

DIGIMARC

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FOR IMMEDIATE RELEASE

Digimarc ID Validation Suite Launches with AssureTec, Intelli-Check and Syscan

Leading hardware and software companies join Digimarc's Certified Partner Program for ID Validation Solution

Beaverton, OR – May 23, 2005 – Digimarc Corporation (NASDAQ: DMRCE) today announced the launch of its Digimarc ID Validation Suite (IDVS) Certified Partner Program designed to ensure certification of third-party hardware and software module options used together with the Digimarc IDVS system to authenticate and archive identity documents with unmatched ease, accuracy and speed.

The modular Digimarc IDVS software is the first to be designed for integration with multiple authentication databases and hardware. AssureTec, Intelli-Check (AMEX: IDN) and Syscan (OTCBB: SYII) are the first group of partners to attain "Partner Certification" status. Building on these partnerships, the Digimarc IDVS solution helps ID issuers meet the goals of federal ID security legislation by verifying the authenticity and archiving of credentials used to "breed" new identity documents.

"The integration of the Digimarc IDVS system along with leading reader devices, scanners and software provide DMV personnel, law enforcement officials, and system integrators a new and more powerful method to positively authenticate driver licenses and identity documents across a variety of inspection environments – from police cruisers to transportation access points to DMV offices to forensic labs," said J. Scott Carr, divisional president, Digimarc. "We are pleased to partner with these industry leading companies to offer our customers a comprehensive, leading-edge solution to authenticate identity documents."

The Digimarc IDVS offering determines whether the ID is genuine, altered or counterfeit by reading and authenticating multiple, machine-readable security features found in driver licenses, passports and other credentials such as IDMarc™ digital watermarks, barcodes, magnetic stripes, and optical variable image devices such as Kinegrams. To further enhance the authentication process, the Digimarc IDVS software consolidates authentication results from

multiple features and document designs into a simple form and also allows for a more detailed view for authorized personnel.

“We are excited to partner with Digimarc to deploy our *i-Dentify* reader-authenticator as part of the foundation for Digimarc’s IDVS solution in support of the goals of the federal ID security legislation and to bring to market best-of-breed solutions to fight identity theft and fraud,” said Bruce Reeves, CEO, AssureTec.

As an optional module of the Digimarc IDVS system, the AssureTec *i-Dentify*™ Model ID-300-RA reader-authenticator is an imaging unit that captures full color, infrared, ultraviolet and coaxial images from all ISO-7501/ICAO-9303-compliant documents such as passports, visas, and national travel cards (ID-1, ID-2 and ID-3) as well as non-ICAO-compliant documents including driver licenses, IATA standard ATB1, ATB2, and TAT document types.

“We are pleased to build on our long-term relationship with Digimarc – a leader in the industry – by becoming a certified partner,” said Frank Mandelbaum, chairman and chief executive officer of Intelli-Check. “Our patented technology is the enabling, front-end solution for identity management that is being used in DMVs, and other critical sites to verify proof of identity and help prevent the use of false breeder documents to obtain new, valid documents. We believe the integration of our technology, together with that of the other partners, will enable Digimarc to offer its customers and the nation an added level of security.

Another important optional module of the Digimarc IDVS solution, Intelli-Check’s ID-Check PC is a software application that enables the user to display, verify and store the data encoded on documents such as government-issued driver licenses, identification cards and military IDs. The application works in conjunction with its Data Capture Module (DCM), which reads and sends the data encoded on barcodes and magnetic stripes to the ID-Check PC application for verification. A smart card reader can also be attached to process smart chips on government issued Common Access Cards (CAC).

Digimarc announced support for Syscan products in 2004 and has extended certification to the IDVS system. Another IDVS system optional module, Syscan’s TravelScan 660W is a multi-purpose, portable scanner for identity documents, checks, photos and business cards. The TravelScan FS531 is a flatbed scanner tuned specifically for scanning of secure documents such as passports, driver licenses, bank checks, ID cards, photos and lottery tickets.

Digimarc ID Validation Suite Certification Process

The Digimarc IDVS solution is a modular system for archiving and authentication. As such, Digimarc rigorously tests hardware and software products for inclusion in the Certified Partner program to provide customers with best-of-breed capabilities that are tightly integrated and can be flexibly configured. Digimarc runs a battery of tests in its certification laboratory to ensure that products from certified partners are compatible with the Digimarc IDVS system and meet the high standards of customers. For more information about the certification program, visit www.digimarc.com.

