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D E C I S I O N
of 22 August 2002

Case Number: T 0527/99 - 3.4.1

Application Number: 92301046.6

Publication Number: 0500245

IPC: G07F 19/00

Language of the proceedings: EN

Title of invention:

Cipher communication system for transaction data

Patentee:

KABUSHIKI KAISHA TOSHIBA

Opponent:

CP8

Headword:

-

Relevant legal provisions:

EPC Art. 111(1), 54

Keyword:

"Admissibility of late filed documents - yes"
"Remittal for further prosecution"

Decisions cited:

T 1002/92, T 0326/87, T 0611/90

Catchword:

-



Case Number: T 0527/99 - 3.4.1

D E C I S I O N
of the Technical Board of Appeal 3.4.1
of 22 August 2002

Appellant: KABUSHIKI KAISHA TOSHIBA
(Proprietor of the patent) 72, Horikawa-cho
Saiwai-ku
Kawasaki-shi,
Kanagawa-ken 210-8572 (JP)

Representative: Shindler, Nigel
Brookes Batchellor
102-108 Clerkenwell Road
London EC1M 5SA (GB)

Respondent: CP8
(Opponent) 36-38 rue de la Princesse
BP 45
F-78431 Louveciennes Cedex (FR)

Representative: Corlu, Bernard
CP8
Direction de la Propriété Intellectuelle
36-38 rue de la Princesse
BP 45
F-78431 Louveciennes Cedex (FR)

Decision under appeal: Decision of the Opposition Division of the
European Patent Office posted 16 March 1999
revoking European patent No. 0 500 245 pursuant
to Article 102(1) EPC.

Composition of the Board:

Chairman: G. Davies
Members: M. G. L. Rognoni
G. Assi

Summary of Facts and Submissions

I. The appellant (patent proprietor) lodged an appeal, received on 10 May 1999, against the decision of the opposition division, despatched on 16 March 1999, revoking the European patent No. 0 500 245. The fee for the appeal was paid on 06 May 1999 and the statement setting out the grounds of appeal was received on 16 July 1999.

II. The opposition had been filed against the patent as a whole based on Article 100(a) EPC and concerned, in particular, an objection under Articles 52(1) and 56 EPC.

III In response to submissions made by the appellant by letter dated 23 July 2002, received on 25 July 2002, the respondent (opponent), in a letter dated 6 August 2002, made reference to the following documents:

E7: US-A-4 238 853

E8: US-A-4 503 287

IV. During oral proceedings, which were held on 22 August 2002, the respondent, *inter alia*, referred for the first time to the following documents:

E9: EP-A-0 422 230

E9a: WO-A-90 09009

E9, published on 17 April 1991, had been cited in the European Search Report as prior art according to Article 54(3) EPC. However, this document was a

European application, published under Article 158(3) EPC, of the international application E9a drafted in Japanese. Since the latter had been published on 09 August 1990, it constituted prior art according to Article 54(2) EPC.

V The appellant requested that the case be remitted to the first instance for further prosecution on the basis of the following documents:

Claim: 1 filed in the oral proceedings held on 22 August 2002;

Description: pages 2, 3 and 13 filed in the oral proceedings, pages 4 to 12 and 14 of the patent specification as published;

Figures: 1 to 26 of the patent specification as published.

VI. The respondent requested that E7, E8, E9 and E9a be admitted into the proceedings and that the patent be revoked (**main request**), or that the case be remitted to the opposition division for examination of the merit of the invention in the light of E7, E8, E9 and E9a (**auxiliary request**).

VII. The wording of claim 1 reads as follows:

*"1. A cipher communication system for communicating transaction data between
a first electronic device (1) comprising first memory means (3) for storing a key data, means (40) for generating a transaction key data which is to be used*

for enciphering the transaction data, means (2,7) for enciphering the transaction key data in accordance with the key data, and means (4) for transferring the enciphered transaction key data;

and a second portable electronic device (21) comprising means (24) for receiving the enciphered transaction key data transferred from the first electronic device; second memory means (231) for storing the key data; means (22,25) for deciphering the enciphered transaction key data received by the receiving means according to the key data stored in said second memory means, the second electronic device (21) further comprising third memory means (232) for storing the deciphered transaction key data;

and a terminal device (11) for receiving the portable electronic device (21) to connect it to the first electronic device;

characterised in that the first electronic device (1) is arranged to transmit a transaction key to the portable electronic device via the terminal before exchanging encrypted data with the terminal (11) and in that the portable electronic device includes data conversion means (25,26) which is so arranged that encryption and decryption of all data received from, and transmitted to, the first electronic device (1) by the portable electronic device (21) is performed by the portable electronic device itself; and also in that the terminal device (11) includes means (42) for supplying power to the portable electronic device for activating the second electronic device, the portable electronic device (21) including means (42a) for receiving the power supplied from the terminal device (11);

and also in that the third memory means (232) of

the portable electronic device (21) is a volatile memory whose memory is maintained by the power supplied from the terminal device (11) but is cleared on interruption of the power supply by removal of the portable electronic device from the terminal, so as to eliminate the stored transaction key data on completion of the communication."

