

SUN MICROSYSTEMS, INC.
 Form 4
 August 08, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
DILLON MICHAEL A

2. Issuer Name and Ticker or Trading Symbol
**SUN MICROSYSTEMS, INC.
 [JAVA]**

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
4150 NETWORK CIRCLE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/07/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, General Counsel & Sec.

SANTA CLARA, CA 95054
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
Common Stock	08/07/2008		S	9,335 D	\$ 10.491	115,876 ⁽²⁾	D

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

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SEC 1474 (9-02)

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

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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 Underlying Securities (Instr. 3 and 4)	8. F	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 14.8					<u>(1)</u> 07/25/2010	Common Stock	12,500	
Employee Stock Option (Right to Buy)	\$ 16.8					<u>(1)</u> 05/21/2011	Common Stock	8,250	
Employee Stock Option (Right to Buy)	\$ 16.832					<u>(1)</u> 11/13/2011	Common Stock	6,500	
Employee Stock Option (Right to Buy)	\$ 15.6					<u>(1)</u> 04/30/2014	Common Stock	87,500	
Employee Stock Option (Right to Buy)	\$ 15.16					<u>(1)</u> 07/29/2014	Common Stock	25,000	
Employee Stock Option (Right to Buy)	\$ 15.4					<u>(1)</u> 07/28/2015	Common Stock	75,000	
Employee Stock Option (Right to Buy)	\$ 17.04					<u>(1)</u> 07/27/2016	Common Stock	100,000	

Employee Stock Option (Right to Buy)	\$ 20.4	(1)	07/31/2017	Common Stock	100,000
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DILLON MICHAEL A 4150 NETWORK CIRCLE SANTA CLARA, CA 95054			EVP, General Counsel & Sec.	

Signatures

/s/ Michael A. Dillon	08/07/2008
**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).
- (1) This option vests and becomes exercisable in five equal annual installments beginning on the first anniversary of the date of grant.
- (2) This includes 2,063 shares of unvested restricted stock and 105,031 shares of unvested restricted stock units.

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.