

Technology - MacCentral

# ***Apple, Microsoft Poised for Streaming Media Battle***

*By Jim Dalrymple MacCentral*

With news on that Apple Computer Inc.'s QuickTime player surpassed 250 million downloads, industry analysts say Microsoft and Apple are both poised to take the lead in the streaming media battle. What may make the difference is the level to which each company supports industry standards, an area where Apple has taken the lead so far.

## **Poised for the coming battle**

Apple, Microsoft and Real Networks account for 99 percent of the streaming media market, according to market research firm Frost & Sullivan. While Frost & Sullivan declined to comment directly on specific numbers, a recent report from the researcher shows Microsoft Windows Media at 38.2 percent; QuickTime with 36.8; and Real with 24.9 percent.

"The way I see it, Apple and Microsoft are equally poised -- it can go either way," Mukul Krishna, Frost & Sullivan Digital Media analyst, told MacCentral.

"It's not like before when you could say that Microsoft was going to win because Apple doesn't have the penetration -- Apple does have the penetration, it just depends on their strategy."

The strategy that Apple has adopted revolves around standards, namely MPEG-4 (which is based on QuickTime), 3GPP and 3GPP2. Apple sees the growth for QuickTime and these three standards as the future for digital streaming media. For now, that growth will be in the Pacific Rim where the networks are capable of handling video to and from cell phones, but in the future simultaneous growth in the United States and Europe will provide new markets for Apple, Microsoft and Real.

"When it comes to functionality the big three are all in the ballpark," said Krishna. "It all depends on how much flexibility the consumer has and how the carriers want to port the applications. Apple got a head-start with QuickTime and MPEG-4, Microsoft has really caught on and Real has some traction in Europe, but Asia is the market that will decide who will be the market leader."

When a 3G-enabled cell phone captures video, it does so using the MPEG-4 standard -- when that video is sent to a users desktop to be played, it will

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***United We  
Stand***

## **KMUG MONTHLY MEETINGS**

### **Luncheon**

Third Thursday of each month at 10:30 A.M.  
Solarium Room, All Star Lanes,  
Myhre Road, Silverdale  
(one block East of Silverdale Way)

### **Evening**

First Thursday of each month at 6:30 P.M.  
Solarium Room, All Star Lanes,  
Myhre Road, Silverdale  
(one block East of Silverdale Way)

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<http://www.homepage.mac.com/kmug1>***

## Con't from Page 2, Streaming Media

automatically open up the QuickTime player, giving Apple a tremendous distribution network for its standards compliant software. Analysts agree that the 3G space is a good investment for Apple.

"In terms of investment, it's absolutely a good place for them to focus," said Mike McGuire Research Director Gartner, M2 Media Team.

### **Not everyone believes in standards**

While Apple has jumped headlong into supporting standards, Microsoft and Real don't seem convinced that's the way to go -- Apple continues to invite the two companies to join them to help build standards-compliant streaming media, but to date they are developing without them.

"When we created this whole new area based on standards, we openly invited Real [Networks] and Microsoft to join us because there is no such thing as a standards exclusive," said Frank Casanova, Apple's director of QuickTime product marketing. "Real has joined in sort of a proxy form in that they support standards via plug-ins, but they haven't built it into the core of their architecture -- we encourage them to do so, because that would make the experience better.

"Microsoft unfortunately has a different business model that does not include support for standards in their Windows Media architecture. We really wish they would because we think their support for the MPEG standard would be a great thing for the whole industry," said Casanova.

According to Frost & Sullivan, today's market is leaning more towards MPEG-4 than Microsoft's solution.

"Right now people don't want to be bogged down with Microsoft," said Krishna. "The general feeling in the market is towards MPEG-4 and by default that becomes QuickTime."

### **Marketshare or money?**

There is a big difference between gaining marketshare and making money from marketshare, but Casanova

says Apple's current strategy allows for both.

"In the 3G space, we have our QuickTime client and our QuickTime Streaming Server that work perfectly together on the Xserve," said Casanova. "We have an end-to-end content creation, content streaming and playback model that has piqued the interest (and purchase orders) of dozens of telcos [telecommunication companies] around the world. We are selling infrastructure products that is generating a new revenue stream for the company."

Upgrades to QuickTime Pro have also opened a lucrative source of revenue for Apple and while Casanova would not divulge revenue for the QuickTime group he categorized revenue as being "significant" and allowing Apple "to continue investing in QuickTime."

