

For Immediate Release

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MPEG LA[®] Announces M4IF Plan for Licensing of Essential MPEG-4 Systems Patents (Denver, Colorado, US - 6 September 2000) - The MPEG-4 Industry Forum (M4IF) has asked MPEG LA to make the following worldwide announcement on its behalf:

At Newark, New Jersey, USA, on 29 July 2000, the MPEG-4 Industry Forum (M4IF) recommended proceeding with a plan aimed at providing fair, reasonable, nondiscriminatory worldwide access under one license to patents that are essential for implementing the international MPEG-4 Systems standard.

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 Systems 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 MPEG-4 Systems standard (ISO/IEC 14496-1 Information technology - Coding of audio-visual objects - Part 1: Systems, including ISO/IEC 14496-1, ISO/IEC 14496-1/Amd.1, ISO/IEC 14496-1/Amd.2 and ISO/IEC 14496-1/COR1).

3. Organization

The patent portfolio may require at least three functions, all of which are run independently of M4IF:

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.

Second, the Licensing Administrator who is granted non-exclusive sublicensing rights from patent owners under licensed patents, will actively promote the licensing program and distribute 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 third party patent expert will evaluate patents for essentiality to the MPEG-4 Systems Standard (ISO/IEC 14496-1 Information technology - Coding of audio-visual objects - Part 1: Systems, including ISO/IEC 14496-1, ISO/IEC 14496-1/Amd.1, ISO/IEC 14496-1/Amd.2 and ISO/IEC 14496-1/COR1). 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.

4. Licensing details

To be determined by the Administrative Committee consisting of representatives of the essential patent owners.

5. Limitation on the review of the licensed patents

The M4IF reserves the right to recommend, in consultation with the Evaluator based on further study of marketplace conditions, that the Evaluator's initial scope of review be limited to one or more subparts of the MPEG-4 Systems standard.

6. Schedule (Initial Plan)

Initial patent submissions: by November 1, 2000 (although patent submissions may continue to be submitted after that date, owners of essential patents in the initial group of patents submitted by the November 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: November 2000- February, 2001.

Administrative Committee preparation activity: March - June 2001

Licensing activity starts: July, 2001.

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 MPEG-4 Systems standard (ISO/IEC 14496-1 Information technology - Coding of audio-visual objects - Part 1: Systems, including ISO/IEC 14496-1, ISO/IEC 14496-1/Amd.1, ISO/IEC 14496-1/Amd.2 and ISO/IEC 14496-1/COR1) and wishes to join the patent portfolio 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 terms and procedures governing the patent submission process (initial patents to form initial Licensor group to be submitted by November 1), which may be obtained from Lawrence A, Horn, Vice President, Licensing and Business Development, MPEG LA, LLC (lhorn@mpegl.com, phone 1-301-986-6660, fax 1-301-986-8575).

Evaluator:

Dr. Kenneth Rubenstein

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MPEG-4 Industry Forum (M4IF)

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) \$2,000. The 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; Creating industrial focus around the standard, e.g., which part of the MPEG-4 toolbox to use in which market

Since its official establishment, over 30 companies have joined the Forum and more are joining every week. M4IF's information mail list includes more than 250 companies.

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 more than 230 licensees and includes more than 275 MPEG-2 essential patents in 28 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. It also has been asked by M4IF to coordinate and facilitate the evaluation of patents for the MPEG-4 Visual Standard. 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>