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Attorneys for Plaintiff The SCO Group, Inc.

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH

THE SCO GROUP, INC.
a Delaware corporation,

**PLAINTIFF'S REVISED SUPPLEMENTAL
RESPONSE TO DEFENDANT'S
FIRST AND SECOND SET OF
INTERROGATORIES**

Plaintiff,

vs.

INTERNATIONAL BUSINESS
MACHINES CORPORATION, a
New York corporation,

Honorable Dale A. Kimball
Magistrate Judge Brooke C. Wells

Defendant.

Pursuant to Rule 33 of the Federal Rules of Civil Procedure, and this Court's order dated December 12, 2003, Plaintiff, The SCO Group, Inc. ("SCO"), hereby files this Revised Supplemental Response to Interrogatories No. 1 through 9, 12 and 13.

GENERAL OBJECTIONS

SCO hereby incorporates by reference all of its General Objections set out in Plaintiff's Responses to Defendant's First and Second Set of Interrogatories and First Request for the Production of Documents (the "Plaintiff's Responses"). All of SCO's original General Objections are incorporated into the following Specific Objections and Responses as if fully set forth therein. Pursuant to the Federal Rules of Civil Procedure, SCO's revised and supplemental responses to IBM's Interrogatories are made to the best of SCO's present knowledge, information and belief. In particular, these current responses are based on the evidence SCO has discovered independently and based on information contained in IBM's limited production to date. Upon receiving complete discovery from IBM, including all versions of AIX and Dynix/ptx, there undoubtedly will be further evidence of IBM's contractual breaches and other violations of law. Accordingly, SCO reserves the right to further supplement or amend its answers as discovery or further investigation may reveal.

personnel at IBM who advocated IBM's adoption of Linux. SCO's executives involved in these events included Doug Michaels, Jim Wilt, Jeff Seabrook, and Jay Petersen.

INTERROGATORY NO. 8:

Please identify all agreements with which plaintiff alleges IBM interfered and describe, in detail, each instance in which plaintiff alleges or contends that IBM interfered with those agreements, including but not limited to: (a) the date of the alleged interference; (b) all persons involved in the alleged interference; (c) the specific manner in which IBM is alleged to have interfered with the agreement; (d) the specific actions, if any, that IBM induced or encouraged plaintiff's customers or licensees to take; (e) the specific action, if any, that plaintiff's customer or licensee took as a result of the actions allegedly induced or encouraged by IBM; and (f) the specific trade secret or confidential or proprietary information, if any, involved in the alleged interference.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 8:

IBM interfered with SCO's software licensing agreement with AutoZone for the SCO OpenServer software operating system, Contract # 1V736, effective January 24, 2001 (the AutoZone OpenServer License Agreement). Under the AutoZone OpenServer License Agreement, AutoZone utilized the SCO software as the foundation from which to conduct all store operations including inventory tracking, point of sale transactions, back office server activities, event monitoring and to enable corporate updates to be transmitted to all retail locations.

In mid-2000, upon information and belief, IBM approached AutoZone in an effort to induce AutoZone to breach its agreement with SCO. In the second quarter of 2001, IBM was actively advising AutoZone's internal software group about converting to Linux. In the second quarter of 2001, despite the AutoZone OpenServer License Agreement with SCO, upon information and belief,

IBM finally successfully induced AutoZone to cease using the SCO software and to use Linux with IBM's version of UNIX. AutoZone ultimately decided not to pay SCO the annual fee to continue to maintain the SCO products and, upon information and belief, with the encouragement of IBM, began the efforts required for conversion to Linux.

Upon information and belief, AutoZone's new Linux based software implemented by IBM featured SCO's shared libraries which had been stripped out of SCO's UNIX based OpenServer by IBM and embedded inside AutoZone's Linux implementation in order to continue to allow the continued operation of AutoZone's legacy applications. The basis for SCO's belief is the precision and efficiency with which the migration to Linux occurred, which suggests the use of shared libraries to run legacy applications on Linux. Among other things, this was a breach of the AutoZone OpenServer License Agreement for use of SCO software beyond the scope of the license.

Upon information and belief, AutoZone is currently in breach of the AutoZone OpenServer License Agreement in that AutoZone is improperly using "shared libraries" (short cuts and methods which allow programs to interface with one another and the services of the operating system) contained in the OpenServer (UNIX based) operating system to enable "legacy applications" to function on Linux. Legacy applications are those versions of software applications that have a lengthy and proven track record of high level function and reliability. The legacy applications utilized by AutoZone were designed specifically to operate with OpenServer (UNIX based) shared libraries, but do not function with Linux shared libraries.

