

# I Know You Know: Google is to Acquire On2 Technologies

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I'm sure you've heard the news by now that **Google is to acquire On2 Technologies**, makers of Flix Standard, Pro, Exporter, Live, Engine and Directshow SDK, plus intellectual property holder of a whole range of video codecs which include VP6, a video codec that Adobe has licensed from On2 and included into the Flash Player (Flash includes a VP6 decoder - the only video encoder in Flash is still Sorenson Spark). In many respects the VP6 codec played a huge role in the success of Flash video as it quickly became the codec of choice for anyone encoding Flash video for the web.

The Twittersphere is **buzzing with chatter** about the deal which sees Google handing over around \$106.5 million - peanuts in Google's world, a company which is valued at over \$150 billion (who really cares about a few billion here or there :).

I'm wondering what this deal means for Flash video and for HTML5. I guess that in the short term, Flash will be unaffected since there is now a clear move towards H.264, and existing license agreements with On2 should remain unaffected too. But what about HTML5? This new standard (which actually isn't one yet) is in **real need of a \*decent\* video codec** which is not burdened with royalty fees (as may or may not be the case **with H.264**).

No surprise that this deal is seen by some (mainly **TechCrunch commentators**) as yet another Flash (video) killer. Yawn. Others speculate that Google may open source one or more codecs, or make them freely available. That's speculation right now and I could see it go either way, there are many reasons for one or the other (or neither) to happen. We'll see.

Then there are Google's communication tools - a decent video codec is handy for those to say the least, and it's no surprise that Skype is one of the VP7 licensees.

This is a smart move by Google, and I'm actually surprised they haven't done this sooner. The price they paid seems a bargain too, and so Google will soon own the codec technologies which power the majority of web video today. We'll see what Google's plans are from here, but since they do no evil we have nothing to worry about, right? Right? Hello, anyone here?

The **full press release** can be seen **here**.