

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CAMBRIDGE INDUSTRIES USA, INC.,

Petitioner,

v.

APPLIED OPTOELECTRONICS, INC.,

Patent Owner.

Case IPR2025-00437

Patent No. 10,788,690

**PATENT OWNER'S REQUEST TO DIRECTOR FOR DISCRETIONARY
DENIAL OF PETITION FOR *INTER PARTES* REVIEW OF
U.S. PATENT 10,788,690**

(Pursuant to Director's Memorandum of March 26, 2025)

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Exhibit No.	Description
2001	Acting Director Stewart's March 26, 2025 Memorandum entitled "Interim Processes for PTAB Workload Management"
2002	CIG USA's Invalidity Contentions in <i>Applied Optoelectronics, Inc. v. Cambridge Industries USA, Inc.</i> , case no. 3-24-cv-01010-JD (N.D. CA)
2003	Scheduling Order in <i>Applied Optoelectronics, Inc. v. Accelight Technologies, Inc.</i> , case no. 4:24-cv-09041-HSG (N.D. CA)

I. INTRODUCTION

This request is submitted by Patent Owner Applied Optoelectronics, Inc. (“AOI”) to the Director of the United States Patent and Trademark (“USPTO”) pursuant to the Director’s Memorandum “Interim Processes for PTAB Workload Management” dated March 26, 2025 (the “March 26, 2025 Memorandum”, Exhibit 2001). This is AOI’s separate brief, pursuant to the March 26, 2025 Memorandum, requesting a discretionary denial of the Petition of Cambridge Industries USA, Inc. (“Petitioner” or “CIG USA”) for *inter partes* review (“IPR”) of U.S. Patent No. 10,788,690 entitled “Optical Isolator Array for Use in an Optical Subassembly Module” (“the ’690 Patent”) (the “Petition”). This brief is timely as it is submitted within two months of the February 28, 2025 date on which the PTAB entered its Notice of Filing Date Accorded to Petition.¹

Pursuant to the March 26, 2025 Memorandum and the relevant factors, the Director should exercise their discretion and deny institution of *inter partes* review (“IPR”) of the ’690 Patent.

¹ AOI will separately file its Patent Owner’s Preliminary Response by the due date of May 28, 2025.

II. FACTUAL BACKGROUND

A. The '690 Patent

The application for the '690 Patent was filed on January 25, 2019 as application no. 16/257,635 with 19 claims, including two independent claims.

During prosecution, no Office Actions were sent. The Examiner initiated an interview with AOI, held on June 30, 2020, and obtained AOI's authorization to amend two dependent claims. A Notice of Allowance was mailed on July 8, 2020, which included a statement of reasons for allowance.

The '690 Patent issued on September 29, 2020 with 19 claims, including two independent claims.

B. The Litigation Between AOI and Petitioner

On February 20, 2024, AOI filed a lawsuit against Petitioner for patent infringement entitled *Applied Optoelectronics, Inc. v. Cambridge Industries, Inc.*, case no. 3:24-cv-01010-JD (N.D. CA) (the "Litigation"). The complaint alleges that Petitioner infringes eight of AOI's patents, including the '690 Patent. AOI filed a First Amended Complaint on April 25, 2024.

On May 16, 2024, the parties exchanged initial disclosures. On June 6, 2024, AOI served its infringement contentions, stating that Petitioner infringes claims 1-8 of the '690 patent. On October 15, 2024, Petitioner served its amended

invalidity contentions. Exhibit 2002. Petitioner's contentions state that claims 1-8 are invalid as anticipated by or obvious over China patent 208421455U to Peng Wang (which Petitioner refers to in the Litigation as "Peng" and in the Petition as "Wang").

On August 8, 2024, the District Court entered its scheduling order setting the following pre-trial dates: a claim construction hearing on April 10, 2025, fact discovery cut-off on September 29, 2025, expert discovery cut-off on December 29, 2025, dispositive motion cut-off on January 28, 2026, and pre-trial conference on May 21, 2026. The court set a jury trial for June 8, 2026.

