Kodak Completes Sale Of Digital Patents

The Associated Press

ROCHESTER, N.Y. (AP) — Eastman Kodak Co. said Friday that it has completed the sale of its digital imaging patents for net proceeds of $527 million.

The deal will help the struggling photo company repay loans and emerge from bankruptcy protection, which it expects will happen during the middle of this year. The company said it received final court approval last week for interim and exit financing.

Intellectual Ventures and RPX Corp. organized the 12 companies paying to license the 1,100 patents. A portion of the $527 million was paid by the licensees and a portion was paid by Intellectual Ventures, which acquired a substantial majority of the digital imaging patent portfolio.

Analysts initially thought the portfolio could fetch between $2 billion and $3 billion, but Kodak struggled to find a buyer.

Kodak still has ownership of about 9.600 patents, many of which are focused on its core business. It retained the rights to use the 1,100 digital imaging patents sold in the deal.

Founded in 1880, Kodak filed for Chapter 11 bankruptcy protection at the beginning of 2012. Since then Kodak has sold off several businesses, such as its online photo service, and said it would shut down others, including the manufacture of digital cameras. The company intends to focus on commercial and packaging printing. It sees home photo printers, high-speed commercial inkjet presses, software and packaging as the core of its business as it emerges from bankruptcy.

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