

September 2, 2006

WHAT'S ONLINE

## It's My Idea, and I'll Pay You for It

By DAN MITCHELL

CAN you invent a cellphone battery that lasts five times as long as anything on the market today? If so, the venture capitalists Samir Kaul and Vinod Khosla might give you \$2 million.

How about an in-dash computer, with a keyboard built into the steering wheel, that projects data onto a car's windshield? If you can invent it, Jonathan Fram might give your company \$5 million to develop and market it.

It's not supposed to work this way. Venture capitalists generally consider pitches from inventors and entrepreneurs; they don't offer bounties for people to carry out ideas they came up with themselves. So when Business 2.0 magazine asked them what kinds of businesses they would like to finance, "more than a few indignantly shot back, 'Are you out of your mind?'" according to the magazine ([business2.com](http://business2.com)).

But eventually, "a surprising number of them couldn't help but start jawing about companies they would love to build." Perhaps that shouldn't be so surprising after all. Venture capitalists spend their days reading business plans — most woefully lacking. At some point, their own ideas must start to look superior.

In all, Business 2.0 collected ideas from 20 venture capitalists, as well as a few "serial entrepreneurs," like Steve Case, the former chief executive of AOL. (His idea is a housing development with "affordable homes" that offers luxury accommodations for yoga classes and spa services). In all, the financiers are offering \$100 million.

Other ideas include an implantable device to monitor patient health; a new search technology for mobile phones; and a MySpace-like online "social marketplace" for creating and trading goods and services. Business 2.0's Web site offers a rundown of the ideas and amounts offered, as well as a video of interviews with venture capitalists.

"We don't guarantee you'll land a multimillion-dollar payday or even get your foot in the door," the magazine said. "But with the ideas now in your hands, consider yourself halfway there."

**Buy Low, Spam High** It wasn't so long ago that antispam advocates were looking forward to the day that unsolicited bulk e-mail would diminish to the point where it was no longer much of a problem. After all, they said, spam can't be very lucrative: even if people wanted the dubious products being peddled, they surely wouldn't buy them from a lowly spammer.

We know now how wrong they were — enough people buy fake Rolexes, fake diplomas and real pornography to not only keep spammers in business, but to make some of them millionaires.

But when it came to pump-and-dump stock spamming, the logic has held. Surely, nobody would be gullible enough to buy a penny stock they'd never heard of based on an anonymous e-mail message. But that's not true either, according to a study by Laura Frieder, a professor at [Purdue University](#), and Jonathan Zittrain, a founder of the Berkman Center for Internet and Society at [Harvard](#) Law School.

That study, "Spam Works: Evidence From Stock Touts and Corresponding Market Activity," concludes that stock promoters generally make money when their spam targets buy into the stock and drive up the price ([ssrn.com](#)).

Victims, the study found, lose an average of 5.25 percent of their "investment" in the two days after they buy shares. Spammers gain 5 percent to 6 percent by selling off the stock after their dupes run it up.

"As long as there are poor schlubs who listen to stock tips from the digital equivalents of gangsters," wrote Jeff Jarvis on his blog BuzzMachine, "we are doomed to spam forever."

**Help Desk Hell** Half of corporate information technology managers in Britain have so much contempt for their users that they deliberately sabotage them, according to [SkillSoft](#), an online training firm.

Those systems managers admitted to being "unhelpful and/or obstructive" to their users, according to a study commissioned by SkillSoft ([pcauthority.com](#)). Not surprisingly, the same share — 50 percent — of I.T. managers are actively looking for other jobs. DAN MITCHELL

*E-mail: [whatsonline@nytimes.com](mailto:whatsonline@nytimes.com).*

Copyright 2006 The New York Times Company

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [XML](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)