UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PNY Technologies, Inc.
Petitioner

v.

Phison Electronics Corp.
Patent Owner

Case IPR2013-00472
Patent 7,518,879

PATENT OWNER PHISON ELECTRONICS CORP.'S REQUEST FOR REHEARING UNDER 37 C.F.R. § 42.71(c)

TABLE OF AUTHORITIES

Page(s)

Cases

Rules and Regulations

Pursuant to 37 C.F.R. § 42.71(c), the patent owner, Phison Electronics Corp. ("Patent Owner"), hereby submits the following Request for Rehearing in response to the Decision, Institution of *Inter Partes* Review of U.S. Patent No. 7,518,879 ("the Decision") (Paper 10).

I. INTRODUCTION AND STATEMENT OF RELIEF REQUESTED

The Decision ordered review on two grounds of unpatentability: claims 1-4, 8-12 and 16 as anticipated by Minneman (US 7,074,052); and claims 1-4, 8-12 and 16 as unpatentable over Minneman in view of Takahashi (US 2004/0027809). Patent Owner requests that the Board reconsider its decision to institute on both grounds, in light of the governing law regarding inherency, and in light of the proper reading of "concave." Therefore, Patent Owner further requests that no trial be instituted on the '879 patent.

II. LEGAL STANDARDS

A request for rehearing "must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or reply." 37 C.F.R. § 42.71 (d). "When rehearing a decision on petition, the panel will review the decision for an abuse of discretion." 37 C.F.R. § 42.7 1

(c). "An abuse of discretion occurs where the decision (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision." *Stevens v. Tamai*, 366 F.3d 1325, 1329 (Fed. Cir. 2004) (quoting *Eli Lilly & Co. v. Bd. of Regents of the Univ. of Wash.*, 334 F.3d 1264, 1266-67 (Fed. Cir. 2003)).

III. BASIS FOR RELIEF REQUESTED

A. The Decision Overlooked, and Thus Failed to Apply, the Law Governing Inherency.

Patent Owner requests reconsideration of the decision to institute on claims 1-4, 8-12 and 16 as anticipated by Minneman, because the Decision overlooked, and thus failed to adhere to, the legal standards for inherency.

Claims 1-4, 8-12 and 16 all require a "concave prop." The phrase "concave prop" is construed in the Decision to require at least "a structure curving inwards from a housing providing support." (Decision, pg. 8). The decision to institute on anticipation by Minneman is based on a finding that Minneman's captivating indentations are curved, and thus meet the claim feature of a "concave prop."

It is undisputed that Minneman's captivating indentations are not shown in the figures and are not described to be curving. The finding that the captivating indentations are curved relies entirely on inherency stemming from an assumption in the Decision that the pressing described by Minneman to form the captivating indentations would form curved shapes.

The assumption on which the Decision relies, however, is not sufficient to meet the legal requirements for inherency specified in Federal Circuit caselaw. It is well established that to show inherency of a property requires that the "reference unavoidably teaches the property in question." *Agilent Tech., Inc. v. Affymetrix, Inc.*, 567 F.3d 1366, 1383 (Fed.Cir. 2009), citing *In re Oelrich*, 666 F.2d 578, 581 (CCPA 1981); *In re Robertson*, 169 F.3d 743, 745 (Fed.Cir. 1999). "Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." *Hitzeman v. Rutter*, 243 F.3d 1345, 1355 (Fed. Cir. 2001).

Here, as stated in the Patent Owner's Preliminary Response, "curved shapes do not necessarily follow from these processes. . . Rather, the shape

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