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

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 14, 2012

VRINGO, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-34785	20-4988129
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

780 Third Avenue, 15th Floor, New York, NY 10017
(Address of Principal Executive Offices and Zip Code)

Registrant’s telephone number, including area code: (212) 309-7549

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

As previously disclosed, on March 12, 2012, Vringo, Inc. (the “Company”) entered into an Agreement and Plan of Merger with VIP Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company (“Merger Sub”), and Innovate/Protect, Inc., a Delaware corporation and an intellectual property firm founded in 2011, whose wholly-owned subsidiary, I/P Engine Inc. (“I/P Engine”), holds eight patents that were acquired from Lycos Inc. (“Innovate/Protect”), pursuant to which Innovate/Protect merged with and into Merger Sub, with Merger Sub being the surviving corporation renamed Innovate/Protect, Inc. (the “Surviving Corporation”) through an exchange of capital stock of Innovate/Protect for capital stock of the Company. The merger was approved by the Company’s stockholders at our annual meeting of stockholders held on July 19, 2012 and the Company consummated the merger on July 19, 2012.

As a result of the consummation of the merger, as of the closing date, the former stockholders of Innovate/Protect owned approximately 55.04% of the outstanding shares of our common stock (or 67.61% of the outstanding shares of our common stock calculated on a fully diluted basis) and the Company’s stockholders prior to the merger owned approximately 44.96% of the outstanding shares of our common stock (or 32.39% of the outstanding shares of our common stock calculated on a fully diluted basis) and a change of control may be deemed to have occurred.

For accounting purposes, the merger is treated as a “reverse acquisition” and Innovate/Protect is considered the accounting acquirer. Accordingly, Innovate/Protect will be reflected as the predecessor and acquirer in our financial statements for periods ending after June 30, 2012. The Company’s financial statements will reflect the historical financial statements of Innovate/Protect as the Company’s historical financial statements, except for the legal capital which will reflect the Company’s legal capital (common stock).

This Current Report on Form 8-K is being filed to provide (i) Innovate/Protect’s condensed consolidated financial statements as of June 30, 2012, for the six months ended June 30, 2012 and for the period from June 8, 2011 (inception) to June 30, 2012, (ii) the unaudited pro forma consolidated statement of operation for the six month period ended June 30, 2012, and (iii) the unaudited pro forma consolidated balance sheets as of June 30, 2012.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The unaudited condensed consolidated financial statements of Innovate/Protect, Inc. as of June 30, 2012, for the six months ended June 30, 2012 and for the period from June 8, 2011 (inception) to June 30, 2012 are filed herewith as Exhibit 99.1.

(b) Pro Forma Financial Information.

The unaudited pro forma consolidated statement of operation for the six month period ended June 30, 2012 and the unaudited pro forma consolidated balance sheets as of June 30, 2012 reflecting the merger are filed herewith as Exhibit 99.2.

(d) Exhibits.

99.1	Innovate/Protect, Inc. Unaudited Condensed Consolidated Financial Statements for the period ended June 30, 2012
99.2	Unaudited Pro Forma Combined Financial Statements

SIGNATURES

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

VRINGO, INC.

Dated: August 14, 2012	By:	/s/ Andrew D. Perlman
		Name: Andrew D. Perlman
		Title: Chief Executive Officer and President

Exhibit 99.1

INNOVATE/PROTECT, INC. AND SUBSIDIARIES
(A Development Stage Company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

AS OF JUNE 30, 2012,
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND
FOR THE PERIOD FROM JUNE 8, 2011 (Inception) TO JUNE 30, 2012

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INNOVATE/PROTECT, INC. AND SUBSIDIARIES
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

	As of June 30, 2012 (Unaudited)	As of December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,570,749	$ 5,212,142
Prepaid assets	14,089	25,886
Other current assets	5,109	-
Total current assets	2,589,947	5,238,028
Property and Equipment, net	16,517	8,006
Other Assets		
Intangible assets, net	2,757,059	3,067,592
Total assets	$ 5,363,523	$ 8,313,626
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 456,397	$ 201
Accrued liabilities	585,063	448,264
Current portion, note payable-related party	2,000,000	2,000,000
Total current liabilities	3,041,460	2,448,465
Note payable-related party	1,200,000	1,200,000
Total liabilities	4,241,460	3,648,465
Commitments and Contingencies (See note 8)		
Preferred Stock, Series A Convertible, $.0001 par value; liquidation value $1,250 per share; 6,968 shares authorized and issued; 6,673 and 6,968 outstanding at June 30, 2012 and December 31, 2011, respectively	1,723,795	1,800,000
Stockholders' Equity		
Common Stock, $.0001 par value; 100,000,000 shares authorized; 5,919,661 and 5,624,661 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively	593	563
Additional paid-in capital	5,863,466	5,618,780
Deficit accumulated during the development stage	(6,465,791)	(2,754,182)
Total stockholders' equity (deficit)	(601,732)	2,865,161
Total liabilities and stockholders' equity	$ 5,363,523	$ 8,313,626

The accompanying notes form an integral part of these consolidated financial statements.

