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CAUSE NO. 199-596-97

DSC COMMUNICATIONS CORPORATION,

Plaintiff,

v.

EVAN BROWN,

Defendant.

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IN THE DISTRICT COURT OF

COLLIN COUNTY, TEXAS

219TH JUDICIAL DISTRICT

DEFENDANT EVAN BROWN'S RESPONSE TO DSC'S MOTION FOR CONTINUANCE AND BRIEF IN SUPPORT

TO THE HONORABLE JUDGE OF SAID COURT:

Defendant Evan Brown ("Brown") files this Response to DSC's Motion for Continuance of Defendant Evan Brown's Motion for Summary Judgment and Brief in Support and would respectfully show the Court as follows:

INTRODUCTION

On April 24, 1997, DSC sued Evan Brown, its former employee. DSC contends that it owns an idea in Evan Brown's mind based upon the terms of an Employee Patent, Copyright and Proprietary Information Agreement (the "Agreement") Brown signed one week after he began employment with DSC. Brown recently filed a Motion for Summary Judgment, alleging that the portions of the Agreement upon which DSC bases its claims apply only to "inventions made or conceived" by Brown while at DSC and that the idea in Brown's mind is merely an idea and not an invention. Rather than respond to the Motion, DSC seeks to indefinitely postpone such a response until it has taken additional, unspecified discovery. Such a delay is unnecessary and unwarranted.

For the reasons set forth more fully below, DSC's Motion should be denied.

Defendant Evan Brown's Response to DSC's Motion for Continuance and Brief in Support

1997 OCT -7 AM 9:20

COLLIN COUNTY, TEXAS
BY *[Signature]* DEPUTY

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I. DSC does not state what specific discovery it needs, what the discovery will reveal or why it is needed.

In its Motion, DSC states with generality that it needs additional discovery before it can respond to Brown's summary judgment motion. For example, DSC states in its Motion that "DSC is entitled to discovery which will allow it to contest Brown's assertions and demonstrate the numerous inconsistencies and factual disputes raised by Brown's motion for summary judgment." DSC's Motion for Continuance at pp. 4-5. DSC also states that it cannot fully and fairly respond to Brown's Motion "unless it obtains discovery on the material factual issues identified above." *Id.* DSC fails, however, to identify the specific discovery it claims to need. Instead, it offers nothing more than the unsupported, general statements of its attorney. Moreover, DSC fails to state what facts or evidence it hopes to acquire through additional discovery. Finally, DSC fails to state why such discovery is necessary before it can respond to Brown's Motion. Under such circumstances, its Motion should be denied.

In *Martinez v. William C. Flores, M.D., P.A.*, 865 S.W.2d 194, 197 (Tex. App.--Corpus Christi 1993, writ denied), the court denied a continuance relating to a summary judgment when the movant "did not explain what discovery he wanted, why it had not yet occurred, why it could not occur before the submission date, or what it would prove." Similarly, the court in *Gabalton v. General Motors* 876 S.W.2d 367, 370 (Tex. App.--El Paso 1993, no writ) denied a continuance relating to a summary judgment hearing when the movant failed to identify the witness he wanted to depose, the issues to be covered during the deposition or what might be expected to be developed as evidence with additional depositions. Because DSC has similarly failed to provide the Court with such information, its Motion should likewise be denied.

II. DSC has taken extensive discovery which provides adequate information to respond to Brown's summary judgment motion.

DSC claims that it needs a continuance of the hearing on Brown's motion for summary judgment so that it can conduct additional discovery. In its Motion, DSC inaccurately states that it has "obtained no discovery related to the Solution." DSC's Motion for Continuance at p. 2 (emphasis added). In reality, DSC has been provided with a wealth of information related to Brown's idea and has undertaken extensive discovery relating to the idea. Specifically, DSC has been provided with the following information and discovery in the last year:

