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Today's News

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'Black Friday' Online Poker Indictments Hang Over E-Gambling Conference

SAN FRANCISCO — The "Black Friday" indictment of three big online poker operators offers an opportunity for supporters of legalizing gambling as well as a problem, said Rep. John Campbell, R-Calif., the author with Rep. Barney Frank, D-Mass., of a bill calling for state regulation under federal standards. "This is about consumer protection here," he said Tuesday at the Global iGaming Summit. Players aren't being protected from misconduct by overseas sites, Campbell said.

The indictments last month also "reinforced ... fears" that "these are bad people" running Internet gambling operations, "modern-day mobsters in control of this industry," Campbell said. With Republicans running the House, the "biggest kind of force" against federal legislation for regulation and taxation is "anti-gambling social conservatives," he said, describing himself as a "libertarian-leaning Republican." A way to undercut this source of hostility may be to limit legalization to poker and a few other contests, such as horse racing, as games of skill, Campbell said.

The gambling industry isn't unified enough in its lobbying and hasn't recruited enough allies, Campbell said. "It's really hard to push against these outside forces" when industry efforts to tell the same story remain incomplete, he said. And "why do we not have more of the Internet helping you push the economic opportunity," since the subject is e-commerce, Campbell challenged his listeners. "Bring other ancillary industries in." He said the other shortcoming is an "obsessive focus" on producing government revenue as a selling point for legalization. That's a benefit, but "I don't think we lead with that, because it sounds like we don't have any other reasons," Campbell said. "We ain't there," he said. "We've got a long ways to go."

But "momentum on the thing is building," Campbell said. He said his measure has a lot going for it. "This is a jobs bill," creating oversight and other positions, and jobs will be the issue of the next campaign, Campbell said. It will build business in the U.S. "for something that 30 million Americans are already doing and are going to do," and it will attract foreign players to U.S. sites, he said.

Parallel federal and state legalization efforts "are complementary," Campbell said. National regulation of the global Internet "is hard enough to do," and control "is much harder for a state" or locality, he said. But all the pushes show "there is momentum" for legalization, Campbell said. There's "a lot of talk" that the Black Friday defendants should be ineligible for operating licenses, "or any entity that had broken the law," he said.

"We are the first" to legalize online poker for local players, bragged Councilmember Michael Brown of the District of Columbia, who offered the measure (WID April 21 p2). The motivation was responding to "tough budget times," he said. No revenue was projected for this start-up year, so the whole take will be "just gravy," and "we are anticipating heavy revenue" in 2012 and beyond, Brown said. The District is offering free games to warm up and "cash games will follow" in a few months, Brown said. The Lottery and Gaming Control Board oversees the activity, said Brown, a life-long Democrat elected at-large as a nominal independent.

California Sen. Lou Correa, D-Santa Ana, also stressed consumer protection and economic themes. The author of SB-40, a bill to legalize Internet poker, Correa said the whole industry can unite around the "need for effective regulation" to protect players and keep out children, and it should emphasize economic benefits. He said Sen. Rod Wright, D-Inglewood, also has a bill on the subject, SB-45. California accounts for two-thirds of the U.S. online poker market, Correa said, and a poll showed that residents strongly support his approach of having the state's card clubs and Indian tribes run legalized games. He said he thinks Black Friday will be good for business: The state revenue projection immediately rose to \$1.5 billion from \$1 billion with the indictments, Correa said.

Correa said his measure relies heavily on technology. Operators would have to use tools offering players loss limits and keeping minors out of the games, he said. Correa said he's looking at technical measures to exclude those with mental disabilities, including temporarily from alcohol or other drugs.

Nevada Assemblyman William Horne, D-Las Vegas, said AB-258, his Internet poker bill, would require the state Gaming Control Board to write regulations for licensing and operations under AB-266 on interactive games, enacted in 2001 but never carried out, so "we will be ready to go on day one" if the federal government legalizes the game. When "large amounts of money are being exchanged and you have no regulation, bad things can happen," he said. Nevada, recognized as a world leader in keeping gambling on the up and up, will be a model to other governments, Horne said. He said he's the chairman of the Judiciary Committee, which handles most legislation about gambling regulation. But Horne conceded that his bill hasn't entirely been "received favorably" by the gambling industry, as it works on congressional legislation. — *Louis Trager*

Fills Technology Gaps

ECPA Reform Bill to Modernize Electronic Privacy Protections

Senate Judiciary Committee Chairman Patrick Leahy, D-Vt., introduced a bill that would modernize the Electronic Communications Privacy Act (ECPA). Leahy, who helped write the 25-year-old law

that restricts federal access to private electronic communications, announced the Electronic Communications Privacy Act Amendments of 2011 (S-1011) via Twitter early Tuesday afternoon. Privacy groups called the bill a "good first step" but some questioned whether it can sufficiently address location-based data concerns.

