

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>MENDOZA THOMAS F</u> (Last) (First) (Middle) <u>495 E. JAVA DRIVE</u> (Street) <u>SUNNYVALE CA 94089</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>NETWORK APPLIANCE INC [NTAP]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>12/03/2004</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President</u> 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/03/2004		M		54,940	A	\$2.368	1,806,665	D	
Common Stock	12/03/2004		M		125,000	A	\$4.508	1,931,665	D	
Common Stock	12/03/2004		M		2,648	A	\$14.167	1,934,313	D	
Common Stock	12/03/2004		M		2,187	A	\$17.146	1,936,500	D	
Common Stock	12/03/2004		M		34,000	A	\$15.32	1,970,500	D	
Common Stock	12/03/2004		S		218,775	D	\$32.521	1,751,725	D	
Common Stock								192,377	I	by Spouse

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option (right to buy)	\$2.368	12/03/2004		M		54,940	(1)	07/17/2007	Common Stock	54,940	\$0	0	D	
Non-Qualified Stock Option (right to buy)	\$4.509	12/03/2004		M		125,000	(1)	04/30/2008	Common Stock	125,000	\$0	0	D	
Non-Qualified Stock Option (right to buy)	\$14.167	12/03/2004		M		2,648	(2)	01/02/2010	Common Stock	2,648	\$0	0	D	

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option (right to buy)	\$15.32	12/03/2004		M			34,000	(3)	02/06/2012	Common Stock	34,000	\$0	219,473	D	
Non-Qualified Stock Option (right to buy)	\$17.146	12/03/2004		M			2,187	(2)	01/01/2011	Common Stock	2,187	\$0	0	D	
Non-Qualified Stock Option (right to buy)	\$14.167							(2)	01/02/2010	Common Stock	2,648		2,648	I	by Spouse
Non-Qualified Stock Option (right to buy)	\$17.146							(2)	01/01/2011	Common Stock	2,187		2,187	I	by Spouse

Explanation of Responses:

- 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.
- Option vests in a series of equal monthly installments over 12 months of service beginning with the one-month anniversary of the grant date.
- Option vests with respect to 20% of the shares in equal monthly installments over the 12 months of service measured from the first anniversary of the option date; 30% of the shares in equal monthly installments over the following 12 months of service; and 50% of the shares in equal monthly installments over the next 12 months of service.

Remarks:

Janice Mahoney by Power of
Attorney for Thomas F. 12/07/2004
Mendoza

** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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