

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

CAMBRIDGE INDUSTRIES USA, INC.,
Petitioner,

v.

APPLIED OPTOELECTRONICS, INC.,
Patent Owner.

IPR2025-00433 (Patent 9,523,826 B2)
IPR2025-00435 (Patent 10,042,116 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

DECISION

Granting Patent Owner's Request for Discretionary Denial and Denying
Institution of *Inter Partes* Review

Applied Optoelectronics, Inc. (“Patent Owner”) filed a request for discretionary denial (Paper 8, “DD Req.”) in the above-captioned cases, and Cambridge Industries USA, Inc. (“Petitioner”) filed an opposition (Paper 9, “DD Opp.”).¹

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

In particular, Patent Owner and Petitioner are involved in a parallel district court proceeding in the Northern District of California. DD Req. 7–9; DD Opp. 2. There is no currently scheduled trial date in the co-pending district court litigation. DD Opp. 7. The District Court further vacated the scheduled Markman hearing. DD Req. 9; DD Opp. 7. Although Patent Owner argues that discretionary denial is warranted because Petitioner is over-reliant on expert testimony, Patent Owner does not identify any portions of the expert testimony that suggest Petitioner is using its expert to fill gaps in the prior art. DD Req. 28–29; DD Opp. 10. Additionally, Patent Owner’s arguments for discretionary denial under 35 U.S.C. § 325(d) for some of the proceedings are unavailing and discretionary denial under § 325(d) is not appropriate. Furthermore, most of the challenged patents have not been in force for a significant period of time (issued in 2020, 2019, and 2019), and, accordingly, Patent Owner has not developed strong settled expectations that favor discretionary denial as to at least those patents.

¹ Citations are to papers in IPR2025-00433. The parties filed similar papers in the other cases. This decision discusses IPR2025-00433, IPR2025-00434, IPR2025-00435, IPR2025-00436, and IPR2025-00437, but only applies to IPR2025-00433 and IPR2025-00435.

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Accordingly, Patent Owner's settled expectations as to U.S. Patent No. 10,379,301 B2, U.S. Patent No. 10,313,024 B1, and U.S. Patent No. 10,788,690 B2 in do not favor discretionary denial.

The patents challenged in IPR2025-00433 and IPR2025-00435, however, have been in force for nine and seven years, respectively, and are not from the same patent family as those in IPR2025-00434, IPR2025-00436, and IPR2025-00437. Accordingly, Patent Owner's settled expectations as to the patents challenged in IPR2025-00433 and IPR2025-00435 are stronger and discretionary denial is appropriate as to these proceedings.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is referred to the Board to handle the case in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, for IPR2025-00433 and IPR2025-00435, it is:

ORDERED that Patent Owner's Request for Discretionary Denial is *granted*; and

FURTHER ORDERED that the Petitions are *denied* and no trial is instituted.

IPR2025-00433 (Patent 9,523,826 B2)
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