INNOVATE/PROTECT, INC. AND SUBSIDIARIES
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	For the Six Months Ended June 30, 2012	Period from June 8, 2011 (Inception) to June 30, 2012
Revenue	$-	$-
Operating Expenses		
Legal	2,124,273	3,226,373
Compensation	871,505	1,868,418
Amortization and depreciation	312,836	641,114
General and administrative	395,635	608,827
Startup and capital acquisition costs	-	105,971
Total operating expenses	3,704,249	6,450,703
Loss from operations	(3,704,249)	(6,450,703)
Other Expense		
Interest expense	(7,360)	(15,088)
Net loss	$ (3,711,609)	$ (6,465,791)
Basic and dilutive		
Weighted Average Common Shares Outstanding	4,587,764	3,640,517
Loss per share	$ (0.81)	$ (1.78)

The accompanying notes form an integral part of these consolidated financial statements.

INNOVATE/PROTECT, INC. AND SUBSIDIARIES
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 8, 2011 (Inception)	$ -	$ -	$ -	$ -
Issuance of common stock	563	5,144,662	-	5,145,225
Stock-based compensation	-	474,118	-	474,118
Net loss from inception through December 31, 2011	-	-	(2,754,182)	(2,754,182)
Balance, December 31, 2011	**$ 563**	**$ 5,618,780**	**$ (2,754,182)**	**$ 2,865,161**
Conversion of Series A preferred stock to common stock	30	76,176	-	76,206
Stock-based compensation	-	168,510	-	168,510
Net loss for the six months ended June 30, 2012	-	-	(3,711,609)	(3,711,609)
Balance, June 30, 2012 (Unaudited)	**$ 593**	**$ 5,863,466**	**$ (6,465,791)**	**$ (601,732)**

The accompanying notes form an integral part of these consolidated financial statements.

INNOVATE/PROTECT, INC. AND SUBSIDIARIES
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	For the Six Months Ended June 30, 2012	Period from June 8, 2011 (Inception) to June 30, 2012
Cash Flows From Operating Activities		
Net loss	$ (3,711,609)	$ (6,465,791)
Adjustments to reconcile net loss to net cash used in operating activities - noncash expenses:		
Amortization and depreciation	312,836	641,114
Stock-based compensation expense	168,510	642,628
(Increase) decrease in prepaid assets	11,797	(14,089)
Increase in other current assets	(5,109)	(5,109)
Increase in accounts payable and accrued liabilities	592,996	1,041,461
Net cash used in operating activities	(2,630,579)	(4,159,786)
Cash Flows From Investing Activities		
Purchase of intangible assets	-	(3,395,187)
Purchase of fixed assets	(10,814)	(19,503)
Net cash used in investing activities	(10,814)	(3,414,690)
Cash Flows From Financing Activities		
Proceeds from note payable	-	3,200,000
Proceeds from issuance of preferred stock	-	1,800,000
Proceeds from issuance of common stock	-	5,145,225
Net cash provided by financing activities	-	10,145,225
Increase (decrease) in cash and cash equivalents	(2,641,393)	2,570,749
Cash and Cash Equivalents Balance, beginning of period	5,212,142	-
Cash and Cash Equivalents Balance, end of period	$ 2,570,749	$ 2,570,749
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 7,360	$ 15,088
Noncash investing and financing activities		
Conversion of Series A preferred stock to common stock	$ 76,176	$ -

The accompanying notes form an integral part of these consolidated financial statements.

