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(54) **METHOD AND APPARATUS FOR  
TRANSFERRING USAGE RIGHTS AND  
DIGITAL WORK HAVING TRANSFERABLE  
USAGE RIGHTS**

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(57) **ABSTRACT**

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A method, system and computer program product for transferring a digital work, including receiving by a first device a first digital work including digital content which is associated with usage rights and transfer permission information; sending to a server a request to transfer the digital content to a second device, the request indicating an identification of the second device; receiving from the server permission to transfer the digital content, the permission being generated based on the identification indicated by the request and the permission indicating new usage rights associated with the digital content; and transferring the digital content associated with the new usage rights to the second device.

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**Related U.S. Application Data**

(62) Division of application No. 09/867,746, filed on May 31, 2001, now Pat. No. 7,222,104.

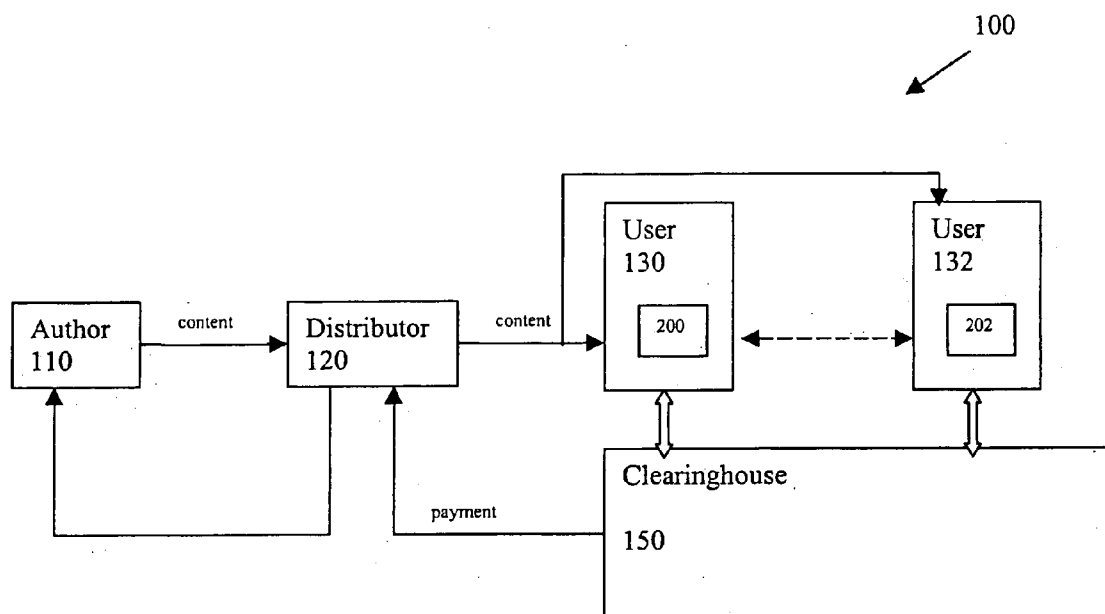


Fig. 1

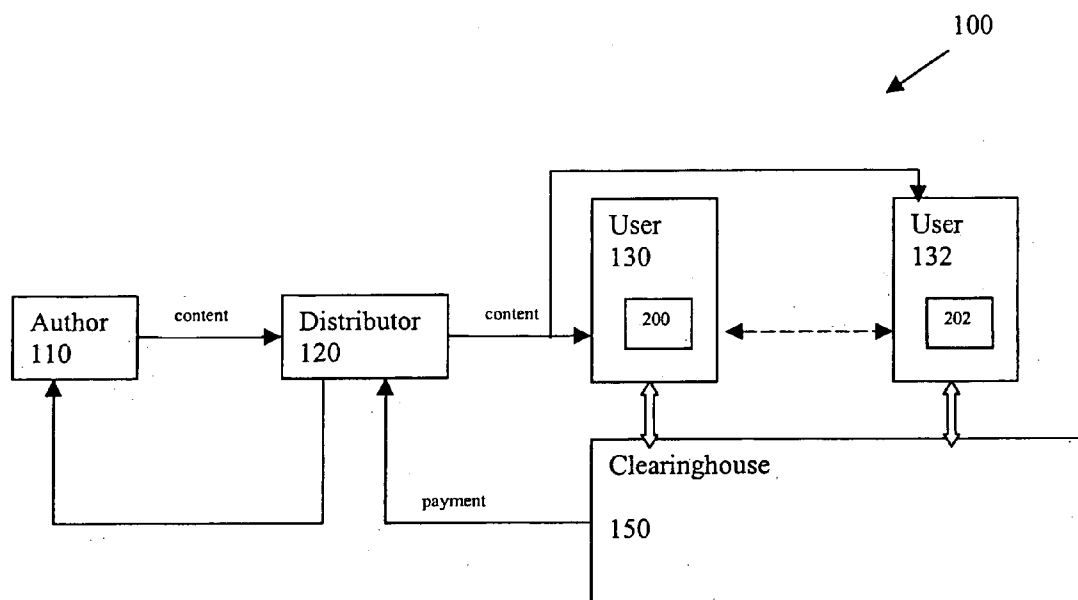


Fig. 2

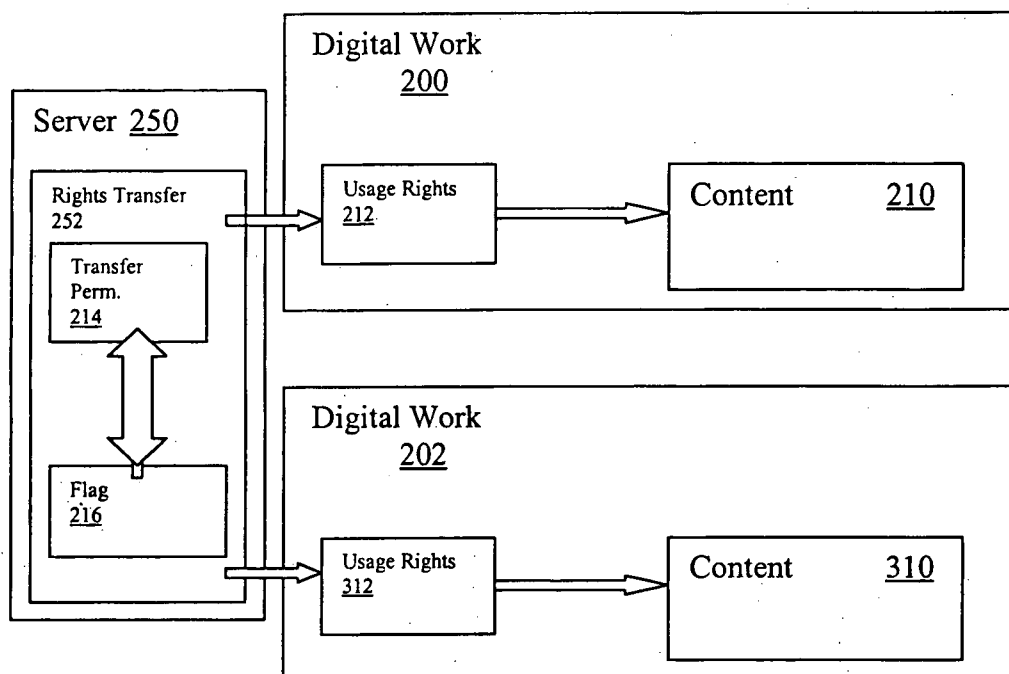
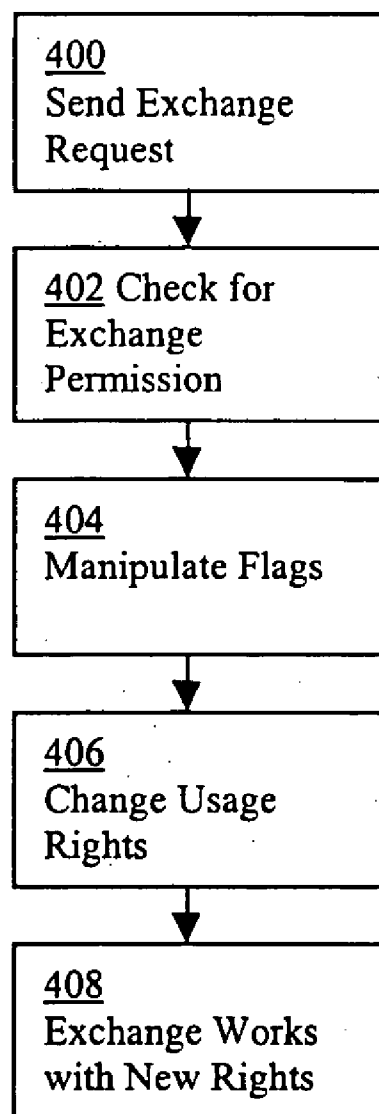


