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NEWS RELEASE

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German Court Issues More Verdicts against ODS

Verdicts in One of Europe's Largest Patent Litigation Actions Further Confirm Need for MPEG-2 Patents in DVD Video Disc Production

(Denver, Colorado, US - 11 January 2007) - Today the leading District Court for patent infringement in Germany, the Landgericht Düsseldorf, has announced six additional verdicts finding that DVD disc manufacturer Optical Disc Service ("ODS") has infringed certain patents licensed in the MPEG-2 Patent Portfolio License offered by MPEG LA, LLC as a result of ODS's manufacture of DVD video discs.

This brings to 14 the total number of cases in which the Landgericht Düsseldorf has found ODS liable for infringement of patents licensed in the MPEG-2 Patent Portfolio license. In November 2006 the Landgericht Düsseldorf announced eight such verdicts. As a result of several patent holders enforcing the earlier verdicts, and even though the verdicts can be appealed, ODS must cease and desist its current DVD production which uses the enforced patents, and pay damages to the patent owners for past production. See http://www.mpegla.com/news/n_07-01-03_pr.pdf, http://www.mpegla.com/news/n_06-12-21_pr.pdf and http://www.mpegla.com/news/n_06-11-30_pr.pdf.

In its earlier decisions, which have since been published, the Landgericht Düsseldorf established that DVD video discs and other record carriers carrying data structures generated by applying a patent protected coding method (such as the MPEG-2 Standard “without whose technical standardization mass dissemination of the DVD technology would be inconceivable”) constitute infringing products of a patent protected method. The Landgericht Düsseldorf also confirmed the acceptability of MPEG LA’s MPEG-2 Patent Portfolio License.

The MPEG-2 Standard is the core technology underlying the efficient creation, transmission, storage and display of digitized moving images and soundtracks on which DVD and other digital technologies are based; DVD-Video Discs in accordance with the DVD-Video Standard (DVD Specifications for Read-Only Disc, Part 3: VIDEO SPECIFICATIONS) contain information formatted in accordance with the MPEG-2 standard.

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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>.