

HP's interim chief says Oracle alliance 'strained'

September 8 2010, By JORDAN ROBERTSON , AP Technology Writer



In this March 6, 2008 photo, (then) Hewlett Packard Company CEO Mark Hurd speaks at HP headquarters in Palo Alto, Calif. Oracle Corp. plans to pay newly appointed co-President Mark Hurd a base salary of \$950,000 annually and said Wednesday, Sept. 8, 2010, the ousted Hewlett-Packard Co. CEO is eligible for a target bonus of \$5 million in the current fiscal year. (AP Photo/Paul Sakuma, file)

(AP) -- Hewlett-Packard Co.'s quarter-century alliance with Oracle Corp. has been "strained" by the dispute over Oracle's hiring of ousted HP CEO Mark Hurd, HP's interim chief said Wednesday.

Cathie Lesjak also said Hurd needs to be "reminded" that he signed agreements to keep HP's trade secrets and other confidential information

secret. She said that's why HP is suing to stop him from working at [Oracle](#).

As evidence of the troubled relationship between the [Silicon Valley](#) heavyweights, Lesjak pointed to comments by Oracle CEO Larry Ellison late Tuesday that HP's lawsuit is "vindictive" and that HP's board is "making it virtually impossible for Oracle and HP to continue to cooperate and work together.

"Mark signed a number of agreements to keep trade secrets and confidential information confidential, and it's important for him to be reminded that he signed those agreements," Lesjak said at the annual Citi Technology Conference in New York.

"In terms of how that's going to affect our relationship with Oracle, obviously with the press Ellison had yesterday, it strained it a bit, but at the end of the day business will prevail and we will go back to being good partners."

Oracle did not immediately respond to a request for comment.

The ties between the two companies were fraying before Hurd's hiring, as Oracle is muscling in on HP's turf by starting to sell computing hardware.

Oracle's naming of Hurd as a co-president is a thumb in HP's eye - assuming Oracle isn't eventually blocked from letting him work. Many legal experts believe that HP's case will be hard to win, because California courts tend to side with workers and their right to take their skills to rival companies.

Hurd abruptly resigned last month from HP after five years as [CEO](#), in the wake of a sexual-harassment investigation that turned up inaccurate

expense reports connected to his accuser. Ellison loudly came to Hurd's defense.

HP will need an order from the California court where it filed its lawsuit to stop Hurd from working for Oracle. The first hearing in the case isn't scheduled until February, although HP is expected to seek a temporary restraining order before then.

Hurd started his new job this week and is in charge of Oracle's global sales, consulting, marketing and technical support divisions.

HP claims that Hurd will be dangerous to its business if he's allowed to work at Oracle, because he was privy while at HP to intimate information about customer accounts and HP's strategy for countering Oracle. HP claims that Hurd won't be able to do his job without divulging HP's secrets.

Hurd took a severance package from HP that could top \$40 million. Oracle revealed in a regulatory filing Wednesday that Hurd's new job will pay an annual salary of \$950,000, and makes Hurd eligible for a target bonus of \$5 million in the current fiscal year.

Shares of Oracle, which is based in Redwood Shores, fell 13 cents to \$24.14 Wednesday. Shares of HP, based in Palo Alto, fell \$1.11, or 2.8 percent, to \$38.81.

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