

MPEG4 licensing strategies what will make them most successful?

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What is the EBU?

- **EBU: European Broadcasting Union @ www.ebu.ch**
- **A professional association of broadcasters**
 - 71 active Members in 52 countries of Europe, North Africa and the Middle East, and 45 associate Members in 28 countries in the rest of the world. National broadcasters from the Balkans to Iceland.**
- **A multi-dimensional mission:**
 - **Negotiation and acquisition of broadcasting rights for major sports events**
 - **Operation the Eurovision and Euroradio networks**
 - **Organisation of programme exchanges**
 - **Programme co-production**
 - **And other technical, legal and strategic services.**



What will hinder MPEG4 Visual use by broadcasters?

- Broadcasters are looking for substantial coding gain over MPEG2, and not flexibility for richer content
- Subjective evaluations have shown that MPEG4 Visual has some but not enormous coding gain, and thus would not justify the investment necessary to shift from MPEG2 for existing services.
- In any event, usage/content based licensing is not compatible with free-TV broadcasting business models
 - Audience-based costs can only be assessed a posteriori.
 - One cannot properly anticipate and finance unknown costs without taking financial risks (like making unnecessary provisions).
 - We invest in content that sustain product sales !
- Differentiation based on the type of receiver does not apply !
 - Free-TV services are by definition “freely accessible”



Why may MPEG4 Part 10 be used ?

- **It could help with several of broadcasters' services**
 - For traditional broadcasting services, where legacy decoders are not in place.
 - For innovative broadcast services
 - For delivery over non-broadcast medias
- **It is quality-efficient**
 - Subjective evaluations have demonstrated its performance
- **It could justify AFFORDABLE investment:**
 - When the market demands or allows it, new investments are possible including the introduction of new technologies
 - The cost of compression technology represents only a part of the necessary investment to create new content, as well as operate and deliver new services in a horizontal market
 - But it may trigger or stop global longer-term investment plans



Why would AVC/H264 not be used ?

- **MPEG4 Part 10 is not the only new compression scheme, and alternatives are being discussed in standards bodies such as the SMPTE, DVB or ARIB.**
- **In the real world, no matter how good, technical advantages WILL NOT prevail over commercial disadvantages.**
- **MPEG4 Part 10 WILL NOT BE USED IF**
 - **Patent holders repeat the regime of MPEG4 Visual licensing strategies**
 - **Usage/content based royalties or similar licensing terms are maintained.**
 - **Equipment-based differentiation is proposed.**

**The WBU recommends
MPEG2-like FRND licensing terms
apply to equipment only.**

