

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FOX FACTORY, INC.,
Petitioner,

v.

SRAM, LLC,
Patent Owner.

Case IPR2017-01439
Patent 9,291,250 C1

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

CHERRY, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Petitioner, Fox Factory, Inc., 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”) under 35 U.S.C. §§ 311–319. Paper 2 (“Petition” or “Pet.”). Patent Owner, SRAM, LLC, filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Under 35 U.S.C. § 314, an *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons that follow, we exercise our discretion under 35 U.S.C. § 325(d) and decline to institute an *inter partes* review, and, thus, deny the Petition.

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. 54. The ’250 patent was previously the subject of PGR2016-00043, which was denied. Paper 3, 3; Pet. 54–55. 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. 55. 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. 55.

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 subject to several pending *inter partes* reviews where trial has been instituted. *Id.* at 3.

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 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.

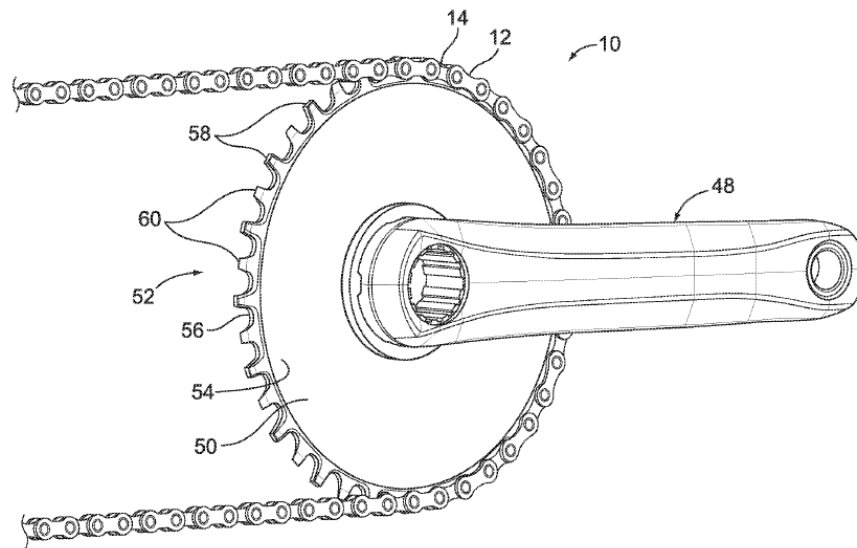


FIG. 3

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 rotation of chainring 50 in a direction (clockwise). *Id.* at 3:56–58. The rotation of chainring 50 causes chain 10 to be drawn over and advanced about the chainring. *Id.* at 3:58–60.

As is illustrated in Figure 3, chainring 50 includes a plurality of teeth, including first group of teeth 58 and second group of teeth 60. *Id.* at 3:61–67. Drive chain 10 includes outer chain links 12 and inner chain links 14. *Id.* at 2:65–67. First group of teeth 58 is configured to be received by and fitted into the outer link spaces of drive chain 10 and second group of teeth 60 is configured to be received by and fitted into the inner link spaces. *Id.* at 3:67–4:4. The engagement of first group of teeth 58 with the outer link

spaces and of second group of teeth with the inner link spaces is illustrated in Figure 6, reproduced below.

