



# DAB, DAB<sup>+</sup>, DMB Patent Frequently Asked Questions

## DAB Patent Frequently Asked Questions

### 1. What is the current DAB royalty structure

An Entry Fee of €25,000, then a running royalty of €2.50 per receiver (or €2.75 if the receiver implements the TII option).

When a company's cumulative sales exceed 300,000 the royalty reduces to €2.00/€2.25 (without/with TII) per receiver, and when cumulative sales exceed 700,000 the royalty further reduces to €1.50/€1.75 per receiver.

### 2. Who needs to pay the royalty, the receiver brand or the manufacture?

The brand owner or manufacturer needs to pay.

### 3. How far is Philips prepared to negotiate the Patent Fees?

There is no scope for adjusting the patent fees: the standard terms have been accepted by approx. 70 companies including virtually all significant manufacturers.

### 4. Does the DAB royalty fee have to be paid company by company or model by model? For example, does the brand owner pay for all their receiver models as one volume or are they restricted to the royalty structure for each model that's produced?

The fee is paid on a per-company basis.

### 5. If another brand within a same company produces a DAB receiver, are they considered a different company, incurring separate fees or does it count as the same volume....

Different brands owned by the same company are considered together, incurring one set

of fees.

**6. Are there any particular payment routes set up for particular companies? For example, payment holidays for small companies bringing out trial product runs.**

None to date, although a small company's particular plans could be taken into consideration.

**7. Would the Patent Pool consider waiving the Entry Fee? Is there any payment structure available for the Entry Fee for smaller companies wanting to enter the DAB market?**

It is possible for small companies to spread the Entry Fee over two or three years, subject to the payment of interest.

**8. Do Chip manufacturers have to pay DAB royalty fees?**

No, DAB royalty fees are only collected from the brand owner or manufacturer.

**9. Do Broadcasters or Retailers etc have to pay royalty fees to use the logo for marketing purposes?**

No.

**10. Are receiver manufacturers obliged to display the DAB logo for authenticity?**

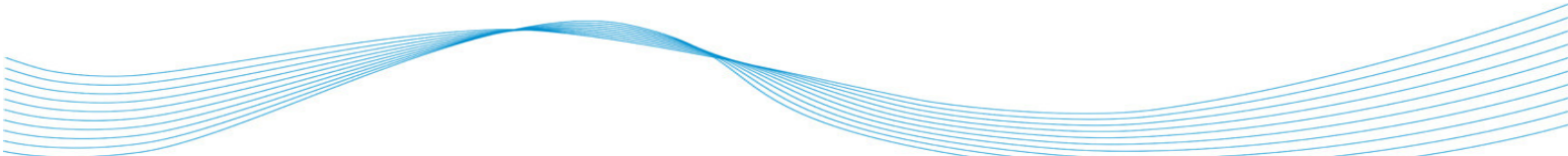
No, although its use is to be encouraged as an industry-wide logo which demonstrates authenticity and compatibility.

**11. When do the DAB patents expire?**

In the UK (and most of Europe) the last patent expires on 18 Jan 2013. This means that receivers which are in Europe on or before that date require payment of a royalty, and Korean-manufactured receivers will require royalty payments for slightly longer. The final date for Korean receivers is 7 December 2013.

**12. Where can the DAB and DAB+ logos be used**

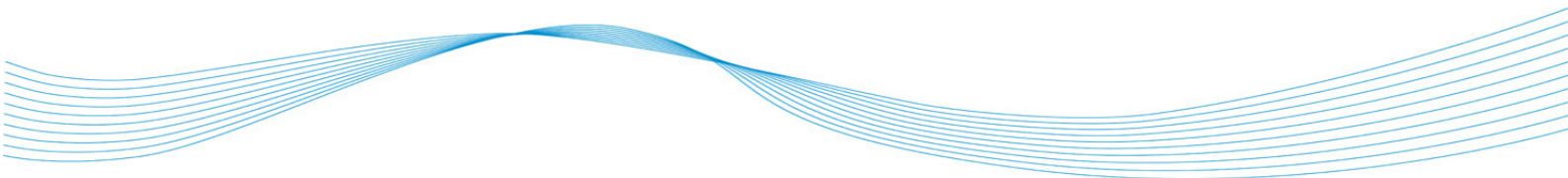
Logos can be used on DAB and DAB+ receivers which are licensed by Philips on behalf of the DAB patent pool, and general marketing materials in relation to these receivers. Also on general promotional material for DAB and DAB+, provided that this does not feature or refer to any products which are not licensed by Philips.



**13. Who is the contact person within Philips to provide further information?**

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# DAB<sup>+</sup> Patent Frequently Asked Questions

## 1. What are the additional licensing fees for DAB<sup>+</sup>?

An additional licence fee is applicable for the AAC audio decoder used in DAB<sup>+</sup>. An initial one-time fee of \$15,000 is payable for new licensees of MPEG-4 Audio technologies. The per-unit licence fee for the MPEG-4 HE-AAC v2 licence is:

\$0.98 per unit up to 500k units for a stereo receiver.

\$0.76 per unit 500,001 to 1M units

\$0.62 per unit 1,000,001 to 2M units

\$0.52 per unit 2,000,001 to 5M units

## 2. Who administers the MPEG-4 HE-AAC v2 licence?

Via Licensing administers the licenses.

## 3. What is the unified (v2) licence?

In the past the audio decoder in DAB<sup>+</sup> required two licences. It required one for MPEG-4 HE-AAC v1 and one for Parametric Stereo.

The new unified licence released in Nov 2008 covers both technologies under one licence. DAB<sup>+</sup> products require the v2 licence.

## 4. Who must pay the MPEG-4 HE-AAC v2 licence fee?

The importer brand of the end-user product must pay the MPEG-4 HE-AAC v2 licence fee. It is not possible for chip or module manufacturer to pay the licence fee.

In the case that companies sell software products to provide AAC capability for end-user devices the software provider can pay the licence fee.

## 5. How should I license my DAB<sup>+</sup> product?

DAB<sup>+</sup> products must first be licensed for DAB as described in the first part of this document.

## 6. Who is the contact for the MPEG-4 HE-AAC v2 licence?

Via Licencing have regional offices for America, Europe, Asia and Japan. The contact details for these offices can be found at this address

[http://www.vialicensing.com/about/contact\\_us.cfm](http://www.vialicensing.com/about/contact_us.cfm)



# DMB Patent Frequently Asked Questions

## 1. What are the additional licensing fees for DMB?

Both the DAB royalty to Philips and the AAC royalty to Via Licensing apply to DMB. In addition there is licence fee applicable for MPEG Transport Stream (TS) used in DMB.

The \$0.50 per-unit licence fee for the MPEG TS is payable to MPEG LA.

## 2. What is the difference between DMB, DMB-Radio, DMB-R, DMB-A and DMB-Audio?

Nothing. These are different names for the same thing: Digital Media Broadcast Audio.

# WorldDMB Profile 1 Patent Frequently Asked Questions

## 1. What license fees apply for a Profile 1 DAB, DAB<sup>+</sup>, DMB Audio receiver?

All three license fees apply:

Licence	DAB	DAB <sup>+</sup>	DMB
Philips DAB	Yes	Yes	Yes
Via Licensing AAC	No	Yes	Yes
MPEG LA's MPEG TS	No	No	Yes

Note, other royalty fees may apply in the future as DMB is deployed.

### Disclaimer

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