Leahy's bill is intended to "fill the gaps" in existing electronic privacy laws and offers new privacy protections for cloud and location-based data as well as enhanced protections for e-mail, text messages, social networking messages and other electronic communications, the legislation said. The bill also contains cybersecurity provisions that permit service providers to disclose content related to cyberattacks and enhanced law enforcement provisions.

The proposed ECPA amendments require federal agencies to obtain search warrants, based on probable cause, in order to compel a service provider to disclose the content of a customer's electronic communications, the legislation says. With some exceptions, the bill also requires the government to obtain a warrant or a court order to access or use an individual's geolocation information from smartphones or other electronic communications devices. These provisions would replace the "180-day rule" for federal access to e-mail content in the current law and prohibit service providers from disclosing customer content to the government without a warrant.

ECPA provisions are "significantly outdated" and outpaced by rapid changes in technology and the changing mission of our law enforcement agencies after September 11," Leahy said in a press release. "The balanced reforms in this bill will help ensure that our federal privacy laws address the many dangers to personal privacy posed by the rapid advances in electronic communications technologies."

The current law is unwieldy, complex and difficult for judges to apply to modern technologies, according to a recently released Congressional Research Service report. The report said that the evolution and increased adoption of cloud computing pose particular challenges to the current ECPA framework. "When law enforcement officials seek data or files stored in the cloud, such as Web-based e-mail applications or online word processing services, the privacy standard that is applied is often lower than the standard that applies when law enforcement officials seek the same data stored on an individual's personal or business hard drive," the report said.

Federal agencies can delay notification of any access to an individual's electronic communications in order to protect national security or "the integrity of a government investigation," the bill said. Law enforcement agencies may seek a court order to delay notification for 90 days and may extend the delay for an additional 90 days with a subsequent court order. "I think it's important for law enforcement because it finally gives them a clear standard," said James Dempsey, the Center for Democracy and Technology's vice president of public policy.

The bill also has important implications for mobile industry players, said Dempsey. Although the Leahy bill only deals with federal access to consumer information, the legislation establishes a "very clear legal standard to help [mobile service providers] assure their customers that the information is being carefully protected," he told us after an ECPA event sponsored by the Brookings Institution. Last week Leahy said that ECPA provisions should apply more broadly to mobile providers and mobile applications, during a Senate Privacy Subcommittee hearing chaired by Al Franken, D-Minn. (WID May 11 p1).

But Leahy's proposed amendments are insufficient to address the expansive ecosystem of location-based services, said Albert Gidari, a privacy attorney at Perkins Coie and panelist at the event. Gidari rep-

resented Google in its successful motion to stop a Justice Department demand for its Web search queries (WID Jan 20/06 p4). The legislation will "inevitably fall short because it does not encompass the whole framework of the location ecosystem that is out there today," he said. Instead consumers will remain subject to "a hodgepodge of common law of the provider making the decisions" on what to do with location-based information.

The bill is a "good first step" toward modernizing a law that is in "desperate need of an update," said Laura Murphy, director of the ACLU's Washington legislative office. "It should be common sense that the information we store and share online should have the same level of Fourth Amendment protections from government intrusion as our offline papers and effects," she said. The Software and Information Industry Association (SIIA) said in a statement the bill revising the current law is a "big step forward" in protecting the data that Americans store on cloud computing networks. "The legal framework provided by [the existing] ECPA leaves both providers and users of remote computing with a complex and baffling set of rules that are both difficult to explain and apply," said SIIA President Ken Wasch. — *Bryce Baschuk*

Dozen-Plus Lobbying Visits

Baker's Staff Lobbied by Comcast, Rivals, NCTA, Others, During Her Recusal

Staff in the office of FCC Commissioner Meredith Baker was lobbied on more than a dozen occasions by Comcast, the NCTA, cable company rivals, nonprofit groups and others as she considered a job offer at Comcast, agency records show. Since April 18, when Baker privately recused herself from voting on anything at the FCC (WID May 16 p9), the lawyers who advise her also were visited by executives of AT&T, the CTIA, News Corp., Verizon and other companies and public interest groups. Baker's not the first FCC member to directly leave for a large company regulated by the agency, though it's been decades since that's believed to have last occurred, said several who have long watched the commission.

