

**PATENT LICENSE AGREEMENT FOR THE USE OF THE AC-3  
TECHNOLOGY IN THE MANUFACTURE OF DVD-VIDEO PLAYERS**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2007 by and between

KONINKLIJKE PHILIPS ELECTRONICS N.V., having its registered office in Eindhoven, The Netherlands, (hereinafter referred to as "Philips")

and

[\_\_\_\_\_], having its registered office in [\_\_\_\_\_] (hereinafter referred to as "Licensee").

WHEREAS, Licensee is engaged in the manufacture of DVD-Video Players (as hereinafter defined) and, in the process of such manufacture, is making use of the technology developed by Dolby Laboratories Inc. known as "the AC-3 technology";

WHEREAS, Philips owns certain patents relating to the AC-3 technology;

WHEREAS, Licensee has requested from Philips a license under Philips' patents relating to the use of the AC-3 decoding technology in the manufacture of DVD-Video Players;

WHEREAS, Philips is willing to grant Licensee a license under its patents, on the conditions set forth herein;

NOW THEREFORE, in consideration of the mutual obligations and covenants hereinafter set forth, the parties hereto have agreed as follows:

**1. Definitions**

- 1.1 "Disc" shall mean a non-recordable reflective disc-shaped information carrier, having either i) a single or dual information layer(s) which is/are readable from one side of the disc or ii) a single or dual information layer(s) which is/are readable from one side of the disc and another single or dual information layer(s) which is/are readable from the opposite side of the disc, comprising any kind of information including, but not limited to, audio, video, text and/or data-related information, which is irreversibly stored in one or more information layers during and as an integral part of the manufacturing process of the disc in a form which is optically readable by playback devices using a laser-beam.
- 1.2 "Player" shall mean a single spindle playback device for optically reading information stored on a Disc and converting such information into electrical signals for reproduction purposes.
- 1.3 "DVD-Video Disc" shall mean a replicated Disc comprising any kind of information including, but not limited to, audio, video, text, and/or data-related information, encoded in digital form, which is optically readable by a DVD-Video Player and which conforms to the DVD-ROM and DVD-Video Standard Specifications (as hereinafter defined).

- 1.4 “DVD-Video Player” shall mean a Player capable of reproducing information stored on a DVD-Video Disc and converting such information into electrical signals, in accordance with the DVD-ROM and DVD-Video Standard Specifications, which electrical signals are directly capable of and intended to be used for the audio-visual reproduction through television receivers and/or video monitors and audio equipment.
- 1.5 “DVD-ROM and DVD-Video Standard Specifications” shall mean the specifications for the DVD systems, as specified in the document “DVD Specification for Read-Only Disc (parts 1, 2 and 3)”, as issued by the DVD Format/Logo Licensing Corporation.
- 1.6 “Licensed Product(s)” shall mean DVD-Video Players incorporating the AC-3 technology, manufactured and/or sold in accordance with the provisions hereof, which are duly reported and for which the royalties due hereunder are paid in accordance with the provisions of this Agreement.
- 1.7 “Licensed Patent(s)” shall mean any one or more of the patents essential to the use of the AC-3 technology, as listed in Annex A. Licensed Patents shall not include the Non-Asserted Patents (as hereinafter defined) (if any) identified as such in Annex A.

From said Annex the expiration dates of the relevant patents can be derived, on a country-by-country basis.

The term “essential” as used in relation to patents in this Agreement shall refer to patents, the use of which is necessary (either directly or as a practical matter) for the use of the AC-3 technology in connection with DVD-Video Players.

Philips commissions an independent patent expert to review the European, Japanese and US patents listed as essential in Annex A in order to confirm the essentiality of such patents. In the event that such independent patent expert would find that any of the patents does not qualify as essential as defined in this Agreement, Philips will delete such patent (as well as the equivalent corresponding patents) from Annex A and such patent will be put on a list of non-essential patents. Notwithstanding such deletion, Licensee shall retain the right to continue the use of such deleted patent(s) in accordance with the provisions of this Agreement, without any additional payment, unless Licensee explicitly notifies Philips in writing of its decision to waive such right.