Fig. 3



# METHOD AND APPARATUS FOR TRANSFERRING USAGE RIGHTS AND DIGITAL WORK HAVING TRANSFERABLE USAGE RIGHTS

## RELATED APPLICATION DATA

[0001] This application is a divisional application of co-pending U.S. patent application Ser. No. 09/867,746 of Tadayon, et al. filed May 31, 2001, entitled "METHOD AND APPARATUS FOR TRANSFERRING USAGE RIGHTS AND DIGITAL WORK HAVING TRANSFERABLE USAGE RIGHTS," now allowed, which is related to U.S. patent application Ser. No. 09/867,747 of Tadayon, et al. filed May 31, 2001, entitled "METHOD AND APPARATUS FOR ESTABLISHING USAGE RIGHTS FOR DIGITAL CONTENT TO BE CREATED IN THE FUTURE," now U.S. Pat. No. 6,876,984; U.S. patent application Ser. No. 09/867,754 of Tadayon, et al. filed May 31, 2001, entitled "DEMARCATED DIGITAL CONTENT AND METHOD FOR CREATING AND PROCESSING DEMARCATED DIGITAL WORKS," now U.S. Pat. No. 6,973,445; U.S. patent application Ser. No. 09/867,745 of Tadayon, et al. filed May 31, 2001, entitled "METHOD AND APPARATUS FOR DYNAMICALLY ASSIGNING USAGE RIGHTS TO DIGITAL," now U.S. Pat. No. 6,754,642; U.S. patent application Ser. No. 09/867,749 of Tadayon, et al. filed May 31, 2001, entitled "METHOD AND APPARATUS FOR ASSIGNING CONDITIONAL OR CONSEQUENTIAL RIGHTS TO DOCUMENTS AND DOCUMENTS HAVING SUCH RIGHTS," now U.S. Pat. No. 6,976,009; and U.S. patent application Ser. No. 09/867,748 of Tadayon, et al. filed May 31, 2001, entitled "METHOD AND APPARATUS FOR HIERARCHICAL ASSIGNMENT OF RIGHTS TO DOCUMENTS AND DOCUMENTS HAVING SUCH," now U.S. Pat. No. 6,895,503, the disclosures of all of which are incorporated herein by reference in their entirety.

## BACKGROUND

### [0002] 1. Field of the Invention

[0003] The invention relates generally to distribution of digital works and more specifically to digital works having usage rights that can be transferred to others and a method and apparatus for effecting such a transfer.

### [0004] 2. Discussion of the Background

[0005] One of the most important issues impeding the widespread distribution of digital works or documents (i.e. documents in forms readable by computers), via electronic means, and the Internet in particular, is the current lack of ability to enforce the intellectual property rights of content owners during the distribution and use of digital works. Efforts to resolve this problem have been termed "Intellectual Property Rights Management" ("IPRM"), "Digital Property Rights Management" ("DPRM"), "Intellectual Property Management" ("IPM"), "Rights Management" ("RM"), and "Electronic Copyright Management" ("ECM"), collectively referred to as "Digital rights management (DRM)" herein. There are a number of issues to be considered in digital rights management: authentication, authorization, accounting, payment and financial clearing, rights specification, rights verification, rights enforcement, and document protection for example. U.S. Pat. Nos. 5,530,235, 5,634,012, 5,715,403, 5,638,443, and 5,629,980 dis-

close DRM concepts addressing these issues and the disclosures thereof are incorporated herein by reference.

