

Internet Patents Corp

Form S-4/A

February 10, 2015

As filed with the Securities and Exchange Commission on February 10, 2015

Registration No. 333-201323

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

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

INTERNET PATENTS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6794
(Primary Standard Industrial
Classification Code Number)

94-3220749
(I.R.S. Employer
Identification Number)

101 Parkshore Drive, Suite 100
Folsom, California 95630
(916) 932-2860

(Address including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Hussein A. Enan
Chairman of the Board and Chief Executive Officer
Internet Patents Corporation

101 Parkshore Drive, Suite 100

Folsom, California 95630

(916) 932-2860

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions under the Merger Agreement described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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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 the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer	(Do not check if a smaller reporting	Smaller
		company)	company	reporting
				company

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this joint proxy statement/prospectus is not complete and may be changed. IPC may not sell its securities pursuant to the proposed transactions until the Registration Statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated February 10, 2015

prism technologies

**PROPOSED MERGER
YOUR VOTE IS VERY IMPORTANT**

To the security holders of Internet Patents Corporation and Prism Technologies, LLC:

Internet Patents Corporation (“IPC”) and Prism Technologies, LLC (“Prism”) have entered into an Agreement and Plan of Merger (the “Merger Agreement”) pursuant to which a wholly owned subsidiary of IPC will merge with and into Prism, with Prism surviving as a wholly owned subsidiary of IPC (the “Merger”). Prism and IPC believe that the Merger will create a patent monetization company that increases shareholder value by leveraging the relative strengths of each party, creating more value for the IPC stockholders and Prism members in the long-term than IPC or Prism could create as a stand-alone business.

Prior to the effective time of the Merger, (i) each option to purchase Prism membership units that is outstanding and unexercised shall be exercised by the holder thereof and cancelled by Prism, and (ii) all outstanding indebtedness convertible into Prism membership units or other equity interests of Prism shall be fully repaid or fully converted, in each case such that such membership unit subject to such option or convertible indebtedness shall participate in the Merger pursuant to the Merger Agreement. At the effective time of the Merger, in exchange for all of the equity of Prism outstanding immediately prior to the effective time of the Merger, IPC will pay \$16.5 million in cash (less certain Prism indebtedness and expenses, which are currently expected to be immaterial), and issue 3.5 million shares of IPC common stock to Prism security holders. Subject to certain conditions, IPC has also agreed to share future revenue related to Prism’s patents with Prism’s former security holders up to a maximum amount of approximately \$49.5 million. Based upon (i) 14,741,420 Prism membership units expected to be outstanding at the closing of the Merger and (ii) the aggregate cash payment of \$16.5 million without any potential reductions for indebtedness or unpaid expenses, the value of the cash consideration per unit to Prism members is expected to be \$1.12 at the closing. Based upon the average closing price of IPC common stock from February 3, 2015 to February 9, 2015, the value of the stock consideration per unit to Prism members is expected to be \$0.62 at the closing, for an aggregate cash and stock consideration per unit equal to \$1.74 at the closing. In addition, assuming achievement of the maximum earnout

amount of \$49.5 million following the closing, Prism members would be entitled to an additional \$3.35 of consideration per unit, for a potential aggregate per unit Merger consideration of \$5.09.

IPC stockholders will continue to own and hold their existing shares of IPC common stock. Immediately after the Merger, Prism members will own approximately 39.3% of the fully-diluted common stock of IPC, with IPC stockholders and optionholders holding approximately 60.7% of the fully-diluted common stock of IPC.

Shares of IPC common stock are currently listed on The NASDAQ Capital Market under the symbol "PTNT". On [], the last trading day before the date of this joint proxy statement/prospectus, the closing sale price of IPC common stock was \$[] per share.

IPC is holding a special meeting of stockholders in order to obtain the stockholder approvals necessary to complete the Merger and related matters. At the IPC special meeting, which will be held at 9:00 a.m., local time, on March 17, 2015 at the corporate headquarters of IPC located at 101 Parkshore Dr., Suite #100, Folsom, CA 95630, unless postponed or adjourned to a later date, IPC will ask its stockholders to, among other things, approve the Merger and the issuance of IPC common stock, as described in the accompanying joint proxy statement/prospectus.

As described in the accompanying joint proxy statement/prospectus, certain Prism members who in the aggregate own approximately 47% of the outstanding membership units of Prism as of February 9, 2015 are parties to support agreements with IPC, whereby such members agreed, among other things, to vote in favor of the Merger and the adoption and approval of the Merger Agreement and the terms thereof, subject to the terms of the support agreements. After the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, is declared effective by the U.S. Securities and Exchange Commission, Prism will hold a special meeting of its members to approve the Merger and the Merger Agreement, and the Prism members who are party to the support agreements will each vote in favor of the Merger and the adoption and approval of the Merger Agreement and the terms thereof.

After careful consideration, the IPC board of directors and Prism board of managers have approved the Merger Agreement and the respective proposals referred to above, and each of the IPC board of directors and Prism board of managers has determined that it is advisable to enter into the Merger. The board of directors of IPC recommends that its stockholders vote "FOR" the proposals described in the accompanying joint proxy statement/prospectus, and the board of managers of Prism recommends that its members vote to approve the Merger and the Merger Agreement.

More information about IPC, Prism and the proposed transaction is contained in this joint proxy statement/prospectus. IPC and Prism urge you to read the accompanying joint proxy statement/prospectus carefully and in its entirety. IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DISCUSSED UNDER “**RISK FACTORS**” BEGINNING ON PAGE 18.

IPC and Prism are excited about the opportunities the Merger brings to both IPC and Prism security holders and thank you for your consideration and continued support.

Hussein A. Enan	Gregory J. Duman
Chairman and Chief Executive Officer	President
Internet Patents Corporation	Prism Technologies, LLC

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The accompanying joint proxy statement/prospectus is dated [], and is first being mailed to IPC and Prism security holders on or about [].

INTERNET PATENTS CORPORATION

101 Parkshore Drive, Suite 100

Folsom, California 95630

(916) 932-2860

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 17, 2015**

Dear Stockholders of IPC:

On behalf of the board of directors of Internet Patents Corporation, a Delaware corporation ("IPC"), we are pleased to deliver this joint proxy statement/prospectus for the proposed merger between IPC and Prism Technologies, LLC, a Nebraska limited liability company ("Prism"), pursuant to which Strategic Concepts Acquisition Corp., a wholly owned subsidiary of IPC, will merge with and into Prism, with Prism surviving as a wholly owned subsidiary of IPC. The special meeting of stockholders of IPC will be held on March 17, 2015 at 9:00 a.m., local time, at the corporate headquarters of IPC located at 101 Parkshore Dr., Suite #100, Folsom, CA 95630, for the following purposes:

1. To consider and vote upon a proposal to approve the Merger and the issuance of IPC common stock pursuant to the Agreement and Plan of Merger, dated as of November 11, 2014, by and among IPC, Strategic Concepts Acquisition Corp., Prism and Gregory J. Duman, as the Securityholders' Agent, a copy of which is attached as *Annex A* to the accompanying joint proxy statement/prospectus.
2. To consider and vote upon an adjournment of the IPC special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of IPC Proposal No. 1.
3. To transact such other business as may properly come before the IPC special meeting or any adjournment or postponement thereof.

The board of directors of IPC has fixed February 6, 2015 as the record date for the determination of stockholders entitled to notice of, and to vote at, the IPC special meeting and any adjournment or postponement thereof. Only holders of record of shares of IPC common stock at the close of business on the record date are entitled to notice of, and to vote at, the IPC special meeting. At the close of business on the record date, IPC had 6,573,688 shares of common stock outstanding and entitled to vote.

Your vote is important. The affirmative vote of the holders of a majority of the shares of IPC common stock having voting power present in person or represented by proxy at the IPC special meeting is required for approval of the proposals. The Merger cannot be consummated without the approval of IPC Proposal No. 1.

Even if you plan to attend the IPC special meeting in person, IPC requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the IPC special meeting if you are unable to attend.

