



REUTERS/Y. NAKAO

Talk it up: fuel-cell developers hope to power phones with tiny methanol plug-ins.

are trying to find initial markets in industry and the military, in applications where long run times are so important that the customer will pay a hefty premium. In May, Smart Fuel Cell announced a \$500,000 contract with the US Air Force to provide a prototype fuel cell that will weigh about a kilogram, and should, Müller says, provide enough energy to replace 13 kilograms of batteries.

Targeting industry, Angstrom has supplied 24-hour, hydrogen-powered flashlights for use by security guards. And MTI has retrofitted readers of radio frequency identification (RFID) tags with fuel cells, so that they can last a full eight-hour shift in a warehouse.

As fuel cells shrink and prices come down, the technology should make its way into mass consumer products such as phones and laptops. But some observers remain sceptical. Bradford of Frost and Sullivan wonders how willing consumers will be to buy refills for their fuel cells, when they perceive recharging from a wall socket as essentially free.

And Bryant predicts that fuel cells will go into niche applications — for industry and the military, and people who have to operate far from power outlets. He thinks that better energy efficiency in electronics together with constant, marginal improvements in existing power packs mean that — for most of us — batteries will remain good enough. ■

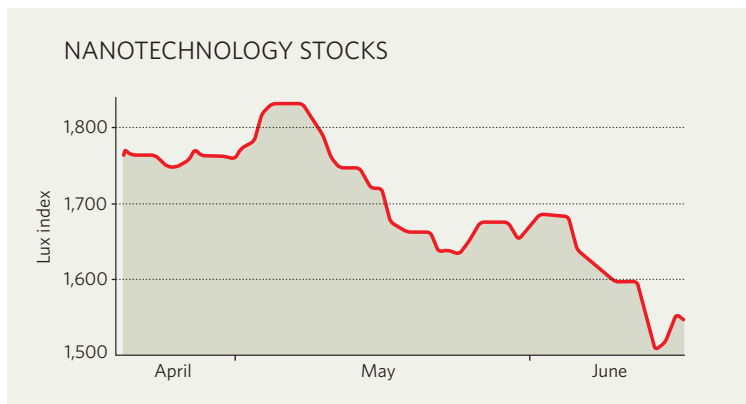
IN BRIEF

OUT OF CHIPS Philips, the giant Dutch electronics company, has said it will dispose of its semiconductor business by the end of this year. The company would like to float the business, which could be worth at least US\$6 billion, on the stock exchange, but may also sell it to a rival. Philips, which plans to concentrate on lighting and consumer electronics, is thought to have tired of the sharply cyclical nature of the chip sector. According to the California-based Semiconductor Industry Association, total chip sales slumped to \$139 billion in 2001, for example, but were back up to \$227 billion last year.

VIAGRA APPEAL A group of Chinese drug firms has appealed against a court ruling that blocks the companies from making generic copies of the impotence drug Viagra. The alliance of 13 firms is challenging a 2 June decision by a Beijing court that upheld Pfizer's patent on its blockbuster drug. That ruling overturned a 2004 decision by China's patent-review board that had sided with the generic makers. The case is being widely watched as an indication of the degree to which China will respect Western companies' intellectual-property claims (see *Nature* 440, 990-991; 2006).

ANTHRAX ACQUISITION A prominent biotechnology company that has ridden the wave of the genomic revolution for 14 years without selling a single product has finally found a customer. Human Genome Sciences of Rockville, Maryland, says that the US health department will buy 20,000 doses of its experimental anthrax drug, ABthrax. The \$165-million order is part of the department's \$5.6-billion Project BioShield. But the drug — a human antibody that blocks toxins released by anthrax bacteria — will first need regulatory approval.

MARKET WATCH



SOURCE: LUX RESEARCH

Stocks in companies associated with nanotechnology took a pounding in May as global investors ran away from risk. The market dived as part of the month's general stock-market dip, when fears of higher interest rates sucked money out of risky investments.

It is the overall market environment that has brought about the fall, says Peter Hebert, head of Lux Research in New York, which compiles a nanotechnology index (symbol LUXNI on the American Stock Exchange) from stocks in firms that sell nanotechnology, or rely on it. "Investors are concerned about interest rates," he says.

The steep drop in the index is, in fact, not much different from that in the Nasdaq, the benchmark for all high-technology stocks in the United States. And if you look back over Lux since it

started in 2003, the latest dip looks fairly typical of annual fluctuations that occur as enthusiasm for the sector waxes and wanes.

Some stocks still managed to do well. Massachusetts-based Nucrust Pharmaceuticals, for example, which makes spray-on bandages out of silver nanocrystals, has performed strongly. And stock in the Pennsylvania cell-analysis company Immunicon has shot up since March, on good financial results.

Even as major indices have stabilized after May's falls, Hebert notices that investor sentiment towards young nanotech companies remains "skittish". But he thinks those who hold tight will ultimately be rewarded. "There are strong fundamentals behind most of these businesses," he says. ■

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