Note 1. Nature of Business and Basis of Presentation

Nature of business: Innovate/Protect, Inc. ("I/P," "the Company") was incorporated under the laws of the state of Delaware on June 8, 2011 ("Inception"), as Labrador Search Corporation. On September 6, 2011, Labrador Search Corporation changed its name to Innovate/Protect, Inc. I/P is a holding company, which, at June 30, 2012, owned 100% of the issued and outstanding common stock of I/P Engine, Inc. ("I/P Engine") and I/P Labs, Inc. ("I/P Labs" and together with I/P Engine, the "Subsidiaries"). I/P Engine was incorporated in Virginia on June 14, 2011, as Smart Search Labs, Inc. Smart Search Labs Inc. changed its name to I/P Engine, Inc. on September 9, 2011. I/P Engine operates for the purpose of realizing economic benefits from a collection of patents related to search engine technology. I/P Labs was incorporated in Delaware on June 8, 2011 as Scottish Terrier Capital, Inc. and changed its name to I/P Labs, Inc. on September 9, 2011. I/P Labs, Inc. operates to acquire or develop other patented technologies or intellectual property. I/P's principal offices are located in New York City.

On March 12, 2012, the Company, Vringo, Inc. ("Vringo"), and VIP Merger Sub, Inc., ("Merger Sub") a wholly-owned subsidiary of Vringo, entered into a Merger Agreement (as may be amended or modified, the "Merger Agreement"), pursuant to which the Company will merge with and into Merger Sub, with Merger Sub surviving the merger as a wholly-owned subsidiary of Vringo (the "Merger"). The board of directors of I/P unanimously approved the Merger Agreement and the Merger. In addition, the board of directors of Vringo unanimously approved the Merger Agreement and the Merger. The merger closed on July 19, 2012. Refer to Note 9 for more information regarding this event.

On July 19, 2012, upon completion of the Merger (i) 6,169,661 shares common stock of I/P, par value $0.0001 per share were exchanged for 18,617,569, shares of the Vringo's common stock, par value $0.01, per share and (ii) all outstanding shares of Series A Convertible Preferred Stock of I/P, par value $0.0001 per share were exchanged for 6,673 shares of Vringo's Series A Convertible Preferred Stock, which shares are convertible into 20,136,445 shares of common stock of Vringo. In addition, Vringo issued to the holders of I/P capital stock, an aggregate of 15,959,838 warrants to purchase an aggregate of 15,959,838 shares of Vringo's common stock with an exercise price of $1.76 per share. In addition, each outstanding and unexercised option to purchase I/P common stock, whether vested or unvested was converted into 41,178 options to purchase Vringo's common stock. Immediately following the completion of the Merger, the former stockholders of I/P own approximately 55.04% of the outstanding common stock of the combined company, and Vringo's stockholders prior to the Merger own approximately 44.96% of the outstanding common stock of the combined company. On a fully diluted basis, the former stockholders of I/P own approximately 67.61% of the outstanding common stock of the combined company, and Vringo's stockholders prior to the Merger own approximately 32.39% of the outstanding common stock of the combined company.

Note 1. Nature of Business and Basis of Presentation (continued)

The accompanying consolidated financial statements and related notes should be read in conjunction with our consolidated financial statements and related notes for the year ended December 31, 2011 ("2011"). The consolidated financial statements have been prepared in accordance with the rules and regulations of the SEC related to interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. The financial information contained herein is unaudited; however, management believes all adjustments have been made that are necessary to present fairly the results for the interim periods. All such adjustments are of a normal and recurring nature. The results of operations for the six-month period ended June 30, 2012 are not necessarily indicative of the results that may be expected for the full fiscal year.

Principles of consolidation: The consolidated financial statements include the accounts of I/P and the Subsidiaries. Unless the context otherwise indicates, the terms "I/P" or the "Company" mean Innovate/Protect, Inc. and its consolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Estimates and assumptions: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Development stage: The Company is in the development stage and had not generated revenue for the period from inception to June 30, 2012.

Earnings Per Share: Basic loss per share is based on the weighted number of common shares issued and outstanding, and is calculated by dividing net loss attributable to common shareholders by the weighted average shares outstanding during the period. Diluted loss per share is calculated by dividing net loss attributable to common shareholders by the weighted average number of common shares used in the basic earnings per share calculation plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding. Diluted loss per share is equal to the basic loss per share as all potentially dilutive securities are anti-dilutive in the period presented.

Note 1. Nature of Business and Basis of Presentation (continued)

For the six months ended June 30, 2012 and for the period from inception through June 30, 2012, the Company incurred net losses and therefore no common stock equivalents were utilized in the calculation of earnings per share.

At June 30, 2012, the Company excluded the following potentially dilutive securities:

- Preferred Stock, Series A Convertible, $.0001 par value; liquidation value $1,250 per share; 6,968 shares authorized; 6,673 and 6,968 issued and outstanding at June 30, 2012 and December 31, 2011, respectively.
- Warrants to purchase 250,000 shares of common stock.
- Options to purchase 13,646 shares of common stock.
- 936,630 shares of common stock granted, but not vested.