By Order of the IPC Board of Directors,

Hussein A. Enan
Chairman and Chief Executive Officer
Folsom, California
[], 2015

THE IPC BOARD OF DIRECTORS HAS DETERMINED AND BELIEVES THAT EACH OF THE PROPOSALS OUTLINED ABOVE IS ADVISABLE TO, AND IN THE BEST INTERESTS OF, IPC AND ITS STOCKHOLDERS AND HAS APPROVED EACH SUCH PROPOSAL. THE IPC BOARD OF DIRECTORS RECOMMENDS THAT IPC STOCKHOLDERS VOTE “FOR” EACH SUCH PROPOSAL.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the Merger Agreement, the Merger, the IPC special meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of IPC common stock, please contact:

D.F. King & Co., Inc.
48 Wall Street

New York, NY 10005

Toll-free: 866-387-7715

Banks and Brokers should call 212-493-3910

E-mail: ptomaszewski@dfking.com

prism technologies

PRISM TECHNOLOGIES, LLC
2323 S. 171st Street, Suite 106
Omaha, NE 68130

**NOTICE OF SPECIAL MEETING OF THE PRISM TECHNOLOGIES, LLC MEMBERS TO BE HELD
ON FEBRUARY 27, 2015**

To Members of Prism Technologies, LLC:

Prism Technologies, LLC, a Nebraska limited liability company (“Prism”), has entered into an Agreement and Plan of Merger, dated as of November 11, 2014 (the “Merger Agreement”), by and among Prism, Internet Patents Corporation, a Delaware corporation (“IPC”), Strategic Concepts Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of IPC (“Merger Sub”), and Gregory J. Duman, as the Securityholders’ Agent (the “Securityholders’ Agent”), pursuant to which Merger Sub will be merged with and into Prism, and Prism will continue as the surviving entity and as a wholly owned subsidiary of IPC.

A special meeting of the members of Prism (the “Prism Members” and, individually, a “Prism Member”) will be held at the offices of Erickson & Sederstrom, 10330 Regency Parkway Dr., Suite 100, Omaha, NE 68114, on Friday, February 27, 2015, at 10:00 a.m., local time, for the following purposes:

1. To approve the Merger and the Merger Agreement, a copy of which is attached as *Annex A* to the accompanying joint proxy statement/prospectus.
2. To consider and vote upon an adjournment of the Prism special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Prism Proposal No. 1.

3. To transact any other business that may properly come before the special meeting or any adjournment or postponement thereof.

These proposals are more fully described in the accompanying joint proxy statement/prospectus, which we encourage you to read carefully, including the “Risk Factors” beginning on page 18. We have included a copy of the Merger Agreement as *Annex A* to this joint proxy statement/prospectus.

Approval of the Merger and the Merger Agreement requires the approval of Prism Members holding at least sixty-seven percent (67%) of then outstanding units (“Units”) held by Prism Members.

After careful consideration of the Merger and the terms of the Merger Agreement, the board of managers of Prism (the “Prism Board”) has determined that the Merger is fair, advisable and in the best interests of Prism and the Prism Members. Accordingly, the Prism Board unanimously recommends that the Prism Members vote to approve the Merger and the Merger Agreement.

Your approval of the Merger is important. The Merger cannot be consummated without approval of Prism Proposal No. 1 by Prism Members holding at least sixty-seven percent (67%) of then outstanding Units held by Prism Members. Even if you plan to attend the Prism special meeting in person, Prism requests that you sign and return the enclosed proxy to ensure that your Units will be represented at the Prism special meeting if you are unable to attend.

By Order of the Board of Managers,

Gregory J. Duman
President
Omaha, Nebraska
[], 2015

REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about IPC that is not included in or delivered with this document. You may obtain this information without charge through the Securities and Exchange Commission ("SEC") website (www.sec.gov) or upon your written or oral request by contacting the General Counsel of Internet Patents Corporation, 101 Parkshore Drive, Suite #100, Folsom, California 95630 or by calling (916) 932-2860.

In addition, if you have questions about the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact D.F. King & Co. Inc., the proxy solicitor for IPC, toll-free at (866) 387-7715 (banks and brokers should call (212) 493-3910) or Gregory J. Duman, Prism Technologies, LLC at (402) 934-2020. You will not be charged for any of these documents that you request.

To ensure timely delivery of these documents, any request should be made no later than March 10, 2015 to receive them before the special meeting.

For additional details about where you can find information about IPC, please see the section entitled "Where You Can Find More Information" in this joint proxy statement/prospectus.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following section provides answers to frequently asked questions about the Merger. This section, however, provides only summary information. For a more complete response to these questions and for additional information, please refer to the cross-referenced sections.

Q: What is the Merger?

Internet Patents Corporation (“IPC”), Strategic Concepts Acquisition Corp. (the “Merger Sub”), Prism Technologies, LLC (“Prism”) and Gregory J. Duman, as Securityholders’ Agent, have entered into an Agreement and Plan of Merger, dated as of November 11, 2014 (the “Merger Agreement”). The Merger Agreement contains the terms and conditions of the proposed business combination of IPC and Prism. Under the Merger Agreement, Merger Sub will merge with and into Prism, with Prism surviving as a wholly owned subsidiary of IPC. This transaction is referred to as the “Merger”.

At the effective time of the Merger, in exchange for all of the outstanding equity of Prism outstanding immediately prior to the effective time of the Merger, IPC will pay \$16.5 million in cash (less certain Prism indebtedness and expenses, which are currently expected to be immaterial), and issue 3.5 million shares of IPC common stock to Prism security holders. Subject to certain conditions, IPC has also agreed to share future revenue related to Prism’s patents with Prism’s former security holders up to a maximum amount of approximately \$49.5 million. For a more complete description of what Prism security holders will receive in the Merger, please see the section entitled “The Merger—Merger Consideration” in this joint proxy statement/prospectus.

As a result of the Merger, Prism’s former security holders are expected to own in the aggregate approximately 34.7% of IPC (or approximately 39.3% on a fully-diluted basis), and the IPC stockholders and optionholders are expected to own in the aggregate approximately 65.3% of IPC (or approximately 60.7% on a fully-diluted basis).

Q: What will happen to IPC if, for any reason, the Merger does not close?

If, for any reason, the Merger does not close, the IPC board of directors will continue to operate its current business and may evaluate other strategic transactions from time to time, including another merger, a special distribution of cash, or an acquisition of intellectual property assets.

Q: What will happen to Prism if, for any reason, the Merger does not close?

If, for any reason, the Merger does not close, the Prism board of managers will continue to operate its current business and may evaluate other strategic transactions from time to time, including another merger or sale, an initial public offering, or other sources of financing.

Q: Why are the two companies proposing to merge?

Prism and IPC believe that the Merger will create a patent monetization company that increases shareholder value by leveraging the relative strengths of each party, creating more value for IPC stockholders and Prism members in the long-term than IPC or Prism could create as a stand-alone business. For a discussion of IPC and Prism reasons for the Merger, please see the section entitled “The Merger—Reasons for the Merger—IPC Reasons for the Merger” and “The Merger—Reasons for the Merger—Prism Reasons for the Merger” in this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

You are receiving this joint proxy statement/prospectus because you have been identified as a security holder of IPC or Prism as of the applicable record date, and you are entitled, as applicable, to vote at the IPC stockholder meeting to approve the Merger and the issuance of shares of IPC common stock pursuant to the Merger Agreement or to vote at the Prism member meeting to approve the Merger and the Merger Agreement. This document serves as:

• a proxy statement of IPC used to solicit proxies for its stockholder meeting;

• a prospectus of IPC used to offer shares of IPC common stock as part of the Merger consideration payable to Prism security holders in the Merger; and

• a proxy statement of Prism used to solicit proxies for a meeting of its members to approve the Merger and the Merger Agreement.

Q: What is required to consummate the Merger?

A: To consummate the Merger, IPC stockholders must approve the Merger and the issuance of IPC common stock pursuant to the Merger Agreement, and Prism members must approve the Merger and the Merger Agreement.

The approval of the Merger and the issuance of IPC common stock pursuant to the Merger Agreement by the stockholders of IPC requires the affirmative vote of the holders of at least a majority of the shares of IPC common stock having voting power present in person or represented by proxy at the IPC special meeting.

The approval of the Merger and the Merger Agreement by the members of Prism requires the approval of Prism members holding at least sixty-seven percent (67%) of then outstanding units held by Prism members.

In addition to the required IPC stockholder and Prism member approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

Certain Prism members who in the aggregate own approximately 47% of the outstanding membership units of Prism as of February 9, 2015 are parties to support agreements with IPC, whereby such members agreed, among other things, to vote in favor of the Merger and the adoption and approval of the Merger Agreement and the terms thereof, subject to the terms of the support agreements.

For a more complete description of the closing conditions under the Merger Agreement, we urge you to read the section entitled “The Merger Agreement—Conditions to the Completion of the Merger” in this joint proxy statement/prospectus.

Q: What will Prism members receive in the Merger?

As a result of the Merger, Prism members will receive an aggregate of \$16.5 million in cash (less certain Prism indebtedness and expenses, which are currently expected to be immaterial), and 3.5 million shares of IPC common stock. Subject to certain conditions, IPC has also agreed to share future revenue related to Prism’s patents with Prism’s former security holders up to a maximum amount of approximately \$49.5 million.

