

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FOX FACTORY, INC.,
Petitioner,

v.

SRAM, LLC,
Patent Owner.

Case IPR2017-01440
Patent 9,291,250 C1

Before MICHAEL W. KIM, FRANCES L. IPPOLITO, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

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

Fox Factory, Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–26 of U.S. Patent No. 9,291,250 C1 (Ex. 1001, “the ’250 patent”). Paper 2 (“Petition” or “Pet.”). Pursuant to 35 U.S.C. § 314(a), we determined the Petition showed a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of claims 1–26, and instituted an *inter partes* review of these claims on one of the two asserted grounds of unpatentability. Paper 8 (“Inst. Dec.”). On April 24, 2018, the Supreme Court held that a decision to institute under 35 U.S.C. § 318(a) may not institute on less than all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018). Following the Supreme Court’s decision in *SAS*, the Office issued guidance that the Board would now institute on all challenges and would supplement any institution decision that had not instituted on all grounds to institute on all grounds. *See* April 26, 2018, *Guidance on the Impact of SAS on AIA Trial Proceedings*.¹ Accordingly, on May 4, 2018, we issued an order instituting on the one ground of unpatentability asserted in the Petition that we had not originally instituted review on. *See* Paper 29.

Patent Owner SRAM, LLC (“SRAM” or “Patent Owner”) filed a Patent Owner Response. Paper 31 (“PO Resp.”)². Petitioner filed a Reply to

¹ Available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>.

² On April 2, 2018, Patent Owner filed a Patent Owner Response addressing the one ground on which we had originally instituted review. *See* Paper 24. By agreement of the parties, Patent Owner submitted a substitute Patent Owner Response on May 23, 2018, which included all of the arguments in the original Patent Owner Response, but also added arguments addressing the newly instituted ground of unpatentability. *See* Paper 30. All citations are to the substitute Patent Owner Response.

Patent Owner's Response. Paper 38 ("Pet. Reply"). Pursuant to our authorization, Patent Owner also filed a Sur-Reply. Paper 40 ("Sur-Reply").

Patent Owner filed Observations on Cross Examination. Paper 50 ("Obs."). Petitioner filed a Response to Patent Owner's Observations on Cross Examination. Paper 54 ("Response Obs."). We have considered fully both the Observations and Response to Observations in reaching this Final Written Decision.

Petitioner also filed a Motion to Exclude certain evidence. Paper 47 ("Pet. Mot. Exclude"). Patent Owner filed an Opposition to Petitioner's Motion to Exclude. Paper 52 ("PO Opp."). Petitioner also filed a Reply in support of its Motion to Exclude. Paper 56 ("Pet. Mot. Reply"). Patent Owner also filed a Motion to Exclude certain evidence. Paper 46 ("PO Mot. Exclude"). Petitioner filed an Opposition to Patent Owner's Motion to Exclude. Paper 53 ("Pet. Opp."). Patent Owner filed a Reply in support of its Motion to Exclude. Paper 55 ("PO Mot. Reply"). An oral hearing was held on September 11, 2018. Paper 60 ("Tr.").

We issue this Final Written Decision pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine Petitioner *has not proven* by a preponderance of the evidence that claims 1–26 of the '250 patent are unpatentable. *See* 35 U.S.C. § 316(e).

I. BACKGROUND

A. RELATED PROCEEDINGS

Patent Owner has asserted infringement of the '250 patent in *SRAM, LLC v. Race Face Performance Products et al.*, Case No. 1:16-cv-05262-JHL (N.D. Ill.). Paper 3, 4; Pet. 79. The '250 patent was previously the subject of PGR2016-00043, which was denied. Paper 3, 3; Pet. 80. The

'250 patent was subject to *ex parte* reexamination under Reexamination Control No. 90/013,747 (“the ’747 Reexamination”), which resulted in the confirmation of patentability of original claims 1–13 and new claims 14–26. Paper 3, 3; Pet. 80. The ’250 patent is currently undergoing *ex parte* reexamination proceedings under Reexamination Control No. 90/013,831 (“the ’831 Reexamination”), which was initiated on December 22, 2016. Paper 3, 3–4; Pet. 80. We stayed this reexamination on June 4, 2018. *See* Paper 32.

