

Digimarc CORP

Form 4

October 22, 2010

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
CHAMNESS ROBERT

(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)
10/20/2010

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief Legal Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)
Common Stock	10/20/2010		M	67,083 A	\$ 9.64 112,416	D	
Common Stock	10/20/2010		F ⁽¹⁾	38,996 D	\$ 29.71 73,420	D	
Common Stock	10/20/2010		M	3,750 A	\$ 14.99 77,170	D	
Common Stock	10/20/2010		F ⁽¹⁾	2,737 D	\$ 29.71 74,433	D	
Common Stock	10/21/2010		S	444 D	\$ 29 73,989	D	

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Common Stock	10/22/2010	S	10,000	D	\$ 28.5553 (2)	63,989	D
Series A Redeemable Nonvoting Preferred Stock						2,500	D

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 An Underlying Se (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 9.64	10/20/2010		M	67,083	10/21/2010 ⁽³⁾ 10/30/2018	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 14.99	10/20/2010		M	3,750	10/21/2010 ⁽⁴⁾ 01/02/2020	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
CHAMNESS ROBERT 9405 SW GEMINI DRIVE BEAVERTON, OR 97008	Cjhief Legal Officer

Signatures

Robert
Chamness

10/22/2010

 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.

The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$28.23

(2) to \$29.00. The reporting person undertakes to provide to Digimarc Corp, any security holders of Digimarc Corp, or to the SEC upon request, full information regarding the number of shares sold at each separate price with the range set forth on this Form 4

(3) Option becomes exercisable in monthly installments over beginning on the date of grant.

(4) 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 to 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.

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