



MPEG-2 Patent Portfolio License Briefing*

V12/03/11

*This presentation is for information purposes only. Actual license agreements will provide the only definitive and reliable statement of license terms.

Coverage

- **Each patent in the MPEG-2 Patent Portfolio License is essential for implementing a portion of the MPEG-2 Video and Systems specification**
 - Patents covering specific implementations are not essential and are not in the Portfolio
 - Some examples of specific implementations are:
 - Butterfly DCT circuits, telescopic motion vector search, smart encoding techniques, such as using the output of the motion compensation or motion estimation to control the quantizer, intra-slice refresh, etc.

Coverage

The Owners of the MPEG-2 Patents in the Portfolio

- Alcatel Lucent
- British Telecommunications plc*
- Canon Inc.*
- CIF Licensing, LLC*
- Cisco Technology, Inc.
- Columbia University*
- France Telecom R&D*
- Fujitsu Limited*
- GE Technology Development, Inc.
- General Instrument Corp.*
- Hewlett-Packard Company
- Hitachi, Ltd.*
- JVC KENWOOD Corporation
- KDDI Corporation
- LG Electronics Inc.
- Mitsubishi Electric Corporation
- Multimedia Patent Trust
- Nippon Telegraph and Telephone Corporation (NTT)*
- Panasonic Corporation
- Philips
- Robert Bosch GmbH*
- Samsung Electronics Co., Ltd.
- SANYO Electric Co., Ltd.*
- Sharp Corporation*
- Sony Corporation
- Thomson Licensing
- Toshiba Corporation



Coverage

- **Worldwide coverage – more than 900 patents**
 - **US, Japan, Europe, other countries**
 - **In publication jurisdictions: published applications covered**
- **Licensors include all of their essential patents**
- **The number of essential patent families currently in the Portfolio is more than 150 (more than 100 have US)**
- **Essential counterparts in other countries also included**
- **Attachment 1 to the MPEG-2 Patent Portfolio license is updated regularly**
- **New Licensors and essential patents may be added at no additional royalty during term; coverage for whole term**

Coverage

- **Key technologies in the MPEG-2 Standard covered by Patents in the Portfolio:**
 - Spatial Encoding
 - Motion Compensation
 - Picture Sequence
 - Bit Rate Control
 - Systems
- See www.mpegla.com (Current Pools, MPEG-2, Essentiality) for a cross-reference chart showing illustrative essential claims

Product Categories

- **MPEG-2 Decoders**
 - e.g., set-top boxes, DVD players, TVs, personal computers, game machines
- **MPEG-2 Encoders**
 - e.g., digital video recording (DVR) devices, cameras
- **Consumer Products**
 - Devices including both encode and decode functionality intended for sale to consumer market, e.g., DVD recorders, cameras
- **Packaged Medium**
 - e.g., DVD Video Discs



MPEG-2 License Terms: Summary¹

- MPEG-2 Decoders - \$2.50 from Jan. 1, 2002 (\$4.00/unit before Jan. 1, 2002), but \$2.00 under the new extended License from the later of January 1, 2010 or execution date
- MPEG-2 Encoders - \$2.50 from Jan. 1, 2002 (\$4.00/unit before Jan. 1, 2002), but \$2.00 under the new extended License from the later of January 1, 2010 or execution date
- Consumer Products - \$2.50 from Jan. 1, 2002 (\$6.00 per unit before Jan. 1, 2002), but \$2.00 under the new extended License from the later of January 1, 2010 or execution date

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MPEG-2 License Terms: Summary¹

- MPEG-2 Packaged Medium
 - \$0.03 from March 1, 2003 for the first MPEG-2 Video Event* per copy (U.S. \$0.04 before Sept. 1, 2001, \$0.035 from Sept. 1, 2001 – Feb. 28, 2003), but \$0.0176 during 2010 and \$0.016 after 2010 from the later of January 1, 2010 or execution date of the new extended License, plus
 - U.S. \$0.01 for each additional 30 minutes or portion recorded on the same copy
 - Not to exceed
 - U.S. \$0.03 for a single movie (U.S. \$0.04 before Sept. 1, 2001, US \$0.035 from Sept. 1, 2001- Feb. 28, 2003), but \$0.0176 during 2010 and \$0.016 after 2010 from the later of January 1, 2010 or execution date of the new extended License
 - U.S. \$0.02 for the second movie recorded on the same copy as the first movie
 - U.S. \$0.01 for each copy having a normal playing time up to and including but not more than 12 minutes of MPEG-2 video
 - As an alternative to the above, effective September 1, 2005, Licensees may elect a simplified option for reporting MPEG-2 Packaged Medium royalties under which they pay the applicable MPEG-2 Video Event rate for each MPEG-2 video disc regardless of its specific content or playing time (except where the playing time is 12 minutes or less in which case the royalty would continue to be \$0.01)

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8 *MPEG-2 video information with normal playing time up to 133 minutes