Based upon (i) 14,741,420 Prism membership units expected to be outstanding at the closing of the Merger and (ii) **A:** the aggregate cash payment of \$16.5 million without any potential reductions for indebtedness or unpaid expenses, the value of the cash consideration per unit to Prism members is expected to be \$1.12 at the closing. Based upon the average closing price of IPC common stock from February 3, 2015 to February 9, 2015, the value of the stock consideration per unit to Prism members is expected to be \$0.62 at the closing, for an aggregate cash and stock consideration per unit equal to \$1.74 at the closing. In addition, assuming achievement of the maximum earnout amount of \$49.5 million following the closing, Prism members would be entitled to an additional \$3.35 of consideration per unit, for a potential aggregate per unit Merger consideration of \$5.09.

For a more complete description of what Prism members will receive in the Merger, please see the section entitled “The Merger—Merger Consideration” in this joint proxy statement/prospectus.

Q: Who will be the directors of IPC following the Merger?

A: Following the Merger, Gregory J. Duman, Prism’s President, is expected to be appointed to the board of directors of IPC, which will otherwise remain unchanged.

Q: Who will be the executive officers of IPC and Prism immediately following the Merger?

A: Immediately following the Merger, the executive management teams of IPC and of Prism are expected to remain unchanged.

Q: What are the material U.S. federal income tax consequences of the Merger to Prism members?

The Merger will be a taxable transaction to the Prism members for U.S. federal income tax purposes. Prism is taxed as a partnership for federal income tax purposes immediately prior to the sale and will be a single member LLC immediately after the sale. Prism security holders should reference Internal Revenue Service (“IRS”) Revenue Ruling 99-6, 1999-1 C.B. 432 (“Revenue Ruling 99-6”) for general guidance on the taxation of this transaction. In general, a Prism member, who exchanges its Prism membership units for cash and IPC common stock pursuant to the Merger, will recognize a gain or loss in an amount equal to the difference between: (i) such Prism member’s amount realized, calculated as the sum of (A) the amount of any cash received, (B) the fair market value of any IPC common stock received, and (C) such Prism member’s share, for U.S. federal income tax purposes, of Prism’s liabilities immediately prior to the Merger and (ii) such Prism member’s adjusted tax basis in the Prism membership units exchanged therefor. A Prism member’s amount realized will include any earnout payments received. If a Prism member recognizes gain as a result of the Merger, such Prism member may incur a tax liability without a corresponding receipt of cash sufficient to pay such liability.

Tax matters are very complicated, and the tax consequences of the Merger to a particular Prism member will depend on such member’s particular circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the Merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws. For more information, please see the section entitled “The Merger—Material U.S. Federal Income Tax Consequences of the Merger for Prism Security holders” beginning on page 53.

Q: As an IPC stockholder, how does the IPC board of directors recommend that I vote?

A: After careful consideration, the IPC board of directors recommends that IPC stockholders vote:

- “FOR” IPC Proposal No. 1 to approve the Merger and the issuance of shares of common stock of IPC pursuant to the Merger Agreement; and
- “FOR” IPC Proposal No. 2 to adjourn the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of IPC Proposal No. 1.

Q: As a Prism member, how does the Prism board of managers recommend that I vote?

A: After careful consideration, the Prism board of managers recommends that Prism members vote:

- “FOR” Prism Proposal No. 1 to approve the Merger and the Merger Agreement; and

• “FOR” Prism Proposal No. 2 to adjourn the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Prism Proposal No. 1.

Q: What risks should I consider in deciding whether to vote in favor of the Merger?

You should carefully review the section of this joint proxy statement/prospectus entitled “Risk Factors,” which sets forth certain risks and uncertainties related to the Merger, risks and uncertainties to which the combined company’s business will be subject, and risks and uncertainties to which IPC and Prism are subject.

Q: When do you expect the Merger to be consummated?

We anticipate that the Merger will occur sometime soon after the IPC special meeting to be held on March 17, 2015, but we cannot predict the exact timing. For more information, please see the section entitled “The Merger Agreement—Conditions to the Completion of the Merger” in this joint proxy statement/prospectus.

Q: What do I need to do now?

A: IPC and Prism urge you to read this joint proxy statement/prospectus carefully, including its annexes, and to consider how the Merger affects you.

If you are a stockholder of IPC, you may provide your proxy instructions in one of two different ways. First, you can mail your signed proxy card in the enclosed return envelope. You may also provide your proxy instructions via the Internet by following the instructions on your proxy card or voting instruction form. Please provide your proxy instructions only once, unless you are revoking a previously delivered proxy instruction, and as soon as possible so that your shares can be voted at the special meeting of IPC stockholders. Even if you plan to attend the IPC special meeting in person, IPC requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the IPC special meeting if you are unable to attend.

If you are a member of Prism, you can mail your signed proxy card in the enclosed return envelope. Please provide your proxy instructions only once, unless you are revoking a previously delivered proxy instruction and as soon as possible so that your units can be voted at the special meeting of Prism members. Even if you plan to attend the Prism special meeting in person, Prism requests that you sign and return the enclosed proxy to ensure that your units will be represented at the Prism special meeting if you are unable to attend.

Q: May I vote in person at the special meeting of stockholders of IPC?

If your shares of IPC common stock are registered directly in your name with the IPC transfer agent, you are considered to be the stockholder of record with respect to those shares, and the proxy materials and proxy card are being sent directly to you by IPC. If you are an IPC stockholder of record, you may attend the special meeting of IPC stockholders and vote your shares in person. Even if you plan to attend the IPC special meeting in person, IPC requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the IPC special meeting if you are unable to attend. If your shares of IPC common stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in “street name,” and the proxy materials are being forwarded to you by your broker or other nominee together with a voting instruction card. As the beneficial owner, you are also invited to attend the special meeting of IPC stockholders. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the IPC special meeting unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting.

Q: What happens if I do not return a proxy card or otherwise provide proxy instructions, as applicable?

If you are an IPC stockholder and you fail to deliver a proxy, the resulting non-attendance will have the same effect **A:** as a vote “AGAINST” the approval of IPC Proposal No. 1, but will have no effect on the outcome of the vote for IPC Proposal No. 2.

If your bank, broker or nominee holds your IPC shares in its name and you do not instruct it how to vote, it will not have discretion to vote on any of the proposals at the special meeting. Brokers, banks or other nominees who hold shares in street name for their customers have the authority to vote on “routine” proposals when they have not received instructions from the beneficial owners of such shares. However, brokers, banks or other nominees do not have the authority to vote shares they hold for their customers on non-routine proposals when they have not received instructions from the beneficial owners of such shares. Each of Proposals No. 1 and 2 are non-routine proposals. As a result, absent instructions from the beneficial owner of such shares, brokers, banks and other nominees will not vote those shares. This is referred to as a “broker non-vote.” Broker non-votes are counted for purposes of determining whether there is a quorum. Broker non-votes will have the same effect as a vote “AGAINST” the approval of IPC Proposal No. 1. Broker non-votes will not have any effect on the outcome of the vote on the IPC Proposal No. 2 if it is submitted for approval when no quorum is present at the special meeting.

If you are a Prism member and you fail to deliver a proxy, the resulting non-attendance will have the same effect as a vote “AGAINST” the approval of Prism Proposal No. 1, but will have no effect on the outcome of the vote of Prism Proposal No. 2.

Q: When and where is the special meeting of IPC stockholders?

The special meeting of IPC stockholders will be held at the corporate headquarters of IPC located at 101 Parkshore Dr., Suite #100, Folsom, CA 95630, at 9:00 a.m., local time, on March 17, 2015. Subject to space availability, all A: IPC stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:00 a.m., local time.

Q: When and where is the special meeting of Prism members?

The special meeting of Prism members will be held at the offices of Erickson & Sederstrom, 10330 Regency Parkway Dr., Suite 100, Omaha, NE 68114, at 10:00 a.m., local time, on Friday, February 27, 2015. Subject to
A: space availability, all Prism members or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 9:00 a.m., local time.

Q: If my IPC shares are held in “street name” by my broker, will my broker vote my shares for me?

If you hold your shares in street name, you must provide your broker, bank or other nominee with instructions in order to vote those shares. To do so, you should follow the voting instructions provided to you by your bank,
A: broker or other nominee. If your bank, broker or nominee holds your shares in its name and you do not instruct it how to vote, it will not have discretion to vote on Proposals No. 1 and 2 at the special meeting.

Q: May I change my vote after I have submitted a proxy or provided proxy instructions?

IPC stockholders of record may change their vote at any time before their proxy is voted at the IPC special meeting in one of three ways. First, a stockholder of record of IPC can send a written notice to IPC’s Secretary stating that it would like to revoke its proxy. Second, a stockholder of record of IPC can submit new proxy instructions either on
A: a new proxy card or via the Internet. Third, a stockholder of record of IPC can attend the IPC special meeting and vote in person. Attendance alone will not revoke a proxy. If an IPC stockholder of record or a stockholder who owns IPC shares in “street name” has instructed a broker to vote its shares of IPC common stock, the stockholder must follow directions received from its broker to change those instructions.