In the event that Philips or any of its Associated Companies (as hereinafter defined) would have additional patents (other than patents acquired from third parties after the date of February 1, 1996) in its patent portfolio which are essential to the use of the AC-3 technology in the manufacture of DVD-Video Players, the sale or other disposal of DVD-Video Players incorporating the AC-3 technology and which have a filing date or are entitled to a priority date prior to February 1, 1996, but which have not been listed as essential patents in Annex A hereto, Philips will notify Licensee accordingly and such additional patents will be added to the Licensed Patents and such addition shall not affect the provisions of this Agreement. Any patents as may be added as essential patents to Annex A hereto, will similarly be subject to the review by the independent patent expert in accordance with the preceding paragraph.

The patent lists provided to Licensee upon execution of this Agreement are subject to change in accordance with the provisions of this Agreement. With regard to the rights granted to Licensee hereunder, the patent lists published by Philips on its website

([www.ip.philips.com](http://www.ip.philips.com)) or otherwise communicated by Philips to Licensee after the date of execution hereof shall prevail over the lists provided to Licensee upon execution of this Agreement.

- 1.8 “Non-Asserted Patents” shall mean the patents essential to the use of the AC-3 technology which are jointly owned by Philips and other companies and identified as such in Annex A.
- 1.9 “Associated Company” shall mean any one or more business entities (1) owned or controlled by Philips or Licensee, (2) owning or controlling Philips or Licensee, or (3) owned or controlled by the business entity owning or controlling Philips or Licensee at the material time. For the purposes of this definition a business entity shall be deemed to own and/or to control another business entity if more than 50% (fifty per cent) of the voting stock of the latter business entity, ordinarily entitled to vote in the election of directors, (or, if there is no such stock, more than 50% (fifty per cent) of the ownership of or control in the latter business entity) is held by the owning and/or controlling business entity.
- 1.10 “Territory” shall mean the geographic area known as [ ].
- 1.11 “Royalty Reporting Form” shall mean a statement, provided to Philips by electronic means in a form as attached hereto as Annex B1 or in such other means as may be subsequently communicated by Philips to Licensee.

## 2. Grant of rights

- 2.1 For the term of this Agreement and subject to the provisions hereof, Philips hereby grants to Licensee a non-exclusive, non-transferable license under the Licensed Patents (listed in Annex A) to use the AC-3 technology in the manufacture of Licensed Products within the Territory and to sell or otherwise dispose of such Licensed Products so manufactured in all countries of the world.
- 2.2 Subject to the full and unconditional compliance by Licensee with all provisions hereof, Philips undertakes that it shall not, during the term of this Agreement assert any of the Non-Asserted Patents against the manufacture, sale or other disposal of Licensed Products by Licensee in accordance with the provisions of this Agreement. This undertaking shall be without prejudice to the position of the other co-owners as regards these jointly owned patents. Licensee agrees that, to the extent that it may already have obtained a license or an undertaking not to assert from another company under such jointly owned patents, this circumstance shall not affect the obligation of Licensee to pay the royalty as specified in Clause 3.1.
- 2.3 Philips further agrees, for as long as this Agreement is in force and effect and Licensee is in full compliance with its obligations under this Agreement, to grant Licensee upon Licensee’s request, a non-exclusive, non-transferable license, on reasonable, non-discriminatory conditions, to manufacture Licensed Products in the Territory and to sell or otherwise dispose of Licensed Products so manufactured in all countries of the world, under any patents not yet licensed hereunder and which are essential to the use of the AC-3 technology in the manufacture of Licensed Products, the sale or other disposal of Licensed Products, for which Philips and/or its Associated Companies may hereafter

acquire from third parties the right to grant licenses. It is acknowledged and agreed by the parties that in respect of the patents as may be licensed pursuant to this Clause 2.3, additional royalties may have to be paid over and above the royalties specified in Clause 3.1.

