



# MPEG-2 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.

# Coverage

- **Each patent in the MPEG-2 Patent Portfolio License is essential for implementing a portion of the MPEG-2 Video and Systems specification**



# Patent Owners



- See <https://www.mpegla.com/programs/mpeg-2/licensors/>

# Coverage

- **Licensors include all of their MPEG-2 Essential Patents worldwide\***
- **Attachment 1 to the MPEG-2 Patent Portfolio License is updated regularly\***
  - See <https://www.mpegla.com/programs/mpeg-2/patent-list/>

\*Under the MPEG-2 Patent Portfolio License, royalties are payable for products manufactured or sold in countries with an active MPEG-2 Patent Portfolio Patent at the time of manufacture or sale. Please note that the last US patent expired February 13, 2018, and patents are presently active only in Malaysia.

# Product Categories

- **MPEG-2 Decoders**
  - e.g., in set-top boxes, DVD players, TVs, personal computers, game machines
- **MPEG-2 Encoders**
  - e.g., in digital video recording (DVR) devices, cameras
- **Consumer Products**
  - Devices including both encode and decode functionality intended for sale to consumer market, e.g., in DVD recorders, cameras
- **Packaged Medium**
  - e.g., MPEG-2 video data on DVD or Blu-ray Video Discs



# MPEG-2 License Terms

## Summary<sup>1</sup>

- MPEG-2 Decoders and Encoders - \$2.50 per unit from Jan. 1, 2002 (\$4.00 per unit before Jan. 1, 2002), but \$2.00 from later of January 1, 2010 or execution of license through December 31, 2015
- Consumer Products - \$2.50 from Jan. 1, 2002 (\$6.00 per unit before Jan. 1, 2002), but \$2.00 from later of January 1, 2010 or execution of license through December 31, 2015
- From January 1, 2016 through December 31, 2017, royalty rates for MPEG-2 Decoders, MPEG-2 Encoders and MPEG-2 Consumer Products are \$0.50 per unit with right of voluntary termination on 30-days written notice, but Licensees may elect a royalty of \$0.35 per unit with right of voluntary termination on or after January 1, 2018
- From January 1, 2018 forward, royalty rates for MPEG-2 Decoders, MPEG-2 Encoders and MPEG-2 Consumer Products are \$0.35 per unit with right of voluntary termination on 30-days written notice

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# MPEG-2 License Terms

## Summary<sup>1</sup>

- **MPEG-2 Packaged Medium**
  - Effective September 1, 2005, a simplified option was made available under which Licensees pay applicable MPEG-2 Video Event<sup>2</sup> rate (\$0.016 from later of January 1, 2010 or execution of license through December 31, 2015) for each MPEG-2 video disc regardless of its specific content or playing time (except where the playing time is 12 minutes or less in which case the royalty is \$0.01)
  - From January 1, 2016 forward, producers of MPEG-2 Packaged Medium in full compliance with the MPEG-2 Patent Portfolio License through 2015 will be deemed to have paid-up coverage without additional royalty after December 31, 2015 if the Enterprise with which the producer is affiliated continues in full compliance with the MPEG-2 License

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<sup>2</sup> MPEG-2 video information with normal playing time up to 133 minutes. For information on MPEG-2 Packaged Medium rates over course of the MPEG-2 licensing program, please consult the MPEG-2 License.

# 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](http://www.mpegla.com)