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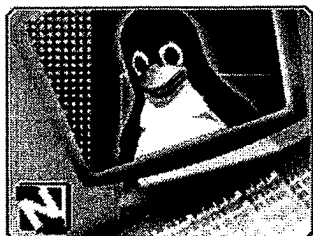
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SCO Warning Fuels Growing Linux Controversy

By James Maguire
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IBM is up to its eyeballs in Linux, according to Gart "There's no turning back, as far as IBM is concerne catastrophic if SCO got its way."

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But the burden of responding should fall to the major players, Schadler suggests. Rather than putting the brakes on Linux adoption, he says users should "pick up the phone and talk to IBM and Dell and HP, and ask them what they're doing about this nuisance suit. Make this IBM's, Dell's and HP's problem."

The solution is obvious, in his view: "What I think these companies should do is buy this silly company and shut them down. Their market cap is pretty low."

Copyright Protection

SCO's recent legal actions are similar to those of record companies attempting to protect their intellectual property against file swapping, according to Stowell.

"People thought Napster was really cool because you could download music for free and you didn't have to pay for it," he said. "I think the same example could apply to our Unix source code and Linux. Linux has

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gained a tremendous amount of momentum ... and everybody loves it because it's free."

But the problem, Stowell said -- noting that Linux is based on Unix, which SCO owns the copyright to -- "is that it's free Unix."

Trading Revenue Streams

It is unclear whether SCO would need to win its lawsuit against IBM to make its claims against other vendors legitimate. "Apparently they feel that this is independent of the IBM lawsuit," Gartner's Weiss said.

"They're going after the user community in the same way they would go after anybody else, whether it's vendors or Linux distributors or anyone else. Obviously, they've already incurred the ill will of the Linux community, and they're effectively out of the Linux marketplace," he pointed out.

"So what's happened is that they've traded one revenue opportunity for another. They've given up the Linux mantle and they're assuming the SCO Source intellectual-property mantle," he explained -- referring to the division of SCO that is designed to generate royalty revenue.

"Personally, I think the Linux opportunity was a far larger one -- if it were executed well -- then going this route," he said.

Possible Outcomes

"Depending on the legitimacy of this claim," the analyst continued, "IBM will either see the daylight and know that SCO will never be able to win in court, or it will see that there are some very substantive issues to deal with -- and they might not want to bring it to court and will have to work out some kind of settlement."

Unquestionably, Big Blue is deeply invested in Linux. "They are so into Linux," Weiss remarked, "they're up to their eyeballs. There's no turning back, as far as

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IBM is concerned," he said. "It would be catastrophic if SCO got its way."

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