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# HERRING

THE BUSINESS OF TECHNOLOGY

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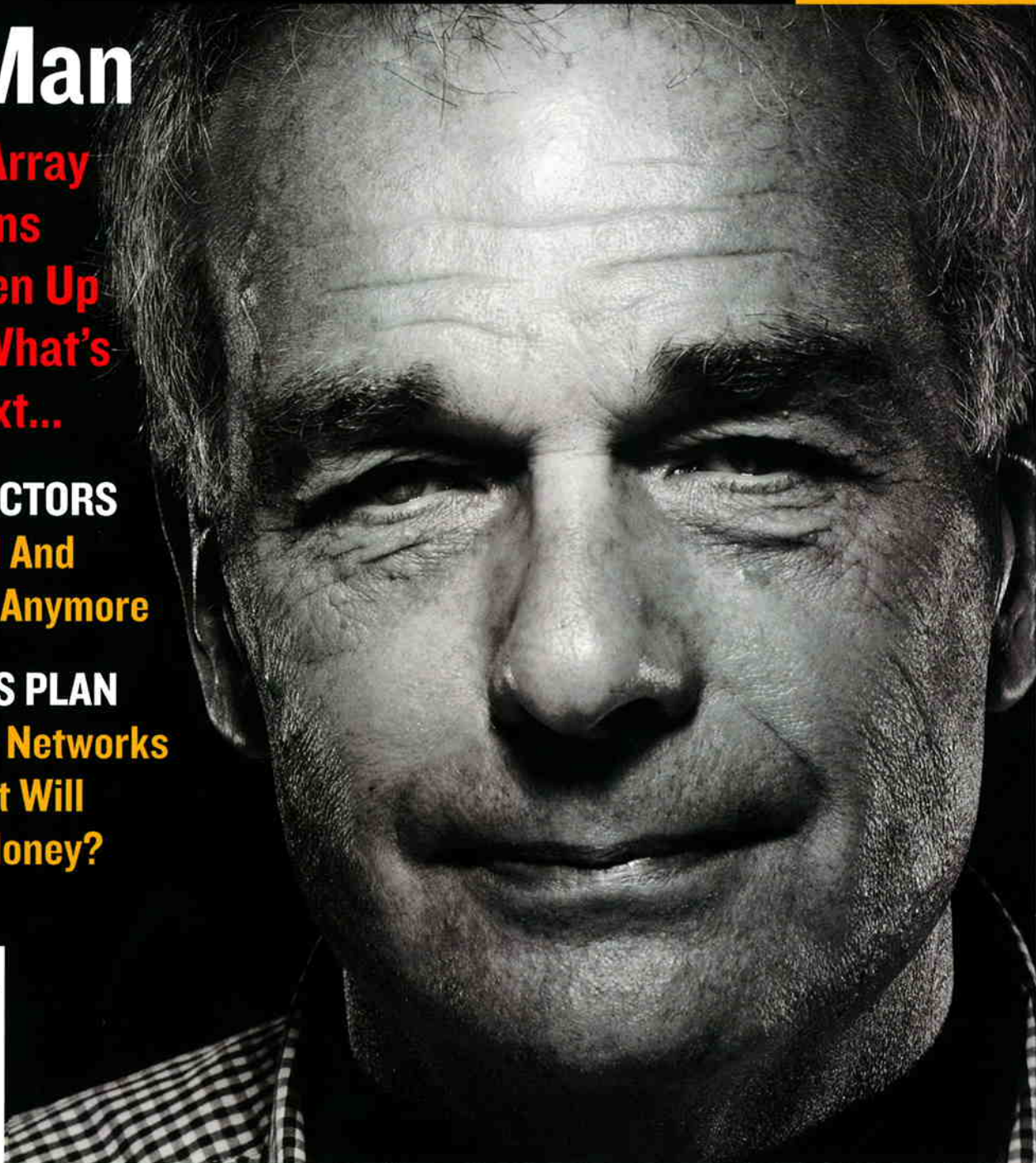
## Idea Man

