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IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

GROUPE CANAL+S A, CANAL+ TECHNOLOGIES, S A, CANAL TECHNOLOGIES, INC,

No C 02-1178 VRW

ORDER

Plaintiffs,

NDS GROUP PLC, NDS AMERICAS, INC,

Defendants.

The court is in receipt of a letter dated July 30, 2002, from James A DiBoise, counsel for plaintiffs, and a letter in response from Patrick Lynch, counsel for NDS, dated July 31,

2002. The clerk is directed to file these letters.

Plaintiffs request that the court order NDS to resume discovery, which was temporarily suspended by agreement of the parties. The parties do not agree, however, whether this "standstill" was, as plaintiffs contend, an informal agreement, or, as NDS contends, pursuant to an executed agreement between the parties' principals.

The court first notes that the court has not entered a standstill agreement in this matter. Moreover, from that

presented to the court, it does not appear that the parties executed a standstill agreement. If there is, in fact, a binding standstill agreement between the parties, there has not yet been a violation of that agreement. Should there be a violation of that agreement, NDS may be entitled to whatever remedies are provided for by that agreement. But NDS' belief that a binding standstill agreement was executed by the parties does not relieve it of its obligation to proceed with discovery in this matter.

VAUGHN R WALKER

Judge

United States District

IT IS SO ORDERED.