



ATSC 3.0 Patent Portfolio License Briefing*



*This presentation is for information purposes only. Actual license agreements will provide the only definitive and reliable statement of license terms.

Objective

- **In response to market demand for an efficient ATSC 3.0 licensing solution, MPEG LA offers the one-stop convenience of licensing necessary patent rights for the ATSC 3.0 Standard from multiple patent holders in a single transaction as an alternative to negotiating separate licenses with individual patent owners**



Coverage - ATSC 3.0 Standard

ATSC 3.0 Standard shall mean the suite of digital terrestrial television standards defined by the Advanced Television Systems Committee (“ATSC”) to include specifically the following individual standards:

- A/200:2022-03 Regional Service Availability, only to the extent this standard relates to other sections of the ATSC 3.0 Standard explicitly included in this section
- A/300:2022-04 ATSC 3.0 System, only to the extent this standard relates to other sections of the ATSC 3.0 Standard explicitly included in this section
- A/321:2022-03 System Discovery and Signaling
- A/322:2022-11 Physical Layer Protocol
- A/324:2022-06 Scheduler/Studio to Transmitter Link, with Amendment No. 1
- A/330:2022-03 Link-Layer Protocol
- A/331:2022-11 Signaling, Delivery, Synchronization, and Error Protection, with Amendments No. 1, 2, 3, and 4
 - In connection with A/331:2022-11, all non-ATSC 3.0 standards for implementing MPEG-DASH are excluded, including but not limited to ISO/IEC 23009 (all parts and editions)
- A/332:2022-03 Service Announcement, with Amendment No. 1
- A/333:2022-03 Service Usage Reporting
- A/336:2022-03 Content Recovery in Redistribution Scenarios, with Amendment No. 1
- A/337:2022-03 Application Signaling
- A/338:2022-03 Companion Device
- A/343:2022-03 Captions and Subtitles, with Amendments No. 1 and No. 2
- A/344:2022-03 Interactive Content
- A/360:2022-11 ATSC 3.0 Security and Service Protection, with Amendment No. 1 and Amendment No. 2

The following standards (all versions) within the ATSC 3.0 suite are specifically not included in the ATSC 3.0 Standard definition:

- A/323 Dedicated Return Channel for ATSC 3.0
- All ATSC 3.0 Recommended Practices, including but not limited to A/325 (ATSC 3.0 PHY Lab Performance Test Plan) and A/326 (ATSC 3.0 Field Test Plan)
- A/334 Audio Watermark Emission
- A/335 Video Watermark Emission
- A/341 Video – HEVC (including HDR)
- A/342 Audio Common Elements (Part 1), AC-4 System (Part 2), and MPEG-H (Part 3)

Coverage

- Patents are essential to the ATSC 3.0 Standard (slide 3)
- Patents are evaluated for their essentiality by independent patent experts
- Worldwide coverage (including essential counterparts)
- Licensors and their Affiliates include all essential patents



Coverage



- Patent List (Attachment 1) to the License is updated regularly
www.mpegla.com/programs/ATSC-3-0/patent-list/
- Coverage from first use by Licensee
- New Licensors and essential patents may be added at no additional royalty during the current term

Patent Owners

- See <https://www.mpegla.com/programs/ATSC-3-0/licensors/>



License Grants and Royalties*

- **ATSC Receiver Product (ATSC 3.0 TR1)**
 - \$2.75 up to two receivers in a single product
 - 3rd and 4th receivers = \$0.50 each
 - Over four = \$0.25 each
 - \$3.0M annual cap in 2018-21, \$4.5M annual cap in 2022 and 2023, then increase or decrease in each subsequent year of the first term (2024-27) by a percentage equal to the average percentage increase or decrease in the production of such products by the top three worldwide producers based on the increase or decrease of their unit Sales during the previous year**
 - Back royalties payable for products sold from January 1, 2018 through December 31, 2021 at 50% discount if License is signed within the later of six (6) months of the date the License is first offered to the market (January 20, 2022) or within six (6) months of the date the Licensee first offers an ATSC 3.0 TR1 for Sale
- **ATSC Receiver Product (Mobile) Exception (ATSC 3.0 TR2)**
 - 1st ATSC 3.0 TR2 = \$0.50 royalty
 - 2nd or more ATSC 3.0 TR2 receivers - \$0.10 royalty for each
 - Royalty discounted by 50% (\$0.25 for the first ATSC 3.0 TR2 and \$0.05 for each ATSC 3.0 TR2 in a product thereafter) for the first 100M ATSC 3.0 TR2 Sold worldwide before December 31, 2025, by all providers of ATSC 3.0 TR2 products
 - \$3.0 M annual cap 2018-23, \$4.5M annual cap in 2024, then increase or decrease in each subsequent year of the first term (2025-27) by a percentage equal to the average percentage increase or decrease in the production of such products by the top three worldwide producers based on the increase or decrease of their unit Sales during the previous year **

* The actual License agreement provides the only definitive and reliable statement of license terms

** Caps do not apply to Back Royalties unless License is signed within the later of six (6) months from the date the License is first offered to the market (January 20, 2022) or within six (6) months of the date the Licensee first offers the product for Sale

Term



- **Current term through December 31, 2027**
- **Renewable for successive 5-year periods for the life of any Portfolio patent on reasonable terms and conditions**
- **Rate Protection on Renewal – royalty rates applicable to specific product license grants will not increase by more than 20% at each renewal**

Other Important Provisions



- **Most Favorable royalty rates clause**
- **Licensee data is protected as confidential**
- **Grant-back on essential patents similar in scope to license grants**



www.mpegla.com