

MARKETPLACE

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PORTALS

If You're Not Insane About Sound, Maybe You Can Just Go Crazy

IF YOU HAD TO CHOOSE between two sets of speaker cables, one costing a few dollars and sounding fine, the other a few thousand dollars but perhaps sounding slightly better, and you chose the second pair, then you would have had a great time last week in Las Vegas.

The city's many goings-on included The Home Entertainment Show, an audiophile trade show held in two small motels off the Strip. Audiophiles, as you probably know, are the hi-fi zealots who think nothing of spending \$50,000 on a turntable. I've learned over the years that audiophiles actually come in two varieties: the totally insane and the merely crazy.



By Lee Gomes

The latter have a sense of humor and shrug that theirs is just one of many hobbies—like wine—for people with money, expansive vocabularies and the ability to discern differences lost on the rest of us.

By contrast, my interests involve the extent to which beliefs influence perceptions. Scientists have discovered that brain scans of wine drinkers

show they physically enjoy a wine more if they think it is expensive. Can audiophiles really hear all the differences they say they can, without being influenced by the brand or price of their equipment?

To find out, Portals became an official exhibitor at T.H.E. Show last week. I set up a room with two sound systems, identical except for one component. Everything except the speakers were hidden behind screens. (A shout-out to Totem Acoustics for the Forest speakers loan and to Magnum Dynalab for the MD-308 amps. They all sounded sensational.)

With the same music playing on both, participants used a remote control to switch between the two, and then tell me which sounded better.

One of the tests compared a high-quality MP3 file from an iPod with a CD on a \$3,000 player. Three-quarters of the 24 people taking this test preferred the CD.

That was no surprise. However, when I played .wav files on the iPod—these are digital but uncompressed files; I was connecting the headphone jack to the amplifier—52% of the 21 who took this test preferred the iPod.

THAT MADE ME SMILE, not because snooty audiophiles got the “wrong” answer, but because it suggests great sound can come from popular, cheap gear.

I also tested speaker cables, which are controversial even among audiophiles. Some spend tens of thousands of dollars on cabling, while others consider it an absurd waste of money.

Using two identical CD players, I tested a \$2,000, eight-foot pair of Sigma Retro Gold cables from Monster Cable, which are as thick as your thumb, against 14-gauge, hardware-store speaker cable. Many audiophiles say they are equally good. I couldn't hear a difference and was a wee bit suspicious that anyone else could. But of the 39 people who took this test, 61% said they preferred the expensive cable.

That may not be much of a margin for two products with such drastically different prices, but I was struck by how the best-informed people at the show—like John Atkinson and Michael Fremer of Stereophile Magazine—easily picked the expensive cable.

Its sound was described as “richer,” “crisper” and “more coherent.” Like some wines, come to think of it.

IN ABSOLUTE TERMS, though, the differences weren't great. Mr. Atkinson guesstimated the expensive cables sounded roughly 5% better. Remember, by definition, an audiophile is one who will bear any burden, pay any price, to get even a tiny improvement in sound.

Attendance at the show was disappointing, so I didn't get the numbers of participants I wanted. Even if I had, I'm not sure I would have settled anything. These “A-B” tests have limits, including the fact that differences you might not pick up right away can become more apparent with extended listening.

Skeptics out there might think I've gone all mushy and credulous on them.

Not so. Consider the thriving audiophile product category of power-line conditioners, said to remove noise and distortions caused by your electrical supply, a problem you may not realize you have. A rep from Audience LLC accepted my invitation for an A-B test of the company's \$2,800 AdeptResponse aR6 conditioner.

He picked the system using his conditioner—the other was plugged into the wall—two out of three times.

Note that the aforementioned “merely crazy” audiophiles say that while they might have home setups costing six figures, the rest of us can get splendid sound for under \$1,000 by shopping at specialty audio shops, the sort that sell unfamiliar brands.

I can't help you with brands, but my tests suggest you might want to do your ripping as .wav files. While they take up a lot more room than MP3s, falling disk prices make this feasible even for big collections.

As for cables, good ones can cost well under \$2,000. I'd still be happy at the hardware store, but you may be the golden-ear sort who can hear a difference. As in “Dirty Harry,” you've got to ask yourself, “Do I feel lucky?” Well, do you?