### **H.264, the next generation video codec**

Apple is currently testing what it says is the next generation video codec. First displayed at NAB earlier this year, H.264 or MPEG-4 Part 10 is an advanced HD video codec. Unlike other codecs, H.264 is scalable, allowing content creators to write their content for everything from the newest 3G phones to HD, and everything in between.

With its ability to encode content for so many mediums, Casanova sees uses for H.264 in many of the everyday things we do today, including DVD movies, cable television providers, on-demand television in hotels and next-generation cellular telephones.

"That [H.264] is clearly going to take over," said Casanova. "It will be the most significant video codec that we have ever seen introduced from a quality and efficiency standpoint."

### **250 million downloads and counting**

Casanova said Apple recognizes that some people had downloaded more than one version of the product, but he pointed out other factors that should be taken into account: The 250 million does not include the 225 different digital camera models that

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ship with QuickTime, multimedia titles, enhanced CDs, content creation tools or updates that are downloaded via the Software Update control panel or through the QuickTime update mechanism.

"We don't even count those in the download number because we don't even know how broad our distribution is in that area," said Casanova. "We are very conservative when we count the downloads. These 250 million downloads are people actually downloading the full package -- it's not incremental."

Apple also isn't counting QuickTime distribution from AOL 9, Sony Vaio and Sony Clie devices, or HP and Chinese PC maker Founder -- HP and Founder pre-install the Windows version of iTunes on their PCs, which includes QuickTime.

The overwhelming majority of QuickTime

downloads are from Windows-based PCs. Every shipping Macintosh comes with QuickTime pre-installed and updates are available via Software Update.

"QuickTime is incredibly popular on the PC," said Casanova. "Ninety-five percent of the distribution from our Web site is [Windows] PC-based."

Overall, Apple is pleased with the success of QuickTime in the market and are confident in the direction they are taking the technology with standards-based development.

"We have the fastest growing, most compliant from a standards perspective, and most forward-looking video architecture in the industry," said Casanova. "We are just thrilled with the way our users have continued to come back and get the latest versions. We are honored with these numbers." ●

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### Technology - MacCentral

## ***Free Software Project Undaunted Despite***

### ***Apple Threats***

***By John Ribeiro,  
IDG News Service MacCentral***

The PlayFair free software project is likely to come online again soon, despite efforts by Apple Computer Inc. to close it down.

Apple last month shut down the free software project, which lets tool users play music from the Apple iTunes Music Store on hardware not authorized by Apple, such as GNU/Linux PC, provided an authorized key is available.

Sarovar a free software development community site based in Thiruvanthapuram, India, said it would stop hosting the PlayFair project after site sponsors received a legal notice from Apple's attorneys alleging infringement of copyright. Apple sources were

not available for comment.

After Sarovar decided to stop hosting PlayFair on its  
*Con't on page 3, Free Project*

### ***Mac Lab Meetings***

***MacLab meets during  
the regular school year.***

***Since school is now out  
for the summer. The  
next MacLab meeting  
will be in  
September 2004***

### *Con't from page 3, Free Project*

site, Anand Babu, a free software proponent, took over as the project's maintainer. "PlayFair project will soon come online," Babu said. "We are working on a better version, and we are hosting it outside the U.S." A number of groups have come forward to host and mirror PlayFair across the Internet, said Babu, who lives in Tamil Nadu, India.

The iTunes jukebox software is currently available on the Mac OS (operating system) and Windows. Music that is bought and downloaded can be played on any number of Apple iPod music players, and a mix of up to seven Windows PCs and Macintosh computers. Apple, which is based in Cupertino, California, uses the AAC (advanced audio coding) format in combination with DRM (digital rights management) technology to protect the music bought from its iTunes Music Store.

PlayFair has fallen foul of Apple ever since it was first hosted by its author, who prefers to be anonymous, at SourceForge.net, an open-source software development Web site in the U.S. owned by Open Source Development Network Inc. (OSDN). In early April, Apple invoked the Digital Millennium Copyright Act (DMCA) and asked SourceForge.net to take down the project.

As the DMCA has an anticircumvention provision that could work against continuation of the project in the U.S., PlayFair was moved to Sarovar at the request of the author, according to Rajkumar Sukumaran, one of the maintainers of the Sarovar site.

