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INTERDIGITAL COMMUNICATIONS CORP

Form 8-K

September 08, 2005

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): September 1, 2005

InterDigital Communications Corporation
(Exact name of registrant as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation)	1-11152 (Commission File Number)	23-1882087 (IRS Employer Identification No.)
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781 Third Avenue, King of Prussia, PA (Address of Principal Executive Offices)	19406-1409 (Zip Code)
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Registrant's telephone number, including area code: 610-878-7800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

(a) On September 1, 2005, InterDigital Communications Corporation's patent holding subsidiaries (collectively, "InterDigital") entered into a worldwide, non-transferable, non-exclusive, patent license agreement with Kyocera Wireless Corp., and its parent corporation, Kyocera Corporation, (collectively, "Kyocera"). The five-year 3G patent license agreement covers the sale of

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terminal units compliant with cdma2000(R) technology and its extensions from July 1, 2004, onward. InterDigital Technology Corporation, a wholly-owned subsidiary of InterDigital Communications Corporation, and Kyocera Corporation are also parties to a TDMA-technology patent license agreement, which remains in place.

Under the terms of the new patent license agreement and subject to certain Kyocera options to convert the license to a royalty-bearing basis, Kyocera is obligated to pay InterDigital a license fee of \$50 million, which covers licensed product sales up to a specified threshold dollar amount. The \$50 million fee is payable in four installments, including an initial payment of \$20 million due in the third quarter of 2005, and three additional \$10 million installments due no later than the third quarters of 2006, 2007, and 2008, respectively.

cdma2000(R) is a registered trademark of the Telecommunications Industry Association (TIA-USA).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

INTERDIGITAL COMMUNICATIONS CORPORATION

By: /s/ Lawrence F. Shay

Lawrence F. Shay
General Counsel

Dated: September 8, 2005