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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

APPLIED OPTOELECTRONICS, INC.,
Plaintiff,
vs.
MOLEX, LLC,
Defendant.

Case No.: 4:23-cv-04787-JST

**JOINT CASE MANAGEMENT
STATEMENT**

Date: January 2, 2024
Location: Video Conference
Time: 2:00 PM

JURY TRIAL DEMANDED

Plaintiff Applied Optoelectronics, Inc. ("AOI" or Plaintiff) and Defendant Molex, LLC ("Molex" or "Defendant") by and through their counsel hereby file this Joint Case Management Statement and Proposed Order ("Statement") pursuant to Rule 26 of the Federal Rules of Civil Procedure and Local Rule 16-9. Each Party certifies that its lead trial counsel have met and conferred for the preparation of this Statement as required by Civil Local Rule 16-3. The Parties make the following representations and recommendations:

I. Jurisdiction and Service

The Court has subject matter jurisdiction pursuant to 28 U.S.C. sections 1331 and 1338 (a) because this is an action for patent infringement brought under the patent laws of the United States, 35 U.S.C. sections 271, 281, 284, and 285.

Molex has a place of business within this district and does not contest venue or that this Court has personal jurisdiction over Molex for purposes of this action.

Molex was served with the First Amended Complaint on October 2, 2023. No parties remain to be served in this case.

II. Factual Background

AOI's Statement

This is an action by AOI alleging patent infringement by Defendant Molex of the following United States Patents: U.S. Patent No. 9,523,826 (the "'826 Patent"), entitled "Pluggable optical transceiver module," and issued on December 20, 2016; U.S. Patent No. 10,466,432 (the "'432 Patent"), entitled "High speed optical transceiver module" and issued on November 5, 2019; U.S. Patent No. 9,170,383 (the "'383 Patent"), entitled "Multi-channel optical transceiver module including dual fiber type direct link adapter for optically coupling optical subassemblies in the transceiver module," and issued on October 27, 2015; U.S. Patent No. 10,042,116 (the "'116 Patent"), entitled "Techniques for direct optical coupling of photodetectors to optical demultiplexer outputs and an optical transceiver using the same," and issued on August 7, 2018; U.S. Patent No. 10,175,431 (the "'431 Patent"), entitled "Optical transceiver with a multiplexing device positioned off-center within a transceiver housing to reduce fiber bending loss," and issued on January 8, 2019; and U.S. Patent No. 10,379,301 (the "'301 Patent"), entitled "Multi-channel parallel optical receiving device," and issued on August 13, 2019 (collectively, the "Asserted Patents").

Plaintiff AOI is a Delaware Corporation with its principal place of business located at 13139 Jess Pirtle Blvd., Sugar Land, Texas 77478. AOI is a leading provider of fiber-optic networking products. It serves four growing end-markets: internet data centers (Data Center), Cable Television Broadband (CATV), fiber-to-the-home (FTTH), and telecommunications. AOI designs and manufactures a range of optical communications products employing its vertical

integration strategy from laser chips, components, subassemblies and modules to complete turn-key equipment. AOI designs, manufactures, and integrates its own analog and digital lasers using a proprietary Molecular Beam Epitaxy (MBE) fabrication process, which it believes is unique in its industry. The lasers are proven to be reliable over time and highly tolerant of changes in temperature and humidity (delivering millions of hours service), making them well-suited to the CATV and FTTH markets where networking equipment is often installed outdoors. AOI has a state-of-the-art semiconductor component fab at its USA Headquarters near Houston, Texas.

Molex's Statement

Molex denies AOI's allegations of infringement and, as permitted by this Court's order (Dkt. 23), will file its answer and counterclaims within 14 days after the Court rules on Molex's pending motion to dismiss AOI's allegations of willful infringement (Dkt. 19, set for hearing on February 8, 2024). Molex expects to assert patents against AOI in Molex's counterclaims.

