



## **Red Hat Calls for Intellectual Property and Patent Policy Reform; Red Hat Commits Significant Resources toward Fedora Foundation, Global Reform of Government Public Policy and Advocates a Patent Commons**

NEW ORLEANS--(BUSINESS WIRE)--June 3, 2005--Red Hat (NASDAQ: RHAT), the world's leading provider of open source solutions to the enterprise announced its strong commitment to patent reform to remove barriers to innovation at the Red Hat Summit today. Mark Webbink, Deputy General Counsel at Red Hat, addressed the audience articulating a three-part intellectual property strategy aimed at ensuring an open right to innovate.

The first part of the strategy announced by Webbink builds on the work of the Fedora project, the free Linux project sponsored by Red Hat. Red Hat will create the Fedora Foundation with the intent of moving Fedora project development work and copyright ownership of contributed code to the Foundation. Red Hat will still provide substantial financial and engineering support, but this move will assure broader community involvement in Fedora-sponsored projects.

In recent months Red Hat has engaged in efforts to reform government public policy on patents in Europe and in the United States. Webbink talked specifically of Red Hat's engagement with the European Parliament to amend the Computer-Implemented Inventions directive. In the United States Red Hat has called for reform of the patent system to hold patent applications to a higher standard of scrutiny that ensures better patent quality, and to expand the rights of third parties to challenge questionable patent applications and issued patents.

The third arm of Red Hat's strategy is to work to protect open source by creating a Software Patent Commons. Much like the Creative Commons which encourages collaboration by wide sharing of rights under copyright, a Software Patent Commons would enable a future of free collaboration and thought sharing among software technologists with reduced concern over patents.

"Patents are not equal to innovation," stated Webbink. "More often, innovation occurs despite patents. What we observe today in the software industry is the use of patents to maintain marketshare, even where that marketshare has been obtained by anticompetitive means. We need to move away from a system of software patents compromised by trivial, incremental enhancements that block innovation, to a system that is aimed at rewarding substantial innovation."

Red Hat has established a patent portfolio for the purpose of defending against the patent infringement claims of others. For more information on Red Hat's patent policy, please see [http://www.redhat.com/legal/patent\\_policy.html](http://www.redhat.com/legal/patent_policy.html)

### About Red Hat

Red Hat, the world's leading open source and Linux provider, is headquartered in Raleigh, N.C. with offices spanning the globe. Red Hat is leading Linux and open source solutions into the mainstream by making high quality, low cost technology accessible. Red Hat provides operating system software along with middleware, applications and management solutions. Red Hat also offers support, training, and consulting services directly to its customers worldwide and through its channel partners. Red Hat's Open Source strategy offers customers a long-term plan for building infrastructures that are based on and leverage open source technologies with a focus on security and ease of management. Learn more: <http://www.redhat.com>.

### Forward-Looking Statements

Forward-looking statements in this press release are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934. Investors are cautioned that statements in this press release that are not strictly historical statements, including, without limitation, management's plans and objectives for future operations, and management's assessment of market factors, constitute forward-looking statements which involve risks and uncertainties. These risks and uncertainties include, without limitation, reliance upon strategic relationships, management of growth, the possibility of undetected software errors, the risks of economic downturns generally, and in Red Hat's industry specifically, the risks associated with competition and competitive pricing pressures, the viability of the Internet, and other risks detailed in Red Hat's filings with the Securities and Exchange Commission, copies of which may be accessed through the SEC's Web site at <http://www.sec.gov>.

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CONTACT: Red Hat  
Leigh Day, 919-754-4369  
lday@redhat.com

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