

YOUNG CONAWAY STARGATT & TAYLOR, LLP

JOSY W. INGERSOLL (NO. 1088)
DIRECT DIAL: 302-571-6672
DIRECT FAX: 302-576-3301
jingersoll@ycst.com

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

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

(302) 571-6600
(302) 571-1253 FAX
(800) 253-2234 (DE ONLY)
www.youngconaway.com

June 26, 2006

BY E-FILE

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

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

Dear Chief 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. ("Red Hat") submits this letter as an update to its previous letter, dated March 27, 2006. 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.*

On April 4, 2006, IBM submitted its reply brief in support of its motion to limit SCO's claims relating to allegedly misused material. The court heard arguments on this motion on April 14, 2006 and took the motion under advisement.

In connection with the same disclosures of allegedly misused material, IBM filed a motion to confine SCO's claims to, and strike allegations in excess of, the final disclosures made by SCO on June 8, 2006, arguing that SCO has attempted to increase the scope of its claims by identifying additional allegedly misused material through its expert reports. SCO, in its opposition brief filed on June 19, 2006, argued that its disclosures fully complied with the court's scheduling order and that its expert reports are consistent with what the court has required.

By an order dated June 2, 2006, the court also extended the time to complete discovery to August 4, 2006.

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

Since the filing of our last letter to the Court, no significant activity has occurred in this case.

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3. *SCO v. Novell, Inc.*

On April 10, 2006, Novell submitted its answer to SCO's second amended complaint, which included a restatement of its counterclaims that were previously pled on July 29, 2005. SCO answered these counterclaims on May 1, 2006.

On the same date, Novell submitted two motions: (1) a motion to stay claims raising issues subject to arbitration; and (2) a motion for a more definite statement of SCO's unfair competition cause of action. Novell's motion to stay seeks to stay five of the claims asserted in SCO's second amended complaint. Novell asserts that four of these claims are subject to arbitration pursuant to the "UnitedLinux" contracts signed by SCO in May 2002 and that the fifth claim should be stayed because it is contingent on the prior four. SCO opposes this motion on the grounds that Novell has waived any right to the requested stay, the claims at issue are not within the purview of the arbitration clause, and non-arbitrable claims should not be stayed pending litigation.

Novell's motion for a more definite statement of SCO's unfair competition cause of action essentially asks SCO to identify the unfair competition laws that it accuses Novell of violating. SCO's opposition argues that a more definite statement is not warranted on the basis that it is not required under the Federal Rules of Civil Procedure to specify statutory provisions or advance a particular legal theory and that it has met the pleading requirements under Fed. R. Civ. P. 8(a).

Respectfully submitted,



Josy W. Ingersoll (No. 1088)

JWI:cg

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