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1 that?
 2 MR. GIUST: You said Chaparral, not
 3 Crossroads.
 4 THE WITNESS: Yeah. I don't quite
 5 understand that. So --
 6 Q. (BY MR. BAHLER) Well, both parties have
 7 served deposition notices upon Crossroads to require
 8 Crossroads to produce a witness to testify on its
 9 behalf with respect to selected topics. Do you
 10 understand that?
 11 A. I understand that. Yes.
 12 Q. And you have been selected by Crossroads to
 13 testify on its behalf with respect to certain of those
 14 selected topics.
 15 A. That is correct.
 16 Q. Okay. In addition, you have been served a
 17 notice, or rather Crossroads has been served a notice
 18 by both parties to have you appear as an individual and
 19 testify. Do you understand that?
 20 A. Yes.
 21 Q. Okay. Do you understand that you're here
 22 today for both purposes?
 23 A. You're so informing me, I suppose. Yes. I
 24 did not know that beforehand whether we were going to
 25 do that today or tomorrow or whatever.

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1 course, Mr. Giust instructs you not to answer, and
 2 there are certain instances where that might be the
 3 case. All right?
 4 A. That's all right.
 5 Q. All right. And otherwise, if Mr. Giust does
 6 not instruct you not to answer, you have to go ahead
 7 and answer the question. All right?
 8 A. That's correct. Yes.
 9 Q. Mr. Hoese, where do you work today?
 10 A. I am employed by Crossroads Systems.
 11 Q. What is your position there?
 12 A. My title is director of strategic
 13 architecture.
 14 Q. How long have you worked for Crossroads
 15 Systems?
 16 A. Four years and some months.
 17 Q. Now, Crossroads -- well, was that -- have you
 18 been at Crossroads since the very beginning of
 19 Crossroads?
 20 A. I have been at Crossroads before it was named
 21 Crossroads. There was a company in existence that
 22 essentially converted into Crossroads. We changed our
 23 name to Crossroads that I was employed at.
 24 Q. Okay. Now, when I asked you how long you'd
 25 worked at Crossroads, you said four years and some

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1 Q. Well, this is presently scheduled for today
 2 and tomorrow. I don't plan to use a lot of tomorrow as
 3 we sit here, but it depends on how things go. All
 4 right?
 5 MR. GIUST: Just so you'll know, we'd
 6 like to get separate transcripts for the 30(b)(6)
 7 portion and the individual portion.
 8 MR. BAHLER: Well, it's all going to be
 9 kind of balled up together.
 10 MR. GIUST: So you don't plan on hitting
 11 the 30(b)(6) topics and then doing the individual
 12 topics?
 13 MR. BAHLER: No. I didn't plan on doing
 14 that.
 15 MR. GIUST: Okay. Well, if you're just
 16 going to go through it all, we'll see how it goes.
 17 MR. BAHLER: All right.
 18 Q. (BY MR. BAHLER) Mr. Hoese, have you ever had
 19 your deposition taken before?
 20 A. No.
 21 Q. Okay. Just so that you understand what's
 22 going on here -- or perhaps this has been explained to
 23 you by counsel. I'm sure it has, but just so you know
 24 where I'm coming from, you're under oath.
 25 A. Uh-huh.

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1 months. Did that include your work at Crossroads
 2 proper and your work at the predecessor company stacked
 3 together?
 4 A. That is correct.
 5 Q. Okay. What was the name of the predecessor
 6 company?
 7 A. Infinity CommStor.
 8 Q. C-O-M-S-T-O-R?
 9 A. That's correct.
 10 Q. Okay. And you started at Infinity CommStor
 11 four years and some months ago?
 12 A. That is correct.
 13 Q. And sometime in the past Infinity CommStor was
 14 changed into Crossroads?
 15 A. That is correct.
 16 Q. Okay. Do you have a college degree, sir?
 17 A. No. I do not.
 18 Q. What was your -- what sort of technical
 19 education do you have, if any?
 20 A. I have a variety of on-the-job experience and
 21 education of various sorts in technical fields. So
 22 that's a vague question. I'm not sure how to answer
 23 it.
 24 Q. Okay. Let me get more specific. You have a
 25 high school degree?

