he just didn't think that a lot of would close this quarter. In fact, he suggested, a lot may simply vanish.

Sun also paid more taxes than last year: $52 million versus a $3 million tax benefit.

Its gross margin was 44.9%, up four-tenths of a point.

It claimed double-digit growth in India and Brazil, and triple-digit billings growth in its Niagara systems. It was also happy with its blades business.

Sun expects to take a $130 million-$220 million charge this quarter to cover the layoffs, which Lehman described as a "reduction in force" that would hit inside and outside the states.

Sun's payroll is up 1,100 people including 600 from its acquisition of MySQL and the free desktop virtualization house, innotek, and 300 added in emerging markets.

Vendors Keep On Selling XP

Microsoft claims to have sold 140 million copies of Vista.

Ah, but, in an effort to scratch the widespread "Save XP" itch, Dell, HP, Sony and Lenovo all say they are going to supply XP past June 30 when large OEMs are supposed to stop supplying it.

They're going to exercise their downgrade rights. You buy Vista Business or Ultimate but you've also bought the right to run XP or 2000 or Windows 95 for that matter and Dell says it's even willing to install whatever you want.

As far as Microsoft is concerned it's still a Vista sale.

Microsoft is expected to stop supplying XP to PC vendors after January 2009. Once they run out they can't get anymore.

AMD Loses its Lock on Cray

Intel and Cray, which when last seen was exclusively an AMD house and a feather in AMD's cap, are now going to work together on HPC and Cray's going to use the multi-core Xeon and fancy interconnect developments in future Cray servers, apparently starting in the so-called Cascade timeframe, say, 2010-2012.

They're talking about tackling "fundamental and historical problems of science and industry" and they plan to develop a range of HPC systems and technologies over the next few years.

The alliance, a choice of one road-map over another, can be laid to AMD screwing up the Barcelona quad chip and delaying Barcelonaa's Budapest follow-on, which impacted Cray deliveries, not to mention how far behind Intel AMD has fallen and doubts about its staying power.

The object of the Cascade project, funded by DARPA and meant to be built on AMD technologies, is to build HPC systems that are more broadly applicable, easier to program and more resistant to failure than what you can get nowadays. It's supposed to use a lot of task-specific co-processors.

Cray, which gave AMD bragging rights because three of its AMD-based boxes are among the top 10 machines in the world, will continue to use AMD in its current and pre-Cascade machines.   ◆

DataCore Gets $30m in Funding

DataCore Software, the Florida-based hardware-independent storage virtualization folks have gotten $30 million in funding from Insight Venture Partner and Updata Partners.

Insight has previously invested in PlateSpin, Parallels and Acronis.

The money is earmarked for new product development and expanding global sales, targeting Microsoft, Citrix and VMware partners worldwide.   ◆

Microsoft Takes Management Cross-Platform

Microsoft is making System Center, its central management scheme, natively manage Linux, Unix and VMware virtual servers.

The widgetry has always been a Windows-only affair, but now there are betas available showing off Microsoft's cross-platform prowess, important to Microsoft's place in the data center.

Microsoft has released a public beta of so-called Cross-Platform Extensions to its System Center Operations Manager 2007, which for the first time can manage HP-UX, Red Hat, Solaris and SUSE out-of-the-box.

The facility comes complements of WS-Management and OpenPegasus, the open source implementation of the Distributed Management Task Force's Common Information Model (CIM) and Web-Based Enterprise Management (WBEM) standards.

Partners like Novell are supposed to come in with their "deep domain expertise" and optimize the widgetry with management packs for applications like MySQL and Apache.

And in another turnabout, Microsoft said it would join the OpenPegasus Steering Committee and contribute royalty-free code to the open source community under its OSI-approved Microsoft Public License.

OpenPegasus is run by the Open Group and is meant to unify the management of distributed computing infrastructures.

Meanwhile, Microsoft has delivered up a public beta of System Center Virtual Machine Manager 2008 (formerly code named Virtual Machine Manager vNext) that manages virtualized infrastructures regardless of whether they're running on Windows Server 2008 Hyper-V, Microsoft Virtual Server 2005 R2 or rival VMware ESX Server.

