

SAP won't fight Oracle claims in espionage case

August 6 2010, By JORDAN ROBERTSON, AP Technology Writer

(AP) -- In a surprise twist in a corporate espionage case involving two of the world's biggest business software makers, SAP AG on Thursday said it won't fight claims that a subsidiary stole valuable data from rival Oracle Corp. and that SAP tried to use it to steal customers.

That leaves the two companies to fight over just how valuable that data was. A trial over Oracle's lawsuit begins in November. Oracle says it is entitled to \$1 billion in damages; <u>SAP</u> says that figure is "vastly overstated."

The case centers largely on customer-support materials that Oracle had developed and that its customers - and third parties that support their software - had access to through password-protected websites.

TomorrowNow, a SAP subsidiary that provided software support services until SAP shut the division down in 2008, is accused of abusing its access to those sites.

Oracle alleges that TomorrowNow secretly downloaded millions of proprietary Oracle documents so that SAP could use them to "offer cutrate support services to customers who use Oracle software, and to attempt to lure them to SAP's applications <u>software platform</u> and away from Oracle's," according to Oracle's complaint, filed in 2007.

The materials include software updates, bug fixes, instructional documents, custom programs and frequently asked questions lists,



according to Oracle's complaint.

SAP, based in Walldorf, Germany, said its announcement Thursday represents the company's efforts to resolve the lawsuit.

It said it wouldn't fight Oracle's claims that TomorrowNow is liable for copyright infringement and for the downloading conduct described in the complaint.

SAP added that it will accept financial responsibility for any judgment awarded against TomorrowNow, "despite the fact that SAP was not involved in TomorrowNow's service operations and did not engage in any of the copying or downloading alleged in Oracle's complaint."

That leaves the two sides to fight over Oracle's damages claims.

"By accepting responsibility for TomorrowNow's actions, SAP is taking a decisive move to focus the issues in the case," Werner Brandt, SAP's chief financial officer, said in a statement.

"We acknowledged three years ago that TomorrowNow made mistakes, and we took direct action to address Oracle's concerns, including shutting down the company nearly two years ago. SAP is committed to compensating Oracle for the harm the limited operations of TomorrowNow actually caused. Oracle's unreasonable damages claims are an unproductive distraction as we work to find a fair resolution in this case."

Oracle, which is based in Redwood Shores, declined to comment.

The trial is scheduled to begin on November 1 in U.S. District Court for the Northern District of California.



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