



Apple audits iPod 'sweat shops'

An investigation of working conditions finds little to worry about

Apple has published a report into the factories where its iPods are assembled, following allegations of poor working conditions.

A team spent "1,200 person-hours and covered over one million square feet of facilities" conducting an audit of factory floors, dormitories and other areas.

"We found the supplier to be in compliance in the majority of the areas audited," Apple said. "However, we did find violations to our Code of Conduct, as well as other areas for improvement that we are working with the supplier to address."

The company admits that it was not satisfied with the living conditions of three dormitories: two contained a large number of beds and lockers in an open space and "felt too impersonal"; the third contained triple-bunks, which Apple said didn't provide reasonable personal space.

The investigation also showed that all workers earn at least the local minimum wage. In addition, "our sample audit of payroll records showed that more than half were earning above minimum wage."

The investigation found no instances of forced overtime, Apple claims. "Employees confirmed in interviews that they could decline overtime requests without penalty. We did, however, find that employees worked longer hours than permitted by our Code of Conduct."

Apple limits normal work weeks to 60 hours and requires at least one day off each week. At the factories, the audit team found the weekly limit exceeded 35 per cent of the time and employees working more than six consecutive days 25 per cent of the time.



iPod workers unite! The Foxconn factory where the iPods are made is based in Longhua, near China's city of Shenzhen

"Employees confirmed in interviews that they could decline overtime requests without penalty. We did, however, find that employees worked longer hours than permitted by our Code of Conduct"

Apple

Apple and Creative declare peace

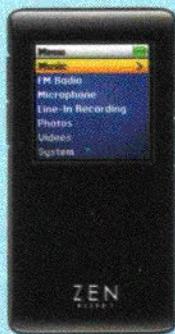
\$100 million buys an end to the iPod patent war

Apple has resolved its iPod patent war with Creative by paying the rival company \$100 million. The deal ends all disputes between the companies, including five pending lawsuits.

Creative, which makes several competitors to the iPod, had recently been granted a patent covering the user interfaces of portable media players. It used that to sue Apple, asking for a block of iPod sales and of import of iPods into the US.

The settlement "removes the uncertainty and distraction of prolonged litigation", according to Steve Jobs. Piper Jaffray analyst Gene Munster agreed the decision was correct. "If Creative had been able to win any favourable rulings in the five outstanding lawsuits, Apple could have faced headaches."

Apple will now be able to use the patent in all its products and license it to other companies. In turn, Creative will be able to make iPod accessories under Apple's 'Made for iPod' programme.



Now and Zen Apple and Creative, which makes the Zen Neon 2, have declared a truce

The Christmas present everyone will want

Will there be new iPods in Santa's sack this year?

As the Christmas shopping rush draws closer, the MP3-player market is hotting up. Samsung has debuted an 8GB phone and SanDisk has taken the wraps off its 8GB nano-challenger. What of Apple?

Analysts are sure that Apple has something waiting for us all. "I'm convinced they aren't just sitting there," said Gartner analyst Michael McGuire. IDC analyst Susan Kevorkian speculates that Apple might be interested in HD radio (the standard for radio in the US).

"HD Radio is a technology that could make a lot of sense in the context of iPod," she said. However, HD radio is unavailable in the UK, making a European version unlikely.

Meanwhile, Baird Equity Research analyst Tristan Gerra said a 6-8GB nano will be "on the shelves in November rather than September". American Technology Research analyst Shaw Wu agreed on that timescale, but also expects the new nanos to have an improved magnesium scratchproof casing.

One further possibility is an 'iPhone'. During an earnings conference call, Apple CFO Peter Oppenheimer said: "We don't think the phones that are available today make the best music players. We think the iPod is. But over time that's likely to change, and we aren't sitting around doing nothing."

If Apple pulls out all the stops, there may be some high-quality ringtones to join the sleigh bells this Christmas.



Metal fan Rumour has it that the new iPod nano may come in aluminium

Macworld News in brief

Lawsuits promised against pod people Apple is attempting to take control of the word 'Pod'. Apple's legal department has



been sending 'cease and desist' letters to companies whose product or website names contain the word 'Pod', arguing that they are infringing Apple's iPod trademark. These companies include Mach5Products, manufacturer of the

Profit Pod, whose name is also trademarked.

Tower falls down again Competition from online stores has forced Tower Records to file for Chapter 11 bankruptcy protection for the second time in two years.



Research from NPD last November showed that both the iTunes Music Store and Amazon.com were bigger than Tower. Tower's management will attempt to sell the chain within 60 days.



Blu-ray and HD-DVD player combined

Next-gen DVD formats to get boost from single-drive player

Although Blu-ray and HD-DVD proponents are still competing to be the VHS rather than the Betamax of the next-generation DVD formats, consumers won't have to side with either camp thanks to a new invention.

Hardware manufacturer Ricoh has developed a single drive that can focus its laser at different depths below a disk's surface. Ricoh claims the drive is therefore able to read Blu-ray and HD-DVD disks.

Although there are a few players on sale that can read either Blu-ray or HD-DVD disks, this will be the first drive that can read both; something that should help speed adoption. So far, few consumers have bought players for either format.

