



HEVC Patent Portfolio License Briefing*



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

Objective

- Offer an alternative license for the convenience of users enabling them to acquire patent rights necessary for the HEVC standard (see next slide) from multiple patent holders in a single transaction as an alternative to negotiating separate licenses



Coverage

- **HEVC Standard as defined in ISO/IEC 23008-2:2013(E), ITU-T Recommendation H.265 (04/2013), Recommendation ITU-T H.265 v2 (10/2014), Recommendation ITU-T H.265 v3 (04/2015), Recommendation ITU-T H.265 v5 (02/2018), and/or Recommendation ITU-T H.265 v8 (08/2021).**



Coverage

- **Each patent is essential to the HEVC standard (see previous slide)**
- **Patent holders submitted patents for evaluation of their essentiality by independent patent experts**
- **Worldwide coverage (including essential counterparts)**
- **Licensors and their Affiliates include all essential patents**



Coverage

- Attachment 1 to the License is updated regularly
 - See <https://www.mpegla.com/programs/hevc/patent-list/>
- New Licensors and essential patents may be added at no additional royalty for present license coverage during the current term; coverage for entire term



Patent Owners



- See <https://www.mpegla.com/programs/hevc/licensors/>

HEVC License Terms

- **Decoder-Encoder Sublicenses**
 - HEVC Products Sold to End Users by a Licensee with (a) ownership/control of the brand name or (b) if the HEVC Product bears no brand name, with discretion over decision to Sell
 - 0 - 100,000 units/year = no royalty (available to one Legal Entity in an affiliated group)
 - US \$0.20 per unit after first 100,000 units each year
 - Maximum annual royalty payable by an Enterprise (Legal Entity and Affiliates) is \$25M
 - Includes right to make, use and sell
 - Royalties are payable for HEVC Products from May 1, 2013 forward
- **Other**
 - Royalty paid for HEVC Product sublicense (referred to above) includes right to use encoders/decoders for HEVC content
 - Vendors of semiconductor chips or other products that contain an HEVC encoder and/or decoder may pay royalties on behalf of their customer who is a Licensee (and has responsibility for assuring payment) subject to that Licensee's annual cap



Term

- **Current Term through December 31, 2025**
- **Renewable for successive 5-year periods for the life of any Portfolio patent on reasonable terms and conditions**
- **Rate Protection on Renewal – royalties for license grant or Royalty Cap 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**



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