**Ron Kok's Array  
Of Inventions  
Have Shaken Up  
Tech. See What's  
Coming Next...**

**EBAY'S DEFECTORS  
Angry As Hell And  
Not Taking It Anymore**

**NO BUSINESS PLAN  
Peer-To-Peer Networks  
Go Legit—But Will  
They Make Money?**

U.S. \$3.99 / CAN \$4.99



## THE LORE OF RED HERRING

In the 1800s, wily British fugitives discovered that rubbing a herring across their trail would divert the bloodhounds in hot pursuit. Later, in debate and detective mysteries, "red herring" described any clever device used to distract people from the main issue. In the 1920s, American investment bankers began calling preliminary investment prospectuses red herrings as a warning to investors that the documents were not complete or final. The documents were distinguished by covers printed mostly in red. In the spirit of full disclosure, the founders of this publication felt *Red Herring* to be an appropriate name for a magazine dedicated to providing a first look at the companies and trends shaping the business of technology.

# A Man Named Kok

**W**e like to write about innovation because it is the driving force of the technology business. In nearly every story we do, we look for the creative breakthrough, whether it's in the technology, in the financing, or in the service provided.

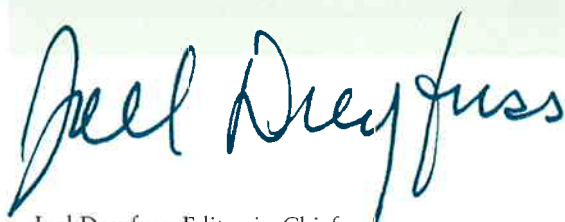
Our cover story is a timely reminder that innovation is not always a collective process. It often begins with one person's relentless vision—whether you're talking about Apple's Steve Jobs or Microsoft's Bill Gates. Of course, carrying out the vision can require vast armies of engineers, manufacturers, and marketers, but the initial spark so often comes from the individual.

Meet Ron Kok ("Idea Man," p. 30). Even if you've never heard of him, his dreams have affected your life. Mr. Kok, a Dutch inventor who dropped out of high school, has a genius for simplifying manufacturing processes. He figured out a way to make CDs without a clean room, dramatically reducing the cost—although the music companies were a lot slower at passing on the savings. He slashed costs in manufacturing solar panels, a timely advance as the green universe got a boost from \$70-a-barrel oil. He thinks he's found a way to make adjustable eyeglasses for pennies, which is a boon to millions in the developing world who can't afford to go to an optometrist.

Now he's taking on LCD technology, which is used to make screens for a variety of gizmos. Mr. Kok has decided that OLED, a technology that uses organic devices to display images, can replace LCDs because its screens are faster, brighter and—eventually—cheaper. Mr. Kok believes he's solved the process problems that have prevented OLED from competing. That's hardly welcome news to companies like Toshiba and Samsung, which have spent billions on factories that make LCD panels. But Mr. Kok is not deterred; he told International Editor Jennifer Schenker that he's pitching his plan to China because it's been shut out of the LCD business. Clearly, Mr. Kok is a strategist as well as a creator.

Remember all the e-commerce startups that went down in flames when the tech bubble burst? After several years in the unmentionable category, they're back. As Sean Wolfe reports in "Double Take" (p. 36), the so-called Web 2.0 movement has spawned a swarm of startups designed to sell you something, and they're raising lots of cash from investors. Goes to show that some ideas aren't necessarily bad, just ill-timed.

Timing is also an issue in the world of peer-to-peer networks. With Morpheus and Kazaa battered or shut down by legal action, startups are seeking a legitimate use of the technology that enables fast transfers of huge files. Good idea, but how will they make money? That's the question raised by reporter Sunshine Mugarabi in "Great Idea, Only One Small Problem" (p. 40). 



Joel Dreyfuss, Editor-in-Chief