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**Datasheet for the decision
of 7 March 2017**

Case Number: T 0388/12 - 3.4.01

Application Number: 02763141.5

Publication Number: 1425700

IPC: G06K7/00, G07F7/10

Language of the proceedings: EN

Title of invention:

A CARD READER

Patent Proprietor:

Gemalto AB

Opponent:

Vasco Data Security NV (BE) /
Vasco Data Security International GmbH (CH)

Headword:

Relevant legal provisions:

EPC 1973 Art. 56

Keyword:

Inventive step - (no)

Remittal to the department of first instance - (yes)

surrender of a request cannot be presumed

Decisions cited:

G 0001/88, T 0939/92

Catchword:

Withdrawal of a request can only result from acts of the party that manifestly establish such intention (cf. point 4).



Beschwerdekammern
Boards of Appeal
Chambres de recours

European Patent Office
D-80298 MUNICH
GERMANY
Tel. +49 (0) 89 2399-0
Fax +49 (0) 89 2399-4465

Case Number: T 0388/12 - 3.4.01

D E C I S I O N
of Technical Board of Appeal 3.4.01
of 7 March 2017

Respondent: Gemalto AB
(Patent Proprietor) Gotalandsvagen 230
Hus 22 - Box 42133
125 44 Alvsjo Stockholm (SE)

Representative: Thomas, Christine Marie Catherine
Gemalto S.A.
525, avenue du Pic de Bertagne
13420 Gémenos (FR)

Appellants: Vasco Data Security NV (BE) /
(Opponents) Vasco Data Security International GmbH (CH)
Koningin Astridlaan 164 / World-Wide
Business Center, Balz-Zimmermannstrasse 7
BE-1780 Wemmel / CH-8152 Glattbrugg (BE)

Representative: IPLodge bvba
Technologielaan 9
3001 Heverlee (BE)

Decision under appeal: **Interlocutory decision of the Opposition
Division of the European Patent Office posted on
15 December 2011 concerning maintenance of the
European Patent No. 1425700 in amended form.**

Composition of the Board:

Chairman G. Assi
Members: P. Fontenay
R. Winkelhofer

Summary of Facts and Submissions

- I. An opposition was filed by joint opponents against European patent No. 1 425 700 as a whole.
- II. The opposition was based on the ground for opposition of Art. 100(a) EPC 1973 for lack of inventive step (Art. 56 EPC 1973) and exclusion from patentability (Art. 52(2)(b) EPC) and on the ground of Art. 100(b) EPC 1973 (see Art. 83 EPC).
- III. The opposition division admitted auxiliary requests 1 to 4 into the proceedings and decided to maintain the patent in amended form according to auxiliary request 3.

Documents A1 to A12 are cited in the opposition division's decision, the following ones being referred to in the present decision:

- (A1) JP-A-2000-20470,
- (A2) FR-A-2 797 700,
- (A3) US-A-5 825 353 and
- (A11) WO-A-98/16908.

- IV. The joint appellants (joint opponents) filed an appeal against the opposition division's decision.

With the notice of appeal, the joint appellants requested that the decision under appeal be set aside and the patent be revoked in its entirety.

With the statement of grounds of appeal, the joint appellants requested that the opposition division's findings on the admissibility of patentee's auxiliary requests 3 and 4 underlying the decision under appeal

be reversed and that said auxiliary requests 3 and 4 be held inadmissible, with the effect that the patent should be revoked in its entirety.

Should the Board find that the opposition division rightly admitted said auxiliary requests 3 and 4 into the opposition proceedings, the joint appellants submitted the following documents with the grounds of appeal:

(A13)-(A17) prior use (Art. 54(2) EPC 1973)
concerning a "*DIGIPASS 800 card reader*".

and requested that said documents A13 to A17 be admitted into the appeal proceedings.

Moreover, the joint appellants requested that the patent be revoked in its entirety for lack of clarity (Art. 84 EPC) or on the raised grounds for opposition under Art. 100(a) EPC or Art. 100(b) EPC.

V. The patentee also filed an appeal against the decision of the opposition division. However, the appeal was later withdrawn. Therefore, the patentee is referred to in the following as respondent.

By submissions of 15 April 2015 (cf. page 8, "*Conclusion*"), the respondent requested the "*rejection of the Appellants' requests*".

VI. Summons to attend oral proceedings were issued on 14 December 2016.

On 12 January 2017, the Board issued a communication pursuant to Art. 15(1) RPBA, expressing its provisional

opinion with regard to the parties' submissions and requests then on file.

