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AUSTRALIA'S DAILY FAX & E-MAIL NEWS SERVICE - AVAILABLE ONLY ON SUBSCRIPTION

Huawei gains allies in bid to have Aust. ban lifted

SYDNEY – Moves appear to be under way in the **Abbott Government** to relax the ban imposed on Chinese telecoms equipment supplier **Huawei** from contracting with **NBN Co** or other major government projects.

The ban was imposed by the former **Labor Government** on the advice of the **Australian Security Intelligence Organisation**, and follows similar bans in the USA, based on suspicions that its equipment might be used for espionage.

This is at least partly due to claimed links between Huawei leadership and the **People's Liberation Army**.

Huawei is also under investigation by the UK's national security adviser, **Kim Darroch**.

Communications Minister **Malcolm Turnbull** in August said the Government would review the ban on Huawei. He has since said the review would concentrate on whether Huawei equipment is capable of intercepting and diverting traffic signals in a manner that is not detectable.

This week Trade Minister **Andrew Robb** – who has been visiting China – has joined the chorus, saying he “strongly supports” the review and that Huawei has a “big future in Australia”.

“They are a well respected company within Australia and they have already made a big contribution to [the telco] sector,” he said during a visit to Shanghai, according to news reports.

“You look at their growth year-on-year: it's phenomenal.”
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BT exec joins NBN Co team

SYDNEY – A senior **British Telecom** executive is the latest to be hired by **NBN Co** executive chairman **Ziggy Switkowski** to advise on NBN rollout matters – and may be under consideration as a future NBN Co CEO.

The executive is **Mike Galvin**, MD of BT's **Openreach** infrastructure division, who has been heading up a £2.5 billion fibreoptic rollout by BT that aims to connect 19 million homes and businesses in the UK by early 2014.

The rollout uses a mix of fibre-to-the-node and fibre-to-the-premises technologies.

Galvin, *pictured*, is now on a two-week secondment to Australia to consult with both NBN Co executive chairman **Ziggy Switkowski** and Communications Minister **Malcolm Turnbull**, according to a *Financial Review* report.

The move has not been announced publicly by NBN Co, unlike the recent hiring of former **Telstra** execs **JB Rousselot** and **Justin Milne**.

According to the *Fin*, Turnbull consulted with Galvin as he sought to form the Coalition's NBN policy.

Galvin has also been fingered as a potential chief executive of NBN Co, replacing Switkowski in his executive role, according to the *Fin* – though it also says industry experts suggest his lack of local industry knowledge could hamper that move.



Aussies embrace subscriptions

SYDNEY – The business world is rapidly moving towards subscription-based services, in many cases delivered via the cloud – and Australia is among the prime movers, **Zuora** founder and CEO **Tien Tzuo** told a media briefing yesterday.

Zuora claims to be the global leader in subscription commerce and billing, with 650 global customers including **Reed Business Information**, **Informatica**, **Box**, **News UK** and Australia's **Fairfax Media**.

The subscription economy is producing a profound change in the way business is done, Tzuo said, with people increasingly preferring to subscribe to services rather than buy products. Australian consumers, he said, are ahead



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of the US in embracing this trend

He quoted a recent research by the **Economist Intelligence Unit** which found, among other things, that 67 percent of Australian companies are changing the way the price and deliver goods and services, and just under half of these are introducing subscription models.

"This is where the future is going – services delivered by the cloud," he said.

One very satisfied Australian customer which is taking this approach is **Lovetts Media**, which supplies crosswords and puzzles to magazines and newspapers – and is now embracing the subscription model with more than 150,000 subscribers across the globe.

In Australia Zuora has recently hired a new CEO, **Greg Cullen**, formerly of **Service-Now**, who told yesterday's event local headcount is about to double to 10 as business expands.

One last kick for KickStart – then it's Tech Leaders time

SYDNEY – **KickStart** – the annual gabfest that links Australian technology journalists and industry leaders – is to change its name to **Tech Leaders**, **MediaConnect's Phil Sim** has revealed.

The three-day conference on coming IT trends occurs in February each year, usually in Queensland, and is attended by 50 journos and a similar number of IT company execs and public relations people.

The next event – scheduled for InterContinental Sanctuary Cove Resort from February 16 to 18 next year – will retain its **KickStart** moniker, **Sim** told *CDN yesterday*. But the first two days, which will focus on "thought-leadership", will be billed as **Tech Leaders** sessions, he said

"We expect the event to operate as **Tech Leaders** by 2015," he said.

He has explained: "We felt that **Kickstart Forum**, while a strong brand within the tech media and PR community, didn't really communicate to the public what the event was about, whereas **Tech Leaders** does that much better."

This year's **KickStart** generated a lot of news coverage, particularly following a tense bit of verballing between the then shadow minister **Malcolm Turnbull** and ABC journo **Nick Ross**. But "we saw on **Twitter** a lot of people

asking 'what is this **Kickstart Forum** all about?', and we believe **Tech Leaders** is much better positioning for the event," **Sim** said.

He added that in future all presentations will be professionally filmed and hosted on a video-based Web site at techleaders.com.au.

UXC swallows WhiteLabelled

SYDNEY – ASX-listed ITC consultancy **UXC** has inked a deal to acquire digital and e-commerce specialist **White Labelled** for an undisclosed sum, said to be principally cash with some equity.

UXC says **White Labelled** specialises in systems built on platforms such as **Hybris** (an **SAP** company), **Oracle Commerce**, **IBM WebSphere Commerce** and **Magento**.

