Appeal No. 08-4217

IN THE

UNITED STATES COURT OF APPEALS

FOR THE TENTH CIRCUIT

THE SCO GROUP, INC.,

Plaintiff-Appellant,

vs.

NOVELL, INC.,

Defendant-Appellee.

On Appeal from the United States District Court
for the District of Utah
The Honorable Dale A. Kimball, Judge Presiding
(Case No. 2:04-CV-00139-DAK)

BRIEF *AMICUS CURIAE* FOR WAYNE R. GRAY

IN SUPPORT OF DEFENDANT-APPELLEE NOVELL, INC.
ORAL ARGUMENT REQUESTED

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STATEMENT REGARDING CONSENT

No counsel for any party authorized the filing of this amicus brief in whole or part. No counsel for any party contributed any money or other support to the preparation or submission of this brief. No counsel of record for any party authorized the filing of this brief. *Amicus* files the brief pursuant to Rule 29(a) of the Federal Rules of Appellate Procedure, requesting leave of court. Filed concurrently with this brief is the "Motion Of Wayne R. Gray To File Amicus Curiae Brief."

IDENTITY AND INTEREST OF AMICUS CURIAE

Amicus Wayne R. Gray ("*Amicus* Mr. Gray" or "Mr. Gray") is the defendant-counterclaimant in a trademark opposition before the Trademark Trial and Appeal Board of the United States Patent and Trademark Office ("the TTAB"), styled *X/Open Company, Ltd. v. Wayne R. Gray* ("*X/Open v. Gray*"), Opposition No. 91122524, filed April 11, 2001. X/Open Company Limited ("X/Open") based its standing to oppose Mr. Gray's trademark registration application on its alleged lawful ownership of the two United States registered "UNIX" trademarks, Registration No. 1392203 and Registration No. 1390593 (collectively, "U.S. UNIX Trademarks").

Amicus Mr. Gray then sued X/Open, Novell, Inc. ("the defendant/appellee

Novell" or "Novell"), and The SCO Group, Inc. ("the plaintiff/appellant SCO" or "SCO"), in the case styled and numbered *Wayne R. Gray v. Novell, Inc., The SCO Group, Inc. and X/Open Company Limited* in the United States District Court for the Middle District of Florida, Case No. 8:06-cv-01950-T-33TGW ("the Florida district court action"). As here, a key issue in the Florida district court action is what "UNIX Intellectual Property" did (or did not) transfer from Novell to SCO's predecessor-in-interest Santa Cruz Operation, Inc. ("Santa Cruz"), pursuant to the September 19, 1995, UNIX Business Asset Purchase Agreement ("the APA"), as amended.[1] Counsel for Novell and for SCO before this Court are the same counsel who represented Novell and SCO in the Utah district court action and before the Florida district court in the Florida district court action.

Amicus Mr. Gray supports Novell as to its undisputed facts and admissions in the Utah district court action that remain unchallenged by SCO. Mr. Gray urges this Court to affirm the findings and conclusions of the Utah district court in its August 10, 2007, Opinion, as supported by Novell's admissions in the Utah district court action as to (i) the issues before the Utah district court and this Court, (ii) affirm that Novell transferred its entire UNIX business, UNIX licenses and "UNIX" Trademarks and associated goodwill pursuant to the 1995 APA, and (iii) request that this Court ensure that its rulings are based on complete knowledge of

[1] All references to the "1995 APA (as amended)" shall include, but shall be limited to, (i) the "Asset Purchase Agreement" of September 19, 1995, (ii) the "Bill of Sale" of December 6, 1995, (iii) "Amendment No. 1 To The APA," dated December 6, 1995, and (iv) "Amendment No. 2 To The APA," dated October 16, 1996.

all material documents, including ones withheld from the Utah district court that the Florida court concluded modified the APA.

A. Judicial Economy

Amicus Mr. Gray has appealed the February 20, 2009, summary judgment order of the Florida district court in the Florida district court action to the Eleventh Circuit Court of Appeals. Because (i) substantially the same issues are before this Court and the Eleventh Circuit, (ii) the parties and their counsel are the same, (iii) this Court has the complete and unredacted set of documents before it, but the Eleventh Circuit will not, and (iv) *Amicus* requests only that this Court affirm undisputed facts before the Utah district court, judicial economy requires that, as part of its *de novo* review, and to prevent the Eleventh Circuit from unnecessarily expending considerable judicial resources, this Court affirm what is undisputed and found as fact by the Utah district court.

B. Conflicting District Court Decisions

Amicus Mr. Gray is appealing the Florida district court's summary judgment order to the Eleventh Circuit because the Utah district court and the Florida district court clearly conflict on the same key issues. The two courts disagree as to, among other points, (i) whether the APA is an integrated agreement not subject to any prior agreements; (ii) whether two or three agreements amend the APA; and (iii) whether Novell transferred its entire UNIX business, all UNIX licensing

agreements, and its U.S. "UNIX" Trademarks and accompanying goodwill to Santa Cruz pursuant to the 1995 APA.

C. New Evidence Not Before the Utah District Court

SCO and Novell agreed in the Utah district court action that there were only two amendments to the 1995 APA. But a Novell employee asserted under oath, and the Florida district court accepted, that an agreement between Novell, Santa Cruz, and X/Open, dated on or about September 6, 1996 ("the Confirmation Agreement") retroactively modified the APA, subjecting it to the terms and conditions of an earlier (and as-yet-unproduced) May 14, 1994, "Trade-mark Relicensing Agreement" between Novell and X/Open.[2]

Amicus Mr. Gray takes no position here as to the ownership of the UNIX copyrights or any disputed issues involving the UNIX copyrights. Because the so-called "Confirmation Agreement" is dated one month prior to Amendment No. 2 to the 1995 APA, and because X/Open publicly has declared that it has owned the U.S. "UNIX" Trademarks and specification since 1994, *Amicus* Mr. Gray urges this Court to order production of the purported May 14, 1994, "Trade-Mark Relicensing Agreement," the so-called "Confirmation Agreement," and a May 10, 1994, "Agreement" and consider those documents before ruling on this appeal.

