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Lawrence Horn

MPEG LA®

301.986.6660

301.986.8575 Fax

[lhorn@mpegla.com](mailto:lhorn@mpegla.com)**MPEG-4 Visual Essential Patent Holders Report Substantial Progress Toward a Joint License**

(Denver, Colorado, US - 3 July 2001) - MPEG LA, LLC, which operates as facilitator for an initial group of 19 essential patent holders calling itself the M4VisualPHG, reports that substantial progress was made toward the creation of a joint MPEG-4 Visual (Simple and Core profiles) patent license at the group's meeting in San Jose, California on June 19 and 20. MPEG LA® convened the group in December 2000 following an independent patent expert's finding that each of the 19 companies owns one or more patents essential to the international MPEG-4 Visual Standard; a second meeting was held in March 2001. As a result of the group's progress and decision to meet more frequently in order to make known the terms of license for the benefit of the marketplace as soon as possible, the M4VisualPHG hopes to offer a one-stop license providing fair, reasonable, nondiscriminatory worldwide access to this essential intellectual property by January 2002, and is working to complete a license as soon as possible with that as its target. A one-stop license will enable widespread implementation, interoperability and use of this important open standard technology.

"The M4VisualPHG is pleased that their intellectual property has made a substantial and essential contribution to the development of this exciting new technology," said MPEG LA® Vice President of Licensing and Business Development Larry Horn, who acts as spokesperson for the M4VisualPHG. "The essential patent holders want to "partner" with other industry participants to encourage widespread adoption of MPEG-4. They understand the risks inherent in a startup technology in which companies large and small are asked to make a pioneering investment and are sensitive to the role that their licensing model will play in that fragile process. Therefore, the group is committed to designing a license, in which reasonable royalties are shared by a variety of industry participants, that will stimulate early, rapid and widespread MPEG-4 product investment, development, deployment and use."

Among the considerations in coming up with a fair, reasonable nondiscriminatory license are a need for simplicity, a desire to promote the widest possible use of MPEG-4, maximizing the opportunity for full efficient compliance with intellectual property licensing requirements and recognition of the likely business models (including both hardware and software) for deploying MPEG-4 Visual Standard technology. The M4VisualPHG wants to assure that its licensing model will be responsive to the marketplace and aligned with the real-world flow of MPEG-4 commerce. In that regard, the M4VisualPHG wishes to thank the MPEG-4 Industry Forum (M4IF), the Internet Streaming Media Alliance (ISMA) and various outside companies that have stepped forward to assist the M4VisualPHG by sharing their views of the marketplace. The M4VisualPHG also urges patience and understanding in view of the ambitious challenge posed by the effort to produce a joint licensing program for the benefit of the marketplace involving at least 19 different patent holders and the yet undetermined future implementations and applications of the emerging MPEG-4 market.

The M4VisualPHG's objective is to include as much essential MPEG-4 Visual (Simple and Core) intellectual property as possible in a one-stop license. Therefore, any party that believes it has essential patents (Sections 9, 9.1 and 9.2 and Tables 9-1 and 9-2 of ISO/IEC 14496-2 Information Technology - Coding of Audio-Visual Objects - Part 2: Visual) and wishes to join upon successful evaluation, is invited to submit such patents to the independent Patent Evaluator together with a statement confirming its agreement with the objectives and intention to abide by terms and procedures governing the patent submission process, which may be obtained from Lawrence A. Horn, Vice President, Licensing and Business Development, MPEG LA, LLC ([lhorn@mpegla.com](mailto:lhorn@mpegla.com), phone 1-301-986-6660, fax 1-301-986-8575).

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**Overview of the MPEG-4 Standard**

MPEG-4 is an ISO/IEC multi-media representation standard developed by its Moving Picture Experts Group (MPEG). MPEG also developed MPEG-1, which makes possible interactive video on CD-ROM and is present on virtually every personal computer, and MPEG-2, the core compression 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-4 is the result of yet another international effort involving hundreds of researchers and engineers from all over the world. Building on the successes of MPEG's earlier standards, MPEG-4 enables integration of the production, distribution and content access features of digital television, interactive graphics applications and interactive multimedia across internet protocol, wireless, low bitrate, broadcast, satellite, cable and mobile environments. With MPEG-4, all content elements can be maintained as discrete objects enabling richer interactivity and use across many different devices. More information about MPEG-4 can be found at MPEG's home page <http://www.cselt.it/mpeg> and at the home page of the MPEG-4 Industry Forum <http://www.m4if.org>.

## **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 290 licensees and includes more than 300 MPEG-2 essential patents in 29 countries owned by 17 patent holders. As the legal and business template for one-stop technology standards licensing, MPEG LA® also provides an innovative way to achieve fair, reasonable, nondiscriminatory access to patent rights for other technology standards - the high-speed transfer digital interconnect standard known as IEEE 1394 and the terrestrial digital television standard used in Europe and Asia known as DVB-T. In addition, MPEG LA® has been asked to facilitate the development of joint licenses for MPEG-4 and other emerging technologies. The company is based in Denver, CO and has offices in Chevy Chase, MD (Washington DC metropolitan area), the greater San Francisco area and London, England. For more information, please refer to [www.dvbla.com](http://www.dvbla.com), [www.mpegla.com](http://www.mpegla.com) and [www.1394la.com](http://www.1394la.com).