SAP To Pay $20M Settlement

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SAN FRANCISCO (AP) -- Business software maker SAP AG on Wednesday said it agreed to pay $20 million to settle criminal charges from the U.S. Department of Justice against a now-defunct subsidiary, TomorrowNow.

The subsidiary was accused of 12 counts of fraud and copyright infringement for stealing documents from rival Oracle Corp.'s password-protected websites. SAP had earlier acknowledged the theft and shut down the division. The $20 million penalty is twice what SAP had paid to acquire TomorrowNow in 2005.

The settlement, however, does not resolve a bigger problem for SAP in the case.

A jury awarded Oracle $1.3 billion last year in a verdict against SAP in a civil lawsuit. But on Sept. 1 a judge threw out the award, calling it "grossly excessive." Oracle said it will reject the judge's recommendation for a $272 million award, setting the stage for a new trial.

Walldorf, Germany-based SAP said Wednesday that it is "pleased to have come to an appropriate conclusion" of the criminal case. It added that SAP itself was not charged. The plea deal involved TomorrowNow pleading guilty to the charges.

Redwood Shores-based Oracle said in a statement that it has "spent the last four years uncovering SAP's massive copyright theft and SAP finally pleaded guilty in federal court to criminal charges for its illegal scheme."

U.S.-traded shares of SAP shares rose 24 cents, or 0.5 percent, to $50.53, in extended trading Wednesday. Oracle shares rose a penny to $28.16.

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