

1      ROUGH DRAFT - NOT PROOFREAD BY REPORTER

2      the product is already out there, inactive  
3      a copy of the Linux 2.6 kernel right here  
4      in my hand, what do you have to lose by  
5      telling people these are exactly the parts  
6      that are infringing. Because as I  
7      understand it, and (inaudible) you guys  
8      refuse to tell me, except in your MBA,  
9      which portions you believe are infringing.  
10     I'm not a lawyer, but I know if someone was  
11     doing something I thought was (inaudible),  
12     I would try and stop it as quickly as  
13     possible.

14           MR. McBRIDE: Has SCO shown the  
15     code? First of all, SCO owns intellectual  
16     property at System V level, when we said we  
17     licensed in thing 6,000 times, we've  
18     licensed it and people are under very tight  
19     restrictions about not being able to show  
20     that. If we go out and just throw it out  
21     in the public, we are basically violating  
22     our own commitments we have with our  
23     licensees. Now, with respect to code that  
24     we have shown, let's follow the bouncing  
25     ball here for a moment. Last summer we

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2 came out with code that was very clearly  
3 replicated and showed that last August. It  
4 was done under NDA because we didn't want  
5 to violate our own agreements, a number of  
6 people saw it. And shortly after that, a  
7 Linux leader, in fact Linus came out and  
8 said that code has been removed from Linux.  
9 We then had some other code tied to it, and  
10 Silicone Graphics came out and said that  
11 was System V base code, it wasn't supposed  
12 to be in there, and we took it out. So  
13 there's two occasions.

14 Again, SCO said it was in when it  
15 wasn't supposed to be in there, we took it  
16 out. We didn't take it out of the  
17 thousands and millions of servers running  
18 around the world, so even at that level you  
19 still have an infringement problem. But  
20 they did take it out of future versions.

21 We then said there is roughly a  
22 million lines of code that tie into  
23 contributions that IBM has made, and that's  
24 subject to litigation that is going on. We  
25 have basically supplied that. In fact,

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2       that is going to be the subject of a  
3       hearing that comes up this Friday in the  
4       Utah courtroom. We supplied them with  
5       ample evidence in terms of where those  
6       infringements came from.

7               And finally, a month ago we came  
8       out, or December I guess it was, we  
9       published 75 header files that showed up  
10      inside of Linux that tied to not just  
11      intellectual property agreements, but to  
12      the DSD settlement agreement from back in  
13      the '90s. And the settlement agreement  
14      says, what does it says Chris?

15              MR. SONTAG: It says basically there  
16      is a set of files that has to be removed  
17      from BST, there is a set of files for which  
18      copyright at transactions to AT&T U.S.A.  
19      and effectively SCO had to be placed on  
20      those set of files. And there was another  
21      set of files for which there was no issue.  
22      Those files that had to have the copyright  
23      attribution, portions of those files ended  
24      up in Linux, which is a problem. Which  
25      means they have copyrighted work that was

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