

**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

US INVENTOR INC., TINNUS)
ENTERPRISES, LLC, 10TALES, INC.,)
STRAGENT, LLC, 360 HEROS, INC.,)
RAMZI MAALOUF, LARRY GOLDEN,)
WORLD SOURCE ENTERPRISES, LLC)
and E-WATCH, INC.,)
))
) **Plaintiffs,**)
))
) **v.**)
))
DREW HIRSHFELD, in his official)
capacity Performing the functions and duties)
of the Under Secretary of Commerce for)
Intellectual Property and Director, United)
States Patent and Trademark Office,)
))
) **Defendant.**)
))

Civil Action No. 2:21-cv-00047

Declaration of David Russek

I, David Russek, being over the age of 18 years hereby declare as follows.

1. I am an inventor. I invented the method and system described in U.S. Patent No. 8,856,030, among others.
2. I am a principal of 10Tales, Inc. 10Tales owns the '030 patent by assignment.
3. I and my company 10Tales are members of nonprofit US Inventor. We joined because US Inventor is looking after “little guy” inventors and small businesses who need the patent system to function well so that entrepreneurs can build businesses and create jobs, secure in the knowledge that their patent rights will protect them from infringements.

4. 10Tales is currently in an infringement dispute with TikTok Inc. There is a lawsuit pending in federal court to resolve that dispute: Case No. 6:20-cv-810 (W.D.Tex.). A trial date has been set for March 7, 2022: before the date that any AIA trial review could be completed.
5. TikTok has filed a petition at the USPTO for inter partes reviews of my '030 patent. The deadline for our preliminary responses is imminent: mid-May 2021.
6. I have seen statistics that, after institution, 84% of patents result in a final written decision invalidating at least one claim.
7. In the Preliminary Response we plan to ask that the Director use his discretion under 35 U.S.C. § 314(a) (and other parts of the AIA) to deny institution. In particular, we expect to point to the following facts:
 - a. Reliance on prior art substantially similar to that already considered during original prosecution.
 - b. A trial in the court case scheduled to occur before an AIA trial review could be completed.
 - c. That 10Tales is a small American operating company practicing its own inventions, while TikTok is a much larger rival who (we believe) is using our technology without permission.
 - d. That institution of IPR in our specific case would hurt the United States economy, since it drains resources of an American rival for the benefit a Chinese-formed company. Note that the name of the law is the *America* Invents Act, not the *Any Other Country* Invents Act.
 - e. Possibly other facts.

8. There are no promulgated regulations on the Director's consideration of discretionary factors like these in the decision of whether to grant institution. I and 10Tales are irreparably and imminently harmed by the lack of such rules. There are no authoritative published rules that we can cite to help make our discretionary arguments against institution of the IPR trial. We were entitled to regulations to provide us information to let us participate fully in the patent system (35 U.S.C. § 316), but no regulations have come out concerning the discretionary factors that govern how to decide if a petition has presented "sufficient grounds to institute."
9. If the Court granted a preliminary injunction requiring the Director to deny institution pending issuance of proper regulations, that would eliminate this harm from occurring. Even if the Court just required the Director to stay that decision, that would eliminate this harm because after the stay, I would be able to use those regulations to persuade the Director to make a discretionary denial.
10. I understand that proper regulations require publication, notice-and-comment by the public, and a thorough review by the agency. I also understand that in this case, agency review would have to take into account the effect of any proposed rule on the economy as a whole, and the integrity of the patent system. I believe that any regulations that come out of such a process will make it much more likely that the PTAB will have to deny institution in cases with facts like mine.
11. The lack of promulgated regulations has made it more expensive and uncertain for us as patent owners to deal with IPR petitions, since the public lacks certainty about what the PTAB will do in factual situations such as my own.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: February 19, 2021

A handwritten signature in black ink, consisting of several loops and a trailing line, positioned above a horizontal line.

David Russek