About AssureTec Systems

AssureTec Systems develops real-time identity-management security solutions for border management, transportation security and commercial markets -- while managing and protecting personal privacy in the process. Its products, which include the AssureID™ system, reduce identity fraud through automated-I.D. classification, rules-based biometrics, document-authentication tools and keyless-entry data interfaces. The company is based in Manchester, N.H. For more information, visit: www.assuretec.com

About Intelli-Check

Intelli-Check, Inc. is the acknowledged leader in technology that assures the authenticity of driver licenses, state issued non-driver and military identification cards used as proof of identity. Our patented ID-CHECK technology instantly reads, analyzes, and verifies the encoded data in magnetic stripes and barcodes on government-issue IDs from approximately 60 jurisdictions in the U.S. and Canada to determine if the content and format is valid. Applications include:

- security and access control to protect airports, government and commercial buildings, military installations, and other critical sites
- identity theft, commercial and government fraud prevention to help stem the millions of dollars each year in losses from credit card, check-cashing, bank, insurance, healthcare and pharmacy fraud
- age verification to protect bars and other retail establishments from the potential fines and penalties associated with selling age-restricted products to minors
- productivity enhancement to eliminate inefficiencies and inaccuracies associated with manual data entry

The company has been the national testing laboratory for the American Association of Motor Vehicle Administrators (AAMVA) since 1999 and has access to all the currently encoded driver license formats. For more information, please visit www.intellicheck.com.

About Syscan Imaging, Inc.

Headquartered in San Jose, California with additional offices in the Netherlands and Hong Kong, Syscan Imaging, Inc. designs and manufactures imaging technology solutions. Currently the Company ships proprietary mobile image-scanning products to customers throughout the United States, Canada, Europe, South America, Australia and Asia. The Company has been granted 21 patents related to imaging technology with an additional 13 patents under review. Syscan Imaging, Inc.'s common stock is publicly traded on the OTC Bulletin Board under the symbol SYII.

About Digimarc

Digimarc Corporation (NASDAQ: DMRCE), based in Beaverton, Oregon, is a leading supplier of secure media solutions used in a wide range of security, identification and digital media content applications. Digimarc provides products and services that enable the production of more than 60 million personal identification documents, including two-thirds of U.S. driver licenses and IDs for more than 20 countries. Digimarc's digital watermarking technology provides a persistent digital identity for various media content and is used to enhance the security of financial documents, identity documents and digital images, and support other media rights management applications.

Digimarc has an extensive intellectual property portfolio, with 192 issued U.S. patents with more than 4,000 claims, and more than 400 pending patent applications in digital watermarking, personal identification and related technologies.

The Company is headquartered in Beaverton, Oregon, with other U.S. offices in Burlington, Massachusetts; Fort Wayne, Indiana; and the Washington DC area; and international offices in London and Mexico. Please go to www.digimarc.com for more Company information.

Securities Safe Harbor

With the exception of historical information contained in this release, the matters described herein contain certain "forward-looking statements" that are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements relating to the expected benefits of the use or the integration of the Digimarc ID Validation Suite system by or with Departments of Motor Vehicles (DMVs), law enforcement, retail or other users, and other statements containing the words "believes," "expects," "estimates," "anticipates," "will" or words of similar import or statements of management's opinion. These statements are based on management's current reasonable expectations and are subject to certain assumptions, risks, uncertainties and changes in circumstances. Actual results may vary materially from those expressed or implied from the statements herein or from historical results, due to changes in economic, business, competitive, technological and/or regulatory factors. More detailed information about risk factors that may affect actual results is set forth in filings by Digimarc with the Securities and Exchange Commission, including its recent filings on Forms 10-K, 10-Q and 8-K, including but not limited to those described in the Company's Form 10-Q for the quarterly period ended March 31, 2005, in Part I, Item 2 thereof ("Management's Discussion and Analysis of Financial Condition and Results of Operations") under the captions "Overview," "Restatement of Prior Financial Results," "Critical Accounting Policies and Estimates," "Liquidity and Capital Resources," and "Risk Factors," and in Part I, Item 4 thereof ("Controls and Procedures").

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