

Daniel W. Roberts,  
President

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(Asia only)  
HSBC

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Deutsche Bank

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## Europe

### DoubleClick cost \$3.2B

Google said the final cost of acquiring online advertising company DoubleClick was \$3.24 billion. The amount includes the \$3.11 billion in cash the companies agreed on in April, plus DoubleClick's cash and the exercise price of outstanding options, Mountain View based Google said in a filing with the Securities and Exchange Commission. Google

closed the purchase this week after European regulators completed their review. The company, facing slowing sales growth, bought DoubleClick to bolster revenue from online ads that include graphics and animation.

### Craigslist in 4 more languages

Craigslist, the Web site that helps users find apartments, jobs and dates, added pages in French, German, Portuguese and Italian. The closely held company introduced sites in the four languages, Craigslist founder Craig Newmark said in a blog posting. Previously available only in English and Spanish, Craigslist is adding more languages to gain users in the cities such as Montreal, Paris, Rio de Janeiro and Zurich, where it already runs sites in English. Craigslist was the 23<sup>rd</sup>

most popular U.S. Web site last month, with 26.8 million visitors, according to ComScore. San Francisco-based Craigslist has Web sites covering all 50 U.S. states and more than 50 countries.



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# China

## Mukasey: Tech fraud poses threat to U.S.

U.S. Attorney General Michael Mukasey said that a rising global tide of counterfeit products, some of them rip-offs of Silicon Valley technology, is generating huge profits for organized crime and even terrorist groups.

Crime groups see the theft of intellectual property “as a lucrative business and see it as a low-risk way to fund other activities,” Mukasey said in remarks to a gathering organized by the San Jose Silicon Valley and U.S. chambers of commerce.

Speaking at the Tech Museum of Innovation, Mukasey warned that a flood of phony drugs, counterfeit medical devices and fake replacement parts for cars, aircraft and electronic equip-

ment present “a real and direct danger to the public.”

In a case announced last month, the FBI and the Royal Canadian Mounted Police busted a ring that was distributing counterfeit Cisco Systems networking equipment manufactured in China.

Among the buyers, according to reports, were the Marine Corps, Air Force, the Federal Aviation Administration and the FBI. “So far we’ve had more than 400 seizures of counterfeit hardware and labels with an estimated retail value of more than \$76 million – and the investigation is still ongoing,” Mukasey said of the Cisco case.

The Justice Department has “steadily increased” intellectual property prosecutions, he said,

filing 217 cases last year, up 33 percent from 2005.

In one of them, 25 Chinese nationals were arrested by China’s Ministry of Public Security, which seized more than a half-billion dollars in counterfeit software in the largest FBI and Chinese joint investigation ever conducted.

The Justice Department is also targeting “hacker havens” in Eastern Europe and elsewhere with growing cooperation from local law enforcement. In November, FBI and Romanian prosecutors arrested 11 Romanian citizens who were part of a crime gang that made counterfeit debit and credit cards using personal data obtained through “phishing”, or sending fake emails to unsuspecting users.

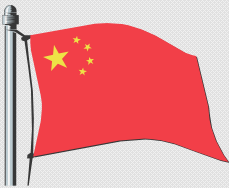
## Celestial Semiconductor

The Beijing chip maker with operations in Santa Clara is raising a \$2 million venture round to fund its development of custom chips for digital TVs. The company has raised \$1 million so far in the Series B preferred stock round.

Investors include: ComVentures Funds in Palo Alto, Pacven Walden Ventures in San Francisco and Alpine Venture Fund in Saratoga. Web records show that Celestial Semiconductor licensed its processor architecture from ARM Ltd. to develop chips based on the Chinese digital TV standard, AVS.

Celestial is working on codec chip sets – video playback and encoding technology – for applications related to digital TV. Of course, the market for digital video chips is extremely competitive, with big companies such as Broadcom competing in the space.

Daniel Fu is CEO of the company, which has offices in Beijing and Santa Clara.



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# Europe

## Ireland Arrives



“U.S. multinationals employ about 100,000 people in Ireland, but Irish companies are catching up, with 200 companies employing 80,000 here.”

The road from Silicon Valley to Ireland used to be a one way street, but in the past several years the traffic has begun moving this way.

No longer a sleepy European backwater, Ireland has reinvented itself as a high-tech research and product – development center with a growing number of connections in Silicon Valley.

Irish start-ups are attracting valley venture capital, and a growing number of Irish companies are opening branches here. “We’re learning from Silicon Valley,” says Michael Martin, the Irish minister for enterprise, trade and employment. “We want to transform Ireland to a country people look to for new products.”

Martin was in the valley last week to receive an award from the valley’s Irish Technology Leadership Group and attend a ribbon-cutting at Multis, an Irish company opening a plant in Union City. Ireland is facing its own economic headwinds this year, with growth, consumer spending and the housing market all slowing. An-

other concern is the strength of the euro making it more expensive for the U.S. companies to do business there.

But that comes after more than a decade of growth that transformed Ireland into one of the European Union’s healthiest economies. The growth of Irish enterprise is the result of plans laid 25 years ago, when the government decided to stanch the flow of emigration by creating a more business-friendly economy. A combination of tax cuts and improvements in education has turned the country into one of Europe’s fastest-growing economies. College education is now free. More recently, the country has adopted measures to encourage university research and foster an entrepreneurial culture.

