

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PNY TECHNOLOGIES, INC.,
Petitioner,

v.

PHISON ELECTRONICS CORP.,
Patent Owner.

Case IPR2013-00472¹
Patent 7,518,879 B2

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

TURNER, *Administrative Patent Judge.*

FINAL WRITTEN DECISION
Inter Partes Review
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

¹ Case IPR2014-00150 has been joined with this proceeding.

I. INTRODUCTION

PNY Technologies, Inc. (“PNY”) filed a Petition (“1st Pet.,” Paper 2) requesting *inter partes* review of claims 1–4, 8–12, and 16 of U.S. Patent No. 7,518,879 B2 (“the ’879 Patent”). Patent Owner Phison Electronics Corp. (“Phison”) filed a Preliminary Response thereto (Paper 7). On February 4, 2014, we instituted an *inter partes* review of claims 1–4, 8–12, and 16 on multiple grounds of unpatentability alleged in the Petition. Paper 10 (“1st Dec.”). PNY also filed a second Petition (“2nd Pet.,” Paper 1, IPR2014-00150), alleging other grounds, and Phison filed a Preliminary Response thereto (Paper 6, IPR2014-00150). On April 28, 2014, we instituted an *inter partes* review of claims 1–21 on multiple grounds of unpatentability alleged in the second Petition. (“2nd Dec.,” Paper 8, IPR2014-00150). We granted a joint motion for joinder (Paper 7, IPR2014-00150), joining the IPR2014-00150 case with the IPR2013-00472 case (Paper 9, IPR2014-00150).

After institution of trial, Phison filed a Patent Owner Response (PO Resp.,” Paper 24) and PNY filed a Reply thereto (“Reply,” Paper 29). An oral argument was held on November 12, 2014. The transcript of the consolidated hearing has been entered into the record. “Tr.,” Paper 36.

We have jurisdiction under 35 U.S.C. § 6(c). This final written decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

PNY has shown by a preponderance of the evidence that claims 1–21 of the ’879 Patent are unpatentable.

A. The '879 Patent (Ex. 1001)

The '879 Patent relates to a Universal Serial Bus (USB) memory device. Ex. 1001, Abs. As context for the figures reproduced below, the upper portion of the connector illustrated in Figs. 5 and 6 would be part of the “male” USB connector that is inserted into a “female” USB socket.

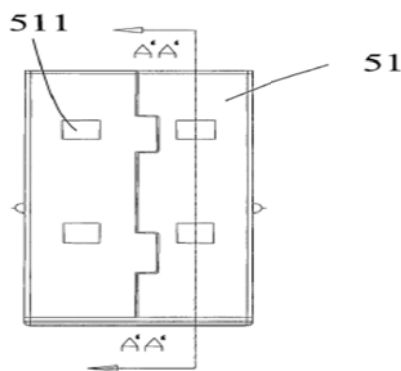


Fig. 5

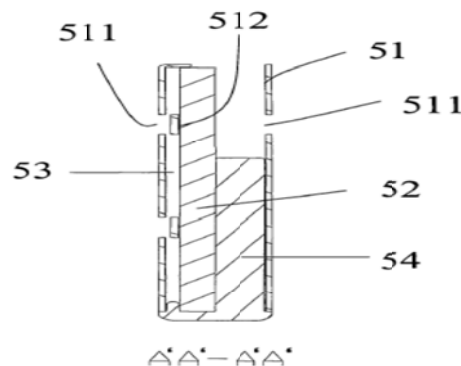


Fig. 6

Figs. 5 and 6 illustrate a USB memory apparatus

The USB memory apparatus includes housing 51 having a plurality of orientated indentations 511 and a plurality of concave props 512, wherein the plurality of orientated indentation facilitates the USB memory apparatus to be connected through insertion into the female USB socket. Ex. 1001 at 4:14–27. The apparatus also includes print circuit board assembly (PCBA) 52 disposed in the housing with end base 54, wherein the PCBA is fixed by means of pressing of the plurality of concave props 512 and forms space 53 between the housing and the PCBA. *Id.*

B. Illustrative Claim

The '879 Patent includes claims 1–21, and a trial was instituted on all of those claims. Claims 1, and 9, and 17 are independent claims.

