EXHIBIT 3Q

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From: GENE HELLER / PHIL BOUEDILLON

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Comments: LA TIMES ARTICLE ON SCO SUIT

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LOS ANGELES TIMES FRIDAY, JUNE 6, 2003

SCO Suit May Blunt the Potential of Linux

By JOSEPH MENN
Times Staff Writer

SCO Group Inc., the software firm that has accused industry giant IBM Corp. of stealing its trade secrets and incorporating them into the Linux operating system, has begun showing the allegedly pilfered code to analysts in an attempt to convince the industry that it has a strong case.

Some lines of code in Linux are the same as those in the version of the rival Unix operating system that SCO controls, even down to the wording in explanatory comments made by the programmers, according to Yankee Group analyst Laura DiDio, who reviewed samples this week.

Though different versions of so-called executable code can be very similar, "comment lines are like fingerprints," DiDio said.

Other experts note that the code in question may have

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originated in collaborative, "open-source" code-writing efforts and then later been integrated into SCO's version of Unix.

The move by Lindon, Utah-based SCO to show the disputed code to analysts adds to the controversy surrounding its challenge to the rapid spread of Linux. The free system has been gaining momentum against Microsoft Corp.'s Windows operating system and proprietary versions of the venerable Unix system offered by IBM, Sun Microsystems Inc., Hewlett-Packard Co. and others.

While the facts of the SCO-IBM case may be impenetrable to most who don't write programs, the possible ramifications are undeniable: The free Linux system might not be free anymore and, as a result, might not live up to its hoped-for potential as a formidable threat to Microsoft.

"What is at stake here is not just the disposition of a particular volume of computer code, but what amounts to a power grab against the future," Eric Raymond, a leader of the open-source movement, wrote on the Web site of the Open Source Initiative.

DiDio said that in the often arcane world of computer operating systems, the Linux soap opera is like a cross between the television show "Dallas" and the

Reuters

INVENTOR: *Linus Torvalds, who wrote the core of the Linux system for IBM, is disappointed in the way SCO is waging its suit.*

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To Raymond, it's more like "The Dukes of Hazzard." Raymond has been distributing an explanatory parody of recent events that casts Microsoft as behind-the-scenes power-broker Boss Hogg, with SCO doing its bidding as Sheriff Roscoe P. Coltrane. Linux is Daisy, the feisty damsel in distress.

The consulting firm Gartner Group recently warned that companies should limit their use of Linux in "mission-critical" systems for now. If SCO prevails in its lawsuit, every Linux user could theoretically be forced to pay SCO licensing fees.

"Customers ask about it," said IBM Vice President Dan Powers. "It's an attack on the entire Linux community."

Most in that diverse community are brutally dismissive of the merits of SCO's lawsuit, which was filed in Utah state court in March. The suit seeks $1 billion in damages for alleged unfair business practices on the part of IBM, which has tied its fortunes to those of Linux, investing hundreds of millions of dollars in its development and recommending that its customers use the software. IBM denies the charges.

Some in the Linux camp accuse Microsoft of trying to scare potential users away from Linux by sowing doubt about its future as a free operating system. Last month, Microsoft said it would pay SCO a licensing fee of an undisclosed amount in exchange for the right to use Unix code. The move gave SCO a powerful ally, since ardent Linux foe Microsoft was evidently agreeing that SCO's Unix rights were legitimate and valuable.

Linus Torvalds — who wrote the core of the Linux system and has since approved additions by IBM and an army of other open-source contributors — said he wasn't bothered that SCO had filed suit but was "disappointed over the way that SCO has waged the lawsuit." He said, for example, that he was unhappy that SCO hasn't given the disputed code to anyone who wants to see it without demanding the signing of a nondisclosure agreement.

'It's an attack on the entire Linux community.'

Dan Powers, vice president at IBM Corp.

SCO's aggressive stance is having at least some effect on companies considering making the switch to Linux, software writers and buyers said. It "puts fear" into the minds of chief information officers, said Chris Yeun, a systems administrator at Silicon Valley firm Electronics for Imaging, which is shifting from software from Sun and Silicon Graphics Inc. to Linux.

Some of SCO's critics have accused the company, formerly known as Caldera International Inc., of hiring star litigator David Boies and suing IBM in the hope of getting taken over by a suitor attracted by the possibility of collecting Unix licensing fees.

The company denies those allegations.

SCO's offensive has backfired in some ways. In the weeks after it filed suit, SCO's corporate Web site was hit with a still-unsolved denial-of-service attack that drastically slowed the site's response time.

Novell Inc., which sold some of the Unix rights to SCO, has denied that those rights included the underlying copyrights and patents. SCO disagreed but isn't suing IBM for copyright infringement, only unfair competition and contract violations.

Recently, Raymond, the open-source advocate, has begun soliciting information about instances in which programmers gained access to proprietary Unix code without having to sign nondisclosure agreements. So far, he has heard from more than 100 people — enough to show that SCO has already frittered away its legal hold over Unix, he said.

"I think I can show that there is no trade secrecy in that code, and that the people who are now running SCO know ... that the source code has been out there for 20 years," Raymond said.

Though 6,000 companies pay licensing fees to SCO to use Unix, the terms of those licenses have not been aggressively enforced over the years. Novell was willing to sell the Unix rights for less than $200 million. Only recently, said the Yankee Group's DiDio, did SCO discover that it had "the Hope diamond sitting in a shoebox."

Unix began life in 1969 in the labs of AT&T Corp. Novell bought the Unix operation in the early '90s and later sold it to the company that became SCO. Meanwhile, a collaborative effort starting in the 1970s at UC Berkeley and other universities produced Berkeley Unix. Unix rights holders sued but succeeded only in removing small pieces of their code from the free version.

Some lines of the code from the Berkeley effort wound up in SCO's version of Unix, and that may be the ones that SCO now accuses IBM of misappropriating for Linux, Raymond said.

If the open-source advocates or their allies manage to prove that in court, Raymond said, SCO's suit may end up being "the last gasp of proprietary Unix."

SCO spokesman Blake Stowell disagreed.

"There has never been a time where Unix as an operating system has been licensed in an open-source way," he said. "It's always been protected."