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## NEWS RELEASE

For Immediate Release

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### **MPEG LA Announces OMA DRM Patent License Terms**

(Denver, Colorado, USA, 6 January 2005) – MPEG LA announced today that an initial group of essential patent holders including ContentGuard Holdings, Inc., Intertrust Technologies Corp., Matsushita Electric Industrial Co., Ltd., Koninklijke Philips Electronics N.V., and Sony Corporation have reached tentative agreement on the terms of a joint patent portfolio license to be offered by MPEG LA for use of the Open Mobile Alliance (OMA) DRM 1.0 specification. The companies were convened in response to MPEG LA's call for essential patents [[http://www.mpegla.com/news/n\\_04-07-20\\_drm.pdf](http://www.mpegla.com/news/n_04-07-20_drm.pdf)]. The proposed OMA DRM Patent Portfolio License is expected to cover products that use the OMA DRM 1.0 specification, as well as those which use both OMA DRM 1.0 and 2.0.

Digital rights management technology (DRM) has broad application for the protection and management of digital information; it is key to the success of electronic media distribution systems now gaining popularity on computers, mobile and consumer electronics platforms. The patent license is the first in a series of marketplace initiatives arising out of MPEG LA's DRM Reference Model [<http://www.mpegla.com/pid/drm/>] that will enable a wide variety of innovative new products and services based on DRM whose development and deployment might otherwise be inhibited.

“This breakthrough in providing efficient access to key DRM patents would not be possible without the hard work and foresight of these DRM market leaders,” said MPEG LA CEO Baryn S. Futa. “Thanks to them, the market may expect the timely availability of a license consisting of their essential patents to enable the rapid development and deployment of DRM products and services for the mobile marketplace. Everyone in the product chain – content owners, service providers, device manufacturers and especially

consumers – will benefit from this growth opportunity. MPEG LA is proud to play a supporting role in making this important technology widely accessible.”

Under the proposed License, royalty rates for patents essential to OMA DRM 1.0 in connection with products that have OMA DRM 1.0 functionality or OMA DRM 1.0 and OMA DRM 2.0 functionality would be (a) US \$1.00 per device (payable by the party that offers the device to an end user) and (b) 1% of any transaction in which an end user pays for delivery of a digital asset employing OMA 1.0 (payable by the service provider). OMA DRM 2.0 essential patents may be added as a result of a pending call issued by MPEG LA on 23 September 2004 [[http://www.mpegla.com/news/n\\_04-09-23\\_drm.pdf](http://www.mpegla.com/news/n_04-09-23_drm.pdf)].

The proposed License would provide coverage for products from January 1, 2004, but royalties will be payable only on products from January 1, 2005 forward.

MPEG LA plans for an actual license agreement to issue by March 2005.

## **MPEG LA, LLC**

MPEG LA is the world leader in one-stop technology platform patent licenses, enabling users to acquire patent rights necessary for a particular technology standard or platform from multiple patent holders in a single transaction as an alternative to negotiating a license with each of them. Wherever an independently administered one-stop patent license would provide a convenient marketplace alternative to assist users with implementation of their technology choices, the licensing model pioneered and employed by MPEG LA may provide a solution. MPEG LA is not related to any standards agency and is not an affiliate of any patent holder. MPEG LA licenses portfolios of essential patents for the MPEG-2, IEEE 1394, DVB-T, MPEG-4 Visual (Part 2), MPEG-4 Systems and AVC/H.264 (also known as MPEG-4 Part 10) standards. MPEG LA is also facilitating the development of alternative patent portfolio licenses relating to DRM Reference Model v 3.0, the proposed SMPTE VC-1 standard, the ATSC standard, and the DVB-H standard. In addition, MPEG LA actively seeks to adopt its alternative patent licensing model in other industries including biotech and pharmaceutical. For more information, please refer to [www.mpegla.com](http://www.mpegla.com).