On November 7, 2024, Petitioner filed its answer and counterclaims against AOI. In its counterclaims, Petitioner alleges that each of the eight patents-in-suit is invalid. On November 15, 2024, AOI filed its answer to the counterclaims.

Pursuant to the District Court's Scheduling Order, between October 2024 and March 2025, AOI and Petitioner exchanged proposed terms for claim construction, exchanged preliminary claim constructions and extrinsic evidence, filed a joint claim construction statement and pre-hearing statement, exchanged damage contentions, and filed opening, responsive, and reply claim construction briefs.

On March 19, 2025, AOI and Petitioner jointly filed a Notice to Court of

Filing of Petitions for *Inter Partes* Review, informing the District Court that Petitioner had filed petitions for IPR of five of the eight patents-in-suit. On April 4, 2025, the District Court issued an order staying the case pending further order, vacating the claim construction hearing set for April 10, 2025, and requiring the parties to file joint status reports on the status of the PTAB proceedings every 90 days beginning on July 7, 2025.

C. The Additional Litigation Involving the '690 Patent

In addition to the litigation against Petitioner, AOI has filed another patent infringement suit against another defendant, Accelight Technologies, Inc., entitled *Applied Optoelectronics, Inc. v. Accelight Technologies, Inc.*, case no. 4:24-cv-09041-HSG (N.D. CA). The complaint, filed on December 13, 2024, alleges infringement of the '690 Patent and five other AOI patents. Of the five other patents in the *Accelight* case, four are also the subject of the Litigation, and those four are the subject of separate petitions for IPR that Petitioner filed on January 17, 2025, the same day that Petitioner filed the Petition that is the subject of this request.² Thus, the Litigation with Petitioner and the *Accelight* case share five

² AOI is filing Requests to the Director for Discretionary Denial of Petitioner's other four Petitions for IPR on grounds similar to this Request on the same day as

patents-in-suit, all of which are the subject of separate petitions for IPR that Petitioner filed in January 2025.

On March 28, 2025, AOI and defendant Accelight jointly filed a Notice to Court of Filing of Petitions for *Inter Partes* Review, informing the District Court that Petitioner had filed petitions for IPR of five of the six patents-in-suit. In the Joint Case Management Statement, defendant Accelight stated that one of the issues in the case was whether the asserted claims of the patents-in-suit were invalid. At the case management conference held on April 22, 2025, the court indicated that the case would move forward, and stated that it would set claim construction deadlines.

On April 23, 2025, the court entered a Scheduling Order which set the following dates: invalidity contentions and documents on May 30, 2025; exchange of proposed terms for claim construction on June 13, 2025; exchange of preliminary constructions and extrinsic evidence on July 7, 2025; damages contentions on July 22, 2025; a Joint Claim Construction Statement and Prehearing Statement to be filed on July 30, 2025; claim construction discovery cut-off on August 29, 2025; opening, responsive, and reply claim construction briefs to be

this Request is filed.

filed on September 16, 2025, September 30, 2025, and October 7, 2025, respectively; a technical tutorial on October 17, 2025; and a claim construction hearing on October 31, 2025. *See* Exhibit 2003.

D. The Petition for *Inter Partes* Review

On January 17, 2025, 11 months after AOI filed its complaint in the Litigation and seven months after AOI served its infringement contentions in the Litigation, Petitioner filed its Petition for IPR of the '690 Patent, PTAB Case IPR2025-437. On the same date, Defendant also filed petitions for IPR of four of the other AOI patents-in-suit: U.S. Patent Nos. 10,313,024; 9,523,826; 10,379,301; and 10,042,116.

In the Petition for IPR of the '690 patent, Petitioner challenges claims 1-19. Petitioner asserts two grounds of invalidity: (1) that claims 1-10 are anticipated by China patent CN 208421455U to Peng Wang; and (2) that claims 11-19 are obvious over China patent CN 208421455U to Peng Wang “in view of knowledge of skill in the art, as exemplified by [U.S. Patent No. 9,563,073] to Xiong.” Petition, p. 2.

