

# Kodak postpones announcement about outcome of patent auction

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For more than a year, Eastman Kodak Co. has been trying to sell more than 1,100 digital imaging patents to raise much-needed cash. The Rochester company even went into Chapter 11 bankruptcy this year in part to help smooth the way to selling that intellectual property.

But expectations the printing and imaging company would have such a sale all but wrapped up Monday came to an end as Kodak said it was extending the deadline for naming a winning bid.

Company spokesman Christopher Veronda declined to comment on whether that delay was to allow for additional bidding or for some other reason. He also declined to say when Kodak did expect to announce a winning bidder.

Kodak had been working under a 5 p.m. Monday deadline for filing with U.S. Bankruptcy Court details on the winning bid for the patents. The company has been conducting an auction since Wednesday.

The proceeds from the sale, first and foremost, will go to pay back the various lenders helping keep Kodak afloat during its Chapter 11 bankruptcy. Kodak as of the end of June owed \$657 million to those creditors, according to a financial status report filed with the U.S. Securities and Exchange Commission.

If the winning bid is below that amount, Kodak is not immediately up the financial creek. The company ended June with \$1.3 billion in cash and cash equivalents socked away.

But a big windfall for Kodak would raise the likelihood that the company's various creditors — left high and dry by the bankruptcy with unpaid invoices — would be made whole or closer to whole.

For a time, Kodak's digital imaging intellectual property was a goose laying sizable golden eggs. Between 2003 and 2010, the company negotiated \$3 billion worth of licensing agreements with other companies.

And it has said it expects there is a lot more to be made in the future from licensing that same technology for such gadgets as smartphones and tablets.