

Mail Stop 4561

March 26, 2010

Ahmed Rubaie  
Chief Financial Officer  
Ariba, Inc.  
11625 Rainwater Drive  
Alpharetta, GA 30004

**Re: Ariba, Inc.  
Form 10-K for the Fiscal Year Ended September 30, 2009  
Filed November 25, 2009  
Form 10-Q for the Fiscal Quarter Ended December 31, 2009  
Filed February 5, 2010  
File No. 000-26299**

Dear Mr. Rubaie:

We have reviewed your response letter dated February 25, 2010 in connection with the above-referenced filings and have the following comments. If indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may raise additional comments. Unless otherwise noted, where prior comments are referred to they refer to our letter dated February 3, 2010.

Form 10-K for the Fiscal Year Ended September 30, 2009

Item 11. Executive Compensation (Incorporated by Reference from Definitive Proxy Statement on Schedule 14A, filed January 13, 2010)

Compensation Discussion and Analysis

Compensation Components, page 13

1. In response to prior comment 10, you indicate that your compensation committee considers peer group data as a helpful reference point or data input, along with other information, in evaluating compensation decisions, and is not a material determinant of compensation practices. However, your disclosure on page 13

indicates that your committee makes adjustments, when setting base salary, to reflect competitive market levels of salary according to the peer group data; and that, in making equity awards, the committee “again targeted total direct compensation, at target, to be above the median to approximately the 75<sup>th</sup> percentile of the 2010 Peer Group.” Given these disclosures, it would appear that peer data comparison was material to the decision making process, and as such, a discussion of how it informed the compensation committee’s decision making appears to be appropriate. For instance, to the extent a named executive officer’s base salary was adjusted, even in part, as a result of the peer data analysis, this should be discussed. Alternatively, if the compensation committee concluded that the peer data analysis fully supported its base salary determinations, a discussion to that effect would also provide investors with a clearer understanding of how the compensation committee determined the amount of base salary to pay. This comment applies to your discussion of any other elements of compensation where peer data informed the compensation committee’s decision making.

Form 10-Q for the Fiscal Quarter Ended December 31, 2009

Item 1. Financial Statements

Note 5 – Stockholders’ Equity

Stock-Based Compensation Plans, page 18

2. Clarify whether the holders of nonvested restricted common stock have nonforfeitable rights to dividends or dividend equivalents. In this regard, tell us whether you consider these awards to be participating securities that should be included in your computation of earnings per share under the two-class method. Refer to ASC 260-10-45-61A.

\* \* \* \* \*

Please respond to these comments within 10 business days or tell us when you will provide us with a response. Please submit all correspondence and supplemental materials on EDGAR as required by Rule 101 of Regulation S-T. If you amend your filings, you may wish to provide us with marked copies of any amendment to expedite our review. Please furnish a cover letter that keys your response to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing any amendment and your response to our comments.

You may contact Jennifer Fugario, Staff Accountant, at (202) 551-3482, or Christine Davis, Assistant Chief Accountant, at (202) 551-3408 if you have any questions regarding comments on the financial statements and related matters. Please address

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questions regarding all other comments to Stephani Bouvet at (202) 551-3545 or Maryse Mills-Apenteng, Special Counsel, at (202) 551-3457. If you need further assistance, you may contact me at (202) 551-3406.

Sincerely,

Patrick Gilmore  
Accounting Branch Chief