

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO**

Clerk's Minutes
Before the Honorable Robert C. Brack

CASE NO. 10 CV 1077 RB

DATE: April 10, 2012

Time in court: 2 hours 37 minutes

TITLE: STC UNM vs Intel Corporation

COURTROOM CLERK: Jessica Chavez

COURT REPORTER: Vanessa Alyce

() Albuquerque (X) Las Cruces () Santa Fe () Roswell

() Bench warrant ordered

INTERPRETER: none

ATTORNEYS PRESENT FOR PLAINTIFF(S):

**Rolf Stadheim, Keith Vogt, Joseph Grear,
Raul Carrillo, Jr.**

ATTORNEYS PRESENT FOR DEFENDANT(S):

**Clifford Atkinson, Chad Campbell, Brian Ferrall,
Ben Hur, Robert Van Nest**

TYPE OF PROCEEDING:

Oral Argument on Motion for Summary Judgement and Tutorial

PROCEEDINGS:

9:00 a.m. Court in session

Court - appearances by counsel. Forty five minutes aside to argue summary judgement then break.

Begin tutorial thereafter. By way of preparing have read motions and replies.

Mr. Robert Van Nest - primarily hear to answer Court's answers. Prepared short presentation. Motion rest on basis proposition. UNM has never complied with requirements. Disclaimer rules apply, both agree on facts of chronically. Disagreement is legal proposition. Terminal disclaimer rules. (Slide 3) October 1, 1998: PTO's double patenting rejection. In order to get patent with terminal disclaimer - commonly owned. Terminal Disclaimer filed by UNM in 1999. UNM disclosed they are the owner of record of 100 percent interest in the application. Common ownership rules - same company must own 100 percent of both patents. Common ownership require 100percent of common ownership. Unenforceability.

'321 Patent to UNM in 1996. Assigned interest of invention and any and all patents thereon. Mr. Draper was never employed by UNM, corrected by reassignment from UNM to Sandia Labs, interest. In 1996 -

'321 had two owners, UNM and Sandia National Labs. Years later STC is claiming that reassignment provided to Sandia Labs rights in '998. Mr. Draper never had any rights in the 998. STC admits that Sandia's Bruce Draper is not an inventor of in the '998 patent. '321 is jointly owned by UNM and Sandia Labs. '998 had two inventors and they both assigned interest to UNM. STC representation that it is the sole owner of the '998 patent. Several cases filed and representation to other agencies. Representation by STC to patent office. Request for certificate of correction, assignee of record of entire interest. Power of Attorney in February 2011. '321 ownership - STC and Sandia National Lab. '998 - UNM, 2000 and then STC in 2007. Common ownership - time line. No common ownership exists. Dispute - STC recognizes something is wrong. In 2011 STC. UNM assigned rights in '998 to Sandia Corporation. Mr. Draper concedes tat he was never an inventor on '998. STC admits that Bruce Draper is not an inventor in '998 patent. Ownership flows from inventorship. Mr. Draper had no ownership rights to convey. As of November 2011, common ownership did not exist.

Court - How does continuation aspect relate to ownership rule.

Mr. Van Ness - does not come into play because Mr. Draper was not an inventor in the '998. Mr. Draper could give away rights in the '321. Continuation in part is different than a continuation. '998 is not a continuation of '321, just a continuation in part. '998 added new matter in which Mr. Draper did not have a role in. December 2011 - STC created another assignment, 21 and 998 to Sandia Corporation. Original assignment in October 1996, Assignment to Sandia National Labs. No Common ownership after December 2011. Sandia National Labs and Sandia Corp are distinct entities. Federal law recognizes the existence of Sandia National labs. Do not believe Sandia is an agency but owned by Dept of Energy. Federally contracted agency. Sandia labs owns the actual property, buildings etc. Sandia is not a private corporation, they are a separate entity. Since National labs holds many patents and property, they are a private SNE. Chiwewe case, Judge Parker oversaw case.

Mr. Rolf Stadheim - housekeeping matters. Intel reply brief, did not comply with local rules. From original brief to reply brief Intel changed argument. Find today, after saying that Sandia is a federal agency, now saying a GOCA. Three period of times reference to motion. December 1, 2011. December 30, 2008 and time of 998 patent issue. Three contentions were 1. Sandia legal entity. 2. Judicial estoppel. 3. Draper

had to be an inventor to have a transfer of ownership. Sandia National Labs is not a legal entity. Here on motion for summary judgment. Testimony of Mr. Vegue from deposition. Sandia is a facility owned by Dept of Energy, contractor by Sandia Corp. Sandia Corp manages Sandia Labs. Sandia National Labs, government owned/contractor. US government owns property, land/buildings. Sandia Corp runs the whole thing, Sandia Corp does business as Sandia Labs.