Email me at Lee.Gomes@wsj.com.

Can't Get Enough Oprah? Wait a Few Years

Winfrey, Discovery to Launch New Network in Her Likeness, But Without Her TV Show

By SAM SCHECHNER

AMERICANS LOVE “The Oprah Winfrey Show,” but are they ready for the Oprah Winfrey Network?

Ms. Winfrey and Discovery Communications announced yesterday plans to launch a new channel—which will go by the acronym, OWN—in the second half of 2009. Ms. Winfrey will be the creative force behind the channel, developing programming on topics familiar to her viewers, such as dealing with bullying and recovering from divorce. But, at least at first, the channel will be entering a cluttered landscape without Ms. Winfrey's biggest asset, her top-rated talk show.

“The Oprah Winfrey Show,” has been sold to TV stations around the country through the 2010-11 television season. While Discovery is hoping she moves the show to the network after that, she's under no obligation to do so. Ms. Winfrey said yesterday it's “possible” she'll move the show, or perhaps returns, to OWN and will decide this fall.

Still, Ms. Winfrey has a huge public following that could make the channel a success even without her talk show. She has a successful monthly magazine, “O, the Oprah magazine,” co-published with Hearst Corp., which sold an average of 2.4 million copies a month last year, according to the Audit Bureau of Circulations. Her book club is credited with



Oprah Winfrey

turning various titles into best-sellers. She also has a satellite show, “Oprah & Friends,” on XM Satellite Radio.

“This is what I've been coming to since 1988 when I realized this platform is bigger than just a television show,” Ms. Winfrey says.

If OWN takes off, and particularly if Ms. Winfrey moves her talk show to the new network in a few years, the TV businesses of several major media companies could be hurt. CBS Corp. owns the syndication concern that sells the Oprah show to stations

across the country. A successful OWN could also interfere with the efforts of General Electric Co.'s NBC Universal to establish a female-oriented franchise, including through its recent purchase of the Oxygen women's cable network. *Please turn to the next page*