The Petition relies on the 48-page declaration of Petitioner’s expert, Dr. Andrew G. Kirk. Petitioner’s other four petitions for IPR of the other four patents also rely on a declaration of Dr. Kirk.

On February 28, 2025, the PTAB issued its Notice of Filing Date Accorded to Petition and Time for Filing Patent Owner Preliminary Response (Paper 3).

Pursuant to the Notice of Filing Date, Patent Owner's Preliminary Response is due three months from the Notice date, by May 28, 2025. Pursuant to the PTAB's "Consolidated Trial Practice Guide – November 2019," the PTAB will determine whether to institute an IPR within three months of the date the Patent Owner's Preliminary Response was filed or was due, by about August 28, 2025. Pursuant to 35 U.S.C. § 316(a)(11), the PTAB will set the trial date for the IPR within one year of the notice of institution, no later than about August 28, 2026.

III. INSTITUTION OF *INTER PARTES* REVIEW SHOULD BE DENIED PURSUANT TO THE DIRECTOR'S DISCRETION.

The Director should exercise their discretion pursuant to the Memorandum of March 26, 2025 and deny institution of IPR on the '690 Patent. The following factors support a discretionary denial:

- There is significant overlap between the issues in the Petition and in the Litigation. The same claims are challenged, and the grounds, the art, and the arguments are substantially the same in the Petition as in the Litigation. All of the art relied upon in the Petition is also relied upon by Petitioner in the Litigation.

- There has been significant investment in the Litigation in that substantive issues have already been addressed by the parties.
- There are settled expectations in the enforcement of the '690 Patent in that the patent has been in force for over four years.
- The Petition relies heavily on the declaration of an expert.
- Petitioner and the defendant are the same party.
- The '690 Patent is one of the patents-in-suit in the Additional Litigation between AOI and defendant Accelight, and claim construction and the validity of the '116 Patent may well be adjudicated before the PTAB's decision in an IPR would be due.
- There are no relevant changes in the law that affect patentability.
- Four of the other five patents asserted by AOI in the Litigation are each the subject of an IPR filed by Petitioner on the same date as this Petition.

Each of these factors is discussed separately below in sections A through H.

A. The Issues in the Petition Have Significant Overlap with the Issues in the Litigation.

The Director may consider whether there is significant overlap between the issues raised in the Petition and in the Litigation. *See Apple Inc. v. Fintiv, Inc.*,

IPR2020-00019, Paper 11, p. 6 (March 20, 2020) (precedential). “[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.”

Here, there is significant overlap in the issues raised in the Petition and in the Litigation.

First, many of the same claims are challenged in the Petition (claims 1-19) as are challenged in the Litigation (claims 1-8).

Second, some of the same art relied upon in the Petition (Peng Wang) is relied upon in the Litigation.³

Third, the two grounds for invalidity in the Petition are the same or substantially the same as two of the several grounds asserted in the Litigation. In the Petition, Petitioner argues that claims 1-10 are anticipated by Wang; in the Litigation, Petitioner argues that claims 1-8 are anticipated by or obvious over Peng, the same patent. In the Petition, Petitioner argues that claims 11-19 are obvious over Wang in view of Xiong; in the Litigation, Petitioner makes no other

³ As noted above, Petitioner refers to China patent CN 208421455U as “Wang” the Petition, but refers to the same patent as “Peng” in the Litigation. The CN 208421455U patent lists Peng Wang as the inventor; it is the same patent.

invalidity argument.⁴ Thus, the grounds at issue in the Petition are essentially the same as the grounds at issue in the Litigation, both of which rely heavily on Wang.