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1 Q. The oath that you took at the beginning of
 2 your deposition is the same oath that you would take at
 3 trial.
 4 A. I understand that.
 5 Q. And in fact, this deposition is as if you were
 6 testifying at trial. All right?
 7 A. (Nods head.)
 8 Q. And the second point is, you have to give oral
 9 answers. Shaking your -- nodding your head up and down
 10 or right and left is wonderful. I understand you
 11 completely, but to the court reporter --
 12 A. I understand.
 13 Q. -- it's complete silence. So you need to give
 14 oral answers to all my questions.
 15 A. I understand.
 16 Q. If at any time you don't understand any of my
 17 questions, please ask me to clarify them. If at any
 18 time you want to take a break, please let me know.
 19 I'll do the same for you.
 20 Throughout the deposition your counsel,
 21 Mr. Giust, may object, and he has a right to do that,
 22 of course. Those objections are not being ruled upon
 23 by any judge here today. What happens with respect to
 24 a deposition is that the objections are stated on the
 25 record, and then the answer is given; unless, of

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1 A. I have a -- I graduated from high school.
 2 Yes.
 3 Q. Did you attend any college?
 4 A. Yes, I did.
 5 Q. Okay. Where?
 6 A. In Louisiana.
 7 Q. And how long did you attend college?
 8 A. I -- let's see. On the order of two and a
 9 half years, maybe a bit more. My recollection is a
 10 little vague there.
 11 Q. What college in Louisiana specifically?
 12 A. I attended the University of Southwestern
 13 Louisiana. I also attended Louisiana State University.
 14 Q. Which one did you attend first?
 15 A. University of Southwestern Louisiana.
 16 Q. When did you start at the University of
 17 Southwestern Louisiana?
 18 A. In 1979, possibly taking some course work
 19 before, maybe in '78. I don't specifically recall.
 20 Q. And when did you stop going to Southwestern
 21 Louisiana?
 22 A. I would guess 1981. I'm not exactly certain.
 23 Q. Okay. And what were you studying at the
 24 University of Southwestern Louisiana?
 25 A. My major was philosophy.

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1 Q. Okay. Now, you said you also studied at LSU.
 2 When did you start at LSU?
 3 A. Subsequent to USL. It was the next semester.
 4 So I think that was in 1981. I'm not positive.
 5 Q. What did you study at LSU?
 6 A. Same field. Did additional work in physics.
 7 Q. At LSU?
 8 A. Both at USL and LSU. More so, perhaps, at
 9 LSU.
 10 Q. How long were you at LSU?
 11 A. A year.
 12 Q. Till 1982?
 13 A. Two semesters, perhaps three.
 14 Q. Okay. And you eventually left LSU after two
 15 semesters --
 16 A. Yes.
 17 Q. -- right? Now, why did you go from Southwest
 18 Louisiana to LSU?
 19 A. Oh, I think it involved a woman.
 20 Q. All right. Perfectly understandable. We
 21 won't get into that. This doesn't involve anything
 22 that's relevant to this case, does it?
 23 A. I hope not.
 24 Q. All right. And then you were at LSU, and then
 25 you started LSU in 1981. Why did you leave LSU?

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1 A. I went to work.
 2 Q. All right.
 3 A. There were a variety of reasons for that.
 4 Q. One of which was that you went to work, right?
 5 A. Well, I left the university because I went to
 6 work. There were a variety of reasons why I went to
 7 work. So I don't know what the causal chain really is
 8 there that you wanted, but --
 9 Q. Okay. And what was your first job after
 10 leaving LSU?
 11 A. What was my first job after leaving LSU.
 12 Probably worked for a company called Control
 13 Systematologists, Incorporated.
 14 Q. Could you be a little slower with that?
 15 Control Systems --
 16 A. They went by the initials CSI. It was an odd
 17 name. Control Systematologists --
 18 Q. System --
 19 A. Systematologists.
 20 Q. One word, Systematologists?
 21 A. Yeah. They kind of constructed this odd word
 22 they made up. So Systematologists.
 23 A. CSI.
 24 Q. That's much better.
 25 A. Out of Rayne, Louisiana, R-A-Y-N-E.

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1 Q. And how long did you work at CSI?
 2 A. Approximately eight months.
 3 Q. When did you start at CSI?
 4 A. I don't recall the specific dates.
 5 Q. What did you do while at CSI?
 6 A. I really did two basic jobs. Field service
 7 installation and repair of automation and supervisory
 8 control systems, annunciator panels for oilfield control
 9 systems and things of that -- and I also worked some on
 10 the design and programming of similar systems.
 11 Q. Was CSI's business oilfield control systems?
 12 A. Yes.
 13 Q. Okay. You worked there eight months?
 14 A. On that order. Yeah.
 15 Q. Did you take a job after that?
 16 A. I did a number of smaller, you know, not
 17 full-time employment, but consulting jobs or contract
 18 jobs, one of which led to a longer-term job as chief
 19 engineer of an AM/FM radio station.
 20 Q. Just generally, what were those smaller
 21 contract jobs, if you recall?
 22 A. Design and programming of various sorts of
 23 embedded systems.
 24 Q. Did you say embedded system?
 25 A. (Nods head.)

