

## Kodak to receive \$525M from patent sale

The Associated Press

Eastman Kodak will receive about \$525 million from the sale of its digital imaging patents, money the struggling photo pioneer says will help it emerge from bankruptcy protection in the first half of next year.

The company filed for bankruptcy protection in January after struggling to adapt to the shift to digital photography.

Eastman Kodak Co. said Wednesday the patent sale will help it repay a substantial amount of its initial debtor-in-possession loan, and it satisfies a key condition of new financing that required the sale of the patents for at least \$500 million.

In November, Kodak said it would receive loans worth \$830 million in a new, cheaper financing package, replacing a \$793 million deal.

Kodak has been pummeled in recent years as consumers switched to digital photography from film. It put its patents up for sale in July 2011, and analysts initially thought the portfolio could fetch between \$2 billion and \$3 billion because patents have become highly valuable to digital device makers who want to protect themselves from intellectual property lawsuits. But Kodak struggled to find a buyer.

Meanwhile, Kodak has been working to refocus its business on commercial and packaging printing, leaving behind its digital cameras, pocket video cameras and digital picture frames businesses.

It is selling 1,100 patents to a group of 12 licensees organized by Intellectual Ventures and RPX Corp. The deal also includes an agreement to settle patent-related litigation.

Kodak spokesman Christopher Veronda said each licensee will pay a portion of the total cost and then have access to all the patents.

The licensee group includes Shutterfly Inc., a company that lets customers store, print and share photos on the Internet. Earlier this year, Kodak sold its online photo service business to Shutterfly for \$23.8 million.

Kodak will retain ownership of about 9,600 patents, focused mostly on commercial imaging and printing technologies.

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