



The End User: New Bulbs Brighten Net

By **Victoria Shannon** International Herald Tribune
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PARIS There are signs of a fresh burst of innovation on the Internet, perhaps emboldened by the success of Google's stock offering and the fat profits being churned out by the pioneers of the commercial Net.

Just look at how much in quarterly earnings was posted by Amazon and Google on Thursday alone - \$106 million - and by eBay and Yahoo before them, another \$435 million. Combined sales for these four were \$3.73 billion, just in July, August and September.

That's a lot of money for inspiration. And this new surge of brain waves is not coming out of just Silicon Valley, the mythical home of the next big ideas. Skype, the start-up based in Sweden that has attracted huge attention for its free Internet phone-call software, is one of the new breed of millennium Internet businesses.

Since the tech wreck of the turn of the century, there has been a spell dry of challenging, bold approaches. It came not from a dearth of genius in the world but from risk-averse investors who were burned in the crash.

Now, the venture capital spigot is starting to open. Funding rose 32 percent from a year earlier in Europe in this year's third quarter, to \$1.17 billion, or \$1.03 billion, according to a report this week from Tornado Insider. And ideas that have been under wraps waiting for some investor interest are starting to peek out.

One of the novel ideas that evoke the time of the Internet bubble comes from a company called Jeftel, a British start-up, which is offering what it calls a "leak-proof" e-mail system.

Jeftel has brilliantly taken some of the hottest issues and trends on the Internet, like privacy, e-mail, spam and peer-to-peer networks, and rolled them all into one package.

For £25, or \$46, a year, Jeftel says its software encrypts your e-mail messages and sends them in a way that bypasses all intermediaries, keeping your communications away from the Internet's normal infrastructure. As a byproduct, you should get no junk e-mail. And the system involves a server-sharing, or P2P, network.

Jeftel's executives are targeting not just paranoid consumers but the financial and legal communities, which may have an extra motivation for ultra-secure e-mail, and they report unusually high interest from Russia.

There are limits to the service that make will it unappealing to some people. Both sides of the e-mail exchange need to have the software, for instance, and they both have to be online because messages are not stored on servers.

I don't know if it works, and I don't know if Jeftel can make money on this. But it has all the hallmarks of the quirky Internet ideas of the 1990s.

Another one, also emerging from Britain, which represented 40 percent of Europe's technology investments in the third quarter according to Tornado Insider, is 82ASK. It, too, combines some hot trends, like search technology, to its service and links it to mobile phones.

The service is a sort of customized computer-and-human search engine: type a specific question onto its Web site or in a text message on your mobile phone, and 82ASK sends you the answer by text message or e-mail, charging only for the questions it answers correctly. This, of course, may be in the eye of the beholder.

Reports have it that mobile phone traffic to 82ASK surges on Tuesday evenings, when a lot of pubs are sponsoring trivia contests.

The company behind 82ASK, RE5ULT, based in Cambridge, even boasts a twentysomething former investment bank financial analyst as a co-founder.

Are these ideas in the category of too good to be true? Who wouldn't want low-cost, secure e-mail or cheap, instantaneous knowledge? Are they bold, or rash?

As with the first tech bubble, it shouldn't matter all that much to the end user. The bold ideas that can make money will survive and spawn imitators and improvements. As in the last round, the rash ones may be a bargain for a while before fading away. So hunt around for the bright new bulbs on the Internet, and enjoy while you can.

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