PROPERTY REPORT | By Kris Hudson

At Ground Zero, Optimism Returns

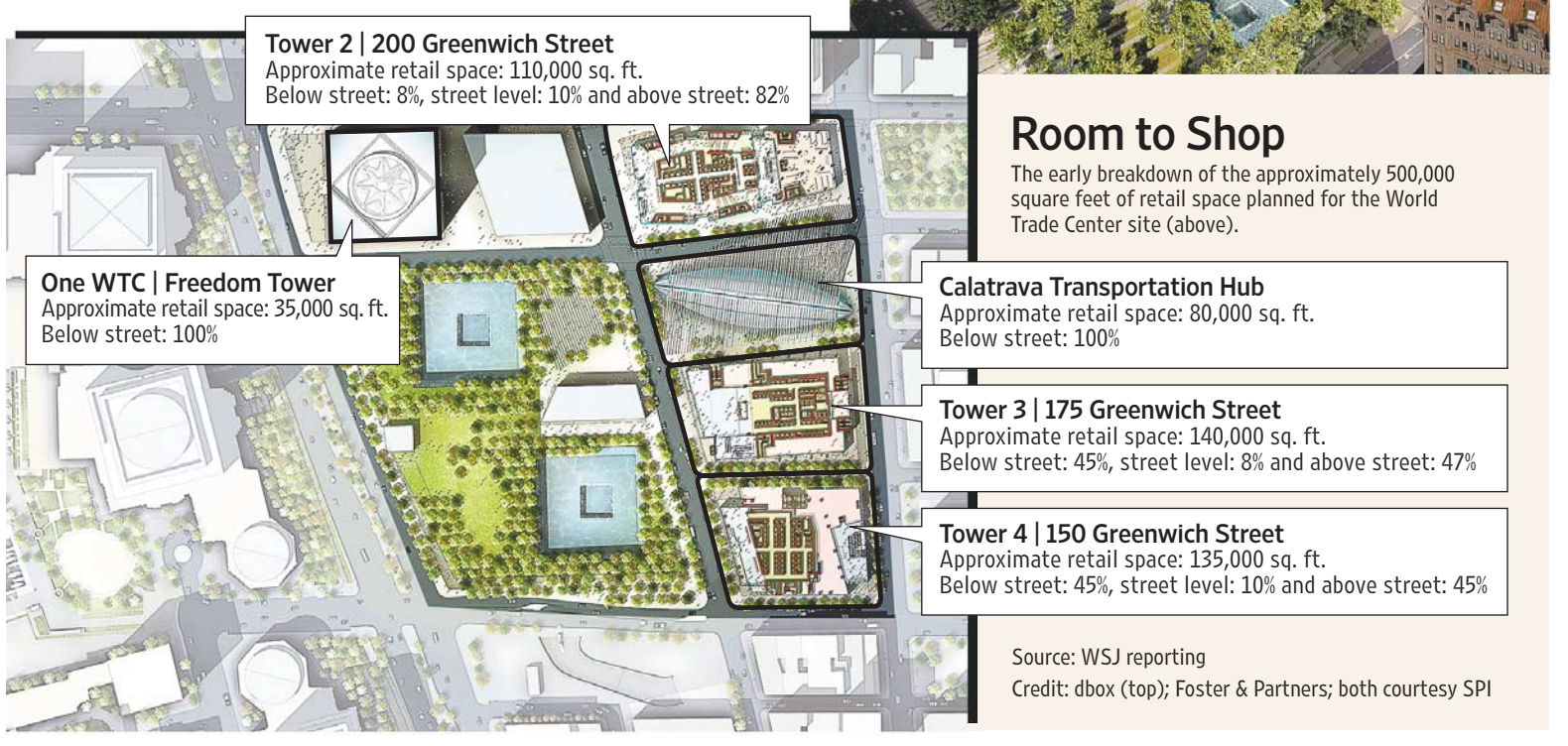
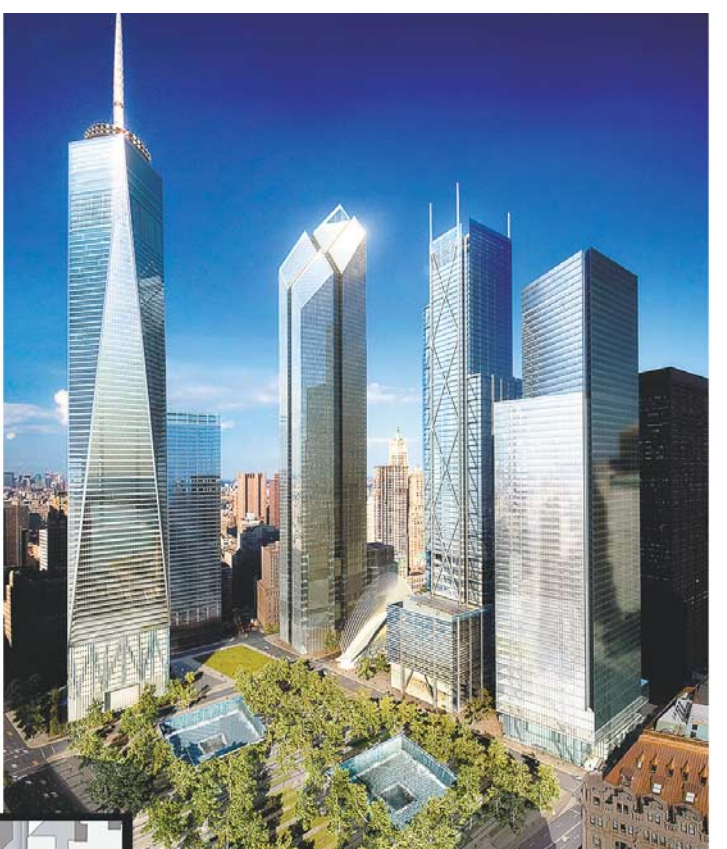
Westfield Again Envisions a Valuable Retail Site

IN 2003, THE pitched battles over the redevelopment of the World Trade Center site finally got to be too much for Westfield Group. The Australian company that had owned the retail space in the complex sold out for what it had invested and walked away from the financial, political and emotional quagmire.