[2] The "Confirmation Agreement" was designated as an "Attorney's Eyes Only" discovery document prior to February, 2008. Mr. Gray first viewed it in March, 2008, and requested, but never received, a copy of the May 14, 1994, Agreement identified in that "Confirmation Agreement."

Those documents are material documents not part of the Utah district court record that may well relate to the meaning, purpose, and intent of Amendment No. 2.

STATEMENT OF FACTS

Amicus Mr. Gray accepts the "Statements of Facts," as agreed by SCO and Novell, other than as to disputed issues, including, among others, those facts relating to UNIX copyright ownership. Mr. Gray suggests the following listed supplemental facts:

A. The UNIX Business Of Novell, Inc.

Novell, as owner of the entire "UNIX Business" and "UNIX Intellectual Property," attempted in 1993 to compel its UNIX licensees to accept its "flavor" of UNIX software -- known as "UnixWare" -- as the industry standard. Because most of Novell's revenues from its "UNIX Business" were derived from licensing UNIX software to others who offered their own UNIX "flavor" to the software market, its licensees balked at abandoning their "flavors" in favor of "UnixWare." Finally, Novell promised its UNIX software licensees that it would transfer its UNIX trademarks, and the UNIX specifications that define UNIX (presumably the UNIX copyrights) to a neutral industry organization.[3]

Novell selected X/Open as that so-called "neutral industry organization," but, in or around December, 1993, X/Open began representing falsely to the public

[3] (AMICUS 00001 (¶¶ 1-2, 7); AMICUS 00002 (¶¶ 10-12).) See Attachments, Amicus' Declaration Exhibits, pages sequentially stamped "AMICUS #####" for convenient access and review.

that it lawfully owned the "UNIX" Trademarks. Novell and X/Open then entered into at least two written agreements in 1994 related to "UNIX Intellectual Property": a May 10, 1994, "Agreement" and a May 14, 1994, "Agreement." In the May 10, 1994, Agreement (finally produced by X/Open in March, 2008), Novell authorized X/Open to sub-license use of the mark "UNIX" as an unregistered certification mark in a new software certification business owned, controlled, and operated by X/Open simultaneously as Novell continued to use, license, and enforce its registered "U.S. UNIX Trademarks."[4] No counsel for Mr. Gray has viewed the May 14, 1994, "Agreement."

Significantly, Novell confirmed its continuing ownership of all rights in the U.S. UNIX Trademarks in three separate trademark opposition proceedings before the TTAB, No. 91095813 (filed on or about August 29, 1994), No. 91095421 (filed about September 19, 1994), and No. 91096202 (filed on or about October 24, 1994).[5]

B. The 1995 APA

On September 18, 1995, David Bradford, then General Counsel for Novell, confirmed to Novell's Board of Directors that Novell intended to sell its UNIX

[4] (AMICUS 00004 (¶ 1); AMICUS 00006 (¶¶ Nos. 1-2); AMICUS 00014 - AMICUS 00015 (¶ 3); AMICUS 00108 (¶¶ 9-11); AMICUS 00573 (¶¶ 30-31); AMICUS 00612 (¶ 143); AMICUS 00792 (¶¶ 3-5).) A certification mark is "any word [or] name . . . used by a person other than its owner . . . to certify . . . origin . . . quality . . . or other characteristics of such person's goods or services." 15 U.S.C. § 1127. "A certification mark is a special creature created for a purpose uniquely different from that of an ordinary trademark or service mark." 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 19:91 (4th ed. 2006).

[5] AMICUS 00027 (¶ 2); AMICUS 00028 (¶ 3); AMICUS 00573 - AMICUS 00574 (¶ 32).)

business to Santa Cruz and that the sale would include its UNIX trademarks.[6] Novell and Santa Cruz executed the APA on September 19, 1995. In it, they expressly agreed to transfer Novell's entire UNIX business, as memorialized in Item I of the "Assets Schedule 1.1(a)." Item III of that same Schedule memorializes Novell's agreement to transfer all of its UNIX licenses and contracts without limitation to Santa Cruz.[7] And Item V of Schedule 1.1(a) memorializes Novell's agreement to transfer all of the UNIX Trademarks that it owned to Santa Cruz. Attachment C to Novell's "Seller Disclosure Schedule" to the APA list the transferred UNIX Trademarks and the U.S. "UNIX" Trademarks are identified at page 9 of that Schedule.[8]

Interestingly, although title to the U.S. "UNIX" Trademarks, business, and associated goodwill lawfully transferred to Santa Cruz on December 6, 1995, Mr. Bradford subsequently signed an application to register another U.S. "UNIX" Trademark on March 27, 1996.[9]

Novell and Santa Cruz closed the transaction by executing the "Bill of Sale" to the APA and Amendment No. 1 to the APA on December 6, 1995, and Novell subsequently left the UNIX business.

Novell, Santa Cruz, and X/Open executed the so-called "Confirmation

[6] (AMICUS 00356 (¶ 2); AMICUS 00388 (¶ 1).)
[7] (AMICUS 00241 (¶ 32); AMICUS 00458 (¶ 3).)
[8] (AMICUS 00044.)
[9] (AMICUS 00066; AMICUS 00423 (¶ 3).)

