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Paper 16
Entered: April 23, 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
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

INTRODUCTION

Patent Owner Phison Electronics Corp. ("Phison") filed a Request for Rehearing (Paper 12, "Req.") of the Decision on Institution (Paper 10, "Dec."), which instituted *inter partes* review of claims 1-4, 8-12, and 16 of U.S. Patent No. 7,518,879 ("the '879 patent"). In its request, Phison argues that we misinterpreted the governing law regarding inherency, and that we provided an improper construction of the claim term "concave." The request for rehearing is *granted-in-part.*

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. 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).

The Decision on Institution included two grounds: a first indicating that claims 1-4, 8-12, and 16 were anticipated by Minneman, and a second with the same claims being obvious over Minneman and Takahashi. Dec. 16. Beginning with the first ground, we found that Minneman discloses the claim limitation "concave props," as recited in claims 1 and 9. Dec. 9-10.

Phison argues that the Decision failed to adhere to the legal standards for determining inherency in the application of anticipation. Req. 2. Phison also argues that it is undisputed that Minneman's captivating indentations are not shown in the figures and are not described as curving. Req. 3. Phison takes issue with statements provided in the Decision detailing that it is "conceivable that the processes of Minneman could create an indent with no curvature" (Dec. 11), and that "logic and physics dictate that any die pressed into a housing sufficient to form an indentation on the inside of the housing, without puncturing the housing, is likely to create some curvature in that indentation through deformation of the housing material" (*id*.). Phison argues that these statements illustrate "a lack of inherency under the proper Federal Circuit standard." Req. 4.

"A reference may anticipate inherently if a claim limitation that is not expressly disclosed 'is necessarily present, or inherent, in the single anticipating reference.'" *In re Montgomery*, 677 F.3d 1375, 1379-80 (Fed. Cir. 2012) (quoting *Verizon Servs. Corp. v. Cox Fibernet Va., Inc.*, 602 F.3d 1325, 1337 (Fed. Cir. 2010)). "'Inherency . . . 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.'" *Bettcher Indus., Inc. v. Bunzl USA, Inc.*, 661 F.3d 629, 639-40 (Fed. Cir. 2011) (quoting *In re Oelrich*, 666 F.2d 578, 581 (CCPA 1981)).

We agree that we misapplied the standard for inherency based on the analysis provided for the anticipation ground over Minneman. Upon consideration, we agree with Phison that the institution of the instant proceeding should not have included the unpatentability ground of claims 1-4, 8-12, and 16 as anticipated by Minneman.

Turning to the second instituted ground, over Minneman and Takahashi, Phison also argues that Takahashi's protrusions "are not concave in any sense of the word." Req. 5. Phison argues that Takahashi's protrusions are solid and curve outward, such that no aspect is concave. Req. 6-7. Phison also argues that the concave props of the '879 patent are concave because a recessed, concave shape is formed on the exterior of the housing when the props are punched or pressed into the housing. Req. 7-8. We are not persuaded by Phison's arguments.

As discussed in the Decision: "[w]e conclude that such a limitation can be met based on the shape of an element, such that the particular element need not have a recess." Dec. 7. In fact, we interpreted "concave" as "curving inwards from a housing." *Id*. In addition, we are uncertain how the Machinery's Handbook illustration, Req. 7, could illustrate a "concave prop." The indentation illustrated, Req. 7, is certainly concave, but it does not appear it can act as a prop, i.e., it acts as a notch instead. Rather, the statement in the Request that "the props are punched or pressed into the housing" is more consistent with the specification of the '879 patent. Req. 8.

Although we acknowledge that Minneman does not inherently disclose the formation of "concave props," the formation of such concave props was concluded, in the Decision (Dec. 11), to be likely. Minneman provides that the "captivating indentations may be formed by pushing or pressing on the outside of the housing 25 to cause it to deform to cr[e]ate guides or detents on the inside of the housing." Dec. 10-11; Ex. 1003 at 10:55-58. As such, we concluded that it would have been obvious to provide curvature to the stand-offs of Minneman in view of the curved protrusions disclosed in Takahashi. Dec. 13.

While Phison is correct that "Takahashi's protrusions are not concave in any sense of the word" and that "Takahashi's protrusions are convex," (Req. 5), that does not mean that Takahashi cannot suggest a particular shape. In addition, per the adopted claim construction, the limitation may be met by the shape of the element, and not the presence of a recess. Dec. 7. We were further persuaded that "'[t]he concave shape is a matter of [design] choice which a person of ordinary skill in the art would have found to be obvious.'" Dec. 13. (citation omitted).

In essence, Phison asks us to reconsider the references, Minneman and Takahashi, separately; it would be error, however, to consider the references only separately, when they are applied together in a proper combination. One cannot show nonobviousness by attacking references individually where the obviousness findings are based on combinations of references. *In re Keller*, 642 F.2d 413 (CCPA 1981). Additionally, Phison presented the same argument in its Preliminary Response, (Prelim. Resp. 21-22); therefore, we did not overlook or misapprehend the argument in the Decision.

With respect to dependent claims 2-4, 8, 10-12, and 16, we relied upon the discussion of aspects of those claims being described in Minneman. Dec. 14. Because Phison has not contested that elements of those claims are taught by Minneman, limiting its arguments to an element of claim 1 not found in Minneman inherently, we continue to rely on that analysis of the dependent claims in the remaining ground.

As such, we are not persuaded that we misapprehended or overlooked the disclosure of Takahashi in the Decision in determining that PNY demonstrated that it has a reasonable likelihood of prevailing in showing that claims 1-4, 8-12, and

16 of the ’879 Patent would have been obvious over Minneman and Takahashi under 35 U.S.C. § 103.

For the foregoing reasons, Phison has not shown that the Board abused its discretion in instituting trial on the ground of claims 1-4, 8-12, and 16 as unpatentable under 35 U.S.C. § 103 over Minneman and Takahashi.

ORDER

Accordingly, it is

ORDERED that Patent Owner’s request for rehearing is *granted-in-part*;

FURTHER ORDERED that the Order instituting trial is modified so that the trial is limited to the following ground:

Claims 1-4, 8-12, and 16 as unpatentable under 35 U.S.C. § 103 over Minneman and Takahashi.

FURTHER ORDERED that the trial schedule remains as set forth in the Scheduling Order (Paper 11), as modified by stipulations of the parties (Paper 15).

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