

The G.729 Consortium Updates its Licensing Policy to Exclusively License End-Products

MONTREAL, CANADA, July 6, 2005. The G.729 Consortium today announced that it has changed its licensing policy and will now offer licenses to use the G.729 patented technology to end-product manufacturers only. Qualifying end-products would typically include access devices, audio/video conferencing equipment, call center equipment, IP phones, IP/PBXs, media gateways, etc.

By obtaining their own appropriate licenses, end-product manufacturers can fully ensure that they are entitled to use this technology in their solutions without relying on any of their component suppliers and, hence, accelerate their time to market.

The G.729 licensing policy was revised to better align the licensing terms with solutions that are able to adhere to the value-based per-channel pricing model of reporting and accounting for licensee royalty payments and to better align with commonly accepted licensing pool policies of primarily providing licenses for end-products. Since the flexibility of generic microprocessors enables the channel count to vary between applications and designs, potentially even dynamically in-service, it is practically impossible to account for G.729 license royalty payments attributable to generic processors in communications equipment. Therefore, the revised licensing terms, which effectively exclude generic microprocessor manufacturers from being able to obtain G.729 Consortium licenses, highlight the requirement for all end-product manufacturers to obtain their own G.729 license to integrate this technology into their solutions before offering them to the market, regardless of the generic microprocessors used in their design and production.

According to Laurent Amar, President of Sipro Lab Telecom, "The revised G.729 Consortium licensing terms will improve the competitive environment by leveling the playing field in terms of implementation costs related to this standard codec for all end-product manufacturers."

Coming into effect today, these new licensing terms will not affect any existing business or economic relationships and, therefore, are not expected to change the current market operating environment since no generic microprocessor chip or chipset manufacturer has sought, or been granted, a G.729 Consortium license to date.

Those interested in obtaining a G.729 Consortium license are encouraged to contact Sipro Lab Telecom, the authorized IPR license administrator for the G.729 Consortium, at www.sipro.com or simply send an email to info@sipro.com with their inquiry. The G.729 Consortium includes France Telecom, Mitsubishi Electric Corporation, Nippon Telegraph and Telephone Corporation, and Universite de Sherbrooke.