Independent claim 1 is reproduced below (with emphases):

1. A Universal Serial Bus (USB) memory plug,
comprising:
a housing having a plurality of orientated indentations
and a *plurality of concave props*, wherein said plurality of
orientated indentation facilitates said USB memory plug to be
connected while said USB memory plug is inserted into a
female USB socket; and a print circuit board assembly (PCBA)
disposed in said housing, wherein said *PCBA is fixed by means
of pressing of said plurality of concave props*, and a space is
formed between said housing and said PCBA.

C. Prior Art Relied Upon

PNY relies upon the following prior art references in its alleged grounds of unpatentability:

Takahashi	US 2004/0027809 A1	June 13, 2007	Ex. 1006
Minneman	US 7,352,601 B1	Apr. 1, 2008	Ex. 1003
Elbaz	US 2004/0259423 A1	Dec. 23, 2004	Ex. 1003 ²
Deng	US 6,829,672 B1	Dec. 7, 2004	Ex. 1004 ²

Admitted Art – the Background of the Invention section of the '879 Patent (Ex. 1001, 1:41–52; Fig. 1; 1:10–2:26).

² The cited exhibit numbers come from exhibits in the IPR2014-00150 proceeding.

D. Grounds of Unpatentability Instituted for Trial

The following table summarizes the challenges to patentability that were instituted for *inter partes* review³:

References	Basis	Claims challenged
Minneman and Takahashi	§ 103	1–4, 8–12, and 16
Elbaz and Deng	§ 103	1, 3–9, and 11–21
Elbaz, Deng, and Admitted Art.	§ 103	2 and 10

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, claim terms in an unexpired patent are given their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b). Claim terms also are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech, Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Concave Prop

The claim term “concave prop” is recited in independent claims 1, 9, and 17. We determined, in the Decision to Institute, that “concave prop” means “a structure curving inwards from a housing providing support.” 2nd Dec. 8. Phison disputes this construction, arguing that “concave” must

³ An anticipation ground over Minneman was also part of the instituted grounds (1st Dec. 16), but was later removed as a ground of the trial. Paper 16, 3.

include the aspect of forming a recess and that it must be understood that a “prop” must also support one thing apart from another. PO Resp. 8–23. PNY counters that the construction espoused in the Decision to Institute is correct. Reply 1–6. We are persuaded partially by Phison’s arguments and amend our construction as discussed below.

With respect to the “concave” aspect of “concave prop,” we are persuaded that construing “concave” as only “curving inwards from a housing” does not conform to the ordinary meaning of the term. We stated in the second Decision to Institute that a recess “cannot act as a prop, . . . [t]he portion that acts as a prop is the portion that extends inwardly from the housing,” and “that ‘concave’ need not require the formation of a recess.” 2nd Dec. 7. We are now persuaded that construing “concave” such that a convex protrusion that acts as a prop, without a concave portion, impermissibly “reads out” the concave aspect of “concave prop.” We also are persuaded that there is not sufficient evidence in the instant record that shows that Phison acted as its own lexicographer, redefining the term “concave prop.”

PNY argues that the ’879 Patent fails to describe the term “concave” as including a recess and that Phison should not be allowed “to impart the ‘recess’ limitation into its construction of concave.” Reply 2. We do not agree that including the recess aspect can only be proper if explicitly recited in the Specification. The plain, ordinary meaning of “concave,” in the context of the claim language, includes the meaning of having a recess, thus, one of ordinary skill in the art would have included that aspect in any

possible construction of “concave.” Equally, we are unpersuaded that a lack of illustration in the drawings of the ’879 Patent showing curvature is dispositive. Reply 3–4. As PNY has pointed out, both parties agree that the term “concave” includes the concept of “curving inwards” (Reply 1) – a lack of illustrated curvature does not undermine that construction where the plain, ordinary meaning of “concave” would imply curvature.

In addition, Phison has effectively disclaimed the claims covering embodiments where the recess has been filled-in or covered:

JUDGE ELLURU: Say I take that product from figure 6 and I want to have a smooth housing. So I fill in those indentations with rubber, okay, because I want a smooth outer surface.

What is the shape of that prop at that point?

MR. BARKAN: If it is completely filled in, it is no longer concave. It is also not the invention of the claims because we are no longer being oriented indentations.

Tr. 38. Based on the plain meaning of “concave,” consistent with the claim language and the ’879 Patent Specification, we construe “concave” to mean “curving inwards from a housing to form a recess.”

