

Digital Entertainment Content Ecosystem (DECE) LLC

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February 14, 2011

Mark S. Richer, President
Advanced Television Systems Committee, Inc.
1776 K Street NW
Washington, DC 20006
VIA EMAIL

Dear Mark:

This letter is in response to questions from ATSC to DECE relating to the patent licensing obligations of DECE's members. As we have discussed, the details of the patent policy applicable to DECE's members and the basis of DECE members' RAND licensing obligation resides in DECE's membership agreement. At present, DECE's membership agreement is only released under NDA. While DECE is happy to release that agreement to any representatives of ATSC under NDA, it has no plans to make its membership agreement public. To summarize the patent licensing obligation of DECE Members, DECE is primarily a RAND-based organization (I say "primarily" because it does have a non-assert obligation with respect to DECE itself for the operation of UltraViolet and to DECE members for ecosystem development activities). DECE members are required to provide patent licenses to all of their necessary claims to DECE licensees on reasonable and non-discriminatory terms. For non-UltraViolet role licensees (those implementing under an ATSC specification would fall into this category), DECE members will be required to grant such licenses to anyone who chooses to execute the attached optional RAND agreement. The purpose of the RAND agreement is to establish a reciprocal RAND obligation between DECE's members and those implementers of the CFF specification outside of UltraViolet who choose to execute the RAND agreement. As I said, the RAND agreement is optional and implementers outside of UltraViolet are free to implement the CFF specification without executing the RAND agreement. In choosing not to do so, such implementers will have no RAND obligation to DECE and its members; however, they will also not receive the benefit of RAND licensing commitments on the part of DECE's members.

As I said, DECE does not make its membership agreement public. However, I will also mention that DECE's UltraViolet license agreements (required for participation in the UltraViolet ecosystem) contain RAND provisions for licensees that were based on and are substantially

similar to those placed on DECE's members in the membership agreement. The UltraViolet license agreements are public documents and I attach one (the UltraViolet Client Implementer Agreement) for your reference.

Please feel free to contact me with any questions.

Best regards.

A handwritten signature in black ink that reads "Brian J. Fox". The signature is written in a cursive, slightly slanted style.

Brian J. Fox
Assistant Secretary & Legal Working Group Chair
DECE

Attachments (2)

**Digital Entertainment Content Ecosystem
RAND AGREEMENT FOR USE OF THE MEDIA FORMAT AND METADATA SPECIFICATIONS OUTSIDE OF
THE ULTRAVIOLET ECOSYSTEM**

This RAND Agreement for Use of the Media Format and Metadata Specifications Outside of the UltraViolet Ecosystem (this “**Agreement**”) is effective as of the date of the last signature below (the “**Effective Date**”), by and between Digital Entertainment Content Ecosystem (DECE) LLC (“**DECE**”), a Delaware limited liability company, and the entity named below (together with its Controlled Affiliates, “**Licensee**”). (DECE and Licensee are collectively referred to as the “**Parties**”).

Name of Licensee: _____

Description of Licensee’s Business: _____

Name of Main Contact Person: _____

Main Contact person’s phone no.: _____

Fax no.: _____

Email address: _____

Location of Licensee’s principal offices: _____

State or Country of Incorporation: _____

Year of Incorporation: _____

Contact/address for Notices, if different from above (if notices under this agreement should be sent to more than one person or address, please provide full contact information for each):

1. Definitions.

1.1. “**Controlled Affiliate**” means, with respect to any Person, each other Person that, directly or indirectly, is controlled by such first Person. As used in this definition, “controlled by” means the possession, directly or indirectly, of beneficial ownership of more than fifty percent (50%) of the equity interests or more than fifty percent (50%) of the interests entitled to vote for the election of, or serve as, the board of directors or similar managing authority of a Person.

1.2. “**DECE Licensee**” means any Person that has entered into an agreement with DECE in substantially the same form as this Agreement for the Specifications.

