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MPEG LA[®] Hails 200th Licensee; Digital Video Set-Top Box and Consumer Electronics Products Covered Worldwide

Business Editors, Technology Writers

DENVER--(BUSINESS WIRE)--Dec. 13, 1999--MPEG LA[®] today announced that its MPEG-2 Patent Portfolio License now includes 200 Licensees. MPEG LA[®] was established to assure the interoperability and implementation of the core MPEG-2 international digital video technology standard by providing MPEG-2 users with fair, reasonable, nondiscriminatory access to worldwide essential patent rights under a single license. Licensees to MPEG LA's MPEG-2 Patent Portfolio License account for most of the digital set-top box (used in receiving direct satellite and cable services), professional (e.g., encoders, file servers and multiplexers) and consumer electronics (including DVD player and television receiver/decoder) products in the current world market.

"Not only does this milestone give testimony to the acceptance of MPEG LA's licensing model," said Baryn Futa, CEO

of MPEG LA[®], "it also proves why that model is responsible for the worldwide utility of MPEG-2 technology. MPEG LA's License makes MPEG-2 accessible to all companies, large and small. It significantly reduces the expense, uncertainty and time that would be required to negotiate licenses with so many patent holders, freeing companies to focus on what they do best - creating MPEG-2 products."

Since licensing began in July 1997, MPEG LA's MPEG-2 Patent Portfolio License has grown to include more than 230 patents (61 patent families plus their worldwide counterparts) owned by Columbia University, France Telecom (CNET), Fujitsu, General Instrument Corp., KDD Corporation (KDD), Matsushita, Mitsubishi, Nippon Telegraph and Telephone Corporation (NTT), Philips, Samsung, Scientific Atlanta, Sony, Toshiba, and Victor Company of Japan, Limited (JVC).

"As a result of MPEG LA's pioneering efforts, the role of MPEG LA's fair, reasonable, nondiscriminatory one-stop technology standard licensing model is now recognized as technology's passageway to the marketplace," Futa said. "It assures the marketplace creation of innovative new products and services made possible by widespread implementation,

interoperability and use of any fundamental broad-based technology covered by many patents owned by many different patent holders."

MPEG LA[®] recently announced (Business Wire, 15 November and 8 December 1999) formation of a second one-stop technology standards licensing program, 1394 LASM, to provide worldwide nondiscriminatory access to patents that are essential for implementing the international standards relating to the high speed transfer digital interface known as IEEE

1394. Patent holders to the 1394 Patent Portfolio License include Apple Computer, Inc., Canon Inc., Compaq Computer Corporation, Matsushita Electric Industrial Co., Ltd. (Panasonic), Royal Philips Electronics, STMicroelectronics, Sony Corporation, and Toshiba Corporation.

For more information, see <http://www.mpegla.com> and <http://www.1394la.com>

BACKGROUND ON MPEG-2

MPEG-2 refers to the fundamental 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-2 compresses digital information by reducing spatial and temporal redundancies in binary data streams, thereby conserving transmission resources and storage space. The International Organization for Standards (ISO) and the International Telecommunications Union (IEC) approved it as an international standard in 1995.

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