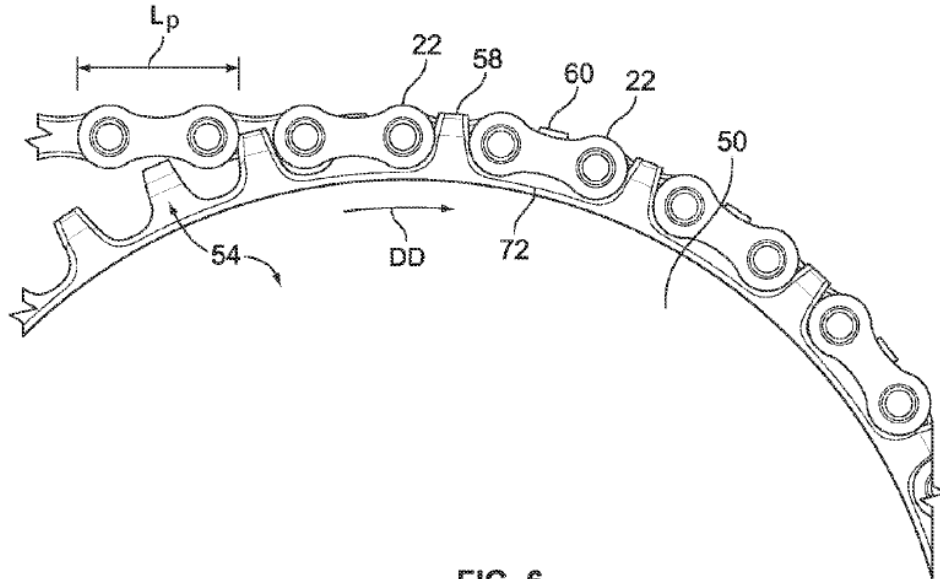


FIG. 6

Figure 6 shows a side view of the combined drive chain and chainring engaged by a drive chain with the outer link plates removed. *Id.* at 2:29–31.

The '250 patent explains:

Each of the first group of teeth 58 may fill over about 75% of the distance D_2 of a corresponding space in the chain 10. Preferably, each of the first group of teeth 58 may fill over about 80% of D_2 of a corresponding space in the chain 10. More preferably, each of the first group of teeth 58 may fill over about 85% of D_2 of a corresponding space in the chain 10.

Id. at 4:36–42.

C. Illustrative Claim

Claims 1 and 14, both apparatus claims, are the only independent claims of the '250 patent. Claims 2–13 each depend from claim 1. Claim 15–26 each depend from claim 14. Claim 1 is illustrative of the subject matter in this proceeding, and is reproduced below.

1. A bicycle chainring of a bicycle crankset for engagement with a drive chain, comprising:
 - a plurality of teeth extending from a periphery of the chainring wherein roots of the plurality of teeth are disposed adjacent the periphery of the chainring;
 - the plurality of teeth including a first group of teeth and a second group of teeth, each of the first group of teeth wider than each of the second group of teeth; and
 - at least some of the second group of teeth arranged alternately and adjacently between the first group of teeth,
- wherein the drive chain is a roller drive chain including alternating outer and inner chain links defining outer and inner link spaces, respectively;
- wherein each of the first group of teeth is sized and shaped to fit within one of the outer link spaces and each of the second group of teeth is sized and shaped to fit within one of the inner link spaces; and
- wherein a maximum axial width about halfway between a root circle and a top land of the first group of teeth fills at least 80 percent of an axial distance defined by the outer link spaces.

Id. at 6:51–7:4.

D. Evidence Relied Upon

Petitioner relies upon the following prior art references.

JP-Shimano	JP S56-42489	Apr. 18, 1981	Ex. 1006 ¹
Thompson	US 6,273,836 B1	Aug. 14, 2001	Ex. 1019

Japanese Industrial Standard: Bicycles—Chainwheels and Cranks, D 9415-1993; Bicycles—Chains, D 9417-1993 (collectively, “JIS”).

¹ Exhibit 1006 includes a foreign language document (pp. 1–10) and a certified English language translation of that document (pp. 11–18). We rely only on the latter portion.

Petitioner also relies upon the Declaration of Richard R. Neptune, Ph.D., dated May 16, 2017 (“Neptune Dec.”). Ex. 1024.

Patent Owner relies upon the Declaration of Robert H. Sturges, Ph.D., dated September 14, 2017 (“Sturges Dec.”). Ex. 2002.

E. Asserted Ground of Unpatentability

Petitioner asserts that claims 1–26 of the ’250 patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Thompson, JP-Shimano, and JIS.