The lobbying meetings were problematic on several levels, said critics who reviewed the ex parte filings. The eighth-floor visits show that following the letter of recusal rules, which Baker and her staff did, doesn't eliminate a perceived conflict of interest because some of the meetings involved Comcast and its main trade association on routine matters affecting the company, said Communications Director Dave Levinthal of the Center for Responsive Politics and others. At the same time, since the visitors and apparently also the staffers didn't know that Baker had recused herself from all votes, the meetings can be seen as a waste of time, said critics including Free Press Policy Counsel Corie Wright and Craig Holman, a lobbyist for Public Citizen.

Discussed with Baker's staffers were AT&T's agreement to buy T-Mobile for \$39 billion, AllVid rules for all pay-TV companies to connect to consumer electronics, changing the Universal Service Fund to pay for Internet service and an FCC contractor's testing of cable and phone companies' broadband transmission speeds, commission records show. April 25, Comcast and Time Warner Cable sought to have the broadband speed tests being done by FCC vendor SamKnows presented to the public in a way that "accurately reflects the typical experience of test panelists," a filing said. An executive of NCTA, of which Comcast is the largest member, also attended.

Three days after Comcast's FCC meeting, News Corp. lobbied against AllVid rules. NCTA also has opposed the rules. That cable association participated in a May 3 meeting with CTIA, Verizon, Vonage and USTelecom to discuss "concerns" about a rulemaking proposing to require broadband and VoIP providers to make notification of service outages. A day later, NCTA executives asked that the FCC not impose more rules on TV captioning, in implementing the 21st Century Communications and Video Accessibility Act. Representatives of three groups for those who have trouble hearing in another meeting sought TV captioning standards.

Critics of last Wednesday's announcement that Baker is leaving June 3 to become the top lobbyist for Comcast's NBCUniversal, and who reviewed the filings at our request, said they show that FCC rules were followed. Levinthal and other critics said the meetings point up the problems of Washington's revolving door, where politicians and regulators go to work in the private sector. In January, Baker voted to approve Comcast's multibillion purchase of control in NBCUniversal, months before she said she was approached about the lobbying job and a transaction that some view as the most important in the company's history. Baker's office and the FCC had no comment. Baker has said she went beyond the rules required when commissioners consider a new job.

Recusal goes beyond not voting on items and includes not taking part in any "official action in any capacity" involving the prospective employer, Holman said: "If her staff were facilitating the interests of Comcast in these actions on behalf of Baker, which is quite possible given the lobbying meetings, then Baker was not in fact living up to her recusal obligation." Baker has also said she didn't participate in any proceedings, starting when she was approached by Comcast, and that she spoke extensively with FCC General Counsel Austin Schlick to avoid any conflicts. "But it is not at all evident why her staff were being lobbied when she has recused herself from further official actions," Holman said. "Situations like this make it tempting to recommend a broader revolving door policy prohibiting any official from accepting employment with any business that they oversaw as an official — but reflection shows that far-reaching prohibition is not practical."

The meetings show the practical difficulties of a member of a regulatory commission privately considering a job, because visitors expect help from her office on issues before the agency, said Wright. Free Press and others have asked members to write Congress to investigate Baker's departure. Baker's entire office shouldn't have accepted any visits by those regulated by the FCC and groups seeking rules, because of the commissioner's job discussions with Comcast, said Policy Director Meredith McGehee of the Campaign Legal Center.

