NEWS RELEASE

For Immediate Release
CONTACT:
Lawrence Horn
MPEG LA®
301.986.6660
301.986.8575 Fax
lhorn@mpegla.com

MPEG LA® Announces M4IF Plan for Joint Licensing of Essential MPEG-4 Patents

(Denver, Colorado, US-14 November 2001) - The MPEG-4 Industry Forum (M4IF) has recommended that MPEG LA, LLC make the following worldwide announcement:

In furtherance of its plan aimed at providing fair, reasonable, nondiscriminatory worldwide access under one license to patents that are essential for implementing the international MPEG-4 Visual Standard, the MPEG-4 Industry Forum (M4IF) has recommended that MPEG LA, LLC, in its role as Evaluation Administrator, call for the submission of patents for evaluation of their essentiality to additional MPEG-4 Visual Standard profiles, specifically Simple Scalable, Advanced Simple, and Fine Granularity Scalable.

The Simple Scalable profile is generally described in ISO/IEC 14496-2:1999/AMD.1:2000(E) Tables 9-1 and 9-2 (pages 322 and 324). The Advanced Simple and Fine Granularity Scalable profiles are generally described in ISO/IEC 14496-2:2001/AMD.2(E) Tables AMD2-13 and AMD2-14. These latter tables can be found in the ISO document N3904, also styled "ISO/IEC 14496-1:2001/FDAM2" (pages 32-33).
Following is a summary of the approved plan:

1. Objective

To establish a portfolio of essential worldwide patents that are necessary for implementation of the MPEG-4 Visual (Simple Scalable, Advanced Simple, and Fine Grain Scalability) standard in order to provide all MPEG-4 Visual users with fair, reasonable, nondiscriminatory access to this technology under one license.

2. Licensed patents

Essential patents will consist of those that are necessary for the Simple Scalable (ISO/IEC 14496-2:1999/AMD.1:2000(E) Tables 9-1 and 9-2 [pages 322 and 324]), Advanced Simple and Fine Granularity Scalable (ISO/IEC 14496-2:2001/AMD.2(E) Tables AMD2-13 and AMD2-14, which can be found in the ISO document N3904, also styled "ISO/IEC 14496-1:2001/FDAM2" [pages 32-33]) profiles of the MPEG-4 Visual Standard.

3. Organization

The joint patent portfolio license may require at least three functions:

First, an Administrative Committee consisting of representatives of the essential patent owners will meet to consider licensing terms and conditions and monitor certain activities of a Licensing Administrator.

Second, the Licensing Administrator, who is granted non-exclusive sublicensing rights from patent owners under licensed patents, actively promotes the licensing program and distributes collected royalties to the patent owners. The Licensing Administrator will be chosen by the initial group of patent holders comprising the Administrative Committee.

Third, an Evaluator who is a neutral, third party patent expert will evaluate patents for essentiality to the Simple Scalable (ISO/IEC 14496-2:1999/AMD.1:2000(E) Tables 9-1 and 9-2 [pages 322 and 324]), Advanced Simple and Fine Granularity Scalable (ISO/IEC 14496-2:2001/AMD.2(E) Tables AMD2-13 and AMD2-14, which can be found in the

ISO document N3904, also styled "ISO/IEC 14496-1:2001/FDAM2" [pages 32-33]) profiles of the MPEG-4 Visual Standard. Any party that believes it has essential patents is invited to submit them for evaluation and inclusion. For each patent submitted, an evaluation fee of US $8,500.00 will be paid to MPEG LA, LLC (as below) to cover costs of the patent expert's evaluation.

Members of the Administrative Committee will be determined by the results of the patent essentiality evaluation.

4. Licensing details

To be determined by the Administrative Committee consisting of representatives of the essential patent owners.
5. Extension of the scope of the licensed patents

On M4IF's recommendation and request, MPEG LA$^®$ earlier called for the submission of patents for an evaluation of their essentiality to the normative part of the Simple and Core profiles of the MPEG-4 Visual Standard by an independent patent expert, and is currently facilitating the efforts of essential patent owners to develop a joint license providing fair, reasonable, nondiscriminatory access to their essential intellectual property.

6. Schedule (Initial Plan)

Initial patent submissions: by March 1, 2002 (although patent submissions may continue to be submitted after that date, owners of essential patents in the initial group of patents submitted by the March 1 date will form the initial group of Licensors and Administrative Committee that will select a Licensing Administrator and determine the terms of license).

Evaluation: March - June 2002

Upon the above consensus, M4IF recommended that MPEG LA$^®$ make this worldwide announcement.