Since India does not have a law similar to DMCA, Sarovar approved the project as it is legal in India, Rajkumar said. As PlayFair is a GPL (general public license), free software project, Sarovar could not find any reason for not approving PlayFair's request for hosting, he added.

Despite the decision to remove the project from the Sarovar site, free software proponents are defiant. "What is really happening is that a corporation is using legal means to shut down a free software project in India for the first time, and the small

project is left defenseless even though they believe that they are right," Rajkumar said.

The decision to stop hosting PlayFair on Sarovar was not taken because the site believes it has infringed Apple's copyrights, but because it did not want to drag the purely voluntary sponsors of the site into a legal battle with Apple, Rajkumar said.

PlayFair is a tool to enable fair use for music purchased from Apple's iTunes music service, Rajkumar said. It does that by stripping the DRM mechanism from a song, provided the key for playing the song is available. PlayFair is licensed under the GNU GPL.

PlayFair takes a protected AAC audio file from the iTunes Music Store, decodes it using a key obtained from an iPod or a Microsoft Windows system and then writes the new, decoded version to disk as a regular AAC audio file, according to Rajkumar. "It then optionally copies the metadata tags that describe the song, including the cover art, to the new file," he said.

PlayFair is not music theft, according to Sarovar. The PlayFair tool does not give the user any special facilities that Apple itself has not given to the user.

"PlayFair requires a valid key from Apple to convert the format of music downloaded from iTunes," Rajkumar said. "PlayFair cannot convert downloaded songs' formats without authorized keys bought from Apple. PlayFair is also not a music distribution program. All PlayFair does is convert songs from one restricted format to another less restricted format." PlayFair is also not a method for making illegal copies of iTunes songs, according to Rajkumar, who added that PlayFair alone cannot be used to copy music to CD, distribute on a peer-to-peer sharing network, play music or edit songs.

Although Apple is likely to take legal action against any other site hosting PlayFair, Babu is undaunted. "I have faith that we will prevail in this matter," Babu said. "The public will recognize that the PlayFair code is both lawful and appropriate and support us all the way." ●

*Technology - Reuters*

## *Apple Previews Next Version of Mac OS X*

*By Duncan Martell*

SAN FRANCISCO (Reuters) - Apple Computer Inc. on Monday (June 28) previewed the next version of its Mac OS X operating system, which it said would include powerful search features that would put it far ahead of the next major update to Microsoft Corp.'s market-leading Windows software.

Cupertino, California-based Apple also introduced a 30-inch flat panel display -- its largest yet -- in a sleeker and trimmer housing, which adds to the 20-inch and 23-inch displays it already offers. That new offering puts Apple up against other PC companies that sell large flat panels, such as Dell Inc. and Hewlett-Packard Co. .

Apple's search technology, which it calls Spotlight, lets Mac users find any file, document or information created by any application on a Macintosh by entering the query in a search at the upper right hand corner of the desktop.

Simplifying the search process on a PC's hard drive has emerged as one of the major goals of both Tiger and Microsoft's next version of Windows, code-named Longhorn, which is due out in 2006.

"What they've (Apple) done with search is a key element of Longhorn," said analyst Tim Bajarin of Creative Strategies, adding that Apple's next version

of OS X, code-named Tiger, will be available to consumers at least a year or more before Longhorn.

Tiger will be available in the first half of 2005, Apple Chief Executive Steve Jobs said, and will cost \$129.

Apple, best known for its Macintosh computers and the popular iPod digital music players, last updated the Mac OS X in October 2003 with version 10.3, code-named "Panther."

With Tiger, Apple will have pushed out five major releases of OS X since its debut in March 2001. Apple unveiled the new version during its annual conference for software developers, in a bid to encourage them to write more applications that work with the operating system.

