

# Whitman says eBay didn't misuse Craigslist data

December 7 2009, By RANDALL CHASE , AP Business Writer

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Craigslist CEO James Buckmaster, left, followed by attorneys, arrives to testify in the civil trial between eBay and Craigslist in Delaware's Chancery Court Monday, Dec 7, 2009, in Georgetown, Del. (AP Photo/Bradley C Bower)

(AP) -- Former eBay CEO Meg Whitman said Monday she was unaware of any attempt by the Internet marketplace to misuse confidential data from Craigslist to help eBay develop a competing online classifieds business.

Whitman, a Republican candidate for California governor, was the first witness in a trial that began Monday in Delaware, pitting eBay Inc. and [Craigslist](#).

EBay claims that Craigslist founder Craig Newmark and CEO Jim

Buckmaster improperly acted to dilute eBay's minority interest after a falling out in 2007. Craigslist claims in a countersuit that eBay used its stake to gain information to help it form a competing classified service, Kijiji.

"In some sense, Craigslist has been a competitor of eBay since the earliest days," Whitman said, noting that while eBay was much larger, both Internet companies provided alternative vehicles to facilitate person-to-person commerce.

Although eBay examined Craigslist's financial data and Web site metrics before it acquired a 28 percent stake in the company in 2004, Whitman denied that eBay officials later misused confidential Craigslist data to benefit Kijiji.

Asked by eBay attorney Michael Rhodes whether she was aware of any effort by eBay to surreptitiously acquire the "secret sauce" of ingredients that spelled business success for Craigslist, Whitman simply responded, "No."

Whitman also testified that eBay was not willing to offer a noncompete agreement to Craigslist.

"We were certainly not prepared to give a noncompete to Craigslist for a minority interest in that company. ... That was a deal breaker for eBay," she said.

In earlier testimony, Whitman noted that eBay made no secret of its desire to acquire Craigslist before settling for a minority share.

She said she met personally with Newmark and Buckmaster in 2004 before sealing a deal in which eBay acquired a 28 percent stake in Craigslist from Phillip Knowlton, whom Whitman described as a

disgruntled shareholder upset about the direction of Craigslist and seeking to unload his shares.

"I said, 'Listen, we want to be a good partner; in the end we would like to own all of Craigslist,'" she recalled, adding that she knew that was an unlikely possibility, at least in the short term.

Newmark and Buckmaster rejected a sale but agreed to a three-year "courtship" during which the two companies could determine whether they were a good fit. But after attending just two Craigslist board meetings, [eBay](#) founder Pierre Omidyar expressed frustration in his dealings with the company and asked to be replaced as eBay's representative.

Whitman said she was discouraged by the frustration expressed by Omidyar, who was expected to testify later Monday.

"To be honest, I was starting to get concerned, because really nobody doesn't like Pierre," she said.

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