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**Datasheet for the decision
of 19 March 2007**

Case Number: T 0780/04 - 3.5.04

Application Number: 02015286.4

Publication Number: 1280149

IPC: G11B 20/00

Language of the proceedings: EN

Title of invention:

Digital work protection system, record/playback device,
recording medium device, and model change device

Applicant:

MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.

Opponent:

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Headword:

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Relevant legal provisions:

EPC Art. 113(1)

RPBA Art. 10

Keyword:

"Basis of decisions - opportunity to comment (no)"

Decisions cited:

-

Catchword:

-



Case Number: T 0780/04 - 3.5.04

D E C I S I O N
of the Technical Board of Appeal 3.5.04
of 19 March 2007

Appellant: MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.
1006, Oaza-Kadoma
Kadoma-shi
Osaka 571-8501 (JP)

Representative: Grünecker, Kinkeldey
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Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 14 January 2004
refusing European application No. 02015286.4
pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: F. Edlinger
Members: C. Kunzelmann
J. Willems

Summary of Facts and Submissions

- I. The appeal is against the decision of the examining division refusing European patent application No. 02 015 286.4.
- II. With the statement of grounds of appeal, the appellant filed a fresh set of claims 1 to 17. The independent method claim 15 reads as follows:

"A record and playback method for use in a record/playback device that stores a content being a digital work into a portable recording medium device and plays back the content, the recording medium device including a storage area and being attached to the record/playback device, the record/playback device including:
an internal storage unit operable to store a content that is a digital work; and
a unique information storage unit operable to prestore device unique information that is unique to the record/playback device, and
the record and playback method comprising:
an encryption step (S110) of encrypting the stored content to generate encrypted information;
a write step (S111) of writing the generated encrypted information into the storage area of the recording medium device;
a read step (S112) of reading the encrypted information from the storage area of the recording medium device;
a decryption step (S114) of decrypting the read encrypted information to generate a decrypted content;
and

a playback step of playing back the generated decrypted content,
characterized in that
*said encryption (S111) of said content to be stored on said recording medium device is performed by using said prestored device unique information as encryption key, and
decryption (S114) of said read encrypted information is performed by using said prestored device unique information as decryption key, such that an individual record/playback device may only decrypt such encrypted information which has previously been encrypted by said same individual record/playback device."*

[The features set in italics constitute amendments over claim 16 on which the decision under appeal was based.]

III. The examining division issued a single communication pursuant to Article 96(2) EPC. In this communication the examining division raised objections under Article 84 EPC and Rule 29(2) EPC against the various definitions of the invention given in the independent claims. The communication stated: "In light of the objections under Art. 84 EPC, it is not at present practical to fully examine the claims on file. However, in order to provide the applicants with guidance for the further procedure, the method defined in claim 30 will be analysed hereinafter in respect of the requirements of novelty and inventive step."

The communication referred to documents D1 to D9, in particular to

D2: EP 1 050 887 A1.

In the analysis of claim 30, the communication contained a detailed analysis of D2 referring to paragraphs [0002-0016], [0086-0087], [0098-0099], [0152-0153] and [154-168], and stated that a PC 102 (D2, figures 1 - 4) had a prestored **device key** (111a; 211a) stored in a specific memory. The authentication between the PC and the memory card used the device key and storing/reading copyright protected information to/from the memory card was thus based on the prestored device key. Alternatively a **device ID** that was unique to the recording/playback device could be used in the authentication and encryption/decryption processes. Thus D2 anticipated each of the features of claim 30. Furthermore documents D3, D5, D6, D8 and D9 were also considered to be extremely relevant to the claimed subject-matter.

[Emphasis in bold characters added by the board.]

IV. In response the applicant filed fresh application documents including a new set of claims 1 to 18. The applicant also submitted arguments highlighting the differences between the invention and the cited documents.

V. The examining division then refused the application. The reasons for the decision under appeal can be summarized as follows:

Claim 16 corresponded to original claim 30. The features of the preamble of claim 16 were known from D2 (abstract; [0001-0016; 0060-0062]; fig. 4) and were also generally known from personal computers having

encrypting and decrypting capability when used as compact disc recording and playback devices. The characterising feature, namely "said encryption and said decryption of content being performed based on the prestored device unique information", was also known from D2 because, according to paragraphs [0073] and [0103] of D2, the master key could be embedded in the player or PC beforehand as an alternative to storing in the memory card. In this alternative the master key was implicitly uniquely related to the PC. Thus the decryption and the corresponding encryption were (at least partly) based on the prestored **master key** which was unique to the PC. The method of claim 16 therefore lacked novelty (Article 54 EPC) over D2. Even if novelty of the method of claim 16 were acknowledged, the concept of prestoring a master key that was uniquely related to a record/playback device and used for authentication and encryption and decryption was clearly disclosed in D2 and a skilled person would use such a concept wherever required. Thus there was no inventive step. The objections against claim 16 were also valid against claim 1.

In a concluding remark the decision under appeal states that the applicants' interpretation of D2 had apparently not taken into account the passage at paragraph [0103].

Furthermore, the decision contains "further comments" as to why the subject-matter of claims 1 and 16 allegedly lacks novelty over document D3 and iterates that documents D4, D5, D6, D8 and D9 are still particularly relevant to the claimed subject-matter.

[Emphasis in bold characters added by the board.]

