Paper No. 10

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PNY TECHNOLOGIES, INC.
Petitioner

v.

PHISON ELECTRONICS CORP.
Patent Owner

Case IPR2014-00150
Patent 7,518,879

PNY TECHNOLOGIES, INC.'S REQUEST FOR REHEARING UNDER 37 C.F.R. § 42.71(c)

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Rules and Regulations

Pursuant to 37 C.F.R. § 42.71(c), Petitioner, PNY Technologies, Inc. ("Petitioner"), hereby submits the following Request for Rehearing in response to the Decision, Institution of *Inter Partes* Review ("the Decision") of U.S. Patent No. 7,518,879 ("the '879 Patent") dated April 28, 2014 (Paper 8).

I. INTRODUCTION AND STATEMENT OF RELIEF REQUESTED

The Decision ordered review of the '879 Patent on two grounds of unpatentability: (i) Claims 1, 3-9, and 11-21 as obvious over U.S. Patent Application Publication No. 2004/0259423 to Elbaz in view of U.S. Patent No. 6,829,672 to Deng; and (ii) Claims 2 and 10 as obvious over Elbaz in view of Deng and Applicant-Admitted Prior Art (AAPA) set forth at Col. 1, line 10 to Col. 2, line 26 in the '879 Patent. Petitioner appreciates the Board's decision to institute review on these grounds.

The Decision did not, however, order review of Claims 1, 2, 8-10, and 16 as obvious over Elbaz in view of AAPA. For the reasons set forth herein, Petitioner requests that the Board reconsider its decision in this regard, and that the Board institute review of Claims 1, 2, 8-10, and 16 of the '879 Patent as obvious over Elbaz in view of AAPA.

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 a reply." 37 C.F.R. § 42.71(d). "When rehearing a decision on petition, a panel will review the decision for an abuse of discretion." 37 C.F.R. § 42.71(c). "An abuse of discretion is found if 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." *Bilstad v. Wakalopulos*, 386 F.3d 1116, 1121 (Fed. Cir. 2004).

III. BASIS FOR RELIEF REQUESTED

Petitioner respectfully submits that the Board abused its discretion in declining to institute review of Claims 1, 2, 8-10, and 16 of the '879 Patent as obvious over Elbaz in view of AAPA, as set forth in the Petition for *Inter Partes* Review (Paper No. 1).

The Decision denied review of Claims 1, 2, 8-10, and 16 as obvious over Elbaz in view of AAPA for two reasons. First, the Decision held that Elbaz does not disclose a "USB memory plug" as required by the claims. Decision, p. 11. In

so holding, the Decision stated that "to the degree that Elbaz discloses a memory, that memory could easily be read only memory (ROM) and would not comport with an ordinarily skilled artisan's understanding of a 'USB memory plug.'" Decision, p. 12. Second, although the Decision acknowledged that AAPA teaches a printed circuit board assembly (PCBA), the Decision held that Petitioner purportedly did not "provide any discussion of whether it would have been obvious to fashion the device [of Elbaz] as a USB memory plug" that includes such a PCBA. Decision, pp. 12-13. However, these conclusions are clearly erroneous and contrary to the express teachings of Elbaz and AAPA that were cited in the Petition, and they ignore the obviousness rationales that were provided in the Petition.

A. The Petition Established that *Both* Elbaz and AAPA Disclose a "USB Memory Plug"

At the outset, Petitioner submits that the Board improperly interpreted the term "USB memory plug" to exclude devices with read-only memory. In this regard, the Board stated "... to the degree that Elbaz discloses a memory, that memory could easily be read only memory (ROM) and would not comport with an ordinarily skilled artisan's understanding of a 'USB memory plug.'" Decision, p. 12. However, Petitioner submits that this narrow interpretation is contrary to both

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