Agreement" in or around September 4, 1996, just one month before Amendment No. 2 to the APA. In that document, Novell confirmed that it transferred its "UNIX" Trademarks to Santa Cruz, stating:[10]

> WHEREAS, NOVELL and SCO entered into a September 19, 1995 Purchase Agreement, as amended (APA"), pursuant to which NOVELL agreed to convey its entire right, title and interest in and to the UNIX trademark to SCO.… (emphasis supplied)

The so-called "Confirmation Agreement" purportedly seeks to modify the APA, obligating Santa Cruz to the unknown terms of the specified May 14, 1994, "Trademark Relicensing Agreement," stating:[11]

> …. [APA is] subject to rights and obligations established in a May 14, 1994 NOVELL-X/OPEN Trademark Relicensing Agreement, as amended ("1994 Agreement")…

Amendment No. 2 to the 1995 APA was executed on October 16, 1996, and Amendment Nos. 1 and 2 do not modify Item V of Schedule 1.1(a); Item V specifies the UNIX trademarks as transferring assets.[12]

Novell purportedly assigned its "U.S. UNIX Trademarks" to X/Open in a "Trademark Assignment Agreement" dated November 13, 1998 ("the 1998 Assignment"), stating: "...Assignor hereby assigns unto Assignee all property, right, title and interest in the said [UNIX] trade marks with the business and goodwill attached to the said [UNIX] trade marks…" X/Open recorded the 1998

[10] (AMICUS 00077 (¶ 2).)
[11] (AMICUS 00077 (¶ 2).)
[12] (AMICUS 00399 (¶ 3); AMICUS 00400 (¶ 1); AMICUS 00431 (¶ 2); AMICUS 00434 (¶ 3).)

Assignment at the USPTO on June 22, 1999.[13] As of November 13, 1998, then, Novell had sold its "U.S. UNIX Trademarks" (and the business and goodwill associated with those marks) twice, first to Santa Cruz and then to X/Open.

C. Related Cases

X/Open filed its opposition proceeding at the TTAB on April 11, 2001, alleging that it was the lawful owner of the "U.S. UNIX Trademarks" and the goodwill associated with those marks. After learning of the Utah district court action in January, 2004, Mr. Gray filed his "Second Amended Answer, Affirmative Defenses And Counterclaim," adding fraudulent maintenance of the "U.S. UNIX Trademarks" as a counterclaim.[14]

Amicus Mr. Gray then filed the Florida district court action in October, 2006. Interestingly, but not surprisingly, counsel for Novell and SCO are identical in both the Florida district court action and this appellate proceeding. And the "UNIX Intellectual Property" ownership issues pursuant to the APA, both before the Utah district court and before this Court, are in many ways the same issues that were before the Florida district court and that will be before the Eleventh Circuit. The TTAB proceeding is suspended pending a final ruling in the Florida district court action.

[13] (AMICUS 00089 (¶ 6); AMICUS 00090; AMICUS 00087).)
[14] (AMICUS 00092 (¶ 5); AMICUS 00104 - AMICUS 00105 (¶ 13).)

ARGUMENT

The Utah district court and this Court have before them the documents, testimony, and other evidence concerning the Utah district court action. Mr. Gray believes, and he contends before this Court, that the Florida district court's findings and conclusions are directly opposite to the findings and conclusions of the Utah district court because the specified documents were not before the Florida district court. Plainly, there is a real risk that the Eleventh Circuit's findings and conclusions will be opposite to, and conflict with, those of the Utah district court and this Court. Conflicts between the courts will make a shambles of our federal court system. The simple solution is for this Court to affirm what the Utah district court has undisputedly concluded.

I. Issues Before the Utah District Court

Amicus Mr. Gray urges this Court to affirm squarely that one of the issues before the Utah district court was the broader issue of what Unix business assets, and more specifically, what Intellectual Property, did and did not transfer to Santa Cruz pursuant to the 1995 APA.

Mr. Gray supports the argument of Novell and the conclusion of the Utah district court: To determine copyright ownership, one must examine the "four corners" of all documents and related contracts as to their meaning and intent. Novell and the Utah district court thoroughly discussed the 1995 APA as to its

agreement to transfer Intellectual Property, and it is undisputed that, at a minimum, the 1995 APA transferred Novell's "UNIX" and "UnixWare" trademarks to Santa Cruz. Although it disagrees as to the UNIX copyrights, SCO never challenged the transfer of the "UNIX Trademarks."

The Utah district court in its Opinion dated August 10, 2007, concluded that the transferring "Intellectual Property" only included the "UNIX" and "UnixWare" trademarks. That same opinion confirmed that the issue before that court was the broader issue of what "UNIX Intellectual Property" transferred by way of the "Bill of Sale." Hence, its consideration of the meaning and intent of the entire APA, its two amendments, and all other documents relating to the transfer of the "UNIX Trademarks" to Santa Cruz, stating:[15]

> …the press release does not provide specific information about whether copyrights transferred. It is undisputed that trademarks did transfer, which would account for a statement that intellectual property passed. However, the vague use of the term "intellectual property" could not be read to include *all* intellectual property because it is also undisputed that no patents were transferred.
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> ***
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> Given the volume of the testimony presented to the court and the number of attorneys and business people involved in the transaction, it is surprising that there is not more testimony on the drafting and negotiation of the intellectual property provisions from both sides of the deal.
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> ***
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> These legal principles, however, do not suggest that the court should

[15] (AMICUS 00388 (¶ 2); AMICUS 00391 (¶ 1); AMICUS 00420 (¶ 3); AMICUS 00421 (¶ 1).)