Note 2. Liquidity and Capital Resources, Going Concern

As a development stage company, the Company requires significant amounts of capital to support its operations during the period prior to the commencement of a revenue stream or other liquidity event. As of June 30, 2012 the Company had cash of $2,570,749 and a working capital deficit of $451,513. During the period from inception through June 30, 2012, the Company funded operations from the proceeds of private sales of equity and the private issuance of debt. Because of the nature of the Company's business, capital is required to support the Company's substantial legal costs, as well as its normal operating costs. For the period from inception through June 30, 2012, the Company used $7,574,476 of net cash to fund operating activities and to invest in tangible personal and intangible intellectual property. During the period, the Company borrowed $3,200,000 through the issuance of a promissory note.

There is still substantial doubt as to the ability of the Company to continue operating as a "going concern". Following the completion of the Merger, based on current operating plans, the current resources of the combined company are expected to be sufficient for at least the next twelve months from the balance sheet date. The combined company may need to raise additional funds in connection with any acquisition of patent portfolios or other intellectual property assets that it may pursue. There is no assurance that the combined company will continue to be able to raise the capital or generate revenue necessary to fund ongoing operations at the current level. The accompanying financial statements have been prepared on a “going concern” basis and as such do not include any adjustments that might result from the outcome of this uncertainty.

Note 3. Note Payable – Related Party

The Company is obligated under a note payable to Hudson Bay Master Fund, LP ("Hudson Bay") with an outstanding balance of $3,200,000 at June 30, 2012 (the "Hudson Bay Note"). At June 30, 2012, Hudson Bay owned 93% of the outstanding preferred stock of the Company, convertible upon demand to common stock sufficient to control the Company. The Hudson Bay Note accrues interest at 0.46% per annum and matures on June 22, 2014. The Company has granted Hudson Bay a security interest in all tangible and intangible personal property of the Company and its subsidiaries to secure its obligations under the Hudson Bay Note.

Hudson Bay has the option of requiring the Company to redeem up to $2,000,000 aggregate principal of the Hudson Bay Note beginning March 22, 2012. The Hudson Bay Note does not contain any financial statement covenants, however there are standard events of default. In the event of a default, which is not subsequently cured or waived, the interest rate would increase to a rate of 18% per annum. At the option of Hudson Bay and upon notice, the entire unpaid principal balance, together with all accrued interest thereon, would be immediately due and payable. Hudson Bay has the right to require the Company to redeem the Hudson Bay Note in the event of a change of control or in event of default, at a redemption price, pursuant to a formula, of up to 125% of the sum of the portion of the principal amount and any accrued and unpaid interest.

As of June 30, 2012, there were no known conditions of default.

The Company determined there was an embedded derivative since certain redemption options were determined not to be clearly and closely related to the debt host. The Company also determined that the fair value of the embedded derivative was $-0- at June 30, 2012 since the probability of change in control or event of default in the near future is remote. Hudson Bay has agreed that the Company's execution and delivery of the Agreement and Plan of Merger, dated March 12, 2012, with Vringo, Inc., and VIP Merger Sub, Inc. does not constitute a Change of Control (as defined in the Note). The gross amount the Company would have to pay if this redemption option is exercised would be $800,000. Hudson Bay agreed not to exercise its right of redemption until the earlier of (i) any termination of the Merger Agreement pursuant to the terms of the Merger Agreement or (ii) the effective time of the Merger; provided that if the Merger is consummated, and restated and the holder may exercise any and all rights and remedies pursuant to such amended and restated note delivered at the closing of the Merger, including with respect to any optional redemption provisions contained therein.

The Company will evaluate the fair value of the embedded derivative each reporting period and report changes in the fair value as other income (expense), net.

Note 4. Series A Convertible Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of preferred stock, par value $0.0001, of which 6,968 shares of preferred stock have been designated as Series A Preferred Stock with such rights and preferences designated in the Company's Certificate of Designations (the "Series A Preferred Stock"). In June 2011, the Company issued 6,968 shares of Series A Preferred Stock to Hudson Bay for $1,800,000 ($258.32 per share). The Series A Preferred Stock has a liquidation preference of $1,250 per share and is otherwise convertible, at the option of the holder, into 6,968,000 shares of common stock at a conversion price of $1 per common share received, subject to adjustment for anti-dilution and other corporate events. The holder of Series A Preferred Stock is entitled to receive such dividends paid and distributions made to holders of common stock and to participate in voting matters on an as converted basis. Shares of Series A Preferred Stock are redeemable by the holder upon the occurrence of certain events as defined in the Series A Preferred Stock Certificate of Designations. The holder has the right to require the Company to redeem the Series A Preferred Stock in the event of a Change of Control or a Triggering Event (as such terms are defined in the Certificate of Designations) at a redemption price, pursuant to a formula, of up to 125% of the Stated Value (i.e., $1,000 per share, subject to adjustment).

