



MVC Patent Portfolio License Briefing*

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

Objectives

- Offer an alternative license for the convenience of users enabling them to acquire patent rights necessary for the Multiview Video Coding (“MVC”) Standard from multiple patent holders in a single transaction rather than negotiating licenses with each of them individually
- License covers Multiple View MVC Video
- Align with MVC product value chain
- Enhance use of MVC across different business models
 - Royalty Caps to provide cost predictability

Coverage

- MVC Standard is the 3D video codec standard defined in ISO/IEC 14496-10:2010, 6th Ed., Dec. 15, 2010 available at http://www.iso.org/iso/iso_catalogue/catalogue_tc/catalogue_detail.htm?csnumber=56538: Annex H (and the parts of: (a) clauses 2-9, (b) Annexes A, B,C, and E, and (c) Annex subclauses D.1, D.1.1-D.1.24, D.1.26, D.2.1-D.2.24, D.2.26 referenced by such portions of Annex H).
- MVC includes two profiles for encoding and decoding 3D video content (Multiview High and Stereo High)
- On December 17, 2009, the Blu-ray Disc Association announced that MVC would be used as the standard for encoding and playback of 3D video on Blu-ray Discs. See <http://www.blu-raydisc.com/assets/Downloadablefile/BDA-3D-Specification-Press-Release---Proposed-Final12-14-08version-clean-16840.pdf>

Coverage

- Each patent is essential to the MVC Standard
- Patent holders submitted patents for evaluation of their essentiality by independent patent experts
- Worldwide coverage (including essential counterparts)
- Licensors include all essential patents

Coverage

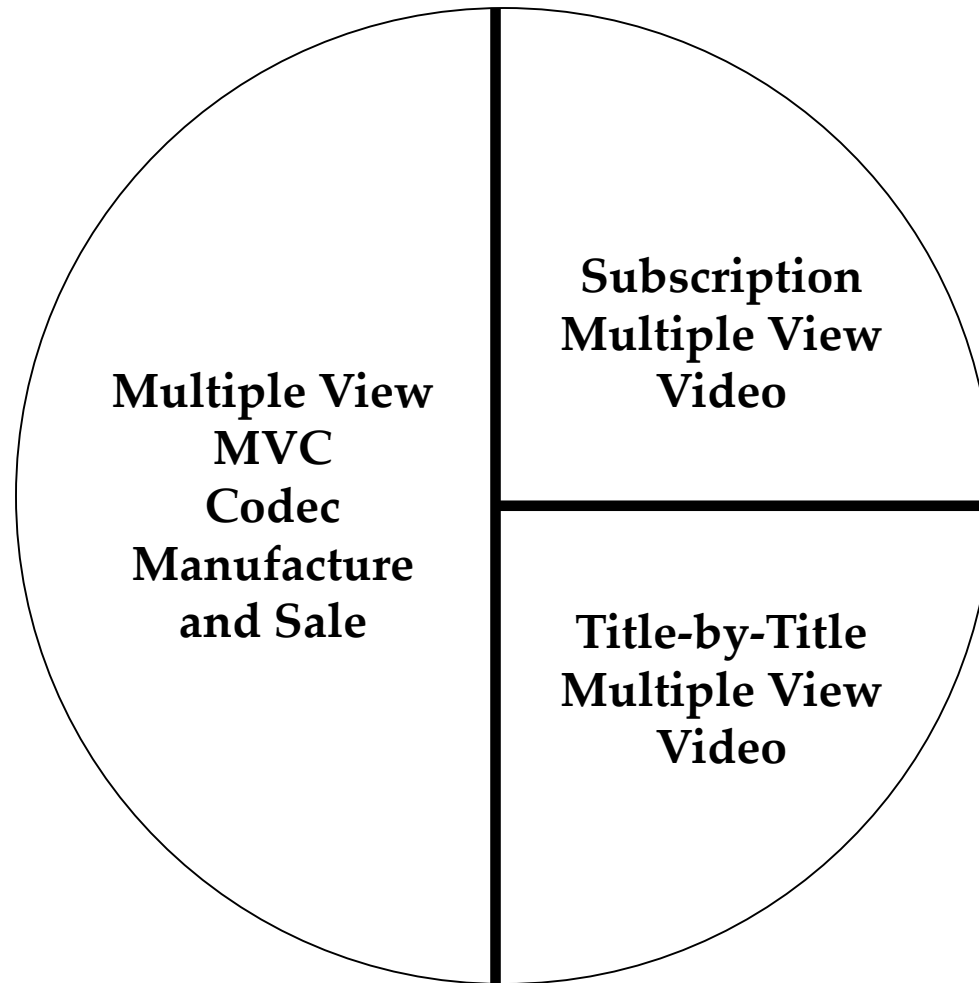
- Attachment 1 to the License is updated regularly
 - See <http://www.mpegla.com/main/programs/MVC/Pages/PatentList.aspx>
- New Licensors and essential patents may be added at no additional royalty during the current term; coverage for entire term
- MVC License coverage from January 1, 2010

