

Brussels, 18<sup>th</sup> December 1998

## Commission approves a patent licensing programme to implement the MPEG-2 standard

*The European Commission has approved a programme concerning licences under patents essential to implementing an ISO standard for transmitting and storing video signals called MPEG-2 (Moving Pictures Expert Group). The programme provides for the creation of a patent portfolio licence that gives access to essential patents on MPEG-2 technology. This patent pool is considered to help promoting technical and economic progress and thus to be compatible with competition law.*

MPEG-2 is a flexible and open standard which provides a technique for eliminating redundant information from a video signal to save transmission resources and storage space on storage media such as optical discs. Certain holders of essential patents<sup>1</sup> have agreed to license their patents through a single non-exclusive and non-discriminatory license programme to be administered by MPEG-LA, LLC of Denver, Colorado, USA. The MPEG-2 Licensing programme defines a Patent Portfolio License which gives access to the patents through a single licence which is available from MPEG-LA.

Mr Karel Van Miert, Commissioner responsible for Competition Policy, has found that this patent pool helps to promote technical and economic progress by allowing quick and efficient introduction of the MPEG-2 technology. He has therefore considered that the pool has beneficial effects for the consumer and does not contain unnecessary or excessive restrictions on competition. An administrative ("comfort") letter under Article 85(3) of the EC Treaty has cleared the programme.

Further details of the notification of the MPEG-2 Licensing Programme were published in the Official Journal of the European Communities on 22 July 1998 (OJ No 98/C 229/06 of 22.7.98)

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<sup>1</sup> Cable Television Laboratories, Inc. - Fujitsu Limited - Matsushita Electric Industrial Co., Ltd. - Mitsubishi Electric Corporation - NextLevel Systems, Inc.(now called General Instrument, Inc.) - Philips Electronics N.V. - Scientific-Atlanta, Inc. - Sony Corporation - The Trustees of Columbia University in the City of New York.