SCO Grp v. Novell Inc Doc. 819 Att. 8

EXHIBIT 8

From: Greg Jones [GSJONES@novell.com]

Sent: December 04, 2002 10:31 AM

To: Carl Ledbetter; Chris Stone; Dave Wright; Jim Lundberg; Joe LaSala; Ryan Richards; Bill Smith III

Subject: SCO (formerly Caldera) - Linux "Licensing" Program

NOVELL CONFIDENTIAL ** ATTORNEY-CLIENT PRIVILEGED

I want to update you on today's development with respect to the above.

On November 21 I sent the attached e-mail to Chris and Carl. The e-mail explains SCO's request that Novell perform due diligence on UNIX intellectual property to aid SCO's contemplated campaign to enforce UNIX IP rights against end users of Linux. Chris and Carl, in their attached replies, indicated that Novell would have no interest in such efforts.

Today Dave Wright and I returned a phone call from Darl McBride, SCO's CEO. Darl reiterated his request for Novell assistance, and he then informed us that next week SCO will announce a Linux "licensing" program. Under the program, in exchange for license fees, end users and others will receive a license under any UNIX IP contained in Linux - - this is my rough understanding based on the conversation with Darl. Apparently SCO will spin this campaign as a means for Linux vendors and end users to ward off Microsoft IP infringement assertions against Linux (Darl alluded to a CRN article from today, attached), although it seem evident that this characterization is such a stretch that it could not possibly play well in the press or the markeplace (i.e., receiving a license under SCO IP in no way shields a Linux vendor or user from any claims under Microsoft IP),

Dave and I told Darl that Novell had no interest in participating, that his request had been reviewed by business management and there was no interest. Darl pressed the matter, and argued that Novell would surely be interested in the potential increase of the declining \$8 million annual revenue stream Novell receives from contracts that licensed out older versions of UNIX. We explained that: 1) any increase would not necessarily occur and the amount would likely not be significant to Novell; 2) the information SCO requests is not readly at hand, it would require effort by Novell to gather the information, and our efforts are prioritized elsewhere; 3) SCO's campaign of IP enforcement will likely involve litigation, and in such matters we generally limit cooperation to appropriately responding to any subpoena's that may issue; and, 4) SCO's enforcement actions would likely include Novell partners and customers that, in addition to Novell offerings, also distribute or use Linux, and that Novell values our relationship with our partners and customers greater than any bump in legacy UNIX royalties. We did not mention in any way Novell's own interest in becoming more active in the Linux area in a more direct manner.

Darl pressed for who was calling the shots on this at Novell. Not knowing whether Chris or Carl would want to be drawn into any discussions with Darl, I advised that the decision had been reviewed at the worldwide management committee "level." Darl told us that he plans to revisit this matter, that he'll be contacting us again. Dave Wright will be meeting with Darl later this week on an unrelated business opportunity.

Redacted	

Greg

Greg Jones
Associate General Counsel
Phone: 801.861.6888
Novell, Inc., the leading provider of Net Business Solutions



www.novell.com

This e-mail message may contain confidential and privileged material for the sole use of the intended recipients. Review, dissemination, or other use by anyone else is strictly prohibited. If you are not an intended recipient, please contact the sender and delete all copies.