France probes competition complaint against Oracle

The Associated Press

French authorities said Tuesday they would investigate a complaint by Hewlett-Packard Co. that software maker Oracle Corp. is abusing its dominant market position and engaging in discriminatory pricing practices.

The complaint, filed with the French competition authority, claims that Oracle is attempting to squeeze HP by making future versions of its database software incompatible with Intel's Itanium processor, which HP's servers use. The complaint contends that could force customers to drop HP in favor of servers that are Oracle compatible, including those made by Sun Microsystems, which Oracle bought in 2010.

The authority said Tuesday that the complaint also alleges that Oracle's pricing for its database software licensing discriminated against HP.

The French authority on Tuesday decided not to take immediate action but said it would open an investigation.

HP has also sued Oracle in California court, accusing it of behaving illegally in its decision to discontinue support for the Itanium processor.

In a statement Tuesday, lawyers for Oracle reiterated their contention that the Itanium processor, which has been plagued with problems, will soon be phased out anyway. Intel and HP deny that.

HP and Oracle had a long history of working together but are increasingly engaged in turf wars. Oracle's foray into the computer hardware market - an HP stronghold - with the purchase of Sun ratcheted up tensions.

HP welcomed the French decision and said it would continue to push authorities to look into Oracle's practices.

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