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TECH 10/17/2011 @ 1:32PM | 1,981 views

IMAX Licenses Some Kodak Patents; Trouble For RealD?

Eastman Kodak this morning announced a deal to license more than 50 “patent families” to IMAX covering “fundamental laser projection technology.” IMAX also gets “certain exclusive rights in the digital cinema field to a broader range of Kodak patents covering complementary technologies useful for laser projection products.” Kodak will get royalties from the deal, but specific terms were not disclosed.



IMAX says it expects to introduce new laser projection technology by the second half of 2013; the technology will allow the company to offer digital versions of its content for display on very large screens and dome theaters that previous had to use analog film.

BTIG analyst Richard Greenfield notes in a blog post that the technology could be used for projecting 3D films – a potentially serious issue for 3D technology company RealD.

“IMAX could utilize/license the Kodak technology to offer a superior 2D/3D projection system for traditional (non-IMAX) movie theaters worldwide that not only provides superior images/brightness, but eliminates the need for 3D licensing fees and is far more cost-efficient (lasers vs. bulbs and less maintenance due to lack of external equipment,” he writes. “While RLD has 3D technology exclusivity with the largest U.S. exhibitors for the next several years, we believe rising competition to RLD’s business model should be a material concern for investors as they think about the terminal value of RLD’s business. RLD does not have the same exclusivity overseas as it does in the US. In turn, competitive risks could play out sooner than in the domestic market. While commercialization of the Kodak laser technology will take some time, now that it is in the hands of IMAX, we would expect them to leverage existing hardware relationships to exploit the traditional movie theater opportunity.”