



General Summary of Our Patent Pool

NOTICE: THE STRUCTURE OF THE HEVC ADVANCE LICENSING PROGRAM, INCLUDING THE TERMS HEVC ADVANCE IS CURRENTLY AUTHORIZED TO OFFER IN ITS PATENT PORTFOLIO LICENSE AGREEMENT, ARE SUBJECT TO REVIEW AND CHANGE UNTIL A LICENSE IS EXECUTED. ACCORDINGLY, THE CURRENT STATEMENTS ON THIS SITE AND THE TERMS IN THE EXEMPLAR DOCUMENTS AVAILABLE FOR DOWNLOAD SHOULD NOT BE RELIED UPON AS A GUARANTEE OF FUTURE TERMS OR CONDITIONS OF THE HEVC ADVANCE LICENSING PROGRAM OR THE TYPES OF ENTITIES TO WHOM HEVC ADVANCE OFFERS A LICENSE AND/OR REQUIRES TO BE LICENSED. THE ONLY WAY TO GUARANTEE CURRENTLY-STATED TERMS FOR YOUR COMPANY IS TO EXECUTE A LICENSE DURING THE PERIOD IN WHICH SUCH TERMS ARE AVAILABLE.

Contents

- HEVC Standard Versions/Profiles
- Patent Coverage
- Patent Evaluation
- Licensed Products
 - *New: Including Commercial HEVC products added to program April 2016*
- Licensed Content
- Licensees
- License Term
- Royalty Rate
- Trademark Discount
- Patent Marking and Consumer Notice
- Administrative Committee

HEVC Standard Versions/Profiles

- Versions 1 and 2 of ISO/IEC 23008-2 MPEG-H Part 2 and ITU-T Recommendation H.265 (“HEVC Standard”).
- Version 3 is being considered.
- Main/Main 10, Advanced Profile Extensions (RExt, MV-HEVC and SHVC) and Optional Features Patents are licensed separately.

Patent Coverage

- **HEVC Standard Essential Patent:** Patent claims which are necessarily or unavoidably infringed by Making, Having Made, Selling, Offering for Sale, Using or Importing any Consumer HEVC Product or any Commercial HEVC Content under the laws of the country in which the Patent was issued, granted, allowed or published.

Optional Addendum:

- **HEVC Optional Features Essential Patent:** Patent claims covering one or more HEVC Optional Features, which Patent would be necessarily or unavoidably infringed, directly or indirectly, by Making, Having Made, Selling, Offering for Sale, Using or Importing any Consumer HEVC Product or Commercial HEVC Content under the laws of the country in which the Patent was issued, granted, allowed or published.

Patent Evaluation

- **HEVC Advance's Independent Patent Evaluator** is a United States firm of patent experts and engineers that receive support from international firms to provide independent, global patent essentiality determinations.

US: Barceló, Harrison & Walker, LLP

Japan: TMI Associates

Europe: Eisenführ Speiser

China: Wu, Feng & Zhang

South Korea: Hwang Mok Park, P.C.

- **Patent claims not yet evaluated** or in patents not yet on the HEVC Advance Patent List are included in an HEVC Advance patent license. Our license includes all HEVC Standard essential patent claims owned by HEVC Advance Licensors, whether or not they were evaluated.

Licensed Products

We license Consumer HEVC Products, defined to be:

- (a) a **HEVC Product** that is designed or intended primarily for personal use by a natural person, or (b) a **Commercial HEVC Authorized Product**.
 - Where a “**HEVC Product**” is each instance of (1) a HEVC Decoder, (2) a HEVC Encoder, or (3) a combination of a HEVC Decoder and a HEVC Encoder . . . ; provided however that [it] must be both (a) branded; and (b) a substantially finished item that is ready for Sale to an End User
 - Where a “**Commercial HEVC Authorized Product**” is a HEVC Product not designed or intended primarily for personal use by a natural person, but that is designed or intended primarily for encoding and/or decoding HEVC Content that is not Commercial HEVC Content
- **Commercial HEVC Excluded Products** are expressly excluded from this definition of Consumer HEVC Products
 - Where a “**Commercial HEVC Excluded Product**” is a HEVC Product other than a Consumer HEVC Product, such as, but not limited to, broadcast cameras, commercial servers and commercial encoders designed or intended primarily for encoding and/or decoding Commercial HEVC Content