1. In April 1996, Brown described his idea to DSC's in-house patent counsel, Larry Sewell, in writing and submitted a request for a release to pursue the idea. *See* Exh. A attached hereto;
2. In June 1996, Brown provided Sewell with a brief description of his idea in writing. *See* Exh. B attached hereto;
3. In July 1996, Brown provided to DSC's Wayne Jones and David Hinshaw further details relating to his idea along with a proposal for the development of the idea. *See* Exh. C attached hereto;
4. On May 2, 1997, DSC deposed Evan Brown for more than four hours;
5. In May 1997, DSC propounded its First Request for Production to Brown;
6. In June 1997, DSC propounded its First Set of Interrogatories to Brown;
7. In September 1997, DSC propounded its Second Set of Interrogatories to Brown;
8. In September 1997, DSC propounded its Second Request for Production to Brown;
9. In September 1997, DSC propounded its First Request for Admissions to Brown, consisting of one-hundred twenty two (122) separate requests and attaching sixty (60) separate exhibits;
10. In September 1997, DSC propounded its First Set of Interrogatories to Intervenor Lance Flores; and

11. In September 1997, DSC propounded its First Request for Production to Intervenor Lance Flores.

Given the extent of the pre-trial information provided to DSC as well as the extent of the discovery undertaken by DSC since its filing of the instant suit, its claim that it has obtained “no discovery” related to Brown’s idea is preposterous.

DSC’s alleged need for additional discovery before it can respond to Brown’s Motion is especially troublesome given the fact that DSC is the plaintiff in this case. As one court has stated, “courts view plaintiffs as less likely than defendants to need continuances to fend off summary judgment motions because plaintiffs have presumably investigated their own case.” *Martinez v. William C. Flores, M.D., P.A.*, 865 S.W.2d 194, 197 (Tex. App.--Corpus Christi 1993, writ denied). This presumption is especially warranted in a case such as the instant one in which the plaintiff immediately moved for and obtained a preliminary injunction.

DSC has been provided with a wealth of information relating to Brown’s idea and has undertaken extensive discovery relating to the idea. The information uncovered by DSC is clearly adequate to respond to Brown’s Motion. Under such circumstances, there is no need for further discovery prior to the summary judgment hearing. *See, e.g., Tenneco, Inc. v. Enterprise Products Co.*, 925 S.W.2d 640, 647 (Tex. 1996); *National Union Fire Ins. Co. v. CBI Industries*, 907 S.W.2d 517, 521-22 (Tex. 1996). DSC’s Motion for Continuance should be denied.

III. The alleged grounds for DSC’s Motion for Continuance are grounds that can be raised in a response to Brown’s Motion for Summary Judgment.

The grounds upon which DSC bases its Motion for Continuance are grounds that can be raised in a response to Brown’s Motion. Assuming the validity of its arguments, such arguments can be asserted in its response and considered by this Court during a full hearing on Brown’s

Motion. There is simply no basis for relieving DSC from the responsibility of filing a response to Brown's Motion.

DSC states in its Motion that Brown's claim that his idea is not an invention "is in sharp contrast" to other statements he has made to the press and to this Court. DSC's Motion for Continuance at p. 4. Assuming that such a contrast exists, DSC may point to the contrast in its response as evidence that Brown's claims are untrue. DSC also claims in its Motion that it "is entitled to discovery which will allow it to contest Brown's assertions and demonstrate the numerous inconsistencies and factual disputes raised by Brown's motion for summary judgment." DSC's Motion for Continuance at pp. 4-5. Again, accepting DSC's allegations as true, there is no reason it cannot point out such "numerous inconsistencies and factual disputes" in its response. Finally, DSC states that it cannot fully and fairly respond to Brown's Motion "unless it obtains discovery on the material factual issues identified above." *Id.* If, as DSC claims repeatedly, such fact issues exist, it may simply identify such issues in a response to Brown's summary judgment motion.

The arguments made by DSC in its Motion could easily have been made in a response to Brown's Motion. Rather than preparing such a response, however, DSC seeks to avoid its burden as the non-movant on a motion for summary judgment. The Court should not sanction such a result. DSC should be required to submit a response to Brown's Motion. This Court will then have the opportunity to fully consider DSC's arguments on a fully briefed and developed record, will be able to hear the arguments of counsel at the summary judgment hearing and will be able to give Brown's motion the serious and deliberate consideration it deserves. If DSC's response reveals a difficulty in challenging Brown's Motion due to a lack of discovery, the Court may deny the motion or defer ruling until the additional discovery has been taken. If, however, as DSC claims, Brown's assertions

are plagued by “numerous inconsistencies” and his Motion raises “numerous . . . factual disputes,” DSC seemingly needs only to point out these facts in its response to defeat Brown’s Motion. In either case, DSC should be required -- as is any non-movant on a motion for summary judgment -- to respond in a timely manner to Brown’s Motion.