VI. The appellant essentially argued as follows:

The characterising feature of claim 16 had been interpreted by the examining division in a rather broad manner. The appellant assumed that only for that reason, that the claims were misinterpreted, the application was refused.

The invention related to a copy protection scheme of a record/playback device which efficiently and reliably prevented exchange of a recorded content between two separate record/playback devices via the exchange of the recording medium. It encrypted and decrypted the content which was to be stored on the portable recording medium by using a prestored device unique information as encryption and decryption key. Each individual record/playback device was provided with different device unique information. In D2 however, integrity of copyright protection of the encrypted content required that only a player which observed the restriction laid down in the rights information was allowed to access the decryption key and the rights information on the memory card. An authentication between the player and the memory card was performed using a shared secret, namely a master key. The master key was neither unique to the memory card nor to the PC or player. It identified a certain type of apparatus instead of a single individual apparatus. The option described in paragraph [0103] was only a way of simplifying the authentication procedure in that the first step of obtaining the master key from the memory card could be omitted.

VII. In response to a telephone conversation with the rapporteur, the appellant accepted in a letter dated 19 December 2006 remitting the case to the first instance without oral proceedings before the board. The appellant's original request directed to the board that the patent be granted with the documents on file was consequently directed to the examining division.

Reasons for the Decision

1. The appeal is admissible.

2. *Amendments on appeal*

New claim 15 essentially corresponds to claim 16 on which the decision under appeal was based and includes the additional feature "such that an individual record/playback device may only decrypt such encrypted information which has previously been encrypted by said same individual record/playback device". New claim 1 relates to a device with corresponding apparatus features.

3. *The right to be heard (Article 113(1) EPC)*

3.1 The objection of lack of novelty in the decision under appeal is based on the finding that the features of the preamble of claim 16 were disclosed in D2 and also generally known, and that the characterising feature was implicitly disclosed in paragraphs [0073] and [0103] of D2 (see point V above). Thus, the main reasoning for refusing the application is based on the alleged fact

that in D2 the **master key** prestored in the PC is unique to the PC.

- 3.2 This constitutes a crucial factual ground which is not mentioned in the single communication (see point III above). In so far as the analysis of D2 in the communication relates to a key which is unique to the recording/playback device, namely the PC or the player (figures 1 to 4), it identifies the prestored **device key** (111a; 211a) stored in a specific memory (ROM) instead. Alternatively it identifies a **device ID** that is unique to the recording/playback device. The single communication mentions neither the master key nor the paragraphs [0073] and [0103] of D2 from which the decision under appeal derives the implicit teaching that the master key is the unique key contrary to the applicant's interpretation of D2.
- 3.3 In D2, the device keys (111a and 211a) and the device ID are different from the master key 323a: whereas the master key 323a is a shared secret key common to the memory card and the player (D2, paragraph [0153]), the device key, the device ID and a medium ID are explicitly said to be unique to a respective device (PC, player or recording medium; see paragraphs [0059], [0153] and [0067] of D2). The device ID is for instance a product serial number unique to the player. Although the master key, the device ID and the device keys all have a function in the authentication process, their respective functions are different: For example, the player encrypts its device ID using the master key and sends the encrypted device ID to the memory card. The memory card then decrypts the device ID using the master key and checks whether the device ID is already

stored in a device ID group storage area of the memory card (D2, paragraph [0155] and figure 15). In a variation of the authentication protocol (D2, paragraphs [00157] to [0160] and figure 16), the master key is an encrypted master key stored on the memory card. The player obtains the encrypted master key from the memory card and decrypts it using its device key. Only when the device key of the player is an authorized one does the decryption restore the original master key.

- 3.4 In view of the differences between the keys in D2 discussed above, the applicant could not objectively expect that the reference to the device ID or the device key in the single communication would be replaced by a reference to a master key which is said to be implicitly disclosed as being unique to the player/PC in the decision under appeal. Thus the applicant was taken by surprise by a fresh factual ground on which the decision refusing the application was based and did not have an opportunity to present his comments as to this factual ground, contrary to Article 113(1) EPC.

4. *Reimbursement of the appeal fee (Rule 67 EPC)*

According to established jurisprudence, such an infringement of Article 113(1) EPC constitutes a substantial procedural violation which may justify reimbursement of the appeal fee even in the absence of a request to this effect (Case Law of the Boards of Appeal of the European Patent Office, 4th edition 2001, VII.D.15.4.1 and 15.4.3). In the present case this procedural violation was closely linked to the need to pay an appeal fee: had the applicant been given an

opportunity to present comments on the fresh factual ground, the applicant could potentially have avoided the refusal of the application on the basis of this factual ground by submitting arguments and/or amended application documents. The applicant could also have submitted arguments and/or filed amended application documents as he did with the statement of grounds of appeal, to dispel what he considered a misinterpretation leading to the refusal. Thus the board judges that the reimbursement of the appeal fee is equitable.

5. *Remittal to the first instance (Article 111(1) EPC)*

In view of the above deficiency in the first instance proceedings and since the appellant has accepted that the case be remitted to the first instance, the board sees no special reasons for not remitting the case to the first instance (Article 10 RPBA). Moreover it follows from the reference to other relevant documents (see points III and V above) that a further examination is necessary before the grant of a patent can be envisaged. Thus the board, exercising its discretion under Article 111(1) EPC, remits the case to the first instance.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The case is remitted to the first instance for further prosecution.
3. The reimbursement of the appeal fee is ordered.

The Registrar:

The Chairman:

D. Sauter

F. Edlinger