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German Court Finds DVD Disc Manufacturer ODS Infringes MPEG-2 Patents

(Denver, Colorado, US – 30 November 2006) – A District Court in Germany (Landgericht Düsseldorf) today announced verdicts finding that German DVD disc manufacturer Optical Disc Service (“ODS”) has infringed certain patents licensed in the MPEG-2 Patent Portfolio License offered by MPEG LA as a result of ODS's manufacture of DVD discs. The verdict of infringement as a result of DVD disc manufacturing issued in eight of nine cases brought by six patent holders who are Licensors to MPEG LA's MPEG-2 Patent Portfolio License. See http://www.mpegla.com/news/n_05-08-02PR.pdf. The patent holders alleged that using the MPEG-2 Standard in recording video onto DVD discs constituted acts of infringement. The MPEG-2 Standard is the core technology underlying the efficient creation, transmission, storage and display of digitized moving images and sound tracks on which DVD and other digital technologies are based; and the DVD-Video Standard (DVD Specifications for Read-Only Disc, Part 3: VIDEO SPECIFICATIONS) requires DVD Video discs to contain information formatted in accordance with the MPEG-2 Standard.

According to these verdicts, ODS has been sentenced to cease and desist its current DVD production and to pay damages to the patent owners for past DVD production. In addition to

findings of infringement, the court also rejected arguments by ODS based on exhaustion, competition law and antitrust claims. The court's verdicts are enforceable if the patent holders provide a security bond to ODS. The verdicts can be appealed by ODS.

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MPEG LA, LLC

MPEG LA is the world leader in alternative technology licenses, enabling users to acquire worldwide patent rights necessary for a 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. Among MPEG LA's licenses is one for MPEG-2 digital video compression that has helped produce the most widely employed standard in consumer electronics history. The MPEG-2 Patent Portfolio License, which includes approximately 800 MPEG-2 essential patents in 57 countries, has more than 1000 licensees accounting for most MPEG-2 products, including an estimated 90% of all DVD discs, in the current world market. MPEG LA is an independent licensing administrator; it is not related to any standards agency and is not an affiliate of any patent holder. For more information, please refer to <http://www.mpegla.com>.