Molex, LLC is a global electronics manufacturer committed to making the world a more-connected place. With a presence in more than 40 countries, including facilities in this district, Molex enables transformative technology innovation in the automotive, data center, industrial automation, healthcare, 5G, cloud and consumer device industries.

III. Legal and Factual Issues:

The principal disputed issues in this case are:

1. The proper construction of disputed claim terms in the Asserted Patents.
2. Whether Molex directly infringes any claims of the Asserted Patents under 35 U.S.C. § 271(a) and/or indirectly infringes any claims of the Asserted Patents under 35 U.S.C. §§ 271(b) or (c).
3. Whether the asserted claim(s) of the Asserted Patents are invalid.
4. If infringement is found, the amount of any damages owed under 35 U.S.C. § 284 and 35 U.S.C. § 287.
5. Whether this case is exceptional under 35 U.S.C. § 285, entitling the prevailing party to attorneys' fees.

The parties reserve the right to raise additional factual or legal issues that may arise through

1 the course of this action.

2 **IV. Motions:**

3 On November 22, 2023, Molex filed a motion to dismiss the allegations of willful
4 infringement from the First, Second, Third, Fourth, Fifth, and Sixth Causes of Action of the FAC.
5 On December 6, 2023, AOI filed its opposition to the motion. Molex filed a reply brief on December
6 13, 2024. The hearing is set for February 8, 2024.

7 **AOI's Statement**

8 AOI anticipates filing a motion for summary judgment on infringement, as well as motions
9 to compel discovery if necessary.

10 **Molex's Statement**

11 Molex will likely file a motion for summary judgment. Discovery motions may also become
12 necessary.

13 **V. Amendment of Pleadings:**

14 If the Court grants Molex' motion to dismiss AOI's allegations of willful infringement, AOI
15 may seek leave to amend the FAC at a later date if discovery reveals information that would support
16 a claim for willful infringement of any of the patents.

17 **VI. Evidence Preservation:**

18 The Parties have reviewed the Guidelines Relating to the Discovery of Electronically Stored
19 Information ("ESI Guidelines") and are taking reasonable and proportionate steps to preserve
20 evidence relevant to the issues reasonably evident in these cases.

21 Both parties have been advised by their counsel to preserve relevant reasonably accessible
22 Electronically Stored Information ("ESI"). The parties do not believe that this case poses any unique
23 issues relating to the disclosure or discovery of electronically stored information. The parties agree
24 to meet and confer and come to an agreement based on the District's Model ESI Stipulated Order
25 regarding an ESI protocol that will be submitted to the Court.

26 The Parties have initially conferred and are negotiating regarding a stipulated Protective
27 Order based on the Model Protective Order for litigation involving patents, highly sensitive
28 confidential information, and/or trade secrets.

VII. Disclosures:

Due to the upcoming holidays, the parties have agreed to exchange initial disclosures on or before January 17, 2024.

VIII. Discovery:

Discovery has not yet commenced.

The parties intend to pursue discovery in the form of requests for production of documents and things, interrogatories, depositions, and other forms of discovery as authorized by the Federal Rules of Civil Procedure. The parties do not currently believe any changes are needed in the presumptive limitations on discovery imposed under the Federal Rules of Civil Procedure or by local rule, and do not currently believe that discovery should be conducted in phases. For clarity, the limit of ten depositions per side shall include third party depositions but not expert depositions. Further, the parties agree that a 30(b)(6) deposition counts as one deposition regardless of the number of designees provided in response to the request for a 30(b)(6) deposition, and a deposition taken in response to a third-party subpoena will count as one deposition regardless of the number of designees provided in response to said subpoena. The parties reserve all rights to seek modifications of such limits and agree to confer in good faith if a need arises for additional discovery.

The parties acknowledge that regardless of the diligence of any party, inadvertent production of privileged or attorney work product documents (“privileged documents”) may occur. The inadvertent production of privileged documents alone does not constitute a waiver of the privilege and the receiving party may not bring a motion to compel based on any alleged waiver caused by inadvertent production alone. When a producing party gives notice that certain inadvertently produced material is subject to a claim of privilege or other protection, the obligations of the receiving parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review. The parties agree that privileged documents created after the date of the filing of the Complaint on September 18, 2023, need not be logged on a privilege log.