> analyze the transfer of copyright issue without giving any consideration to the text of the original APA. Rather, the court must consider the original APA, the agreement executed in connection with the APA's closing, Amendment No. 2, and Amendment No. 2's relationship to the original APA and the agreements executed in connection with its closing.

Although X/Open in the Florida district court action argued, and the Florida district court accepted without question, that the only issue before the Utah district court was, and that the only related issue before this Court was (and is), copyright ownership, Novell successfully argued, and the Utah district court clearly concluded, otherwise.[16]

II. The Utah District Court's 2007 Opinion

Amicus Mr. Gray supports the arguments of Novell, and the Utah district court's findings and conclusions, that the 1995 APA transferred Novell's entire UNIX business to Santa Cruz, including all UNIX licenses, the UNIX trademarks that it owned, and, by operation of established trademark law, the goodwill associated with the "UNIX" Trademarks.

Most important, the Utah district court concluded that no amendment to the APA modified, nullified, clarified, or supplemented any of that agreement's terms or conditions as to what UNIX Intellectual Property transferred to Santa Cruz by way of the APA and the associated "Bill of Sale."

[16] (AMICUS 00714 (¶3); AMICUS 00763 (¶2).)

A. The Entire UNIX Business Transferred

Amicus Mr. Gray urges this Court to affirm that Novell transferred its entire UNIX business to Santa Cruz pursuant to the 1995 APA transaction and was out of the UNIX business after December 6, 1995.

Amicus Mr. Gray supports the argument of Novell that it transferred its entire UNIX business, except as to certain retained royalties, to the purchaser Santa Cruz. Although Novell and SCO disagree as to UNIX copyright transfer, SCO does not challenge Novell's argument (April 20, 2007, brief in the Utah district court action) that it (Novell) transferred its entire UNIX business to Santa Cruz. Novell quotes the declaration of SCO's Software Licensing Director William Broderick stating Novell transferred complete ownership and control of the entire UNIX business without exception to Santa Cruz, including every UNIX licensee contract and license, and that Novell was completely out of the UNIX business thereafter, stating:[17]

> Broderick noted that his career "has followed the UNIX business as it has been transferred successively from AT&T/USL to Novell to Santa Cruz …, stating as follows:
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> ***
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> - "In each instance, the transferred UNIX business included without limitation the UNIX source code, binary code, and intellectual property, licenses and other agreements; and the rights, liabilities, and claims related to that business."4 (*Id.*, ¶ 11.)

[17] (AMICUS 00241 (¶¶ 2-4); AMICUS 00242 (¶¶ 1-4).)

SCO acknowledges that Novell was out of the UNIX business after the December 6, 1995, APA closing date, posting Novell Manager Larry Bouffard's October 18, 1995 communication:[18]

> We are obligated to give Sco all information, contracts, assets etc. pertaining to the UnixWare business and the old UNIX source code business. They have bought it lock, stock, and barrel. Once the transaction is closed (Nov.-Dec.) we will have no more involvement with this business.

Although the Utah district court stated in its 2007 Opinion (at page 16) that certain witness testimony was questionable because of the passage of time, it did not disagree with Novell that (i) the entire UNIX business transferred to Santa Cruz by way of the 1995 APA and (ii) Novell was out of the UNIX business after executing the "Bill of Sale" of December 6, 1995.[19]

B. All UNIX Licenses Transferred

Amicus Mr. Gray urges this Court to affirm that Novell transferred all of its UNIX licenses to Santa Cruz pursuant to Item III of Schedule 1.1(a) and of Schedule 1.1(b) to the APA.

Mr. Gray supports Novell's argument that the plain language of Schedule 1.1(a) identifies the transferring UNIX assets without limitation and that, if a UNIX asset is not listed in Schedule 1.1(b), then it transferred to Santa Cruz. In

[18] (AMICUS 00057.)
[19] (AMICUS 00391 (¶ 1); AMICUS 00395 - AMICUS 00398).)

another of its briefs (dated April 20, 2007), Novell stated:[20]

> The APA defined the "Assets" to be transferred by reference to Schedule 1.1(a), which listed assets included in the transfer; and Schedule 1.1(b), which listed assets excluded from the transfer. In this regard, Section 1.1(a) of the APA stated:
>
> > *Seller will sell*, convey, transfer, assign, and deliver to Buyer and Buyer will purchase and acquire from Seller on the Closing Date (as defined in Section 1.7), all of Seller's right, title and interest in and to *the assets* and properties of Seller relating to the Business (collectively the "Assets") *identified on Schedule 1.1(a) hereto. Notwithstanding the foregoing, the Assets to be so purchased shall not include those assets (the "Excluded Assets") set forth on Schedule 1.1(b).*

Item III of Schedule 1.1(a) to the APA includes all UNIX contracts and licenses without limitation, stating:[21]

> All of Seller's rights pertaining to UNIX and UnixWare under any software development contracts, licenses and any other contracts to which Seller is a party or by which it is bound and which pertain to the Business (to the extent that such contracts are assignable), including without limitation: (emphasis added.)

Item III of Schedule 1.1(b) simply states: "TUXEDO Transaction Processing" and no amendment to the APA expressly modifies Item III of Schedule 1.1(b).[22]

C. The UNIX Trademarks and Goodwill Transferred

Amicus Mr. Gray urges this Court to affirm the Utah district court's ruling that Novell lawfully transferred its UNIX Trademarks, including its "U.S. UNIX Trademarks," and the goodwill associated with those trademarks, to Santa Cruz

[20] (AMICUS 00272 (¶ 2); AMICUS 00800 (¶ 7); AMICUS 00801 (¶ 1).)
[21] (AMICUS 00851 (¶ 3).)
[22] (AMICUS 00854 (¶ 3).)

pursuant to Item V of Schedules 1.1(a) and 1.1(b) of the 1995 APA and Attachment C to Novell's "Seller Disclosure Schedule."

