

DAVIS BRUCE W  
Form 4  
December 15, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DAVIS BRUCE W

(Last) (First) (Middle)  
9405 SW GEMINI DRIVE  
(Street)

BEAVERTON, OR 97008

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Digimarc CORP [DMRC]

3. Date of Earliest Transaction (Month/Day/Year)  
12/14/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chairman and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3)               | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
|   |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| Common Stock                                  | 12/14/2010                           |  | M                              |   | 40,000  | A  | \$ 9.64   |
| Common Stock                                  | 12/14/2010                           |  | F(1)                           |   | 24,905  | D  | \$ 31.28  |
| Common Stock                                  |                                      |  |                                |   |   |  | 21,171  |
| Series A Redeemable Nonvoting Preferred Stock |                                      |  |                                |   |   |  | 5,000   |

by Trust  
(2)

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Non-Qualified Stock Option (right to buy)  | \$ 9.64  | 12/14/2010                           |  | M                              | 40,000  | (3) 10/30/2018   | Common Stock  | 40,000                        |
| Non-Qualified Stock Option (right to buy)  | \$ 14.99   |                                      |  |                                |   | (4) 01/02/2020   | Common Stock  | 70,000                        |

## Reporting Owners

| Reporting Owner Name / Address                               | Relationships |           |                  |       |
|--|---------------|-----------|------------------|-------|
|  | Director      | 10% Owner | Officer          | Other |
| DAVIS BRUCE W<br>9405 SW GEMINI DRIVE<br>BEAVERTON, OR 97008 |               |           | Chairman and CEO |       |

## Signatures

By: Michael McConnell For: Bruce Davis 12/15/2010

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares of the exercised option were traded back to the company to cover the option price and tax liability.
- (2) Shares are held in Trusts for the reporting person's children. The reporting person disclaims ownership of these securities.
- (3) Option becomes exercisable in monthly installments over beginning on the date of grant.
- (4)

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The shares shall vest and become exercisable with respect to 1/48th of the total number of shares granted on each monthly anniversary of the date of grant so that all shares subject of the stock option shall be fully vested and exercisable by the end of a four-year period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.