MPEG-2 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.
Coverage

- Each patent in the MPEG-2 Patent Portfolio License is essential for implementing a portion of the MPEG-2 Video and Systems specification
Patent Owners

- See https://www.mpegla.com/programs/mpeg-2/licensors/
Coverage

- Licensors include all of their MPEG-2 Essential Patents worldwide*
- Attachment 1 to the MPEG-2 Patent Portfolio License is updated regularly*
  - See https://www.mpegla.com/programs/mpeg-2/patent-list/

*Under the MPEG-2 Patent Portfolio License, royalties are payable for products manufactured or sold in countries with an active MPEG-2 Patent Portfolio Patent at the time of manufacture or sale. Please note that the last US patent expired February 13, 2018, and patents are presently active only in Malaysia.
Product Categories

• MPEG-2 Decoders
  o e.g., in set-top boxes, DVD players, TVs, personal computers, game machines

• MPEG-2 Encoders
  o e.g., in digital video recording (DVR) devices, cameras

• Consumer Products
  o Devices including both encode and decode functionality intended for sale to consumer market, e.g., in DVD recorders, cameras

• Packaged Medium
  o e.g., MPEG-2 video data on DVD or Blu-ray Video Discs
MPEG-2 License Terms

Summary¹

• MPEG-2 Decoders and Encoders - $2.50 per unit from Jan. 1, 2002 ($4.00 per unit before Jan. 1, 2002), but $2.00 from later of January 1, 2010 or execution of license through December 31, 2015

• Consumer Products - $2.50 from Jan. 1, 2002 ($6.00 per unit before Jan. 1, 2002), but $2.00 from later of January 1, 2010 or execution of license through December 31, 2015

• From January 1, 2016 through December 31, 2017, royalty rates for MPEG-2 Decoders, MPEG-2 Encoders and MPEG-2 Consumer Products are $0.50 per unit with right of voluntary termination on 30-days written notice, but Licensees may elect a royalty of $0.35 per unit with right of voluntary termination on or after January 1, 2018

• From January 1, 2018 forward, royalty rates for MPEG-2 Decoders, MPEG-2 Encoders and MPEG-2 Consumer Products are $0.35 per unit with right of voluntary termination on 30-days written notice

¹ This summary is for information purposes only. The MPEG-2 Patent Portfolio License provides the only definitive and reliable statement of license terms.
MPEG-2 License Terms
Summary

• MPEG-2 Packaged Medium
  o Effective September 1, 2005, a simplified option was made available under which Licensees pay applicable MPEG-2 Video Event rate ($0.016 from later of January 1, 2010 or execution of license through December 31, 2015) 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 is $0.01)
  o From January 1, 2016 forward, producers of MPEG-2 Packaged Medium in full compliance with the MPEG-2 Patent Portfolio License through 2015 will be deemed to have paid-up coverage without additional royalty after December 31, 2015 if the Enterprise with which the producer is affiliated continues in full compliance with the MPEG-2 License

1 This summary is for information purposes only. The MPEG-2 Patent Portfolio License provides the only definitive and reliable statement of license terms.

2 MPEG-2 video information with normal playing time up to 133 minutes. For information on MPEG-2 Packaged Medium rates over course of the MPEG-2 licensing program, please consult the MPEG-2 License.
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