Novell concedes in its brief dated April 20, 2007, in the Utah district court action that the intent of the 1995 APA was to transfer, and did lawfully transfer, its UNIX trademarks to Santa Cruz. Novell stated: "Thus, the only "Intellectual Property" identified in the list of assets to be transferred were the UNIX and UnixWare trademarks."; "It [Novell's outside counsel] revised Schedule 1.1(a) so that the UNIX and UnixWare trademarks were the *only* "Intellectual Property" included in the transaction"; and "The only "Intellectual Property" identified in the Schedule 1.1(a) list of assets to be transferred are the UNIX and UnixWare trademarks."[23]

Novell also concedes in its brief dated May 14, 2007, in the Utah district court action that it did transfer the UNIX trademarks that it **OWNED** pursuant to the 1995 APA, stating: **"The APA did transfer UNIX and UnixWare trademarks to Santa Cruz (to the extent owned by Novell)."**[24] (emphasis added)

In its 2007 Opinion, the Utah district court confirmed, at least six times, Novell's admission that it transferred its "UNIX" trademarks to Santa Cruz pursuant to the APA,[25] stating:[26]

[23] (AMICUS 00272 - AMICUS 00273 (¶ 3); AMICUS 00278 (¶ 17); AMICUS 00285 (¶ 6).)
[24] AMICUS 00372 (¶ 2).)
[25] (AMICUS 00379 (¶ 1); AMICUS 00388 (¶ 1); AMICUS 00419 (¶ 1); AMICUS 00423 (¶ 2); AMICUS 00425 (¶ 2); AMICUS 00426 (¶ 2); AMICUS 00428 (¶ 3).)

> Schedule 1.1(b) clearly distinguished UNIX and UnixWare trademarks as assets being transferred. Schedule 1.1(a) also clearly transferred only UNIX and UnixWare trademarks.

In that same Opinion, the Utah district court confirmed that there were only two amendments to the APA, Amendment No. 1 and Amendment No. 2, and ruled that neither amendment modified Novell's transfer of the UNIX trademarks and associated goodwill owned to Santa Cruz, stating:[27]

> Although changes to Schedule 1.1(a) and 1.1(b) were made in Amendment No. 1, there were no changes made to the intellectual property provisions.
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> ***
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> Furthermore, Amendment No. 2 also did not amend Schedule 1.1(a). It is undisputed that the Bill of Sale transferred the Assets contained on Schedule 1.1(a).

There is no question that, pursuant to established trademark law, the UNIX goodwill also transferred to Santa Cruz. Novell transferred its entire UNIX business, all UNIX license agreements and UNIX trademarks to Santa Cruz, and no longer was in any UNIX business thereafter.[28]

SCO never challenged these admissions concerning the transfer of the UNIX

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[26] AMICUS 00425 (¶ 2).)
[27] (AMICUS 00431 (¶ 3); AMICUS 00434 (¶¶ 2-3).)
[28] Where the entire business is purchased and the business continued under its original name, it must be presumed that the purchaser acquired the goodwill of the business together with the commercial symbols of that goodwill, the business' trademarks and trade names. *Dovenmuehle v. Gilldorn Mortgage Midwest Corp.*, 871 F.2d 697, 700 (7th Cir. 1989) ("Absent contrary evidence, a business trade name is presumed to pass to its buyer."); *Oklahoma Beverage Co. v. Dr. Pepper Love Bottling Co.*, 565 F.2d 629, 632 (10th Cir. 1977) (concluding that trademark transferred with sale of entire business even though it was not mentioned in the sale contract and stating that " [n]o particular words are necessary for the assignment when the business and the goodwill are transferred to another who continued the operation under the same trademark.").

trademarks, and admitted in an August 3, 2005, letter to the USPTO that Novell had transferred its "UNIX" trademarks to Santa Cruz pursuant to the 1995 APA. SCO should not be permitted to contradict that admission here.[29]

III. The Florida District Court Action

Amicus Mr. Gray sued Novell, SCO, and X/Open in the Florida district court action in October, 2006, alleging, (among others) fraud upon the USPTO based on X/Open's June, 1999, recordation of the November 13, 1998, Assignment that falsely represents that Novell was in the UNIX business and lawfully owned the "UNIX" trademarks and associated goodwill in 1998.[30]

In his complaint, Mr. Gray alleged:

> 55. Pursuant to the APA as modified by Amendments No. 1 and No. 2, Santa Cruz was the lawful owner of the UNIX marks in and after December 1995.

And in its answer and affirmative defenses, Novell responded:

> 55. Novell denies the allegations contained in paragraph 55 of the complaint.[31]

And in an amended answer and affirmative defenses filed four (4) months after the Utah district court 2007 Opinion, Novell again boldly denied the allegations of Paragraph 55 of Mr. Gray's complaint.[32]

[29] (AMICUS 00113 (¶ 1).)
[30] (AMICUS 00120 (¶¶ 29-30); AMICUS 00128 - AMICUS 00129 (¶¶ 49-57); AMICUS 00181 - AMICUS 00182 (¶¶ 197-199); AMICUS 00184 (¶ 208).)
[31] (AMICUS 00129 (¶ 55); AMICUS 00204 (¶ 55).)
[32] (AMICUS 00485 (¶ 55).)

