

Metconnex Sells to JDSU

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The collapse of optical startup [Metconnex](#) began with a [JDS Uniphase Corp.](#) (Nasdaq: [JDSU - message board](#); Toronto: JDU) lawsuit last year, and has just ended with JDSU picking up the company's patents and technology for \$2.5 million.

The deal, being announced Tuesday, officially dissolves Metconnex and kills off its Hi-PLC line of wavelength selective switches (WSSs), a central element to some reconfigurable optical add/drop multiplexers (ROADMs). JDSU will not continue to sell Hi-PLC, nor does it intend to continue any ongoing Metconnex R&D, says JDSU director of marketing Enzo Signore.

None of Metconnex's employees or facilities are included in the deal.

JDSU describes the purchase as opportunistic. Metconnex, unable to withstand the expense of defending itself against the lawsuit, shut its doors in September and was looking to sell its assets. JDSU saw the chance to lace its ROADM portfolio for cheap, although it has no immediate use for the technology, Signore says. (See [Metconnex Denies Claims](#) and [Competition Kills Metconnex](#).)

Metconnex's options were limited, considering anyone buying the intellectual property would open themselves to the JDSU suit. Signore says he isn't aware of any other companies that were vying to purchase a piece of Metconnex.

One key aspect to the deal is that it halts all lawsuits between the companies. That means the JDSU suit against Metconnex has been dropped, as has the reciprocal suit filed by Metconnex that charged JDSU with abusing the legal process to crush a competitor.

Metconnex accused JDSU of accelerating Metconnex's demise by getting the startup's two suppliers to stop selling to the company. One, [Memscap S.A.](#) (Euronext: [MEMS - message board](#)), got hit with a JDSU patent suit. The other supplier, Micralyne, which is partly owned by JDSU, told the *Ottawa Citizen* its decision was related to credit terms not being met.

Remaining competitors in the WSS market include [Capella Photonics Inc.](#) and [CoAdna Photonics Inc.](#) The latter claims it had a hand in Metconnex's downfall by stealing a key account with [Tellabs Inc.](#) (Nasdaq: [TLAB - message board](#); Frankfurt: BTLA), the equipment supplier to [Verizon Communications Inc.](#) (NYSE: [VZ - message board](#)).

JDSU has a separate ongoing patent suit against [Optium Corp.](#), the 10-Gbit/s transceiver maker that's on the verge of going public, but Signore describes JDSU as more of a bystander in that case. (See [JDSU, Emcore Sue Optium](#) and [Optium IPO Rolls On](#).)

That's because [Emcore Corp.](#) (Nasdaq: [EMKR - message board](#)) owns the patents in question, having purchased them from JDSU in a May 2005 deal that involved some technology licensing between the companies. (See [Emcore Buys JDSU's Cable Biz](#).)

The suit against Optium is Emcore's, with JDSU being dragged along for the ride, as Signore describes it. "We're just called in because of the licensing agreement," he says.