Prism members of record may change their vote at any time before their proxy is voted at the Prism special meeting in one of three ways. First, a member of record of Prism can send a written notice to Prism’s President, stating that it would like to revoke its proxy. Second, a member of record of Prism can submit new proxy instructions on a new proxy card. Third, a member of record of Prism can attend the Prism special meeting and vote in person. Attendance alone will not revoke a proxy.

Q: Who is paying for this proxy solicitation?

IPC will pay for the costs of printing and filing of this joint proxy statement/prospectus and the proxy cards. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries who are
A: record holders of IPC common stock for the forwarding of solicitation materials to the beneficial owners of IPC common stock. IPC will reimburse these brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses they incur in connection with the forwarding of solicitation materials.

Q: Who can help answer my questions?

If you are an IPC stockholder and would like additional copies, without charge, of this joint proxy
A: statement/prospectus or if you have questions about the Merger, including the procedures for voting your shares,
you should contact:

D.F. King & Co., Inc.
48 Wall Street

New York, NY 10005

Toll-free: 866-387-7715

Banks and brokers: 212-493-3910
E-mail: ptomaszewski@dfking.com

OR

Internet Patents Corporation
101 Parkshore Drive, Suite #100
Folsom, California 95630
Tel: (916) 932-2860
Attn: General Counsel
eric@ipcwebmail.com

If you are a Prism member, and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the Merger, you should contact:

Prism Technologies, LLC
2323 S. 171st Street, Suite 106
Omaha, NE 68130
Telephone: (402) 934-2020
Attn: Gregory J. Duman
greg.duman@prsmip.com

Prospectus Summary

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To better understand the Merger, the proposals being considered at the IPC special meeting and the Prism member meeting, you should read this entire joint proxy statement/prospectus carefully, including the Merger Agreement attached as Annex A and the opinion of Sanli Pastore & Hill, Inc. attached as Annex B to which you are referred herein. For more information, please see the section entitled “Where You Can Find More Information” in this joint proxy statement/prospectus.

The Companies

Internet Patents Corporation

101 Parkshore Drive, Suite #100
Folsom, California 95630
(916) 932-2860

Internet Patents Corporation (“IPC”) was originally incorporated in California in February 1995, was re-incorporated in Delaware in October 1996, and is headquartered outside of Sacramento, California.

From its inception through December 21, 2011, IPC operated an online insurance marketplace that electronically matched consumers and providers of automobile, property, health, term life, and small business insurance. IPC discontinued this business in connection with the sale of substantially all of its assets in a transaction that closed in December 2011 (the “Disposition”). In connection with the Disposition, IPC changed its name from InsWeb Corporation to Internet Patents Corporation. IPC’s business consists solely of plans to license and otherwise enforce its portfolio of seven e-commerce patents (the “Patent Licensing Business”).

At its incorporation in 1995, IPC was among the earliest companies operating exclusively online, and IPC employed a significant staff of software and systems engineers to develop technology leveraging the power of the Internet. Although IPC’s principal business focus at that time was online insurance lead generation, the problems that IPC’s technology experts faced were common to many e-commerce companies. IPC’s innovative solutions to these problems are now covered by patents that it believes apply to many e-commerce activities, including:

personalized product recommendations to web site visitors;

retargeting or remarketing to web site visitors;

online registration and application processes and forms;

maintaining consistent look and feel of web pages in multiple languages; and

generating quick or even real time product rate requests.

IPC's patent portfolio consists of seven issued patents, all of which are considered utility patents. All of the issued patents are wholly-owned by IPC, except for U.S. Patent No. 7,389,246 in which IPC transferred a one-half ownership interest to an unrelated company on a royalty-free basis. All of the patents issued to IPC describe technologies that were invented by employees of IPC and assigned to IPC. In addition, IPC continues to pursue continuation patent applications related to some of the issued patents. IPC does not engage in research and development activities, and therefore does not expect to develop further patentable inventions; however, IPC may acquire additional patents from third parties for strategic purposes.

Prism Technologies, LLC
2323 S. 171st Street, Suite 106
Omaha, NE 68130
Telephone: (402) 934-2020

Prism Technologies, LLC ("Prism") is a Nebraska limited liability company headquartered in Omaha, Nebraska. Prism was formed in 2003 as a successor to Prism Resources, Inc. Prism is the majority owner of two primary operating subsidiaries: Secure Axxess, LLC, a Texas limited liability company, and Millenium Biologix, LLC, a Nebraska limited liability company.

Prism's business model is focused on intellectual property licensing and technology research and development. As of February 9, 2015, Prism and its subsidiaries owned a patent portfolio consisting of nine patent families incorporating 51 issued patents and five pending patent applications in the computer and network security, semiconductors and medical technology space. Of the 51 patents, substantially all were acquired from third parties, many of whom have a continuing right to receive a portion of the proceeds from licensing activities. Prism's executives and advisors have substantial experience licensing patents.

Strategic Concepts Acquisition Corp.

Strategic Concepts Acquisition Corp. (the "Merger Sub") is a wholly-owned subsidiary of IPC and was formed solely for the purposes of carrying out the Merger.

The Merger (see page 34)

If the Merger is completed, Merger Sub will merge with and into Prism, with Prism surviving as a wholly owned subsidiary of IPC.

Immediately after the Merger, Prism members will own approximately 39.3% of the fully-diluted common stock of IPC, with IPC stockholders and optionholders holding approximately 60.7% of the fully-diluted common stock of IPC.

For a more complete description of the Merger Agreement, please see the section entitled "The Merger Agreement" in this joint proxy statement/prospectus.

The closing of the Merger will occur no later than the third business day after the last of the conditions to the Merger has been satisfied or waived, or at another time as IPC and Prism agree. IPC and Prism anticipate that the consummation of the Merger will occur after the IPC special meeting. However, because the Merger is subject to a number of conditions, neither IPC nor Prism can predict exactly when the closing will occur or if it will occur at all.

Reasons for the Merger (see page 37)

IPC and Prism believe that the Merger will create a patent monetization company that increases shareholder value by leveraging the relative strengths of each party, creating more value for IPC stockholders and Prism members in the long-term than IPC or Prism could create as a stand-alone business.

The IPC board of directors made its determination to approve the Merger and the Merger Agreement after considering the factors described in this joint proxy statement/prospectus and after consulting with IPC's senior management and IPC's financial advisor. The positive factors considered by the IPC board of directors included, but were not limited to, the following:

the range of strategic alternatives to the Merger, including the option of continuing to operate IPC on a stand-alone basis;

the opportunity for IPC stockholders to participate in the potential future value of the combined company;

the significant experience of Prism management in the patent monetization business, and their track record of producing revenues and profits;

the relationships and connections that Prism has with inventors and other patent holders, and the experience that Prism management has in analyzing potential patent portfolios for acquisition;

the diversification and potential reduction in risk resulting from an expanded patent portfolio;

the terms and conditions of the Merger Agreement;

the fairness opinion of Sanli, Pastore and Hill (“SP&H”);

the maintenance of IPC’s public company status to provide liquidity for stockholders;

the potential for accelerating the utilization of IPC’s net operating loss carryforwards; and

the likelihood that the Merger will be completed on a timely basis.

The IPC board of directors also considered a number of potentially negative factors in its deliberations concerning the Merger, including:

the general challenges associated with successfully integrating two companies;

the risk that one or more of Prism’s patents will be declared invalid;

the risk that Prism will not achieve the results contained in projections provided to IPC during discussions of the Merger;

the potential loss of key employees critical to the ongoing success of the combined company’s business;

the interests of IPC directors and executive officers in the Merger, including the matters described under the section entitled “The Merger — Interests of the IPC Directors and Executive Officers in the Merger” beginning on page 49;

the risk that conditions to the completion of the Merger will not be satisfied and that the Merger may not be completed in a timely manner or at all;

the risk that the Merger will limit or prevent IPC from pursuing other strategic alternatives, including a cash distribution to stockholders;

the ability of Prism’s current officers and managers to significantly influence the combined company’s business following the completion of the Merger; and

the other risks described above under the section entitled “Risk Factors” beginning on page 18.

The Prism board of managers, acting with the advice and assistance of the executive officers of Prism, evaluated the proposed Merger, including the terms and conditions of the Merger Agreement. In the course of reaching its determination that the Merger is in the best interests of Prism and its members, the Prism board of managers, with the advice and assistance of Prism’s executive officers, considered the following material factors that it believed supported its determination:

the Merger will allow Prism members to monetize their investment in Prism, providing the Prism members with the ability to obtain liquidity in the form of cash and registered shares of IPC common stock, subject to the restrictions set forth in the Merger Agreement;

the inclusion of IPC common stock in the Merger consideration allows Prism members to receive both cash consideration and the opportunity to participate in the future results of IPC;

the possible strategic alternatives to the Merger, including continuing as a standalone company, an initial public offering, private equity financing, or a sale or merger with other parties, each of which was determined to be less favorable to Prism and the Prism members than the Merger given the potential risks, rewards, and uncertainties associated with those alternatives;

the expectation that Prism management will remain in place following the consummation of the Merger and will manage the pending enforcement actions and future enforcement actions with access to significantly more capital than prior to the Merger; and

the likelihood that the Merger would be completed, based on, among other things:
o the absence of significant required regulatory approvals;
o the Prism members' desire for liquidity; and
o the reputation and financial capacity of IPC.

