



Dolby Laboratories Inc
Dolby Laboratories Licensing Corporation
Signal Processing and Noise Reduction Systems

100 Potrero Avenue
San Francisco, California 94103-4813
Telephone 415-558-0200
Facsimile 415-863-1373
Telex 34409

June 2, 1995

International Telecommunications Union
Radiocommunications Sector
c/o Robert W. Jones, Director
Place des Nations
CH-1211 Geneva 20
SWITZERLAND

Fax: 011-41-22-730-5785

AC-3 Intellectual Property Rights

Dear Sir,

Dolby Laboratories Licensing Corporation (Dolby) has been engaged in licensing intellectual property rights (IPR) to manufacturers of consumer and professional audio and audio/video equipment for nearly 30 years. This letter is meant to disclose Dolby's policy with respect to licensing IPR for AC-3 technology which may be included in an ITU-R Recommendation.

Should AC-3 be included in an ITU-R Recommendation, Dolby will license any IPR it owns and which is required to implement AC-3. The license will be offered on a non-exclusive and non-discriminatory basis, at reasonable terms, to all qualified manufacturers. Dolby will not charge broadcasters or network operators when transmitting signals which correspond to the AC-3 specification.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Ed A. Schummer'.

Ed A. Schummer
Vice President, Licensing

cc: Steve Forshay
Vice President, Engineering