Microsoft says System Center Virtual Machine Manager 2008 tightly integrates with Operations Manager 2007 to deliver a new feature called Performance and Resource Optimization (PRO).

Operations Manager, which can now integrate with third-party management suites like Tivoli and HP OpenView, generates "PRO tips" that can be used to optimize data centers based on pre-defined policies and real-time demand.

Used with System Center, Virtual Machine Manager 2008 can manage both virtualized and physical servers and applications across desktops and data centers with a single set of tools.

Brocade, Dell, EMC, Emulex, HP, QLogic and Quest are supposed to deliver management packs for PRO.

The betas are at http://connect.microsoft.com. ◆

Next Stage of the Computer Revolution Waits on Atom

Atom, the new chip that Intel built for so-called netbooks and phones in hopes of touching off the Internet-in-you-pocket phase of the computer revolution and widening its earnings, is in short supply.

Asustek, which is supposed to launch an Atom-based Eee next month, said during its earnings call Wednesday that it thinks the part will be quite scarce into Q3 when MIDs are supposed to start flooding the market.

Intel, aiming to make millions of the little processors this year, says it's because it's gotten more orders than expected. It says it's stepping up production.

Asustek figures it's got an advantage over would-be rivals like Dell and HP because the cheap little Eee isn't dependent on the Atom. It still got the Celeron M. Asustek expects to move five million Eees this year.

Intel is particularly interested in pushing cheap netbooks into the BRIC countries.

Linux Watch

Red Hat Reupholsters the Chairs

Red Hat has been tinkering with senior management. Paul Cormier, executive VP of engineering, is now executive VP and president, product and technologies, responsible for product market, QA and support as well as engineering. CFO Charlie Peters is now also responsible operations and IT and Alex Pinchev, executive VP of sales, is now EVP and president, global sales, services and field marketing

Likewise Adds Oracle Linux & Mainframes

Likewise, pretty much the de facto standard in cross-platform authentication these days, has added Oracle Enterprise Linux 4 and 5, Oracle's version of Red Hat, to the list of some 110 Linux, Unix and Mac platforms that it supports on a Microsoft network using Active Directory.

Oracle Linux now claims 2,000 customers give or take.

Ubuntu's billionaire backer Mark Shuttleworth told The Register that Oracle is either going to have to fork Red Hat or buy Red Hat, if the business proves successful or become strategically important.

Oracle "will do one of those things within three to five years," he prophesied.

Meanwhile, Likewise has also started supporting mainframes that use either Red Hat or Novell to authenticate to Active Directory.

VIA Tries Hand at Open Source

VIA is setting up a Linux Portal, still in beta, to get open source driver developed.

It will initially focus on graphics drivers for its CN896 digital media IGP chipset for the latest Ubuntu distribution.

Canonical, the company behind Ubuntu, says it will work to get the drivers built into Ubuntu.

VIA says to expect source code and documentation in a few weeks and official forums and bug tracking later this year.

It says the VIA Linux Portal will adhere to a regular release schedule aligned with kernel changes and the release of major

Linux Watch

Linux distributions. See http://linux.via. com.tw.

Reiser Found Guilty of First-Degree Murder

Linux programmer Hans Reiser, 44, has been found guilty of the first-degree murder of his estranged Russian-born wife Nina, who went missing after dropping off their two small children with their father on Labor Day weekend 2006.

Reiser, who's been in jail since October of 2006, is now looking at a mandatory sentence of 25 years to life in prison.

First-degree murder assumes the killing was premeditated.

Tape of the reading of the verdict shows Reiser trying to absorb the decision, suggesting he may have been surprised.

The San Francisco Chronicle interviewed one of the jurors who said acquittal was never considered.

Nina's body has never been found and the circumstantial case against the DARPA-funded Reiser FS filesystem creator was based largely on his own incriminating behavior after her disappearance and his own 11-days worth of bizarre, rambling, disjointed and incredible testimony during the five-and-a-half-month trial.

The police found minute traces of blood at his home and a blood stain on a sleeping bag in his car. By the time his hidden little two-seat Honda CRX was found Reiser had junked the passenger seat and hosed down the interior leaving an inch of water on the floor.

