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 10 **UNITED STATES DISTRICT COURT**
 11 **CENTRAL DISTRICT OF CALIFORNIA**
 12 **WESTERN DIVISION**

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 15 FOX FACTORY, INC.,
 16 Plaintiff,
 17 v.
 18 SRAM, LLC,
 19 Defendant.

CASE NO.

**COMPLAINT FOR PATENT
 INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 1. Plaintiff FOX Factory, Inc. (“FOX Factory” or “Plaintiff”) files this
2 Complaint for Patent Infringement against Defendant SRAM, LLC (“SRAM”) and
3 alleges as follows:

4 **NATURE OF ACTION**

5 2. This Complaint seeks judgment that SRAM has infringed and continues
6 to infringe FOX Factory’s U.S. Patent No. 9,739,331 (“the ’331 patent”). The ’331
7 patent is titled “Method and Apparatus for an Adjustable Damper.” A true and
8 accurate copy of the ’331 patent is attached hereto as Exhibit A.

9 **PARTIES**

10 3. Plaintiff FOX Factory is a corporation organized and existing under the
11 laws of California, and has its principle place of business at 915 Disc Drive, Scotts
12 Valley, California 95066.

13 4. On information and belief, Defendant SRAM is a limited liability
14 company organized and existing under the laws of Delaware and has its principal
15 place of business at 1000 West Fulton, Chicago, Illinois 60607. On its website,
16 SRAM refers to its offices in Chicago as its “global headquarters”
17 (<https://www.sram.com/en/company/about/locations>).

18 **JURISDICTION AND VENUE**

19 5. This Court has subject matter jurisdiction over this Complaint pursuant to
20 28 U.S.C. §§ 1331 and 1338(a), and under the patent laws of the United States, 35
21 U.S.C. § 1, et seq.

22 6. This Court has personal jurisdiction over SRAM due at least to its regular
23 and established place of business in the State of California and in this judicial district,
24 and its sales of the accused RockShox Lyrik Ultimate, Pike Ultimate, and ZEB
25 Ultimate products in California and this judicial district, as set forth below. Venue is
26 proper over SRAM for the same reasons.

1 7. On information and belief, SRAM does business under the name
2 RockShox®, a trademark registered to SRAM, and sells under that brand the accused
3 RockShox Lyrik Ultimate, Pike Ultimate, and ZEB Ultimate products.

4 8. On information and belief, SRAM employees (“SRAMmies”) engage in
5 product development, testing, and marketing in SRAM’s regular and established place
6 of business at 4720 Allene Way, San Luis Obispo, California 93401, in this District.
7 SRAM’s “Locations” webpage describes SRAM’s facility and activities in San Luis
8 Obispo as follows: “SAN LUIS OBISPO, CA Chainrings, bottom brackets, cranks,
9 and front derailleurs are all developed, prototyped, and lab tested in our SLO facility.
10 These products are then field tested on the area’s world-class roads and trails. This
11 facility also hosts marketing, advanced development, and HR team members to round
12 out this tightly-knit group of SRAMmies.” *See*
13 <https://www.sram.com/en/company/about/locations>.

14 9. On information and belief, directly and/or indirectly through customers,
15 dealers, intermediaries, and agents, SRAM offers for sale, sells, and distributes the
16 accused RockShox Lyrik Ultimate, Pike Ultimate, and ZEB Ultimate products in
17 California and in this judicial district.

18 10. On information and belief, SRAM has also authorized approximately
19 fifty dealers of SRAM products in and near San Luis Obispo, California, as stated on
20 its website. *See* <https://www.sram.com/en/dealer-locator>. Via its website, SRAM
21 encourages visitors to “Find a Dealer” to purchase SRAM products (including the
22 accused RockShox Lyrik Ultimate, Pike Ultimate, and ZEB Ultimate products), and
23 for service of said products in California and in this judicial district. *See*
24 <https://www.sram.com/en/service> (“We encourage you to visit your local bike shop -
25 especially an authorized SRAM dealer - for expert advice, installation and service for
26 SRAM products.”).

27 11. On information and belief, one or more SRAM subsidiaries or affiliates
28 manufactures the accused RockShox Lyrik Ultimate, Pike Ultimate, and ZEB

1 Ultimate products and sells them to customers, including original equipment
2 manufacturers (OEMs) and agents of OEMs, knowing and intending that the
3 customers will sell some of the accused products to customers in the United States,
4 California, and this judicial district. On information and belief, one or more of said
5 SRAM subsidiaries has also shipped the accused RockShox Lyrik Ultimate, Pike
6 Ulimate, and/or ZEB Ultimate products to customers in the United States.

7 **FACTUAL BACKGROUND**

8 12. For over thirty years, FOX Factory has been an industry leader in the
9 design and development of high-performance shock absorbers and racing suspension
10 products for mountain bikes, motorcycles, ATVs, UTVs, and off-road cars, trucks,
11 and SUVs. FOX has earned a worldwide reputation for, among other things, high
12 performance bicycle suspension forks.

