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Topic: Collaboration

Issue: Who are the collaboration providers and how will they evolve?

Cisco Open Sources H.264 Codec, Trumps Google In Race To Control WebRTC

Summary: *Cisco announced it would open-source the H.264 AVC video codec. This comes one week before a critical IETF vote on which codec will be used with WebRTC.*

Event: On October 30 2013, Cisco announced it would open source its H.264 AVC and make it a free download from the Internet.

Analysis

Cisco's move to make the H.264 AVC codec royalty-free helps them and the entire industry. It also takes some of the momentum from Google's critical argument to make VP 9 the standard Codec for WebRTC.

Until now, the consortium known as MPEG-LA has controlled access to H.264 by requiring a license for commercial use. This announcement has changed that. While this move can be seen as a way to protect Cisco's investment in H.264, it also helps anyone who is currently using H.264 – and that list is long. We've recently written about the war between H.264 and VP8 and the subsequent war between H.265 and VP9 (see Research Note 2013-xx: *Codec Wars: H.265 and VP9 Signal a Big Jump in Video*).

The timing of this move is no surprise. With a critical vote looming about which codec to use in WebRTC, this move by Cisco all but assures that H.264 should get the winning votes to be the standard codec for WebRTC. In addition to Cisco, H.265 has also received support from the Mozilla foundation.

Does Google Lose its Freemium Advantage?

Google dropped a huge gauntlet (and a marketing advantage) when it introduced VP8 as the open and royalty-free codec for WebRTC and Hangouts. This pitted the free VP8 codec and its successor, VP9, against the current royalty based standard H.264 and its successor H.265. However, Google's success with VP8 has been mixed at best.

Google has quietly been buying as much IP as it can muster. It bought GIPs in 2010 and worked hard to eliminate the support contracts that were in place for the GIPs codecs. In return, Google offered royalty free access to the looming VP 8 codecs. This strategy was not very successful, and caused many web and video conferencing providers to look elsewhere. H.264 ended up being the standard that they all settled on.

Thanks to promotion by Apple and others, H.264 has excelled. However, it has been inhibited by the royalty requirements of the MPEG LA patent consortium. That changed when Cisco stepped forward.

Cisco Steps back into a Leadership Role

Cisco now moves into more of a leadership role in video by shaking up the H.264 roadmap. This comes the week before the IETF vote for WebRTC. No vendor who is using H.264 wants WebRTC to go the VP8/VP9 route. On top of that, it is unclear if a VP8 or VP9 user might not have to sign a commercial license with MPEG LA, since Google recently had to do so. Open-sourcing H.264 greatly increases its chance of being adopted as a WebRTC standard.

Aragon Advisory

- Enterprises now have more choice when it comes to H.264. This could lead to lower prices in the long term.
- Enterprises should look for roadmaps from their providers with regard to future support for video codecs.

Bottom Line

The battle to control the direction of WebRTC is on, and Cisco just threw down a trump card by open-sourcing the H.264 AVC codec. Since H.264 is the de facto HD video standard, this could open up a new wave of innovation in video-enabled applications.

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- [Google Adds Voice to Hangouts, But Steps Backward On Interoperability And Federation By Reducing XMPP Support](#)