

NEWS RELEASE

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MPEG-4 Visual Essential Patent Holders Meet to Discuss Licensing Terms

(Denver, Colorado, US – 24 April 2002) – MPEG LA and patent holders to the proposed MPEG-4 Visual Patent Portfolio License met on April 18 and 19 in New York City. They continue to discuss licensing terms and consider the constructive views, interests and concerns of prospective licensees.

The group continues to discuss alternate royalty approaches, including forms of use-based royalties that place royalties on products and services for which remuneration is received and whose value supports the royalties charged. Among other approaches discussed, the group considered industry proposals that the widespread use of MPEG-4 Visual technology may be enhanced across various business models by the adoption of (a) reasonable annual limitations on certain royalties (in addition to those for decoders and encoders) in order to provide more cost predictability and (b) threshold levels below which certain use-based royalties would not be charged.

The process is advancing, and MPEG LA hopes to have a further announcement in the near future. As in the past, we caution that no final decisions have been reached. The group intends to meet again in late June but will be working hard to resolve these issues in the interim.

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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 patent holders. MPEG LA provides users with fair, reasonable, nondiscriminatory access to these essential patents on a worldwide basis under a single license. For more information, please refer to <http://www.mpegla.com>, <http://www.dvbla.com>, and <http://www.1394la.com>.

On January 31, 2002, MPEG LA announced that it will offer fair, reasonable, nondiscriminatory, worldwide access to patents that are essential to the MPEG-4 Visual (Simple and Core) digital compression standard under a single license to be known as the MPEG-4 (Visual) Patent Portfolio License. The License currently includes patents owned by 20 companies: Canon Inc.; France Télécom; Fujitsu Limited; GE Technology Development, Inc.; General Instrument Corp.; Hitachi, Ltd.; Hyundai Curitel, Inc.; KDDI Corporation; Matsushita Electric Industrial Co., Ltd.; Microsoft Corporation; Mitsubishi Electric Corporation; Oki Electric Industry Co., Ltd.; Philips Electronics; Samsung Electronics Co., Ltd.; Sanyo Electric Co., Ltd.; Sharp Kabushiki Kaisha; Sony Corporation; Telenor AS; Toshiba Corporation; and Victor Company of Japan, Limited.