

Ellison vs. Benioff, the billionaire battle

October 6 2011, By JORDAN ROBERTSON , AP Technology Writer



Oracle CEO Larry Ellison speaks during the Oracle OpenWorld Keynote in San Francisco, Wednesday, Oct. 5, 2011. (AP Photo/Jeff Chiu)

(AP) -- It was billionaire versus billionaire Wednesday as technology's top provocateur and his one-time protege traded barbs in a public clash that was likely fueled by equal parts legitimate animosity and cheeky self-promotion.

The square-off between [Larry Ellison](#), CEO of [Oracle Corp.](#), and Marc Benioff, CEO of [Salesforce.com Inc.](#), injected some unexpected drama into Oracle's annual OpenWorld trade show. It also provided some

insight into the pay-to-play culture that gives big sponsors access to the speakers' stage at industry conferences.

But the conflict was overshadowed late Wednesday by Apple Inc.'s announcement of the death of its co-founder [Steve Jobs](#), whom Ellison has described as his best friend. Ellison gave no indication during an hour-long keynote speech that he knew Jobs had died. Ellison laughed and tossed out jabs at rivals as Apple's news release went out. After the speech, an Oracle spokeswoman said Ellison wasn't available for comment about Jobs.

Prior to Jobs' passing, the conference chatter centered on the rift between Ellison and Benioff.

Ellison typically provides the drama at OpenWorld, which drew some 45,000 attendees and blocked off a major thoroughfare in downtown San Francisco. This year, Benioff provided it.

The men gave dueling speeches that exposed their growing rift.

Benioff said a speech he was scheduled to deliver Wednesday at 10:15 a.m. was abruptly moved to 8 a.m. Thursday. That's a time few people will likely attend since it's the morning after late-night a concert sponsored by Oracle featuring Sting and Tom Petty.

Benioff said he was punished for critical comments he made about Oracle. Oracle says that "overwhelming attendance" at the conference forced several scheduling changes.

Benioff held his talk anyway at an alternate location - a restaurant across the street from the trade show. There were even mock protesters carrying campaign-style posters with his image and a question of whether he is "too innovative" for OpenWorld.

He blamed Ellison for the change of plans.

"I don't think it creates good will, I don't think it creates good energy, and I don't think it's good for the brand," Benioff said.

His talk was small - the restaurant could only fit several dozen people. But the publicity wasn't.

While Benioff lamented the perceived snub, his promotion of the dispute meant that his talk got more attention than it normally would have. Late Wednesday, after the blogosphere lit up with the blow-by-blow of the conflict, Benioff tweeted: "You can't buy this type of advertising. Thank you Larry!"

Ellison had his own jabs for Benioff.

A few hours after Benioff spoke, Ellison gave his own speech, at OpenWorld itself in front of thousands of people. He peppered his talk with repeated Salesforce disses.

Ellison and Benioff differ sharply on approaches to "cloud computing," or ways of accessing information over the Internet. Benioff has called Oracle's technology a "false cloud." Ellison fired back Wednesday, announcing Oracle's version of a "public" cloud that companies can buy access to.

Ellison said the Salesforce model isn't as flexible.

"The Salesforce.com cloud is kind of sticky - it's the ultimate vendor lock-in, you can check in but you can't check out. I like to think of it as the roach motel of clouds," Ellison to laughs from the crowd. "Now that is a false cloud. It's like an airplane, you fly into the cloud and you never get out."

Analysts seemed amused.

"While Benioff is a truly gifted marketer who knows the appeal of playing the underdog, we don't think his message really detracts from Oracle's vision of powering the cloud - both companies' strategies seem to be working," analyst Patrick Walravens with JMP Securities wrote in a research note.

Their latest dustup began Sunday when Benioff took aim at his old boss.

Ellison gave what some observers thought was a tepid kickoff speech Sunday for OpenWorld. Benioff rebroadcast criticisms of the speech on his public Twitter account, and made critical comments on his Facebook page.

Benioff's explanation for why he would be invited to speak at Ellison's event in the first place gave some intriguing insight into how speakers are chosen at industry conferences.

Benioff said his company paid \$1 million to help sponsor the event, and as part of that fee he was given a speaking slot, a common industry practice. Ellison, naturally, doesn't have to pay to appear at his own event.

The best part for Benioff? He says he's getting his money back because of the change.

Shares of San Francisco-based Salesforce fell 35 cents, or 0.3 percent, to close at \$117.25. Shares of Redwood Shores-based Oracle rose 82 cents, or 2.9 percent, to \$29.51.

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