[0006] In the world of printed documents, a work created by an author is usually provided to a publisher, which formats and prints numerous copies of the work. The copies are then sent by a distributor to bookstores or other retail outlets, from which the copies are purchased by end users. While the low quality of copying and the high cost of distributing printed material have served as deterrents to unauthorized copying of most printed documents, it is far too easy to copy, modify, and redistribute unprotected digital works. Accordingly, some method of protecting digital works is necessary to make it more difficult to copy them without authorization.

[0007] Unfortunately, it has been widely recognized that it is difficult to prevent, or even deter, people from making unauthorized distributions of digital works within current general-purpose computing and communications systems such as personal computers, workstations, and other devices connected over communications networks, such as local area networks (LANs), intranets, and the Internet. Many attempts to provide hardware-based solutions to prevent unauthorized copying have proven to be unsuccessful. The proliferation of high band-width "broadband" communications technologies will render it even more convenient to distribute large documents electronically, including video files such as full length motion pictures, and thus will remove any remaining deterrents to unauthorized distribution of digital works. Accordingly, DRM technologies are becoming a high priority.

[0008] Two basic DRM schemes have been employed to attempt to solve the document protection problem: secure containers and trusted systems. A "secure container" (or simply an encrypted document) offers a way to keep document contents encrypted until a set of authorization conditions are met and some copyright terms are honored (e.g., payment for use). After the various conditions and terms are verified with the document provider, the document is released to the user in clear form. Commercial products such as IBM's CRYPTOLOPES™ and InterTrust's DIGI-BOXES™ fall into this category. Clearly, the secure container approach provides a solution to protecting the document during delivery over insecure channels, but does not provide any mechanism to prevent legitimate users from obtaining the clear document and then using and redistributing it in violation of content owners' intellectual property.

[0009] Cryptographic mechanisms are typically used to encrypt (or "encipher") documents that are then distributed and stored publicly, and ultimately privately deciphered by authorized users. This provides a basic form of protection during document delivery from a document distributor to an intended user over a public network, as well as during document storage on an insecure medium.

[0010] In the "trusted system" approach, the entire system is responsible for preventing unauthorized use and distribution of the document. Building a trusted system usually entails introducing new hardware such as a secure processor, secure storage and secure rendering devices. This also requires that all software applications that run on trusted systems be certified to be trusted. While building tamper-proof trusted systems is a real challenge to existing technologies, current market trends suggest that open and

untrusted systems such as PC's and workstations using browsers to access the Web, will be the dominant systems used to access digital works. In this sense, existing computing environments such as PCs and workstations equipped with popular operating systems (e.g., Windows™, Linux™, and UNIX) and rendering applications such as browsers are not trusted systems and cannot be made trusted without significantly altering their architectures. Of course, alteration of the architecture defeats a primary purpose of the Web, i.e. flexibility and compatibility.

[0011] U.S. Pat. No. 5,634,012, the disclosure of which is incorporated herein by reference, discloses a system for controlling the distribution of digital works. Each rendering device has a repository associated therewith. A predetermined set of usage transaction steps define a protocol used by the repositories for carrying out usage rights associated with a work. Usage rights are encapsulated with the content of the digital work or otherwise associated with the content to travel with the content. The usage rights can permit various types of use such as, viewing only, use once, distribution, and the like. Rights can be granted based on payment or other conditions.

[0012] Current DRM techniques do not provide the flexibility of distribution that is possible with conventional printed documents. For example, the purchaser of a copy of a book generally can give that same copy to another, trade that copy, or sell that copy without violating the rights of the copyright holder. However, DRM techniques do not provide a flexible means for accomplishing analogous distribution of digital works without diminishing the control over the digital work by the content owner.

#### SUMMARY OF THE INVENTION

[0013] It is an object of the invention to increase the flexibility of distribution of digital content.

[0014] A first aspect of the invention relates to a method, system and computer program product for transferring a digital work, including receiving by a first device a first digital work including digital content which is associated with usage rights and transfer permission information; sending to a server a request to transfer the digital content to a second device, the request indicating an identification of the second device; receiving from the server permission to transfer the digital content, the permission being generated based on the identification indicated by the request and the permission indicating new usage rights associated with the digital content; and transferring the digital content associated with the new usage rights to the second device.