Other FCC watchers say Baker has done nothing her predecessors didn't do. "This is all overblown," since "there are countless cases in the past" that are similar, said Professor Chris Sterling of The George Washington University, an aide to a commissioner in the 1980s who teaches about the FCC: "Though overall, the pattern is unfortunate." FCC member Kenneth Cox left the agency in 1970 for a job at MCI, shortly after voting to approve the company's service, Sterling noted. He said that in 1947, Chairman Charles Denny left for NBC, shortly after voting for something on behalf of the broadcast network. Baker is a Republican. Cox and Denny were Democrats.

None of the past 10 FCC members to leave went directly to the private sector, our review of job announcements from 1997 on showed. Some went to law and lobbying firms soon after leaving, including former Chairman Kevin Martin, to Patton Boggs where he now works, and former Com-

missioner Kathleen Abernathy to Akin Gump. She later went to work for another law firm and last year opened up the Washington office of Frontier Communications. Martin, Michael Powell, Reed Hundt and William Kennard went to work for the Aspen Institute immediately after they stepped down as FCC chairmen, said Charlie Firestone, executive director of the communications and society program.

"They could finish up their chairmanship without having to disqualify themselves by looking for a job," Firestone said of the last four FCC chairmen. Of Baker, he said he believes it's not a "unique situation," either to the FCC or to Washington, calling her "terrific." Powell last month reentered the communications law sector, becoming president of NCTA, replacing Kyle McSarrow. McSarrow became president of Comcast/NBCUniversal Washington, where he's said to have recruited Baker for the lobbying job there (WID May 12 p1).

Visitors to Baker's office ranged from CEO Ralph Clark of ShotSpotter, a closely held company asking its gunshot-detecting technology be included in an FCC framework for the next generation of 911, to five small telcos that discussed the USF and intercarrier compensation. Executives of General Communication, Alaska's largest cable company and telco, sought USF funding for broadband deployments serving tribal lands, while AT&T and Verizon separately sought deregulation of some filing requirements for U.S. providers of international telecom services. In the last recorded ex parte meeting with Baker's office on May 11 — the day Baker said she would leave the FCC for Comcast, the Media and Democracy Coalition of two-dozen nonprofit groups that include Public Knowledge and the United Church of Christ sought to expand the USF to cover broadband and said the commission shouldn't approve the AT&T/T-Mobile deal.

"Simple common sense" requires Baker and her aides not take "any part whatsoever" in the policy-making process once she began talking to Comcast about employment there, McGehee said. "It is exactly that kind of hairsplitting and consulting of attorneys, in order to legally do things that are obviously wrong, that further damages the public's faith in its government," she added. "More measures are needed for both the legislative and executive branches to eliminate this stark example of cashing in on public service." The lobbying of Baker's staff "illustrates that there are a lot of problems with the revolving door," for both members of the public and companies regulated by the FCC, Wright said. "It certainly puts her staff in a very awkward position, that without breaking the news, her staff is expected to conduct some business." — *Jonathan Make*

Capitol Hill

Major Internet rivals will face each other and the FTC at a Senate Consumer Protection Subcommittee hearing on mobile privacy Thursday. The hearing's witness list features David Vladeck, director of the FTC's Bureau of Consumer Protection; Facebook Chief Technology Officer Bret Taylor; Alan Davidson, Google director of public policy for the Americas; Catherine Novelli, Apple vice president of worldwide government affairs; Association for Competitive Technology President Morgan Reed; and Amy Guggenheim Shenkan, president and CEO of Common Sense Media, a watchdog group of parents. The hearing will take place at 10 a.m. in Room 253 of the Russell Senate Office Building. Vladeck will make a Hill appearance on Wednesday as well, speaking at a lunch event hosted by the Electronic Privacy Information Center in Room HVC-201 at the Capitol Visitor Center. The discussion concerns the "worldwide investigations of Google Street View, as well as related concerns about the privacy of residential Wi-Fi routers," EPIC said. Also speaking: Former FTC Commissioner Pamela Jones Harbour, now

with Fulbright & Jaworski; Ted Morgan, CEO of Skyhook Wireless, which recently sued Google for allegedly blocking Android device makers from including Skyhook's rival location software; Gerard Waldron, former senior counsel to the House Communications Subcommittee, now with Covington & Burling; and EPIC President Marc Rotenberg.

