

Internet Patents Corp
Form 10-Q
May 11, 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 March 31, 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, 2011), as reported on the Nasdaq Capital Market, was approximately \$20,112,000. 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 April 30, 2012 were 7,751,952 shares.

FORM 10-Q
INTERNET PATENTS CORPORATION CORPORATION
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PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTERNET PATENTS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)
(unaudited)

	March 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$32,321	\$70,326
Short-term investments	1,225	1,225
Restricted short-term investments	1,000	-
Prepaid expenses and other current assets	1,413	1,374
Total current assets	35,959	72,925
Property and equipment, net	44	42
Other assets	27	1,027
Total assets	\$36,030	\$73,994
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$482	\$3,385
Accrued expenses and other current liabilities	347	541
Income tax payable	-	644
Total current liabilities	829	4,570
Income tax liability	101	101
Total liabilities	930	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	(179,848)	(140,499)
Accumulated other comprehensive loss	(1)	-
Total stockholders' equity	35,100	69,323
Total liabilities and stockholders' equity	\$36,030	\$73,994

See accompanying notes.

INTERNET PATENTS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended March 31,	
	2012	2011
Revenues:		
Total revenues	-	-
Operating expenses:		
Sales and marketing	-	-
Technology	-	24
General and administrative	837	888
Total operating expenses	837	912
Loss from operations	(837) (912
Other income	100	5
Loss from continuing operations	(737) (907
Discontinued operations, net of tax		
Income from discontinued operations	-	1,205
Total discontinued operations	-	1,205
Net income (loss)	\$(737) \$298
Net income (loss) per share:		
Basic and diluted		
Loss from continuing operations	\$(0.10) \$(0.16
Discontinued operations, net of tax	\$-	\$0.22
Net income (loss) per basic common share	\$(0.10) \$0.06
Shares used in computing income (loss) per share:		
Basic and diluted		