



## Tech Brief: Flaw found in security of Internet

AP, Bloomberg, NYT, Reuters

Wednesday, April 21, 2004

Researchers found a serious security flaw that left core Internet technology vulnerable to hackers, prompting a secretive effort by international governments and industry experts in recent weeks to prevent global disruptions of Web surfing, e-mail and instant messages.

Experts said the flaw, disclosed Tuesday by the British government, affects the underlying technology for nearly all Internet traffic. Left unaddressed, they said, it could allow hackers to knock computers off line and broadly disrupt vital traffic-directing devices, called routers, that coordinate the flow of data among distant groups of computers.

"Exploitation of this vulnerability could have affected the glue that holds the Internet together," said Roger Cumming, director for England's National Infrastructure Security Coordination Center.

The flaw affecting the Internet's "transmission control protocol," or TCP, was discovered late last year by a computer researcher in Milwaukee, Paul "Tony" Watson, 36, who said he had identified a method to reliably trick personal computers and routers into shutting down electronic conversations by resetting the machines remotely. (AP)

**LINDOWS PLANS STOCK OFFER:** Lindows, which sells a version of the Linux software that competes with Microsoft, said it planned to raise as much as \$57.5 million in an initial public offering, taking advantage of a surge in demand for Linux.

The money will be used to expand its sales and marketing, pay off debt and develop new products, Lindows said in a filing with the U.S. Securities and Exchange Commission. The company, based in San Diego, did not say how many shares would be sold.

The offering comes amid a rise in shares of Red Hat and other sellers of Linux programs. Microsoft, whose Windows operating system runs 95 percent of the world's personal computers, has said Linux is one of the biggest threats to its business.

Lindows, an unprofitable software maker, caught investors' attention after Microsoft sued it in Europe claiming the name Lindows breaches its Windows trademark. Lindows last week agreed to rename its product "Linspire" in Europe. (Bloomberg)

**SONY RAISES EXPECTATIONS:** Sony on Tuesday raised by 60 percent its estimate for net profit in the latest business year, citing favorable currency swings, a lower U.S. tax bill and a strong performance from its movie and finance businesses.

Sony said it now expected net profit of ¥88 billion, or \$822 million, for the year that ended on March 31. That would be down 23.8 percent from a year earlier but better than analysts' expectations and the company's earlier forecast of ¥55 billion. Sony plans to make a full earnings report next Tuesday.

Sony also raised its expected sales figures to ¥7.5 trillion from ¥7.4 trillion. Sony

posted sales of ¥7.47 trillion last year.

Sony is trying to raise profit and cut costs through a corporate revitalization plan that includes cutting 20,000 jobs, or about 12 percent of its work force, by 2006. (NYT)

**PHILIPS WINS PATENT SUIT:** A U.S. subsidiary of Royal Philips Electronics, the largest European consumer-electronics maker, won a \$5.8 million jury award in a patent suit over television remote controls.

After a weeklong trial, a jury on Monday decided that Philips Electronics North America was entitled to \$1 in royalties for each of the 5.8 million units sold by a competitor, Compo Micro Tech. Judge Kent Jordan of U.S. District Court ruled earlier that Compo had infringed a 1987 patent. (Bloomberg)

**AT&T WIRELESS LOSES:** AT&T Wireless Services had its first-ever loss of subscribers in the first quarter because of computer glitches, while its future parent, Cingular Wireless, added 554,000 customers after improving network quality, the companies said. AT&T Wireless, which is being sold for \$41 billion, lost a net 367,000 users, it said. (Bloomberg)

**E.BISCOM SEES TAX SAVING:** A planned merger between e.Biscom, an Italian broadband telecommunications provider, and its fully owned operating subsidiary, FastWeb, would bring a E68 million tax saving, the company said.

E.Biscom will ask shareholders to approve the merger at an annual general meeting on Thursday. (Reuters)

**VERISIGN SETTLES SUIT:** VeriSign, the main operator of the Internet's address database, settled a lawsuit claiming that it improperly transferred the Sex.com domain name from its owner to a con man and then refused to give it back.

The settlement was announced by Gary Kremen, owner of the Sex.com domain name. Financial terms were not disclosed. Kremen won a \$65 million judgment against Stephen Cohen, who convinced VeriSign's predecessor, Network Solutions, to transfer the address and who is now a fugitive. (Bloomberg)



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