

# MPEG-4 Visual License Royalties

See [www.mpegla.com](http://www.mpegla.com) for details

Field	Mobile	Internet	Broadcast	Cable and DBS	Packaged Media and Stored Content
Encoder	<b>\$0.25/unit</b> \$1M/yr cap, 50K Unit floor Paid by manufacturer of end-user product			Terms at left for user-to-user or PVR use only. Paid by manufacturer of end-user product	<b>Free</b>
Decoder	<b>\$0.25/unit</b> \$1M/yr cap, 50K Unit floor Paid by manufacturer of end-user product				<b>\$0.25/unit</b> \$1M/yr cap, 50K Unit floor Paid by manufacturer of end-user product
Use	<b>\$0.25/yr per subscriber</b> --or-- \$0.02/hr per user (billed per minute) --or-- \$1M/yr Flat Fee 50K Sub floor Paid by end-user content source			<b>\$1.25/unit</b> 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"

# MPEG-4 Audio License Royalties

Standard Rates:

See [www.vialicensing.com](http://www.vialicensing.com) for details

Volume Quarterly Channels	AAC Decoder or Encoder	AAC Codec	Volume Quarterly Products	High-Quality Audio Profile (AAC + CELP) Stereo Decoder
1	\$ 0.50	\$ 1.00	1	\$1.20
100,001	\$ 0.37	\$ 0.74	25,001	\$1.10
			50,001	\$0.89
			125,001	\$0.81
500,001	\$ 0.27	\$ 0.54	250,001	\$0.61
1,000,001	\$ 0.22	\$ 0.44	500,001	\$0.53
			1,250,001	\$0.49
5,000,001	\$ 0.17	\$ 0.34	2,500,001	\$0.37
10,000,001	\$ 0.12	\$ 0.24	5,000,001	\$0.29

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

Volume Annual Channels	AAC Decoder	AAC Encoder	AAC Codecs	Volume Annual Products	HQ Audio Decoder	HQ Audio Encoder	HQ Audio Codec
1	\$ 0.25	\$ 0.50	\$ 0.75	1	\$0.60	\$1.20	\$1.80
100,001	n/a	\$ 0.37	\$ 0.62	50,001	\$0.20	\$0.99	\$1.19
				100,001	n/a	\$0.89	\$0.89
500,001	n/a	\$ 0.27	\$ 0.52	250,001	n/a	\$0.73	\$0.73
Annual Cap	\$ 25,000*	\$ 250,000	\$ 275,000	Annual Cap	\$40,000*	\$400,000	\$440,000

- Royalties paid by end-product manufacturer
- AAC is primary general-purpose codec. Other codecs are available for general audio (BSAC) and for speech (CELP, HVXC)
- Codecs can also be licensed on a bundled basis for MPEG-4 profiles – AAC+CELP shown

\* Per product, other caps per entity (company)