13 13. FOX Factory's '331 patent issued on August 22, 2017. FOX Factory is
14 the owner by assignment of all right, title, and interest in and to the '331 patent and
15 has the full and exclusive right to bring suit and enforce the '331 patent and to collect
16 damages for infringement.

17 14. Changes in elevation or temperature can increase air pressure in the lower
18 fork leg of a telescoping suspension fork, which can increase axial friction and
19 degrade performance. The '331 patent discloses and claims, among other features of
20 the claimed invention, an air bleed assembly disposed on the lower fork tube. Some
21 of the benefits of the claimed invention include the ability to equalize atmospheric
22 pressure in said lower fork tube and thereby improve fork performance by, among
23 other things, allowing better responsiveness through the full travel, which increases
24 small bump sensitivity and responsiveness and improves the riding experience.

25 15. FOX Factory forks that include a bleeder valve assembly on the lower
26 fork tube and practice the '331 patented invention have enjoyed commercial success.
27 They have also been praised by the industry, which has particularly praised bleeder
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1 valve on the lower fork tube. SRAM has also copied FOX’s patented invention in the
2 Accused Products.

3 16. On information and belief, SRAM has been selling bike forks having
4 telescopically engaged upper and lower leg tubes for nearly two decades. Yet SRAM
5 did not offer for sale any bike forks that include an air bleed assembly on a lower fork
6 tube until after both FOX Factory’s commercial success with its forks that practice the
7 ’331 patent and after the issuance of the ’331 patent.

8 17. On information and belief, SRAM’s first bicycle fork product that
9 included a bleeder valve assembly on the lower fork tube was the RockShox ZEB
10 Ultimate Flight Attendant fork, which SRAM launched on or about October 5, 2021,
11 more than four years after the ’331 patent issued. On information and belief, SRAM
12 did not offer any additional forks with these infringing features until the following
13 year, when SRAM launched the RockShox Lyrik Ultimate and Pike Ultimate on or
14 about May 26, 2022. SRAM touts its new infringing bleeder valve assemblies in
15 SRAM’s advertising and marketing materials for these forks.

16 18. SRAM’s RockShox ZEB Ultimate Flight Attendant, Lyrik Ultimate and
17 Pike Ultimate, and all other SRAM fork products having the same or reasonably
18 similar bleeder valve assembly on the lower fork tube, are referred to as Accused
19 Products herein.

20 19. On information and belief, at least some employees at SRAM involved in
21 the design, development, and sales of the Accused Products were aware of FOX’s
22 ’331 patent, and that the Accused Products infringed the ’331 patent, during SRAM’s
23 development of those products and before SRAM offered them for sale in the United
24 States.

25 **COUNT ONE**

26 **INFRINGEMENT OF U.S. PATENT 9,739,331**

27 20. FOX Factory realleges and incorporates by reference all of the preceding
28 paragraphs as if fully set forth in this paragraph.

1 21. On information and belief, the Accused Products include a lower fork
2 and an air bleed assembly combination and comprise the claimed elements of at least
3 claim 1 of the '331 patent. On information and belief, SRAM's RockShox Lyrik
4 Ultimate fork is representative of the Accused Products with regard to the features that
5 infringe the '331 patent described herein, so that FOX's allegations and infringement
6 mappings regarding the features of the RockShox Lyrik Ultimate fork are equally
7 applicable to the Accused Products.



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18 22. SRAM's RockShox Lyrik Ultimate fork includes a lower fork and an air
19 bleed assembly combination, wherein a lower fork tube is configured to have a first
20 end coupled to a vehicle wheel, as illustrated in the exemplary photo of SRAM's
21 RockShox Lyrik Ultimate fork mounted on a bicycle and coupled to a vehicle wheel,
22 and a second end configured to be telescopically engaged with a first end of an upper
23 fork tube, as illustrated in the exemplary photo of the RockShox Lyrik Ultimate fork.

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23. Said lower fork tube of SRAM’s RockShox Lyrik Ultimate fork further includes a lower leg seal located at an outermost edge of said second end of said lower fork tube, said lower leg seal configured for sealing closing a gap disposed between said upper fork tube and said lower fork tube when said lower fork tube is telescopically engaged with said first end of said upper fork tube thereby preventing an oil bath lubrication occupying an area within said lower fork tube at a first end of said lower fork tube from leaking from said lower fork tube, as illustrated in the exemplary photo of the RockShox Lyrik Ultimate fork.



24. SRAM’s RockShox Lyrik Ultimate includes an upper bushing attached to and positioned adjacent to said lower leg seal as illustrated in the exemplary photograph of SRAM’s RockShox Lyrik Ultimate below.