Taking a leaf out of Stanford’s book, the government is encouraging Irish academic researchers to link up with venture capitalists to form companies. The government even sent some university presidents to Stanford to study the role the university

played in the development of Silicon Valley. And in 2006, it began another program, Leadership4Growth, which includes three weeks of study by Irish CEOs at Stanford Graduate School of Business.

“What Ireland Inc. is trying to do is compete in the global market and build long-term, high value companies,” said program participant Fran McKeagney, chief executive of Irish educational software company Innerworkings. “They’re trying to equip us with tools to do that.” Exports of Irish-made products to the United States grew 8 percent in 2006, to \$1.4 billion. Ten Irish companies announced \$43 million in deals with U.S. companies in March. Hardware and software exports have more than doubled since 2005, and the government says they’ll hit \$400 million this year.

Enterprise Ireland, a government agency that promotes innovative technologies and services created by emerging and high-growth Irish companies, invested \$24 million in new start-

ups in 2006. And taking advantage of the weakened dollar, Irish companies have acquired 20 U.S. businesses in the past year. American companies still have the edge in the growing high-tech traffic between the two countries. U.S. multinationals employ about 100,000 people in Ireland, but Irish companies are catching up, with 200 companies employing 80,000 here. Last year, 47 Irish companies opened offices in the United States, some of them supported by investment from such giants as Intel and Sun Microsystems and local venture funds such as Accel and Benchmark capital.

More than 30 Irish companies have opened branches in the Bay Area, employing about 500 people. Some are small start-ups like Powervation, a Limerick company working out of an Enterprise Ireland incubation center in Palo Alto. Others are manufacturing and research operations like Multis, a Galway computer refurbishing company that opened a branch recently in Union City.

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## Asia

### Rambus may seek to bar Hynix chips

Rambus, the Los Altos memory chip-design company, threatened to file an injunction against South Korean-based Hynix Semiconductor to block the company from selling chips using Rambus technologies following a key court victory Wednesday.

The move is the latest twist in a long-running legal battle with potentially billions of dollars at stake. If Rambus is successful, it stands to reap royalties from the manufacturers of the DRAM, or dynamic random access memory, chips installed in most personal computers. During a hearing in U.S. District Court in San Jose, Judge Ronald Whyte gave the company until May 9 to file its injunction request, which would likely prevent Hynix from exporting memory products to the United States, a key market for personal computers.

“Obviously, our hope is to collect royalties instead of getting injunctions,” said Tom Lavelle, general counsel at Rambus. But if Hynix continues to ship products that include unauthorized use of Rambus technologies, Rambus has little alternative, he said on a conference call with analysts.

Kenneth Nissly, an attorney for Hynix, said the company would fight any such measure – as it has vowed to fight Wednesday’s jury verdict. The closely watched verdict found that Rambus did not mislead memory makers about its turbo-charged memory technologies, which an industry committee eventually included in the DRAM standards.

The defendants in the case –

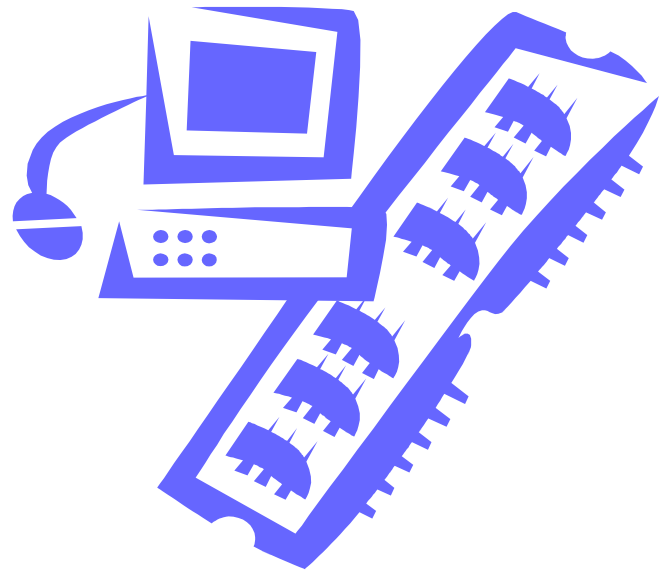
Hynix, Micron Technology of Boise, Idaho, and Nanya Technology of Taiwan – have vowed to appeal the decision.

“Any request for injunction would have to be based on this verdict, which is wrong and without factual basis,” Nissly said. He added that Hynix intends to dispute an earlier decision in the 8-year-old litigation that found Hynix infringed Rambus’ memory technologies patents.

One critical next step in the San Jose litigation is a patent infringement trial tentatively scheduled for January 2009.

The trial will examine whether Micron, Nanya, Hynix and Samsung have infringed Rambus patents with a new generation memory technology called DDR2 – potentially expanding the case.

In objecting to Wednesday’s verdict, memory makers have said they were duped by Ram-



Analysts said a resolution to the long-running legal battle will take at least several years – and that any prospect of a big payout to Rambus may take just as long. The showdown may not come until 2010 or 2011, after the appeals run their course, said Michael Cohen, director of research at Pacific American Securities in San Diego.

Cohen said an earlier resolution of the dispute “depends on whether the memory manufacturers come to their senses that they are going to have to pay.”

bus to include the technological inventions in their memory chips. Rambus, they claim, participated in a standard-setting body without telling members it hoped to patent its technologies and charge royalties.

For that reason, Micron attorney Jared Bobrow said the company plans to file a motion challenging the verdict. Thursday, Whyte set an April deadline for the motion.



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