With respect to Phison’s arguments regarding the “prop” portion of “concave prop,” we are not persuaded. Phison argues that the construction for “prop” is incomplete because it encompasses structures that cannot be props because they fail to maintain one structure apart from another. PO Resp. 19–20. Phison continues that in the context of the ’879 Patent, the concave props supplant the flake spacer which provides separation, and the separation function of the props is essential to meeting the explicit objects of the invention. PO Resp. 20–21. We do not agree. Claim 1 recites, for

example, “a space is formed between said housing and said PCBA,” such that ascribing the “separation” to the claim term “prop” is unnecessary. Requiring that a prop also provides for separation of elements creates an unduly narrow construction. We find no explicit recitation in the Specification of the ’879 Patent that requires a prop to provide separation for one thing apart from another.

Phison also argues that the claims use both words, “prop” and “support,” such that defining “prop” synonymously with “support” is impermissible since it would provide different claim terms with the same meanings. PO Resp. 21–22. We are persuaded, however, by PNY’s arguments that claims 8, 16, and 19 recite “support” not as a noun, per the independent claims, but as an infinitive, such as the “concave props are used *to support* said PCBA.” Reply 5. If dependent claims recited “a support,” it could be error to equate “support” and “prop,” but that is not the instant circumstance.

As such, we amend our construction of “concave prop” to mean “a structure curving inwards from a housing to form a recess providing support.”

Fixed, to Fix

The claim terms “fixed” and “to fix” are recited in independent claims 1, 9, and 17, where we found that the meaning of “fixed” is “fastened securely in position.” 2nd Dec. 8. This was a construction suggested by Phison, but Phison argues that the construction used in the Decisions to Institute “is broader than the plain meaning of the term ‘fixed’ as a skilled

artisan would have understood it at the time of the '879 Patent, and thus, is improper under the broadest reasonable interpretation standard.” PO Resp. 24. Phison argues that it is unclear how an object could be fastened securely in position and yet unsecured in certain directions. *Id.* PNY counters that the adopted construction need not be constrained to a single position such that the object can never move. Reply 6–7.

We agree with PNY. It is not necessary for an object to be constrained in all directions and along every degree of freedom to be fastened securely in position. To the extent that Phison is arguing that “fixed” should be equivalent to immovable or immobile, we conclude that that is a different construction. We continue to find that the meaning of “fixed” is “fastened securely in position.”

B. Principles of Law

To prevail in its challenges to the patentability of the claims, PNY must prove unpatentability by a preponderance of the evidence. 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d). A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). To establish obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *See CFMT, Inc. v. Yieldup Int’l Corp.*, 349 F.3d 1333, 1342 (Fed. Cir.

2003); *In re Royka*, 490 F.2d 981, 985 (CCPA 1974).

A patent claim composed of several elements, however, is not proved obvious merely by demonstrating that each of its elements was known, independently, in the prior art. *KSR*, 550 U.S. at 419. In that regard, for an obviousness analysis it is important to identify a reason that would have prompted one of skill in the art to combine prior art elements in the way the claimed invention does. *Id.* However, a precise teaching directed to the specific subject matter of a challenged claim is not necessary to establish obviousness. *Id.* Rather, obviousness must be gauged in view of common sense and the creativity of an ordinarily skilled artisan. *Id.* Moreover, obviousness can be established when the prior art itself would have suggested the claimed subject matter to a person of ordinary skill in the art. *In re Rinehart*, 531 F.2d 1048, 1051 (CCPA 1976).

We analyze the instituted grounds of unpatentability in accordance with the above-stated principles.

C. Claims 1–4, 8–12, and 16

– Alleged Obviousness Over Minneman and Takahashi

PNY asserts that claims 1–4, 8–12, and 16 of the '879 Patent are unpatentable over Minneman and Takahashi under 35 U.S.C. § 103. Independent claims 1 and 9 recite “concave props.” Phison argues that this ground is defective because neither the protrusions of Takahashi nor the captivating indentations of Minneman are concave according to the broadest reasonable interpretation of the term. PO Resp. 25–34. PNY counters that

substantial evidence supports the conclusion that one of ordinary skill in the art would shape the props of Minneman so that they are concave. Reply. 8–10. Based on the our construction of “concave prop,” discussed above, we are not persuaded that Minneman and Takahashi render claims 1–4, 8–12, and 16 obvious under 35 U.S.C. § 103.

