

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

October 14, 1998

Date of Report (Date of earliest event reported)

CIENA Corporation

(Exact name of registrant as specified in its charter)

Delaware

0-21969

23-2725311

(State or other jurisdiction
of incorporation)

(Commission
File No.)

(IRS Employer
Identification No.)

1201 Winterson Road, Linthicum, Maryland 21090

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(410) 865-8500

Not applicable

(Former name or former address, if changed since last report)

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Item 5. Other Events.

On October 14, 1998, CIENA amended its Shareholder Rights Agreement, as amended (the "Rights Plan"), to eliminate those provisions that require that certain actions may only be taken by "Continuing Directors." This Third Amendment to the Rights Plan was made in response to the Delaware Court of Chancery's recent decision in Carmody v. Toll Brothers, Inc. In the view of the CIENA Board of Directors, based on advice of counsel, the Toll Brothers, Inc. decision has cast doubt on the legality under Delaware law of so-called "dead-hand" provisions in many existing shareholder rights plans. Although the opinion related to the denial of a motion to dismiss an action challenging the "dead-hand" provision and not an opinion addressing the actual validity of the provision under Delaware law, the Delaware court stated that a "dead-hand" provision was open to challenge under Delaware law on both statutory and fiduciary grounds. A so-called "dead-hand" provision is a provision which provides that outstanding rights can only be redeemed by "continuing directors," which is generally defined to mean directors who were members of the board at the time the Rights Agreement was adopted and any other person who subsequently becomes a member of the board if such person's nomination for election to the board was recommended or approved by a majority of the continuing directors. While CIENA's Rights Plan differs in significant respects from the plan considered in the Toll Brothers case, particularly as regards to the "Continuing Directors" provisions thereof, the Board of Directors believes the disputed validity of these provisions under the Toll Brothers opinion warrants action to amend the Rights Plan. The Form of Third Amendment to the Rights Agreement is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

99.1 Form of Third Amendment to Rights Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

CIENA Corporation

Date: October 19, 1998

By: /s/ G. ERIC GEORGATOS

G. Eric Georgatos
Vice-President, General Counsel
and Secretary

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Form of Third Amendment to Rights Agreement

EXHIBIT 99.1

FORM OF THIRD AMENDMENT TO RIGHTS AGREEMENT

DATED OCTOBER , 1998

FORM OF
AMENDMENT NO. 3
TO
RIGHTS AGREEMENT

THIS AMENDMENT NO. 3 TO RIGHTS AGREEMENT (this "Amendment No. 3") is entered into as of October ____, 1998, between CIENA Corporation, a Delaware corporation (the "Company"), and BankBoston N.A. (the "Rights Agent").

WHEREAS, the Company and the Rights Agent entered into the Rights Agreement, dated as of December 23, 1997, as amended on June 2, 1998 and September 13, 1998 (the "Rights Agreement");

WHEREAS, the Company and the Rights Agent desire to amend the Rights Agreement on the terms and conditions hereinafter set forth; and

WHEREAS, for purposes of this Amendment No. 3, capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Rights Agreement, as amended by this Amendment No. 3.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

1. Certain Definitions. Section 1 of the Rights Agreement is amended as follows: (A) deleting the text of paragraph (i) thereof and replacing it with the phrase "Intentionally Omitted."; (B) deleting the phrase "a majority of the Continuing Directors" in paragraph (j) thereof and replacing it with the phrase "the Board prior to such time as any Person becomes an Acquiring Person"; and (C) deleting the text of paragraph (n) thereof and replacing it with the phrase "Intentionally Omitted.".

2. Form of Rights Certificates. Section 4(b) of the Rights Agreement is amended by deleting the phrase "Continuing Directors" and replacing it with the word "Board".

3. Exercise of Rights; Purchase Price; Expiration Date of Rights.

Section 7(e) of the Rights Agreement is amended by deleting the phrase "Continuing Directors" and replacing it with the word "Board".

4. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights.

(A) Section 11(a)(ii) of the Rights Agreement is amended by deleting the phrase "a majority of the Outside Directors" and replacing it with the phrase "two-thirds of the Board".

(B) Section 11(a)(iii) of the Rights Agreement is amended by deleting the parenthetical phrase "(acting by at least a majority of the Continuing Directors)".

(C) Section 11(m) of the Rights Agreement is amended by deleting the word "it" and replacing such word with the phrase "the Board".

5. Consolidation, Merger or Sale or Transfer of Assets or Earning Power. Section 13(c)(i)(B) of the Rights Agreement is amended by inserting the word "Securities" immediately before the word "Act".

6. Redemption. Section 23(a) of the Rights Agreement is amended as follows: (A) deleting in the first sentence thereof the phrase "then there must be Continuing Directors then in office and such authorization shall require the concurrence of a majority of such Continuing Directors" and replacing it with the phrase "then such authorization shall require the concurrence of two-thirds of the Board"; and (B) deleting in the second sentence thereof the parenthetical phrase "(with the concurrence of a majority of the Continuing Directors)" and replacing it with the phrase ", by a vote of two-thirds of the Board,".

7. Determinations and Actions by the Board, etc. Section 29 of the Rights Agreement is amended by deleting the phrase "the Continuing Directors or Outside Directors" each of the three times it appears therein and replacing it in each such place with the phrase "two-thirds of the Board".

8. Exhibit C. Exhibit C to the Rights Agreement is amended as follows: (A) with respect to the second paragraph following the capitalized legend on the first page thereof, deleting the phrase "Continuing Directors (as defined in the Rights Agreement)" and replacing it with the phrase "Board of Directors"; and (B) with respect to the seventh paragraph following the capitalized legend on the first page thereof, (i) deleting the phrase "a majority of the Continuing Directors" and replacing it with the phrase "two-thirds of the Board of Directors"; (ii) inserting the phrase "a two-thirds vote of" between the phrases "reinstatement is approved

by" and "the Company's Board of Directors"; and (iii) deleting the parenthetical phrase "(with the concurrence of a majority of the Continuing Directors)".

9. Benefits. Nothing in the Rights Agreement, as amended by this Amendment No. 3, shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, the registered holders of the Common Stock) any legal or equitable right, remedy or claim under the Rights Agreement, as amended by this Amendment No. 3; but the Rights Agreement, as amended by this Amendment No. 3, shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights certificates (and, prior to the Distribution Date, registered holders of Common Stock).

10. Descriptive Headings. Descriptive headings of the several Sections of this Amendment No. 3 are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

11. Governing Law. This Amendment No. 3 shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State.

12. Other Terms Unchanged. The Rights Agreement, as amended by this Amendment No. 3, shall remain and continue in full force and effect and is in all respects agreed to, ratified and confirmed hereby. Any reference to the Rights Agreement after the date first set forth above shall be deemed to be a reference to the Rights Agreement, as amended by this Amendment No. 3.

13. Counterparts. This Amendment No. 3 may be executed in any number of counterparts. It shall not be necessary that the signature of or on behalf of each party appears on each counterpart, but it shall be sufficient that the signature of or on behalf of each party appears on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in any proof of this Amendment No. 3 to produce or account for more than a number of counterparts containing the respective signatures of or on behalf of all of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be duly executed and attested, all as of the day and year first above written.

Attest: CIENA CORPORATION

By: ----- By: -----

Attest:

BankBoston N.A.

By: _____

By: _____