But now Westfield is back, a sign that many of the worst fights are over; retail in the area is booming and signs of progress are finally beginning to emerge from the gaping hole that has scarred downtown Manhattan since the Sept. 11, 2001, terrorist attacks.

This month, Westfield and the Port Authority of New York and New Jersey, which controls the site, agreed to a \$1.45 billion partnership to develop and operate about 500,000 square feet of shops and restaurants at the site. The Sydney-based company says now that the squabbling parties have finally coalesced around a plan, it once again believes that it can develop some of the most valuable retail space in the world.

“We're back in there because we actually believe it's going ahead and that the buildings will be built, the space will get leased and people will come *Please turn to page B10*



Adman to Pitch Immigrants' Story

By MIRIAM JORDAN
Las Vegas

THE NATION'S heated debate over immigration is headed to television advertising, in the form of a business-funded campaign that will tout the benefits of legalizing illegal workers and try to counter hardening rhetoric on immigration.

The campaign is spearheaded by Lionel Sosa, a media strategist who is credited

with delivering nearly half of the Hispanic vote to President Bush in the previous presidential race.

Yesterday, Mr. Sosa gathered here representatives from the construction, lodging, agricultural and banking sectors, as well as from churches, grass-roots groups and both political parties, to review the ads and finalize their strategy.

Mr. Sosa says he has raised \$25 million for the campaign from one group he didn't identify. His independent nonprofit organization—Mexicans and Americans Thinking Together, or Matt.org—plans to match that with other contributions from business interests that benefit from immigrant labor, he says. His long-term goal is to invest \$100 million in a national ad campaign, though he acknowledges that is a tall order in a presidential election year.

“The anti-immigrant groups have smashed all of us who back immigration reform. It's time to respond,” Mr. Sosa said in an interview. “Americans have to see why it's in our interest to make these workers legal.”

Taking the group's immigration message to the airwaves has risks, however—particularly if it sets off a well-funded, anti-illegal-immigration TV campaign from the other side of the issue. Indeed, on hearing of Mr. Sosa's initiative, Dan Stein, president of the Federation for American Immigration Reform, which calls for re-

oping ads to try to educate Americans about the negative impacts that immigration has on wages and working conditions for certain segments of the American labor force,” Mr. Stein said. He declined to disclose the timetable or funding sources for such an effort.

Anti-illegal-immigration groups argue that undocumented immigrants are a burden on U.S. social services, education and health care and contend that they undermine U.S. wages and culture.

Mr. Sosa, 68 years old, in 1980 founded the agency Sosa Bromley Aguilar, which specialized in advertising to Hispanic consumers, selling it in 1990. Matt.org—based in Mr. Sosa's hometown of San Antonio—employs three advertising strategists who worked with him at the agency. Among them is Cesar Martinez, who in 2002 created ad campaigns targeting Hispanics for Jeb Bush's Florida gubernatorial campaign and Rick Perry's Texas governor's race.

Mr. Sosa said he plans to launch the immigration ads on TV nationally after the presidential conventions this summer.

Among those at the Las Vegas gathering was J. Allen Carnes, president of the Texas Vegetable Association, who has testified before Congress on immigration issues. In the *Please turn to the next page*



Pro- and anti-immigration demonstrators in Connecticut last June

Justices Get Another Shot At Patent Law

By JESS BRAVIN
AND JUSTIN SCHECK
Washington

SOME OF THE BIGGEST innovations in patents these days are coming not from biotech labs and Silicon Valley engineers but from the U.S. Supreme Court.

In recent years, the high court has reinvented patent law, throwing out rigid rules favoring patent owners in favor of more flexible approaches. The court's tinkering is likely to continue today, when justices are scheduled to hear the latest challenge to patent owners' extensive clout.

Like other forms of intellectual-property law, patent law aims “to promote the progress of science and useful arts,” as the Constitution puts it. It also seeks a balance between the interests of creators in profiting from their inventions and the benefits that accrue to society when others make use of new discoveries.

Recently, the court's approach has fundamentally altered the balance that prevailed for a quarter century. Companies accused of infringing patents, often large manufacturers, now have less incentive to settle, a shift that could reduce the number of claims by patent holders as well as the size of financial settlements.

Today's arguments will focus on *Please turn to the next page*