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July 17, 2006

**VIA E-FILING**

The Honorable Robert C. Jones  
United States District Judge  
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-LRI.**

Dear Judge Jones:

Pursuant to this Court's August 6, 2004 Order, The SCO Group, Inc. ("SCO") respectfully submits this ninety-day status report to apprise the Court of events occurring since our last update (on April 17, 2006) in certain other actions.

**1. The SCO Group, Inc. v. International Business Machines Corporation, Case No. 2:03CV0294 DAK (D. Utah)**

On June 28, 2006, after full briefing and oral argument on IBM's motion to limit SCO's claims related to allegedly misused material, the Magistrate Judge issued an Order granting the motion in part. On July 13, SCO filed objections to that Order with the District Judge.

On May 19, 2006, the parties served their respective expert reports. On June 8, IBM filed a Motion to Confine SCO's Claims to, and Strike Allegations in Excess of, the Final Disclosures, arguing that SCO's reports identified allegedly misused material not identified in SCO's Final Disclosures. In its opposition brief filed on June 19, SCO countered that its Final Disclosures fully complied with the Court's orders and its expert reports properly set forth evidence and analysis without expanding the scope of the case. IBM filed its reply brief on June 26, but the Court has not set a hearing date for this motion.

**2. The SCO Group, Inc. v. Novell, Inc., Case No. 2:04CV00139 (D. Utah)**

As last reported, on April 10, 2006, Novell filed its Answer and Counterclaims to SCO's Second Amended Complaint, restating its counterclaims in part. On May 1, SCO filed its Answer to the restated counterclaims.

On May 26, 2006, SCO filed its opposition to Novell's Motion for a More Definite Statement of SCO's Unfair Competition Cause of Action. SCO argued that its unfair-competition claim meets the pleading requirements of the Federal Rules, which also do not require that SCO specify statutory provisions or advance any legal theory for its claim.

Also on May 26, SCO filed its opposition to Novell's Motion to Stay Claims Raising Issues Subject to Arbitration. SCO argued that Novell had waived any right to a stay because (among other reasons) it had twice moved to dismiss SCO's original claim, obtained almost all discovery from SCO on the claims and defenses at issue, expanded the scope of the case by introducing seven counterclaims, and answered SCO's Second Amended Complaint. SCO also argued that its claims are not arbitrable and that, in any event, the Court should deny the motion because even the allegedly arbitrable issues could preclude, at most, only a small portion of some of SCO's claims. Novell filed its reply memorandum on June 19, and the Court has scheduled a hearing for July 17.

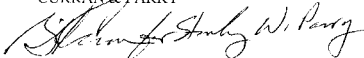
On June 27, 2006, SCO submitted its Reply to SuSE Linux GmbH Request for Arbitration to the International Chamber of Commerce International Court of Arbitration in Paris. On July 6, at the request of the Arbitration Court, SuSE filed a response to SCO's Reply.

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

As Your Honor knows, the Court in the Red Hat case has stayed that action sua sponte. Since our last letter to this Court, the parties in that case have submitted additional ninety-day updates to that Court.

Respectfully submitted,

CURRAN & PARRY



Stanley W. Parry, Esq.

SWP:lcd

cc: James Pisanelli, Esq. (via hand-delivery)  
David S. Stone, Esq. (via facsimile)