



HP INDEMNIFIES LINUX CUSTOMERS AGAINST SCO LAWSUIT

Frequently Asked Questions

June 2004

Q: What did HP announce on September 24, 2003 concerning Linux indemnity?

A: HP announced that it will offer intellectual property indemnification against SCO-related lawsuits to customers who purchase Linux-based products and services directly from HP, effective October 1, 2003. As the first major Linux vendor to offer this protection, HP is again demonstrating unswerving commitment to support its customers in the deployment of Linux solutions.

Q: Which customers benefit from this offer?

A: Any Customer who buys Linux from HP or an HP authorized reseller after October 1, 2003 to run on HP platforms can benefit from this protection. This can also apply to customers who recently purchased Linux systems, software, and services from HP.

Q: Does this mean that HP believes the risk of litigation from SCO against Linux customers is real and has escalated?

A: No. HP is fully committed to Linux and is willing to provide an indemnity program, which can reduce some of the risk associated with SCO initiated litigation. HP wants to ease the concerns of customers and the Linux community by providing this added security to encourage the deployment of Linux applications on HP's platforms.

Q: Does HP's Linux indemnity program include customers that purchase through the channel?

A: Yes. Customers who purchase HP-delivered Linux distributions from HP's authorized resellers can qualify for the HP linux indemnification program. Customers need to follow the registration process and sign an indemnification agreement with HP.

Q: Does HP's Linux indemnity program extend to customers that purchase solutions based on HP platforms and Linux from a 3rd party other than an HP authorized reseller?

A: No. HP's indemnity program covers HP end-user and HP authorized reseller customers only.

Q: Is HP the only company offering Linux indemnification from SCO?

A: No. Novell also offers an indemnity program, effective January 2004. HP's indemnity program was the first available in the market and covers enterprise Linux Distributions whose subscription services are available from HP.

Q: Does Novell's Linux indemnity program have any financial caps?

A: Yes. The financial cap is the lesser of \$1.5m or 125% of a customer's Linux contract with Novell.

Q: Does HP's Linux indemnity program have any financial caps?

A: No.

Q: Does IBM offer a Linux indemnity program?

A: No.

Q: Does Red Hat offer a Linux indemnity program?

A: No. Red Hat offers a software warranty, not indemnity. Red Hat's warranty provides replacement code in the event any code is found to infringe on SCO's IP.

Q: What do customers have to do to qualify for HP's indemnity program?

A: To qualify for this program, HP customers must purchase Linux subscription services from HP or from HP's resellers, run the Linux operating system solely on HP hardware and sign an indemnity agreement with HP, which details terms and conditions of the indemnity program.

Q: How do customers obtain HP's Linux indemnity agreement?

A: Customers need to visit www.hp.com/go/linuxprotection and register. Once registration is complete, the indemnity agreement will be mailed with instructions for execution.

Q: Does this apply to customers using HP hardware only?

A: Yes. HP only offers this indemnity for those customers who purchase Linux solutions directly from HP or from HP resellers and run it on HP-branded hardware.

Q: Will this indemnity apply to customers who purchase Linux software and support from HP but who deploy on hardware from other vendors?

A: No.

Q: Why do customers need to purchase an HP standard or premium software support contract in order to take advantage of this program?

A: The HP Linux indemnity program is provided as a value-added service to interested customers at no extra cost over and above current standard and premium service offerings. Standard service offerings are those with 10 or greater incidents or unlimited usage and 9X5 coverage. Premium service offerings are those with unlimited 24X7 or incident 24X7 coverage. HP offers support for enterprise releases of both Red Hat and SUSE Linux distributions running on HP industry-standard systems.

Q: How do customers purchase HP standard or premium software support in order to take advantage of the HP Linux indemnity program?

A: With Red Hat, standard or premium software support is bundled with the Red Hat subscription when purchased from HP. With SUSE, the standard or premium software support needs to be purchased separately.

Q: Does the customer need to purchase an HP standard or premium hardware support contract?

A: No, this is not a requirement of the program.

Q: What Linux Distributions qualify for the HP Linux indemnity program?

A: Any Linux Distribution shipped and supported by HP.

Q: Why does HP require customers to sign a separate indemnity agreement with HP to participate in this program?

A: HP can only provide the program to customers who specifically agree to the terms of the program, including allowing HP to defend any resulting litigation and control the legal defense.

Q: Did HP initially take this position because it found that customers are worried about the SCO v. IBM lawsuit?

A: In general, initially HP did not find customers to be concerned about this lawsuit; however, there has been considerable media coverage and speculation about this issue. HP is once again demonstrating accountability in addressing potential customer concerns.

Q: Does this mean that HP endorses the SCO lawsuit against IBM and believes it has merit?

A: No. HP does not endorse this lawsuit and believes that the issue concerning SCO's intellectual property is for the courts to decide.

Q: Has HP made a separate agreement with SCO?

A: No. HP does not have a SCO Linux indemnity agreement.

Q: HP has previously stated that 'HP has found no intellectual copyright infringements within Linux.' Why, therefore, is HP offering an indemnity program?

A: HP is offering this indemnity program in support of its customers and to reduce their potential risk, while continuing to facilitate the adoption of Linux solutions.

Q: If the customer is being sued for Linux copyright infringement, can they now sign up for HP's indemnity program?

A: No.

Q: If a customer is being sued for Linux copyright infringement, can they receive the Ts & Cs for their review?

A: Yes. Please contact the appropriate sales representative or reseller. However, receiving the Ts & Cs for review no way implies that HP and the customer will enter into an indemnity agreement.

Q: Does HP's Linux indemnity program cover applications that run on Linux?

A: No, HP's indemnity program only covers the enterprise Linux Distribution itself.

Q: Does HP's Linux indemnity program cover VMware ESX operating system?

A: No. VMware ESX is based on components of a Red Hat Linux 7.2 distribution (a subset of the original packages) that has been modified and, as such, is not eligible for HP's indemnity program.

Q: Does HP's Linux indemnity program cover VMware GSX application that runs on Linux?

A: No. HP's indemnity program does not cover applications that run on Linux.

Q: VMware GSX runs on Linux. Does HP's Linux Indemnity Program cover that Linux?

A: Yes, provided the Linux Distribution meets all the requirements of HP's indemnity program.

Q: Does HP's Indemnity Program cover the Linux that runs on a virtual machine/partition under ESX or GSX?

A: Yes, provided the Linux Distribution meets all the requirements of HP's indemnity program.