- 1.3. **“Necessary Claims”** means claims of patents that are necessarily infringed by any portion of any product, including software or firmware or a component thereof, or of any service, that implements one or more Mandatory Portions of the Specifications. As used in this Agreement, the term “necessarily infringed” means that (y) such claim reads on one or more Mandatory Portions of the Specifications, other than technologies, standards, specifications or products that, in each case, are referenced by such Mandatory Portions of the Specifications but that are not themselves disclosed with particularity in the Specifications (even though required by the Specifications) and (z) there are no commercially reasonable alternatives for implementing such Mandatory Portions of the Specifications that do not infringe such claim. For purposes of clarification, “Necessary Claims” shall not include any claims (A) that are not necessary (i.e., for which there are commercially reasonable alternatives that do not infringe such claims) to make, use, sell, distribute, import or offer to sell any portions of any product, or to provide any portions of any service, in each case implementing the Specifications, as contemplated in clauses in this section; (B) that relate solely to aspects of any technology, standard or product that is explicitly designated as an informative part of the Specifications; or (C) other than those described above even if contained in the same patent as the Necessary Claim. In any instance in which this Agreement requires a Person to license or covenant not to assert a Necessary Claim, or otherwise refers to a Person’s Necessary Claim, such requirement or reference shall be deemed to apply solely to Necessary Claims that such Person both (1) owns or controls and (2) has the right to license as contemplated by this Agreement.
- 1.4. **“Mandatory Portions of the Specifications”** means portions of the Specifications that are indicated as being mandatory by using the terms “MUST,” “REQUIRED” or “SHALL,” including, for the avoidance of doubt, such portions indicated as being mandatory by using the foregoing terms that relate to an optional feature or optional functionality (i.e., such portions that are mandatory if such optional feature or optional functionality is implemented).
- 1.5. **“Person”** means any partnership, corporation, trust, estate, association, custodian, nominee, limited liability company or any other individual or entity in its own or any representative capacity, but, shall not include a natural person. A reference to a Person includes the successors and permitted assigns of such Person.
- 1.6. **“Specifications”** means the Common File Format & Media Formats Specification, version 1.0, and the Content Metadata Specification, Version 1.0 1-June-2011, including the XML Schema, mddece-1.0r1.xsd.

2. Patent Licensing Commitments.

- 2.1. **Licensing Commitment.** Licensee shall offer to (i) DECE and its members and (ii) each DECE Licensee and its Controlled Affiliates (each of (i) and (ii), a **“RAND Recipient”**), in each case under reasonable terms and conditions that are free of discrimination, a nonexclusive, worldwide, nontransferable license under Licensee’s Necessary Claims, to make, have made, sell, offer to sell, use (including, for avoidance for doubt, lease) and import those portions of products and services that implement the Mandatory Portions of the Specifications; provided however, that the foregoing obligation under this Section shall not apply in favor of any RAND Recipient if that RAND Recipient files a lawsuit asserting infringement of a Necessary Claim against Licensee for the making, having made, selling, offering to sell, using (including, for

avoidance for doubt, leasing) or importing Mandatory Portions of the Specifications pursuant to and in accordance with this Agreement without first offering to grant Licensee a license to such Necessary Claims on reasonable terms and conditions that are free of discrimination. For the avoidance of doubt, and without limiting the interpretation of “reasonable terms and conditions” in other circumstances, the obligations imposed on Licensee under this Section 2 are not intended to prevent Licensee from recouping amounts it would be obligated to pay a third party (other than an employee of Licensee) upon Licensee granting a license pursuant to this Section 2.1 to a Necessary Claim.

2.2. Scope. The obligation to extend licenses under this Section 2 excludes the use of any portion of the Specifications in any portion of any product or service that is not required by the Mandatory Portions of the Specifications.

2.3. No License. This is not a license agreement. Neither DECE nor its Members grant Licensee any license or right, by implication, estoppel, or otherwise, under any patents, copyrights, trademarks, mask works, trade secrets, or other intellectual property rights.

3. Miscellaneous.

3.1. Term. Material breach = DECE terminate. At will by Licensee. RAND obligation in effect at time of termination survives.

3.2. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersede all prior or contemporaneous oral or written agreements. This Agreement shall not be modified except by written agreement dated subsequent to the date of this Agreement and signed by both Parties.

3.3. Governing Law. THIS AGREEMENT, AND ALL CLAIMS BROUGHT HEREUNDER, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE, WITHOUT REGARD TO THAT STATE’S CONFLICT OF LAWS PRINCIPLES.