The cops also found two books on murder investigations in the car that Reiser, who was carrying $9,000 and his passport when he was arrested, had just bought.

His little son testified that Reiser removed what the boy assumed was Nina's covered body from the house.

The jury started deliberating last Tuesday afternoon and stopped for a long weekend Thursday, resuming and deciding

Another Start-up, Another Desktop Virtualization Scheme

MokaFive, another desktop virtualization company, this one started in 2005 by three Stanford PhDs and their professor, Moka chief scientist Monica Lam, is in the process of pushing out its widgetry, which works on Windows, Mac and Linux.

It started going commercial a few weeks ago with a preview paid for by angel money supplied by Sun founder Vinod Khosla and Sun's old strategy chief Bill Raduchel.

It brags that the stuff, in pilot since last year, is built on 10 years of research at Stanford University funded by the National Science Foundation and has 15 patents pending,

MokaFive, which some may remember as the stealth Moka5, calls its solution Virtual Desktop Solution, which is expected to go live in June, and says, in Cloudspeak, that it will manage a company's virtual systems from its own data centers if you like.

Its solution, inspired by Sun's SunRay architecture with SAP's sales force as a key customer, is based on what it calls LivePC, which can be any operating system and applications stack sent down to any desktop or device, even an iPod or cell phone.

The SunRay bit is that you can take it with you to any PC or thin client complements of a USB Flash drive, a facility it figures is a key differentiator.

MokaFive claims it will run at normal, better-than-VMware, desktop speed either on- or offline (its VMs execute locally) although it's using the free VMware Player right now to do it.

VMware got started at Stanford too and Lam has the office next door to fellow prof and VMware co-founder Mandel Rosenblum, VMware CEO Diane Green's husband.

It promises faster launches, automatic updates and spyware and malware self-healing as well as enhanced security using no operating system complements of its Fedora-based BareMetal Linux distribution.

The per-user pricing is still unclear, but promises to be competitive even if it's not, as it says, open source. It is currently offering a free Express download, expecting to charge only for its Professional version. It has a number of LivePC images available for test.

Like Desktone, another desktop virtualizer, MokaFive imagines its stuff being handled by services providers. It streams its images and is supposed to be able to support hundreds of users on a single server. The widgetry downloads only the necessary changes.

VMware has ACE and Microsoft bought Kidaro.

MokaFive quotes the Gartner figure saying that 660 million desktops will be virtual by 2011, up from five million in 2006.   ◆

AMD Unveils Business Class PCs

AMD, which hasn't penetrated the commercial space, is gonna try to pick up some share with a Business Class line of energy-efficient commercial desktops and notebooks targeted at SMBs, government and education.

The desktops are based on seven AMD "image stable" new triple-core and quad-core Phenom and dual-core Athlon chips good for the next two years; the laptops will use the company's upcoming Puma platform, due in the second half.

HP, Dell, Fujitsu Siemens and Acer will be selling some of the desktops.

Resellers can use either AMD or non-AMD chipset and graphics in the desktops and AMD said the platform would be available to channel partners for 18 months.

Sun Buys Montalvo Assets

Apple picked up PA Semi, the low-power PowerPC start-up, last week to do who knows what with and Sun picked up the assets of Montalvo Systems, the laconic, heading-for-the-crapper start-up that was supposed to be doing an Intel-competitive low-power/mobile four-core x86 chip for reasons it hasn't shared yet.

It apparently plans to integrate the Montalvo technology into its own processors to what effect remains to be seen. Popular wisdom thinks Sun's interest has nothing to do with x86 compatibility.

According to Cnet, where Montalvo chief system architect and patent holder Peter Glaskowsky blogs, two of Montalvo's cores are designed to run high-powered applications, the other two take less energy, sort of like the Cell chip.

The three-year-old Montalvo reportedly couldn't get its chip built without another $100 million on top of the $73 million at least that it already got and cut two-thirds of its cash-burning 200- or 300-man staff a few weeks ago.

The Register claims Sun only paid an immaterial $5 million for the Montalvo property.

Its funding came from NEA-IndoUS Ventures and Bay Partners.

