

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERNATIONAL BUSINESS MACHINES CORPORATION,
Petitioner,

v.

SECURITY FIRST INNOVATIONS, LLC,
Patent Owner.

Case IPR2025-01200
Patent 8,271,802

**PATENT OWNER REPLY TO PETITIONER OPPOSITION TO
DISCRETIONARY DENIAL**

~~CONTAINS CONFIDENTIAL PROTECTIVE ORDER MATERIAL~~

TABLE OF AUTHORITIES

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COURT DECISIONS

Bickerstaff v. Vassar College,
196 F.3d 435 (2nd Cir. 1999)2

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822 F.3d 1347 (Fed. Cir. 2016)2

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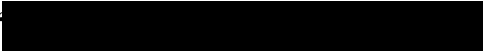
Villiarimo v. Aloha Island Air, Inc.,
281 F.3d 1054 (9th Cir. 2002)1

EXHIBIT LIST	
2001	Lowenstein Declaration In Support of Notice of Intent
2002	Woo Declaration In Support of Notice of Intent
2003	Complaint in <i>Sec. First Innovations, LLC v. Int’l Bus. Machs. Corp.</i> , 1-25-cv-00514 (E.D. Va. Mar. 24, 2025), ECF No. 1 [Complaint]
2004	“Security First Corp. Presentation,” (March 4, 2015) [3/4/15-O’Hare Presentation] (CONFIDENTIAL)
2005	“IBM and Security First Corp to co-develop security capability for cloud computing,” PROACTIVE (last updated Nov. 9, 2010), https://www.proactiveinvestors.co.uk/companies/news/74758/ibm-and-security-first-corp-to-co-develop-security-capability-for-cloud-computing-9918.html [Proactive-Investors]
2006	“SFC – IBM Status Report” (September 16, 2011) (slip sheet omitted) [9/16/11 SFC-IBM Status Report] (CONFIDENTIAL)
2007	“IBM and Security First Corp. to Develop Integrated Security Technology,” SECURITY TODAY (Aug. 1, 2011), https://securitytoday.com/articles/2011/08/01/ibm-and-security-first-corp.-to-develop-integrated-security-technology.aspx [Security-Today]
2008	[8/24/09 Email] (slip sheet omitted) (CONFIDENTIAL)
2009	[11/11/13 Presentation] (CONFIDENTIAL)
2010	[2/15 Presentation] (CONFIDENTIAL)
2011	[3/11 IBM Presentation] (slip sheet omitted) (CONFIDENTIAL)
2012	Excerpts from File History of U.S. Patent Application No. 16/197,275 [’275-FH]
2013	U.S. Patent No. 8,447,695 [’695 patent]

2014	Excerpts from File History of U.S. Patent No. 8,447,695 [’695-FH]
2015	Licensed Works Agreement [LWA] (CONFIDENTIAL)
2016	2013 Statement of Work [2013 SOW] (CONFIDENTIAL)
2017	2015 Statement of Work [2015 SOW] (CONFIDENTIAL)
2018	“IBM Completes Acquisition of Cleversafe,” PRITZKER GROUP (Nov. 6, 2015), https://www.pritzkergroup.com/ibm-completes-acquisition-of-cleversafe/
2019	Jing Cao, “IBM Paid \$1.3 Billion to Acquire Cleversafe in Hybrid-Cloud Push,” BLOOMBERG (Feb. 24, 2016), https://www.bloomberg.com/news/articles/2016-02-24/ibm-paid-1-3-billion-to-acquire-cleversafe-in-hybrid-cloud-push (slip sheet omitted)
2020	[10/9/06 Email] (slip sheet omitted) (CONFIDENTIAL)
2021	[12/6/16 Email] (slip sheet omitted) (CONFIDENTIAL)
2022	Reserved
2023	Order Granting Motion to Stay in <i>Sec. First Innovations, LLC v. Int’l Bus. Machs. Corp.</i> , 1-25-cv-00514 (E.D. Va. Aug. 20, 2025), ECF No. 88 [Stay Decision]
2024	Chart of Settled Expectations Decisions [Chart]
2025	Scheduling Order in <i>DivX, LLC v. Amazon.com, Inc.</i> , No. 1:24-cv-2061 (E.D. Va. July 1, 2025), ECF No. 69 [Recent Scheduling Order]
2026	Opposition to Motion to Stay in <i>Sec. First Innovations, LLC v. Int’l Bus. Machs. Corp.</i> , 1-25-cv-00514 (E.D. Va. July 29, 2025), ECF No. 71 [Stay Opposition] (CONFIDENTIAL)
2027	U.S. Patent No. 11,178,116

2028	U.S. Patent No. 11,068,609
2029	U.S. Patent No. 10,452,854
2030	U.S. Patent No. 7,391,865 [Orsini-'865]
2031	Declaration of Sam Malek, PhD. [Malek-Decl.]

