

YOUNG CONAWAY STARGATT & TAYLOR, LLP

BRUCE M STARGATT
BEN T CASTLE
SHELDON N SANDLER
RICHARD A LEVINE
RICHARD A ZAPPA
FREDERICK W. JOBST
RICHARD H. MORSE
DAVID C MCBRIDE
JOSEPH M. NICHOLSON
CRAIG A KARSNITZ
BARRY M WILLLOUGHBY
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CASSANDRA F. ROBERTS
RICHARD J. A. POPPER
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JOEL A. WAITE
BRENT C. SHAFFER
DANIEL P. JOHNSON
CRAIG D. GREAR
TIMOTHY JAY HOUSEAL
BRENDAN LINEHAN SHANNON
MARTIN S. LESSNER
PAULINE K. MORGAN
C. BARR FLINN
NATALIE WOLF
LISA B. GOODMAN
JOHN W. SHAW
JAMES P. HUGHES, JR.
EDWIN J. HARRON
MICHAEL R. NESTOR
MAUREEN D. LUKE
ROLIN P. BISSELL
SCOTT A. HOLT
JOHN T. DORSEY

M BLAKE CLEARY

ATHANASIOS E. AGELAKOPOULOS
JOSEPH M. BARRY
KEVIN M. BAIRD
SEAN M. BEACH
DONALD J. BOWMAN, JR.
TIMOTHY P. CAIRNS
CURTIS J. CROWTHER
MARGARET M. DIBIANCA
ERIN EDWARDS
KENNETH J. ENOS
IAN S. FREDERICKS
JAMES J. GALLAGHER
DANIELLE GIBBS
ALISON G.M. GOODMAN
SEANT GRECHER
KARA S. HAMMOND
DAWN M. JONES
RICHARD S. JULIE
KAREN E. KELLER
JENNIFER M. KINKUS
EDWARD J. KOSMOWSKI
JOHN C. KUFFEL
TIMOTHY E. LENGKEEK
MATTHEW B. LUNN
JOSEPH A. MALFITANO
GLENN C. MANDALAS
ADRIA B. MARTINELLI
MICHAEL W. MCDERMOTT
MATTHEW B. MCGUIRE
MARIBETH L. MINELLA
EDMON L. MORTON
D. FON MUTTAMARA-WALKER
JENNIFER R. NOEL
JOHN J. PASCHETTO
ADAM W. POFF
SETH J. REIDENBERG
FRANCIS J. SCHANNE
MICHELE SHERRETTA
MICHAEL P. STAFFORD
JOHN E. TRACEY
ALFRED VILLOCH, III
MARGARET B. WHITEMAN
CHRISTIAN DOUGLAS WRIGHT
SHARON M. ZIEG

THE BRANDYWINE BUILDING
1000 WEST STREET, 17TH FLOOR
WILMINGTON, DELAWARE 19801

P.O. Box 391
WILMINGTON, DELAWARE 19899-0391

(302) 571-6600
(800) 253-2234 (DE ONLY)
FAX: (302) 571-1253

WRITER'S DIRECT DIAL NUMBERS
VOICE: (302) 571-6672
FAX: (302) 576-3301

E-MAIL: jingersoll@ycst.com

H ALBERT YOUNG
1929-1982
H JAMES CONAWAY, JR.
1947-1990
WILLIAM F. TAYLOR
1954-2004

STUART B. YOUNG
EDWARD B. MAXWELL, 2ND
OF COUNSEL

JOHN D. MCLAUGHLIN, JR.
ELENA C. NORMAN (NY ONLY)
SPECIAL COUNSEL

GEORGETOWN OFFICE
110 WEST PINE STREET
P O BOX 594
GEORGETOWN, DELAWARE 19947
(302) 856-3571
(800) 255-2234 (DE ONLY)
FAX: (302) 856-9338

April 1, 2005

BY ELECTRONIC FILING

The Honorable Sue L. Robinson
Chief Judge
United States District Court
844 King Street
Wilmington, DE 19801

Re: Red Hat, Inc. v. The SCO Group, Inc.
Civil Action No. 03-772-SLR

Dear Judge Robinson:

Pursuant to the Court's April 6, 2004 Order requesting a quarterly report on the status of various related litigation matters, Red Hat, Inc. submits this letter as an update to its previous letter, dated January 3, 2005. Although Red Hat is not a party to these other related cases, Red Hat offers the following summary based upon publicly available information.

1. *SCO Group, Inc. v. International Business Machines Corp.*

As of Red Hat's last update letter, SCO's motion to dismiss, or in the alternative, stay IBM's counterclaim ten and IBM's motion for partial summary judgment on its tenth counterclaim for a declaratory judgment of non-infringement of copyright were pending. Following a September 15, 2004 hearing on the motions, the Court issued an order on February

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8, 2005 which denied or rendered moot all of the claims brought by both parties. With respect to the denial of SCO's motion to dismiss IBM's tenth counterclaim, the Court found that "there is clearly significant overlap" between IBM's and SCO's respective claims and held that litigating the claim made sense from "a judicial economy and fundamental fairness perspective." Although it was "tempt[ed] to grant IBM's motion" for partial summary judgment on its counterclaim, the Court declined to do so, holding that it would be premature. The Court also ruled that no dispositive motions may be filed until after the close of discovery.

On February 18, 2005, IBM filed a motion for entry of an order limiting the scope of its ninth counterclaim which seeks a declaration with respect to its UNIX activities. IBM seeks to narrow the scope of its ninth counterclaim to a declaration that its continued distribution of its AIX and Dynix products does not infringe SCO's alleged copyrights because it has not breached its license agreements with AT&T and SCO's purported termination of those licenses is invalid.

2. *SCO Group, Inc. v. AutoZone, Inc.*

By an order dated August 6, 2004, this case remains stayed subject to a limited period of discovery relating to the issue of preliminary injunctive relief. At SCO's request, the court extended this period on March 23, 2005, granting SCO an additional forty-five days to complete its discovery. SCO has until May 31, 2005 to file a motion for preliminary injunction.

3. *SCO v. Novell, Inc.*

As of Red Hat's January 3, 2005 update letter, Novell's motion to dismiss the amended complaint had been fully briefed and a hearing scheduled for January 20, 2005. The court granted a motion for continuance filed by Novell and rescheduled the hearing for May 25, 2005.

4. *SCO v. DaimlerChrysler Corporation*

On December 29, 2004, SCO filed a claim of appeal from the Oakland County Circuit Court's order of dismissal entered in this case on December 21, 2004. SCO's claim of appeal was dismissed by the Michigan Court of Appeals on January 21, 2005 for lack of jurisdiction.

Respectfully submitted,



Josy W. Ingersoll

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JWI:cg

cc: Clerk of the Court (by hand delivery/electronic filing)
Jack B. Blumenfeld, Esquire (by hand delivery/electronic filing)
Stephen N. Zack, Esquire (by e-mail)
Mark G. Matuschak, Esquire (by e-mail)
Michelle D. Miller, Esquire (by e-mail)