Market Roundup

Lenovo Goes for the Gold with New 3000 Family
HP Announces StorageWorks Enhancements
EU Legislation Takes a Byte Out of Crime
Google vs. Perfect 10

:sageza:

Lenovo Goes for the Gold with New 3000 Family

By Joyce Tompsett Becknell

In tandem with the Torino Winter Olympics, for which Lenovo is providing the compute infrastructure, Lenovo has announced a new line of desktops and laptops targeted to the small and medium business market, the 3000 family. These systems, in contrast to the business-focused ThinkPad line, will be available worldwide and targeted to small and medium businesses (SMBs) with attractive prices, a new design, and features targeted specifically to SMB needs. The J Series is the new line of desktops, with Intel Pentium 4 and Celeron D, and AMD Sempron and Athlon processors, six USB 2.0 ports (two of which are in front), and front audio. The systems come with the new Lenovo Care Tools including one-button system recovery, easy connectivity, and automatic updates, and the all important IBM service and support. On the laptop side, Lenovo is introducing three series: C Series for entry-level, mainstream systems; N Series for widescreen systems; and V Series for widescreen ultra-lightweight systems. The laptops will have the same Lenovo Care options and IBM service and support as the desktop family. They will be Intel-based systems with 802.11 a/b/g wireless, DVD recordable or CD/DVD combo optical, VibrantView Display technology for some models, and options for Bluetooth, fingerprint security, and cameras.

With this announcement, Lenovo is initiating the next stage in its strategy. After IBM sold essentially its PCD division to Lenovo, there was a marketing focus in the U.S. and Europe on the ThinkPad brand, with the intent of making customers more comfortable with the transition from IBM to Lenovo, and demonstrating that although the parent company had changed, the product and its development team were committed to maintaining the high standards and product directions that had led customers to purchasing the systems in the first place. Now that Lenovo feels that transition has successfully passed, it is moving into phase two, which is to start to differentiate between the enterprise-oriented Think brands and the SMB and consumer-focused Lenovo brands. The new 3000 family is targeted specifically at SMBs and is clearly different from the Think brands in its look, its features, its marketing, and its pricing. The Lenovo team has done its homework and has worked hard to take advantage of both the strengths of the Chinese parent company as well as those of its IBM heritage, and the care with which it has positioned and launched these new products demonstrates that ongoing awareness of what the company has to gain as well as what it doesn't want to lose. We believe Lenovo has taken the right approach for maximizing the former and we don't anticipate any confusion to either customer base as a result. In fact, we believe this sale and transition has been one of the cleanest and best executed we've ever seen in an industry more known for its M&A mistakes than successes, and we think that will make all the difference in the long run for Lenovo's success in the cutthroat desktop and PC markets.

The new systems are definitely stylish and are easily differentiated from their Think cousins. Much like other vendors, the company has done its market segmentation and created different lines for different customers. As an industry however, we think that the PC vendors still have work to do around positioning their systems. The server vendors have worked out that smaller systems should still have the latest features and greatest performance. Similarly for laptops and desktops, vendors have made tradeoffs between systems. Despite the time they spend positioning, we still find it confusing when we look from vendor to vendor to decide what kind of user we are. Mostly we find ourselves wanting a system that has a combination of enterprise and consumer/SMB features, and we suspect we're not alone. While price is always important, and while SMBs/consumers are generally more

---

sensitive than enterprise to price, we think that because their business lives depend on them, SMB customers in some ways are even more dependent on cool technologies than their enterprise counterparts, who are more concerned with security, identity management, and VPN access, and who generally have more than one device to access their applications. SMBs will often pay a bit of a premium for the technology, especially if crucially important service and support from trusted providers are baked in to the offering. If vendors want to take control of the SMB market, they're going to have to spend the time getting to know that market. This means building their assumption set about that market from the ground up instead of starting with what they know about enterprise and deriving the differences and segmentation from there. It may seem a subtle difference, but in the long run, it could be the difference between being market leader and being just one of the pack.

HP Announces StorageWorks Enhancements

By Clay Ryder

HP has announced hardware, software, and services enhancements to its Storage Works portfolio with a focus on streamlined management solutions for online, backup, email, and remote office consolidation, as well as broadened support for multi-vendor IT environments. Enhancements to the HP StorageWorks EVA and XP disk arrays include concurrent iSCSI and Fibre Channel connectivity for EVA arrays as well as dual iSCSI connectivity for redundancy; EVA array support for 4GB SAN environments; support for attaching EVA arrays to XP arrays to enhance virtualization and data management from a single console; and doubling the cache of XP arrays for enhanced cache partitioning capabilities in consolidated environments. The maximum capacity of the HP StorageWorks 6000 Virtual Library System is now 70TB through new support for 500GB drives. The new HP StorageWorks MSL2024 tape library offers backup consolidation targeted at SMBs with features such as Web-based remote management, an integral barcode reader, and removable magazines for bulk loading and offsite storage. The MSL2024 stores up to 9.6TB in a 2U design. HP also enhanced its branch office consolidation offering by upgrading its family of HP StorageWorks Enterprise File Services (EFS) to include WAN Accelerators with new software features and multiple fail-through network interface card options to improve WAN application performance to deliver LAN-like application performance. This offering seeks to enable consolidation of remote site IT infrastructure to the data center. In addition, HP refreshed the HP Storage Essentials suite of multi-vendor SRM and SAN management software. HP Storage Essentials Backup Manager extends its backup reporting capabilities to HP-UX and Linux environments, while HP Storage Essentials Provisioning Manager offers new provisioning capabilities for third-party disk arrays and switches from IBM, Sun, Xiotech, Cisco, and QLogic. HP also indicated that it had expanded its services offerings to assist customers at most every stage of heterogeneous storage consolidation.