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1 Q. And what is an embedded system?
 2 A. It's kind of a vague, generic term referring
 3 to software that runs directly on a microprocessor
 4 without a lot of user interface or operating system or
 5 things of that sort.
 6 Q. Generally in what were these embedded systems
 7 used?
 8 A. Oilfield control systems or various sorts of
 9 control systems. That's one. So I did a couple of
 10 things of that sort. I did -- there's a mix of things
 11 relating to control systems mainly.
 12 Q. All right. And one of those smaller contract
 13 jobs led to your being -- or your taking a permanent
 14 position as a chief engineer of an AM/FM radio station?
 15 A. That's correct. That's a fair statement.
 16 Q. What was the radio station?
 17 A. KROF and KASC.
 18 Q. What was that again?
 19 A. KROF and KASC.
 20 Q. And one was an AM station, and one was an FM
 21 station?
 22 A. That's correct.
 23 Q. And where was that?
 24 A. Abbeville, Louisiana.
 25 Q. Abbeville?

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1 A. Correct.
 2 Q. What did you do as the chief engineer at that
 3 AM -- first of all, when was that?
 4 A. It was late '81 or early '82 through, I would
 5 say, '84.
 6 Q. What did you do as a chief engineer for that
 7 radio station?
 8 A. I was responsible for the maintaining the
 9 emissions of the station, the transmissions of the
 10 station in terms of the frequencies; maintaining the
 11 transmitters and equipment to ensure that the station
 12 was in compliance with regulations, FCC regulations. I
 13 was responsible for the repair and general maintenance
 14 of studio equipment, transmitters, et cetera.
 15 There are certain legally-defined duties
 16 by regulation of the FCC that a chief engineer is
 17 responsible for, and I had those responsibilities,
 18 such as maintaining transmitter logs and records,
 19 et cetera.
 20 Q. Were you ever on the air?
 21 A. On occasion.
 22 Q. All right. You left the radio station in what
 23 year?
 24 A. I believe it was 1984.
 25 Q. Where did you go?

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1 MR. GIUST: Objection. Overbroad.
 2 Q. (BY MR. BAHLER) Did you take a job after
 3 that? It was a pretty broad question. Did you take a
 4 job after you left the radio station?
 5 A. Eventually.
 6 Q. Okay. Well, what did you do next? I don't
 7 care if it's overbroad. I want to know.
 8 A. I spent about four months traveling in Europe.
 9 briefly came back to Louisiana, did some additional
 10 contract programming work for a few months, then moved
 11 to New York City.
 12 Q. Why did you leave the radio station?
 13 A. I was ready to leave Louisiana, and the radio
 14 station was in Louisiana.
 15 Q. All right. Four months in Europe, and then
 16 you came back and did some more contract programming
 17 work. What sort of contract programming work did you
 18 do after you returned from Europe?
 19 A. I designed and implemented a couple of
 20 different simulation training systems for aircraft
 21 control systems.
 22 Q. Was this software work?
 23 A. That's correct, in part. It also entailed
 24 understanding the control systems involved, et cetera,
 25 some research along those lines, working with trainers

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1 to develop a training model that you can develop the
 2 simulation towards to affect.
 3 Q. And then you left -- well, after you stopped
 4 doing that you moved to New York City?
 5 A. That's correct.
 6 Q. And when was that?
 7 A. I believe that was in early '84, mid '84. As
 8 we approach the present the dates will get crisper,
 9 but -- hopefully.
 10 Q. Isn't that always the case? All right. What
 11 did you do in New York City starting in circa 1984?
 12 A. I worked for a company, a start-up company.
 13 Initially the name of the company was PCs Limited. No,
 14 wait. That was later. What was the name of that
 15 company. PC something. Later it turned into Scan
 16 Technologies.
 17 Q. Okay. What did you do for PC something
 18 company?
 19 A. I -- the initial company formed to do various
 20 sorts of contract consulting services around PCs, such
 21 as networking, things of that sort. So initially I was
 22 responsible for that in the company either by virtually
 23 doing that myself initially, and then by having other
 24 people do it as we were able to staff to do that.
 25 Q. Okay. Did you form -- were you part of the

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1 formation of the start-up?
 2 A. I was not a principal of the firm, if that's
 3 what you mean.
 4 Q. Okay. How was it that you got hooked up with
 5 this PC something company?
 6 A. Through a newspaper ad.
 7 Q. Okay. And the PC something company eventually
 8 became Scan Technologies?
 9 A. That's correct.
 10 Q. When was that?
 11 A. I would guess that was in '85, in mid to late
 12 '85. I'm not certain.
 13 Q. Okay. And how long were you with Scan
 14 Technologies?
 15 A. I moved to Austin in -- when did I move to
 16 Austin. I think it was in '87. And that's not
 17 answering your question directly, but I did some
 18 consulting work for them, for which I was never paid,
 19 after I moved here, and that was my last work for that
 20 company.
 21 Q. So that was about 1987?
 22 A. I think that was in mid '87. Might have been
 23 late '86, but I think it was mid '87.
 24 Q. What was Scan Technologies' business?
 25 A. The business transitioned from general support

