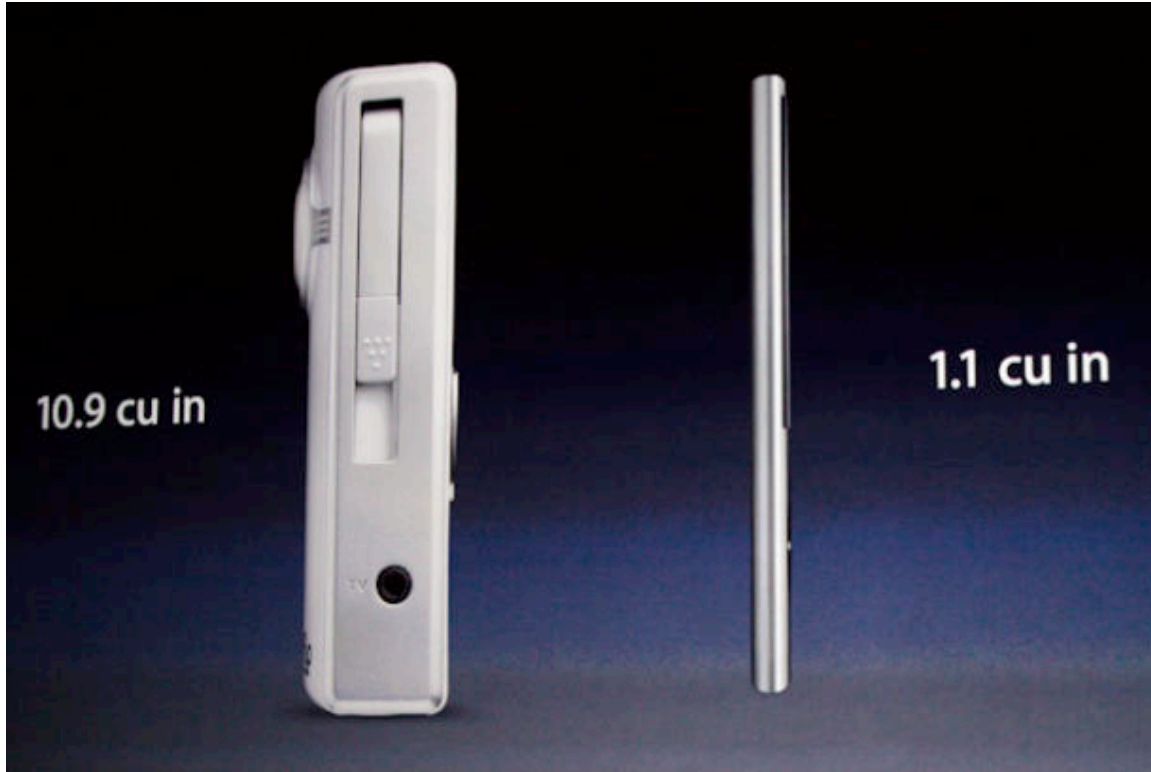


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Apple edges in on Flip Video's turf

by Erica Ogg, CNET News



A weigh-in between Cisco's Flip Video camera and Apple's new iPod Nano with video camera.

(Credit: Stephen Shankland/CNET)

One of the biggest revelations at Apple's music event Wednesday wasn't just that the **iPod** Nano now has a video camera, but that Apple has the popular Flip Video camera squarely in its sights.

With user-created video exploding, Apple CEO Steve Jobs uttered what is probably one of the more frightening things rival electronics industry execs can hear: "We want to get in on this."

Already having decimated the MP3 player market with the iPod, and putting pressure on fellow smartphone makers, Apple now hopes to take on the Flip in its own backyard: short, user-generated video clips. **Cisco purchased Pure Digital**, the maker of the popular flash-based camera, earlier this year for almost

\$600 million because it was clearly the leader in its field. The Flip Video set itself apart by making the process of creating, editing, and uploading short videos to sites like YouTube very uncomplicated. In two years the company said it sold 2 million devices.

Cisco wasn't the only major technology company that noticed. At Wednesday event, Jobs specifically referenced the Flip's success.

"Video has exploded in the last few years," he said. A lot of people are posting videos to sites like YouTube and much of them are coming from solid-state video cameras like the Flip, he said, showing the Flip Ultra model, which comes with 4GB of storage for \$149.

Apple is attempting to one-up the Flip by inserting a video camera inside the iPod Nano, along with a microphone and internal speaker for video playback. Like the Flip, the Nano is supposed to have easy video uploading right to YouTube. Comparing them head to head, since the base model Nano now comes with 8GB of storage and costs \$159, the value of the Nano with all the additions (media player, FM tuner, pedometer) certainly seems attractive. Of course until we actually use it, it's hard to say how much of a threat the Nano's new camera will be.

Flip of course isn't the only minicamcorder maker that could be worried about Apple's attempts to enter this market. The Flip begot several imitators, like the **Sony Webby**, the **Kodak Zi8**, and devices from RCA, Sanyo, and Creative. But Flip is the de facto leader in minicams, and its Ultra and Mino models have several things going for them that the much more compact Nano doesn't, like the Flip's flip-out USB port that allows the camera to be plugged directly into a computer without need for a connector cable. The Flip also has user-replaceable batteries. Though the Nano overall has a smaller footprint, it was a bit unfair that when comparing the Flip to the Nano during its presentation Apple used the chunkiest model of Flip available (the Ultra), when the Mino is much slimmer and more compact.

Still, the fact that Apple wants to be in this market puts a lot of pressure on Cisco and its Flip camera. For its part, Cisco responded publicly using Twitter, **posting a message** after the Apple event that said, "Imitation is the sincerest form of flattery."