

Digimarc CORP  
Form 4  
February 14, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
MCCONNELL MICHAEL

(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)  
02/13/2012

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)  
CFO

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 or Price   |  |   |
| Common Stock                            | 02/13/2012                           | 02/13/2012   | M                              |   | 7,500 A \$ 9.64   | 71,168   | D   |
| Common Stock                            | 02/13/2012                           | 02/13/2012   | F                              |   | 4,240 (1) D \$ 30.27  | 66,928   | D   |
| Common Stock                            | 02/13/2012                           | 02/13/2012   | S                              |   | 3,000 (2) D \$ 30.08 (3)  | 63,928   | D   |
| Series A Redeemable Nonvoting Preferred |                                      |  |                                |   |   | 2,500  | D   |

Stock

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.** SEC 1474 (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 (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 |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|-------------------------------|
|  |  |                                      |  |                                |  | Date Exercisable   | Expiration Date |   |                               |
| Non-Qualified Stock Option                 | \$ 9.64  | 02/13/2012                           | 02/13/2012   | M                              | 7,500  | 10/30/2010   | 10/30/2018      | Common Stock  | 7,500                         |
| Non-Qualified Stock Option                 | \$ 14.99   |                                      |  |                                |  | 01/02/2011   | 01/02/2020      | Common Stock  | 20,000                        |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| MCCONNELL MICHAEL<br>9405 SW GEMINI DRIVE<br>BEAVERTON, OR 97008 |               |           | CFO     |       |

## Signatures

Michael  
McConnell 02/14/2012

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 exercised option were traded back to the company to cover the option price and tax liability
- (2) The sale reported of this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 16, 2011.

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- (3) The price reported for this transaction is an average price. Shares were sold in multiple transactions at prices ranging from \$29.26 to \$30.83. If requested, the reporting person will provide full details of the sale.

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.