We have determined previously that Minneman does not disclose that the captivating indentations are curving or that it would have been inherent for them to have curvature based on their formation process. Paper 16, 3. The rationale for altering the stand-offs of Minneman to have curvature comes from the curved protrusions disclosed in Takahashi. 1st Dec. 13. We have acknowledged as well that protrusions in Takahashi do not disclose a recess as a part thereof. *Id.* Based on our construction of “concave prop,” we are not persuaded that one of ordinary skill in the art would have modified Minneman’s stand-offs to be curved and have recesses based on the disclosure of Takahashi.

PNY argues that Mr. Steven Visser, Phison’s expert, admitted during his deposition that the “props” of Minneman could be shaped so that they are concave, and that this is clear evidence that one of ordinary skill in the art would have viewed shaping the structures of Minneman so that they are concave as an obvious design choice. Reply 8; Ex. 1008, 90:11–16, 98:23–99:1. Mr. Visser’s testimony is not persuasive, however, because he merely acknowledges that Minneman’s stand-offs could be formed by forming a recess in the housing, and that they could be curved in shape. This does not address why the combination would have props which are concave with a

recess when Takahashi's elements are solid and it is not clear that Minneman's stand-offs have a recess. We find neither statement by Mr. Visser to be persuasive.

As such, we are not persuaded that PNY has shown by a preponderance of the evidence that independent claims 1 and 9, and for the same reasons, dependent claims 2–4, 8, 10–12, and 16 of the '879 Patent are unpatentable over Minneman and Takahashi under 35 U.S.C. § 103.

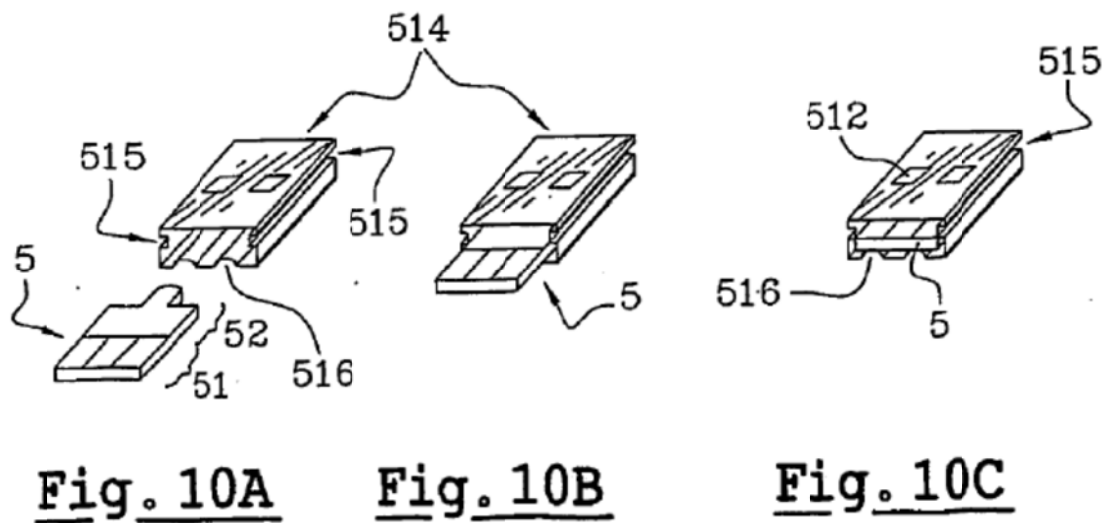
D. Claims 1, 3–9, and 11–21

– Alleged Obviousness Over Elbaz and Deng

PNY asserts that claims 1, 3–9, and 11–21 of the '879 Patent are unpatentable over Elbaz and Deng under 35 U.S.C. § 103. Phison argues that this ground is defective for several reasons. PO Resp. 42–56. PNY counters those arguments. Reply 12–15. We are persuaded that PNY has shown by a preponderance of the evidence that claims 1, 3–9, and 11–21 of the '879 Patent are unpatentable over Elbaz and Deng under 35 U.S.C. § 103.