In the course of its deliberations, with the advice and assistance of the executive officers of Prism, the Prism board of managers also considered a variety of risks and other countervailing factors related to entering into the Merger Agreement, including, without limitation, the following:

the fact that Prism will no longer be an independent company and the concern that Prism's management will not have autonomy in its decision-making;

the potential negative consequences that could result from public visibility into Prism's financial statements;

the fact that the number of shares of IPC common stock offered as consideration is fixed and therefore the total Merger consideration at the time of closing may have a greater or lesser value than at the time the Merger Agreement was signed;

the risk that the Merger might not be completed in a timely manner or at all, including the risk that the shareholders of IPC or the members of Prism do not approve the Merger or the Merger Agreement;

the risks and costs to Prism if the Merger does not close, including the diversion of management and employee attention;

the risk that, while the Merger is expected to be completed, there can be no assurance that all conditions to the parties' obligations to complete the Merger will be satisfied, and as a result, it is possible that the Merger may not be completed even if it is approved by the Prism members; and

the fact that the Prism board of managers did not receive a fairness opinion regarding the fairness of the Merger consideration to Prism members from a financial point of view, or with respect to projections, estimates, and other forward-looking statements about the future earnings or other measures of the future performance of the combined company should the Merger close.

In addition, the Prism board of managers was aware of and considered the interests that certain members of the Prism board of managers and executive officers have in the Merger that are different from, or in addition to, the interests of Prism members generally, as described in "The Merger—Interests of the Prism Managers and Executive Officers in the

Merger” beginning on page 50.

Opinion of the IPC Financial Advisor (see page 39)

Sanli Pastore & Hill, Inc. (“SP&H”), the financial advisor of IPC, delivered to the board of directors of IPC a written opinion dated November 9, 2014, addressed to the board of directors of IPC, to the effect that, as of the date of the opinion and based on and subject to various assumptions, qualifications and limitations described in the opinion, the Merger consideration was fair, from a financial point of view, to holders of IPC common stock. The full text of this written opinion to the IPC board of directors, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as *Annex B* to this joint proxy statement/prospectus and is incorporated by reference in its entirety into this joint proxy statement/prospectus. Holders of IPC common stock are encouraged to read the opinion carefully in its entirety. **The SP&H opinion was provided to the board of directors of IPC in connection with its evaluation of the consideration to be paid in the Merger. It does not address any other aspect of the proposed merger or any alternative to the Merger and does not constitute a recommendation as to how any stockholders of IPC should vote or act in connection with the Merger or otherwise.**

Overview of the Merger Agreement

Merger Consideration (see page 59)

Each member of Prism immediately prior to the effective time of the Merger will receive its pro-rata share of (i) \$16.5 million in cash (less certain Prism indebtedness and expenses, which are currently expected to be immaterial), (ii) 3.5 million shares of IPC common stock, and (iii) the right to future earnout payments, payable following the occurrence of a future “Earnout Event”, if any. Based upon (i) 14,741,420 Prism membership units expected to be outstanding at the closing of the Merger and (ii) the aggregate cash payment of \$16.5 million without any potential reductions for indebtedness or unpaid expenses, the value of the cash consideration per unit to Prism members is expected to be \$1.12 at the closing. Based upon the average closing price of IPC common stock from February 3, 2015 to February 9, 2015, the value of the stock consideration per unit to Prism members is expected to be \$0.62 at the closing, for an aggregate cash and stock consideration per unit equal to \$1.74 at the closing. In addition, assuming achievement of the maximum earnout amount of \$49.5 million following the closing, Prism members would be entitled to an additional \$3.35 of consideration per unit, for a potential aggregate per unit Merger consideration of \$5.09.

An “Earnout Event” is defined as receipt by Prism of any amount more than \$16.5 million, minus the cash balance of Prism as of closing (the “Sharing Threshold”), in “Prism patent proceeds” from lawsuits filed by Prism on or prior to the closing date of the Merger. Prism patent proceeds include total cash recoveries from litigation or settlement, royalties, license fees and proceeds from patent sales actually received by Prism in connection with its business; minus costs, expenses and fees associated with the production of such revenue (including sales commissions, attorney contingency fees, expert fees and deferred purchase amounts paid to third parties); minus Prism cash operating expenses other than amortization and other non-cash expenses for the applicable measurement period.

Upon the occurrence of an Earnout Event, an earnout payment in cash equal to 70% of the amount of Prism patent proceeds exceeding the Sharing Threshold shall be paid to the former Prism members, provided, however, that the aggregate amount of such earnout payments, including certain permitted pre-closing distributions, shall not exceed \$55 million. As of the date of this joint proxy statement/prospectus, such permitted pre-closing distributions equal approximately \$5.5 million, resulting in a maximum potential earnout payment of approximately \$49.5 million.

The Merger Agreement does not include a price-based termination right, and there will be no adjustment to the total number of shares of IPC common stock that Prism members will be entitled to receive for changes in the market price of IPC common stock or changes in the number of outstanding shares of IPC common stock. Accordingly, the market value of the shares of IPC common stock issued pursuant to the Merger, and the percentage of outstanding IPC common stock to be held by Prism members immediately following the consummation of the Merger, will depend on the market value of the shares of IPC common stock and the number of shares of IPC common stock outstanding at

the time the Merger closes, and could vary significantly from the market value on the date of this joint proxy statement/prospectus.

Conditions to the Completion of the Merger (see page 60)

As a condition to closing, IPC stockholders must approve the issuance of 3,500,000 shares of IPC common stock that will be paid to Prism members in the Merger. Additionally, Prism members holding at least sixty-seven percent (67%) of then outstanding units held by Prism members must approve the Merger and the Merger Agreement. In addition to obtaining such stockholder and member approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived prior to closing.

No Negotiation (see page 63)

Prism agreed that it will not, and will not authorize or permit any representative of Prism to: (a) solicit or encourage the initiation or submission of any expression of interest, inquiry, proposal or offer from any person (other than IPC) relating to a possible “acquisition transaction,” as defined in the Merger Agreement; (b) participate in any discussions or negotiations or enter into any agreement, understanding or arrangement with, or provide any non-public information to, any person (other than IPC or its representatives) relating to or in connection with a possible acquisition transaction; or (c) entertain or accept any proposal or offer from any person (other than IPC) relating to a possible acquisition transaction.

Termination of the Merger Agreement (see page 67)

Either IPC or Prism can terminate the Merger Agreement under certain circumstances, which would prevent the Merger from being consummated.

Support Agreements (see page 69)

Certain Prism members are each party to a support agreement with IPC pursuant to which, among other things, each of these members agreed not to transfer its ownership interest in Prism and to vote all of its membership units of Prism in favor of the Merger and the adoption and approval of the Merger Agreement and the terms thereof. The parties to the support agreements with IPC are: Richard L. Gregg (on behalf of Prism Resources, Inc.), a Prism manager and executive officer; Gregory J. Duman, a Prism manager and executive officer; Gerald C. Korth, a Prism executive officer; Andre J. Bahou, a Prism executive officer; and William Fisher (on behalf of FFI, LLC), a Prism manager.

The members of Prism that are party to a support agreement with IPC owned an aggregate of 6,157,419 membership units of Prism, representing approximately 47% of the outstanding membership units of Prism, as of the date of this joint proxy statement/prospectus.

Lock-up Agreements (see page 69)

As a condition to the closing of the Merger, certain Prism security holders have entered into lock-up agreements, pursuant to which such parties will agree not to, except in limited circumstances, sell or transfer, shares of IPC common stock, including, as applicable, shares received in the Merger from the effective date of the Merger until 180 days from the closing date of the Merger.

As of the date of this joint proxy statement/prospectus, Prism members who have executed lock-up agreements beneficially owned in the aggregate approximately 47% of the outstanding membership units of Prism.

Management Following the Merger (see page 92)

Effective as of the closing of the Merger, IPC's board of directors and officers and Prism's officers are expected to remain unchanged except that Gregory J. Duman, a manager, executive officer and security holder of Prism is expected to be appointed to IPC's board of directors immediately following the consummation of the Merger.

Interests of Certain Directors, Managers, and Officers of IPC and Prism (see pages 49 and 50)

IPC's stockholders should be aware that certain of the directors and executive officers of IPC have arrangements that provide them with interests in the Merger that are different from, or in addition to, those of the stockholders of IPC. Specifically, each of IPC's current executive officers and directors will be an executive officer and a director, respectively, of the combined company.

