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AUG 30 2001

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
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CROSSROADS SYSTEMS, (TEXAS), INC. §

vs. §

NO. A 00 CA 217 SS

CHAPARRAL NETWORK §
STORAGE, INC. §

ORDER

BE IT REMEMBERED that on the 30th day of August 2001 the Court reviewed the file in the above-styled cause and specifically Defendant's Motion for Summary Judgment of Invalidity [#53], plaintiff's response thereto [#70] and defendant's reply thereto [#74]. After considering the motion, response and reply briefs, the file as a whole and the applicable law, the Court enters the following opinion and order.

Summary Judgment Standard

Summary judgment may be granted if the moving party shows there is no genuine issue of material fact, and it is entitled to judgment as a matter of law. *See* FED. R. CIV. P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 106 S. Ct. 2505, 2513 (1986). In deciding summary judgment, the Court should "construe all facts and inferences in the light most favorable to the nonmoving party." *Hart v. O'Brien*, 127 F.3d 424, 435 (5th Cir. 1997), *cert. denied*, 119 S. Ct. 868 (1999). The standard for determining whether to grant summary judgment "is not merely whether there is a sufficient factual dispute to permit the case to go forward, but whether a rational trier of fact could find for the nonmoving party based upon the record evidence before the court." *James v. Sadler*, 909 F.2d 834, 837 (5th Cir. 1990).

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CROSSROADS EXHIBIT 2002

Analysis

Defendant asserts the '972 patent is invalid, as a matter of law, under the doctrine of prior inventorship. Proving invalidity under this theory requires clear and convincing evidence. *See Robotic Vision Sys., Inc. v. View Eng'g, Inc.*, 189 F.3d 1370, 1377 (Fed. Cir. 1999) (“There is a strong presumption of validity for issued patents, *see* 35 U.S.C. § 282 (1994), therefore an accused infringer who raises patent invalidity as a defense bears the burden of showing invalidity by facts supported by clear and convincing evidence.”). Under the doctrine of prior inventorship, a patent is invalid if, prior to the patentee’s invention, the invention “was made in this country by another who had not abandoned, suppressed, or concealed it.” *See* 35 U.S.C. § 102(g). The party seeking to invalidate under this doctrine must establish the prior invention was “reduced to practice” before the patented invention. *See Dow Chem, Corp. v. Astro-Valcour, Inc.*, 110 F. Supp. 2d 104, 106 (N.D.N.Y. 2000) (citing *Checkpoint Sys., Inc. v. United States Int'l Trade Comm'n*, 54 F.3d 756, 761 (Fed. Cir.1995)). This can be done by an “actual reduction to practice,” or by filing a patent application. *See id.* In order to show actual reduction to practice, “the inventor must prove: (1) he constructed an embodiment or performed a process that met all the limitations of the interference count; and (2) he determined that the invention would work for its intended purpose.” *Mycogen Plant Science v. Monsanto Co.*, 243 F.3d 1316, 1332 (Fed. Cir. 2001).

Defendant is not entitled to summary judgment on this issue. Defendant contends the invention in U.S. Patent No. 6,219,771 (“the ‘771 patent”) discloses (and/or renders obvious) all the claims of plaintiff’s ‘972 patent. The ‘771 patent application was filed some four months before plaintiff’s ‘972 patent application was filed. *See* Defendant’s Motion for Summary Judgment of

Invalidity [#53], Ex. 1 and Ex. 2.¹ However, plaintiff has presented competent summary judgment evidence that the invention of the '972 patent was actually *invented*—that is, was actually conceived of and reduced to practice—by May 28, 1997, at the latest. *See* Plaintiff's Response [#70], at 6; *see also id.*, Declaration of Matthew Bernstein, Ex. 5 (May 28, 1997 letter faxed to plaintiff's patent counsel, describing alleged reduction to practice) and Ex. 6, at 8-11 (deposition testimony of '972 patent inventor, stating invention was conceived on March 22, 1997 and memorialized in a document on May 15, 1997). This is sufficient to create a genuine issue of fact regarding whether the invention claimed in the '972 patent was actually invented prior to August 18, 1997 (the filing date of the '771 patent). In addition, the competent summary judgment evidence indicates the '972 inventor created a document showing his alleged reduction to practice, and disclosed this document to his third party patent counsel in May 1997. *See id.*, Ex. 5. This exhibit is sufficient to create a genuine issue of fact on corroboration. *See, e.g., Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996), *cert. denied*, 119 S. Ct. 874 (1999) ("This court does not require corroboration where a party seeks to prove conception through the use of physical exhibits."); *Price v. Symsek*, 988 F.2d 1187, 1196 (Fed. Cir. 1993) ("[C]orroboration is not necessary to establish what a physical exhibit before the board includes. Only the inventor's testimony requires corroboration before it can be considered. While evidence as to what the drawing would mean to one of skill in the art may assist the board in evaluating the drawing, the content of Exhibit 13 does not itself require corroboration.") (citations omitted). *Cf. Kridl v. McCormick*, 105 F.3d 1446, 1449-50 (Fed. Cir. 1997) ("Conception must be proved by corroborating evidence which shows that the inventor disclosed to others his complete

¹ The '771 patent did not issue, however, until much later than plaintiff's '972 patent. The '972 patent issued in August 1999, while the '771 patent issued in April 2001. *See id.*

thought expressed in such clear terms as to enable those skilled in the art to make the invention.”).

Accordingly, because a genuine issue of material fact exists on these essential elements of defendant’s asserted defense of invalidity, summary judgment is inappropriate.² This ruling does not, of course, preclude defendant from arguing this defense on a proper Rule 50 motion.

In accordance with the foregoing:

IT IS ORDERED that Defendant’s Motion for Summary Judgment of Invalidity [#53] is DENIED.

SIGNED on this 30th day of August 2001.



SAM SPARKS
UNITED STATES DISTRICT JUDGE

² Because the Court denies summary judgment on this ground, it need not and therefore does not consider whether the invention of the ‘771 patent discloses (or renders obvious) all the claims of the ‘972 patent.