IBM was aware of the AutoZone OpenServer License Agreement. IBM knew that the SCO OpenServer shared libraries were proprietary to SCO. Therefore, IBM knew, or should have known, that by assisting AutoZone to implement Linux to support legacy applications by improperly

incorporating the SCO OpenServer shared libraries, it was interfering with SCO's agreement with AutoZone and otherwise inducing AutoZone to act wrongfully towards SCO. Upon information and belief, IBM's inducing and assisting AutoZone to breach its license agreement with SCO was an act that constitutes interference with contract. Upon information and belief, IBM profited by the interference by earning significant professional services fees in performing the switch from SCO OpenServer to Linux.

SCO does not presently know the specific dates on which the interference occurred, how it occurred or which IBM or AutoZone employees were involved because SCO was not present when IBM sold Linux-related services to AutoZone, when IBM assisted AutoZone in the design of the new Linux system deploying legacy applications that depended on SCO OpenServer shared libraries in order to function, or when IBM performed the professional services to assist AutoZone to improperly deploy OpenServer shared libraries inside its IBM-provided Linux implementation. More specific information, such as which IBM and AutoZone employees were involved, is in the possession of IBM and/or AutoZone and will require additional discovery from at least IBM and AutoZone.

Upon information and belief, IBM interfered with SCO's software licensing agreement with Sherwin Williams for the SCO OpenServer software operating system in existence since at least 1995, (the Sherwin Williams OpenServer License Agreement). Sherwin Williams utilized the SCO software as the key component to operate all of their retail store locations for over 10 years. The software enabled Sherwin Williams to operate its point of sale system and back office server

Upon information and belief, in 2001 and 2002 IBM began working with Sherwin Williams in order to induce Sherwin Williams to breach its agreement with SCO. As a result, upon information and belief, Sherwin Williams is currently in breach of the Sherwin Williams OpenServer License

Agreement in that Sherwin Williams is improperly using the "shared libraries" (short cuts and methods which allow programs to interface with one another and the services of the operating system) contained in the Linux based OpenServer operating system to enable legacy applications to function on Linux. Legacy applications are those versions of software applications that have a lengthy and proven track record of high level function and reliability. The legacy applications utilized by Sherwin Williams were designed specifically to operate with OpenServer (UNIX based) shared libraries, but do not function with Linux shared libraries.

Upon information and belief, IBM induced Sherwin Williams to abandon its use of SCO's OpenServer UNIX product in favor of Linux in the summer of 2001. Upon information and belief, Sherwin Williams' new Linux based software implemented by IBM featured SCO's shared libraries which had been stripped out of SCO's UNIX based OpenServer and embedded inside Sherwin Williams' Linux implementation in order to continue to allow the continued operation of Sherwin Williams' legacy applications. SCO's belief is based upon the precision and efficiency with Sherwin Williams accomplished the migration, which suggests the use of shared libraries to run legacy applications on Linux. However, IBM and Sherwin Williams were not entitled to strip out SCO's shared libraries for use inside their Linux implementation in order to continue operating legacy applications. This was a breach of the Sherwin Williams OpenServer License Agreement for use of SCO software beyond the scope of the license. Upon information and belief, IBM induced Sherwin Williams to use the SCO OpenServer shared libraries beyond the scope of the Sherwin Williams OpenServer License Agreement, and by assisting Sherwin Williams to implement Linux to support legacy applications by improperly incorporating the SCO OpenServer shared libraries. The act of inducing and assisting Sherwin Williams to breach its license agreement with SCO was an act that

constitutes interference with SCO's contract with Sherwin Williams by IBM. Upon information and belief, IBM profited from the interference by earning significant professional services fees in performing the switch from SCO OpenServer to Linux.

SCO does not presently know the specific dates on which the interference occurred, the identities of those involved, nor how the interference occurred because SCO was not present when IBM sold Sherwin Williams Linux-related services, or when IBM assisted Sherwin Williams in the design of the new Linux system deploying legacy applications that depended on SCO OpenServer shared libraries in order to function, or when IBM performed the professional services to assist Sherwin Williams to improperly deploy OpenServer shared libraries inside its IBM-provided Linux implementation. More specific information, such as which IBM and Sherwin Williams employees were involved, is in the possession of IBM and/or Sherwin Williams and will require additional discovery from at least IBM and Sherwin Williams.

IBM interfered with SCO's software licensing agreement with Target for the SCO OpenServer software operating system Contract # 1V743 dated March 2001 (the Target OpenServer License Agreement). Target utilized the SCO software in order to operate store pharmacies.

