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Paper 28
Entered: August 29, 2014

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[1]
Patent 7,518,879

Before KEVIN F. TURNER, STEPHEN C. SIU, and
RAMA G. ELLURU, *Administrative Patent Judges.*

TURNER, *Administrative Patent Judge*.

DECISION
Request for Rehearing
37 C.F.R. §§ 42.71

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[1] Case IPR2014-00150 has been joined with this proceeding; Paper Numbers herein refer to documents in Case IPR2014-00150.

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INTRODUCTION

Petitioner PNY Technologies, Inc. ("PNY") filed a Request for Rehearing (Paper 10, "Reh'g Req.") of the Decision on Institution (Paper 8, "Dec."), which instituted *inter partes* review of claims 1-21 of Patent 7,518,879 (the '879 patent). Based on a joint motion for joinder (Paper 7), we joined Case IPR2014-00150 with Case IPR2013-00472 (Paper 9). In its request, PNY argues essentially that the Board abused its discretion in declining to institute on the ground of claims 1, 2, 8-10, and 16 as obvious over Elbaz and Admitted Art ("AAPA," *see* Dec. 5), in addition to the instituted grounds. The request for rehearing is *denied.*

ANALYSIS

When rehearing a decision on institution, the Board will review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P'ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); and *In re Gartside*, 203 F.3d 1305, 1315-16 (Fed. Cir. 2000).

PNY argues that we erred in our reasons for not adopting the ground of claims 1, 2, 8-10, and 16 as obvious over Elbaz and AAPA. Reh'g Req. 2-3, citing Dec. 11-13. We held that Elbaz "does not disclose a 'USB memory plug,' as that

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claim term would have been understood in the context of the specification," (Dec. 11), and that PNY did "not provide any discussion of whether it would have been obvious to fashion the device as a USB memory plug." *Id*. at 13. PNY argues that both Elbaz and AAPA disclose a USB memory plug, that our analysis compels a finding of obviousness over Elbaz and AAPA, and that the Petition clearly sets forth obviousness rationales for combining Elbaz and AAPA. Reh'g Req. 3-9. We do not agree.

PNY argues that we improperly excluded devices with read-only memory (ROM) from the term "USB memory plug." *Id*. at 3. PNY alleges that the broadest interpretation of "USB memory plug" is a device with memory and a USB plug. *Id*. at 4. Such arguments, however, also do not take into account the explicit discussion in the specification of the '879 Patent of USB memory devices, as discussed in the Decision. Dec. 12, citing Ex. 1001, 1:41-52. To assume such a broad definition of a "USB memory plug," as argued by PNY, would sweep many devices, having merely memory and a USB plug, under its scope, such as any computer peripheral device, which one of ordinary skill in the art would not understand to be a "USB memory plug." Ex. 1001, 1:41-52.

PNY also argues that our construction "USB memory plug" is unduly narrow so as to exclude the recitations of dependent claims 4 and 12, i.e., that the memory can be "an Electrically Erasable Programmable Read Only Memory (EE-PROM)." Reh'g Req. 4. However, we did not exclude the use of ROMs in USB memory plugs, merely that the recitation of memory, generically, does not require that the memory can be written to, as one of ordinary skill in the art would have understood one of the properties of a USB memory plug to be. Ex. 1001, 1:41-52.

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The discussion of ROMs (Dec. 12) demonstrates that the mere recitation of "memory" does not imply that it would necessarily be suitable for use in a USB memory plug.

PNY also argues that both Elbaz and AAPA disclose memories that are re-writable. Reh'g Req. 4. PNY alleges that Elbaz does not state that its module is limited to a ROM, and its Petition provides that the module in Elbaz complies with specific standards. *Id*. at 4-5. We are not persuaded, however, that the "dongle" in Elbaz, even if capable of being programmed multiple times would be considered a USB memory plug. Again, we did not conclude that Elbaz only taught ROM, but rather that PNY had not demonstrated that Elbaz taught a USB memory plug. Dec. 11-12.

PNY also argues that the AAPA cited in the Petition explicitly teaches that USB memory plugs were known in the art. Reh'g Req. 5, citing Pet. 11-12. We agree that the specification of the '879 Patent discusses USB memory devices, and we implicitly found the definition of USB memory devices in the Specification, as discussed above. PNY, however, did not reference the specification for such a teaching, but rather:

> AAPA can be relied upon for at least two teachings: (i) *explicit* use of the exact terminology "*printed circuit board assembly*"; and (ii) that it was known in the art prior to the filing of the Chung '879 Patent for the housing to be formed of a metallic conductive material.

Pet. 11. As such, that specific section of PNY's Petition is silent with respect to the ubiquity of USB memory plugs and their use in the device of Elbaz. We cannot have overlooked arguments not made in the Petition.

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Similarly, PNY argues that because the same AAPA cited by the Petition was used in establishing the definition of USB memory plug, we cannot say that the AAPA cannot be combined with Elbaz. Reh'g Req. 6. We, however, did not state that the AAPA cannot be combined with Elbaz, only that PNY "does not provide any discussion of whether it would have been obvious to fashion the device as a USB memory plug." Dec. 11-12. PNY has a burden of persuasion in its Petition, "information presented in the petition," 35 U.S.C. § 314(a), that cannot be met through ex post facto reconstruction.

PNY also argues that its explicitly articulated rationales in support of "combining Elbaz with AAPA were provided in the Petition, but these rationales were not addressed and adequately considered by the Decision." Reh'g Req. 7-8. These rationales, however, argue for the obviousness of the use of a printed circuit board assembly and making the housing from a metallic conductive material. The stated rationales do not address the deficiencies of Elbaz noted in the Decision. Dec. 11-12. We accepted the teachings of the AAPA proffered in the Petition, but we did not find them as demonstrating a reasonable likelihood of prevailing with respect to the subject ground.

For the forgoing reasons, PNY has not shown that the Board abused its discretion in not instituting the ground of claims 1, 2, 8-10, and 16 as obvious over Elbaz and the AAPA.

ORDER

Accordingly, it is

ORDERED that PNY's request for rehearing is *denied*.

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