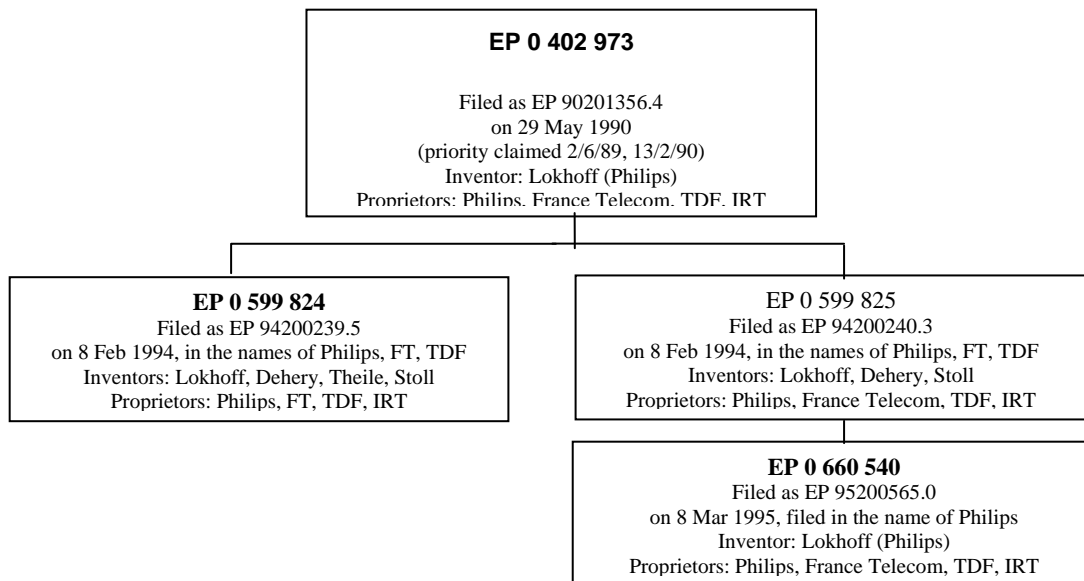


The Philips c.s Patents, enforced by Sisvel. Summary and Court Assertions on “Essentiality”. Prior Art.

Sisvel enforced European Patent (EP) 0 402 973, EP 0 599 824 and EP 0 660 540 Sisvel asserts that patents relate to mp3-technology. Sisvel is not the owner of the Patents. Sisvel is the exclusive licensee pursuant to an agreement with Philips Electronics NV of The Netherlands, one of the patent owners. Sisvel has been allegedly granted with power of attorney to enforce the Patents on behalf of its owners, Philips *et al.*

The European patents Sisvel relied on are ¹:



In all patent litigation proceedings Sisvel has failed to substantiate on a feature-by-feature basis that the detained products actually infringe their patents. Instead, Sisvel alleged infringement on the basis of a so-called “essentiality reasoning”:

- (a) the Patents relate to MPEG Audio technology; this is technology used to compress digital audio signals;
- (b) the method of compression was laid down in a standard, ISO/IEC 11172-3 (the "MPEG-1 Standard");

¹ In the US: U.S. Patent No. 5,214,678 (“the ‘678 Patent”), entitled “Digital Transmission System Using Subband Coding of a Digital Signal”; 2) U.S. Patent No. 5,323,396 (“the ‘396 Patent”), entitled “Digital Transmission System, Transmitter and Receiver for use in the Transmission System”; and 3) U.S. Patent No. 5,777, 992 (“the ‘992 Patent”), entitled “Decoder for Decoding and Encoded Digital Signal and a Receiver Comprising the Decoder”.

- (c) the Patents are a compulsory and compliant part of the MPEG-1 Standard, and the relevant Patent claims are to be considered necessary claims;
- (d) furthermore, all MP3 products must necessarily comply with the compulsory provisions of the MPEG-1 Standard;
- (e) therefore, each and every MP3 product infringes the Patents, unless a license agreement is concluded with Sisvel.

[For an overview of claimcharts and prior art, as well as an extensive overview of proceedings and arguments, contact info@ipeg.com.]