

# JPEG XS PATENT PORTFOLIO LICENSE OVERVIEW

v.2.0 07/2021

This document is for information purposes only.

The JPEG XS PPL agreements provide the only statement of license terms.

# Objectives

The JPEG XS Patent Holders established the JPEG XS Patent Portfolio License (JPEG XS PPL) to grant licenses for JPEG XS patents under fair, reasonable and non-discriminatory (FRAND) terms and conditions. This enables licensees to make, use and sell their JPEG XS products or services.

The goal is to offer convenient access to essential JPEG XS patent rights owned by patent holders, at this time Fraunhofer and intoPIX (the Licensors), in a single license through a patent pool administered by a third party. It is also the goal to enhance the use of JPEG XS across different business models with a suitable royalty structure.

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# Coverage

The JPEG XS PPL covers all essential patents owned by Licensors and related to ISO/IEC 21122 that includes Light, Main & High profiles.

It is anticipated that JPEG XS PPL will be updated later to include more profiles of the JPEG XS standard.

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# License Terms

The JPEG XS PPL End-Use Solution License Models are:

- **Model 1:** Pay Per Instance/Product (Lifetime Solutions)
- **Model 2:** Pay Per Activation (Yearly and Monthly Solutions)
- **Model 3:** Pay Per Use (“Pay as you go” Services)

Terms of reference:

- A **Product** is an End-Use solution (for example, a physical device or a software application) capable of encoding and/or decoding one or more JPEG XS streams.
- The number of **Instances** is the number of JPEG XS streams that can be encoded or decoded by the Product simultaneously.
- An **Activation** is a time-limited (yearly or monthly) release of an Instance or a Product.
- **Use** refers to a “Pay as you go” service provided by the Licensee that includes steps of encoding or decoding JPEG XS streams.

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# JPEG XS PPL – Model 1

## Pay Per Instance/Product (Lifetime Solutions)

MODEL1 : LIFETIME			LIFETIME ROYALTIES		
	Models 1 & 2 aggregated annual royalty amount		HD	4K	8K
Per Instance Categories	Cat. 1	1 to 40,000 USD	3.00 USD	5.00 USD	9.00 USD
	Cat. 2	40,001 to 100,000 USD	2.40 USD	4.00 USD	7.20 USD
	Cat. 3	100,001 to 250,000 USD	2.00 USD	3.34 USD	6.00 USD
	Cat. 4	250,001 to 625,000 USD	1.50 USD	2.50 USD	4.50 USD
	Cat. 5	625,001 to 1,000,000 USD	1.00 USD	1.67 USD	3.00 USD
Per Product Categories	Cat. 6	1,000,000 to 2,000,000 USD	0.60 USD		
	Cat. 7	2,000,001 to 4,000,000 USD	0.45 USD		
	Cat. 8	4,000,001 to 7,500,000 USD	0.30 USD		
	Cat. 9	7,500,001 to 15,000,000 USD	0.225 USD		
	Cat. 10	15,000,001 USD onwards	0.15 USD		

### Notes:

- For Categories 1 to 5, the royalty rate is not per Product, it is per Instance and based on resolution (HD/4K/8K).
- For Categories 6 to 10, the royalty rate is per Product (irrespective of resolution and the number of instances).
- The royalty rate starts from Category 1. Once the annual aggregated royalty amount reaches the dollar category threshold, a reduced royalty rate is applied by going to the next category. Model 1 & 2 category volumes are aggregated.