As of February 9, 2015, the directors and executive officers of IPC, together with their affiliates, beneficially owned approximately 38.4% of the outstanding shares of IPC common stock entitled to vote. The affirmative vote of the holders of a majority of the shares of IPC common stock having voting power present in person or represented by proxy at the IPC special meeting is required for approval of all IPC proposals.

In considering the recommendations of the Prism board of managers, you should be aware that some of Prism's managers and executive officers have interests in the Merger that are different from, or in addition to, the interests of

Prism members generally. Specifically, Gregory J. Duman, Richard L. Gregg, Andre J. Bahou, and Gerald Korth, who are currently Prism managers or executive officers, will enter into employment agreements and non-competition agreements with IPC, which provide them continued employment with Prism, salary increases, and an aggregate of up to 450,000 IPC stock options, which vest over the term of their three year employment agreement. In addition, Gregory J. Duman is expected to be appointed to IPC's board of directors immediately following consummation of the Merger. Further, Prism managers or executive officers Andre J. Bahou, Gregory Bailey, Richard Danzig and Gerald Korth will exchange their minority interests in a Prism subsidiary into units of Prism. See page 50 for more detail concerning the terms of the employment agreements and non-competition agreements and the minority interest exchange. Finally, pursuant to the Merger Agreement, for six years following the effective time of the Merger, Prism must maintain the directors' and officers' liability insurance policies held by Prism prior to the closing of the Merger.

As of February 9, 2015, all of the members of the Prism board of managers and Prism's executive officers, together with their affiliates, owned, directly or indirectly, approximately 55% of the outstanding Prism units. Approval of the Merger and the Merger Agreement requires the approval of Prism members holding at least sixty-seven percent (67%) of then outstanding units held by Prism members. Certain Prism executive officers and managers, and their affiliates who owned approximately 47% of the outstanding membership units of Prism as of February 9, 2015, have also entered into support agreements with IPC in connection with the Merger. The support agreements are discussed in greater detail in the section entitled "Agreements Related to the Merger—Support Agreements" in this joint proxy statement/prospectus.

The IPC board of directors and Prism board of managers were aware of these respective interests and considered them, among other matters, prior to making their respective determinations to recommend the approval of the Merger to IPC stockholders and Prism members, respectively. For a more complete discussion of the interests of the directors, managers and officers of IPC and Prism, see "The Merger—Interests of the IPC Directors and Executive Officers in the Merger" beginning on page 49 and "The Merger—Interests of the Prism Managers and Executive Officers in the Merger" beginning on page 50.

Material U.S. Federal Income Tax Consequences of the Merger for Prism Security holders (see page 53)

The Merger will be a taxable transaction to the Prism members for U.S. federal income tax purposes. Prism is taxed as a partnership for federal income tax purposes immediately prior to the sale and will be a single member LLC immediately after the sale. Prism security holders should reference Revenue Ruling 99-6 for general guidance on the taxation of this transaction. In general, a Prism member, who exchanges its Prism membership units for cash and IPC common stock pursuant to the Merger, will recognize a gain or loss in an amount equal to the difference between: (i) such Prism member's amount realized, calculated as the sum of (A) the amount of any cash received, (B) the fair market value of any IPC common stock received, and (C) such Prism member's share, for U.S. federal income tax purposes, of Prism's liabilities immediately prior to the Merger and (ii) such Prism member's adjusted tax basis in the Prism membership units exchanged therefor. A Prism member's amount realized will include any earnout payments received. If a Prism member recognizes gain as a result of the Merger, such Prism member may incur a tax liability without a corresponding receipt of cash sufficient to pay such liability. Tax matters are very complicated, and the tax consequences of the Merger to a particular Prism member will depend on such member's particular circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the Merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws. For more information, please see the section entitled "The Merger—Material U.S. Federal Income Tax Consequences of the Merger for Prism Security holders" beginning on page 53.

Risk Factors (see page 18)

Both IPC and Prism are subject to various risks associated with their businesses and their industries. In addition, the Merger, including the possibility that the Merger may not be completed, poses a number of risks to each company and its respective security holders, including the following risks:

IPC may not realize the potential value and benefits created by the Merger;

Future results of the combined company may differ materially from the unaudited pro forma financial statements and the forecasts prepared by IPC and Prism presented in this joint proxy statement/prospectus;

Because the lack of a public market for Prism shares makes it difficult to evaluate the fairness of the Merger, the Prism security holders may receive consideration in the Merger that is less than the fair market value of the Prism membership units;

If Prism's liabilities are greater than expected, or if there are unknown Prism obligations, IPC's business could be materially and adversely affected;

Litigation may be instituted against IPC, members of the IPC board of directors, Prism, and members of the Prism board of managers challenging the Merger and adverse judgments in these lawsuits may prevent the Merger from becoming effective within the expected timeframe or at all;

The issuance of IPC's securities to Prism security holders in connection with the Merger will substantially dilute the voting power of current IPC stockholders in the combined company;

The announcement and pendency of the Merger could have an adverse effect on the business prospects for IPC and/or Prism and on IPC's stock price and/or business, financial condition or results of operations;

Failure to complete the Merger or delays in completing the Merger could negatively impact IPC's business, financial condition, or results of operations or IPC's stock price;

If IPC fails to successfully integrate Prism into its internal control over financial reporting or if the current internal control of Prism over financial reporting is found to be ineffective, the integrity of IPC's and/or Prism's financial reporting could be compromised which could result in a material adverse effect on IPC's reported financial results;

Prism members may not receive the contingent cash consideration payments provided for in the Merger Agreement;

The share consideration is not adjustable based on the market price of IPC common stock so the Merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was signed;

Some of the directors and executive officers of IPC and the executive officers and managers of Prism have interests in the Merger that are different from, or in addition to, those of the other IPC stockholders and Prism members, respectively; and

The Merger will be a taxable transaction to the Prism members for U.S. federal income tax purposes.

These risks and other risks are discussed in greater detail under the section entitled “Risk Factors” in this joint proxy statement/prospectus. IPC and Prism both encourage you to read and consider all of these risks carefully.

Regulatory Approvals (see page 53)

In the United States, IPC must comply with applicable federal and state securities laws and the rules and regulations of the NASDAQ Capital Market in connection with the Merger, the issuance of shares of IPC common stock and the filing of this joint proxy statement/prospectus with the SEC. As of the date hereof, the registration statement of which this joint proxy statement/prospectus is a part has not become effective.

Anticipated Accounting Treatment (see page 57)

The Merger will be accounted for as a “purchase,” as that term is used under generally accepted accounting principles, for accounting and financial reporting purposes. Under purchase accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Prism as of the effective time of the Merger will be recorded at their respective fair values and added to those of IPC. Any excess of purchase price over the fair values is recorded as goodwill. Consolidated financial statements of IPC issued after the Merger would reflect these fair values and would not be restated retroactively to reflect the historical consolidated financial position or results of operations of Prism.

No Appraisal Rights or Dissenters’ Rights (see page 58)

Under the Nebraska Uniform Limited Liability Company Act (the “NULLCA”), holders of Prism membership units will not have rights to an appraisal of the fair value of their units in connection with the Merger.

Comparison of Stockholder Rights (see page 115)

IPC is incorporated under the General Corporation Law of the State of Delaware (the “DGCL”), and Prism is formed under the laws of the State of Nebraska. Accordingly, the rights of the security holders of each company are currently governed by the DGCL and NULLCA, respectively. If the Merger is completed, Prism members will become stockholders of IPC, and their rights will be governed by the DGCL and the restated certificate of incorporation, as amended (the “Certificate of Incorporation”), and amended and restated bylaws, as amended (the “Bylaws”), of IPC. The rights of IPC stockholders contained in the Certificate of Incorporation and Bylaws of IPC differ from the rights of Prism members under the articles of organization and operating agreement of Prism, as more fully described under the section entitled “Comparison of Rights of Holders of IPC Common Stock and Prism Units” in this joint proxy statement/prospectus.

Comparative Historical and Unaudited Pro Forma Per Share Data

The information below reflects the historical net income (loss) and book value per share of IPC common stock and the historical net income (loss) and book value per unit of Prism membership units in comparison with the unaudited pro forma net income (loss) and book value per share after giving effect to the proposed Merger of IPC with Prism on a purchase basis.

You should read the tables below in conjunction with the audited and unaudited consolidated financial statements of IPC included in this joint proxy statement/prospectus and the audited and unaudited financial statements of Prism included in this joint proxy statement/prospectus and the related notes and the unaudited pro forma condensed financial information and notes related to such financial statements included elsewhere in this joint proxy statement/prospectus.