Fourth, the arguments in the Petition are substantially the same as the arguments in the Litigation. Petitioner's arguments as to where the claim limitations are found in the prior art, on a limitation-by-limitation basis, are essentially the same in both proceedings. This is demonstrated by a comparison of the Declaration of Andrew G. Kirk in Support of Petition (pp. 27-37 as to Wang) filed in the PTAB with Petitioner's Amended Invalidity Contentions and claim charts filed in the Litigation (Exhibit 2002, Ex. H-1 as to Wang).

Thus, there is significant overlap in the challenged claims; the grounds are essentially the same; the art is the same; and the arguments are substantially the same. And the Litigation also involves seven other patents.

⁴ Petitioner's Amended Invalidity Contentions with claim charts filed in the Litigation (Exhibit 2002 to this Request), p. 30, lists China patent CN 208421455U to Peng Wang and U.S. Patent Application Publication 2003/0053208 to Hata as the identified prior art, and refers to chart H-1 for both references. However, chart H-1 does not refer to the second reference (Hata). Therefore, AOI is not addressing Hata for purposes of this Request.

Accordingly, this factor favors denial of institution.

B. The Parties Have Invested in the Litigation by Addressing Substantive Issues.

Pursuant to the District Court's Scheduling Order, between October 2024 and March 2025, AOI and Petitioner exchanged proposed terms for claim construction, exchanged preliminary claim constructions and extrinsic evidence, filed a joint claim construction statement and pre-hearing statement, exchanged damage contentions, and filed opening, responsive, and reply claim construction briefs.

Thus, the parties have spent significant time and effort in conducting discovery, in the claim construction process, and in briefing claim construction.

This factor weighs in favor of denial of institution.

C. There Are Settled Expectations in the '690 Patent.

The '690 Patent was issued on September 29, 2020. The patent has been in force for over four years. Thus, there are settled expectations of the parties that the '690 Patent is valid and enforceable.

This factor weighs in favor of denial of institution. See, Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2.

D. The Petition Relies Almost Exclusively on the Declaration of an Expert.

An over-reliance on expert testimony may weigh in favor of discretionary denial of an IPR. *See, Next Caller Inc. v. Trustid, Inc.*, IPR 2019-00963, Paper 8, p. 14 (October 28, 2019) (informative); *see also*, Director’s March 26, 2025 Memorandum, Exhibit 2001, p. 2. The Petition is based almost exclusively on the Declaration of Andrew Kirk, Petitioner’s expert (Exhibit 1003 to the Petition). As can be seen from the Petition, every limitation of every challenged claim cites to Exhibit 1003 (*see* Petition, pp. 15-24 for Wang and pp. 24-32 for Wang in view of Xiong), and the Declaration of Dr. Kirk discusses every limitation of every claim (*see* Kirk Declaration, Ex. 1003, PP. 27-37 for Wang and pp. 37-47 for Wang in view of Xiong).

Accordingly, this factor weighs in favor of denial.

E. Petitioner and the Defendant Are the Same Party.

Here, the fact that Petitioner and the Defendant in the Litigation are the same party weighs in favor of denial of institution. *See Apple Inc. v. Fintiv, Inc., supra*, pp. 13-14.

F. The Validity of the '690 Patent May Be Adjudicated by a District Court Before the PTAB's Decision is Due if IPR is Instituted.

The Director may consider whether another forum has already adjudicated the validity of the challenged claims in determining whether to discretionarily deny institution of IPR. Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2.

Here, the '690 Patent is one of the patents-in-suit in the Additional Litigation between AOI and defendant Accelight, filed on December 13, 2024. As noted above, five of the six patents-in-suit in the Additional Litigation are also in suit in the Litigation with Petitioner and are the subject of petitions for IPR filed by Petitioner.

In the Additional Litigation, the District Court has ordered the case to move forward, despite the parties' notifying the court that five of the six patents-in-suit are the subject of petitions for IPR filed by Petitioner. On April 23, 2025, the court entered a Scheduling Order which set all of the dates pertaining to claim construction between June 2025 and October 2025 (exchange of proposed terms, exchange of preliminary constructions and extrinsic evidence, damages contentions, a Joint Claim Construction Statement and Prehearing Statement, claim construction discovery cut-off, opening, responsive, and reply claim construction briefs, and a technical tutorial), and set a claim construction hearing on October 31, 2025. See Exhibit 2003.

