

SCO reiterates ownership of UNIX Intellectual Property and prepares to press copyright claims

The SCO Group, Inc. (Nasdaq: SCOX) today reiterated its ownership of UNIX intellectual property, source code, claims and copyrights and has made all of the documents surrounding the companies ownership of UNIX and UnixWare available for public viewing.

The Web site includes access to the asset purchase agreement, the amendments to the asset purchase agreement and the joint press release that was issued at the time SCO purchased the UNIX assets from Novell in 1995. The press release confirms that SCO purchased the UNIX IP along with the UNIX business and source code, among other things.

The asset purchase agreement, signed by Novell and SCO executives in September 1995, states that all of the following transferred to SCO:

All UNIX rights and ownership

All claims against any parties relating to any right, property or asset included in the UNIX business

All UNIX source code

All UNIX contracts, copyrights, and licenses

The asset purchase agreement provided Novell with a UNIX license, but with the conditions that Novell use the licensed technology only for internal purposes, or for resale in bundled or integrated products sold by Novell which do not directly compete with the core UNIX products of SCO. SCO believes that a Novell Linux offering is clearly competitive with SCOs core UNIX products.

Amendment 2 to the asset purchase agreement, also available from SCOs Web site, reiterates that the copyrights and trademarks required for SCO to exercise its rights with respect to the acquisition of UNIX and UnixWare technologies transferred to SCO. It also states that Novell may not prevent SCO from exercising its rights with respect to UNIX System V source code.

In June 2003, Novell publicly confirmed with a press release, available on Novells Web site, that amendment 2 to the asset purchase agreement appears to support SCOs claim that ownership of certain copyrights for UNIX did transfer to SCO in 1996.

Based on the asset purchase agreement, amendments, press releases and other publicly available documents, SCO has rights to all UNIX and UnixWare source code, legal claims, contractual rights, including copyrights, necessary to protect its intellectual property, said Darl McBride, president and CEO, The SCO Group, Inc. Indemnification programs or legal defense funds wont change the fact that SCOs intellectual property is being found in Linux. SCO is willing to enforce our copyright claims down to the end user level and in the coming days and weeks, we will make this evident in our actions.

On the topic of Novells recently announced indemnification program, McBride stated, We believe Novells indemnification announcement is significant for a couple of reasons. By announcing the program they are acknowledging the problems with Linux. Through the restrictions and the limitations on the program, they are showing their unwillingness to bet very much on their position.

About The SCO Group

The SCO Group, Inc. (NASDAQ: SCOX) helps millions of customers in more than 82 countries to grow their businesses with UNIX business solutions. Headquartered in Lindon, Utah, SCO has a worldwide network of more than 11,000 resellers and 4,000 developers. SCO Global Services provides reliable localized support and services to all partners and customers.

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