Current Patent Owners

Essential Patent Holders currently include:

- **Dolby Laboratories Licensing Corporation**
- **Electronics and Telecommunications Research Institute (ETRI)**
- **Fraunhofer-Gesellschaft zur Foerderung der angewandten Forschung e.V.**
- **Fujitsu Limited**
- **GE Video Compression, LLC**
- **HP Inc.***
- **Koninklijke KPN N.V.***
- **LG Electronics Inc.**
- **Maxell, Ltd.**
- **Mitsubishi Electric Corporation**
- **Nippon Telegraph and Telephone Corporation (NTT)**
- **NTT DOCOMO, Inc.**
- **Panasonic Corporation**
- **Sharp Corporation**
- **Siemens Corp.**
- **Sony Corporation**
- **Tagivan II, LLC**
- **The Trustees of Columbia University in the City of New York***

MVC License



MVC License Terms

Codec Manufacture and Sale

- **Products sold to End Users (decoder, encoder or product consisting of one decoder and one encoder = "unit")**
 - US \$0.10 per unit
 - Licensees also may choose a simplified reporting option affording them a 10% discount on per unit encoder and decoder royalties (not applicable to Legal Entity/Enterprise Cap)
 - Legal Entity/Enterprise cap: \$6.5 million per year
- **Includes right to Manufacture and Sell Multiple View MVC Encoders and Decoders with the right of End Users to use them for personal and consumer (including internal business) purposes without remuneration but not for other uses**
- **Royalties begin January 1, 2011**

MVC License Terms

Participation Fees

- **Where End User pays for Multiple View MVC Video**
 - **Subscription (not limited by title)**
 - 100,000 or fewer subscribers/yr = no royalty
 - 100,001 to 250,000 subscribers/yr = \$25,000
 - 250,001 to 500,000 subscribers/yr = \$50,000
 - 500,001 to 1,000,000 subscribers/yr = \$75,000
 - 1,000,001 to 5,000,000 subscribers/yr = \$100,000
 - 5,000,001 to 25,000,000 subscribers/yr = \$200,000
 - Greater than 25M subscribers/yr = \$300,000
 - **Title-by-Title**
 - 12 minutes or less = no royalty
 - At least 12 minutes in length = lower of (a) 1% of the remuneration paid in Licensee's first Arm's-Length Sale, or (b) \$0.01 per title
- **Legal Entity/Enterprise cap for Subscription and Title-by-Title Multiple View MVC Video: \$6.5 million per year**
- **Royalties begin January 1, 2011**

Term

- **Next term runs from January 1, 2017 – December 31, 2021 without change to royalty rates, annual caps or other terms**
- **Rate Protection on Renewal – royalty rates for specific license grants for specific licensed products and annual royalty caps will not increase by more than 20% at renewals**

Other Important Provisions

- **Most Favorable royalty rates clause**
- **Licensee data is protected as confidential**
- **Grant-back on essential patents similar in scope to license grants**