The House Commerce Subcommittee on Manufacturing sent Sony more questions about the PlayStation data breach. Sony didn't answer all of the subcommittee's questions from a previous letter, Chairman Mary Bono Mack, R-Calif., and Ranking Member G.K. Butterfield, D-N.C., said in the Tuesday letter. "Now that more time has passed, and particularly in light of the news that Sony restarted its PlayStation Network on May 14, 2011, we submit these questions to you again, as well as questions regarding the discovery of a breach impacting Sony Online Entertainment customers," the subcommittee leaders said. Sony should respond by May 25, they said. Among other questions, Bono Mack and Butterfield asked for more details about what customer information was specifically obtained in the PlayStation breach, how the breach occurred, and who was responsible for the attack. They asked if the SOE breach was related to the PlayStation Network breach, and for more details about that breach's impact on users. The lawmakers asked how Sony would help affected customer. They asked if additional security measures listed by Sony would help consumers, and why the company did not have those measures in place before the breach occurred.

Nearly 30 senators urged strong intellectual property rights standards in the Trans-Pacific Partnership Trade Agreement. Intellectual property equals jobs, said Sen. Orrin Hatch, R-Utah, ranking member of the Senate Finance Committee, Sen. Maria Cantwell, D-Wash., and other senators in a letter to President Barack Obama Tuesday. A TPP agreement with strong IP protections "promises to be an important means of ensuring that U.S. companies can continue to innovate and grow in this global economy," they said. The provisions must be clear, specific and enforceable, "building upon the high standards set forth in the U.S.-Korea Free Trade Agreement ... and U.S. law," they said. The lawmakers also called for high standards in sectors in the creative copyright and biopharmaceutical sectors. The letter "highlights the economic contributions of America's IP-intensive industries and the crucial role strong IP plays in promoting the vitality of these industries," the U.S. Chamber of Commerce Global Intellectual Property Center said. GIPC commended the signers for their support "for advancing the protection of America's IP-intensive industries globally," the center said.

Agencies

Pushing net neutrality rules was a strategic mistake by the FCC, CEA President Gary Shapiro said at the TV of Tomorrow conference in San Francisco Tuesday during an on-stage Q-and-A session. "I don't care about net neutrality, honestly," Shapiro said. "I wish the FCC had never gotten into it and the reason I don't care about it is it's a short-term problem," he said. "If you have choices in broadband ... we don't need our government to tell our broadband providers what to do." FCC Chairman Julius Genachowski "made a strategic mistake, that was huge, by pushing it," Shapiro said. "And now he's having problems with Congress because he did that." — *JW*

The FCC announced Tuesday it will seek comment on location-based services (LBS) and hold a forum on issues raised on June 28, in conjunction with the FTC. The FCC wants to take a closer look at "how LBS works; benefits and risks of LBS; ... industry best practices; and what parents should know about location tracking when their children use mobile devices," it said in a public notice. Apple and

Google have been invited to send a representative to the forum and the FCC will make some recommendations on what Congress and other agencies can do to address a number of increasingly high-profile issues, an agency official said. Written comments are due at the FCC July 8.

The FTC brought a law enforcement action against a website operation that allegedly made \$450 million from consumers in five countries by deceitful marketing. The commission charges that the defendants attracted customers in the U.S., the U.K., New Zealand and other countries “by luring them into ‘free’ or ‘risk-free’ offers and then charging them for products and services” they didn’t agree to purchase, the FTC said in a press release. The commission seeks to stop the illegal practices “and make the defendants repay injured consumers,” it said.

Better efficiency and reducing costs are key factors that will drive government information technology spending over the next 12 months, a CompTIA study said. Its government IT purchase plans study is based on a survey of 375 federal, state and local government IT buyers, the association said. About 60 percent of government IT decision makers reported these factors as the main drivers, CompTIA said. New data backup and recovery solutions were identified as a priority over the next 12 months by 39 percent of respondents, the association said. “Security applications were cited by 37 percent of respondents, followed by virtualization solutions (30 percent) and content management solutions (24 percent).” Desktop PCs and laptops were the top two items on their purchase lists, CompTIA said. About 44 percent of respondents plan to implement workforce training in PC maintenance, disaster recovery and other areas over the next 12 months, it said. “The top two agency technology challenges are reduced budgets,” 73 percent and resistance to change at 70 percent, the study said.

