

SAP to pay \$20M to settle criminal charges

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(AP) -- Business software maker SAP AG on Wednesday said it agreed to pay \$20 million to settle criminal charges from the U.S. Department of Justice against a now-defunct subsidiary, TomorrowNow.

The subsidiary was accused of 12 counts of fraud and <u>copyright</u> <u>infringement</u> for stealing documents from rival <u>Oracle Corp.</u>'s password-protected websites. SAP had earlier acknowledged the theft and shut down the division. The \$20 million penalty is twice what SAP had paid to acquire TomorrowNow in 2005.

The settlement, however, does not resolve a bigger problem for SAP in the case.

A jury awarded Oracle \$1.3 billion last year in a verdict against SAP in a civil lawsuit. But on Sept. 1 a judge threw out the award, calling it "grossly excessive." Oracle said it will reject the judge's recommendation for a \$272 million award, setting the stage for a new trial.

Walldorf, Germany-based SAP said Wednesday that it is "pleased to have come to an appropriate conclusion" of the <u>criminal case</u>. It added that SAP itself was not charged. The plea deal involved TomorrowNow pleading guilty to the charges.

Redwood Shores-based Oracle said in a statement that it has "spent the last four years uncovering SAP's massive copyright theft and SAP finally pleaded guilty in federal court to criminal charges for its illegal scheme."



U.S.-traded shares of SAP shares rose 24 cents, or 0.5 percent, to \$50.53, in extended trading Wednesday. Oracle shares rose a penny to \$28.16.

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