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

(Denver, Colorado, US-13 April 2000) - The MPEG-4 Industry Forum (M4IF) has asked MPEG LA[®] to make the following worldwide announcement on its behalf:

At Schiphol, the Netherlands, on 25 March 2000, the MPEG-4 Industry Forum (M4IF), in the presence of 95 representatives of the MPEG-4 industry worldwide, approved its plan to provide fair, reasonable, nondiscriminatory worldwide access under one license to patents that are essential for implementing the international MPEG-4 visual standard.

Following is a summary of the approved plan:

1. Objective

To establish a pool of essential worldwide patents that are necessary for implementation of the MPEG-4 visual standard in order to provide all MPEG-4 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 normative part of Simple and Core profiles of the MPEG-4 visual standard.

3. Organization

The patent pool may require at least three functions:

First, an Administrative Committee consisting of representatives of the essential patent owners will prepare details of licensing terms and conditions and monitor certain activities of a Licensing Administrator. While initiated by M4IF, this will run independently of M4IF.

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.

Third, an Evaluator who is a third party patent expert will evaluate patents for essentiality to the normative part of MPEG-4 visual Simple and Core profiles. Any company 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 the Licensing Administrator company (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. The M4IF patent group will ask MPEG LA, LLC to be the Licensing Administrator and Dr. Kenneth Rubenstein to be the Evaluator.

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

The M4IF patent group would continue to provide any interested party with the opportunity to study extension of the license into other MPEG-4 profiles and identification of informative patents.

6. Schedule (Initial Plan)

Initial patent submissions: by the middle of May, 2000.

Evaluation: June to July, 2000.

Administrative Committee preparation activity: July to September, 2000.

Licensing activity starts: October, 2000.

Upon the above consensus, M4IF asked MPEG LA[®] to make this worldwide announcement.

Accordingly, MPEG LA[®] hereby announces that any company which believes it has patents that are essential to the normative part of the MPEG-4 visual Simple and Core profiles and wishes to join the patent pool upon successful evaluation, is invited to submit such patents to the Evaluator (identified below), together with a statement confirming its agreement with the objectives and intention to abide by the tentative terms of the proposed patent portfolio, by May 15, 2000.

Evaluator:

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MPEG LA[®]

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 more than 220 licensees and includes more than 275 MPEG-2 essential patents in 25 countries owned by 16 licensors. MPEG LA[®] provides an innovative way to achieve easy, reasonable, fair, nondiscriminatory access to patent rights for other efforts as well, such as IEEE1394. MPEG LA[®] is based in Denver, Colorado, USA and operates its licensing office in Chevy Chase, Maryland, USA. For more information, please refer to: <http://www.mpegla.com> and <http://www.1394la.com>