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TECHNOLOGY

H-P Sues Oracle Over Server Software

By **BEN WORTHEN AND DON CLARK**

Hewlett-Packard Co. sued Oracle Corp., attacking the software company's move to stop supporting high-end H-P systems and accusing Oracle of "strong-arm" tactics against H-P customers.

The allegations, which Oracle rejected, are the latest example of mounting tensions between the two big Silicon Valley companies. Oracle and H-P have "gone from arm-in-arm 'partnership' " to "bitter antagonists" in the course of eight months, according to the complaint H-P filed Wednesday in California Superior Court in Santa Clara County.

Those tensions surfaced after Oracle bought Sun Microsystems Inc. last year and started selling hardware, and were exacerbated when Mark Hurd stepped down as chief executive of H-P and took a senior position at Oracle.

The latest conflict is related to an Intel Corp. chip line called Itanium that H-P uses in its high-end servers. Oracle said in March that it would no longer develop software that runs on Itanium-based systems, stating that Intel executives had indicated Itanium was nearing the end of its life. Intel disputed Oracle's statements.

H-P's suit says Oracle had repeatedly promised to keep supporting the Itanium-based systems, but later tried to coerce users of those systems to adopt Sun servers sold by Oracle. Among other

things, H-P said, Oracle refused to fix software bugs for current users of Itanium-powered H-P machines, while offering Sun servers free of charge.

Oracle called the suit "utterly malicious and meritless." It said that H-P in September had asked Oracle for a long-term commitment to support Itanium, but Oracle refused. Oracle accused H-P of trying to mislead customers and shareholders about Intel's plans regarding the Itanium line's termination, which it said will be revealed in court because of the suit.

An Intel spokesman on Wednesday said Intel had repeatedly reaffirmed its support of the chip since March. "We are committed to Itanium," she said. "No change."

The suit follows a demand letter that H-P sent to Oracle calling for a reversal of the decision to stop Itanium-related development.

"The silence since last week has been deafening," said Bill Wohl, H-P's chief communications officer, prompting his company to take the matter to court.

H-P's complaint, which is heavily redacted to strip out confidential information, includes allegations of breach of implied contract and defamation. It seeks unspecified damages as well as an injunction preventing Oracle from making misleading statements and remedying the harm caused by its conduct.