IV. Given Brown’s clear right to prevail on his Motion, the delay occasioned by DSC’s requested continuance would severely prejudice his rights.

As stated in Brown’s Motion, numerous cases hold that a mere idea is not an invention. *See, e.g., Jamesbury Corp. v. Worcester Valve Co.*, 443 F.2d 205 (1st Cir. 1971)(“courts will not consider an idea to be an ‘invention’ until it is made tangible”); *Amoco Production Company v. Lindley*, 609 P.2d 733 (Okla. 1980)(computer software system was not an invention subject to an employment agreement governing the disclosure of inventions); *U.S. v. Dubilier Condensor Corp.*, 289 U.S. 178, 188 (1933)(an invention is a “concept demonstrated to be true by practical application or embodiment in tangible form”). Moreover, as stated in Brown’s Motion, a party must demonstrate more than a mere thought to demonstrate that an invention has been “conceived.” *See, e.g., Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996)(conception of an invention is “the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice”); *Amgen, Inc. Chugai Pharmaceutical Co., Ltd.*, 927 F.2d 1200, 1206 (Fed. Cir. 1991)(“conception requires both the idea of the invention’s structure and possession of an operative method of making it”). Based on these and other authorities, Brown is clearly entitled to a judgment in his favor as a matter of law.

During the pendency of this suit, Brown is prohibited from further developing his idea, patenting or otherwise protecting his idea, marketing his idea or selling his idea. These constraints

are severely compromising Brown's ability to ever reduce the idea to tangible form and thereafter profit from his work. The fact that Brown's idea is unfinished, untested and undocumented not only supports Brown's Motion for Summary Judgment, it also demonstrates the urgency of resolving the question of Brown's ownership rights to his own ideas. In fact, DSC has similarly claimed during several hearings before this Court that there is a "race to the patent office" which necessitates a swift and final resolution of this dispute. Its recent retreat from this position in favor of a position of delay calls into question the veracity of its earlier statements or, more likely, reveals its own uncertainty as to the strength of its claims. In either case, this dispute should be quickly and finally resolved. The first step to such a resolution is a timely ruling on Brown's Motion for Summary Judgment.

CONCLUSION AND PRAYER

As set forth above, DSC has failed to meet its burden on its Motion for Continuance. Its Motion should therefore be denied and DSC should be required to file a timely response to Brown's Motion for Summary Judgment.

Respectfully submitted,



RICHARD A. SAYLES

State Bar No. 17697500

ERIC D. PEARSON

State Bar No. 15690472

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Attorneys for Defendant

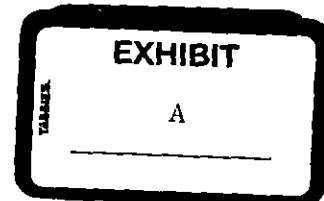
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument has been served upon all counsel of record on this 7th day of October, 1997, pursuant to Rule 21a of the Texas Rules of Civil Procedure.



MEMORANDUM
Apr 19, 1996

TO: Larry Sewell, DSC Legal Council for Intellectual Property
 COPY: Gaminí Desoyza *[Signature]*
 FROM: Evan Brown
 SUBJECT: Request for release on patent idea



 This idea was founded on a problem proposed by a friend working for El Paso Natural Gas Co. The company lost part of their original source code for a utility tax payment program and as a result, are not able to retire their existing mainframe computer system.

I have developed a method of converting machine executable binary code into a high level source code form using logic and data abstractions. The purpose of this idea is to take existing executable programs and "reverse engineer" the intelligence from the programs and "re-code" the intelligence into a portable high level language.

This idea was developed from my own personal experience and on my own time.

Since DSC is not in the business of software reverse engineering and my job at DSC does not involve reverse engineering, I request DSC release me to pursue a patent on this idea.