In addition, the parties agree that, pursuant to Federal Rule of Civil Procedure 26(b)(4)(B),

1 no draft expert reports, notes, or outlines leading up to a final expert report or declaration are
2 discoverable in whatever form. In addition, where a party retains independent consultants or experts
3 to further technical or consulting services or to give testimony with respect to the subject matter of
4 this action, the following materials will be deemed to be privileged materials or materials otherwise
5 protected from production based on a claim of privilege (attorney-client, work product or other
6 privilege) and thus not discoverable:

- 7 1. Correspondence between such independent consultants or experts and a party or its outside
8 counsel except for the exceptions provided in Federal Rule of Civil Procedure 26(b)(4)(C)
9 subdivisions (i), (ii) and (iii);
- 10 2. Drafts of expert reports, declarations, or any other materials drafted by or for such
11 independent consultants or experts regarding the subject matter of this action; and
- 12 3. Communications between such independent consultants and experts and a party or its
13 outside counsel that are related to drafts and/or revisions of expert reports, declarations, or
14 other materials drafted by or for such independent consultants or experts, or that are related
15 to the preparation to testify at a hearing, trial, or deposition in this action, except for the
16 exceptions provided in Federal Rule of Civil Procedure 26(b)(4)(C) subdivisions (i), (ii)
17 and (iii).

18 Such protections provided herein are to be construed in addition to and shall not diminish
19 the protections provided in Fed. R. Civ. P. 26(b)(3)-26(b)(4). Nothing herein, however, limits the
20 rights of the parties to examine an expert or consultant concerning the information he or she relied
21 upon in forming his or her opinions, which information shall not be privileged.

22 The parties are not aware of any discovery disputes at this time, except that in its motion to
23 dismiss, Molex requested that the Court grant the motion with prejudice, which AOI contends would
24 have the effect of precluding AOI from taking discovery of Molex' pre-suit willfulness (Molex
25 disagrees on that point). AOI opposes any limitations on the subject matter for discovery at this
26 time. AOI intends to take discovery of Molex' knowledge of the six patents and of Molex'
27 knowledge of its infringement.

28 ///

AOI's Statement

Plaintiff will seek without limitation discovery on the Defendant's infringement of the Asserted Patents; sales, offers for sale, costs of sales, importation, delivery, distribution, exportation, and profits relating to the accused products; the design, development, manufacture, assembly, structure, function, operation, and use of the accused products; any attempts to design around the Asserted Patents; willfulness; communications, including with third parties, regarding the Asserted Patents and/or accused products; issues related to claim construction; Defendant's affirmative defenses and counterclaims, if any; and any and all other matters which may be reasonably calculated to lead to admissible evidence.

Molex's Statement

Molex will seek discovery related to the parties' claims and defenses, including alleged infringement, invalidity, prior art, and alleged damages, and as permitted under Federal Rule of Civil Procedure 26.

IX. Class Actions:

This case is not a class action.

X. Related Cases:

There are no related cases at this time.

XI. Relief:**AOI's Statement**

AOI respectfully requests that this Court:

1. permanently enjoin Molex and all persons or entities acting in concert with Molex, from infringing the '826 Patent, '432 Patent, '383 Patent, '116 Patent, '431 Patent, and/or '301 Patent; enter judgment that Molex has infringed and continues to infringe the '826 Patent, '432 Patent, '383 Patent, '116 Patent, '431 Patent, and/or '301 Patent;
2. enter judgment that the '826 Patent, '432 Patent, '383 Patent, '116 Patent, '431 Patent, and/or '301 Patent are valid and enforceable;
3. enter judgment that Molex has willfully infringed the '826 Patent, '432 Patent, '383 Patent, '116 Patent, '431 Patent, and/or '301 Patent;

