



## Digimarc Qualifies Cognitec as a Strategic Supplier for Biometric Facial Recognition Technology

**Burlington, MA / Herndon, VA , Aug. 2, 2004** – Digimarc Corporation (NASDAQ: DMRC) and Cognitec Systems Corporation today announced that Digimarc has entered into an agreement with Cognitec to supply biometric facial recognition software for use in Digimarc's Department of Motor Vehicle (DMV) solutions deployed in the United States. Digimarc selected Cognitec's FaceVACS® technology following Digimarc's rigorous testing of the speed, accuracy and scalability of Cognitec's software, as well as an assessment of the responsiveness of Cognitec's technical support team.

As the leading driver license system supplier to the U.S. DMV market, Digimarc has extensive experience designing and implementing systems that allow investigators to effectively manage very large image databases. These systems incorporate leading-edge biometric technology to efficiently analyze millions of facial images in a matter of seconds to find similar and duplicate images. Investigators can then use this and other information to correct errors in the database and detect suspected cases of identity fraud. Digimarc is currently implementing a solution incorporating Cognitec's software to manage a multi-million image ("one-to-many") database, as well as for use in a "one-to-one" applicant verification for license renewal .

In the one-to-one application, the Cognitec software, in conjunction with Digimarc's own proprietary technology, will be used to confirm the identity of an applicant during the license renewal process by comparing their facial features to those on record in the State's database of driver license images. In the one-to-many application, the deployed system will compare in a matter of seconds the applicant's captured image against those of millions of other licensed drivers and applicants in the State's existing database to determine if licenses may have already been issued to the applicant under different identities. Facial recognition tools are increasingly being used by DMVs and law enforcement to combat identification fraud and related criminal activities.

"Cognitec's facial recognition software has met our demanding standards for performance, reliability and scalability, and their technical support has been impressive," said Rob Durst, vice president of worldwide marketing and business development for Digimarc ID Systems. "We look forward to working with Cognitec, and other leading technology suppliers, as we continue to implement state-of-the-art application solutions for our DMV customers in the U.S. and worldwide."

"We are delighted to announce this exciting relationship with Digimarc," commented Alfredo Herrera, managing director of Cognitec Systems. "Digimarc is widely recognized as the market

leader in the U.S. driver license business, and we view this relationship as an excellent opportunity to offer the advantages of Cognitec's facial recognition technology to end-users in this very important market segment."

Leslie Constans  
Digimarc Public Relations  
503-495-4568  
[lconstans@digimarc.com](mailto:lconstans@digimarc.com)

Mizuha Nakajima  
Revolution PR for Digimarc  
503-997-6045  
[mizuha@revolutionpr.com](mailto:mizuha@revolutionpr.com)

Jürgen Pampus  
Cognitec Sales and Marketing  
+1-703-234-7876  
[info@cognitec.com](mailto:info@cognitec.com)  
[www.cognitec.com](http://www.cognitec.com)

### **About Digimarc**

Digimarc Corporation (NASDAQ: DMRC), based in Tualatin, 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 production of more than 60 million personal identification documents and driver licenses per year in 32 U.S. states and the District of Columbia and 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 166 issued U.S. patents with more than 3,000 claims, and more than 350 pending patent applications in digital watermarking, personal identification and related technologies.

The company is headquartered in Tualatin, Oregon, with other U.S. offices in Burlington, Massachusetts; Fort Wayne, Indiana; San Francisco, California; and the Washington DC area; and European offices in London. Please go to [www.digimarc.com](http://www.digimarc.com) for more company information.

### **About Cognitec**

Cognitec Systems Corporation develops and markets their well-established and world-leading FaceVACS® face recognition software. Cognitec's software experts have been developing face recognition technology since 1995. In various independent evaluation tests, including the Face Recognition Vendor Test 2002, FaceVACS® has proven to be the leading facial recognition technology available on the market today.

### **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. 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 these factors is set forth in filings by Digimarc with the Securities and Exchange Commission, including the most recent annual report on Form 10-K and the most recent quarterly report on Form 10-Q. Digimarc is not obligated to (and expressly disclaim any obligation to) revise or update any forward-looking statements in order to reflect events or circumstances, whether they arise as a result of new information, future events, or otherwise.

**###**