A. The 1995 APA and UNIX Trademarks Transfer

X/Open moved for summary judgment on June 26, 2008, and, plainly acting as Novell's proxy, asserted that Novell did not transfer its "U.S. UNIX Trademarks" to Santa Cruz, boldly stating: "The 1995 Novell-SCO APA did not transfer the UNIX Trademark from Novell to SCO." X/Open also asserted that the September, 1996, so-called "Confirmation Agreement" modified the 1995 APA and that the 1995 APA was subject to the terms of the May 14, 1994, "Agreement." Novell's counsel did not challenge X/Open's claims;[33] rather, it then joined X/Open's motion, supporting X/Open's arguments that the 1995 APA was amended by the "Confirmation Agreement" and a May, 1994, Agreement.

On October 27, 2008, *Amicus* Mr. Gray filed his opposition to X/Open's summary judgment motion (and his Declaration), along with his supporting affidavit, based in significant part on Novell's admissions and the Utah district court's 2007 Opinion.[34]

Mr. Gray himself then moved for summary judgment, pointing out and relying upon (i) Novell's admissions and (ii) the Utah district court's conclusions that (a) the 1995 APA transferred Novell's entire UNIX business, UNIX trademarks, and goodwill to Santa Cruz on December 6, 1995, and (b) the APA is

[33] AMICUS 00512 (¶ 2);(AMICUS 00523 (¶¶ 2-3); AMICUS 00524 (¶ 3); AMICUS 00536.)
[34] (AMICUS 00547 (¶¶ 2-3); AMICUS 00548 (¶¶ 1-3); AMICUS 00602 (¶ 130); AMICUS 00602 – AMICUS 00610 (¶¶ 131-136); AMICUS 00617 (¶¶ 2-3); AMICUS 00634 - AMICUS 00635 (¶ 27); AMICUS 00640 (¶ 45).)

an integrated agreement not subject to any prior understanding or agreement.[35]

X/Open opposed Mr. Gray's summary judgment motion and, again acting as Novell's proxy, once again (i) incorrectly asserted that the 1995 APA had not transferred the U.S. "UNIX" Trademarks to Santa Cruz and (ii) incorrectly contended that its licensed use of the UNIX mark as an unregistered certification mark in its new UNIX certification business somehow established new rights to the registered "U.S. UNIX Trademarks."[36] X/Open again asserted that the so-called "Confirmation Agreement" modified the 1995 APA as to a May 1994 agreement and filed declarations by X/Open's Steve Nunn and Novell's Associate Counsel Jim Lundberg ("Lundberg").[37]

In his declaration, Mr. Lundberg did not deny the existence of the May 14, 1994, "Agreement" specified in the so-called "Confirmation Agreement" and, apparently unaware of (and in complete contradiction to) his employer Novell's admissions and the findings and conclusions set forth in the Utah district court's 2007 Opinion, declared that the 1995 APA did not transfer Novell's entire UNIX business, licenses, and trademarks to Santa Cruz. Mr. Lundberg declared that the so-called "Confirmation Agreement" was an amendment to the 1995 APA and that it somehow confirmed that Novell remained in the UNIX licensing business after

[35] (AMICUS 00688 (¶ 6); AMICUS 00689 - AMICUS 00693.)
[36] (AMICUS 00702 (¶ 4); AMICUS 00703 (¶¶ 1-3); AMICUS 00723 (¶ 8); AMICUS 00725 (¶ 17); AMICUS 00731 (¶ 11).)
[37] (AMICUS 00702 (¶ 4); AMICUS 00703 (¶¶ 1-3); AMICUS 00723 (¶ 8); AMICUS 00725 (¶ 17); AMICUS 00731 (¶ 11).)

1995. Yet Mr. Lundberg failed to explain why Novell would withhold these two purportedly material documents from the Utah district court.

The declaration of Mr. Lundberg also undermined his employer Novell by falsely representing to the Florida district court in his discussion of X/Open's new business that the May, 1994, UNIX agreements did not transfer to Santa Cruz, a contradiction of the plain wording of the 1995 APA. X/Open's licensed use of UNIX as a certification mark in its new business is irrelevant to Santa Cruz's lawful ownership of the UNIX trademarks, UNIX licenses, registered UNIX trademarks, and goodwill.

The Florida district court accepted Mr. Lundberg's false representation as true, and then it incorrectly concluded that it need not consider Novell's lawful transfer of title to its UNIX trademarks and goodwill pursuant to the 1995 APA. These transfers clearly were relevant to the lawful chain-of-title and the 1998 Assignment, but it incorrectly concluded that the 1998 Assignment lawfully transferred the UNIX business and goodwill to X/Open.[38]

B. The Florida District Court's 2009 Order

The Florida district court ruled in favor of X/Open, ignoring *Amicus* Mr. Gray's evidence before that court and ignoring Novell's admissions and the

[38] It is well-settled law that "the transfer of a trademark or trade name without the attendant good-will of the business which it represents is, in general, an invalid, 'in gross' transfer of rights." *Berni v. International Gourmet Rest. of Am.*, 838 F.2d 642, 646 (2d Cir. 1988) (owners of a business did not retain any rights in mark after sale of business and lacked ownership and standing to sue for infringement of mark).

findings and conclusions of the Utah district court's 2007 Opinion.

The Florida district court's 2009 Order accepted X/Open's interpretation of Item V in Schedule 1.1(a) of the 1995 APA, even though X/Open was not a signatory to the 1995 APA, accepted X/Open's argument that the 1996 "Confirmation Agreement" amended the 1995 APA, and accepted that the 1995 APA was subject to the May 10, 1994, Agreement, even though the agreement specified in the so-called "Confirmation Agreement" is the never-produced May 14, 1994, Agreement.

