

Oracle told to pay HP billions in chip dispute

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A California jury on Thursday ordered business software giant Oracle to pay Hewlett Packard Enterprise \$3.1 billion for backing off a promise to support data servers powered by Itanium chips.

Oracle said it had acted properly in the situation and that it planned to appeal to a higher court.

"Two trials have now demonstrated clearly that the Itanium chip was nearing end of life, HP knew it, and was actively hiding that fact from its customers," Oracle general counsel Dorian Daley said in a released statement.

"Five years ago, Oracle made a software development announcement which accurately reflected the future of the Itanium microprocessor."

HPE argued that Oracle breached a [contract](#) when it decided in 2011 to stop offering products running on HP [servers](#) powered by Itanium chips made by Intel.

Oracle contended it never believed it had a contract to indefinitely make its software work on Itanium servers, noting that HP and Intel stopped developing the systems years ago.

An initial trial four years ago ended with a state court judge ruling that there had been a contract. The jury decision on Thursday in a California state court in Silicon Valley focused on damages in the case.

Daley said that Oracle has been making its software available on Itanium servers since that judge's ruling.

The jury verdict requires Oracle to pay \$3.1B in damages to HP for breach of contract and lack of good faith and fair dealing, according to HPE.

"We very much appreciate the dedication and effort that the jury gave to this case for over 5 weeks of trial," HPE general counsel John Schultz said in an email response to an AFP inquiry.

Schultz said that the verdict affirmed HP's stance that "Oracle's decision to stop future software development on the Itanium server platform in March of 2011 was a clear breach of contract that caused serious damage to HP and our customers."

HP has since split off its enterprise division.

HPE maintained at trial that Oracle was out to get customers to switch to servers from Sun Microsystems, which Oracle bought in 2010 in a move that added hardware to its [software](#) offerings.

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