

UNITED STATES DISTRICT COURT
DISTRICT OF NEW MEXICO

STC.UNM,)	
)	
Plaintiff,)	
)	
v.)	Case No. 10-CV-01077-RB-WDS
)	
INTEL CORPORATION,)	
)	
Defendant.)	

INTEL'S RESPONSE TO STC.UNM'S SURREPLY TO INTEL'S
MOTION FOR SUMMARY JUDGMENT OF UNENFORCEABILITY

STC's sur-reply and Exhibit 7 do nothing to undermine Intel's motion. Per the Court's Order of April 11, 2012, Intel responds only to the argument that the assignment records of twenty unrelated patents suggest that the 1996 assignment of the '321 Patent to Sandia National Laboratories was actually an assignment to Sandia Corporation. Those assignment records raise no disputes of material fact regarding the ownership of the patents at issue in this case. The 1996 assignment unequivocally grants rights to Sandia National Laboratories, not Sandia Corporation. (Ferrall Decl. in support of Intel's MSJ, Ex. Y). Neither the cover sheet of the October 1996 assignment nor the assignment itself even mentions Sandia Corporation. (*Id.*) To avoid summary judgment, STC must offer legal argument or admissible evidence that an assignment to Sandia National Laboratories was ineffective because Sandia National Laboratories is incapable of owning intellectual property rights even though Sandia National Laboratories undisputedly owns physical property. STC has never offered such evidence, whether on sur-reply or before.

At most, STC's Exhibit 7 demonstrates that with respect to twenty patents that STC's counsel selected, Sandia Corporation employees used Sandia National Laboratories' name when

completing the patent recordation sheet. Whether those inconsistencies are due to confusion, error or otherwise, they say nothing about whether an assignment to Sandia National Laboratories is effective. Indeed, unlike the patent assignments identified by STC in its sur-reply, the October 1996 Assignment record is consistent: both the cover sheet and assignment indicate that Sandia National Laboratories—not Sandia Corporation—is the assignee. Accordingly, STC fails to create a dispute of material fact that Sandia National Laboratories (rather than Sandia Corporation) is the co-owner of the ‘321 Patent.

Further, STC’s claim that Sandia National Laboratories and Sandia Corporation are “interchangeable” (Sur-reply at 2) is contradicted by statute. Sandia National Laboratories is owned by the Department of Energy. 42 U.S.C. § 15801(3)(N). Sandia Corporation is privately owned. Moreover, by default, any invention by an employee working at Sandia National Laboratories automatically vests with the Department of Energy, not Sandia Corporation. 42 U.S.C. § 5908. Sandia Corporation can obtain patent rights *only if* the Secretary of the Department of Energy “waives all or any part of the rights of the United States to such invention in conformity with this section.” 42 U.S.C. § 5908(a)(2). Contrary to STC’s assumption, Sandia Corporation does not automatically own inventions by inventors employed at Sandia National Laboratories, and accordingly there is no reason to presume that an assignment to Sandia National Laboratories was an assignment to Sandia Corporation.¹

¹ STC’s suggestion that Sandia National Laboratories is a phantom for purposes of intellectual property rights is also contradicted by the establishment of the Federal Laboratories Consortium for Technology Transfer. Sandia National Laboratories is a member of that consortium, and as such is obligated to transfer technology to users in the private sector in conjunction with the policies of the federal agency to which it belongs (the Department of Energy). 15 U.S.C. § 3710(e)(5). The Department of Energy in turn is required to report regularly on its plans for securing intellectual property rights for the technology developed at the laboratories it owns. 15

Because the new evidence and argument presented by STC do not create a dispute of material fact, Intel respectfully requests that the Court grant its Motion for Summary Judgment.

Dated: April 18, 2012

Respectfully submitted,

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U.S.C. § 3710(f). The obligation to transfer intellectual property that national laboratories develop would make no sense if Sandia National Laboratories could not hold patent rights.

Certificate of Service

The undersigned hereby certifies that on April 18, 2012, the foregoing document was electronically filed with the Clerk of Court using the CM/ECF system, which will automatically send notification of such filing to all counsel who have entered an appearance in this action.

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/s/ Clifford K. Atkinson _____

Clifford K. Atkinson