Montalvo's CEO is Matt Perry, now a two-time loser having been the CEO of Transmeta, another Intel wannabe. ◆

Intel Sets Up SMB Web Store

Intel has set up a community-enabled web store portal for SMBs called the Intel Business Exchange or Intel BX to push bundled software and hardware, stand-alone business applications and services.

It includes product descriptions, interactive demonstrations, white papers, case studies, blog entries and user-submitted product ratings and reviews.

Right now it covers storage, security, telecommunications, on-premise business applications and on-demand business applications.

In response, AllBusiness.com, an online media and e-commerce company, launched AllBusiness Exchange, a stand-alone solutions marketplace powered by Intel BX, to sell Intel-based technology.

Microsoft, Symantec, salesforce.com and other ISVs are participating in BX

See bx.intel.com. ◆

EFF Faults Microsoft

The Electric Frontier Foundation (EFF) has put an open letter to Microsoft CEO Steve Ballmer on its site complaining the Microsoft has "betrayed MSN music customers" and urging him to fix the problems Microsoft will cause when it turns off its Music validation servers at the end of August.

It says the move will make it impossible for users to transfer their DRM-protected music files if they buy a new computer or upgrade their operating system or if their disk crashes.

The servers Microsoft's pulling the plug on simply reauthorize users if they switch equipment.

EFF wants Microsoft to apologize, offer refunds or replacement music files, give users receipts to prove the tunes were legally obtained and publicize the fact widely so people know about it.

EFF also wants Microsoft to drop DRM from its Zune music service.

Microsoft said last week that it was going to deactivate the servers because of the complexity of maintaining the technology.

Microsoft has told people to export their songs to a CD and then recopy them back on to a new computer. ◆

HomeGrid Forum Formed

Intel, Infineon Technologies, Panasonic and TI have created a HomeGrid Forum, a companion to the ITU-T G.hn working group, to promote a single worldwide next-generation protocol standard for networking digital content such as movies, music and pictures over home wiring, to wit coaxial cable, power lines and phone lines. ◆

Linux Watch

Monday. Sentencing is set for July 9.

Reiser, who proved a handful for both his lawyer and the judge to control, claimed that Nina had abandoned her children and was living in Russia.

They had been involved in a bitter custody battle over the children and Reiser accused her in court of having had an affair with his best friend and embezzling money from his company Namesys.

His lawyer, who says he will appeal, tried to explain away Reiser's behavior with what was called the "Geek Defense," basically chalking it up to eccentricity and abnormality, comparing him to a duck-billed platypus, a "genetic mistake."

The children are in Russia with Nina's mother.

Work on the open source Rei-serFS filesystem continues.

Some company somewhere should probably pick up Reiser's Russian team. People who have met with them say they've brilliant and should be turned loose on a problem with scale like search, for instance.

SCO & Novell in Court

SCO and Novell have been in court this week trying to figure out how much SCO is supposed to owe Novell in royalties for its attempt to tax Linux.

This is the money that SCO claims it doesn't owe Novell at all because Novell signed away its source code rights and can only claim royalties on binaries.

The trial, in front of SCO's least favorite judge, started with Novell taking about $7 million off of its claim because it knew it didn't have a pray on that account and so they're now down to talking about less than $20 million.

Novell, yes, Novell, called SCO CEO Darl McBride as a witness and he managed to work at least one letter

Linux Watch

Novell wrote saying SCO owned everything – including the copyrights the court said it didn't own – into the conversation. The other letters are on SCO web site.

Gluecode Creator Thinks He Can Take Google's App Engine

and high availability are built into the Morph platform.

And the move from sign-up to SaaS deployment is supposed to take minutes.

Morph's patent-pending Application Platform is supposed to provide each application with its own web application delivery stack, access to high-speed caching, database instance, multi-tenancy APIs, search services, e-mail gateways, OpenID services (or the ISV's own authentication), backup and recovery, file storage, auto-repair, 7/24 alerting et cetera et cetera.

Morph also has a billing scheme, something Google hasn't mentioned.

Abramowski, a Symantec veteran, said data can be imported and exported at will.

While Google's App Engine only supports applications written in Python 2.5, Morph currently supports Ruby on Rails and will add PHP in June and Java this summer.