- 2.4 Philips further agrees, for as long as this Agreement is in force and effect and Licensee is in full compliance with its obligations under this Agreement, to grant Licensee upon Licensee's request as well as to those of Licensee's Associated Companies who so request, a non-exclusive, non-transferable license, on reasonable, non-discriminatory conditions, to use the AC-3 technology in the manufacture of DVD-Video Discs and to sell or otherwise dispose of such DVD-Video Discs incorporating the AC-3 technology, so manufactured in all countries of the world under any and all present and future patents essential to the use of the AC-3 technology in the manufacture of DVD-Video Discs, the sale or other disposal of DVD-Video Discs incorporating the AC-3 technology for which Philips and/or its Associated Companies have or may hereafter acquire the right to grant licenses.
- 2.5 In consideration of the undertakings set forth in Clauses 2.1, 2.2, 2.3 and 2.4 and similar undertakings by third party licensees of Philips or any of its Associated Companies and without prejudice of the provisions of Clause 6, Licensee agrees to grant to Philips and its Associated Companies and to other third parties who have entered or will enter into a license agreement with Philips concerning the use of the AC-3 technology in the manufacture of DVD-Video Players, non-exclusive, non-transferable licenses, on reasonable, non-discriminatory conditions comparable to those set forth herein, to use the AC-3 technology in the manufacture of DVD-Video Players and to sell or otherwise dispose of DVD-Video Players incorporating the AC-3 technology, under any and all present and future patents, for which Licensee or its Associated Companies have or may hereafter acquire the right to grant licenses and which are essential to the use of the AC-3 technology in the manufacture of DVD-Video Players, the sale or other disposal of DVD-Video Players incorporating the AC-3 technology and which patents were first filed or are entitled to a priority date in any country of the world prior to the date of termination of this Agreement. The duration of such licenses shall be a period ending at the expiration date of the last to expire patent of Licensee or the relevant Associated Company of Licensee, essential to the use of the AC-3 technology in the manufacture of DVD-Video Players. For the avoidance of doubt, the undertaking set out in this Clause 2.5 shall only apply to those companies which accept or have accepted a similar undertaking as given by Licensee in this Clause 2.5.
- 2.6 In addition, in consideration of the undertakings set forth in Clauses 2.1, 2.2, 2.3 and 2.4 and similar undertakings by third party licensees of Philips or any of its Associated Companies and without prejudice to the provisions of Clause 6, Licensee agrees to grant to Philips and its Associated Companies and to other third parties who have entered or will enter into a license agreement with Philips concerning the use of the AC-3 technology in the manufacture of DVD-Video Discs, non-exclusive, non-transferable licenses, on reasonable, non-discriminatory conditions, to use the AC-3 technology in the manufacture of DVD-Video Discs and to sell or otherwise dispose of DVD-Video Discs incorporating the AC-3 technology, under any and all present and future patents, for which Licensee or its Associated Companies have or may hereafter acquire the right to grant licenses and which are essential to the use of the AC-3 technology in the manufacture of DVD-Video Discs, the sale or other disposal of DVD-Video Discs incorporating the AC-3 technology and which patents were first filed or are entitled to a priority date in any country of the world prior to the date of termination of this Agreement. The duration of such licenses

shall be a period ending at the expiration date of the last to expire patent of Licensee or the relevant Associated Company of Licensee, essential to the use of the AC-3 technology in the manufacture of DVD-Video Discs. For the avoidance of doubt, the undertaking set out in this Clause 2.6 shall only apply to those companies which accept or have accepted a similar undertaking as given by Licensee in this Clause 2.6.

- 2.7 Philips undertakes that it will offer, at the request of any of Licensee's Associated Companies, which has concluded a DVD Video Player and DVD ROM Player Patent License Agreement, to any such Associated Company, a non-exclusive and non-transferable license under the Licensed Patents to use the AC-3 technology in the manufacture of DVD-Video Players on reasonable and non-discriminatory conditions comparable to those set forth herein.