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Upper bushing
(inside accused
product)

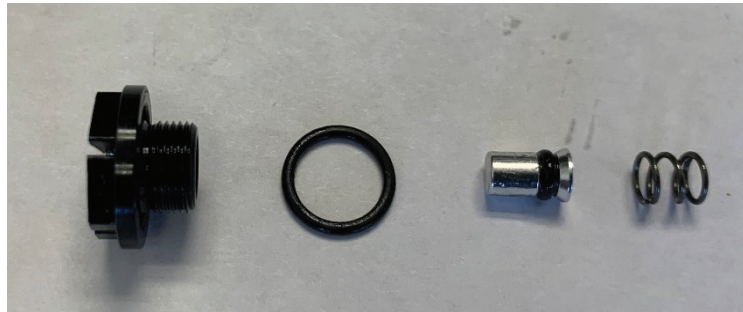


25. SRAM’s RockShox Lyrik Ultimate includes an air bleed assembly disposed on said lower leg fork tube, said air bleed assembly configured for equalizing ambient pressure within said lower fork tube, as illustrated in the exemplary photographs of SRAM’s RockShox Lyrik Ultimate.



1 26. Said air bleed assembly of SRAM's RockShox Lyrik Ultimate includes a
2 fluid passage disposed between an interior of said lower fork tube and an exterior of
3 said lower fork tube, as illustrated in the above exemplary photo of the Rock Shox
4 Lyrik Ultimate fork.

5 27. SRAM's RockShox Lyrik Ultimate includes a manually operable valve
6 having a first position substantially closing said fluid passage, as illustrated in the
7 exemplary photo of the Rock Shox Lyrik Ultimate fork.



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1 28. Said manually operable valve of SRAM's RockShox Lyrik Ultimate has
2 a second position allowing a fluid to flow between said interior and said exterior, as
3 illustrated in the exemplary photo of the Rock Shox Lyrik Ultimate fork.



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17 29. Said manually operable valve of SRAM's RockShox Lyrik Ultimate is
18 disposed between said lower leg seal and said first end of said lower fork, and wherein
19 said fluid passage and said manually operable valve are located at a distance from an
20 oil bath lubrication within said lower fork, such that when said manually operable
21 valve is in said second position, most, if not all of said oil bath lubrication remains
22 within said lower fork and such that when trapped air pressure inside said lower fork,
23 that is higher than a local ambient air pressure outside of said suspension fork or
24 shock absorber, is relieved most, of said oil bath lubrication that is within said lower
25 fork remains within said lower fork.

26 30. On information and belief, SRAM has directly infringed one or more
27 claims of the '331 patent under 35 U.S.C. § 271(a) by, among other things, offering
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1 for sale, selling, importing and/or distributing the Accused Products in and into the
2 United States.

3 31. On information and belief, SRAM has induced and continues to actively
4 induce direct infringement of at least claim 1 of the '331 patent by others (such as its
5 distributors, retailers, resellers, customers, and end-users) in the United States under
6 35 U.S.C. § 271(b). On information and belief, SRAM knew of the '331 patent before
7 offering the Accused Products for sale, and SRAM has taken affirmative steps that
8 have encouraged, aided and abetted (and continues to encourage, aid and abet) direct
9 infringement by its distributors, retailers, resellers, customers, and end-users in the
10 United States, and SRAM has known that its induced acts constitute infringement of
11 the '331 patent or has been willfully blind to the infringement. These acts include, but
12 are not limited to, SRAM's manufacture and supply of the Accused Products (either
13 directly or through direction of its wholly owned subsidiary(ies)), promotion on its
14 website, providing user manuals/guides and instructions instructing its customers/end
15 users how to use the Accused Products, and on information and belief, its contracts
16 and agreements with dealers, resellers, retailers, and distributors for the promotions,
17 offers to sell, and sales of the Accused Products in the United States.

18 32. On information and belief, SRAM has contributed to and continues to
19 contribute to the direct infringement of at least claim 1 of the '331 patent by others
20 (such as its distributors, retailers, resellers, customers, and end-users) in the United
21 States under 35 U.S.C. § 271(c). Upon information and belief, SRAM (either directly
22 or through direction of its wholly owned subsidiary(ies)) supplies the Accused
23 Products or important (material) components of the Accused Products to its
24 distributors, retailers, resellers, customers, and end-users in the United States. Upon
25 information and belief, SRAM knew or was willfully blind that its Accused Products
26 were both patented and infringing, that the Accused Products are not a staple article or
27 commodity of commerce, and that the Accused Products have substantial non-
28 infringing uses.

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- F. Find this to be an exceptional case and award FOX Factory its costs and attorney’s fees under 35 U.S.C. § 285;
- G. Find that the infringement by SRAM has been and continues to be egregious and willful misconduct, and award FOX Factory enhanced damages for willful patent infringement under 35 U.S.C. § 284; and
- H. Award and grant FOX Factory such other and further relief as the Court deems just and proper under the circumstances.

DEMAND TRIAL BY JURY

FOX Factory demands a jury trial on all matters triable to a jury.

Dated: July 13, 2022

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP

By: /s/ Arpita Bhattacharyya
Arpita Bhattacharyya
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FOX FACTORY, INC.