Alan L. Sullivan (3152) Todd M. Shaughnessy (6651) Snell & Wilmer L.L.P. 15 West South Temple, Suite 1200 Gateway Tower West Salt Lake City, Utah 84101-1004

Telephone: (801) 257-1900 Facsimile: (801) 257-1800

CRAVATH, SWAINE & MOORE Evan R. Chesler (admitted pro hac vice) Thomas G. Rafferty (admitted pro hac vice) David R. Marriott (pending admission) Worldwide Plaza 825 Eighth Avenue New York, NY 10019

Telephone: (212) 474-1000

Attorneys for Defendant International Business Machines Corporation

FILED THOSE OF THE -7 JUL 03 PM 3: 51 DISTRICT OF UTAH

FOR THE DISTRICT OF UTAH

IN THE UNITED STATES DISTRICT COURT

CALDERA SYSTEMS, INC, d/b/a/ THE SCO GROUP,

Plaintiff,

VS.

INTERNATIONAL BUSINESS MACHINES CORPORATION,

Defendants.

MEMORANDUM OF DEFENDANT INTERNATIONAL BUSINESS MACHINES CORPORATION IN RESPONSE TO PLAINTIFF'S MOTION FOR LEAVE TO FILE AMENDED COMPLAINT

Civil No. 2:03cv0294

Honorable Dale A. Kimball

Pursuant to DUCivP 7-1(b)(3), defendant International Business Machines Corporation ("IBM") submits the following response to the Motion for Leave to File Amended Complaint filed by plaintiff Caldera Systems, Inc., d/b/a The SCO Group on June 16, 2003.

As will be set out in IBM's response to plaintiff's proposed, amended complaint – should the Court permit plaintiff to file it – plaintiff's proposed, amended allegations are meritless, and judgment should be entered in this action in favor of IBM. Nevertheless, and without conceding the grounds on which it is based, IBM does not oppose plaintiff's motion to amend, subject to IBM's right to move against the proposed amended pleading.

DATED this **1** day of July, 2003

Snell & Wilmer LLP

Alan L. Sullivan

Todd M. Shaughnessy

CRAVATH, SWAINE & MOORE LLP Evan R. Chesler Thomas G. Rafferty David R. Marriott Counsel for Defendant International Business

Machines Corporation

Of counsel:

INTERNATIONAL BUSINESS MACHINES CORPORATION Donald J. Rosenberg Alec S. Berman 1133 Westchester Avenue White Plains, New York 10604 (914) 642-3000

Attorneys for Defendant International Business Machines Corporation

CERTIFICATE OF SERVICE

I hereby certify that on the haday of July, 2003, a true and correct copy of the foregoing MEMORANDUM OF DEFENDANT INTERNATIONAL BUSINESS

MACHINES CORPORATION IN RESPONSE TO PLAINTIFF'S MOTION FOR LEAVE

TO FILE AMENDED COMPLAINT was delivered to the following by U.S. Mail, postage prepaid:

Brent O. Hatch Mark F. James HATCH, JAMES & DODGE, P.C. 10 West Broadway, Suite 400 Salt Lake City, Utah 84101

David Boies BOIES, SCHILLER & FLEXNER LLP 333 Main Street Armonk, New York 10504

Stephen N. Zack Mark J. Heise BOIES, SCHILLER & FLEXNER LLP 100 Southeast Second Street, Suite 2800 Miami, Florida 33131

1020mom