Elbaz is directed to a dongle having a module with an integrated circuit chip connected to a contact area flush with the module. Ex. 1003⁴
¶ 1. Figures 10A, 10B, and 10C of Elbaz are reproduced below:

⁴ The cited exhibit numbers for Elbaz and Deng come from exhibits in the IPR2014-00150 proceeding.



Figs. 10A, 10B, and 10C of Elbaz illustrate one embodiment of the dongle

PNY argues that Elbaz discloses the elements of the independent claims. Elbaz discloses, in a third embodiment, that the dongle has adaptor 514 that can be plugged into a USB port of a computer. *Id.* ¶ 3. Elbaz also discloses that the adaptor receives module 5 through guiding means 515 that may be ribs and work in concert with a locking means to maintain the module in the inserted position. *Id.* ¶ 60. Elbaz continues in that “[t]hese locking means do not necessarily lock the module in the adaptor definitively; the module is preferably removable in order possibly to be replaced by another module.” *Id.*

The adaptor also includes openings 512 that are oriented indentations that cooperate with locking blades of a USB port receptacle to hold the adaptor. *Id.* ¶¶ 48, 49, 54. Elbaz also discloses that the adaptor:

also comprises means 516 for raising the module 5 or the part 51 so that the contact areas 28 are in contact with the connection lugs 32 when the dongle 1 consisting of the adaptor

plus module assembly is inserted in the port 3: these means 516 *can be ribs situated at the base of the connector 514 or on the sides* and thus cooperate with the guidance means 515. The guidance means 515 of the module then also ensure the positioning of the module at the correct height.

Id. ¶ 61 (emphasis added). Figure 10C of Elbaz illustrates that a space is formed between the module and the adaptor housing, both above and below the housing, as illustrated by PNY. 2nd Pet. 8.

We note that Elbaz also provides that:

The module 5 obtained using a method of manufacturing a chip card 29 and depicted in FIG. 1 is composed of a plastic module body 27 in which there is embedded an integrated circuit chip connected to contact areas 28 flush with the surface of the said module 5 and comprising at least four contact areas for supplying current to the chip, communicating digital data and earthing.

Ex. 1003 ¶ 11. The module, however, is not necessarily the same as the claimed “printed circuit board assembly.” As illustrated in Figure 1 of Elbaz, the integrated circuit chip is integrated into the chip card material and there does not appear to be any printed circuit board.

Deng is directed to an electronic flash memory external storage device having an access control circuit that, in cooperation with firmware, allows for data transfer through a USB port. Ex. 1004, Abstract. Deng teaches printed circuit board 51, with components mounted thereon, that is contained within casing 5 with a USB connector 23. *Id.* at 6:66–7:5; Fig. 2. The access control circuit 2 has microprocessor 21, USB interface controller 221, and USB interface 231. *Id.* at 7:16–31; Fig. 3. The device also includes an

LED, where various light states of the LED represent various operating states. *Id.* at 13:49–52.

PNY argues that it would have been obvious to a person of ordinary skill in the art to fashion the module of Elbaz as a printed circuit board, as taught by Deng, per the independent claims. 2nd Pet. 21. PNY further argues that such a modification would be nothing more than a mere substitution of a well-known type of circuit configuration for the module used in Elbaz. Based on the instant record, we agree. In addition, PNY also argues that since Deng includes an LED for indicating the operating state of the device, ordinarily skilled artisans would have incorporated such an LED into the device of Elbaz, in view of its use in Deng, per claims 3–7, 13–15, and 17–21. *Id.* at 22. We agree that the use of an LED in one device renders its use obvious in the other device. Lastly, PNY argues that the use of a flash memory, memory controller and USB interface controller, all disclosed in Deng, in the device of Elbaz would have been obvious. *Id.* at 22–23. PNY argues that such components are well-known, standard electrical components, and that one of ordinary skill in the art would recognize their utility to the device in Elbaz. Phison raises various arguments why this combination fails to meet all of the claim limitations and would not be obvious. We find Phison’s arguments, however, unpersuasive. Therefore, we agree and are persuaded by Petitioner’s contentions that the combination of Elbaz and Deng renders claims 1, 3–9, and 11–21 obvious.

