

EU clears Oracle takeover of Sun

January 21 2010, By RAF CASERT , Associated Press Writer



In this Jan. 11, 2010 photo, the Oracle Corp. and Sun Microsystems Inc. logos are shown on a server, in New York. Oracle Corp. acquired Sun Microsystems in 2009. The European Union on Thursday, Jan. 21, 2010, cleared Oracle Corp.'s proposed \$7.4 billion takeover of Sun Microsystems Inc., saying it would not significantly affect competition in the EU. (AP Photo/Mark Lennihan)

(AP) -- The European Union on Thursday cleared Oracle Corp.'s proposed \$7.4 billion takeover of Sun Microsystems Inc., saying it would not significantly affect competition in the EU.

EU antitrust chief Neelie Kroes said one of the year's biggest technology deals of the last year could now go ahead as planned because "competition and innovation will be preserved on all the markets concerned."

Its approval had been uncertain since the commission launched a formal [antitrust investigation](#) in September over concerns the combination could harm the [database software](#) market.

The U.S. Department of Justice has already approved the transaction and Oracle said in a statement it "expects unconditional approval from China and Russia and intends to close the transaction shortly."

"Oracle's acquisition of Sun has the potential to revitalize important assets and create new and innovative products" in Europe, Kroes said.

Initially, the commission was worried that Oracle, the world's No. 1 maker of proprietary database software, would not fully support Sun's MySQL division, which makes a competing database product, reducing customer choices and increasing cost.

The EU Commission said in a statement that its investigation "showed that although MySQL and Oracle compete in certain parts of the database market, they are not close competitors in others, such as the high-end segment."

It also found that competition could be maintained through other channels.

"The Commission's investigation showed that another [open source database](#), PostgreSQL, is considered by many database users to be a credible alternative to MySQL and could be expected to replace to some extent the competitive force currently exerted by MySQL on the database market," the statement said.

Sun paid \$1 billion for MySQL in 2008.

The MySQL database is widely used by Web sites, including [Google](#) and

Wikipedia, and is the top "open-source" database, which means its [programming code](#) is given away for free. Companies make money off open-source software by selling technical support services connected to it.

Sun badly needs the deal to go through. It lost \$677 million over the last four quarters and is rapidly shedding market share to rivals like IBM Corp. and Hewlett-Packard Co.

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