

Internet Patents Corp
Form 10-Q
August 08, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

Or

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

For the transition period from to

Commission file number 0-26083

INTERNET PATENTS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

94-3220749
(IRS Employer
Identification Number)

10850 Gold Center Drive, Suite 250B Rancho Cordova, CA 95670
(Address of principal executive offices)

(916) 853-1529
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

The aggregate market value of registrant's voting and non-voting common equity held by non-affiliates of registrant, based upon the closing sale price of the common stock as of the last business day of registrant's most recently completed second fiscal quarter (June 30, 2012), as reported on the Nasdaq Capital Market, was approximately \$16,478,000. Registrant is a smaller reporting company as defined in Regulation S-K. Shares of common stock held by each officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Yes No

The number of outstanding shares of the Registrant's Common Stock, par value \$0.001 per share, on July 27, 2012 were 7,751,952 shares.

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PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTERNET PATENTS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)
(unaudited)

	June 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 33,102	\$ 70,326
Short-term investments	491	1,225
Restricted short-term investments	1,000	-
Prepaid expenses and other current assets	300	1,374
Total current assets	34,893	72,925
Property and equipment, net	44	42
Other assets	27	1,027
Total assets	\$ 34,964	\$ 73,994
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 426	\$ 3,385
Accrued expenses and other current liabilities	247	541
Income tax payable	-	644
Total current liabilities	673	4,570
Income tax liability	101	101
Total liabilities	774	4,671
Commitments and contingencies		
Stockholders' equity:		
Common stock	11	10
Paid-in capital	221,726	216,401
Treasury stock	(6,788)	(6,589)
Accumulated deficit	(180,759)	(140,499)
Total stockholders' equity	34,190	69,323
Total liabilities and stockholders' equity	\$ 34,964	\$ 73,994

See accompanying notes.

INTERNET PATENTS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Total revenues	\$-	\$-	\$-	\$-
Operating expenses:				
Sales and marketing	-	-	-	-
Technology	-	24	-	48
General and administrative	979	826	1,816	1,714
Total operating expenses	979	850	1,816	1,762
Loss from operations	(979)	(850)	(1,816)	(1,762)
Other income	68	5	168	10
Loss from continuing operations	(911)	(845)	(1,648)	(1,752)
Discontinued operations, net of tax				
Income from discontinued operations	-	1,824	-	3,029
Total discontinued operations	-	1,824	-	3,029
Net income (loss)	\$(911)	\$979	\$(1,648)	\$1,277
Net income (loss) per share:				
Basic and diluted				
Loss from continuing operations	\$(0.12)	\$(0.15)	\$(0.22)	\$(0.31)
Discontinued operations, net of tax	\$-	\$0.32	\$-	\$0.54
Net income (loss) per basic common share	\$(0.12)	\$0.17	\$(0.22)	\$0.23
Shares used in computing per share amounts				
Basic and diluted	7,752	5,687	7,566	5,605

See accompanying notes.

