

WATERHOUSE LLOYD G

Form 4

July 25, 2008

**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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burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**WATERHOUSE LLOYD G**

(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)  
07/24/2008

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)

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|---|--|--|---|
|                                       |   |   | Code                                 | V   | Amount   | (A)<br>or<br>(D)   | Price   |
| Common<br>Stock                       | 07/24/2008                              |   | M                                    |   | 20,000   | A  | \$ 5.6  |
|                                       |   |   |                                      |   | 28,400   |  | D   |
| Common<br>Stock                       | 07/24/2008                              |   | M                                    |   | 6,000  | A  | \$ 7.17   |
|                                       |   |   |                                      |   | 34,400   |  | D   |
| Common<br>Stock                       | 07/24/2008                              |   | M                                    |   | 6,000  | A  | \$ 9.88   |
|                                       |   |   |                                      |   | 40,400   |  | D   |
| Common<br>Stock                       | 07/24/2008                              |   | M                                    |   | 6,000  | A  | \$ 11.08  |
|                                       |   |   |                                      |   | 46,400   |  | D   |

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**

SEC 1474  
(9-02)

required to respond unless the form displays a currently valid OMB control number.

**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) |                 |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-----------------|--------------|----------------------------|
|  |  |                                      |  | Code                           | V   | (A)  | (D) | Date Exercisable  | Expiration Date | Title        | Amount or Number of Shares |
| Non-Qualified Stock Option (right to buy)  | \$ 5.6   | 07/24/2008                           |  | M                              |   | 20,000   |     | <u>(1)</u>  | 07/15/2015      | Common Stock | 20,000                     |
| Non-Qualified Stock Option (right to buy)  | \$ 7.17  | 07/24/2008                           |  | M                              |   | 6,000  |     | <u>(1)</u>  | 05/02/2016      | Common Stock | 6,000                      |
| Non-Qualified Stock Option (right to buy)  | \$ 9.88  | 07/24/2008                           |  | M                              |   | 6,000  |     | <u>(1)</u>  | 05/02/2017      | Common Stock | 6,000                      |
| Non-Qualified Stock Option (right to buy)  | \$ 11.08   | 07/24/2008                           |  | M                              |   | 6,000  |     | <u>(2)</u>  | 05/01/2012      | Common Stock | 6,000                      |

## Reporting Owners

| Reporting Owner Name / Address                                    | Relationships                    |
|---|----------------------------------|
|   | Director 10% Owner Officer Other |
| WATERHOUSE LLOYD G<br>9405 SW GEMINI DRIVE<br>BEAVERTON, OR 97008 | X                                |

## Signatures

By: Robert Chamness For: Lloyd Waterhouse 07/25/2008

                     \*\*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).

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- (1) This option has fully vested.
- (2) The vesting was accelerated. It is now fully vested and exercisable

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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