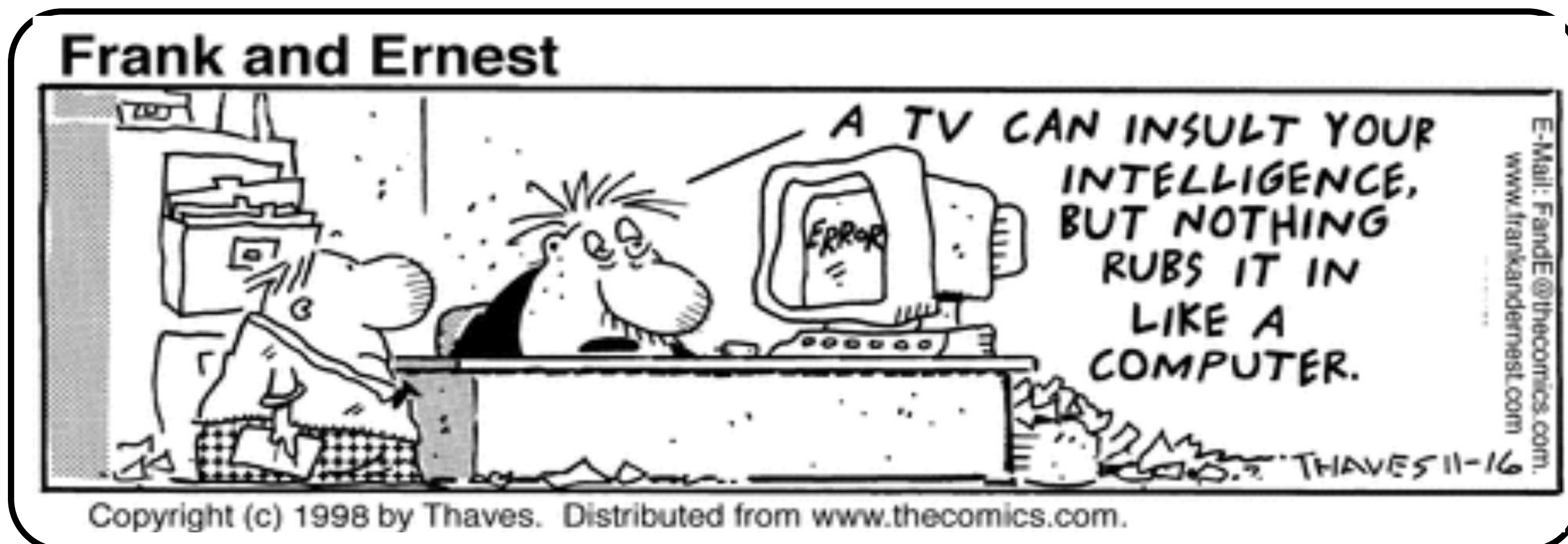
"We think we are years ahead of Longhorn," Jobs told about 3,500 software developers in San Francisco, referring to the forthcoming major Windows update. "The other guys have been talking about it and we're doing it."

Microsoft, the world's largest software company, unveiled Windows XP, the latest major overhaul of its Windows operating system, in October 2001.

Apple has been on a roll lately with the iPod and its iTunes Online Music store. It has sold more than 3 million iPods and customers have purchased more than 80 million tracks from the music store.

As successful as those two ventures have been,

*Con't on page 6, OS X Preview*



## *Con't from page 5, OS X Preview*

however, sales of its Mac computers remain Apple's largest source of revenue.

The company's global share of the PC market has remained at 5 percent or below in recent years, but Jobs has indicated the company is happy to be a

profitable niche player.

The 30-inch high-definition display monitor will be available in August and cost \$3,299. The redesigned 20-inch and 23-inch monitors will go on sale in July and cost \$1,299 and \$1,999, respectively. ●

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## *from the MacBUS Connections*

# *Using the Airtunes feature of Apple's new AirPort Express*

In addition to the new G5s, Apple also released this month, a new wireless networking product, AirPort Express. AE is basically an Airport base station that you can throw into your bag, plug into a wall socket, and hook up to an available Broadband connection. Combine it with an Airport-equipped laptop and you can roam free in hotel rooms, etc., or extend the range of your existing home or office Airport network.

More interesting, though, is AirTunes, a feature that allows you to create remote speakers for a copy of iTunes by sending data via a wireless network to the Airport Express. That network can be formed by connecting an AirPort Express to another AirPort Express, to an AirPort Extreme Base Station, or even to a non-apple 802.11b or 802.11g access point. Simply plug your stereo speakers into the Airport Express standard mini-jack.