3.4. Consent To Jurisdiction. LICENSEE AND DECE HEREBY IRREVOCABLY AGREE THAT ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT (EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 3.4) SHALL BE BROUGHT IN ANY FEDERAL OR STATE COURT SITTING IN NEW CASTLE COUNTY, DELAWARE, AND EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 3.4, (I) EACH OF THEM HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS WITH REGARD TO ANY SUCH ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND (II) AGREES NOT TO COMMENCE ANY ACTION, SUIT OR PROCEEDING RELATED THERETO EXCEPT IN SUCH COURTS, PROVIDED, HOWEVER, THAT THE PARTIES FURTHER AGREE THAT DECE MAY, AT ITS ELECTION, BRING ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT IN ANY COURT TO WHICH LICENSEE WOULD, WITHOUT REGARD TO THE FOREGOING, BE SUBJECT TO JURISDICTION UNDER APPLICABLE STATE OR NATIONAL LAW. LICENSEE AND DECE AGREE TO ACCEPT SERVICE OF PROCESS IN ANY MANNER PERMITTED BY SUCH COURTS. LICENSEE AND DECE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE, AND AGREE NOT TO ASSERT, BY WAY OF MOTION OR AS A DEFENSE, COUNTERCLAIM OR OTHERWISE, IN ANY

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ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT (A) ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE ABOVE-NAMED COURTS FOR ANY REASON OTHER THAN THE FAILURE TO LAWFULLY SERVE PROCESS, AND (B) TO THE FULLEST EXTENT PERMITTED BY LAW, THAT (X) THE SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT IS BROUGHT IN AN INCONVENIENT FORUM, (Y) THE VENUE OF SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER, OR (Z) THIS AGREEMENT, OR THE SUBJECT MATTER HEREOF, MAY NOT BE ENFORCED IN OR BY SUCH COURTS.

3.5. Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, LICENSEE AND DECE EACH HEREBY, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION OF ANY CLAIM WHICH IS BASED ON, OR ARISES OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY TRANSACTIONS RELATING HERETO, WHETHER IN CONTRACT, IN TORT OR OTHERWISE. LICENSEE AND DECE EACH ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 3.5 ARE A MATERIAL INDUCEMENT FOR THE OTHER PARTY TO ENTER INTO THIS AGREEMENT, THE WAIVERS IN THIS SECTION 3.5 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THESE WAIVERS SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS AND REPLACEMENTS TO OR OF THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO WAIVER OF A JURY TRIAL AND TO TRIAL BY THE COURT.

3.6. Notice. Any notice given under this Agreement shall be in writing (which, for these purposes includes facsimile but excludes email) directed (a) if to DECE, to the address set forth below or to such other address as DECE may specify in a notice to Licensee and (b) if to Licensee, at the address set forth on the first page of this Agreement or at such other address as Licensee may specify in a notice to DECE. Any notice sent pursuant to this Section 3.6 shall be effective (x) when delivered by personal delivery or (y) upon receipt when delivered via United States certified mail or by reputable overnight courier (or in the case of international deliveries, reputable two-day international courier), in each case which requires signature on receipt, postage prepaid, or (z) when sent via facsimile transmission with hard copy successful fax transmission report received. Each Party shall give notice to the other Party of a change of address or facsimile number and, after notice of such change has been received, any notice or request shall thereafter be given to such Party at such changed address or facsimile number.

DECE Address:

DECE Administration
1807 Santa Rita Road
Suite D235
Pleasanton, CA 94566
admin@deccllc.com
Fax: +1 (925) 566-6967

3.7. Severability; Waiver. Should any part of this Agreement judicially be declared to be invalid, unenforceable, or void, the Parties agree that the part or parts of this Agreement so held to be invalid, unenforceable, or void shall be reformed by the entity having jurisdiction thereover without further action by the Parties and only to the extent necessary to make such part or

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parts valid and enforceable. No waiver of any breach of any provision of this Agreement will constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver will be effective unless made in writing and signed by an authorized representative of the waiving Party.

3.8. Presumptions. In construing the terms of this Agreement, no presumption shall operate in any Party's favor, or to its detriment, as a result of its counsel's role in drafting or reviewing the provisions hereof.

3.9. Headings. The titles of Sections of this Agreement are for convenience only and shall not be interpreted to limit or amplify the provisions of this Agreement.

3.10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. The Parties agree that faxed and scanned signature copies of this Agreement shall be legally binding.

DECE: _____

Licensee: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____