Morph Labs has filed to go public on the Philippine Stock Exchange this quarter planning to raise $11.9 million by offering about a third of its equity to finance its global expansion.

It's already picked up a $1.5 million pre-IPO investment from Hong Kong-based AO Capital Partners and Japan-based CSK Venture Capital.

Morph thinks it can capture 23% of the $120 billion US software market by 2010. At least that's what it's telling would-be in-vestors.

Springboard estimated the Asia-Pacific SaaS enterprise applications market in 2006 at $154 million and figures it'll grow by 66% by 2010 to account for 15% of the total enterprise software market.

Gartner puts the worldwide SaaS market at $12 billion in 2012, up from $6.5 billion last year.

Morph claims that about 120 SaaS developers, representing 300 apps, recruited from Ruby user groups, are currently testing or deploying App-Space, which was just announced in early February. It's got one interactive database application serving 20,000 users, Abramowski said.

The service is available through an online marketplace for SaaS applications called Morph eX-change, according to Abramowski, and a subscription to Morph AppSpace, an instance of the Morph Application Platform.

Siebel Gets Judge To Apologize

Goodness me. Tom Siebel, founder of Siebel Systems, now part of Oracle, has wrung an apology and $100,000 in guilt money from a sitting judge, who as a lawyer 12 years ago when Siebel was going public sued him and Siebel for wrongfully terminating and sexually discriminating against his top sales rep Debra Christoffers.

The Superior Court Judge Carol Mittlesteadt, acknowledged the charges were hooey and "may have caused substantial expense and inconvenience, and damage to Siebel's reputation and good name." He in turn wondered why she's sitting on the bench.

Dell's Peddling a Low-End Appliance to OEMs

Dell builds appliances that it sells to OEMs like Google's search box.

Its latest effort is the OEM CR100 server, a simple, stripped-down, entry-level platform, built with PowerEdge R200 technology.

The short-depth 1U is good for a two-year lifecycle.

It's available exclusively in the US (with

Canada and Latin America to follow) and priced depending on configuration, starting at under $700.

It comes with either a single 800MHz Core 2 Duo E4300, Pentium dual-core E2160 or Celeron, maximum internal storage of 750GB, up to 8GB of memory and Windows Server 2003, Red Hat or SUSE.◆

Democrats Pick Microsoft

Microsoft is gonna run the Democratic Convention this summer.

Well, it's been selected as the "official software and HD web content provider," doing stuff like tracking delegate, managing credentials and the all-important tally of votes.

Microsoft is going to use Silverlight for interactive web application and HD video on a Level 3 Communications network to keep the online world up-to-date with what going on.

It will also be providing e-mail, business productivity software and real-time collaboration applications.

Among other things, it's supposed to track the convention's carbon footprint, including all trips, deliveries, transport of goods and staff air and ground travel.   ◆

SAP Flubs SaaS

expected results for the March quarter, the same quarter that gave SAP's great rival Oracle problems with selling applications, suggesting to observers that there may be a message there.

SAP complained of the US slowdown – customers are slower to cut checks and the deals are smaller – and the strength of the euro. US sales were down 1%, while European sales were up 22%.

The company's Q1 earnings were down 22% to $377 million thanks to the cost of acquiring Business Objects and a $62 million investment in ByDesign on revenues up 14% to $3.8 billion, but still below Wall Street estimates.

It said it would cut back on its ByDesign investment.

Impacted by exchange rates software and software-related services were up 15%, less than expected.   ◆

BILLY GRAMS

XP & Vista Service Packs On Hold

Pleading a newly found incompatibility with its Dynamics Retail Management System (RMS), Microsoft Tuesday postponed the web release of both XP Service Pack 3 and Vista Service Pack 1 – even if nobody knows anybody who uses RMS. It's unclear how long the delay will be. It says it's working on a filter that will stop Windows Update from offering either service pack to systems running RMS. Once it does that, the widgetry will be released. It's also working on a RMS fix and advises RMS users not to install either service pack. XP SP3 is only two years late.

Asustek Reportedly Plans Eee Brand

Asustek may make Eee an independent brand that includes not only the original cheap Eee laptop but an Eee TV, an Eee desktop and an Eee monitor, all of which should be introduced by October, according to DigiTimes.