Phison begins by arguing that the combination of Elbaz and Deng is defective because the combination fails to teach or suggest that the “PCBA

is fixed” by the concave props. PO Resp. 42–48. Phison argues that Elbaz’s means for raising (516) does not fasten Elbaz’s module securely in any position. *Id.* at 43. Phison continues that it is a means of locking the module that fixes the module in place and not the means for raising or the guidance means. *Id.* at 44. We do not agree. First, independent claims 1, 9, and 17 do not require that the concave props act *alone* to fix the PCBA, because of the use of “comprising” language in those claims, and merely require that the concave props act to fix the PCBA.

Second, although Phison expounds on the lack of clarity in Elbaz’s description of the interface between the module and adaptor, alleging that it is unclear whether there is overlap, edge contact, or how tightly the module is constrained (PO Resp. 45–47), the most obvious formulation is that the guiding means and the raising means allow for the module to be placed in its proper position. Elbaz details that the adaptor receives the module through guiding means to place the module in the inserted, proper position. Ex. 1003 ¶ 60. Although Phison focuses on the disclosure of Elbaz as providing for “probabilities and possibilities” (PO Resp. 47), we determine that one of ordinary skill in the art would have read Elbaz as having the module touch the guiding means and the raising means and being fixed, at least partially, by that contact.

Phison also relies on the testimony of Mr. Visser. PO Resp. 45–47; Ex. 2008 ¶¶ 44–48. Although Mr. Visser argues that the “guiding means 515 could loosely receive the module, allowing some movement of the module 5 between the guiding means 515 and between the guiding means

515 and means for raising 516, yet still provide guidance to the module 5,” (Ex. 2008 ¶ 48), for example, we do not find this testimony persuasive. Although the Elbaz drawings and specification do not provide tolerances or dimensions, we are persuaded that one of ordinary skill in the art would have arrived at the conclusion that the module was received in the adaptor through the guiding means and the raising means and maintained securely such that vertical movement would not occur. Further, Mr. Visser acknowledges that the guiding means and the raising means act to properly position the module (Ex. 1008, 133:8–19), so that those aspects of the adaptor would need to at least touch and come in contact with the module. As such, we are not persuaded by Mr. Visser’s testimony that one of ordinary skill in the art would not have understood that the module in Elbaz would have been inserted and secured in position through the guiding means and the raising means.

Phison also argues that the combination of Elbaz and Deng fails to teach or suggest that the PCBA is fixed by means of pressing of the concave props. PO Resp. 48–49. Phison argues that, at most, the means for raising touch the module in certain circumstances and that touching cannot constitute a disclosure of concave props that fix by pressing. *Id.* at 48. Phison also cites to declarant Mr. Visser who opines that “[o]ne of skill in the art would thus have understood pressing implies more than merely touching or contacting.” Ex. 2008 ¶ 51. PNY counters that there is frictional engagement between the module and the means for raising in Elbaz when the module is inserted into the adaptor, which implies pressing

of some kind. Reply 14–15. Additionally, PNY argues that the friction between elements would not prevent insertion or removal of the module, which was agreed to by Mr. Visser. *Id.* at 15; Ex. 1008, 139:1–3.

We agree with PNY. Similar to the discussion above with respect to fixing of the module in the adaptor, there must be some sort of frictional engagement to maintain the position of the module. If the module is maintained in position by the ribs of the means for raising and the guidance means, as discussed above, it must be pressed by the adaptor to achieve that end. Such pressure need not be of the sort that would disallow removal of the module or cause fracturing of the module, but be sufficient to maintain the position. As pointed out by PNY, this position is critical so that when the adaptor is inserted into the USB socket the contacts on the module would be aligned properly. Reply 14. As such, we are persuaded that it would have been obvious for one of ordinary skill in the art to have inserted the PCBA of Deng into the adaptor of Elbaz to achieve a working memory plug, such that the ribs of the means for raising would press and fix the PCBA into its proper position and alignment.

Phison also argues that the combination of Elbaz and Deng is defective because Elbaz teaches away from a combination that includes a PCBA. PO Resp. 49–52. Phison argues that Elbaz teaches away because it seeks to create a dongle which is less expensive to manufacture, and discloses that chip cards provide the benefit of increased attack resistance and the omission of certain elements. *Id.* at 50–51. Phison continues that a PCBA would not provide the same attack resistance as chip cards and would

require the inclusion of shielding elements, and would increase manufacturing costs. *Id.* Phison also takes exception to our characterization that “Elbaz provides a preference for the use of an integrated circuit chip card [that] does not rise to the level of teaching away.” 2nd Dec. 15. We do not agree.

