LAU JAMES K Form 4 June 24, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

See Instruction

| 1. Name and Address of Reporting Person * LAU JAMES K | | | 2. Issuer Name and Ticker or Trading Symbol NETWORK APPLIANCE INC [NTAP] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
|---|------------------|----------|--|---|--|--|
| (Last) 495 EAST JA | (First) VA DRIVE | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) 06/22/2005 | Director 10% Owner Softicer (give title Other (specify below) Chief Strategy Officer, | | |
| | (Street) | | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person | | |
| SUNNYVALE, CA 94089 | | | | Form filed by More than One Reporting Person | | |

| (City) | (State) | (Zip) Tab | le I - Non- | Derivative S | Securit | ies Acqui | ired, Disposed of | or Beneficial | ly Owned |
|--------------------------------------|---|---|--|--|---------|--------------------|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transactic Code (Instr. 8) | 4. Securition of Dispose (Instr. 3, 4) Amount | d of (L | O) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 06/22/2005 | | M | 100,000 | A | \$ 11.25 | 4,513,573 | I | by Trust3 |
| Common Stock | 06/23/2005 | | S | 50,000 | D | \$ 30.05 (2) | 4,463,573 | I | by Trust3 |
| Common Stock | | | | | | | 3,223 | D | |
| Common Stock | | | | | | | 69,000 | I | by GRAT1 (3) |
| | | | | | | | 69.000 | I | |

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| Common Stock | | | by GRAT2 |
|-----------------|--------|---|---------------|
| Common Stock | 16,000 | I | by Trust1 (5) |
| Common Stock | 16,000 | I | by Trust2 |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| | | (e.g., puts, ca | ms, warrants, optioi | is, convert | ible securities) | | | | |
|---|--|-----------------|---|---|------------------|---------------------|--------------------|---|------------------|
| 1. Title of Derivative Security (Instr. 3) | 2. 3. Transaction Date Conversion or Exercise Price of Derivative Security | | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. 5. Number of TransactiorDerivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | | 7. Title and Amou Underlying Secur (Instr. 3 and 4) | |
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Am Nui Sha |
| Non-Qualified Stock Option (right to buy) | \$ 11.25 | 06/22/2005 | | M | 100,000 | <u>(7)</u> | 05/24/2009 | Common Stock | 10 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | |
|--------------------------------|---------------|-----------|---------|-------|--|--|
| | Director | 10% Owner | Officer | Other | | |
| LAU IAMES K | | | | | | |

495 EAST JAVA DRIVE SUNNYVALE, CA 94089

Chief Strategy Officer,

Signatures

By: Janice Mahoney by Power of Attorney For: James K. Lau 06/24/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Reporting Owners 2

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- (1) Shares held in trust by James K. Lau and Katherine S. Lau, trustees to the KNSK Trust UDT 9/18/00
- (2) The sale prices for the reported transaction were in a range of \$30.00 to \$30.11 per share.
- (3) Shares held in grantor retained annuity trust by Nextgen-K1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
- (4) Shares held in grantor retained annuity trust by Nextgen-J1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
- (5) Shares held in trust by Koon H. Lau, trustee to The Jason A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.
- (6) Shares held in trust by Koon H. Lau, trustee to The Jonathan A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.
- Option vests with respect to 25% of the option shares on the first anniversary of the grant date and the balance in a series of equal monthly installments over the next 36 months of service thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.