[0015] A second aspect of the invention relates to a method, system and computer program product for transferring a digital work, including associating usage rights and transfer permission information with digital content; delivering to a first device the digital work comprising the digital content; receiving a request from the first device, the request being a transfer request to transfer the digital content from the first device to a second device, the request indicating an identification of the second device; ascertaining whether the requested transfer is authorized according to the transfer permission information; generating a permission for the requested transfer if the requested transfer is authorized; the permission being generated based on the identification indicated by the request and the permission indicating new

usage rights associated with the digital content; and delivering the permission for the request or a rejection of the request to the first device.

#### BRIEF DESCRIPTION OF THE DRAWINGS

[0016] The invention will be described through a preferred embodiment and the attached drawing in which:

[0017] FIG. 1 is a block diagram of a distribution system in accordance with the preferred embodiment;

[0018] FIG. 2 is a schematic illustration of the relationship between a digital work and the distribution server of the preferred embodiment; and

[0019] FIG. 3 is a flowchart of an exchange method of the preferred embodiment.

#### DETAILED DESCRIPTION

[0020] FIG. 1 is a block diagram of a system for the electronic distribution of digital works, which may include correspondence, books, magazines, journals, newspapers, other papers, software, audio and video clips, and other files objects and the like in accordance with the preferred embodiment. The phrase "digital work" as used herein refers to any type of element having content in computer readable form. "Content" as used herein refers to the viewable or otherwise usable portion of a digital work. Author 110 creates original content 112 and passes it to distributor 120 for distribution. Ordinarily, author 110 is the creator of the content. However, the term "author" as used herein can be the creator, owner, editor, or other entity controlling the content or an agent (e.g. a publisher) of one of those entities. Also author 110 may distribute documents directly, without involving another party as distributor 120 and thus the author and distributor may be the same entity. However, the division of functions set forth in FIG. 1 is more efficient, as it allows author 110 to concentrate on content creation and not the administrative functions of distribution. Moreover, such a breakdown facilitates economies of scale by permitting distributor 120 to associate with a number of authors 110.

[0021] Distributor 120 distributes digital works, such as works 200 and 202 to users 130 and 132 upon request. The digital works can be distributed as a document containing the content and associated usage rights in encrypted form. Distributor 120 encrypts the works with a public key and then encrypts the public key with a private key corresponding to user 130 or 132. Thus the encrypted work is customized solely for the particular user 130 or 132. Users 130 and 132 are then able to use their private key to unencrypt the public key and use it to unencrypt and view the content of the work 200 or 202. Of course, there can be any number of users and any number of digital works. For the sake of simplicity, there are two users and two digital works in the preferred embodiment.

[0022] Payment for the work is passed from user 130 or 132 to distributor 120 by way of clearinghouse 150 which collects requests from user 130 and 132 and from other users who wish to sue a particular content. Clearinghouse 150 also collects payment information, such as debit transactions, credit card transactions, or other known electronic payment schemes, and forwards the collected payments as a payment batch to distributor 120. Of course, clearinghouse 150 may

retain a share of the payment as a fee for the above-noted services. Distributor **120** may retain a portion of the batch payment from clearinghouse **150** for distribution services and forward a payment (for example royalties) to author **110**. Distributor **120** may compile a bundle or batch of user requests for a single work before distributing the work. In such a case, a single instance of the encrypted work can be generated for unencryption by all of the requesting users **130**. Clearinghouse **150** also maintains various records regarding ownership and usage rights as described in detail below.

[0023] Each time user **130** or **132** requests (or uses) content of a work, an accounting message can be sent to clearinghouse **150** which ensures that each request by user **130** matches with a document sent to user **130** or **132** by distributor **120**. Accounting information is received by clearinghouse **150** directly from distributor **120**. Any inconsistencies can be used to adjust the payment batches made to distributor **120** accordingly. This accounting scheme is operative to reduce the possibility of fraud in electronic distribution and to handle any time-dependent usage permissions that may result in charges that vary, depending on the duration or other extent of use. Clearinghouse **150** includes server **250** (see FIG. 2), a programmable general purpose computer for example. Server **250** includes a processor which runs rights transfer module **252** in the form of software code. The function of rights transfer module **252** is described in detail below.