Thank you,

[Signature]

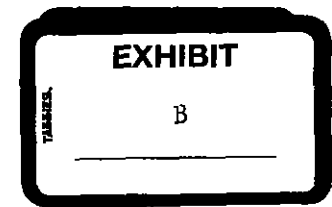
Evan Brown

Evan Brown is here by granted a released by DSC Communications Corporation to pursue this reverse engineering idea. This idea has been judged to not meet the criteria specified in DSC's "Employee Patent, Copyright and Proprietary Information Agreement" dated and signed April 27, 1987 by Evan Brown.

 DSC Legal Representative

MEMORANDUM

Date: June -28, 1996
To: Larry Sewell
From: Evan Brown
Subject: Brief description of patent "idea"




The "idea" which Evan Brown will patent solves the problem of converting executable machine code into a specified high level language. The process involves extracting logic flow and data references from the executable machine code. These references are then used to produce a high level language source code. This is a simplistic overview but I feel it is sufficient at this time to demonstrate that my "idea" was not conceived from the responsibilities of my DSC job function and that DSC is not in the business of converting executable machine code into high level languages.

This idea is of interest to DSC in that DSC has millions of lines of Z8000 assemble language code which DSC needs to convert to the "C" programming language. I have discussed this with the following people and they have all expressed interest in using this idea:

Jim Donald	CEO
Wylie Basham	V.P. Switch Systems Group
Ron Ward	V.P. Technology
Den Finch	V.P. Motorola Division
Dave Hinshaw	V.P. Switch Products
Gary Brown	V.P. Marketing
Chuck Lane	Director of Marketing
Dick Belote	Director for Motorola Cellular

MEMORANDUM
July 17, 1996

TO: Dave Hinshaw, Wayne Jones
FROM: Evan Brown 
SUBJECT: Proposal to convert DSC's executable Z8000 code into
C language source code

While working on my own time, I developed a way to convert executable machine code for any defined CPU architecture into any high level language. This work was done to solve the problem that many companies have where they are maintaining old and expensive data processing centers just because they are unable to migrate to newer computer hardware because their software is not portable.

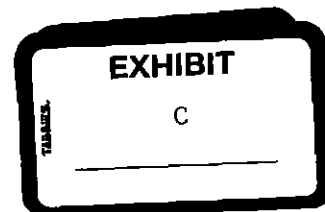
This process may be useful to DSC for their Z8000 microprocessor based products. DSC has been developing Z8000 assembly language code since the late 1970's and this code is the core technology of their switching products. The process I have developed is capable of converting the executable Z8000 machine code into C language source.

I believe that DSC will require any Z8000 code conversion to C language source to obtain as much information as possible from any existing assembly language source code. This requirement goes beyond the simple executable code conversion that my initial process solved.

DSC's software development environment is extremely complex in that common source modules have been copied between groups over the years and the contents of these source modules have changed but the file names have remained the same. This leads to the problem (in converting the Z8000 executable machine code into C language source) of identifying which Z8000 assembly language source goes with each Z8000 executable program. The problem is further complicated by the need to have all the converted C language source for a product have common shared include files for data structures and messages.

My code conversion process is fully capable of addressing the problem of identifying unique data references and producing common include files across a group of executables such as a product release. The code conversion process also identifies potential problems in the executable code such as inconsistent data references, unreachable or "dead" code, mixed signed and unsigned arithmetic operations, etc.

If DSC is interested in using the processes which I developed on my own time and at my own expense, then please consider the following terms and conditions.



TERMS AND CONDITIONS

DSC Communications Corporation (DSC) and Evan Brown both agree in advance on the terms and conditions of both cases in which DSC either decides to pursue or decides NOT to pursue the idea developed by Evan Brown.

Evan Brown will only describe the details of his idea on how to convert executable code into high level source code after the terms and conditions agreements have been signed.

Terms and Conditions if DSC decides to pursue the idea developed by Evan Brown.