Accordingly, MPEG LA$^®$ hereby announces that any company which believes it has patents that are essential to the Simple Scalable, Advanced Simple and Fine Granularity Scalable profiles of the MPEG-4 Visual Standard (as described above) and wishes to join the patent pool upon successful evaluation is invited to submit such patents to the Evaluator (identified below) by March 1, 2002, together with a statement confirming its agreement with the objectives and intention to abide by terms and procedures governing the patent submission process. Terms and procedures governing patent submissions may be obtained from Lawrence A. Horn, Vice President, Licensing and Business Development, MPEG LA, LLC (lhorn@mpegla.com, phone 1-301-986-6660, fax 1-301-986-8575).

Evaluator:

Dr. Kenneth Rubenstein
PROSKAUER ROSE LLP
1585 Broadway
New York, NY 10036-8299
Tel. 212-969-3000
Fax. 212-969-2900
krubenstein@proskauer.com

# # #

Overview of the MPEG-4 Standard

MPEG-4 is an ISO/IEC multi-media representation standard developed by its Moving Picture Experts Group (MPEG). MPEG also developed MPEG-1, which makes possible interactive video on CD-ROM and is present on virtually every

personal computer, and MPEG-2, the core compression technology underlying the efficient transmission, storage and display of digitized moving images and sound tracks on which high definition television (HDTV), Digital Video Broadcasting (DVB), direct broadcast by satellite (DBS), digital cable television systems, multichannel-multipoint distribution services (MMDS), personal computer video, digital versatile discs (DVD), interactive media and other forms of digital video delivery, storage, transport and display are based.

MPEG-4 is the result of yet another international effort involving hundreds of researchers and engineers from all over the world. Building on the successes of MPEG's earlier standards, MPEG-4 enables integration of the production, distribution and content access features of digital television, interactive graphics applications and interactive multimedia across internet protocol, wireless, low bitrate, broadcast, satellite, cable and mobile environments. With MPEG-4, all content elements can be maintained as discrete objects enabling richer interactivity and use across many different devices More information about MPEG-4 can be found at MPEG's home page http://mpeg.telecomitalialab.com and at the home page of the MPEG-4 Industry Forum http://www.m4if.org.

MPEG-4 Industry Forum (M4IF)

While M4IF recommended that MPEG LA® take the steps as described in this release, all steps described herein are carried out outside and independently of M4IF. M4IF encourages all and any steps that will lead to easy access to reasonable and non-discriminatory licenses for patents essential to the MPEG-4 Standard.

The M4IF was organized on May 29, 2000 as a not-for-profit corporation "To further the adoption and widespread use of the MPEG-4 Standard, by establishing MPEG-4 as an accepted standard among application developers, service providers, content creators and end users." Based in Switzerland, M4IF is open to all parties that support this goal and pay the yearly membership fee of (US) $3,000. M4IF carries on activities outside of ISO/IEC's scope, such as:

· Promoting the MPEG-4 Standard, and serving as a single point of information on MPEG-4 technology, products and services;
· Initiating discussions leading to the potential establishment of patent portfolios outside of M4IF in order to grant licenses to all applicants throughout the world under reasonable terms and conditions that are demonstrably free of any unfair competition;
· Organization of MPEG-4 exhibitions and tutorials;
· Carrying out interoperability tests.

Since its official establishment, over 100 companies have joined the Forum.

MPEG LA, LLC

MPEG LA® successfully pioneered one-stop technology standards licensing, starting with a portfolio of essential patents for the international digital video compression standard known as MPEG-2, which it began licensing in 1997. One-stop technology standards licensing enables widespread technological implementation, interoperability and use of fundamental broad-based technologies covered by many patents owned by many different patent holders. MPEG LA® provides users with fair, reasonable, nondiscriminatory access to these essential patents on a worldwide basis under a single license. The MPEG-2 Patent Portfolio License now has approximately 350 licensees and includes almost 400 MPEG-2 essential patents owned by 19 patent holders. As the legal and business template for one-stop technology standards licensing, MPEG LA® also provides an innovative way to achieve fair, reasonable, nondiscriminatory access to patent rights for other technology standards - the high-speed transfer digital interconnect standard known as IEEE 1394 and the terrestrial digital television standard used in Europe and Asia known as DVB-T. In addition, MPEG LA® has been asked to facilitate the development of joint licenses for MPEG-4 and other emerging technologies. The company is based in Denver, CO and has offices in Chevy Chase, MD (Washington DC metropolitan area), the greater San Francisco area and London, England. For more information, please refer to http://www.mpegla.com, http://www.1394la.com and http://www.dvbla.com