[0024] FIG. 2 illustrates the mechanism for facilitating the transfer of usage rights in accordance with the preferred embodiment. Under the assumption that digital work **200** has been distributed to user **130** and that digital work **202** has been distributed to user **132**, an example of the preferred embodiment is described below. Digital work **200** includes content **210** and can be stored in a computer memory, such as a memory in a user device used for viewing content **210**. For example, the user device can be a personal computer, and ebook reader, a personal digital assistant (PDA), or the like. In the example of the preferred embodiment, user **130** has a right to use content **210**, and user **132** has a right to use content **310**. Content **210** and content **310** have usage rights **212** and **312** respectively associated therewith and users **130** and **132** have respective licenses to use content **210** and content **310** in accordance with the usage rights.

[0025] If user **130** and user **132** desire to exchange their respective rights in content **210** and **310**, i.e. user **130** desires rights to use content **310** and user **132** desires rights to use content **210**, the exchange can be effected using current user ID flag module **216** of rights transfer module **252** to track the current user of content **210** and **310**. Of course, the right to exchange is an additional right which has already been awarded and which is tracked in transfer permissions module **214**. The exchange of usage rights may involve some fee, paid by user **130** to user **132** or vice versa. Rights transfer module **252** keeps track of this fee/percentage, and notifies the original content owners, who may be entitled to a percentage of the fee which was paid by a user (based on the license agreements between the users and the content owners). The price can be set using a predetermined, on-spot, or dynamic scheme, such as auction or stock-exchange. The exchange right/fee schedules can be attached to the content or other rights (physically, or by a pointer associated with a remote schedule). Current user ID flag module includes a

database structure having a current user flag for each of works **200** and **202**. Such a flag can be an ID number or any other indication of the current authorized user. The exchange may involve more than two users, in which case current user ID flag module **216** can keep track of rights, fees, percentages, content owners, and current users (an exchange forum, similar to a stock exchange setting).

[0026] FIG. 3 illustrates an exchange method in accordance with the preferred embodiment. When users **130** and **132** wish to exchange usage rights to content, a request is sent to server **250** from one of the users in step **400**. Rights transfer module **252** checks transfer permission module **214** to ascertain if the requested transfer has been authorized by the content owner or other applicable party in step **402**. If such permission has been granted, transfer permission module **214** manipulates current user ID flag module **216** to reflect the exchange in current users of the content, i.e. user **130** because the current user of content **310** and user **132** becomes the current user of content **210**, in step **404**.

[0027] Subsequently, in step **406**, transfer permissions module **214** changes the usage rights **212** and **312** to prohibit use by users **130** and **132** of content **210** and **310** respectively and to permit the same use by the new user **132** and **13** respectively. Finally, in step **408**, works **200** and **202** are exchanged between users **130** and **132** with the new usage rights **212** and **312** respectively. Alternatively, works **200** and **202** can be redistributed from distributor **120** or clearinghouse **150** to users **130** and **132**. In any case, clearinghouse **150** can track all transactions, usage rights, current user data, and the like.

[0028] The preferred embodiment can be adapted to an auction, as well. The right to auction can be awarded by the original content owner to the user, and the user can exercise this right, provided that the price limitations, time limitations, geographical limitations, and usage limitations (specified by the content owner) are followed. The price or range of price or percentages/fees/commissions can be predetermined, or can be dynamic, for example, using the market or other factors, for example, set by the current user. To encourage the exchange between friends, peer-to-peer distribution, or super-distribution, point or other rewards can be awarded to the user. Super-distribution can be done through e-mail or instant-messaging, using address books or "buddy lists."

[0029] The preferred embodiment can be used for version control, for updating/replacing (or providing patches or corrections for) content. The preferred embodiment can process returned content by a user, to obtain a refund, if the nature of the content permits and the owner of the content wishes to give this option to the user as an added usage right.

