
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): November 21, 2005

AtriCure, Inc.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

000-51470
(Commission File Number)

34-1940305
(IRS Employer
Identification No.)

6033 Schumacher Park Drive
West Chester, OH
(Address of principal executive offices)

45069
(Zip Code)

Registrant's telephone number, including area code: (513) 755-4100

Not Applicable

(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- 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.

On November 21, 2005, we entered into a Royalty Agreement, effective as of October 1, 2005, with Randall K. Wolf, M.D., the co-inventor of the Wolf Dissector, a disposable handpiece used during sole-therapy minimally invasive surgical procedures. Pursuant to the terms of the Royalty Agreement, we will pay to Dr. Wolf royalties based on revenues from sales of the Wolf Dissector and certain other inventions, improvements or ideas, at royalty rates which range from 1.5% to 15% of such revenues. During the term of the Royalty Agreement we are required to pay Dr. Wolf a minimum of \$50,000 in royalties per quarter and up to an aggregate of \$2,000,000 in royalties during the term of the Agreement. The Agreement terminates on December 31, 2009; however, we and Dr. Wolf each have the right at any time to terminate the Royalty Agreement immediately for cause.

A copy of the Royalty Agreement will be filed with the Securities and Exchange Commission as an exhibit in our next Form 10-K and the foregoing description of the Royalty Agreement does not purport to be complete and is qualified in its entirety by reference to such Agreement.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above in Item 1.01 is hereby incorporated into Item 2.03 by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATRICURE, INC.

By: /s/ David J. Drachman

David J. Drachman
President and Chief Executive Officer

Dated: November 28, 2005