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1 of PCs in office environments to a business model
 2 trying to develop and sell systems that -- trying to
 3 think of the best way to say this -- to enable optical
 4 storage of document data for office systems. I don't
 5 recall that we had a mission statement, per se, but
 6 that would be something of that sort.
 7 Q. Did Scan Technologies have a commercial
 8 product?
 9 A. We did. We had a number of commercial
 10 products or systems.
 11 Q. What were those commercial products?
 12 A. Oh. I don't recall them by --
 13 Q. Were they optical --
 14 A. -- name, but --
 15 Q. -- storage products?
 16 A. They were configurations of optical storage
 17 products in conjunction with various software,
 18 sometimes custom, sometimes off the shelf.
 19 Q. Were these SCSI-based systems?
 20 A. They did incorporate SCSI subsystems. Yes.
 21 Q. And SCSI is S-C-S-I, right?
 22 A. That's correct.
 23 Q. Just for the benefit of our court reporter,
 24 whenever you or I say SCSI it's spelled S-C-S-I, right?
 25 A. That's appropriate.

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1 Q. What does SCSI stand for?
 2 A. Small computer systems interface. I believe.
 3 Q. Was the Scan Technologies, did they buy
 4 hardware components from others and assemble them into
 5 a network with software and sell those?
 6 MR. GIUST: Objection. Compound.
 7 THE WITNESS: I'd actually say it's
 8 vague, because we did lots of things. Yeah.
 9 Configuring systems into a network was one of those
 10 things. Putting components together was one of those
 11 things.
 12 Q. (BY MR. BAHLER) Did they make any custom
 13 boxes, custom storage elements?
 14 A. We did not manufacture any hardware devices at
 15 all.
 16 Q. All right.
 17 A. We prototyped some hardware for doing specific
 18 things, but we did not manufacture -- or sell any
 19 products that were hardware devices that we
 20 manufactured.
 21 Q. What optical storage devices were used by Scan
 22 Technologies?
 23 A. At that point there were a number of companies
 24 that produced what -- optical worm devices which were
 25 write once, mini-storage devices. These were -- it's

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1 existing technology now still, but it's evolved a fair
 2 amount.
 3 At that point in time there was an
 4 optical media similar to a disk storage media but
 5 nonmagnetic. Again, the CD-ROMs that you could write
 6 once on but not erase, so suited towards all kind of
 7 applications. We used those devices.
 8 We also had scanner devices at that
 9 point in time. There weren't the variety of optical
 10 scanners, image scanners that are on the market today.
 11 There were fairly limited amounts, some of which
 12 interfaced via SCSI interface.
 13 Q. Now, when did you first become familiar with
 14 the SCSI interface?
 15 A. I probably had some awareness of the SCSI
 16 interface as it evolved. Before the SCSI interface was
 17 the SCSI interface it was the SASI interface, which was
 18 a proprietary interface common on SI and -- well, maybe
 19 not common, but implemented on S100 systems and things
 20 of that sort; and I had some familiarity with that,
 21 although not a real intimate familiarity with that.
 22 So there was no given point in time
 23 where I suddenly learned of it. I just gradually
 24 gained more knowledge of it as it gained more
 25 implementations in the field. You know, as it became

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1 more common, I was more exposed to it, and I learned
 2 more about it.
 3 Q. Did you use that knowledge while at Scan
 4 Technologies?
 5 A. To some degree. Yeah.
 6 Q. Other than these optical worm devices and
 7 scanner devices, what other devices were being used by
 8 Scan Technologies?
 9 A. That's a very broad question. Can you --
 10 Q. What other storage devices?
 11 A. There were standard off-the-shelf disk devices
 12 of various sorts.
 13 Q. Magnetic media?
 14 A. Correct.
 15 Q. All right. Anything else?
 16 A. We did have various tape devices.
 17 Q. Tape devices, also magnetic?
 18 A. Right. We did not use those in any
 19 unusual -- you know, those were all off-the-shelf type
 20 devices.
 21 Q. Did Scan Technologies have a product
 22 designation for its products?
 23 A. Can you repeat that?
 24 Q. Did they have a name, the Scan Technologies
 25 Whizbang Storage Unit or something, or a number?

4 (Pages 19 to 24)

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