VIII. The appellant argued essentially as follows:

Neither E7 nor E8 taught the feature of claim 1 that *"encryption and decryption of all data received from, and transmitted to, the first electronic device (1) by the portable electronic device (21) is performed by the portable electronic device itself"*. Thus, the claimed subject-matter could not be rendered obvious by these documents. As to E9 and E9a, if the Board considered these documents sufficiently relevant to be introduced into the proceedings, it should refer the case back to the opposition division so that the matter could be examined at two levels of jurisdiction.

IX. The respondent's submissions may be summarised as follows:

E7 and E8 were cited in response to an amended claim 1 filed by the appellant on 25 July 2002. E9 had been cited in the European Search Report and, thus, was already on file, while the earlier published family member E9a was identified on its cover page. These documents were highly relevant for the subject-matter of claim 1 because they disclosed one of its essential features, *ie* that the encryption and decryption of data were performed by the portable electronic device rather than by the terminal. Moreover, the reference to these

documents was a justified reaction to the new claim filed at the oral proceedings.

Reasons for the Decision

1. The appeal is admissible.
2. *Admissibility of documents E7, E8, E9 and E9a*
 - 2.1 Documents E7 and E8 were submitted on 6 August 2002, *ie* about two weeks before the date of oral proceedings, whereas documents E9 and E9a were referred to for the first time in the oral proceedings. The appellant did not formally object to the introduction of these documents into the appeal proceedings.
 - 2.2 According to the established case law of the boards of appeal, a decisive criterion for admitting late-filed documents is their *prima facie* relevance. In appeal proceedings, because of their judicial nature, late-filed documents are admitted only very exceptionally if they are very highly relevant (see T 1002/92 (OJ 1995, 605)wp). Other factors in the case, such as whether the patent proprietor objects to their admissibility, and whether they are filed in response to amendments made to the patent, should also be taken into account (see Case Law of the Boards of Appeal, Fourth Edition 2001, VII.C.12(b) first paragraph, page 495).
 - 2.3 Documents E7 and E8 were submitted shortly after the filing of amended claim 1 on 25 July 2002. This claim contained the following additional features which had never been recited in the previous claims:

"...characterised in that

(a) the exchange of encrypted data between the first electronic device (1) and the terminal (11) is preceded by the transmission of a transaction key from the first electronic device (1) to the second electronic device (21),

and in that

(b) the encryption and decryption of all data exchanged between the first electronic device (1) and the second electronic device (21) is performed by the second electronic device itself;..." [itemisation added]

Although worded differently, features (a) and (b) are also substantially present in claim 1 filed in the oral proceedings before the Board.

2.4 A *prima facie* analysis of E7 and E8 reveals that each of these documents discloses not only the features of the preamble of claim 1, but also feature (a). E7 and E8 can therefore be regarded to be more relevant than the closest prior art document which had been acknowledged before their submission.

2.5 Hence, the Board is satisfied that the citation of E7 and E8 was a direct and justified reaction to the appellant's filing of an amended claim, and that these documents remain very highly relevant to the subject-matter of claim 1 currently on file. However, since the relevant part of E7 is adequately summarised in E8 (see respondent's letter of 6 August 2002), the Board considers it expedient to admit only E8 into the proceedings.

2.6 As to E9 and E9a, the amendments made to claim 1 during the oral proceedings concerned only a clarification of the claim wording which, *per se*, could not justify new citations. However, it remains to be determined whether the respondent's reliance on these documents could be regarded as a justified (albeit belated) reaction to the filing of amended claim 1 on 25 July 2002.

Assuming that E9 is of identical content as E9a, the Board concludes from a *prima facie* assessment of E9 and E9a, in particular of the passages in lines 9 to 34 of page 1, lines 40 of page 2 and Figures 1, 3, 7 and 11, that E9 and E9a disclose not only the cryptographic features of the preamble but also feature (b) of the claim filed on 25 July 2002 (see item 2.3 above). Since the same combination of features is essentially recited in the claim now on file, E9a is a *prima facie* very highly relevant prior art document. Its submission was in effect occasioned by a new combination of features which was specified for the first time in a claim filed only at a late stage in the appeal proceedings.

2.7 Hence, the Board considers that E9a should be admitted into the proceedings. E9, which can be used for understanding the disclosure of E9a and which is presumed to be a correct translation of E9a, is also admitted.

3. *Remittal to the first instance*

3.1 The admission of new documents E8, E9 and E9a into the appeal proceedings and, to a lesser extent, also the filing of an amended claim 1 containing features which were not present in any set of claims examined by the

opposition division, have the consequence that the Board is now presented with a fresh case.

- 3.2 In such a situation and, in particular, if it appears that the new citations might put the maintenance of the patent at risk, it is the established case law of the boards of appeal that the case should normally be referred back to the first instance so that the new evidence may be considered at two levels of jurisdiction, (see for example T 326/87 (OJ EPO 1992, 522) and T 611/90 (OJ EPO 1993, 50)).
4. Hence, under the present circumstances, the Board considers that it should make use of its discretion under Article 111(1) EPC to remit the case to the first instance for further prosecution in the light of documents E8, E9 and E9a.

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 on the basis of the following documents:

Claim: 1 filed in the oral proceedings held on 22 August 2002;

Description: pages 2, 3 and 13 filed in the oral proceedings, Pages 4 to 12 and 14 of the patent specification as published;

Figures: 1 to 26 of the patent specification as published.

The Registrar:

The Chairman:

R. Schumacher

G. Davies