

Current MPEG-4 Visual License Proposal

Field	Mobile	Internet	Broadcast	Cable and DBS	Packaged Media and Stored Content
Encoder	\$0.25/unit \$1M/yr cap, 50K Unit floor Paid by manufacturer of end-user product			\$0.25/unit Paid by manufacturer of end-user product	
Decoder	\$0.25/unit \$1M/yr cap, 50K Unit floor Paid by manufacturer of end-user product			\$0.25/unit Paid by manufacturer of end-user product	
Use	\$0.25/yr per active user --or-- \$0.02/hr per user (billed per minute) --or-- \$1M/yr Flat Fee 50K Sub floor Paid by end-user content source			\$1.25/unit Paid by user relationship owner	\$0.02/hr per user (billed per half-hour) \$0.002 for short (<12min.) content \$0.04 max Rates one-half 5 years after copyright Paid by content replicator
Caps	Total Enterprise/Entity: \$5-10M/yr Does Not Apply if \$1M caps above are used				No Caps

- License through 2008, grace period through 2003
- Royalties apply only for "for which content or service provider receives remuneration"
- Includes Simple and Core profiles. Patents in pool may be used for other profiles without additional royalties
- Option for Systems: \$0.15/decoder, \$0.25 enc, \$100K Cap, 10% of Visual for Packaged Media
- Option for MPEG-J free if MPEG-J non-assert from licensee
- User has rights to play Stored Content at least 20 times or > 1 year after paying a "transactional fee"

Current Audio License Proposal

MPEG-4 AAC Licensing Schedule:

- AAC Licensing announced
- Royalties paid by end-product manufacturer
- Licensing Agent not selected yet
- Other tools (TwinVQ, CELP) under discussion

Standard Rates:

Volume (per channel / quarterly reset)	Consumer Decoder or Encoder Channels	Consumer Codec Channels	Professional Decoder Channels	Professional Encoder Channels
	Implementations			
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
	Products			
Flat Rate	n/a	n/a	\$ 2.00	\$ 20.00
1 to 100,000	\$ 0.50	\$ 1.00	-	-
100,001 to 500,000	\$ 0.37	\$ 0.74	-	-
500,001 to 1,000,000	\$ 0.27	\$ 0.54	-	-
1,000,001 to 5,000,000	\$ 0.22	\$ 0.44	-	-
5,000,001 to 10,000,000	\$ 0.17	\$ 0.34	-	-
10,000,001 or more	\$ 0.12	\$ 0.24	-	-

PC-Based Software Pricing: (for private non-commercial use)

Volume (per channel / annual reset)	Consumer Decoder Channels	Consumer Encoder Channels	Consumer Codecs Channels
1 to 100,000	\$ 0.25	\$ 0.50	\$ 0.75
100,001 to 500,000	n/a	\$ 0.37	\$ 0.62
500,001 to 1,000,000	n/a	\$ 0.27	\$ 0.52
Maximum annual payment	\$ 25,000	\$ 250,000	\$ 275,000