In part, that has been because of delays in finalising region-coding. The Blu-ray group has now agreed to three region groups – US/Japan, Europe/Africa, and all other countries – which HD-DVD is likely to adopt as well.



Let there be more light

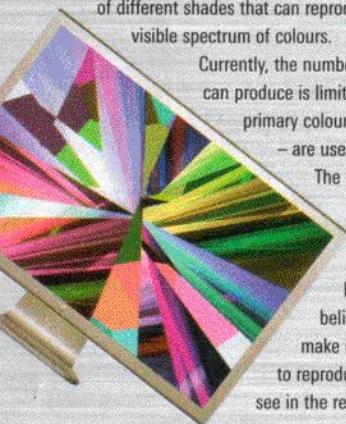
Researchers find a way to go beyond RGB colour

New technology could bring the full spectrum of colour to LCD and TV screens. Developed by the Swiss Federal Institute of Technology, "electrically tunable diffraction gratings" consist of arrays of thousands of tiny "super prisms". These are able to alter the brightness of each coloured subpixel on the screen to create a palette of millions of different shades that can reproduce almost the full visible spectrum of colours.

Currently, the number of colours displays can produce is limited: only the three primary colours – green, blue and red – are used to produce images.

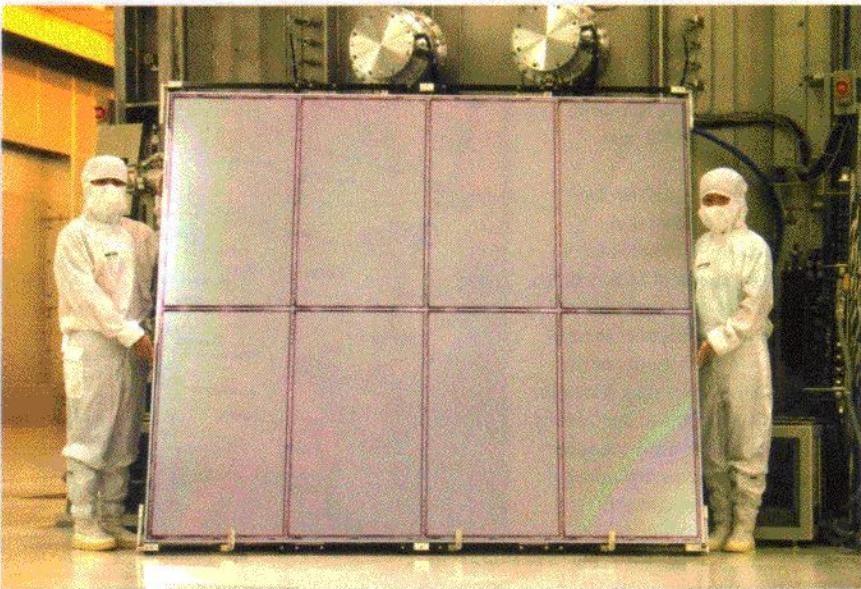
The new system is not limited to this three-colour blending.

The Zurich team behind the research believes the method will make it possible to get closer to reproducing every colour we see in the real world.



Flat-panel monitor prices set to rise

Production cutbacks and increased demand will lead to price hikes



Steep display LCD prices are set to increase due to cutbacks in production. Source: AU Optronics

Consumers looking to buy a new LCD display could face higher prices in the coming months due to a sharp rise in demand.

Many purchasers have become accustomed to rapid price decreases. Between April and June, the price of large LCD panels fell by over a quarter compared to the first three months of the year, according to WitsView Technology, an industry researcher.

But the price of 17in LCD panels rose 5.8 per cent in the first half of August, compared to the previous two weeks, and another 2.7 per cent in the second half of the month, according to WitsView. The 17in size is a key panel because of its popularity in desktop displays.

August was the first

month panel prices rose after three quarters of drops for 17in panels, according to iSuppli, another market research company. Demand for new laptops and desktop PCs with flat displays picks up in the third quarter as people return to work and university after the summer.

However, stronger demand this year is being met by reduced supply, following cutbacks on production by manufacturers such as LG, Philips and AU Optronics. That could mean prices will continue to rise.

"I think prices will go up in the third and fourth quarter," said Eric Lin, an analyst at Yuanta Core Pacific Securities in Taipei. iSuppli predicts that the average price for 17in panels will increase by 19 per cent in the second half of the year to \$123 from \$102 in July.



Macworld News in brief

Markup for markers

Google has released a subset of its keyhole markup language (KML) so developers can make Google Maps place markers accessible on mobiles and handheld devices. While



developers can access the KML overlays they've created for the online versions of Google Earth and Google Maps from their mobile devices, more complex overlays involving sophisticated rendering may not

fully display on phones and handhelds.

Skype devices in the clear

Technology in Skype's software that enhances call quality is to be available to dedicated

Skype-compatible devices as well. Skype licensed Global IP Sound's (GIPS) GIPS VoiceEngine software in 2003. Now GIPS has agreed to license the software to manufacturers of

Skype-compatible devices, such as mobile handsets and analogue telephone adaptors.

