MySQL Answers Back With $18.5 Million

Posted by: Sarah Lacy on February 13, 2006

On Thursday we reported that Oracle was in serious talks to buy several open source companies and a natural question was: What does this mean for MySQL? The database seems to be the next big battle in open source and although there are several potential spoilers, MySQL undeniably has the most momentum.

The potential deals-- which could still fall through due to price and a few other sticking points-- show that Oracle isn't just going to let that momentum grow without a fight. If customers want open source, Oracle is going to give it to them, not talk them out of it. It's playing offense with the JBoss talks, aggressively going after the open source middleware market where Oracle has a growing business, but not a dominant market position.

The stakes are higher for databases though, still the bulk of Oracle's revenues and profits. There, the company has already bought Innobase, a small Finnish company that makes some of the underlying technology for MySQL products. The potential Sleepycat deal is along the similar lines: Buying some of the more popular open source database pieces, to potentially hobble MySQL's progress.

Marten Mickos, MySQL's CEO, points out the differences in buying open source companies. Things like a strong community of contributors or the open technology that makes up the popular, so-called LAMP stack aren't for sale. Still, MySQL is getting ready for battle. The company announced an $18.5 million third round of venture capital this morning, bringing the total invested to date to $39 million. "We have barely touched the previous round and still we wanted more," Mickos says. "This is to make sure we are very well equipped for whatever the future may bring. We can make bolder faster moves without weakening or appearing to weaken the company."

And, it forges closer relationships with some industry giants: Among investors are Red Hat, Intel Capital and Oracle arch-rival SAP. As noted in this database story, players like these could play a big role in the new round of database wars-- particularly Red Hat and SAP. Right now, the vast majority of their customers use Oracle's databases.

It's a smart move for MySQL and makes the company look all the more solid to potential customers at a time when Oracle, Ingres, EnterpriseDB and others are all trying to curb its momentum.