Mr. Vogt - if you go off of patent website, they use the filing form. Filing form is prepared by Chief patent lawyer from Sandia Lab. They attached underlying assignment which is Sandia Lab. Sandia Corps uses interchangeably.

Court - does Sandia National Labs employ people.

Mr. Stadheim - does not. They receive check from Sandia Corp. Terms of legal question before the court. Is there a genuine issue, Sandia Lab an entity. Based on what is before today, testimony from lawyer from Sandia Corp, not a legal entity. Facility, trademark, d.b.a. that Sandia Corp uses. Cases presented. None of cases state that Sandia National Labs is a legal entity. Sandia National Labs are used in three different ways. Statutes used. Purposes of today, genuine issues of material fact. Other issue, whether it is a requirement that Mr. Draper be an inventor for assignment be valid. Back in early 90's, four engineers worked together. Three for UNM and 1 for Sandia. Research document prepared. That document was later copied into a patent application. All four individuals signed a single document assigning that work to the university. Referred to singular, the invention. Two entities had common ownership, UNM and Sandia. In assignment from UNM to Sandia. Patent office granted that 998 would be a continuation of 321 patent. Common ownership. There were many mistakes over time.

Court - did Mr. Draper have creative input in '998.

Mr. Stadheim - when assignment was made from Mr. Draper and other inventors it was for the whole ball of wax. It is true in all cases there has to be an inventor and assignment. In a case like this there is no law have to split case up and trace it as to who did what. In assignment from UNM to Sandia National Labs, they assigned everything. Believe assignment was made before disclosure, common ownership

throughout period.

Mr. Van Nest - Reply. Judicial estoppel. STC has represented to courts, agencies etc that they were the sole and exclusive owner of '998. They should be bound by repeated statements made, exclusive owner. STC has changed position and Court's have relied on position. Prejudice on Intel. Change of representation by STC/UNM. Mr. Draper was not an inventor. Only basis upon any claim that Sandia lab has an ownership in '998, assignment from Draper. Other inventors are irrelevant, they assigned to Unm. Mr. Draper was not an inventor in '998. Continuation in part is different than a Continuation. Cases cited. Patents '321 and '998 are different. Present - Sandia National labs is a facility that owns property. 1996, UNM corrects mistake by assigning Drapers's interest to Sandia National labs. Sandia is a separate facility, not a corporation. Standing can be corrected going forward.

court - questions mr. Steidam. Sandia Corp d.b.a. as Sandia national labs. Sandia Corp has not been consistent itself in use of d.b.a. Two cases from this district. Mattic vs Sandia Corp, 05cv0453. Sandia Corp denied D.B.A. Longoria v Sandia 10cv0794, Sandia Corp stated d.b.a.

Stiendhim - response.

10:42 a.m. Aspect of hearing under submission Break before tutorial, begin at 11:00 am

11:00 a.m. Court in session.

Court - tutorial presentation by parties.

Stc will have Dr. Mack submit Lithograph tutorial (technology of the '998 patent)

Tutorial - Lithography. Chip - each chip is made up of million os transistors that are wired together to make up a circuit. Patterns are built up in many layers to create the result. Many types of chip patterns. Patterns printed with lithography to make transistors are as small as 25nm today (3k times smaller that human hair). Animation of "what is lithography" Steps for lithography. Progress in chipmaking. Each year, chips become more powerful and less expensive. EUV Lithography (Extreme

Ultraviolet) Double patterning, another to making things smaller. Combine two separate patterns to make one final pattern that could not have been created in a single lithography step. Single vs Double patterning. Nonlinear (low contrast) and linear (high contrast) film. Summary of tutorial.

11:55 a.m. Court in recess, lunch break

1:16 p.m. Court in session

Mr. Stadheim - request deposition of

Mr. Not inclined to agree for deposition.

Court- will not make ruling today on oral motion. If counsel would like to proceed by written motion, counsel to respond etc.

1:20 p.m. Mr. Brian Ferrall - tutorial.

Mr. Hur - continued on tutorial. Semiconductor technology. Size of semiconductor features has shrunk exponentially over time. Two basic components in making chips. Circuit Design and process technology. Steps in process technology. Advances of semiconductor technology. How semiconductors are made. History of Photolithography. Basic of photolithography.

Mr. Brian Ferrall - continuation of tutorial. Limits of photolithography. Spatial Frequencies. Methods used to overcome Photolithographic limits. 1. Advances in projection and optics technology. 2. Advances in lithograph processing and patterning. Photo resist. Spacer or Edge-defined techniques. Double patterning techniques for printing finer or denser features. '998 patent.

Court - counsel to give the court copy of tutorial presentations within 10 days. Court encourages counsel continue efforts on discussions. Decision on summary judgement within 30 days.

2:17 p.m. Court adjourned.