### **3. Royalties, Reports and Payments**

- 3.1 In consideration of the rights granted hereunder by Philips to Licensee, Licensee shall pay to Philips a royalty for each DVD-Video Player incorporating the AC-3 technology sold or otherwise disposed of by Licensee, any of Licensee's Associated Companies or an agent of Licensee, in any country where at least one of the Licensed Patents or Non-Asserted Patents exists.

This royalty shall amount to US\$ 0.18 (eighteen US Dollar cents) per audio channel in each such DVD-Video Player incorporating the AC-3 technology, with a maximum royalty of US\$ 0.54 (fifty-four US Dollar cents).

For the avoidance of doubt, this royalty shall be in addition to the royalty for the use of the essential patents relating to DVD-Video Players, as specified in the DVD Video Player and DVD ROM Player Patent License Agreement.

A DVD-Video Player incorporating the AC-3 technology shall be considered sold when invoiced or, if not invoiced, when delivered to a party other than Licensee.

For the avoidance of doubt, in the event that the manufacture by Licensee of DVD-Video Players incorporating the AC-3 technology within the Territory would not infringe any of the Licensed Patents nor any of the Non-Asserted Patents, Licensee shall have no obligation to report and pay royalties due on the basis of this Agreement in respect of DVD-Video Players incorporating the AC-3 technology manufactured within the Territory and which are sold for final use within the Territory or imported (either by Licensee or by a third party) into a country where no Licensed Patents or Non-Asserted Patents exist, for final use in such country.

- 3.2 Within 30 days following 31 March, 30 June, 30 September and 31 December of each year during the term of this Agreement, Licensee shall submit to Philips (even in the event that no sales have been made) a Royalty Reporting Form submitted by a duly authorized officer on behalf of Licensee, in the manner provided for on [www.ip.philips.com](http://www.ip.philips.com) setting forth with respect to the preceding quarterly period:

- (1) the quantities of DVD-Video Players incorporating the AC-3 technology manufactured by Licensee;

- (2) a computation of the royalties due under this Agreement.

Licensee shall pay the royalties due to Philips within 60 days after the end of each quarterly period to a bank account, as specified by Philips.

- 3.3 Licensee shall submit to Philips, once per calendar year, an audit statement by its external auditors, who shall be certified public auditors as specified in the Audit Guidelines attached to the DVD Video Player and DVD ROM Player Patent License Agreement, confirming that the quarterly Royalty Reporting Forms as submitted by Licensee to Philips for the last four quarterly periods, are true, complete and accurate in every respect. Such statement must meet the requirements as specified in the Audit Guidelines and shall be submitted to Philips within 90 days following the end of Licensee's financial year. The correctness of this audit statement may be verified by Philips by means of a work paper review, conducted by one of the certified public auditors selected by Philips. Licensee shall procure that its auditors provide full cooperation with said work paper review. Notwithstanding this audit statement, Philips reserves the right to inspect the books and records of Licensee from time to time in accordance with Clause 3.8.
- 3.4 Within 30 days following the expiration or termination of this Agreement, Licensee shall submit to Philips a certified report on the number of DVD Video Players incorporating the AC-3 technology in stock at the time of expiration or termination of this Agreement. Royalties, calculated in accordance with Clause 3.1 and Clause 3.10, shall be due and payable for all DVD Video Players incorporating the AC-3 technology manufactured prior to, but remaining in stock with Licensee on the date of expiration or termination of this Agreement. For the avoidance of doubt, this Clause 3.4 shall be without prejudice to the provisions of Clause 6.6.
- 3.5 Any payment under this Agreement which is not made on the date(s) specified herein, shall accrue interest at the rate of 2% (two per cent) per month (or part thereof) or the maximum amount permitted by law, whichever is lower.
- 3.6 All payments to Philips under this Agreement shall be made by transfer in US Dollar or in such other currency, convertible in the sense of Articles VIII and XIX of the Articles of Agreement of the International Monetary Fund, as designated by Philips. The rate of exchange for converting the currency (if other than US Dollar) of the Territory shall be the telegraphic transfer selling rate of the designated currency as officially quoted in the Territory by the officially authorized foreign exchange bank for payment of currency transactions on the day that the amount is due and payable.
- 3.7 All costs, stamp duties, taxes and other similar levies arising from or in connection with the conclusion of this Agreement shall be borne by Licensee. In the event that the government of a country imposes any taxes on payments made by Licensee to Philips hereunder and requires Licensee to withhold such tax from such payments, Licensee may deduct such tax from such payments. In such event, Licensee shall promptly provide Philips with tax receipts issued by the relevant tax authorities so as to enable Philips to support a claim for credit against income taxes which may be payable by Philips and/or its Associated Companies in The Netherlands and to enable Philips to document, if necessary, its compliance with tax obligations in any jurisdiction outside The Netherlands.
- 3.8 In order that the Royalty Reporting Forms provided for in this Clause 3 may be verified, Licensee shall keep complete and accurate books and records and shall keep such books