- 1) The patent rights for Evan Brown's idea for converting code will be co-owned by both Evan Brown and DSC. DSC will pay the expenses for filing and maintaining the patent.
- 2) Evan Brown will sign an agreement with DSC protecting DSC's interest by NOT providing this code conversion technology to any 3rd parties which are in direct competition with DSC's Z8000 microprocessor based products.
- 3) Evan Brown will sign an employment agreement with DSC for a minimum of 2 years but not more than 4 years. DSC will pay Evan Brown a signing bonus of one months salary for each year in the employment agreement.
- 4) DSC will provide Evan Brown with a quiet office where he can work without being disturbed. In addition, DSC will provide Evan Brown with a forty thousand dollar budget for the purchase of computer equipment and peripherals.
- 5) Evan Brown will be assigned the job position of Principal Member Technical Staff (job grade 63) at a base salary of \$120,000 plus any other compensation or bonuses normally paid for this position.
- 6) DSC agrees to pay Evan Brown 5% (five percent) of the net savings for DSC owned code which is converted until Evan Brown has been paid five million dollars. The Z8000 code developed for DSC's cellular switch product by Motorola will be considered under this agreement as DSC owned code.
- 7) With regard to 3rd party markets, Evan Brown will pay DSC ten million dollars from the net profits generated based on a fifty/fifty split. After DSC has been paid ten million dollars, Evan Brown will be granted a release from DSC giving Evan Brown all rights to the patent including all rights to future income.
- 8) If this project delivery schedule is accelerated and more than forty hours of effort is required from Evan Brown per week, then Evan Brown will be paid overtime on a straight time basis for all hours worked over forty hours per week.
- 9) If DSC decides to discontinue this code conversion project, Evan Brown will be granted a release from DSC giving Evan Brown all rights to the patent including all rights to income.

Terms and Conditions if DSC decides NOT to pursue the idea developed by Evan Brown.

- 1) DSC will grant Evan Brown a release to pursue and patent his idea on his own time and at his own expense.
- 2) Evan Brown will sign agreement with DSC protecting DSC's interest by NOT providing this case conversion technology to any 3rd parties which are in direct competition with DSC's products.

----- end of terms and conditions -----

SAYLES & LIDJI
TELEFAX MEMO

TO: District Clerk 1-972-548-4697

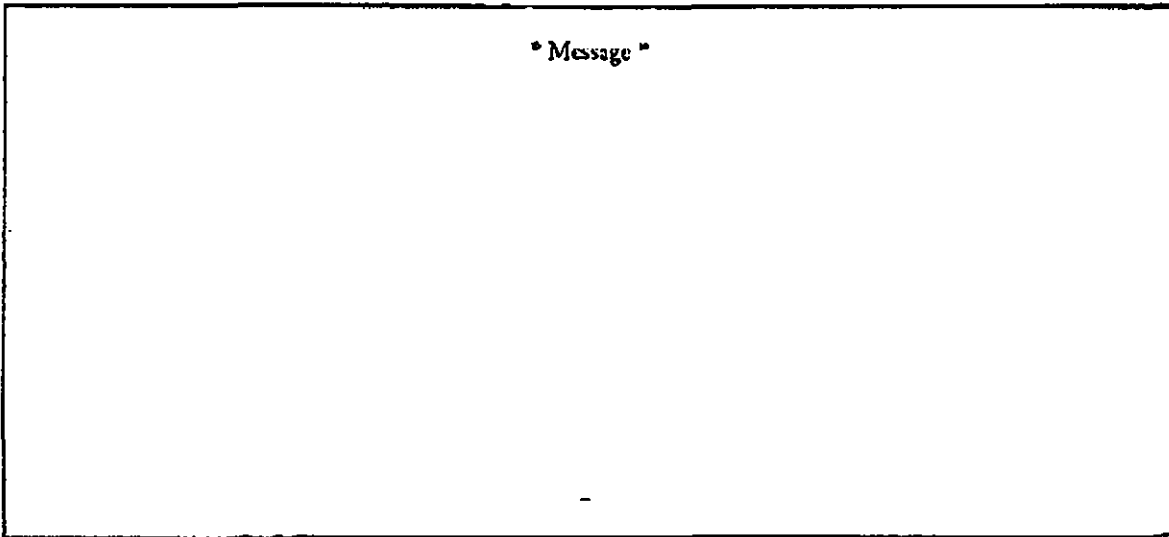
CC: Judge Henderson 1-972-548-4456
Eric Pinker 981-3839
Lance Flores - 369-7732

FROM: Eric D. Pearson (Direct Dial 939-8708) (epearson@saylid.com)

DATE: October 7, 1997 TOTAL PAGES: 15

RE: DSC v. Brown, Cause No. 199-596-97

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FILED
1997 OCT -7 AM 9:21
COLLIN COUNTY, TEXAS
BY *[Signature]* DEPUTY