Phison provides no evidence of the relative costs of PCBAs and chip cards, such that an increase in manufacturing costs has not been demonstrated. Although the use of a PCBA may require shielding and not provide the same attack resistance, such disadvantages may be offset by the lower relative cost of the PCBA. We also do not agree that Elbaz teaches away, as a reference must criticize, discredit, or otherwise discourage the solution claimed to constitute a teaching away. *In re Fulton*, 391 F.3d 1195, 1201 (Fed. Cir. 2004). The preferences and objectives of Elbaz are not teachings that disparage or discourage the use of alternate electronic components.

Phison disputes that it would have been obvious to one of ordinary skill in the art to have included an LED in the housing of Elbaz. PO Resp. 53–54. Phison argues that Elbaz teaches away because it seeks to create a dongle which is less expensive to manufacture, and the inclusion of the LED would increase cost and complexity. *Id.* at 53. We do not agree that Elbaz teaches away, as a reference must criticize, discredit, or otherwise discourage the solution to constitute a teaching away. *In re Fulton* at 1201. The aspirational objective of Elbaz can be countered by the benefits of knowing the operational status of the user. *See* 2nd Dec. 17. Thus, we are

not persuaded that Elbaz teaches away from the incorporation of the LED into its system.

Phison continues that the second Petition fails to provide explicit analysis required for the obviousness determination and that Elbaz's housing fails to provide sufficient space for the inclusion of an LED. PO Resp. 53–54. We disagree that the analysis is insufficient merely because it is general; rather, we are concerned with what the combined teachings of the references would have suggested to those of ordinary skill in the art. In addition, the “test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference.” *In re Keller*, 642 F.2d 413, 425 (CCPA 1981). The fact that Elbaz's dongle, as disclosed, cannot accommodate an LED in its physical structure does not refute what the combination would have suggested to ordinarily skilled artisans.

Phison also argues that the rationale supplied in the second Petition to render the elements of claims 3, 11, and 20 obvious is insufficient. PO Resp. 54–56. Phison argues that no reason is provided by PNY for finding the memory controller, the storage memory, and the interface circuit to be well-known, standard electrical components recognized by ordinarily skilled artisans. *Id.* We do not agree. As provided in the second Decision, Deng discloses a microprocessor, a USB interface controller, and a USB interface. 2nd Dec. 13. As such, Deng discloses the elements of claims 3, 11, and 20, so that Phison's argument is directed merely to the efficacy of the combination of Elbaz and Deng, as discussed above. Because we are not

persuaded as to defects in the combination with respect to the independent claims, we are also unpersuaded with respect to the dependent claims.

Thus, we are persuaded that PNY has shown by a preponderance of the evidence that claims 1, 3–9, and 11–21 of the '879 Patent are unpatentable over Elbaz and Deng under 35 U.S.C. § 103.

E. Claims 2 and 10

– Alleged Obviousness Over Elbaz, Deng, and Admitted Art

With respect to claims 2 and 10, PNY argues that the Admitted Art establishes that it was known for a housing to be made of a metallic conductive material. 2nd Pet. 38; Ex. 1001 1:41–52. PNY also argues that forming the housing of Elbaz from such a metallic conductive material would have been a simple substitution to yield predictable results. *Id.*

Phison addresses this ground based on supposed defects in the combinations of Elbaz and Deng. PO Resp. 42–56. As discussed above, we are not persuaded that Elbaz and Deng fail to teach or suggest all of the elements of the independent claims. We are further persuaded that it would have been obvious to form the housing from a metallic conductive material, per Admitted Art. Ex. 1001 1:41–52. Thus, we also are persuaded that PNY has shown by a preponderance of the evidence that claims 2 and 10 of the '879 Patent are unpatentable over Elbaz, Deng, and Admitted Art under 35 U.S.C. § 103.

III. CONCLUSION

We conclude PNY has shown by a preponderance of the evidence that claims 1–21 of the '879 Patent are unpatentable under 35 U.S.C. § 103(a) as obvious over combinations of Elbaz, Deng, and Admitted Art, as discussed above.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that claims 1–21 of the '879 Patent are held unpatentable;
and

FURTHER ORDERED that because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2013-00472
Patent 7,518,879 B2

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