The Florida district court's 2009 Order concluded that the 1995 APA did not transfer Novell's entire UNIX business, UNIX licenses, or UNIX trademarks and associated goodwill to Santa Cruz, in complete contradiction to (i) the admissions and arguments of Novell in the Utah district court, (ii) the findings and conclusions of the Utah district court in its 2007 opinion, and (iii) established contract law and trademark laws.[39] According to the Order of the Florida district court,

> … the Court finds that the 1995 APA as modified or supplemented by the 1996 Confirmation Agreement granted Novell the legal authority to transfer ownership of the UNIX trademark to X/Open in the 1998 Deed of Assignment.
>
> ***
>
> … upon execution of the Confirmation Agreement, the terms of the 1995 APA relating to the UNIX trademarks were superseded to the extent that title to the UNIX marks remained with Novell for the purpose of assigning those marks to X/Open. Regardless of whether the language of the subsequent agreement is thought to merely clarify,

[39] (AMICUS 00759 (¶ 3); AMICUS 00760 (¶ 1); AMICUS 00761 (¶ 2); AMICUS 00764 (¶ 2).)

or completely alter, the prior agreement, the result is the same.

***

> … it is not necessary for this Court to determine to what extent the rights in the UNIX marks transferred to SCO under the 1995 APA, because this Court has already determined that the subsequent Confirmation Agreement superseded the terms of the APA on this issue.

The Florida district court order strangely also declares that X/Open was the "exclusive licensee" of the "UNIX" trademark, relying on the irrelevant May 10, 1994, Agreement. But even if that agreement was relevant, which it is not, it clearly confirms that X/Open had substantially no UNIX trademark rights and was obligated to royalties. That agreement nakedly promises "UNIX" trademark transfer because Novell expressly excludes its existing UNIX trademark licensing business and licenses (and thus its associated goodwill) from future transfer.[40]

IV. Material Documents Withheld from the Utah District Court

Amicus Mr. Gray urges this Court to order Novell and SCO to produce unredacted copies of the May 10, 1994, "Agreement," the May 14, 1994, "Agreement," and the September, 1996, "Confirmation Agreement" for its review before ruling upon the issues presented in this appeal.

Mr. Gray supports Novell's admissions and the Utah district court's findings and conclusions that: (i) there were only two amendments to the 1995 APA; (ii) the

[40] Even if an entity has been granted an "exclusive licensee," that moniker does not itself mean that "all substantial rights" were conveyed in the instrument. *See* Intellectual Prop. Dev., Inc. v. TCI Cablevision of Cal., Inc., 248 F.3d 1333, 1344 (Fed. Cir. 2001) *See* Mentor H/S, Inc. v. Med. Device Alliance, Inc., 240 F.3d 1016, 1017 (Fed. Cir. 2001).

APA was an integrated agreement; and (iii) the transferred UNIX assets were not subject to any prior agreement. Article II, Section 2.11(b), of the APA, entitled "Title to Properties; Absence of Liens and Encumbrances," expressly warrants to the Purchaser Santa Cruz that the U.S. "UNIX" trademarks being transferred to it are free of all encumbrances:[41]

> (b) Seller has good and valid title to… all of the tangible properties and assets, real, personal and mixed, which are material to the conduct of the Business, free and clear of any liens, charges, pledges, security interests, or other encumbrances … . (emphasis added)

X/Open and Mr. Lundberg declared in the Florida district court action that the 1995 APA was modified by the so-called "Confirmation Agreement," as a purported "third amendment," and the Florida district court accepted those declarations, so this Court should review the specified May 14, 1994, "Agreement" to determine how it may relate to the 1995 APA and UNIX Intellectual Property, and to Amendment No. 2 to the APA.[42]

A. The September 1996 "Confirmation Agreement"

The so-called 1996 "Confirmation Agreement" was not a trademark assignment, and its wording nowhere declared that it modified the 1995 APA as to Novell's lawful transfer of its "U.S. UNIX Trademarks" and associated goodwill to Santa Cruz. It is a material document here because it appears to contradict the

[41] (AMICUS 00682 (¶ 1); AMICUS 00811 (¶ 2).)

[42] Interestingly, X/Open continues its false representations to the public that Novell transferred its UNIX trademarks and specifications (suggesting copyrights) to X/Open in 1994, stating it owns the definition as to what UNIX is and all rights to the UNIX specifications.

operation of the APA, as characterized by Novell and as declared by the Utah district court. Novell now contends that the so-called "Confirmation Agreement" subjects the APA to obligations established in an as-yet-undisclosed May 14, 1994, agreement.[43]

In that so-called "Confirmation Agreement," Santa Cruz oddly agreed to Novell's improper future transfer of "UNIX" trademarks to X/Open and to conceal its continuing ownership of the "UNIX" trademark and associated goodwill. Instead of lawfully transferring title to the "UNIX" trademarks and associated goodwill back to Novell, SCO merely agreed to Novell's ineffective future transfer of those marks and associated goodwill.[44]

X/Open, even though it knew (or should have known) that it did not lawfully own any "UNIX" trademark registrations or associated goodwill, applied to register a "UNIX" trademark on December 23, 1996, only two months after Amendment No. 2 amended the APA.[45]

In 1997, X/Open began widespread false representations to the public and to its licensees that it was the lawful owner of the "UNIX" trademarks; again, Novell and Santa Cruz in parallel fashion began to issue the same false representations.[46] X/Open's false representations in 1997 and 1998 include its technology