Licensed Content

We license Commercial HEVC Content, defined to be:

- **HEVC Content** with respect to the Sale of which one or more Legal Entities receives consideration of any kind, including, but not limited to, sales revenues or rental fees, where the HEVC Content advertised or marketed to the public, or is otherwise Transmitted for entertainment, news, or informational purposes.
 - Where “**HEVC Content**” is video, still picture or other digital content encoded substantially in accordance with the HEVC Standard.

Licensees

- Parties that “Sell”:
 - Consumer HEVC Products under their own brand names and to End Users for personal use fully functional Consumer HEVC Products that incorporate one or more HEVC Decoders and/or HEVC Encoders
 - Where an “End User” is (a) any natural person or entity that orders, purchases, retrieves, receives, downloads, and/or is sent a Consumer HEVC Product or Commercial HEVC Content for personal use or consumption, and not for resale or commercial use, or (b) any Commercial Service Authorized Provider
 - Where a “Commercial Service Authorized Provider” is any natural person or entity that orders, purchases, retrieves, receives, downloads and/or is sent a Consumer HEVC Product for use in providing services that do not involve the encoding and/or decoding or Commercial HEVC Content
 - Commercial HEVC Content to End Users for their personal use
- HEVC Advance does not License to:
 - (1) sellers of Commercial HEVC Excluded Products; or
 - (2) entities that provide commercial services to the Parties identified above that “Sell” Commercial HEVC Content

License Term

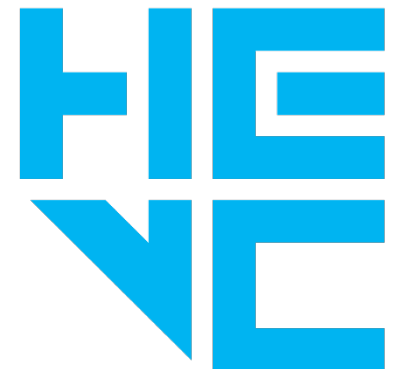
- **Term:** The Initial Term continues through 12/31/2020, and is automatically renewed for successive five-year Renewal Terms
- **Termination:** Licensee can terminate (1) effective as of the end of the Initial Term if there has been a change to the Agreement that has a material adverse impact on the Licensee (excluding allowed changes), or (2) effective as of the end of any Renewal Term.

Royalty Rate

- [Royalty Rate Chart](#): Please see our website for more details.
- [Geographic Rate Differentials](#): Stated rates apply to all Consumer HEVC Products and Commercial HEVC Content Sold into a country in Region 1. The royalty rate is discounted by 50% for all products “First Sold” to an End-User in a Region 2 country – any country outside of Region 1.
- [Royalty Rate Term Increase Cap](#): Royalty Rates and Caps will not increase by more than 20% for any Renewal Term.

Trademark Discount

- **Discount:** A patent licensee has option to license the HEVC Advance trademark and promote it on all physical device packaging. In return, the licensee receives the 10% discount included in published device royalty rates.
- **Guidelines:** HEVC Advance trademark guidelines can be found on our website.



Patent Marking and Consumer Notice

- Patent Marking:

- Patent marking is required for Consumer HEVC Products. A reference to the HEVC Advance website (in accordance with applicable legal requirements) is permitted.
- Patent marking is not required for HEVC Commercial Content.

- Consumer Notice

- A Licensee selling Consumer HEVC Products must provide Notice to End Users regarding their rights to use HEVC Commercial Content.

 Thank you.

28 State Street, Suite 3202, Boston, MA 02109 USA | +1 617.367.4802 | www.hevcadvance.com

This material is a brief high-level summary and overview of certain terms for information purposes only and does not create any contract or agreement. The actual terms are those contained in the HEVC Patent Portfolio License. This summary is subject to change at any time at the discretion of HEVC Advance.

© 2016 HEVC Advance. All Rights Reserved