This announcement, coming from an HP Asia-Pacific StorageWorks Conference, is chock-full of storage-related goodies, and in many ways seeks to paint a broad, holistic view of storage as opposed to simply talking about some new disk drives. As we have no doubt said before, storage is more than spindles or tape heads and this announcement, while not covering every imaginable permutation of storage, makes it clear that storage from HP's perspective is a value-added, multiple-method, multiple-platform, and heterogeneous affair. At the same time, one of our favorite IT propositions, taking the "remote" out of the remote office, is at play here with the WAN accelerator. Helping make the WAN behave more like the LAN is a good step in this direction. At a higher level, we are pleased to see more interaction between the EVA and XP arrays. While there are many technical considerations between multiple classes of storage, the face is from the customer's perspective, it is all just storage, and it should ideally present a uniform, functional face to the user.

The usage of the terms virtualization and consolidation in HP's release were not lost on us. Although such monikers have been in play in the server arena for some time, it is only more recently that these concepts have been applied to storage. To our way of thinking, the distinction between server and storage is becoming harder to ascertain as the platforms and abilities of storage and server solutions continue to change and draw closer. For the business user, it is all about function, not implementation, so we expect the distinctions will only continue to blur. Nevertheless, we believe this announcement illustrates the HP is still very much the serious player in the storage market, hardly ready to cede the market to the competition. But perhaps most importantly for its customers, these

announcements speak of a more cooperative, multi-vendor focus, which should provide a soothing reassurance to those whose IT environment is not a single-sourced operation.

EU Legislation Takes a Byte Out of Crime

By Susan Dietz

In a decision passed by justice ministers in Brussels recently, legislation is now in place that requires service providers, fixed line, and mobile operators in the European Union to keep records of their customers' communications by recording the time, date, length of communication, and destination of their contacts. The content of the communications is not going to be kept. Service providers will have to keep these records between six and twenty-four months and must pay out of pocket for the costs of storage. The legislation takes effect in August 2007, despite intense opposition from privacy advocates.

The financial impact to the service providers could be substantial. For one, in the original proposal companies were to be reimbursed for the costs of storage. Another consideration is that the sheer volume of the records that might be kept concerning millions of people's potentially trillions of communications may well be logistically daunting. The space that is going to be required for these records by each service provider should cause at the least a fair-sized ripple in the storage solutions market. And regardless of how easy some software programs may be to operate, searches through the information for specific data will take some time to sort out. Other questions raised by the legislation concern multiple jurisdictions, which category of personnel may have access to the records being kept, and how private those records really are. As a whole, this seems to be an ambitious piece of legislation, the practical applications of which may well become a larger headache than the justice ministers first envisioned.

Service providers have long known their customer's communication habits if for no other reason than to send out the billing generated by those same habits. However, any alarms triggered by blips in the habits of customers when the service providers were dealing with the relatively small amount of information may very well get lost in the shuffle of a larger volume of transactions being stored. In this case it would appear that the SP will be notified (via a warrant or other legal document) to provide the records for an identified individual. The law enforcement/military hope is that the traffic to and from the subject will yield clues to relationships, plans, and perhaps intentions. The effect on the industry is that communications providers will share the same burden of storing and retrieving records as is now common in other industries such as stock trading. The SEC proscribes detailed recordkeeping rules which now include requirements to track IM communications. All of this may end up being a boon for storage vendors, vaulting software vendors, and of course attorneys.

Google vs. Perfect 10

By Susan Dietz

The company Perfect 10 recently won a preliminary injunction against Google for copyright infringement. Lawyers for both sides of the case have until March 8 to propose the exact wording of the injunction. Google intends to appeal the injunction, and believes that losing the case will have little or no effect on other image searches on its site. The issue that tipped the scales in favor of Perfect 10 is that Perfect 10 has subscription-based thumbnail image sales to various third-party handheld devices; devices that could download the same thumbnail images from a Google search for free. Thus, Google infringed upon Perfect 10's right to make money from the sales of its images.

Plagiarism and copyright infringement have been two issues that have dogged the publishing industry ever since its inception. With more things being published online every day, those same issues appear to be plaguing the Internet in ever-increasing numbers. Search engines are obviously a new way to find material—in our opinion, a much better and faster way to find information than an old library's card catalogue—but must step lightly to avoid stepping on toes... or copyrights. It is inevitable that friction would occur between search engines posting bits and pieces of sites and those sites that want to keep their bits and pieces to themselves.

The Google business model depends upon fair use of copyrighted material, but lately the line between fair use and copyright infringement has been challenged in court by more than one disgruntled online company. In the case of Perfect 10 v. Google, it seems that Google was indirectly impacting Perfect 10's profits by indexing pirated copies of Perfect 10 content and thus infringing upon the company's copyright status for its images. Some speculate that if Google had limited the search function to text only, the outcome of the case may have been different because there would have been no loss of revenue for the IP owner; however, we are not inclined to buy this argument, as IP is IP regardless of what form it takes. The act or lack thereof of oogling while googling is not to us a definition of copyright infringement. It is also worthy to note that discovery of the pirated pictures infringement was likely sped up due to Google's indexing the publicly available pirated content, a two-edged sword of search. Nevertheless, "if onlys" aside, we don't think that every case of online company v. search engine is going to be as clear-cut. The lines in the virtual sand are being drawn and redrawn, at times contentiously, and it will be interesting to follow the skirmishes and see where the battles ultimately determine the territory.