A new pop-up menu at the bottom of the iTunes 4.6 interface allows you to select an Airport Express device, that device essentially replaces your Mac's speakers as the audio-output source for whatever you do in iTunes. At that point you can do anything you'd normally do in iTunes -- play music from your Library, from someone else's library, or from

your iPod; play an Internet radio stream; even play an audiobook. The sound won't come out of your Mac -- it'll come out of the speakers attached to the AirPort Express.

iTunes does the heavy lifting. When iTunes plays back standard audio content (AAC, MP3, audiobooks, music streams), it decompresses those file formats and creates what's essentially a raw, uncompressed audio stream. That stream is compressed on the fly using Apple's Lossless Compression, encrypted, and sent to the AirPort Express. AirPort Express decrypts the stream, decodes it, and outputs it.

This means that if you're currently listening to music on speakers attached to your Mac, AirPort Express doesn't change the Mac side of the experience at all: you're still

using iTunes as your musical interface, and you've got to keep that Mac on and iTunes open in order to keep the music playing. You can also only play one thing at a time, and to only one set of speakers. But now those speakers can be just about anywhere.

Connections is the Newsletter of the Macintosh Business Users Society of Greater Philadelphia ●



## from the MacBUS Connections

### Q&A

**Q** Having problems printing PDF's created in Quark Express 6 under OS X.

**A** This is a known issue with Quark - there is a patch available on their web site.

**Q** Finder in OS X - would like it to NOT open the home window when Option-Clicking the finder icon in the Dock.

**A** Does not seem to be able to be done natively - may be a 3rd party app. Expose will do what you want as well...but you need Panther.

**Q** Burning to a CD in 10.2.6 or .8 causes "artifacts"

under CD folder after burn.

**A** Known issue and only workaround is to create a "staging folder" to use for the burn.

**Q** OS X (10.3) having problems connecting to "graphite" base station after 10.3.4 update.

**A** Try a hard reset of the base station. Can also be sure to update firmware latest release.

**Q** DSL has stopped working since 10.3.3 update

**A** Seems that networking is mixed up after update. Try resetting the modem, and to be sure to remove all power from modem to ensure full-reset.

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## Luncheon Meeting

### ***KMUG Minutes***

***June 17, 2004***

Richard Nerf started off the meeting with an informative presentation on the history and understanding the Unix OS Terminal Application. He said the printed material that he used can be found on the Club website under "Presentations".

There were 27 in attendance and some of the questions and answers that were discussed were:

In order to keep an original picture in the Library folder when using iPhoto, while in Organize mode, highlight a picture, then go up to menu and Duplicate and make any changes to that.

Open a PageMaker (which is a Classic App.) file in PDF with Acrobat Reader in order to print with OSX.

If a printer won't show up in the Printer List, a shareware program named print repair utility can be downloaded from versiontracker.com.

If things slow down on your computer you can go to the Activity Monitor under Applications and the Utilities to see what may be using a large amount of the memory.

Used ink cartridges can be exchanged for printer paper at Office Depot.

Submitted by, Phyllis Robie ●

## Evening Meeting

### ***KMUG Minutes***

***June 2, 2004***

The June 3 KMUG Evening meeting had a light attendance and consisted of a presentation by Joe Williams explaining how he puts together the newsletter using the Pagemaker program.

Submitted by, Phyllis Robie ●

#### Disclaimer

The KMUG Newsletter is a copulation of information related to the Macintosh community or areas which impact Macintosh computing. Content comes from a variety of sources: contributions, other users' groups or internet news sources. All articles are given full credit for the author and it's source.

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<http://www.homepage.mac.com/kmug1>***

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To join Kitsap Macintosh User's Group, send name, address (e-mail and snail mail) and dues (see renewal below for membership fee to:

**KMUG**

**P.O. Box 1271, Silverdale, WA 98383**

or come to one of our meetings and sign up!

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If you received a paper newsletter please check the membership expiration date on the address label.

To renew with the newsletter e-mailed to your computer, dues are \$20.

To renew with a paper newsletter, dues are \$30.

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**Luncheon**

Third Thursday of each month at 10:30 A.M.

Solarium Room, All Star Lanes,

Myhre Road, Silverdale

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**Evening**

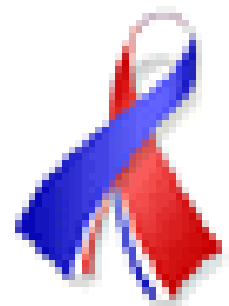
First Thursday of each month at 6:30 P.M.

Solarium Room, All Star Lanes,

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**This month's newsletter editor was Joe Williams**



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