IPC

	Year Ended December 31, 2013	Nine Months Ended September 30, 2014
Historical Per Common Share Data:		
Basic and diluted net loss per share	\$ (0.34)	\$ (0.21)
Book value per share	\$ 3.93	\$ 3.73
Cash dividends paid per share	\$ —	\$ —

PRISM

	Year Ended December 31, 2013	Nine Months Ended September 30, 2014
Historical Per Unit Data:		
Basic and diluted net income (loss) per unit	\$ 0.49	\$ (0.22)
Book value per unit	\$ 0.07	\$ (0.13)
Cash dividends paid per unit	\$ 0.38	\$ —

IPC AND PRISM UNAUDITED PRO FORMA COMBINED

	Year Ended December 31, 2013	Nine Months Ended September 30, 2014
Unaudited Pro Forma Per Common Share Data:		
Basic and diluted net income (loss) per share	\$ 1.49	\$ (1.39)
Book value per share	\$ N/A	\$ 3.53
Cash dividends paid per share	\$ 0.06	\$ —

Book value per share is defined as: Net assets divided by outstanding shares as of the respective dates. For December 31, 2013, the book value per share for IPC and Prism pro forma combined was not available since the December 31, 2013 balance sheet is not required for pro forma disclosure.

Cash dividends per share is defined as: Dividends distributed divided by outstanding shares as of the respective dates.

MARKET PRICE AND DIVIDEND INFORMATION

IPC common stock is listed on The NASDAQ Capital Market under the symbol “PTNT”. The following table presents the range of high and low per share sales prices for IPC common stock as reported on The NASDAQ Capital Market for each of the periods set forth below. Prism is a private company and its securities are not publicly traded.

IPC Common Stock

	High	Low
Year Ended December 31, 2013		
First Quarter	\$ 4.00	\$ 3.66
Second Quarter	\$ 3.75	\$ 3.45
Third Quarter	\$ 3.72	\$ 3.15
Fourth Quarter	\$ 3.50	\$ 3.03
Year Ended December 31, 2014		
First Quarter	\$ 3.35	\$ 2.96
Second Quarter	\$ 3.40	\$ 3.00
Third Quarter	\$ 3.15	\$ 2.96
Fourth Quarter	\$ 3.09	\$ 2.60
Year Ended December 31, 2015		
First Quarter (through record date)	\$ 2.89	\$ 2.59

The closing price of IPC common stock on February 9, 2015, as reported on The NASDAQ Capital Market, was \$2.56 per share.

Because the market price of IPC common stock is subject to fluctuation, the market value of the shares of IPC common stock that Prism members will be entitled to receive in the Merger may increase or decrease.

As of February 6, 2015, the record date for the IPC special meeting, IPC had approximately 1,272 holders of record of its common stock. As of February 6, 2015, Prism had approximately 110 holders of record of its membership units. For detailed information regarding the beneficial ownership of certain stockholders of IPC upon consummation of the Merger, see the section entitled “Principal Stockholders of Combined Company” in this joint proxy statement/prospectus.

The following table presents the last reported sale price of a share of IPC common stock, as reported on The NASDAQ Capital Market, and the equivalent value of a Prism unit, in each case, on November 11, 2014, the last full trading day prior to the public announcement of the Merger, and on February [__], 2015, the last practicable day prior to the printing of this joint proxy statement/prospectus for which it was practicable to include this information.

Date	IPC common stock	Prism unit equivalent per share value assuming no earnout payment⁽¹⁾	Prism unit equivalent per share value assuming maximum earnout payment⁽²⁾
November 11, 2014	\$ 3.07	\$ 1.76	\$ 4.98
February [__], 2015	\$ [__]	\$ [__]	\$ [__]

(1) Represents the per Prism unit Merger consideration, assuming no adjustment to the cash consideration of \$16.5 million and no earnout payments, based upon the closing price of IPC common stock on the applicable date.

(2) Represents the per Prism unit Merger consideration, assuming no adjustment to the cash consideration of \$16.5 million and receipt of the maximum amount of earnout payments (\$49.5 million), based upon the closing price of IPC common stock on the applicable date.

Dividends

Historically, IPC has not paid any cash dividends on its capital stock. In conjunction with the Disposition on December 21, 2011, IPC declared a special distribution of \$5 per share which was paid to stockholders on March 9, 2012. Other than such distribution, IPC has never paid or declared any cash dividends on its common stock. Any determination to pay dividends subsequent to the Merger will be at the discretion of IPC's board of directors and will depend upon a number of factors, including IPC's results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors that IPC's board of directors deems relevant.

Prism Dividend Policy

Pursuant to the Prism and Secure Axxess operating agreements, all distributions to Prism and Secure Axxess members are made from net cash flow at such times and in such amounts as determined by their respective board of managers.

In the years ended December 31, 2012 and 2013, Prism made distributions to its members of \$0.06 per unit and \$0.38 per unit, respectively. Prism did not make any distributions to its members in the year ended December 31, 2014.

In the year ended December 31, 2013, Secure Axxess made a distribution of \$1.06 per unit to its members. Secure Axxess did not make any distributions in the years ended December 31, 2012 or December 31, 2014.

RISK FACTORS

The combined company will be faced with a market environment that cannot be predicted and that involves significant risks, many of which will be beyond its control. In addition to the other information contained in this joint proxy statement/prospectus, you should carefully consider the material risks described below before deciding how to vote your shares of stock. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. Please see the section entitled “Where You Can Find More Information” in this joint proxy statement/prospectus.

Risks Related to the Merger

IPC may not realize the potential value and benefits created by the Merger.

IPC’s ability to realize the expected potential value and benefits created by the Merger requires successful integration of IPC’s existing business with Prism’s business. The integration process may be complex, costly, and time-consuming. The difficulties of integrating the operations of Prism’s business could include, among others:

- failure to implement IPC’s business plan for the combined business, including plans for maximizing the combined company’s intellectual property portfolio;
- unanticipated issues in integrating the business of both companies, including the operations, technology and personnel;
- loss of key employees with knowledge of IPC’s or Prism’s historical business and operations;
- issues with maintaining controls, procedures and policies during the transition and integration process;
- unanticipated changes in applicable laws and regulations; and
- other unanticipated issues, expenses, or liabilities that could impact, among other things, IPC’s ability to realize any expected benefits on a timely basis, or at all.

If IPC and Prism are not able to integrate their operations successfully and timely, the expected benefits of the Merger may not be realized.

Future results of the combined company may differ materially from the unaudited pro forma financial statements and the forecasts prepared by IPC and Prism presented in this joint proxy statement/prospectus.

The future results of the combined company may be materially different from those shown in the unaudited pro forma combined financial statements and forecasts presented in this joint proxy statement/prospectus. The pro forma unaudited combined financial statements show only a combination of the historical results of IPC and Prism, which may not be indicative of the results of the combined company. In addition, the forecasts contained in this joint proxy statement/prospectus were created using assumptions and estimates that may prove to be inaccurate due to the inherently unpredictable nature of the patent licensing model. If the actual results differ from the historical results of Prism and/or IPC, or if the assumptions used in preparing the forecasts prove to be inaccurate, the combined company's revenues, expenses and cash flows may be materially and adversely affected.

In addition, IPC expects to incur significant costs associated with the completion of the Merger and combining the operations of the two companies. The exact magnitude of these costs are not yet known, but are estimated to be approximately \$1 million.

Because the lack of a public market for Prism shares makes it difficult to evaluate the fairness of the Merger, the Prism security holders may receive consideration in the Merger that is less than the fair market value of the Prism membership units.

The outstanding membership units of Prism are privately held and not traded in any public market. The lack of a public market makes it extremely difficult to determine the fair market value of Prism. Because the percentage of IPC common stock to be issued to Prism security holders was determined based on negotiations between the parties, it is possible that the value of the IPC common stock to be received by Prism security holders will be less than the fair market value of Prism, or IPC may pay more than the aggregate fair market value for Prism.

If Prism's liabilities are greater than expected, or if there are unknown Prism obligations, IPC's business could be materially and adversely affected.

As a result of the Merger, Prism will become a wholly owned subsidiary of IPC and Prism's liabilities, including contingent liabilities, will be consolidated with IPC's. There may be unforeseen or unexpected liabilities related to the Merger or issues relating to IPC's ability to comply with other applicable laws, rules and regulations. Among other things, if Prism's liabilities are greater than expected, or if there are obligations of Prism of which IPC is not aware at the time of completion of the Merger, IPC's business could be materially and adversely affected.

IPC has limited indemnification rights in connection with matters affecting Prism. Prism may also have other unknown liabilities which IPC will be responsible for after the Merger. If IPC is responsible for liabilities not covered by indemnification rights or substantially in excess of amounts covered through any indemnification rights, IPC could suffer severe consequences that would substantially reduce its revenues, earnings and cash flows.

Litigation may be instituted against IPC, members of the IPC board of directors, Prism, and members of the Prism board of managers challenging the Merger and adverse judgments in these lawsuits may prevent the Merger from becoming effective within the expected timeframe or at all.