II. ANALYSIS

Our discretion as to whether to institute a post-grant review is guided, in part, by 35 U.S.C. § 325(d), which provides: “[T]he Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d); *see generally* *Cultec, Inc. v. Stormtech LLC*, Case IPR2017-00777 (PTAB Aug. 22, 2017) (Paper 7) (informative); *Hospira, Inc. v. Genentech, Inc.*, Case IPR2017-00739 (PTAB July 27, 2017) (Paper 16) (informative); *Unified Patents, Inc. v. Berman*, Case IPR2016-01571 (PTAB Dec. 14, 2016) (Paper 10) (informative); *see also* *Neil Ziegmann N.P.Z., Inc. v. Stephens*, Case IPR2015-01860, slip op. 6–14 (PTAB Sept. 6, 2017) (Paper 13) (expanded panel) (explaining the rationale and purpose of § 325(d)).

Our discretion under § 325(d) involves a balance between competing interests. *See Hospira*, slip op. at 18. “On the one hand, there are the interests in conserving the resources of the Office and granting patent owners repose on issues and prior art that have been considered previously.” *Id.* (quoting *Fox Factory, Inc. v. SRAM, LLC*, Case IPR2016-01876,

slip op. 7 (PTAB Apr. 3, 2017) (Paper 8)). “On the other hand, there are the interests of giving petitioners the opportunity to be heard and correcting any errors by the Office in allowing a patent—in the case of an *inter partes* review—over prior art patents and printed publications.” *Id.*

We agree with Patent Owner that the Petition should be denied based on § 325(d). *See* Prelim. Resp. 11–13. Here, the Petition sets forth only one ground of unpatentability, and the Examiner in the ’831 Reexamination has been considering a nearly identical ground—JP-Shimano in view of JIS—for almost a year.² Although the reexamination is not yet complete, instituting a trial here would have us reconsider the same issues with the same references that the Examiner has already been considering. In addition, JP-Shimano has already been considered in the ’744 Reexamination. *See* Ex. 2128, 3 (’744 Reexamination Request). The similarity of the grounds in this proceeding and the ’831 Reexamination, coupled with the fact that JP-Shimano has already been considered in the ’744 Reexamination, indicates that it would be an inefficient use the Office’s resources to consider essentially the same ground again. Thus, we consider the interests of conservation of resources and finality to weigh strongly in favor of exercising our discretion of not instituting this ground.

As for the countervailing interest of correcting errors, Petitioner raises no allegation that the Examiner in the ’831 Reexamination has so far misapprehended or overlooked any aspect of JP-Shimano or JIS.

² Although the Petition does treat Thompson as the primary reference, for the reasons set forth below, we are unpersuaded that Thompson meaningfully alters the substance of the ground of unpatentability based on JP-Shimano and JIS.

Petitioner also provides no reason or explanation why the addition of Thompson, which is relied on for the conventional elements of a bicycle drive train (*see, e.g.*, Pet. 23–26), meaningfully differentiates the ground here from the ground already presented to the Examiner in the '831 Reexamination. Given the lack of any specific reason why we should redo the work already done by the Examiner in the '831 Reexamination, we are unpersuaded that Petitioner has articulated sufficiently an interest in correcting errors.

Considering all these circumstances, we determine that the interests of finality and conservation of resources outweigh the interests in correcting errors for this ground. Thus, we are persuaded that we should exercise our discretion and not institute the sole ground raised in this proceeding of obviousness based on Thompson, JP-Shimano, and JIS.

III. CONCLUSION

For the foregoing reasons, we exercise our discretion under 35 U.S.C. § 325(d) and decline to institute an *inter partes* review of claims 1–26 of the '250 patent.

IV. ORDER

In consideration of the foregoing, it is
ORDERED that the Petition is denied and no *inter partes* review is instituted.

IPR2017-01439
Patent 9,291,250 C1

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