

KNOTT DAVID M  
Form SC 13G/A  
February 14, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13G**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED**

**PURSUANT TO RULE 13d-2(b)  
Under the Securities Exchange Act of 1934  
(Amendment No. 1)(1)**

**Acacia Research Corporation**

(Name of Issuer)

**Common Stock \$0.001 Par Value**

(Title of Class of Securities)

**003881307**

(CUSIP Number)

**December 31, 2006**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

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(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the

Act (however, see the Notes).

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CUSIP No. 003881307

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
David M. Knott
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
3. SEC Use Only
4. Citizenship or Place of Organization  
United States of America
5. Sole Voting Power  
1,229,308
6. Shared Voting Power  
78,250
7. Sole Dispositive Power  
1,309,908
8. Shared Dispositive Power  
13,050
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,322,958
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)  
4.7%
12. Type of Reporting Person (See Instructions)  
IN

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CUSIP No. 003881307

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Dorset Management Corporation  
11-2873658
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
3. SEC Use Only
4. Citizenship or Place of Organization  
United States of America
5. Sole Voting Power  
1,229,308
6. Shared Voting Power  
78,250
7. Sole Dispositive Power  
1,309,908
8. Shared Dispositive Power  
13,050
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,322,958
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)  
4.7%
12. Type of Reporting Person (See Instructions)  
CO

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Item 1.

- (a) Name of Issuer  
Acacia Research Corporation
- (b) Address of Issuer's Principal Executive Offices  
500 Newport Center Drive  
  
Newport Beach, CA 92660

Item 2.

- (a) Name of Person Filing  
David M. Knott; Dorset Management Corporation
- (b) Address of Principal Business Office or, if none, Residence  
485 Underhill Boulevard, Suite 205  
  
Syosset, New York 11791
- (c) Citizenship  
David M. Knott - United States of America;
- (d) Dorset Management Corporation New York  
Title of Class of Securities  
Common Stock, \$0.001 Par Value
- (e) CUSIP Number  
003881307

Item 3.

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
  - (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
  - (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
  - (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
  - (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
  - (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
  - (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
  - (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
  - (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

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Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

(b) Percent of class:

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

(ii) Shared power to vote or to direct the vote

(iii) Sole power to dispose or to direct the disposition of

(iv) Shared power to dispose or to direct the disposition of

David M. Knott; Dorset Management Corporation

See Rows 5 through 9 and 11 on pages 2 and 3.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More than Five Percent on Behalf of Another Person  
N/A

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person  
N/A

Item 8. Identification and Classification of Members of the Group  
N/A

Item 9. Notice of Dissolution of Group  
N/A

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.



**Signature**



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After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 12, 2007  
Date

/s/ David M. Knott  
Signature

DORSET MANAGEMENT CORPORATION

By: /s/ David M. Knott  
David M. Knott, President

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