- VII. In reply, with submissions of 13 February 2017, the joint appellants explained the reasons for the late filing of documents A13 to A17. Moreover, they made submissions concerning the issue of clarity, in particular having regard to decisions G 9/91 and G 3/14. They also provided further arguments concerning the issue of inventive step on the basis of document A11. In this respect, they submitted a further document:

(A18) article by K.P. Weiss, "*When A Password Is Not A Password*", IEEE Proceedings 1990, International Carnahan Conference on Security Technology; Crime Countermeasures, 100-108; 10-12 October 1990.

- VIII. Oral proceedings before the Board took place on 7 March 2017 in the presence of the joint appellants' representatives only.

The final requests of the joint appellants were that the decision under appeal be set aside and the patent be revoked in its entirety.

The respondent's request for "*rejection of the Appellants' requests*" was construed as an implicit request that the appeal be dismissed, i.e. that the patent be maintained on the basis of auxiliary request 3 or, alternatively, auxiliary request 4, both requests underlying the decision under appeal. Former auxiliary requests 3 and 4 are thus considered to represent the respondent's main request and auxiliary request, respectively.

IX. Claim 1 of respondent's main request, i.e. auxiliary request 3 underlying the decision under appeal and considered allowable by the opposition division, reads:

"A portable card reader for providing a one time code (OTC) in combination with a card (2) having the size of a credit card, provided with a chip, comprising:

- processing means (17),*
 - a card holder (11) for holding the card in contact with connection means to form a connection between said chip and said processing means,*
 - a display (12) and entering means for manually entering information into the reader,*
 - wherein said entering means comprises a roller (13) for scrolling a predetermined set of input items, simultaneously being displayed on the display, and an entry key (14) for selecting a presently chosen one of said input items,*
 - said card reader having an elongate form with a length less than 50% longer than the width of the credit card-sized card to be read*
- wherein said processing means are arranged to:*
receive a PIN code through said entering means;
provide said PIN code to said card to unlock said card;
receive a newly generated OTC from said card; and
display said OTC on the display."

Claims 2 to 7 of respondent's main request depend on claim 1.

X. Claim 1 of respondent's auxiliary request, i.e. auxiliary request 4 underlying the decision under appeal, reads:

"1. A portable card reader for communication with a card in the size of a credit card, provided with a chip, comprising:

- processing means,
- a card holder for holding the card in contact with connection means to form a connection between said chip and said processing means,
- a display and entering means for manually entering information into the reader,
- wherein said entering means comprises a roller for scrolling a predetermined set of input items, simultaneously being displayed on the display, and an entry key for selecting a presently chosen one of said input items,
- said card reader having an elongate form with a length less than 50% longer than the width of the credit card-sized card to be read

wherein said processing means are arranged to:

- receive input from said entering means;
- receive input from said card;
- send output to said card; and
- send output to said display

wherein said card reader comprises at least two sets of input items, wherein entry of at least one input item or sequence of input items from a first set of input items enables entry of input items from a second set of input items."

Claims 2 to 7 of respondent's auxiliary request depend on claim 1.

Reasons for the Decision

1. *Applicable law*

This decision is issued after the entry into force of the EPC 2000 on 13 December 2007 whereas the application was filed before this date. Reference is thus made to the relevant transitional provisions for the amended and new provisions of the EPC, from which it can be derived which Articles and Rules of the EPC 1973 are still applicable to the present application and which Articles and Rules of the EPC 2000 are to apply. When Articles or Rules of the former version of the EPC are cited, their citations are followed by the indication "1973" (cf. EPC, Citation practice).

2. The appeal of the joint appellants is admissible.

The appeal filed by the respondent was withdrawn.

3. *Admissibility of patentee's auxiliary requests 3 and 4 underlying the decision under appeal*

- 3.1 The present respondent's main and auxiliary requests correspond, respectively, to former auxiliary requests 3 and 4 underlying the decision under appeal. The requests were admitted into the opposition proceedings despite the objections raised by the joint opponents.

With the appeal, the joint appellants reiterated their objections against the admissibility of both requests. In this respect, the joint appellants stressed that former auxiliary requests 3 and 4 had been filed at a late stage of the opposition proceedings and were not convergent with regard to the then pending higher ranking requests. This situation was exacerbated by the fact that, insofar as former auxiliary request 3 was concerned, the amendments in the claims concerned features taken from the description as originally filed, which were not previously part of any claim.

Therefore, the decision to admit said requests in opposition proceedings was taken on the basis of wrong principles and should be reversed in appeal proceedings.

- 3.2 A decision by an opposition division to admit new requests in the opposition proceedings may indeed be reversed in the ensuing appeal proceedings, if it is considered that the opposition division applied its discretion on the basis of the wrong principles or in an unreasonable way.

