

# Royalty Rate Structure for Trademark Licensees In-Compliance



**March 2018**

**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.

# Royalty Rate Structure for Trademark Licensees In-Compliance, Effective January 1, 2018



Device Category and Examples	Selling Price	Per-Device Royalty <sup>(1)</sup> Main Profiles	Advanced Profiles Royalty <sup>(1)</sup> (Each)	Advanced Profiles Royalty <sup>(1)</sup> (All Three)	Annual In-Compliance Device Category Caps <sup>(2)</sup>	Annual In-Compliance Enterprise Credit and Cap <sup>(2)</sup>
<b>Mobile Devices:</b> Mobile Phone, Tablet, Laptop	All price ranges	\$0.40/\$0.20	+\$0.10/\$0.05	+\$0.25/\$0.125	\$30MM \$20MM (If entity does not sell phones)	
<b>Connected Home &amp; Other Devices:</b> <u>Consumer Products:</u> Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, HEVC Software  <u>Authorized Commercial Products:</u> Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage	Devices ≤\$80.00 <sup>(3)</sup>	\$20 or less \$20.01-\$30.00 \$30.01-\$40.00 \$40.01-\$50.00 \$50.01-\$60.00 \$60.01-\$70.00 \$70.01-\$80.00	\$0.20/\$0.20 \$0.25/\$0.25 \$0.35/\$0.35 \$0.45/\$0.40 \$0.55/\$0.40 \$0.65/\$0.40 \$0.75/\$0.40	+\$0.10/\$0.05	+\$0.25/\$0.125	\$20MM
	Devices >\$80.00 <sup>(4)</sup> and All HEVC Software	\$0.80/\$0.40	+\$0.20/\$0.10			
	<b>4K UHD+ Televisions</b>	All price ranges	\$1.20/\$0.60	+\$0.30/\$0.15	+\$0.75/\$0.375	
<b>Digital Media Storage</b> Blu-ray Discs, Other Storage Devices	All price ranges	<u>Per Disc/Title</u> \$.0225/\$.01125	\$0.00	\$0.00	\$2.5MM	

(1) Royalties shown are Region 1/Region 2 Countries/Territories. Advanced Profiles means the three profile groups released under Version 2: (A) Multiview HEVC extensions (MV-HEVC), (B) Range extensions (Rext), and (C) Scalable HEVC extensions (SHVC).  
 (2) Excludes HEVC Software.  
 (3) Applies to all Devices with a Selling Price of \$80 or less, excluding HEVC Software. Discounts for Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 are effective for Sales on or after 1/1/2018.  
 (4) Includes Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 for Sales before 1/1/2018.

---

 Thank You.

28 State Street, Suite 3202, Boston, MA 02109 USA | +1 617.367.4802 | [www.hevcadvance.com](http://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.