Audit your Rimini Street Contract!!!

In aftermath of recent ruling against Rimini Street, how would you mitigate risks arising from the Oracle and Rimini Street battle? An audit may soon be needed for your Contract with Rimini Street if you use them for your Oracle or SAP support.

Rimini Street provides enterprise software maintenance services to Oracle and SAP licensees, offering what it describes as significant savings on total support costs and annual support fees. An Oracle support contract typically costs 22% of the software's purchase price per year. Rimini advertises that its support is just as good, but about 50% cheaper than Oracle's.

A federal judge this week found that Oracle's claims that Rimini had engaged in massive theft of Oracle's intellectual property "are true" and dismissed Rimini Street's counterclaims for defamation and unfair competition against Oracle. The US district court in Las Vegas also ruled that Oracle's copyrights had been infringed by Rimini Street alleging intellectual property theft.

Do you know that Oracle believes Rimini Street downloads its customers' software to its computers without a license which is an infringement of Oracle's software copyrights?

This isn't the first time that Oracle has sued a third-party vendor. We all remember the history where SAP, in an agreement with Oracle to avoid a threatened retrial, paid Oracle $306 million. SAP had to not only close down its TomorrowNow unit and but had to help move TomorrowNow customers back onto Oracle support.

Enterprise software support provider Rimini Street has already announced its decision to no longer host its customers' Oracle software in Rimini Street datacenters.

Key questions your Sourcing and Procurement team needs to ask:

(a) What is your contractual provision to avoid interruptions to service for any client or any product line if the final verdict ends up favoring Oracle?
(b) Is your Rimini Street contract, like most others, termed multiyear or non-cancelable service periods? If yes, what should your organization do to avoid any indirect litigation risks in future?
(c) Where is your Oracle or SAP software housed at? What is the best course of action going forward?
(d) Does your Contract use Rimini Street Cloud services? How would you mitigate your risks arising from your engagement with Rimini Street Cloud services?

If any of the above questions bothers you, it is time for you to conduct an external Contract Audit.

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Santosh Sharma is the Chief Sourcing Auditor at **Sourcing Auditors**. Sourcing Auditors focuses on effective Contract Governance© to help clients derive fullest value from the Contract, safeguard and protect their organization from any external threat or internal non-compliance and continuously strive to improve the stakeholder satisfaction levels from the Contract. Sourcing Auditors uses a uniquely designed, best practices-based and highly comprehensive Audit Framework© that uses about 1200+ sourcing parameters to ensure Contract Compliance©, Contract Optimization© and Contract Improvement©. For more information please contact santosh.sharma@sourcingauditors.com