4. award of damages adequate to compensate Plaintiff for the infringement, as well as
prejudgment and post-judgment interest from the date the infringement began, but in no
event less than a reasonable royalty as permitted by 35 U.S.C. § 284;
5. award of treble damages and/or exemplary damages due to Molex's willful misconduct
under 35 U.S.C. § 284;
6. enter a finding that this case is exceptional and award of interest, costs, expenses, and
attorneys' fees incurred by Plaintiffs in prosecuting this action as provided by 35 U.S.C.
§ 285; and
7. award AOI any other and further relief as this Court or a jury may deem just and proper.

Molex's Statement:

Molex requests that the Court deny all relief requested by AOI and that the Court grant
Molex's further requests to be included in Molex's forthcoming answer and counterclaims and
future pleadings.

XII. Settlement and ADR:

The parties have had preliminary settlement discussions but have not yet been able to achieve
a resolution. AOI has discussed ADR options with its counsel and filed its ADR certification (Dkt.
27). Molex has also discussed ADR options and filed its ADR certification (Dkt. 26).

AOI's Statement

AOI is open to any of the ADR options and wishes to proceed with an agreed upon form of
ADR in early 2024.

Molex's Statement

Molex would be amenable to any of the nonbinding ADR options in the Court's ADR
handbook desired by AOI. As to timing, Molex believes that ADR would be more productive after
Molex files its answer and counterclaims, and potentially after Molex files anticipated petitions for
inter partes review in the U.S. Patent and Trademark Office.

XIII. Other References

The case is not suitable for binding arbitration, a special master, or the Judicial Panel on
Multidistrict Litigation.

XIV. Narrowing of Issues

The Parties do not anticipate any requests to bifurcate issues, claims, or defenses in this case. The Parties agree to confer in good faith after the discovery period as to ways to expedite the presentation of evidence at trial.

XV. Expedited Trial Procedure

The case is not appropriate for the Expedited Trial Procedure of General Order No. 64 Attachment A.

XVI. Schedule

The parties agree on proposed dates through service of Invalidity Contentions on March 29, 2024, but have differing views on whether dates for subsequent events should now be set given that Defendant Molex expects to assert patents against AOI in Molex's counterclaims to be filed within 14 days after the decision on Molex's Rule 12(b) motion (i.e., in approximately March 2024).

Plaintiff AOI proposes a schedule through a claim construction hearing, and proposes that additional dates through trial be set after the claim construction ruling. AOI proposes dates through a claim construction hearing because Molex has not yet filed any counterclaims. Thus, AOI is unsure of the validity and scope of any counterclaims or whether Molex will ultimately assert counterclaims at all. Therefore, AOI wanted to put forth a schedule in case no patent counterclaims are filed. However, AOI is willing to revisit a proposed schedule if and when Molex files its counterclaims.

Molex proposes that the parties follow AOI's proposed dates through service of Invalidity Contentions, then negotiate the remainder of the schedule after Molex's counterclaims are filed, as provided in Molex's column below.

Event	AOI's Proposed Dates	Molex's Proposed Dates
Initial Disclosures	January 17, 2024	January 17, 2024
Plaintiffs to serve Initial Infringement Contentions and Accompanying Document Production	January 30, 2024	January 30, 2024
Hearing on Defendant Molex's Rule 12(b) motion	February 8, 2024	February 8, 2024