WhiteLabelled will become part of wholly owned subsidiary **UXC Oxygen**.

UXC MD Cris Nicholli said: "White Labelled offers a full outsourced service to some of Australia's largest and well known multichannel and pure play retailers, who collectively sell around \$450 million online annually."

Hackers shifting attack focus to service industries: report

SAN FRANCISCO – The average number of targeted attacks per day by hackers has dropped 41 percent in the first nine months of this year compared with 2012, security company **Symantec** has reported in its *September Intelligence Report*.

But it warns this is still a 13 percent increase over the same period in 2011, showing targeted attacks are still trending upwards over a longer period of time.

"In terms of targets, it appears that manufacturing is no longer the leading industry on the receiving end of targeted attacks, having dropped from 24 percent of attacks in 2012 to 8.7 percent so far in 2013," the report says.

Instead the main targets now appear to be service-related industries. This appears to be related to supply-chain attacks, where attackers look for the easiest point of entry and work their way up the chain.

The report identifies **Hidden Lynx**, a target attack group based in China, as a major source of attacks.

"We think it's a professional organisation, with lots of experience, using cutting edge techniques. They do a pay-per-order service, where a client will contact the group and ask them to pursue some specific information that is of use to them," notes threat analyst **Stephen Doherty**.

"They tend to go after both private industry and governmental organisations in the wealthiest and most technologically advanced countries."

Symantec sales miss estimates

SAN FRANCISCO – Security market leader **Symantec**



Huawei gains allies

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enal. And they do produce very good products."

Huawei equipment is already used by major telecoms operators in Australia, including **Vodafone**, **Optus**, **Telstra**, **AAPT**, **Primus**, **TPG** and **iiNet**. Former Coalition Foreign Minister **Andrew Downer** is a member of its Australian board, as is former Victorian Premier **John Brumby**.

has forecast its profit and sales will fall short of analysts' estimates on the back of a corporate overhaul and as the market for antivirus software slumps on weakening PC shipments.

Profit excluding some costs will be 41 cents to 43 cents a share on sales of US\$1.63 billion to \$1.67 billion in the third quarter ending in December, Symantec said. Analysts on average were projecting profit of 51 cents on sales of \$1.79 billion, according to Bloomberg.

CEO **Steve Bennett** said job cuts and restructuring to combine far-flung divisions are part of a multiyear turnaround plan.

Symantec shares dropped as much as 14 percent in extended trading. The shares declined 2.3 percent to \$24.62 at the close in New York, and had climbed 87 percent since Bennett was appointed last year.

Perlmutter moves out at Intel

SAN FRANCISCO – The recent management shakeup at **Intel** has claimed a high-level casualty, the *Wall Street Journal* reports.

Dadi "David" Perlmutter, pictured, a well-respected executive VP who had been a leading but unsuccessful contender in the race to succeed former CEO **Paul Otellini**, will leave the company early next year, after 34 years.



Perlmutter was among the candidates who pitched Intel's board of directors for the CEO job, but lost out to then-COO **Brian Krzanich**.

Within days of Krzanich taking over, there were reports that he had moved to take direct control over Intel's architecture group, and had relegated Perlmutter to a "vaguely described transitional role", according to the *WSJ*.

Apple wins patent trial

SAN FRANCISCO – **Apple** has won a patent-infringement case against **Wi-Lan** which had been seeking US\$248 million from the iPhone maker over an invention for wireless technology used in mobile devices.

A US federal jury found Apple didn't infringe a patent for technology used in wireless networking, along with two patent claims it ruled were invalid.

This follows its loss in a number of patent cases in July brought against **Alcatel Lucent**, **Ericsson**, **HTC** and **Sony**.

Wi-Lan reported a loss of \$762,000 in the second quarter on revenue of \$19.9 million, with litigation expenses accounting for much of its costs.

US move to curb patent cases

WASHINGTON DC – After years of inaction on patent law, a new bill has been introduced to the **US House of Representatives**, aimed at curbing patent cases which cost business billions of dollars.

The draft *Innovation Act* attempts to limit patent claims,

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make litigants pay full costs of their lawsuits and require plaintiffs to demonstrate much higher standards of evidence.

"Abusive patent litigation is a drag on our economy," said **House Judiciary Committee** chairman **Bob Goodlatte**. "Everyone from independent inventors, to start-ups, to mid and large sized businesses face this constant threat.

"The tens of billions of dollars spent on settlements and litigation expenses associated with abusive patent suits represent truly wasted capital that could have been used to create new jobs, fund R&D, and create new innovations and technologies."

Surface Pro 2 full of problems

SEATTLE – **Microsoft's** Surface Pro 2 tablets are little changed from the original Surface Pro design, and according to **iFixit** they're just as difficult to repair.

iFixit's teardown of the new slate reveals that its guts are full of thick, tacky glue and more than 90 screws, just like its predecessor. And just like the first Surface Pro, it earns a Repairability Score of 1 out of 10 – which, as iFixit observed last time around, is the lowest score ever received by any tablet.

Juniper axes 300 jobs

SAN FRANCISCO – **Juniper Networks** is axing hundreds of workers amid concerns the recent US government shutdown may have hampered its US business.

Juniper also revealed sales had risen to \$1.18 billion, up three percent sequentially and six percent versus the same period a year ago.

This was the fifth consecutive quarter of year-on-year growth but, despite that, the chief financial officer **Robyn Denholm** confirmed belt tightening was necessary.

"We have taken some restructuring and rebalancing