and records available for inspection for a period of 5 years following the sale or other disposal of each DVD-Video Player incorporating the AC-3 technology.

Philips shall have the right to inspect the books and records of Licensee from time to time, in order to verify the correctness of the aforementioned Royalty Reporting Forms. Any such inspection shall take place no more than once per calendar year and shall be conducted by a certified public auditor appointed by Philips. Philips shall give Licensee written notice of such inspection at least 7 days prior to the inspection. Licensee shall willingly co-operate and provide all such assistance in connection with such inspection as Philips and/or the auditor may require. The inspection shall be conducted at Philips' own expense, provided that in the event that Licensee has failed to submit Royalty Reporting Forms and/or yearly written statement(s) by its external auditors, as provided for in Clause 3.2, in respect of the period to which the inspection relates or in the event that any discrepancy or error exceeding 3% (three per cent) of the monies actually due is established, in addition to Licensee's obligation promptly to make up for such underpayment, the cost of the inspection shall be borne by Licensee, without prejudice to any other claim or remedy as Philips may have under this Agreement or under applicable law.

Philips' right of inspection as set out in this Clause 3.8 shall survive termination or expiration of this Agreement.

- 3.9 Without prejudice to the provisions of Clause 3.8, Licensee shall provide all relevant additional information as Philips may reasonably request from time to time, so as to enable Philips to ascertain which products manufactured, sold or otherwise disposed of by Licensee are subject to the payment of royalties to Philips hereunder, the patents which have been used in connection with such products, and the amount of royalties payable.

- 3.10 **OPTIONAL:  
CHOOSE BETWEEN OPTIONS A AND B**

**DELETE WORDING IN BOLD AND CLAUSE WHICH IS NOT APPLICABLE**

**Option A: from joint agreement to Philips only**

As a condition precedent to the entry into force of this Agreement, Licensee shall pay to Philips the total amount of royalties due for the use of Philips', IRT's and France Télécom's patents in respect of its production and sale of DVD-Video Players incorporating the AC-3 technology for which no royalties have been paid to Philips under a patent license agreement covering the use of the patents of Philips, IRT and France Télécom, prior to the date of execution of this Agreement.

The aforementioned amount shall be calculated by Philips on the basis of the number of DVD-Video Players incorporating the AC-3 technology manufactured and sold by Licensee prior to the date of execution hereof, by applying the royalty rate of US\$ 0.20 (twenty US Dollar cents) per audio channel in each such DVD-Video Player incorporating the AC-3 technology, with a maximum royalty of US\$ 0.60 (sixty US Dollar cents).

Philips will determine the number of DVD-Video Players incorporating the AC-3 technology manufactured and sold by Licensee prior to the date of execution hereof on the basis of Licensee's Royalty Reporting Forms and, where available, the external

auditor's statement submitted under the aforementioned patent license agreement. Where such reports are not available, Philips will determine the number of DVD-Video Players incorporating the AC-3 technology on the basis of information contained in Licensee's annual reports, or, where annual reports are not available, Philips will make said determination on the basis of market information obtained from independent market intelligence sources.

