

ORACLE

Oracle v. Rimini Street Lawsuit: A Guide

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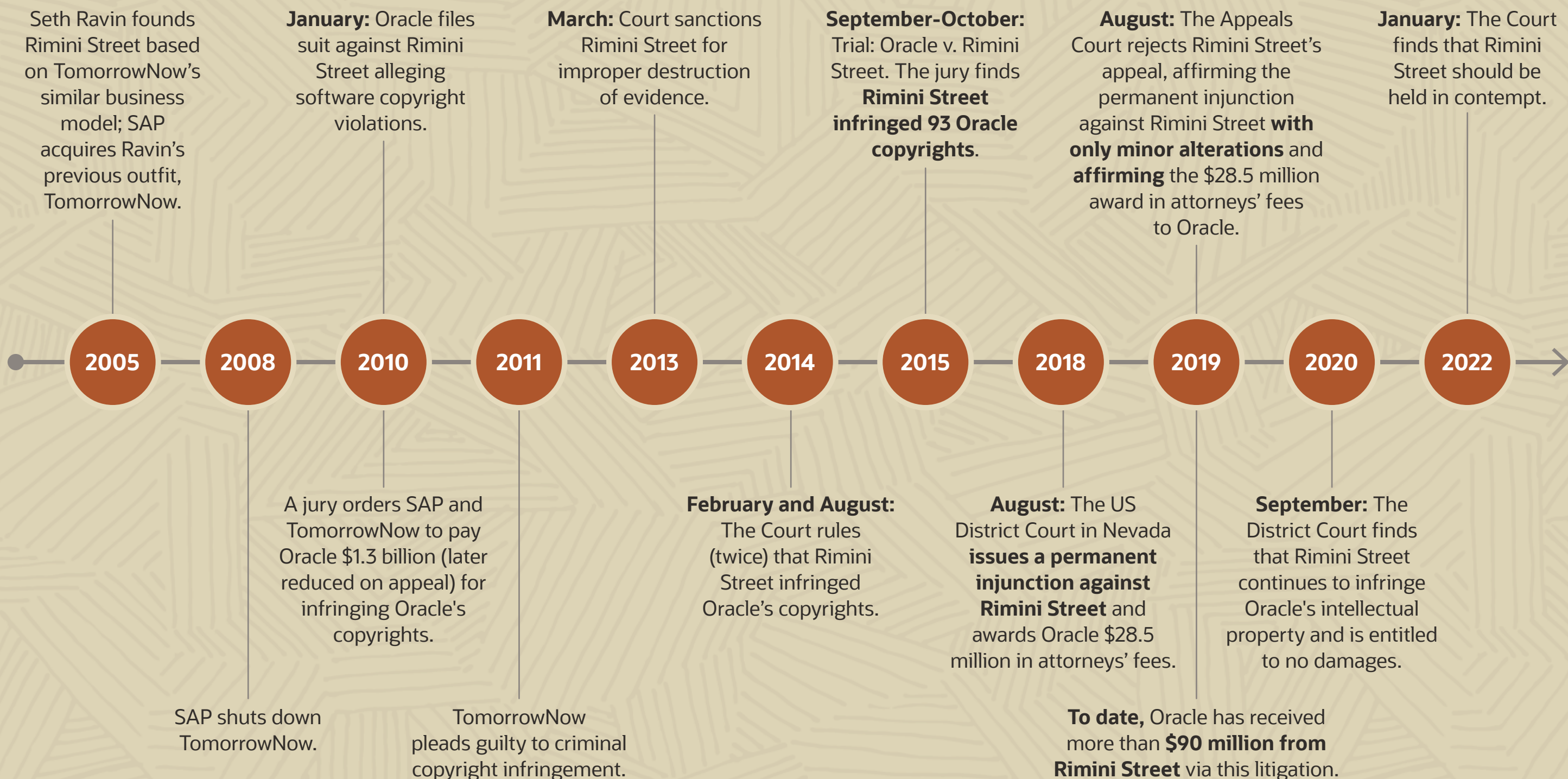
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Introduction

Oracle's 14+ year legal battle with Rimini Street—a third-party provider of software support services—offers important lessons for industry players and business customers.

The heart of the battle is **Rimini Street's infringing of Oracle's copyrights** to support Rimini Street customers, which Oracle believes to be an illegal business model. The legal proceedings also revealed that Rimini Street's discount services don't include critical software security patches, which puts customers at risk.





1

Who is Rimini Street?

Rimini Street Incorporated was founded by Seth Ravin in 2005. It provides support services for Oracle Applications, SAP, Microsoft, and others.

