

Subject: Statement on patents on the p x 64 kbit/s video coding for audio-visual services.

GEC Plessey Telecommunications (GPT) will, insofar as it is legally able and upon adoption of such Recommendation by CCITT, grant licenses (or sub-licenses as appropriate) under its patents on a non-exclusive basis and on non-discriminatory fair and reasonable terms to all users solely for their use in complying with the Recommendation, but on a condition that any such user first express willingness to grant to GPT, for itself and its subsidiaries, similar licenses under such user's patents, if any, for use in complying with the Recommendation.

The grant by GPT will be for licenses (or sub-licenses, as appropriate) to make, have made, use, sell, lease and import any equipment complying with the Recommendation.

As used herein.

"Patents" means patents for inventions made prior to the adoption of the Recommendation which patents are owned or controlled by the grantor (GPT or the user) or its subsidiaries, or its licensors, provided, however, that in no event will any licenses granted pursuant to this commitment include licenses under 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.

"Recommendation" means a recommendation by the CCITT for a preferred algorithm for the p x 64 kbit/s video coding for audio-visual services.

"Subsidiary" means any corporation, company or other entity more than fifty percent of whose voting shares or outstanding capital stock is owned or controlled directly or indirectly by GPT.