**Option B: from unlicensed to Philips only**

As a condition precedent to the entry into force of this Agreement, Licensee shall submit to Philips a written royalty reporting statement in respect of DVD-Video Players incorporating the AC-3 technology manufactured and sold or otherwise disposed of by Licensee before the Effective Date (as hereinafter defined) of this Agreement in accordance with the provisions of Clause 3.2. Licensee shall clearly indicate on such royalty statement the starting date of production of such DVD-Video Players incorporating the AC-3 technology.

Within 7 days following the execution of this Agreement, Licensee shall pay to Philips the royalties for such DVD-Video Players incorporating the AC-3 technology, calculated by applying the royalty rate of US\$ 0.18 (eighteen US Dollar cents) per audio channel in each such DVD-Video Player incorporating the AC-3 technology, with a maximum royalty of US\$ 0.54 (fifty-four US Dollar cents).

The written royalty reporting statement shall similarly be subject to Philips' right of audit as set out in Clause 3.8. Within 45 days following the execution of this Agreement, Licensee shall submit to Philips an audit statement by its external auditors, who shall be certified public auditors, confirming that this written royalty reporting statement is true, complete and accurate in every respect. Such statement must meet the requirements as specified in the Audit Guidelines.

**4. No Warranty and Indemnification**

- 4.1 It is acknowledged by Licensee that third parties may own industrial and/or intellectual property rights in the field of the AC-3 technology. Philips makes no warranty whatsoever that the use of the AC-3 technology in the manufacture of DVD-Video Players or the sale or other disposal of DVD-Video Players incorporating the AC-3 technology does not infringe or will not cause infringement of any industrial and/or intellectual property rights other than the Licensed Patents.

**5. No assignment**

- 5.1 This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective assignees. It may not be assigned in whole or in part by Licensee without the prior written consent of Philips.

**6. Term and Termination**

- 6.1 This Agreement shall enter into force on the "Effective Date", being the date first written above. In the event that validation of this Agreement is required by the competent



governmental authorities, the Effective Date shall be the date of such validation. Unless terminated earlier in accordance with the provisions of this Clause 6, this Agreement shall remain in force until the expiration of a ten-year period from the Effective Date or until the expiration date of the last to expire Licensed Patent or Non-Asserted Patent in the Territory, whichever comes first.

- 6.2 Without prejudice to the provisions of Clause 6.3 through Clause 6.6, each party may terminate this Agreement at any time by means of a written notice to the other party in the event that the other party fails to perform any obligation under this Agreement and such failure is not remedied within 30 days after receipt of a notice specifying the nature of such failure and requiring it to be remedied. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled and all such remedies shall be cumulative. Any such termination shall not affect any royalties or other payment obligations under this Agreement accrued prior to such termination.
- 6.3 Philips may terminate this Agreement forthwith by means of a written notice to Licensee in the event that a creditor or other claimant takes possession of, or a receiver, administrator or similar officer is appointed over any of the assets of Licensee, or in the event that Licensee makes any voluntary arrangement with its creditors or becomes subject to any court or administration order pursuant to any bankruptcy or insolvency law.
- 6.4 Additionally, insofar as legally permitted, Philips may terminate this Agreement at any time by means of a written notice to Licensee in case Licensee or an Associated Company of Licensee has been found liable by a competent court or administrative authority to have committed an act of copyright piracy.
- 6.5 Philips shall have the right to terminate this Agreement forthwith or to revoke the license granted under any of Philips' or any of its Associated Companies' patents in the event that Licensee or any of its Associated Companies brings a claim of infringement of any of Licensee's or any of Licensee's Associated Companies' patents essential to the use of the AC-3 technology in the manufacture of DVD-Video Players or DVD-Video Discs and/or the sale or other disposal thereof against Philips or any of its Associated Companies and Licensee refuses to license such patents on fair and reasonable conditions.
- 6.6 Upon the termination of this Agreement by Philips for any reason pursuant to Clause 6.2 through Clause 6.5, Licensee shall immediately cease the manufacture, sale or other disposal of DVD-Video Players incorporating the AC-3 technology in which any one or more of the Licensed Patents are used. Further, upon such termination, any and all amounts outstanding hereunder shall become immediately due and payable.
- 6.7 All provisions of this Agreement which are intended to survive (whether express or implied) the expiry or termination of this Agreement, shall so survive.