Courts

ActiveVideo Networks said a U.S. judge strengthened its patent-infringement case against Verizon by dismissing two of the telco's counterclaims in the yearlong litigation. The judge in U.S. District Court in Alexandria, Va., also threw out Verizon’s claims against Cablevision, which is an ActiveVideo customer of the technology in question, ActiveVideo said. “Obviously we’re pleased at the elimination of Verizon’s claim against our company, but it is equally important that the ruling removes claims by Verizon against our customer,” said CEO Jeff Miller. A trial is set for July 12 on ActiveVideo’s pending claims against Verizon. The patents at issue are related to interactive cable-TV technology and user interface that ActiveVideo markets under the CloudTV brand. A Verizon spokesman declined to comment.

States

Legislation is needed to disrupt counterfeiting and piracy by cutting off “rogue” websites from the American marketplace, 42 state attorneys general wrote Judiciary Committee members Sens. Patrick Leahy, D-Vt., and Chuck Grassley, R-Iowa, and Reps. Lamar Smith, R-Texas, and John Conyers, D-Mich. “We urge Congress to make the introduction and enactment of rogue site legislation a top priority this year.” The action was led by Attorneys General Jim Hood of Mississippi and Rob McKenna of Washington, co-chairs of the National Association of Attorneys General Intellectual Property Committee. They were applauded by the U.S. Chamber of Commerce Global

Intellectual Property Center and the MPAA. The attorneys general “have a strong record in fighting against content theft,” MPAA and the Independent Film & Television Alliance said in a news release. “We thank them for coming together to support legislative recourse for stemming the proliferation of rogue websites.”

International

U.K. ambitions to have the best superfast broadband in Europe are in trouble because rollout of next-generation technology is sluggish and take-up of new services is slow even where the networks are available, Point Topic analyst Tim Johnson said Tuesday. British Telecom will catch up on its fiber network plans in the next year or two, and superfast broadband will be available to two-thirds of all homes and businesses by the end of 2015, he said. But BT’s deployment of next-generation access services had reached only 182 exchanges by the end of 2010 instead of the 343 the company predicted, he said. Plans by alternative provider Fibrecity to offer fiber-to-the-home services in two cities collapsed, and many other alternate players cut back on their rollout plans because of the economic environment, he said. At the same time, experience with actual demand, where services are available or likely to be, showed huge potential for community initiatives to raise interest in superfast broadband, he said. A “Race to Infinity” competition where people voted to get BT’s fast services got excellent response in places where there was a strong community campaign but little or no interest where there wasn’t, he said. Even if community initiatives are never able to build independent networks, he said, “they can prod BT into taking actions and make them offer cheaper solutions.”

Security

Sony Online Entertainment will provide a complimentary 12-month identity protection program through the company Affinion for eligible Station account holders in the U.K., France, Italy, Spain and Germany, SOE said Tuesday, after restoring Station.com game service. SOE shut the service down early this month after discovering there was a breach of customer information similar to what happened with Sony’s PlayStation Network and Qriocity music service. Customers will have the option of enrolling in the protection program for 60 days after SOE’s services came back online by contacting Affinion, SOE said. SOE already said last week that it was providing U.S. Station account holders with free enrollment in an identity theft program through the company Debix.

Android users risk having their data accessed and impersonated when using open Wi-Fi networks, according to researchers at Germany’s University of Ulm. The finding could put Google on the defensive at a Senate subcommittee hearing on mobile privacy Thursday (see separate report in this issue). The vulnerability affects all Android versions before 2.3.4 — more than 99 percent of the devices in use — said a post on the university’s Institute of Media Informatics website by researchers Bastian Könings, Jens Nickels and Florian Schaub. They were following up on February research by Rice University professor Dan Wallach, whose undergraduate security class tested Wallach’s Android device and found Google encrypts traffic to Gmail and Google Voice but not Google calendar. Wallach said in a post on the Freedom to Tinker blog then that “an eavesdropper can definitely see your calendar transactions and can likely impersonate you to Google Calendar.” The vulnerability Wallach found is “theoretically feasible with all Google services” using its ClientLogin authentication protocol for access to Android’s data application

