

ALSTON & BIRD LLP

One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

404-881-7000
Fax: 404-881-7777
www.alston.com

Douglas L. Bridges

Direct Dial: 404-881-4617

E-mail: dbridges@alston.com

January 30, 2006

Via Overnight UPS

The Honorable Robert C. Jones
U.S. District Judge
U.S. District Court, District of Nevada
333 S. Las Vegas Blvd.
Las Vegas, Nevada 89101

Re: *The SCO Group, Inc. v. AutoZone, Inc. CV-S-04-0237-RCJ-LRL*

Dear Judge Jones:

Pursuant to the Court's August 6, 2004 Order, AutoZone, Inc. submits this letter to update the Court on the ongoing litigation related to this matter. Although AutoZone is not a party to the other related cases, AutoZone has derived the following information from publicly available sources.

1. *The SCO Group, Inc., v. International Business Machines Corporation, Case No. 2:03-CV-0294 DAK (D. Utah)*

On October 28, 2005, SCO filed its Interim Disclosure of Material Misused by IBM with the Court. This filing, as ordered by the Court in its Pre-Trial Management Order, contained a sealed exhibit that is a spreadsheet of technology disclosures that SCO contends that IBM included in Linux. SCO alleges these disclosures were improper because either the disclosure violated a confidentiality agreement IBM had with SCO and/or the disclosure violated SCO's copyrights. On December 22, 2005, SCO filed its Disclosure of Material Misused by IBM with the Court. This filing updated the previously filed Interim Disclosure, and it identified additional technology disclosures that SCO believes were improper. Like the Interim Disclosure, the actual identification of improper disclosures was filed under seal as an exhibit.

Discovery is ongoing in the case, with Magistrate Judge Wells taking an active role in handling several ongoing discovery disputes. Discovery is currently scheduled to close on March 17, 2006 with the deadline for filing dispositive motions set for July 28, 2006. The jury trial in this case is scheduled to begin on February 26, 2007.

Bank of America Plaza
101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000
704-444-1000
Fax: 704-444-1111

90 Park Avenue
New York, NY 10016
212-210-9400
Fax: 212-210-9444

3201 Beechleaf Court, Suite 600
Raleigh, NC 27604-1062
919-862-2200
Fax: 919-862-2260

601 Pennsylvania Avenue, N.W.
North Building, 10th Floor
Washington, DC 20004-2601
202-756-3300
Fax: 202-756-3333

The Honorable Robert C. Jones

January 30, 2006

Page 2

2. *The SCO Group, Inc. v. Novell, Inc.*, Case No. 2:04-CV-00139 (D. Utah)

On December 30, 2005, SCO filed a motion with the Court for leave to file a second amended complaint. SCO's proposed amended complaint includes four additional claims against Novell. The additional claims are:

- i) Breach of contract based on Novell's alleged violation of the Asset Purchase Agreement;
- ii) An alternative breach-of-contract claim seeking specific performance of Novell's obligations under the Asset Purchase Agreement to execute documents necessary to transfer the copyrights in UNIX and Unixware to SCO;
- iii) Copyright infringement based upon Novell's alleged distribution of UNIX technology through its Linux offering;
- iv) Unfair competition based upon Novell's claims of ownership of the copyrights of UNIX, Novell's alleged use of UNIX technology in Linux, and Novell's actions against SCO's claims regarding UNIX copyrights.


These claims are in addition to SCO's originally asserted slander of title claim.

The Court entered a Scheduling order on December 6, 2005, setting November 1, 2006 as the deadline for fact discovery and January 12, 2007 as the deadline for expert discovery. Dispositive motions are due by January 26, 2007. The trial date is currently set for June 25, 2007 with a 21 day jury trial scheduled.

3. *Red Hat, Inc. v. The SCO Group, Inc.*, Case No. 03-772-SLR (D. Del.)

As reported previously, the District of Delaware on April 6, 2004 ordered this case stayed pending resolution of the *IBM* and *Novell* cases. Accordingly, there is no activity to report in the case.

Sincerely,



Douglas L. Bridges

DJS:dlb

cc: Stanley W. Parry, Esq. (via facsimile)
David Stone, Esq. (via facsimile)