Defendant to Serve Initial Invalidity Contentions and Accompanying Document Production	March 29, 2024	March 29, 2024
Exchange of Proposed Terms for Construction	April 12, 2024	Discuss after Molex files Counterclaims
Damages Contentions	May 20, 2024	Discuss after Molex files Counterclaims
Exchange of Preliminary Claim Constructions and Extrinsic Evidence	June 14, 2024	Discuss after Molex files Counterclaims
Responsive Damages Contentions	June 21, 2024	Discuss after Molex files Counterclaims
Parties to file Joint Claim Construction Statement and Prehearing Statement and Expert Reports	July 30, 2024	Discuss after Molex files Counterclaims
Damages Contentions Meeting	August 20, 2024	Discuss after Molex files Counterclaims
Close of Claim Construction Discovery	August 22, 2024	Discuss after Molex files Counterclaims
Plaintiff's Opening Claim Construction Brief	September 6, 2024	Discuss after Molex files Counterclaims
Defendant's Responsive Claim Construction Brief	September 20, 2024	Discuss after Molex files Counterclaims
Plaintiff's Reply Claim Construction Brief	September 27, 2024	Discuss after Molex files Counterclaims
Claim Construction Hearing	October 11, 2024 or at another date convenient for the Court	Discuss after Molex files Counterclaims

XVII. Trial

Both Parties have requested trial by jury. The Parties expect that a trial for infringement and invalidity on AOI's Asserted Patents will last 5–8 court days. The parties' estimate may change after Molex files its counterclaims.

XVIII. Disclosure of Non-party Interested Entities or Persons

AOI filed a Certificate of Interested Parties and Entities pursuant to Civil Local Rule 3-15

on September 8, 2023. (Dkt. No. 3)

On November 27, 2023, Molex filed a Certificate of Interested Parties and Entities pursuant to Civil Local Rule 3-15. (Dkt. No. 22).

XIX. Professional Conduct

All attorneys of record have reviewed the Guidelines for Professional Conduct for the Northern District of California.

XX. Other

The parties do not believe that any other issues are appropriate for inclusion in this Joint Case Management Statement.

XXI. ADDITIONAL INFORMATION PURSUANT TO PATENT LOCAL RULE 2-1(B)

Proposed Modifications to the Obligations or Deadlines Set Forth in the Patent Local

Rules

The parties' proposed schedule is set forth in Section XVI, above.

Scope and Timing of Any Claim Construction Discovery

The parties' proposed schedule set forth in Section XVI, above, includes a proposed deadline for claim construction discovery.

Format of the Claim Construction Hearing

The parties propose that the Claim Construction Hearing consist of a three-hour presentation, with 90 minutes allotted to AOI and 90 minutes allotted to Molex.

How the Parties Intend to Educate the Court on the Technology at Issue

The parties propose educating the Court on the technology at issue through a tutorial separate from the Claim Construction Hearing, either on a date prior to the Claim Construction Hearing or on the same day as the Claim Construction Hearing, at the Court's convenience.

Non-Binding, Good-Faith Estimate of Damages Range.

AOI's Statement

AOI contends that damages include at least a reasonable royalty, which damages may be trebled if determined egregious. Based on discovery, AOI may pursue damages based on lost profits. AOI has not yet computed total damages.

Molex's Statement

Molex believes that AOI's claims for damages should be denied.

Dated: December 21, 2023

WEINTRAUB TOBIN CHEDIAK COLEMAN GRODIN

By: /s/ Jo Dale Carothers
Attorneys for Plaintiff
Applied Optoelectronics, Inc.

Dated: December 21, 2023

By: /s/ Robert F. McCauley
Attorneys for Defendant
Molex, Inc.

ATTESTATION

This document is being filed through the Electronic Case Filing (ECF) system by attorney Jo Dale Carothers. Pursuant to Civ. L.R. 5-1(i)(3), by her signature, Ms. Carothers attests that she has obtained concurrence in the filing of this document from each of the attorneys identified on the caption page and in the above signature block.

Dated: December 21, 2023

WEINTRAUB TOBIN CHEDIAK COLEMAN GRODIN

By: /s/ Jo Dale Carothers
Attorneys for Plaintiff
Applied Optoelectronics, Inc.

[PROPOSED] ORDER

The above Joint Case Management Statement & [Proposed] Order is approved as the Case Management Order for this case and the parties shall comply with its provisions. IT IS SO ORDERED.

Dated: _____ 202_

Hon. Jon S. Tigar
United States District Judge