Rimini Street claims to have more than 1,620 enterprise and midsize customers.

Before starting Rimini Street, Ravin developed a similar business model at **TomorrowNow**, acquired in 2005 by an Oracle rival, SAP.



SAP shut the unit down in 2008.

A 2010 trial ended with a **\$1.3 billion verdict against TomorrowNow and SAP** for infringing Oracle's copyrights (later reduced to \$359 million).

A **\$20 million criminal fine for computer fraud** was levied against TomorrowNow in 2011.

During the course of that trial, SAP CEO Bill McDermott **apologized to Oracle** for the TomorrowNow unit's actions.

2

A Legal Dispute Begins

Even before the TomorrowNow trial, Rimini Street was **downloading software from Oracle's website** as a means to provide support services.

Believing that Rimini Street was **infringing Oracle's copyrighted software**, Oracle filed suit against Rimini Street in January 2010.

Rimini Street told Oracle and the court that its “customer environments” did not infringe Oracle's copyrights.

Oracle subsequently filed a motion for summary judgment, granted in February 2014. The court noted:

- 🔪 **Oracle's PeopleSoft licenses specifically restrict use of the software to the customer's “facility.”** Since Rimini Street used it at its own facilities, Rimini Street was infringing Oracle's copyrights. Rimini Street also **used one customer's software to develop PeopleSoft software fixes and updates for other customers**, also a copyright infringement.
- 🔪 As for the **JD Edwards and Siebel software**, Rimini Street initially asserted that it was storing it for archival purposes. At trial, Seth Ravin admitted that Rimini Street used the software to support customers.

During the course of the lawsuit, Oracle discovered that **Rimini Street had an unlicensed “software library,”** which Rimini Street later destroyed. Oracle filed a motion for sanctions, which the court granted in March 2013 for Rimini Street's **spoliation of evidence**.

3

An Ongoing Dispute

A second lawsuit filed by Rimini Street in 2014 attempted to justify Rimini Street's modified use of Oracle software.

Oracle contended that Rimini Street's "new" business model still violated Oracle's copyrights, because **environments were still not hosted at customers' facilities** (as required by license terms).

Rimini Street filed summary judgment motions **seeking rulings that some of its practices were lawful** and that Oracle was barred from pursuing certain claims.

Oracle filed five motions for summary judgment, challenging Rimini Street's business model, **including Rimini Street's continuing cross-use.**

During the course of this litigation, Oracle sent Rimini Street a cease-and-desist letter, barring Rimini Street from accessing Oracle's support websites.

4

The Trial: Oracle v. Rimini Street

In August 2018, the trial court issued a permanent injunction, placing important limits on Rimini Street's **reproduction, distribution, and creation of derivative works from PeopleSoft, JD Edwards, and Siebel software.**

In August 2019, the Appeals Court rejects Rimini Street's appeal, affirming the attorneys' fees award and making only minor alterations to the permanent injunction against Rimini Street.

In September 2020, the District Court found that Rimini Street continues to infringe Oracle's intellectual property and is entitled to no claims for damages. January 12, 2022 press release mention "Rimini Street Held in Contempt of Court".

In October 2015, the jury found that **Rimini Street infringed 93 copyrights.**



To date, Rimini Street has **paid Oracle more than \$90 million** because of this infringement.

5

Third Party Support: The Takeaways



Product Licenses

Oracle v. Rimini Street underscores why software vendors must be **vigilant** about the uses of their product licenses and related documentation.



Software Review

Even with such vigilance, it's still possible for third parties to build an unlawful competing software support business, causing the creator of the software **financial harm**.



Source Code

Rimini Street cannot provide the security patches and updates Oracle customers receive as part of Oracle-brand maintenance agreements because it does not have the relevant source code.



Security Protection

Rimini Street's CEO argued that security patching is "an outdated model" and customers are "responsible for their own firewalls and their own security protections." That guidance goes against security experts' warnings: In 2018, the US government urged companies to patch software vulnerabilities to protect themselves from **ransomware and other cyberattacks**.

6 Why You Should Choose Your Support Partner Wisely

Discover more about:

Why Oracle is a proven, trusted partner

Oracle Premier Support

Read the full Forbes article [Oracle v. Rimini Street Lawsuit: A Guide.](#)

“Today’s companies are making critical decisions based on software. If the software behaves in an unexpected way because some third party has altered it, it can have severe ramifications.”

**Juan Jones, Oracle Senior Vice
President of Global Customer Support**

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