

## **Diversid develops a patent that increases security for online transactions**

- The patent presents new features like identification of both the user and the entities for non-presential operations, using the interchange of 3 or more random one-time passwords.
- The idea is backed up by the strategic consulting firm Arthur D. Little and was awarded silver medal at the “International Exhibition of Inventions, Techniques and New Products of Geneva in 2003”

**Madrid, June 22<sup>nd</sup>, 2006** - Diversid Consultoría, a Spanish company devoted to the design of authentication solutions, has developed a patent that increases security for distant transactions. The operating method of this patent is based on interchange of random one-time passwords for the authentication of both parties participating in non-presential type operations.

In most of the legacy methods used for internet or mobile phone transactions, identification is only required for the party that requests the operation, without eliminating the problem of a possible personality fraud. However, the patent designed by Diversid forces all participants of a transaction to identify themselves using the interchange of keys only known by themselves, available from a hand device, which can be specific or the user’s own mobile phone.

Moreover, in these types of procedures it is very frequent to use keys with limited validity time, which is insufficient when communication lines are slow or saturated. The schema proposed by Diversid uses, for each non-presential operation, at least three keys for the authentication of participants, and they have unlimited duration and only one usage.

The system only completes the authentication process for the parties’ identity, e.g. a financial entity and a customer, once the pertinent answer keys assigned for the operation are received.

This patent, besides being backed up by the strategic consulting firm Arthur D. Little, was awarded in 2003 the silver medal at the prestigious International Exhibition of Inventions, Techniques and New Products in Geneva.

### **Benefits**

The system ensures the genuine identification of participants in dialogues, assuring that each of the parties really is who claims to be. The solution eliminates the electronic fraud threats like “phishing” and “pharming”, global practices that harm consumers and entities’ interests around the world. Also, it protects the user’s identity as well as sensitive information.

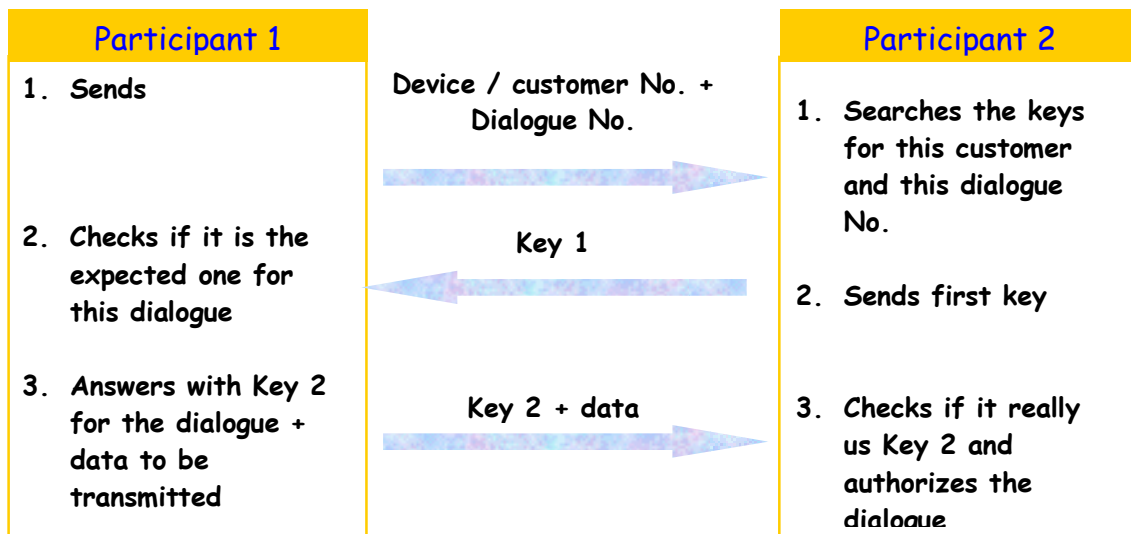
The application of this patent in an authentication system allows the elimination of expenses related to fraud compensation as well as the reduction of insurance policy costs covering these types of attacks.

As an additional benefit, it offers the psychological safety that users need to increase the usage demand of these kinds of non-presential transactions.

**How it works**

Key interchange schema for authentication:

- Participant 1 is a customer who starts a dialogue with an entity which is represented by participant 2 in the chart.
- The number that identifies the dialogue started by the customer is the first one of three numbers to be interchanged. All these numbers have a common characteristic; they have been obtained in a random manner and they will be used for this dialogue only.
- Key 1 corresponds to the second number out of the three.
- Key 2 corresponds to the third number out of the three.



**Applications of the system**

Deployment scope for this system is very wide, as it is applicable to any non-presential activity that requires identification of two or more participants, ranging from banking or commercial operations through the internet or mobile phone, to payments at stores, ATM operations, communication of commands to systems (domotics) or reports (messaging).

**About Diversid ([www.diversid.com](http://www.diversid.com))**

Diversid Consultoría is a company with innovative spirit in the Authentication area. Its main mission is the design of easy to use authentication solutions which ensure security for any type of non-presential transactions, especially via the internet, eliminating electronic threats such as phishing. The founder partners have developed their entire professional carriers in the telecommunications industry and also in financial entities, playing management roles in areas ranging from R&D and information systems to business consulting and marketing.

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