

WATERHOUSE LLOYD G
Form 4
July 25, 2008

FORM 4

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

OMB APPROVAL

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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 *
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 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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	07/24/2008		M		20,000	A	\$ 5.6	28,400	D
Common Stock	07/24/2008		M		6,000	A	\$ 7.17	34,400	D
Common Stock	07/24/2008		M		6,000	A	\$ 9.88	40,400	D
Common 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.

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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)	\$ 5.6	07/24/2008		M	20,000	(1) 07/15/2015	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 7.17	07/24/2008		M	6,000	(1) 05/02/2016	Common Stock	6,000
Non-Qualified Stock Option (right to buy)	\$ 9.88	07/24/2008		M	6,000	(1) 05/02/2017	Common Stock	6,000
Non-Qualified Stock Option (right to buy)	\$ 11.08	07/24/2008		M	6,000	(2) 05/01/2012	Common Stock	6,000

Reporting Owners

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

Signatures

By: Robert Chamness For: Lloyd Waterhouse
Date: 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.

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.