Nexsan Files IPO Papers

Nexsan, the disk-based storage maker, wants to IPO, using a figure of $80.5 million to calculate the registration fee. It said the money would be used for working capital and maybe acquisitions. The company lost $3 million on revenues of $49.8 million in the year ended last June 30. The year before it lost $5.6 million on $42.8 million.

Microsoft Closes Fast Deal

Microsoft's tender for Fast Search & Transfer ASA is over and done. The Norwegian company is now a Microsoft subsidiary and its CEO John Markus Lervik is Microsoft's corporate VP of enterprise search, reporting to Jeff Teper, corporate VP for Office. Among other things, Fast is supposed to come up with a single enterprise search platform that works on Windows, Linux and Unix.

IBM Raises Dividend

In the face of a dicey economy IBM raised its dividend by 25% Tuesday to 50 cents a share. Two weeks ago it reported a 16% jump in profits and raised its earnings forecast for the year.

Stanford Sets Up Parallel Lab

Stanford has started a new Pervasive Parallelism Lab to "allow software engineers to harness the parallelism of the multiple processors that are already available in virtually every new computer." AMD, HP, Sun, IBM and Nvidia are kicking in.

HP Labs Finds Way To Make Computers Like Elephants

HP Labs says it's found the missing link that would create computers that don't forget, don't need to boot up, consume less power and associate information like the human brain does.

It says it's proven the existence of a previously only theorized fourth fundamental circuit element in electrical engineering called a "memristor," a combination of "memory resistor," that can retain a history of the information it's fed.

The findings were published Wednesday in Nature.

HP said the breakthrough could supplement and eventually replace DRAMs, which "forget" when the machine loses power and has to reboot to retrieve the data from the disk needed make it run.

A memristor would retain its information when the machine is unplugged.

HP reflected that it could advance cloud computing, lowering the power demands of the cloud's huge bank of servers and insuring greater reliability and resiliency.

Backdating Watch

The SEC's Los Angeles office wants to press civil charges for backdating against former Pixar CFO Ann Mather. The news came from Google where Mather sits on the board. The backdating occurred before Steve Jobs sold Pixar to Disney. Meanwhile, the ex-COO of Monster Worldwide James Treacy was arrested Wednesday on backdating charges of conspiracy to commit securities fraud, falsifying the books, filing false reports with the SEC and lying to the auditors. The company's ex-controller Anthony Bonica is accused of collusion.

Dell Signs Ozzie Retailer

Dell's retail push, now bordering on 12,000 stores worldwide, is pushing into Australia with its signing up Officeworks' 104 stores. Shoppers can buy one of the 10 standard Windows-only laptop and desktop configurations the store will sell or order one to their specifications at the store. Dell continues to operate 13 kiosks in the country.

Oracle Sucks Up BEA

Oracle took over BEA Tuesday after getting the European Commission's blessing for the $8.5 billion merger. Layoffs are expected to follow. BEA has 4,100 people. Like Yahoo's Jerry Yang BEA's founder-cum-CEO didn't want to sell either. A $1.8 billion sweetener brought him around.

Adobe Optimistic

A month ahead of the close of its quarter and Adobe, which was worried a month ago that it might have to change its full-year revenue guidance if the US economy continued to tank, is saying it'll come in at the high-end of its $855 million-$885 million Q2 revenue range and is leaving its 2008 guidance alone. Adobe, by the way, is now pretty sure it can manage the port of Flash to Apple's iPhone without Apple's help, just using the iPhone SDK. It would still need Apple's help with distribution, however, and that means overcoming Steve Jobs' reservations.

Lenovo China To See VMware

Lenovo has started selling and supporting VMware Infrastructure 3 pre-installed on its servers in China.

OpenJDK Bound for Ubuntu & Fedora

Canonical and Red Hat are going to put OpenJDK-based implementations in Ubuntu 8.04 and Fedora 9. The NetBeans 6.0 IDE will also be part of the latest Ubuntu.

Happy Birthday, WWW

The World Wide Web turned 15 on April 30, the anniversary of the day that CERN announced it could be used by anybody for free. There are now something like 165 million web sites, according to the BBC.