Defendant Accelight has stated that the validity of the asserted claims of the patents-in-suit is in issue and that it will be taking discovery on invalidity. The court has set invalidity contentions and documents due on May 30, 2025.

Thus, the validity of the '690 Patent may well be adjudicated in the Additional Litigation before the PTAB's decision in an IPR, which would be due on or about August 28, 2026 if IPR is instituted. Accordingly, this factor weighs in favor of denial.

G. There Are No Relevant Changes in the Law that Affect Patentability.

There have been no changes in the law or judicial precedent regarding patentability since the '690 Patent issued. Accordingly, this factor weighs in favor of denial of institution. See, Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2.

H. Petitioner Filed Petitions for IPR for Four of the Other Patents Asserted by AOI in the Litigation on the Same Date as this Petition.

The Director may consider all relevant circumstances in determining whether to discretionarily deny institution of IPR. Director's March 26, 2025 Memorandum, Exhibit 2001, p. 3; *Apple Inc. v. Fintiv, Inc.*, *supra*, p. 14. The Litigation involves eight AOI patents, five of which are the subject of petitions for IPR filed by Petitioner, including the '690 Patent. These facts indicate that

Litigation will need to go forward regardless of the petitions for IPR. Therefore, it would be more efficient for the validity of the '690 Patent to be resolved in the Litigation, and the PTAB could conserve its resources by denying institution. *See, Next Caller Inc., supra*, p. 14, fn. 13, with similar facts (informative). Therefore, this factor weighs in favor of denial.

IV. CONCLUSION

For the reasons set forth above, the Director should exercise their discretion pursuant to the Memorandum of March 26, 2025 and deny institution of IPR on the '690 Patent.

Dated: April 28, 2025

/Jo Dale Carothers/
Jo Dale Carothers (Reg. No. 74,180)
Weintraub Tobin Law Corporation
400 Capitol Mall, 11th Floor
Sacramento, CA 95814
Phone: 858.436.8152
Fax: 916.446.1611
Email: jcarothers@weintraub.com

CERTIFICATE UNDER 37 C.F.R. SECTION 42.24

AOI certifies that the word count in this Request, as determined by the Microsoft Word word-processing system is 2,915 words. This Request is in compliance with the 14,000-word limit pursuant to the Director's Memorandum of March 26, 2025 and 37 C.F.R. §42.24.

Dated: April 28, 2025

/Jo Dale Carothers/

Jo Dale Carothers (Reg. No. 74,180)

Weintraub Tobin Law Corporation

400 Capitol Mall, 11th Floor

Sacramento, CA 95814

Phone: 858.436.8152

Fax: 916.446.1611

Email: jcarothers@weintraub.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies service on the Petitioner, pursuant to 37 C.F.R. §42.6(e) and by agreement of counsel, by electronic (e-mail) delivery of a true copy of the foregoing **PATENT OWNER'S REQUEST TO DIRECTOR FOR DISCRETIONARY DENIAL OF PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT 10,788,690 (Pursuant to Director's Memorandum of March 26, 2025)**, which was served on April 28, 2025 to the following Counsel for Petitioner via e-mail:

Nicola A. Pisano
Eversheds Sutherland LLP
12255 Camino Real, Suite 100
San Diego, CA 92130-2071
nicolapisano@eversheds-sutherland.com

Regis Worley
Eversheds Sutherland LLP
12255 Camino Real, Suite 100
San Diego, CA 92130-2071
regisworley@eversheds-sutherland.com

/Eric Caligiuri/
Eric Caligiuri (Reg. No. 58,121)
Weintraub Tobin Law Corporation
400 Capitol Mall, 11th Floor
Sacramento, CA 95814
Phone: 858.436.3140
Fax: 916.446.1611
Email: ecaligiuri@weintraub.com