

Oracle CEO mulled expansion into smartphones

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Oracle CEO Larry Ellison wanted to compete against Google's Android software in the smartphone market before deciding instead to sue his potential rival for copyright and patent infringement.

Ellison acknowledged Oracle's interest in diversifying beyond its main business of database software while testifying Tuesday on the second day of a trial pitting two high-tech bellwethers.

Before backing off the idea, Ellison said Oracle considered buying a smartphone maker, including Palm Inc. and BlackBerry maker Research In Motion Ltd. Palm ended up getting sold to Hewlett-Packard Co. for about \$1 billion two years ago, while RIM is trying to recover from huge losses that have piled up as the BlackBerry got battered by Apple Inc.'s iPhone and handsets running on Android.

"I had an idea that we could enter the smartphone business and compete with everyone in the smartphone business," Ellison testified under questioning from a Google lawyer. "It was an idea I wanted to explore. We explored it and decided it was a bad idea."

Ellison, a colorful CEO who ranks among the world's richest people, took the stand after Google sought in opening statements to frame the case as Oracle's response to its own failure to build mobile software.

Google CEO Larry Page also took the stand toward the end of Tuesday's session. The trial was expected to last up to 10 weeks.

The dispute before a 12-person jury in U.S. District Court in San Francisco is over whether Google built its widely used Android software by improperly taking some of the technology from Java, a programming platform that Sun Microsystems began developing 20 years ago. Oracle acquired the rights to Java when it bought Sun for \$7.3 billion in January 2010.

Although Oracle has spent more money buying other companies, Ellison depicted Java as the company's most cherished prize.

"Of all the things we have ever purchased, by far the most important we ever purchased was Java," Ellison crowed during his roughly 80-minute appearance on the witness stand.

Ellison is renowned for making bombastic statements like that.

There were other times during his testimony, though, when he looked slightly bamboozled. At one point, Google lawyer Robert Van Nest reminded Ellison about

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all the nice things that he had to say about Android and Google during an onstage appearance in 2009, when Oracle was still awaiting regulatory approval to buy Sun.

With Sun co-founder Scott McNealy standing by his side, Ellison assured the crowd then that he was "excited" and "flattered" about Android's reliance on Java. Ellison hailed his "friends from Google" and said he looked forward to many more mobile devices running on Android.

Before Ellison took the stand Tuesday, Van Nest also tried to persuade the jury that Sun Microsystems had encouraged and endorsed Google's use of Java in Android. That contrasted with opening statements Monday by Oracle lawyer Michael Jacobs, who focused on emails indicating that Google's top executives knew for years that they should be paying to license for some parts of the Java technology that helped create Android.

In his counterpoints Tuesday, Van Nest said most of the emails cited by Oracle's attorneys were sent in 2005 and 2006, when Google and Sun were discussing a partnership to create Android. Those discussions unraveled, Van Nest said, when Sun insisted on charging on Android. Google wanted to give away the software to help get it on as many mobile devices as possible so it could make money selling digital advertising.

Android now powers more than 300 million smartphones and tablet computers. Google hasn't specified how much money it makes from the ads and mobile applications sold on Android-powered devices. The company is fighting to keep that figure out of the trial proceedings. U.S. District Judge William Alsup has indicated that he will allow that sensitive information to be publicly revealed if it becomes a point of contention in the trial.

Van Nest told the jury that after it became clear that Google wasn't going to partner with Sun, Google spent hundreds of millions of dollars and devoted thousands of engineering hours to create the 15 million of computer code that guide Android. He said former Sun CEO Jonathan Schwartz will testify that he fully supported what Google did with Java.

It wasn't until Ellison couldn't figure out how Oracle could get into the smartphone market that the allegations of copyright and patent infringement surfaced, according to Van Nest.

"They want to share Android's profits without having done a thing to bring that about," Van Nest said.

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