

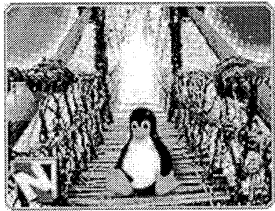
# EXHIBIT 3I

**Exhibit C-160**  
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OPINION:  
Linux' New Worst Enemy

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osOpinion.com  
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For years, people have viewed Microsoft (Nasdaq: MSFT)  as Linux' worst enemy. That's not an unreasonable assumption; Microsoft has certainly never given the open source  OS a warm reception, and the software giant has the most to lose if Linux succeeds in the long term.

However, another threat to Linux is emerging, and it isn't based in Redmond. The threat, this time, is coming from within.

#### The Current Situation

A few weeks ago, SCO, the company formerly known as Caldera International -- and as Caldera Systems before that -- announced it was "researching" use of its intellectual property. This admission came after a story by Maureen O'Gara, which speculated that SCO was going after patent fees, was posted to Slashdot and other Web sites.

#### **In This Story:**

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- Watch Out for Falling Companies
- Out of Step

Immediately after the story was posted, SCO came out and denied that it had made any decisions about pursuing patent claims or any patent strategy. However, within the span of two weeks, the company had issued a press release announcing "SCOsource" to license its Unix intellectual property. The O'Gara article's claims that SCO would charge money for the right to use Unix software turned out to be right on the money.

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Right now, the biggest piece of the SCOsource pie is a pair of libraries that allow people to run SCO Unix applications on Linux. However, the company also claims to own "much of the core UNIX intellectual property" and has plans to "expand" its licensing activities.

Furthermore, the company has retained David Boies, famous for his role in the Microsoft antitrust  suit, for "research and protection of SCO's patents, copyrights and other intellectual property." Since companies rarely retain lawyers of Boies' caliber for "research," you can probably expect that SCO plans to sue somebody -- the question is, who?

#### Watch Out for Falling Companies

It's no secret that SCO, under any name, isn't making money. Well, it's making some money, but it's losing more. The company lost US\$24.9 million last year, according to SEC filings, and it is running out of capital. Moreover, the company admits that sales from its Unix business are declining.

As it stands, SCO is a second-tier player in a small market. The Linux market looks like it will continue to grow, but SCO doesn't have the momentum that Red Hat (Nasdaq: RHAT)  and SuSE  do. It isn't exactly the first name people think of when it comes to Linux.

In such a scenario, it's not unusual for a company to turn to a patent portfolio to try to scare up funds. The big question is whether SCO can find something in its portfolio to go after, and who the company will decide to take on.

The company, at this time, denies that it plans to sue any Linux vendors. But remember: SCO also denied it had finalized plans for dealing with patent issues just two weeks before SCOSource was announced.

Out of Step

According to the SCOSource Q&A [on SCO's site](#), the company says it can "work together with other vendors to clear up IP issues in a fair and amicable way." The question is whether SCO will feel this way in a few months if it manages to find an actionable patent -- and if its bank account dips even lower.

SCO has never really gotten in tune with the rest of the Linux community. From former CEO Ransom Love's criticism of the [GPL](#) to the company's decision to charge per-seat licenses for its Linux distribution, the company has always tried to treat Linux as "just business." When push comes to shove, therefore, SCO is likely to have its hand out, trying to get a little fast cash from patent suits. Considering the damage that could do to Linux, let's hope that scenario doesn't unfold. **END**

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