The ’250 patent is one of a number of related issued patents and pending applications. *See* Paper 3, 2. One of the related patents is U.S. Patent No. 9,182,027 B2 (“the ’027 patent”). The ’027 patent was subject to several *inter partes* reviews—(1) *FOX Factory, Inc. v. SRAM, LLC*, Case IPR2016-01876, (2) *FOX Factory, Inc. v. SRAM, LLC*, Case IPR2017-00118, and (3) *FOX Factory, Inc. v. SRAM, LLC*, Case IPR2017-00472 (collectively, “the Related IPRs”)—where the Board instituted trial and issued final written decisions finding that the claims had not been shown to be unpatentable. *See* Exs. 2150, 2151, 2152.

B. THE ’250 PATENT

The ’250 patent relates generally to chainrings, and more particularly, to a solitary chainring for use with a conventional chain in a bicycle drivetrain system that includes a bicycle crank. Ex. 1001, 1:8–10. Bicycles and other chain-driven vehicles typically employ one or more chainrings and a set of rear hub-mounted sprockets connected by a chain. *Id.* at 1:11–13. According to the ’250 patent, the management of chain and chainring engagement in bicycles is important, and various mechanisms are used to maintain the chain on the chainring and the sprockets, including chain

guards, chain tensioners, chain catchers, and derailleur configurations, among others. *Id.* at 1:13–19.

The '250 patent explains that managing the connection between the chain and the chainring is particularly difficult in geared bicycles, which can experience severe changes in chain tension and energy motion of the chain, especially when riding over rough terrain. *Id.* at 1:17–23. Thus, the '250 patent asserts, more specifically, that it is directed to a solution for the problem of chain management especially for a bicycle that can successfully and reliably be ridden over challenging and rough terrain. *Id.* at 1:30–32.

Figure 3 of the '250 patent illustrates a drive chain and chainring and is reproduced below.

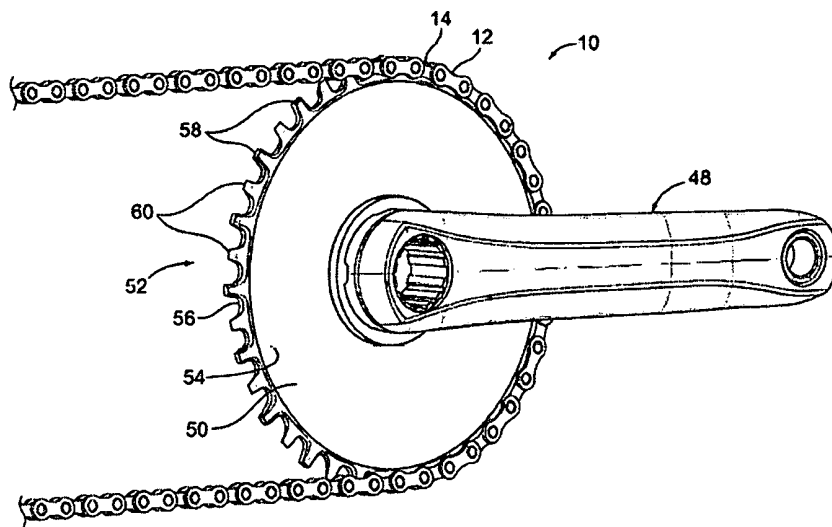


FIG. 3

Figure 3, reproduced above, is an isometric view of a combined drive chain and chainring according to the invention engaged by a drivetrain. *Id.* at 2:24–25. Figure 3 shows chainring 50 and conventional chain 10. *Id.* at 3:45–46. Crank or crank arm 48 attaches to chainring 50. *Id.* at 3:48–50. Force applied to crank arm 48 (typically, in a downward direction) causes

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