

250 Steele Street Suite 300
Denver, Colorado 80206
303 331.1880
FAX 303 331.1879



NEWS RELEASE

For Immediate Release

CONTACT:

Lawrence Horn

MPEG LA

301.986.6660

Fax 301.986.8575

lhorn@mpegla.com

MPEG LA to Expand AVC Patent Portfolio License Coverage

Royalty rates to remain the same

(Denver, Colorado, US – 27 January 2005) – In order to meet emerging marketplace needs, MPEG LA, LLC today announced that it plans to expand the AVC Patent Portfolio License to include coverage of AVC Fidelity Range Extensions (“FRExt/AVC”), which were recently added to the AVC/H.264 video standard (ISO/IEC IS14496-10). For the convenience of licensees, the current royalty rates provided under the AVC Patent Portfolio License would remain the same and would continue to apply whether one or more AVC profiles (including FRExt/AVC) is used. The amended license, expected to issue in March 2005, would cover both existing and future licensees.

The AVC Patent Portfolio License is offered for the convenience of AVC users enabling them to obtain coverage under essential patents owned by multiple patent holders in a single license as an alternative to negotiating separate licenses with each of them. It is MPEG LA’s objective to include in the AVC Patent Portfolio License as much essential intellectual property as possible for the benefit of licensees.

Therefore, any party that believes it has a patent which is essential to FRExt/AVC or other parts of the AVC/H.264 standard (as currently described in ISO/IEC JTC 1/SC 29/WG 11 N 6539 “Text of ISO/IEC 14496 10/FDAM1 AVC Fidelity Range Extensions” and ISO/IEC JTC 1/SC 29/WG 11 N 6540 “Text of

ISO/IEC 14496-10 Advanced Video Coding 3rd Edition” July 2004) and would like to participate in the AVC Patent Portfolio License is invited to submit its patent(s) for an evaluation of essentiality by MPEG LA’s patent experts and inclusion in the License if determined to be essential. Interested parties may request a copy of the terms and procedures governing patent submissions by going to <http://www.mpegla.com/avc/avc-licensors.cfm>.

Current holders of essential patents in the AVC Patent Portfolio License include Columbia Innovation Enterprises, Electronics and Telecommunications Research Institute (ETRI), France Télécom, société anonyme, Fujitsu Limited, Koninklijke Philips Electronics N.V., Matsushita Electric Industrial Co., Ltd., Microsoft Corporation, Mitsubishi Electric Corporation, Robert Bosch GmbH, Samsung Electronics Co., Ltd., Sharp Kabushiki Kaisha, Sony Corporation, Toshiba Corporation, and Victor Company of Japan, Ltd. (JVC).

#

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 including OMA DRM 1.0 and OMA DRM 2.0, 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.