In the present case, it results from the minutes of the oral proceedings before the opposition division (cf. section 4) that the opposition division took note of the fact that said requests had been filed at the final date defined in Rule 116 EPC. The opposition division further observed that the amendments made with regard to auxiliary request 3 could not have surprised the opponents since it related to the main embodiment of the invention. Finally, the opposition division held that the amended requests constituted fair attempts to address the grounds for opposition raised by the joint opponents.

No wrongdoing can be identified in the manner the opposition division exercised its discretion. Neither the minutes of the oral proceedings nor the decision under appeal suggest that the opposition division applied the wrong principles, under the circumstances.

The fact that no reference was made to the criterion of "*convergence*" suggests that neither the joint opponents nor the opposition division considered this aspect to constitute an obstacle to the admissibility of the requests in question.

The criterion of "convergence" of a chain of requests may indeed constitute an argument to decide on the admissibility of requests. However, it only appears to define one aspect among others to be considered. The relative weight of the various criteria is only an aspect of the discretion recognised to an opposition division and depends on the circumstances of the case. The opposition division's discretion may thus lead to privilege one or more criteria rather than some others. Therefore, the finding that a request would not be converging is, as such, not conclusive to decide that the request is not admissible.

3.3 Therefore, the decision of the opposition division to admit former auxiliary requests 3 and 4 is to be upheld.

4. *Alleged withdrawal of respondent's auxiliary request (auxiliary request 4 underlying the decision under appeal)*

4.1 The joint opponents objected to the fact that former auxiliary request 4 would still be pending before the Board.

4.2 The respondent's request for "*rejection of the Appellants' requests*" leaves room for interpretation.

In the decision under appeal, the opposition division decided to admit auxiliary requests 1 to 4 into the opposition proceedings. Moreover, it came to the conclusion that auxiliary request 3 was allowable. Neither the minutes of the oral proceedings before the opposition division nor the decision under appeal permit to conclude that auxiliary request 4 had been withdrawn.

In the statement of grounds of appeal, the joint appellants raised objections to both former auxiliary requests 3 and 4, thus suggesting that they themselves considered said requests to be pending.

In its letter of reply dated 15 April 2015, the respondent explicitly contested the arguments of the joint appellants in a section entitled "*Admissibility of Auxiliary Requests 3 and 4*".

As stressed by the joint appellants, the respondent did not react to the statement of the Board in its communication pursuant to Art. 15(1) RPBA according to which the respondent's request was interpreted as a request to confirm the decision of the opposition division to maintain the patent on the basis of former auxiliary request 3.

However, this sole indication is not sufficient to establish that former auxiliary request 4 had indeed been withdrawn. As a general principle of law, surrender of a right cannot be simply presumed ("*a jure nemo recedere praesumitur*" (cf. G 1/88, OJ EPO 1989, 189, Point 2.4)). Relying on a strict application of this principle, the withdrawal of a request can only result from acts of the party that manifestly establish such intention. Explicit withdrawal of a request would not be required insofar as the intention of the party, as it may result from its behaviour or comments made, is unequivocal.

4.3 Under the present circumstances, any such clear respondent's intention to withdraw former auxiliary request 4 cannot be recognised. Said request is therefore still pending as a consequence of the

devolutive effect associated to the filing of an appeal. As already stated, it constitutes the respondent's auxiliary request.

5. *Respondent's main request*
Art. 56 EPC 1973

5.1 Document A11 was admitted into the opposition proceedings by the opposition division.

In appeal proceedings the respondent did not challenge the admissibility of A11.

There is no reason to depart from the decision of the opposition division in this respect.

5.2 A11 discloses a portable card reader in combination with a card (2) having the size of a credit card provided with a chip (cf. page 1, lines 1-4; page 3, lines 30-37). The portable reader comprises processing means, a card holder (2) for holding the card in contact with connection means to form a connection between said chip and said processing means, a display (7) and entering means (8) for manually entering information into the reader (cf. page 3, lines 30-37; Figure 1).

Moreover, the card reader of A11 may be used for identifying the user (cf. page 7, lines 34-37). This is accomplished by means of the smart card which generates a reply code in response to a number supplied to it by a microprocessor located in the card.

The reply code generated by the card defines a one time code (OTC) in the sense of the patent specification. The joint appellants correctly state that the notion of

OTC was not limited to the specific case of challenge-based codes, as is the case in the patent in suit, but also encompassed alternatives such as time-based or counter-based codes.

It follows that the card reader disclosed in A11, which generates counter-based codes via the processing means and the memory it incorporates, indeed provides an OTC as required by claim 1. Said OTC is received by the reader, from the card, and it is displayed on the display means as recited in claim 1.

The card reader of A11 further comprises means arranged to receive a PIN code through the entering means and provide said PIN code to the card to unlock it (cf. page 7, lines 20-29).

Hence, A11 shares a common purpose with the claimed card reader. Moreover, since it discloses many structural features of the claimed card reader, it is considered to illustrate the closest prior art.