programming interfaces, the University of Ulm researchers said: An "impersonation attack" is "quite easy to do." Applications use ClientLogin by requesting an authentication token, or authToken, from the Google service in use, transmitting an account name and password via HTTPS connection, the researchers said. When an unencrypted network is used to request the authToken, which can be used for any subsequent request to the API for up to two weeks, "an adversary can easily sniff" the token and then use it to access any personal data made available through the API, the researchers said. Adversaries could view, modify or delete contacts, calendar events or pictures for several days, for example, they said, comparing the mechanism to the stealing of session cookies through "sidejacking." Testing six versions of Android through 3.0, researchers found Calendar and Contacts apps transmit requests "in the clear via HTTP" until 2.3.3; the Gallery app synchronizes Picasa albums without encryption starting in 2.3; and Calendar and Contacts apps use a secure connection starting in 2.3.4. The vulnerability can be especially dangerous because Android devices by default are set up to connect to "previously known" open networks automatically, including so-called evil twin networks set up by adversaries that have the same name as a common network, like "attwifi" or "Starbucks," researchers said. We couldn't reach Google for comment on how it's fixing the problem, though the company earlier told *The Register* that it's aware of the Picasa flaw in 2.3 and above and is working on a fix, and is also planning to work more closely with wireless carriers on updates. Android upgrades largely depend on carriers, leaving users of those devices without an option for upgrading their devices except by hacking.

Industry Notes

Netflix accounts for 29.7 percent of peak-period downstream traffic within North America, a Sandvine study released Tuesday said. The "Global Internet Phenomena Report" is based on Internet traffic statistics from March. The data was submitted by a cross-section of Sandvine customers, including "more than 220 Internet providers serving hundreds of millions of subscribers in more than 85 countries." The company sells network management and other gear to ISPs. When measuring total traffic and averaging over 24 hours, "Netflix, with 22.2 percent of traffic, has overtaken BitTorrent (21.6 percent) as the largest component of Internet traffic on North America's fixed access networks," the report said. Despite an "on-demand" mentality, "P2P networks have maintained a relatively consistent share of Internet traffic, and absolute volumes continue to increase." In Latin America, P2P file-sharing on mobile networks became the largest consumer of upstream capacity, "accounting for 46.4 percent of uploaded bytes," Sandvine said. Real-time entertainment traffic is growing steadily in Europe, it said. It accounted for 30.4 percent of aggregate bytes during peak periods, "but steady growth has led to the category generating 33.2 percent of all bytes" in March, the company said. Online storage and back-up usage are expected to increase with smartphone and tablet adoption, "with users relying on these services to access their files remotely," the report said.

The MPAA started its first blog, at www.mpaa.org/blog, the group said Monday night. Some posts will cover intellectual property and copyright issues, a spokesman told us. Film piracy is like looting a store, Chris Dodd said earlier this month in his first Washington speech as MPAA chairman (WID May 4 p5).

PopCap Games said it signed a deal with Amazon in which the publisher's first Android games will be made available in the U.S. exclusively on the Amazon Appstore for Android in two separate two-week periods. The game *Chuzzle* will be available through May 30, and will be followed by *Plants vs.*

Zombies in a second exclusive offer later this month, PopCap said. The games will be free for the first day of their availability, after which they'll be available to buy and download at \$2.99 each.

Shanda Games started open testing for the massively multiplayer online (MMO) role-playing game Legend of Immortals, and the initial response from gamers was strong, it said. The title marks the "first implementation" of the Shanghai company's strategy to build social communities for its large MMO games, it said. At the end of the first open test day, registered accounts for the game's third-party social network service "exceeded 3.5 million," it said.

The game Kingdom Conquest passed 1 million downloads globally, Sega of America said Tuesday. The game was the company's first free-to-play massively multiplayer online role-playing game for the iPhone and iPod Touch. It launched in North America and Europe in the fall and reached No. 1 in the free role-playing game category on the App Store in eight countries, the company said. The game also "held the top spot" in the free RPG App Store sales category for 93 straight days after launching in Japan in January, it said.

SeaChange International introduced a new advanced ad platform called Infusion capable of handling 150,000 ad-insertable TV channels from a single data-center location, it said. The system also can handle more than 5 million different ad assets and work with a variety of content delivery networks, it said. "Operators are turning the headend model into a vastly more flexible and scalable datacenter reality," said Malcolm Stanley, a SeaChange general manager.

Internet People

Lobbyist Registration: Pandora Media, TwinLogic Strategies, effective April 1.



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