

STATEMENT

British Telecommunications plc will grant non-exclusive, royalty-free licences under its Patents to all users solely for their use in complying with the Recommendation, but on condition that any such user first express willingness to grant to British Telecommunications plc, for itself and its wholly owned subsidiaries, royalty-free licences of similar scope under such user's Patents, if any, for use in complying with the Recommendation, it being agreed that, if the user does not hold such patents, this will not prevent him from getting any such non-exclusive, royalty-free licences from British Telecommunications plc. Such licences shall include the right to require third parties to manufacture for use by British Telecommunications plc or the user any equipment the design of which complies with the Recommendation.

At the request of any user, British Telecommunications plc will consider alternative licensing arrangements on reasonable terms and conditions.

As used herein,

"Patents" means essential patents for inventions related to the Recommendation made prior to the adoption of the Recommendation by the CCITT, which patents are owned or controlled by the grantor (British Telecommunications plc or the user) or its wholly owned subsidiaries. Any patent the use of which is not essential to meeting the Recommendation or which can be avoided by those skilled in the art through the exercise of their best efforts is not included in the commitment to grant royalty-free licences and British Telecommunications plc will consider alternative licensing arrangements on reasonable terms and conditions for non-essential patents.

"Recommendation" means a recommendation by the CCITT for a preferred scheme for coding 7 kHz audio signals using 64 kbit/s sub-band adaptive differential pulse code modulation.



H H SHIPLEY
Licensing Controller

13 March 1986