## 7. Miscellaneous

7.1 Licensee acknowledges that Philips may make modifications to the wording of the standard version of the Patent License Agreement for the use of the AC-3 technology in the manufacture of DVD-Video Players in future. Licensee shall at all times have the option of entering into the latest version of the Patent License Agreement for the use of the AC-3 technology in the manufacture of DVD-Video Players as published by Philips on its website or otherwise communicated by Philips to Licensee after the Effective Date of this Agreement.

7.2 Any notice required under this Agreement to be sent by either party shall be given in writing by means of a letter, facsimile or electronic mail directed:

in respect of Licensee, to:

in respect of Philips, to:

Koninklijke Philips Electronics N.V.  
c/o Philips Intellectual Property & Standards - Legal Department  
High Tech Campus  
Building HTC-44-4  
P.O. Box 220  
5600 AE Eindhoven  
The Netherlands  
Fax. +31 40 2745267

or to such other address as may have been previously specified in writing by either party to the other.

7.3 This Agreement sets forth the entire understanding and agreement between the parties as to the subject matter hereof and supersedes and replaces all prior arrangements, discussions and understandings between the parties relating thereto. No variation of this Agreement shall be binding upon either party unless made in writing and signed by an authorized representative of each of the parties hereto.

7.4 Nothing contained in this Agreement shall be construed:

- (a) as imposing on either party any obligation to instigate any suit or action for infringement of any of the patents licensed hereunder or to defend any suit or action brought by a third party which challenges or relates to the validity of any of such patents. Licensee shall have no right to instigate any such suit or action for infringement of any of the patents licensed by Philips hereunder, nor the right to

defend any such suit or action which challenges or relates to the validity of any such patent licensed by Philips hereunder;

- (b) as imposing any obligation to file any patent application, or to secure any patent or to maintain any patent in force;
  - (c) as conferring any license or right to copy or imitate the appearance and/or design of any product of Philips or any of its Associated Companies;
  - (d) as conferring any license to manufacture, use, sell or otherwise dispose of any product or device other than a Licensed Product. This sub-clause (d) shall however not be considered a prohibition for Licensee to manufacture Licensed Products as part of and incorporated in combination products.
- 7.5 Neither the failure nor the delay of either party to enforce any provisions of this Agreement shall constitute a waiver of such provision or of the right of either party to enforce each and every provision of this Agreement.
- 7.6 Should any provision of this Agreement be finally determined void or unenforceable in any judicial proceeding, such determination shall not affect the operation of the remaining provisions hereof, provided that, in such event, Philips shall have the right to terminate this Agreement by means of a written notice to Licensee.
- 7.7 This Agreement shall be governed by and construed in accordance with the laws of The Netherlands.

Any dispute between the parties hereto in connection with this Agreement (including any question regarding its existence, validity or termination) shall be submitted to the competent courts of The Hague, The Netherlands, provided always that, in case Philips is the plaintiff, Philips may, at its sole discretion, submit any such dispute to either the competent courts in the venue of Licensee's registered office, or to any of the competent courts in the Territory. Licensee hereby irrevocably waives any objection to the jurisdiction, process and venue of any such court and to the effectiveness, execution and enforcement of any order or judgement (including, but not limited to, a default judgement) of any such court in relation to this Agreement, to the maximum extent permitted by the law of any jurisdiction, the laws of which might be claimed to be applicable regarding the effectiveness, enforcement or execution of such order or judgement.

AS WITNESS, the parties hereto have caused this Agreement to be signed on the date first written above.

KONINKLIJKE PHILIPS ELECTRONICS  
N.V.

[LICENSEE]

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title: