

August 15, 2008

By John Boudreau, John Murrell and Matt Nauman

Tech Notebook: It's nearly here -- the phone from that other famous valley company

Assuming that the FCC gives its blessing in a timely fashion, the first of an eventual parade of phones based on Google's open Android operating system will be brought to market in the fall by T-Mobile, the No. 4 wireless carrier in the United States,, according to the New York Times. The hardware will come from HTC, and by the account of various sources, it closely resembles a prototype that Google has been showing around for a while.

And if that's the case, the initial perceptions seem to be that it will be a powerful device, but not quite as spiffy as Apple's iPhone.

"Specifically," writes Dan Frommer at Silicon Alley Insider, "the phone — apparently a hot item to show off in Google's cafeterias these days — is big and bulky, and not as sleek as the iPhone. And Android, while extremely powerful, has a less-elegant, less-user-friendly interface than the iPhone.

"Does this mean it won't sell well? Of course not. There's a lot more variables, like device and contract pricing, software and services, etc., that will help determine its commercial success."

Olympics inflation: John Elms used Olympian speed to get out of Beijing.

Before the Beijing Olympics began last week, Elms, who is chief executive of Azalea Networks, a Milpitas broadband wireless infrastructure company, made a dash back

to the Bay Area. Though he spends a good amount of time at his company's Beijing operations — and some of his technology is being used by the Beijing government — Olympics inflation convinced him to stay away from the world's premiere athletic competition.

"The place was going to be filled with tourists and the prices are 5X what they normally are," he said. "A \$60-a-night hotel is going for about \$250. Even a beer that is normally like \$2 at the hotel bar was going for six bucks. They've gone up to Western prices. It was better to come back here and do some work."

Value of being an outsider: Richard MacKellar was in town this week. As a managing director of Chrysalix Energy Venture Capital in Vancouver, British Columbia, he's a frequent visitor to Silicon Valley.

Being an outside firm helps Chrysalix avoid the me-too enthusiasm that sometimes afflicts Silicon Valley VCs, he said. And it gets the firm pitches from companies based on Canada's west coast.

"By not being part of the crowd here, we do get looked at a bit differently by companies outside of this area," he said. "It allows us to take advantage of the fact that many of the VCs here will look locally, but not necessarily look farther afield. We do see tremendous opportunity all the way up and down the West Coast, from BC down to San Diego."

Still, Chrysalix often funds companies in tandem with notable valley clean-tech VCs such as Foundation Capital and VantagePoint Venture Partners. Companies seeking to place new technologies in the world's energy and transportation markets need piles of cash, so partnerships are essential for both capital and spreading the risk, he said.

Chrysalix ranked sixth out of nearly 1,600 green investment firms in a 2007 ranking by New Energy Finance, a London financial analyst.

Found in its portfolio are Purfresh of Fremont, whose products purify and protect produce; HydroPoint of Petaluma, which adds communication tools and weather data to make sprinkler systems smarter; BridgeLux, a Sunnyvale maker of advanced lighting products; and Fat Spaniel, a San Jose company whose software monitors the energy of solar systems. Chrysalix also has invested in companies working on nuclear fusion, hydrogen fuel cells and solar-thermal water heaters.

MacKellar, an engineer who worked on coal and nuclear power generation, ran start-ups for 16 years before joining Chrysalix. There's another reason the firm is based in Vancouver. "We like living there," he said.