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# JPEG XS PPL – Model 2

## Pay Per Activation-(Yearly or Monthly Solutions)

MODEL2: YEARLY/MONTHLY			YEARLY ROYALTIES			MONTHLY ROYALTIES		
	Models 1 & 2 aggregated annual royalty amount		HD	4K	8K	HD	4K	8K
Per Instance Categories	Cat. 1	1 to 40,000 USD	1.50 USD	2.50 USD	4.50 USD	0.30 USD	0.50 USD	0.90 USD
	Cat. 2	40,001 to 100,000 USD	1.20 USD	2.00 USD	3.60 USD	0.24 USD	0.40 USD	0.72 USD
	Cat. 3	100,001 to 250,000 USD	1.00 USD	1.67 USD	3.00 USD	0.20 USD	0.34 USD	0.60 USD
	Cat. 4	250,001 to 625,000 USD	0.75 USD	1.25 USD	2.25 USD	0.15 USD	0.25 USD	0.45 USD
	Cat. 5	625,001 to 1,000,000 USD	0.50 USD	0.84 USD	1.50 USD	0.10 USD	0.167 USD	0.30 USD
Per Product Categories	Cat. 6	1,000,000 to 2,000,000 USD	0.30 USD			0.06 USD		
	Cat. 7	2,000,001 to 4,000,000 USD	0.225 USD			0.045 USD		
	Cat. 8	4,000,001 to 7,500,000 USD	0.15 USD			0.03 USD		
	Cat. 9	7,500,001 to 15,000,000 USD	0.1125 USD			0.0225 USD		
	Cat. 10	15,000,001 USD onwards	0.075 USD			0.015 USD		

### Notes:

- For Categories 1 to 5, the royalty rate is not per Product, it is per Instance and based on resolution (HD/4K/8K).
- For Categories 6 to 10, the royalty rate is per Product (irrespective of resolution and the number of instances).
- The royalty rate starts from Category 1. Once the annual aggregated royalty amount reaches the dollar category threshold, a reduced royalty rate is applied by going to the next category. Model 1 & 2 category volumes are aggregated.

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# License Terms

## Notes:

- Royalty rates are based on annual volume with an overall discount if annual pre-commitment on royalty amount.
- Model 1 & 2 annual royalty amounts are aggregated.
- In Model 1 & 2, Royalty Fee is capped at 2% of the Manufacturer's Suggested Retail Price (MSRP) price, if price is publicly disclosed.

## JPEG XS PPL for OEM Vendors:

- By default, royalties shall be paid by End-Use Solution Licensees and not by OEM Vendors.
- OEM Vendors may pay royalties on behalf of a customer that is an End-Use Licensee (and has responsibility for ensuring payment). No aggregation of End-Use Licensee customers is permitted.

# JPEG XS PPL – Model 3

## Pay Per Use (“Pay as you go” Services)

MODEL 3: Per Hour of Live stream services		HOURLY ROYALTIES				
		576	720p/1080i	HD	4K	8K
Cat. 11	1 to 250,000 USD	0.40 US cents	0.80 US cents	1.60 US cents	8.00 US cents	32.00 US cents
Cat. 12	250,001 to 1,000,000 USD	0.32 US cents	0.64 US cents	1.28 US cents	6.40 US cents	25.60 US cents
Cat. 13	1,000,001 to 2,000,000 USD	0.267 US cents	0.534 US cents	1.067 US cents	5.34 US cents	21.34 US cents
Cat. 14	2,000,001 to 4,000,000 USD	0.20 US cents	0.40 US cents	0.80 US cents	4.00 US cents	16.00 US cents
Cat. 15	4,000,001 to 7,500,000 USD	0.134 US cents	0.267 US cents	0.534 US cents	2.67 US cents	10.67 US cents
Cat. 16	7,500,001 USD onwards	0.10 US cents	0.20 US cents	0.40 US cents	2.00 US cents	8.00 US cents

### Notes:

- **Pay Per Use is charged per hour of Live stream services**
- For Categories 11 to 16, the Royalty rate is per hour of encoding or decoding of JPEG XS streams and based on resolution (576/720p/1080i/HD/4K/8K).
- The royalty rate starts from Category 11. Once the annual aggregated royalty amount reaches the dollar category threshold, a reduced royalty rate is applied by going to the next category. Model 3 category volumes are not aggregated with Model 1 & 2 category volumes.
- With an annual pre-commitment, Licensees can have access to a discounted royalty rate.

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# Extended License Terms

- Current terms are valid from January 01, 2021 to December 31, 2025.
- Renewable for successive 5-year periods for the life of the Portfolio patents on reasonable terms and conditions.
- Royalty fees will not increase by more than 20% at each 5-year term renewal.
- A yearly royalty cap per company is available.
- End-Use Licensee starts to pay after the payable annual royalty amount exceeds 100 USD.

The background features a vibrant, abstract pattern of swirling colors, primarily in shades of blue, purple, and red, resembling ink or paint diffusing in water. The colors are layered and blended, creating a dynamic and textured visual effect.

**[WWW.JPEGXS.COM](http://WWW.JPEGXS.COM)**

For any questions