UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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PNY Technologies, Inc.
Petitioner

v.

Phison Electronics Corp.
Patent Owner

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Case IPR2014-00150
Patent 7,518,879

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

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## Rules and Regulations

37 C.F.R. § 42.71(c).....1

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 8).

## I. INTRODUCTION AND STATEMENT OF RELIEF REQUESTED

The Decision ordered review on two grounds of unpatentability: Ground C, claims 1, 3-9 and 11-21 as unpatentable under 35 U.S.C. § 103 over Elbaz and Deng, and Ground D, claims 2 and 10 as unpatentable under 35 U.S.C. § 103 over Elbaz, Deng and Admitted Art.

Patent Owner requests that the Board reconsider its decision to institute for two reasons. First, the Board improperly relied upon its own speculation about the operation of the device described by Elbaz, and thus attributed features to the device that are nowhere taught or described by Elbaz. Second, the Board based its claim construction on its assertion that the patentee "acted as its own lexicographer" with respect to the term "concave props," contrary to Federal Circuit precedent that has established certain threshold requirements (not present in the '879 patent) before the "lexicographer" doctrine may be relied upon for claim construction. Patent Owner therefore requests that no trial be instituted in this proceeding.

## II. LEGAL STANDARDS

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 weighting relevant factors. *Star Fruits S.N.C. v. United States*, 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).

## III. BASIS FOR RELIEF REQUESTED

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

Patent Owner requests reconsideration of the decision to institute on claims 1, 3-9 and 11-21 as unpatentable under 35 U.S.C. § 103 over Elbaz and Deng, and claims 2 and 10 as unpatentable under 35 U.S.C. § 103 over Elbaz, Deng and Admitted Art, because the Decision overlooked, and thus failed to adhere to, the legal standards for obviousness.

To establish obviousness of a claimed invention, all claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). Yet, the Decision here commits clear legal error

by relying not on a teaching or suggestion in the prior art – but instead upon speculation regarding how the device described in Elbaz might work. The Decision is thus contrary to Federal Circuit precedent in two respects. First, in the absence of express disclosure, one cannot rely on "probabilities or possibilities" to show claim limitations, as the Decision does here. *Bettcher Indus., Inc. v. Bunzl USA, Inc.*, 661 F.3d 629, 639-40 (Fed.Cir.2011). Second, by expanding upon what is actually taught by Elbaz, the Decision necessarily engages in improper "hindsight" – taking the operation of the claimed invention and using its features to fill in missing disclosures in the prior art. However, impermissible hindsight must be avoided and the legal conclusion of obviousness must be reached on the basis of the facts gleaned from the prior art. *In reMcLaughlin*, 443 F.2d 1392, 1395, (CCPA 1971).

Claims 1 et seq. and 17 et seq. require "wherein said PCBA is fixed by means of pressing of said plurality of concave props." Claims 9 et seq. require the "plurality of concave props protrude inward to fix said PCBA." The Decision institutes Grounds C and D based on a conclusory finding that "[c]ertainly when the module in Elbaz is introduced between the guiding means 515 or ribs, it is fastened securely in a position between the sides of the adapter. The ribs secure its lateral position, and hold it securely in place." Decision at p. 14. This finding, however, is unsupported.

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