[0030] Instead of trading usage rights, user **130** may wish to merely grant remaining usage rights to user **132**. For example, if user **130** buys a license to use software, and later wants to transfer the license to user **132**, User **130** can transfer the usage rights to user **132** in a manner similar to the exchange described above. In such a case, clearinghouse **150** can collect an electronic signature from user **132** and send any appropriate notices, such as a terminating notice to user **130**. If the content owner requires a fee for such a transfer, clearinghouse **150** can effect the fee transfer. In addition, a certification for disablement or destruction of the

the software in position of user **130** can be issued automatically by clearinghouse **150** and sent to the content owner or authorized representative.

[0031] Alternatively, user **130** may have the right to use content for a specific time period. User **130** then uses the content for a portion of the allowed time. However, before the expiration time period, user **130** can transfer the balance of remaining allowable time to user **132**. This can be effected in the manner described above. Of course this right also can be assigned to user **130** by the original content owner.

[0032] In the case of accessing (or storing) information from multiple servers, clearinghouse **150** can keep track of all servers for an optimized accessing scheme. For example, tags can be used for identification and referral to a specific server for edge delivery of content on the Internet or any other network (as opposed to centralized content delivery), to solve the first-mile-bottleneck problem (related to traffic on the network).

[0033] The particular modules of the preferred embodiment have been described by functionality. However, the modules and need not be separate entities, such as separate files or even blocks of code. Also, the functions of the various modules can be mixed or combined. The various functions can be accomplished by any combination of software and/or hardware. For example, the invention can be implemented on one or more general purpose programmable computers, such as personal computers, servers, or the like. Data transfer can be accomplished using HTTP over the Internet or in any other manner.

[0034] Any usage rights can be transferred traded, or assigned. The various data and files can be stores at any location and linked in an appropriate manner. For example, the content and usage rights need not be stored together. Accordingly, "associated" as used herein refers broadly to an established correspondence such as a call or a link, or other relationship. The digital works can be transferred directly form user to user or through a centralized system. The usage rights include all usage rights that can be expressed by the XrML™ rights language and other rights grammar.

[0035] The invention has been described trough a preferred embodiment. However, various modifications can be made without departing from the scope of the invention as defined by the appended claims and legal equivalents.

What is claimed is:

1. A method for transferring a digital work, comprising:
  - receiving by a first device a first digital work comprising digital content which is associated with usage rights and transfer permission information;
  - sending to a server a request to transfer the digital content to a second device, the request indicating an identification of the second device;
  - receiving from the server permission to transfer the digital content, the permission being generated based on the

identification indicated by the request and the permission indicating new usage rights associated with the digital content; and

transferring the digital content associated with said new usage rights to the second device.

2. The method of claim 1, wherein a digital work is encrypted using a cryptographic key.

3. The method of claim 2, further comprising storing cryptographic keys for decrypting a digital work.

4. The method of claim 1, wherein said new usage rights permit said second device to use said digital content.

5. The method of claim 1, wherein said new usage rights are the same as said usage rights.

6. The method of claim 1, wherein said new usage rights are remaining of said usage rights.

7. The method of claim 1, wherein said transfer permission specifies fee to be paid before a transfer is permitted.

8. The method of claim 1, wherein said digital content and said associated usage rights are stored in separate locations.

9. The method of claim 1, wherein said digital content and said associated usage rights are stored in the same location.

10. A method for transferring a digital work, comprising:

associating usage rights and transfer permission information with digital content;

delivering to a first device the digital work comprising the digital content;

receiving a request from the first device, the request being a transfer request to transfer the digital content from said first device to a second device, the request indicating an identification of the second device;

ascertaining whether the requested transfer is authorized according to the transfer permission information;

generating a permission for the requested transfer if the requested transfer is authorized; the permission being generated based on the identification indicated by the request and the permission indicating new usage rights associated with the digital content; and

delivering the permission for the request or a rejection of the request to the first device.

11. The method of claim 10, wherein said permission for the requested transfer specifies fee to be paid before a transfer is permitted.

12. The method of claim 10, further including tracking of transfer transactions.

13. The method of claim 10, further including tracking of fee transactions.

14. The method of claim 10, further including encrypting of the digital content.

15. The method of claim 10, further including sending cryptographic keys to devices for decrypting digital works.

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