IPC, members of the IPC board of directors, Prism, and members of the Prism board of managers may be named as defendants in class action lawsuits to be brought by IPC stockholders or Prism members challenging the Merger. If the plaintiffs in these potential cases are successful, they may prevent the parties from completing the Merger in the expected timeframe, if at all. Even if the plaintiffs in these potential actions are not successful, the costs of defending against such claims could adversely affect the financial condition of IPC or Prism.

The issuance of IPC's securities to Prism security holders in connection with the Merger will substantially dilute the voting power of current IPC stockholders in the combined company.

Pursuant to the terms of the Merger Agreement, IPC will issue 3.5 million shares of its common stock to Prism security holders. In addition, IPC will grant options to purchase 500,000 shares of its common stock to certain Prism security holders in connection with the individual's employment as an officer or service as a director of the combined company. After such issuances, the security holders of Prism are expected to own approximately 34.7% of the outstanding common stock of IPC (or 39.3% of the outstanding common stock of IPC calculated on a fully diluted basis). Accordingly, the issuance of shares of IPC common stock to Prism security holders in connection with the Merger will significantly reduce the relative voting power of each share of IPC common stock held by current IPC stockholders.

The announcement and pendency of the Merger could have an adverse effect on the business prospects for IPC and/or Prism and on IPC's stock price and/or business, financial condition or results of operations.

The announcement and pendency of the Merger could disrupt IPC's and/or Prism's prospective and current businesses. For example, IPC's and Prism's management have substantial responsibilities in completing the Merger and integration of the companies. As a result, their attention may be diverted from the day-to-day business operations of their respective companies, including from other opportunities that might be beneficial to IPC or Prism. Should this occur, the financial condition, results of operations, or business prospects of IPC, Prism, and/or the combined company may be harmed.

Failure to complete the Merger or delays in completing the Merger could negatively impact IPC's business, financial condition, or results of operations or IPC's stock price.

The completion of the Merger is subject to a number of conditions and there can be no assurance that the conditions to the completion of the Merger will be satisfied at all or satisfied in a timely manner. In addition, both IPC and Prism have the right to terminate the agreement under certain circumstances. If the Merger is delayed or not completed, IPC's financial condition, results of operations and stock price may be adversely affected by the following:

the current trading price of IPC common stock may reflect a market assumption that the Merger will occur, meaning that a failure to complete the Merger or delays in completing the Merger could result in a decline in the price of IPC common stock;

certain executive officers and/or directors of IPC or Prism may seek other employment opportunities, and the departure of any of IPC's or Prism's executive officers or directors and the possibility that IPC would be unable to recruit and hire experienced executives could negatively impact IPC's future business; and

IPC is expected to incur substantial transaction costs in connection with the Merger whether or not the Merger is completed.

If IPC fails to successfully integrate Prism into its internal control over financial reporting or if the current internal control of Prism over financial reporting is found to be ineffective, the integrity of IPC's and/or Prism's financial reporting could be compromised which could result in a material adverse effect on IPC's reported financial results.

As a private company, Prism has not been subject to the requirements of the Securities Exchange Act of 1934, as amended, with respect to internal control over financial reporting, and for a period of time after the consummation of the Merger, IPC management's evaluation of the effectiveness of its internal control over financial reporting will be permitted to exclude the operations of Prism. The integration of Prism into IPC's internal control over financial reporting will require significant time and resources from IPC's management and other personnel and will increase IPC's compliance costs. If IPC fails to successfully integrate these operations, its internal control over financial reporting may not be effective. Failure to achieve and maintain an effective internal control environment could have a material adverse effect on IPC's ability to accurately report its financial results and the market's perception of IPC's business and its stock price. In addition, if Prism's internal control over financial reporting is found to be ineffective, the integrity of Prism's past financial statements could be adversely impacted.

The share consideration is not adjustable based on the market price of IPC common stock so the Merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was signed.

As part of the total consideration for all outstanding Prism membership units, the Merger Agreement sets forth a maximum share consideration of 3.5 million IPC common shares. Any changes in the market price of IPC common

stock before the completion of the Merger will not affect the number of IPC common shares Prism security holders will be entitled to receive pursuant to the Merger Agreement. Therefore, if before the completion of the Merger, the market price of IPC common stock declines from the market price on the date of the Merger Agreement, then Prism security holders could receive Merger consideration with substantially lower value. Similarly, if before the completion of the Merger the market price of IPC common stock increases from the market price on the date of the Merger Agreement, then Prism security holders could receive Merger consideration with substantially more value than the parties had negotiated for in the Merger Agreement. The Merger Agreement does not include a price-based termination right. Because the share consideration does not adjust as a result of changes in the value of IPC common stock, for each one percentage point that the market value of IPC common stock rises or declines, there is a corresponding one percentage point rise or decline, respectively, in the value of the total share consideration issued to Prism security holders.

Prism members may not receive the contingent cash consideration payments provided for in the Merger Agreement.

In addition to the cash and stock consideration payable at the closing of the Merger, IPC has also agreed to share future revenue related to Prism's patents with Prism's former security holders up to a maximum amount of approximately \$49.5 million, or approximately \$3.35 per Prism membership unit, subject to the terms and conditions for such earnout payments set forth in the Merger Agreement. Because this portion of the Merger consideration is contingent upon the occurrence of future earnout events following the closing of the Merger, there are no assurances of the amount of cash, if any, beyond the Merger consideration payable at the closing of the Merger that Prism members will receive for their Prism units. As a result, Prism members will not know, prior to the date of the special meeting, the amount of contingent cash consideration, if any, that may be payable to Prism members. For additional information, see "The Merger—Merger Consideration" beginning on page 52.

Some of the directors and executive officers of IPC and the executive officers and managers of Prism have interests in the Merger that are different from, or in addition to, those of the other IPC stockholders and Prism members, respectively.

IPC's stockholders should be aware that certain of the directors and executive officers of IPC have arrangements that provide them with interests in the Merger that are different from, or in addition to, those of the stockholders of IPC. Specifically, each of IPC's current executive officers and directors will be an executive officer and a director, respectively, of the combined company. In addition, Prism members should be aware that Prism managers or executive officers, Gregory J. Duman, Richard L. Gregg, Andre J. Bahou, and Gerald Korth will enter into employment agreements and non-competition agreements with IPC, which provide them continued employment with Prism, salary increases, and an aggregate of 450,000 IPC stock options, which vest over the term of their three year employment agreement. Gregory J. Duman is also expected to be appointed to the IPC board of directors immediately following consummation of the Merger. Prism managers or executive officers Andre J. Bahou, Gregory Bailey, Richard Danzig and Gerald Korth will also exchange their minority interests in a Prism subsidiary into units of Prism.

The Merger will be a taxable transaction to the Prism members for U.S. federal income tax purposes.

The Merger will be a taxable transaction to the Prism members for U.S. federal income tax purposes. Prism is taxed as a partnership for federal income tax purposes immediately prior to the sale and will be a single member LLC immediately after the sale. Prism security holders should reference Revenue Ruling 99-6 for general guidance on the taxation of this transaction. In general, a Prism member, who exchanges its Prism membership units for cash and IPC common stock pursuant to the Merger, will recognize a gain or loss in an amount equal to the difference between: (i) such Prism member's amount realized, calculated as the sum of (A) the amount of any cash received, (B) the fair market value of any IPC common stock received, and (C) such Prism member's share, for U.S. federal income tax purposes, of Prism's liabilities immediately prior to the Merger and (ii) such Prism member's adjusted tax basis in the Prism membership units exchanged therefor. A Prism member's amount realized will include any earnout payments received. If a Prism member recognizes gain as a result of the Merger, such Prism member may incur a tax liability without a corresponding receipt of cash sufficient to pay such liability.

Tax matters are very complicated, and the tax consequences of the Merger to a particular Prism member will depend on such member's particular circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the Merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws. For more information, please see the section entitled "The Merger—Material U.S. Federal Income Tax Consequences of the Merger for Prism Security holders" beginning on page 53.

Risks Related to IPC's Common Stock

IPC's future stock price may fluctuate widely.

The trading price of IPC's common stock has been volatile and may be significantly affected by factors including actual or anticipated operating results, announcements regarding licensing or litigation developments, disputes concerning the validity of one or more of IPC's patents, and IPC's limited trading volume. These fluctuations may harm IPC's stock price. Any negative change in the public's perception of the prospects of the Patent Licensing Business could also depress IPC's stock price regardless of its results.

IPC's common stock may be delisted from The NASDAQ Capital Market if it fails to satisfy the continued listing standards of that market.

If IPC is unable to satisfy the continued listing standards of The NASDAQ Capital Market, its common stock may be delisted from that market. In order to continue to be listed on The NASDAQ Capital Market, IPC must meet all of the following requirements as set forth in NASDAQ Listing Rule 5550(a):