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MPEG LA Announces Plan for Blu-ray Disc™ Patent License *Call for Essential Intellectual Property is First Step*

(Denver, Colorado, USA – 9 November 2005) – MPEG LA, LLC, world leader in one-stop technology standards patent licensing, today issued a call for patents and patent applications that are essential to the Blu-ray Disc™ Standard.

“MPEG LA is pleased to assist in bringing together the essential patent holders at the advent of this important new technology in order to assist users with its efficient adoption in devices, discs and related implementations,” said MPEG LA Chief Executive Officer Baryn S. Futa.

The call begins a process of evaluating and determining patents that are essential to the standard in order to include them in a joint patent portfolio license providing users with fair, reasonable, nondiscriminatory access to the technology as an alternative to negotiating separate licenses. A summary of the MPEG LA plan with reference to the Blu-ray Disc™ Standard is attached.

Blu-ray Disc™ Standard

Blu-ray Disc™ (BD) is the name of a next generation optical disc format jointly developed by the Blu-ray Disc Association, a group of the world’s leading consumer electronics, personal computer and media manufacturers. The format was developed to enable recording, re-writing

and playback of high definition video (HD) as well as storing large amounts of data. The new format uses a blue-violet laser (hence the name Blu-ray) with a short wave length (405 nm) allowing a large amount of data to be packed tightly and stored on a standard size disc. The BD standard refers generally to (a) a rewritable optical disc, a recordable optical disc and a read-only optical disc; (b) the method of playing such discs; and (c) recording methods. For more information, see <http://www.blu-raydisc.com>.

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 separate licenses. 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 for VC-1, ATSC, DVB-H, various digital rights management (DRM) technologies including OMA DRM 1.0 and 2.0., and RFID. 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 <http://www.mpegla.com>.

ATTACHMENT

Following is a summary of the MPEG LA plan for licensing of Blu-ray Disc™ essential patents:

1. Objective:

To establish a portfolio of essential worldwide patents that are necessary for implementation of the Blu-ray Disc™ Standard in order to provide users with fair, reasonable, nondiscriminatory access to as much essential intellectual property as possible under one license.

2. Licensed patents:

Essential patents may consist of issued or otherwise enforceable patents having one or more claims that are infringed by use or implementation of the Blu-ray Disc™ Standard as embodied in the following documents which may be obtained at http://www.blu-raydisc.info/license_info/rewritable/ia.htm:

Blu-ray Disc Rewritable Format Version 1,
Part 1 : Basic Format Specifications

Blu-ray Disc Rewritable Format Version 1,
Part 2 : File System Specifications

Blu-ray Disc Rewritable Format Version 1,
Part 3 : Audio Visual Basic Specifications

Blu-ray Disc Rewritable Format Version 2,
Part 1 : Basic Format Specifications

Blu-ray Disc Rewritable Format Version 2,
Part 2 : File System Specifications

Blu-ray Disc Rewritable Format Version 2,
Part 3 : Audio Visual Basic Specifications

Blu-ray Disc Recordable Format Version 1,
Part 1 : Basic Format Specifications

Blu-ray Disc Recordable Format Version 1,
Part 2 : File System Specifications

Blu-ray Disc Read-Only Format Version 1,
Part 1 : Basic Format Specifications

Blu-ray Disc Read-Only Format Version 1,
Part 2 : File System Specifications

In addition, to assure that the license development process may benefit from the views of parties who potentially may obtain essential patent rights in the future as well as those who currently have them, any owner of a patent application with claims that the owner believes are essential to the Standard and likely to issue in a patent are welcome to submit it for an evaluation of its essentiality by independent patent experts in order potentially to participate in the license development process (only issued patents would be included in the license, however). If a patent application with essential claims does not issue as a patent or is found not to contain essential claims when it subsequently issues as a patent, it will no longer provide a basis for participation.

3. Organization

The patent portfolio may require at least the following functions:

First, as Evaluation Facilitator, MPEG LA has made a call described in this announcement for the submission of patents (and patent applications) for an evaluation of their essentiality by patent experts and inclusion in a joint license if determined to be essential. MPEG LA also will facilitate the evaluation process, convene the initial group of essential patent (and patent application) holders and facilitate their deliberations to consider terms of a joint license as described below.

Second, an Evaluator (identified below) will evaluate patents (and patent applications) for essentiality with respect to the Blu-ray Disc™ Standard. Any party that believes it has essential patents (or patent applications) is invited to submit them for evaluation and inclusion in accordance with the terms and procedures governing submissions (see section 5).

Third, an initial group of essential patent (and patent application) holders who have agreed to the terms governing the submission of patents (and patent applications) and been found by the independent patent experts to have essential intellectual property will be convened to decide licensing terms. Patent (and patent application) evaluations will continue and submissions may continue to be made for later inclusion and participation by patent owners. After joint license terms are decided, evaluations will continue throughout the course of the license in order to include as much essential intellectual property as possible.

Fourth, a licensing administrator will be chosen by the initial group of patent holders. The licensing administrator will be granted non-exclusive sublicensing rights from the essential patent owners under licensed patents in order to sublicense those patents under terms of the joint patent license and will actively promote the licensing program and collect royalties for the benefit of the patent owners.

Fifth, an administrative committee consisting of representatives of the essential patent owners will monitor certain activities of the licensing administrator.

4. Licensing details

To be determined by the essential patent owners.

5. Schedule (Initial Plan)

Initial submissions: by December 15, 2005. Any party that believes it has a patent (or patent application) that is essential to the standard and wishes to join the Blu-ray Disc™ Patent Portfolio License is invited to submit it for evaluation by MPEG LA's patent experts. Patent evaluations will be conducted for MPEG LA by Dr. Kenneth Rubenstein of Proskauer, Rose LLP and his worldwide team of independent patent experts in Europe, Japan and Korea. Further information, along with terms and procedures governing patent submissions, can be found at <http://www.mpegla.com/pid/bluray/>. Although submissions may continue to be made after that date, patent or patent application owners who submit patents or patent applications by that date which are determined to be essential will be invited to attend an initial meeting of essential patent holders expected to be held in February 2006.