5.3 The claimed card reader thus differs from the card reader disclosed in A11 in that:

- (i) the entering means comprises a roller for scrolling a predetermined set of input items displayed on the display and an entry key for selecting one of said input items,
- (ii) said card reader has an elongate form with a length less than 50% longer than the width of the credit card-sized card to be read, and
- (iii) the OTC is generated after that the card has been unlocked following verification of the PIN code.

- 5.3.1 Feature (i) allows a reduction of the card reader's size and contributes to improve its portability.

In this respect, document A3 explicitly acknowledges that a limiting factor to the miniaturisation of "*Personal Digital Assistants*" (PDAs) results from the entering means rather than the computing means (cf. column 1, line 62 to column 3, line 3). A3 further stresses the need for alternative ways to control PDAs, in particular for entry of alphanumeric text to PDAs contained in very small packages (cf. column 2, lines 31-37).

In A3, said problem is solved by providing the PDA with a thumbwheel and a selector button (cf. column 2, lines 52-55; column 6, line 65 to column 7, line 6).

The skilled person would have consider the teaching of A3, which relates to PDAs, that is, to objects having approximately the size of the claimed card reader. It would thus have been obvious to incorporate a thumbwheel and selector button in the card reader of A11 in order to improve its portability, as disclosed in A3.

- 5.3.2 With regard to feature (ii), there is no technical effect achieved that extends beyond what is already provided by the card reader of A11. As emphasised by the joint appellants, the reader according to the prior art was adapted to read smart cards and was also portable. The respondent's argument that the recited size would make the card reader particularly suitable for being portable is rejected. In this regard, the claimed wording covers a particularly broad family of elongated shapes and encompasses, for example, a rectangular shape with a length of almost 1,5 time the

width of a credit card and a width of only slightly less than this length. Contrary to the view expressed by the respondent, no improvement to portability in view of the cited prior art and in particular in view of the closest prior art can thus be identified in the claimed size.

It follows that the problem addressed by the claimed invention must be reformulated in view of said distinguishing feature so as to apply to all possible shapes actually claimed (cf. decision T 939/92, OJ 1996, 309).

The absence of any technically useful property over what is achieved by A11 in terms of portability implies that the technical problem solved by the claimed card reader is the minimalist one of providing the reader with specific dimensions allowing such portability.

In this respect, the claim merely specifies a range of possible dimensions considered to fulfil said requirement. No inventive step can however be recognised in such an arbitrary selection.

- 5.3.3 Concerning feature (iii), the need for the user to enter a PIN code to unlock the smart card before the OTC is generated increases the level of security, in that it permits to verify that the access to the services delivered by the smart card is limited to the person entitled to do so. However, said measure does not affect as such the generation of the OTC by the smart card.

Moreover, the verification by means of a PIN code appears obvious in view of document A11. It is namely observed that according to an embodiment in A11,

amounts may be loaded into the smart card after that the PIN code has been verified by the card (cf. page 2, lines 25-37; page 7, lines 20-33).

As stressed by the respondent, the verification of a PIN code was disclosed in relation with functionalities different from the one consisting in issuing an OTC. However, the paragraph in A11 on page 8, lines 13-17, does suggest the association of both aspects since it explicitly mentions the possibility to "*have the identification function carried out automatically, for example after the PIN code has been input*".

Although referring to automatic identification, the skilled person would recognise that the use of the PIN code could also be associated to the embodiment disclosed in the previous paragraph (cf. page 7, line 34 to page 8, line 12), in which the generation of an OTC (reply code) follows the manual input of a number received via a computer.

For these reasons, no inventive activity can be recognised in the fact that the user should enter a PIN code to unlock the smart card before being able to receive a newly generated OTC from said card.

5.4 It follows that the subject-matter of claim 1 does not involve an inventive step in the sense of Article 56 EPC 1973.

5.5 In conclusion, the respondent's main request is not allowable.

6. *Respondent's auxiliary request*
Art. 111(1) EPC

The joint appellants did not maintain their former request for remittal of the case to the first instance, as submitted with the grounds of appeal.

It is observed that claim 1 of the pending auxiliary request (former auxiliary request 4) substantially differs from claim 1 of the pending main request (former auxiliary request 3) and the other higher ranking requests on the basis of which the opposition division rendered its decision. Moreover, the opposition division did not comment on the merits of former auxiliary request 4 since the patent was maintained on the basis of former auxiliary request 3.

Thus, in order to have the present respondent's auxiliary request dealt with in two instances, it is considered expedient to remit the case to the opposition division for further prosecution.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The case is remitted to the opposition division for further prosecution.

The Registrar:

The Chairman:



K. Götz-Wein

G. Assi

Decision electronically authenticated