Within the last month, SCO has been informed that Target has decided to abandon its use of SCO's OpenServer UNIX product. Upon information and belief, Target's decision was induced by IBM. SCO contends that the act of inducing and assisting Target to breach its license agreement with SCO was an act that constitutes interference with contract by IBM. IBM stands to profit from the interference by earning significant professional services fees in performing the switch from SCO OpenServer to Linux.

More specific information, such as which IBM and Target employees were involved, is in the possession of IBM and/or Target and will require additional discovery from at least IBM and Target.

Insofar as IBM has been involved in the sale and deployment of Linux-related products and services to any other customers of SCO for the use and deployment of SCO OpenServer shared libraries inside a Linux implementation, that conduct is also interference with SCO's licensing agreements with such parties and there may in fact be additional SCO customers that have been interfered with other than AutoZone, Sherwin Williams and Target.

IBM has also improperly interfered with SCO's business relationships and prospective economic relationships. The facts known to Plaintiff giving rise to the conduct of such interference started during the LinuxWorld 2003 convention held in New York during or about January 2003. During this event, Darl McBride, SCO's CEO, informed Karen Smith of IBM that SCO intended to offer a software license to Linux users to allow for legal and authorized use of SCO's UNIX OpenServer shared libraries in a Linux implementation. Karen Smith responded by saying that "IBM was not pleased with SCO's plan to offer licenses for OpenServer shared library use in Linux", and that "the licensing plan would kill Linux." Ms. Smith also said that as a result of SCO's licensing plan for SCO OpenServer shared libraries, "IBM was going to cut off all of its business ties with SCO, and would have other IBM business partners do the same." Ms. Smith contacted Mr. Becker of Hewlett Packard during or shortly after the LinuxWorld 2003 convention and stated that IBM was cutting off all business ties with SCO and wanted Hewlett Packard to do the same. On information and belief, Ms. Smith also contacted representatives from Intel, Computer Associates, and Oracle for the same purpose and with the same general statement that IBM wanted each of those respective companies to cut off business ties with SCO. On information and belief, such contact by Ms. Smith

with each of Intel, Computer Associates, and Oracle occurred during or shortly after the LinuxWorld 2003 conference. As a result of IBM's improper contact and improper attempts to destroy plaintiff's existing and prospective business relationships with Hewlett Packard, Oracle, Intel, and Computer Associates, each of those stated companies has slowed or ceased business activities with SCO.

INTERROGATORY NO. 9

Please identify all agreements that plaintiff alleges or contends that IBM has breached, including the specific provisions or portions of those agreements that plaintiff alleges or contends that IBM breached, and describe, in detail, each instance in which plaintiff alleges or contends that IBM breached those agreements, including but not limited to (a) the date of the alleged breach; (b) all persons involved in the alleged breach; and (c) the specific manner in which IBM is alleged to have breached the agreement.

SUPPLEMENTAL RESPONSE TO INTERROGATORY NO. 9:

Subject to and without waiving its objections, at this time, SCO supplements its answer to Interrogatory No. 9 and states that, as detailed in the Amended Complaint, among the provisions of the Software and Sublicensing Agreements that IBM breached are Sections 2.01, 2.05, 4.01, 6.03 and 7.06, of the Software Agreement. Section 2.01 was breached by IBM's failure to treat modifications and derivative works as part of the original Software Product by contributing such items to open source. Likewise, IBM breached Section 2.05 by allowing use for others and by others as a result of contributing the Protected Materials to open source. Section 4.01 prohibits export of the Software Products, which IBM breached by contributing the Software Product, including methods, modifications and derivative works to open source. As a result, persons anywhere in the world with a

it was distributed and to whom can be found in the invoices in Bates range 1186853 to 1227921. For the narrowing of the appropriate invoices they have been attached as Tab 121.

Respectfully submitted,

DATED this 15th day of January, 2004.

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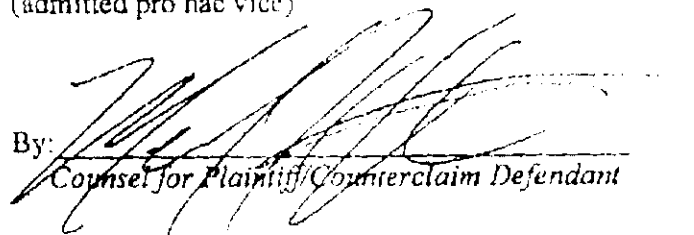
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