Although the patents at issue in this IPR issued more than a decade ago and IBM has long been familiar with SFC and its patents, IBM contends that it has settled expectations “that IBM would not be sued.” Opp., 1. IBM asserts, based solely on an uncorroborated, self-serving declaration from former IBM VP Michael Loria, that “in or around 2016,” SFC “informed [him] . . . that SFC would not pursue any patent infringement action against IBM.” Ex. 1045, ¶¶ 6-9.

Mr. Loria’s testimony is, simply put, not accurate. There is nothing else in the record to suggest that such a statement was ever made or that any such assurance was ever given by SFC to anyone at IBM. To the contrary, the record evidence is that, in December 2016, SFI unambiguously informed IBM that IBM had a “” to SFC’s patents. See Paper 9, at 5; Ex. 2021.

Mr. Loria’s inaccurate testimony is uncorroborated hearsay, was drafted during and for the purposes of this litigation, and lacks any indicia of reliability. *Villiarimo v. Aloha Island Air, Inc.*, 281 F.3d 1054, 1061 (9th Cir. 2002) (“uncorroborated and self-serving testimony” does not create genuine issue of material fact). Mr. Loria provides no specific testimony regarding where or when the alleged assurance was provided, the circumstances in which it was allegedly made, what might have prompted SFC to make such an admission, or the identity of any witnesses. Given its self-serving, conclusory nature and lack of any corroborating details, Mr. Loria’s declaration simply cannot be credited. See

Bickerstaff v. Vassar College, 196 F.3d 435, 452 (2nd Cir. 1999) (“Statements that are devoid of any specifics, but replete with conclusions, are insufficient” to create a genuine issue of material fact).

Critically, Mr. Loria’s Declaration is contradicted by an already-of-record December 6, 2016 email from SFC’s Chairman summarizing a call he had with Mr. Loria. *See* Ex. 2021; Paper 9, at 8 (explaining that IBM lacked settled expectations because “[a]fter that acquisition [of Cleversafe], SFC continued to warn IBM that it had ‘████████████████████’ to [SFC’s] ‘████████████████████.’”). IBM and Mr. Loria do not even attempt to address this email or SFI’s argument based on it. “Where . . . testimony is in conflict with contemporaneous documents, [courts] give it little weight” *United States v. U.S. Gypsum Co.*, 333 U.S. 364, 396 (1986); *see also Merck & Cie v. Watson Labs., Inc.*, 822 F.3d 1347, 1353 (Fed. Cir. 2016) (“[C]onclusory testimony cannot trump the unambiguous documentary record.”). And even if Mr. Loria’s declaration were true (and it is not), it does not negate Patent Owner’s long-settled expectations that IBM would not challenge the validity of the patent, for all the reasons addressed previously. *See* Paper 9, at 9-13.

Finally, Mr. Loria’s Declaration must be rejected due to IBM’s failure to disclose his potential bias. Although it claims that Mr. Loria is a *former* IBM employee, IBM failed to disclose that he has most recently been employed by companies that partner with, or are supported by, IBM. For example, according to

Mr. Loria's LinkedIn page, since December 2024, he has been employed as a Corporate Development Advisor by Pluralsight, which is "partnered with IBM." *Michael Loria*, LINKEDIN, <https://www.linkedin.com/in/michael-loria-06945/> (last accessed Oct. 27, 2025); *IBM*, PLURALSIGHT, <https://www.pluralsight.com/partners/ibm> (last accessed Oct. 27, 2025) ("Pluralsight has partnered with IBM to help you develop foundational skills in IBM Z hardware and software . . .").

IBM's other argument—that the Examiner erred during the '802's prosecution because another examiner rejected claims in a sibling application over Horne and Krawczyk—also fails. *See Opp.*, 13-16. Tellingly, IBM does not raise either Horne and Krawczyk in its Petition, though it raises a different Krawczyk as a tertiary reference. In any case, that two different examiners came to different conclusions is not evidence that the examiner IBM disagrees with erred. Plus, far from being hidden during prosecution of the '802, IBM's own exhibit shows that the sibling application office actions on which IBM relies as evidence of error, as well as Horne and Krawczyk themselves, were disclosed to the Examiner. Ex. 1009 ['802-FH] 549-50 (disclosing status of '363 application and submitting copies of Office Actions); *id.* at 263, 356 (disclosing Horne and Krawczyk). In any case, even new or additional prior art does not justify institution, and here, Horne and Krawczyk were presented to the Office during prosecution. *See* 90 Fed. Reg. 48335, 48341.

Respectfully submitted,

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Date: October 27, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following document was served by electronic service, by agreement between the parties, on the date below:

**PATENT OWNER REPLY TO PETITIONER OPPOSITION TO
DISCRETIONARY DENIAL**

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