[43] (AMICUS 00077 (¶ 2).)
[44] (AMICUS 00077 (¶ 6).)
[45] (AMICUS 00080 - AMICUS 00085.)
[46] (AMICUS 00581 - AMICUS 00582 (¶ 59); AMICUS 00775; AMICUS 00780 (¶ 4); AMICUS 00784 (¶ 3).)

certification certificates, falsely representing in trademark attributions that X/Open was the lawful owner of the UNIX trademarks. X/Open sent false certificates by mail or wire to its licensees, and its licensees presumably sent false certificates by mail or wire to their private and government customers.[47]

Novell and X/Open executed the 1998 "Assignment" on November 13, 1998, falsely representing Novell as the lawful owner of (i) the "U.S. UNIX Trademarks," (ii) the UNIX business, and (iii) the UNIX goodwill, all still lawfully owned by Santa Cruz. X/Open fraudulently recorded the false 1998 Assignment on June 22, 1999.[48]

B. The May 14, 1994, Agreement

Amicus Mr. Gray has not viewed the May 14, 1994, Agreement. He has requested production of that agreement for five years, first in 2004 from X/Open, Novell, and SCO in the TTAB proceeding and then again from the same parties in the Florida district court action. Because X/Open has represented its ownership of the "UNIX" trademarks and specification since 1994, this Court must review this document because (i) the Florida district court ruled that it modified the APA and (ii) the timing of the 1996 "Confirmation Agreement" strongly suggests that it is material to the meaning, purpose, intent, and operation of Amendment No. 2.

Interestingly, neither Novell nor SCO ever denied the existence of the

[47] (AMICUS 00582 (¶ 60); AMICUS 00786 - AMICUS 00789.)
[48] (AMICUS 00583 - AMICUS 00584 (¶¶ 64-65); AMICUS 00653 (¶ 80).)

specified May 14, 1994, "Agreement" to the Florida district court.[49]

V. United States 10th and 11th Circuit Courts of Appeals

Amicus Mr. Gray has appealed the Florida district court's 2009 Order to the Eleventh Circuit because the analysis and conclusions of the Florida district court and the Utah district court are polar opposites, disagreeing on the same issues. Although Mr. Gray believes that the Eleventh Circuit could rule on the undisputed issues before this Court, any risk that this Court's rulings and the subsequent Eleventh Circuit rulings may conflict must be eliminated. After this Court affirms the findings and conclusions of the Utah district court, that affirmance will guide the Eleventh Circuit. It then will be able to rule correctly on the issues of the lawful ownership of the UNIX trademarks, business, and goodwill.

CONCLUSION

Amicus Mr. Gray supports Novell, and seeks to stop its Associate General Counsel Jim Lundberg and its counsel from further damaging its credibility before the Utah district court and this Court by their adoption of, and argument for, knowingly-contradictory positions before the Florida district court.

In the interests of judicial economy and justice, and to prevent the continuing gaming of the federal courts (especially Novell's adoption of opposite

[49] It is inconceivable that two highly technologically sophisticated parties with substantially unlimited internal and external legal resources would permit corporate General Counsels to enter into such a purportedly-important agreement and not have documented every word, date, "I" and "T" before its execution. Any argument by any signatory to that Agreement--that the May 14, 1994 date is a mistake—is simply not credible.

positions on the same issues in different courts), Mr. Gray respectfully requests that this Court order production of the May 10, 1994, "Agreement," the May 14, 1994, "Agreement," and the so-called 1996 Confirmation Agreement, explore at oral argument the ramifications of those documents, and affirm these undisputed findings and conclusions of the Utah district court:

1. The issues before the Utah district court included determining what Intellectual Property transferred pursuant to the APA.
2. The Utah district court correctly concluded, as a matter of law, that Novell lawfully transferred title to its entire UNIX business, to all of its UNIX licenses, and to all of its "UNIX" trademarks that it owned (and associated goodwill) to Santa Cruz on December 6, 1995.
3. The Utah district court correctly concluded, as a matter of law, that Novell was not in any UNIX business after December 6, 1995.
4. The Utah district court correctly concluded, as a matter of law, that Santa Cruz lawfully owned Novell's entire UNIX business, the UNIX trademarks

(and associated goodwill) pursuant to the 1995 APA as of Amendment No. 2, dated October 16, 1996.

Respectfully submitted on this 20th day of April, 2009.

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ORAL ARGUMENT STATEMENT

Amicus Mr. Gray requests oral argument in this matter. The procedural background of the claims in this litigation is complex, and the appeal presents legal issues that turn on detailed analysis of the applicable precedent.

CERTIFICATE OF COMPLIANCE

I, Thomas T. Steele, certify that this amicus curiae brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B), typeface requirement of Fed. R. App. P. 32(a)(5), and the typestyle requirements of Fed. R. App. P. 32(a)(6). This amicus curiae brief contains 6,886 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(b)(iii), and is prepared in a proportionally spaced typeface (14-point Times New Roman).

Dated: April 20, 2009

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CERTIFICATE OF SERVICE

I, Thomas T. Steele, certify that on this 20th day of April, 2009, the foregoing BRIEF *AMICUS CURIAE* FOR WAYNE R. GRAY was electronically filed with the Clerk of the United States Court of Appeals for the Tenth Circuit, and the ATTACHMENTS thereto were filed on April 22, 2009, with the Clerk of the United States Court of Appeals for the Tenth Circuit by hard copy only; two copies of the foregoing BRIEF *AMICUS CURIAE* FOR WAYNE R. GRAY were delivered to a reproduction company with instructions to serve them and the accompanying ATTACHMENTS by United States Mail on April 22, 2009, to the following recipients:

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