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Kodak to Sell Patents for \$525 Million

By [DANA MATTIOLI](#) And [MIKE SPECTOR](#)

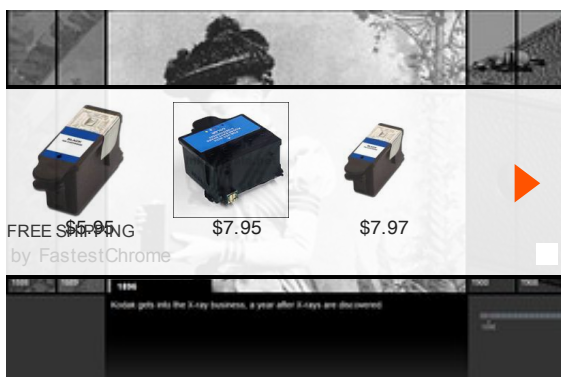
[Eastman Kodak](#) Co. has agreed to sell a portfolio of patents covering digital photography and Web-based photo applications for about \$525 million, in a deal that brought together a Who's Who of the global technology industry.

The deal represents a truce on one front of the patent-litigation war raging among makers of smartphones and tablets. Fierce rivals came together in the bankruptcy court auction to take the patents off the market, protecting them from future infringement claims as they roll out new mobile devices and applications that feature cameras and other imaging technology.

The list of licensees for the patents is a dozen long and includes not only [Apple](#) Inc. and [Google](#) Inc., which The Wall Street Journal had reported were part of the group, but also [Samsung Electronics](#) Co., [Facebook](#) Inc. and [Amazon.com](#) Inc.

The History of Kodak

Eastman Kodak Co. is struggling. See key events in the company's history.



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to sell the patents, ultimately fetched far less than the \$2.6 billion the Rochester, N.Y.-

[Microsoft](#) Corp., BlackBerry maker [Research In Motion](#) Ltd., China's Huawei Technologies, [Adobe Systems](#) Inc., [Fujifilm Holdings](#) Corp., [HTC](#) Corp. and [Shutterfly](#) Inc. rounded out the licensees.

Under the deal, Kodak is selling around 1,100 patents to patent buyer Intellectual Ventures LLC, which will then license them to the technology companies in the group. A small number of patents are being bought directly by Apple, a person familiar with the matter said.

Patent buyer [RPX](#) Corp. also played a role in bringing the consortium together, according to the company and a person close to the discussions.

Kodak, which has tried for a year and a half

based company once said they could be worth.

Still, the deal moves the struggling one-time film giant a step closer to exiting bankruptcy protection, possibly in the first half of next year. In November, Kodak struck an agreement with creditors for \$830 million in new loans, but the agreement was conditioned on Kodak selling its patents for at least \$500 million.

The funds from the patent sale will help Kodak pay off loans it took on to stay afloat during the bankruptcy process. The deal also settles litigation related to the patents.

After selling off some of its remaining businesses and negotiating with U.K. pensioners, Kodak could be on track to exit bankruptcy as a much smaller company focused on commercial printing. At its peak, the one-time blue-chip company employed 145,000 people world-wide and had a range of businesses. In 2000, the company booked \$14 billion in revenue.

Over the past year, Kodak has put a number of its businesses up for sale and has slashed its workforce. The company's remaining commercial printing business should bring in \$2.7 billion in revenue in 2013, the company said.

Chief Executive Antonio Pérez is expected to lead Kodak to the end of its bankruptcy case, with creditors then weighing in on who should continue to lead the company, a person close to the matter said. No discussions have yet taken place regarding Kodak's future board or management team, the person said.

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