The Series A Preferred Stock is classified as mezzanine because certain Triggering Events may occur outside the control of the Company.

During the six-month period ended June 30, 2012, Hudson Bay sold 642 shares of its Series A Preferred Stock to third party investors, and 150 shares of Series A Preferred Stock were converted to 150,000 shares of common stock.

During the six-month period ended June 30, 2012, Hudson Bay converted 145 shares of its Series A Preferred Stock to 145,000 shares of common stock, which were subsequently sold to third party investors.

Note 5. Stock-Based Compensation

In August 2011, the Company adopted its 2011 Equity and Performance Incentive Plan (the "Plan"). The Plan provides for the issuance of stock options and restricted stock to the Company's employees, consultants, directors and advisors. Terminated, expired or forfeited grants may be reissued under the Plan. The number of shares available under the Plan is subject to adjustment for certain changes in the Company's capital structure. As of June 30, 2012, 946,354 shares are available for future grant.

The table below illustrates the grants of common stock and the sales of common stock at less than fair value made from inception to June 30, 2012.

Note 5. Stock-Based Compensation (continued)

Grants Of Common Stock and Sales of Common Stock at Less Than Fair Market Value:

Title	Grant, Purchase or Vest Date	Number of Shares	Fair Value at Grant, Purchase or Vest Date	Total Value	Amount Paid for Shares	Total Stock Based Compensation	Compensation Recognized 01/01/12 through 06/30/12	Compensation Recognized Inception through 06/30/12	Compensation Not Vested at 06/30/12
Consultant[(1)]	6/22/2011	125,000	$ 0.25832	N/A	$ 12	N/A	$ 34,375	$ 83,445	$ 135,972
Exec. Officer	6/22/2011	2,115,625	0.25832	$ 546,508	212	$ 546,254	40,344	386,673	159,581
Exec. Officer	8/10/2011	625,000	0.25832	161,450	-	161,450	53,792	95,692	65,758
Director	11/07/2011	40,000	3.00	120,000	-	120,000	39,999	51,780	68,220
							$ 168,510	$ 617,590	$ 429,531

[1] - *Based on fair value of common stock at $3.30 per share at June 30, 2012, consultant compensation of $135,972 will vest over approximately two years.*

The table below illustrates the common stock options granted during the period from inception to June 30, 2012.

Grants of Common Stock Options:

Title	Grant Date	# Shares	Exercise Price	FMV at Grant Date	Total Option Value	Compensation Recognized Inception through 06/30/12	Compensation Not Vested at 06/30/12
Director	11/6/2011	13,646	$ 3	$ 1.8341	$ 25,028	$ 25,028	$ -0-

Note 6. Income Tax

The Company has determined that, based on objective evidence currently available, it is not likely that the deferred tax assets will be realized. Accordingly, the Company has provided a valuation allowance for the full amount of the deferred tax assets at June 30, 2012. There are no amounts of interest or penalties related to tax matters in any the balance sheet account at June 30, 2012. Under current tax law, 2011 net operating losses can be carried forward through the year to end December 31, 2031.

Management does not believe it is exposed to any uncertain tax positions as they are defined within accounting principles. Management does not believe there are tax positions for which it is reasonably possible that there will be a significant increase or decrease in the amounts of unrecognized tax benefits within the next 12 months.

Note 7. Lease Obligations

In July 2011, the Company entered into a license agreement with a non-affiliated third party to lease office space in New York City. The license is for a term of two years and five months and requires monthly payments in the amount of $2,152.

In March 2012, the Company entered into a second license agreement with a non-affiliated third party to lease an additional office adjacent to the space leased in the first license agreement. The second license agreement is for approximately two years with the first license agreement. Monthly payments are required in the amount of $1,450.

Estimated occupancy expense for the remaining lease term based upon lease obligations at June 30, 2012 is as follows:

Year	Amount
2012	$ 21,612
2013	43,224
2014	3,602
	$ 68,438

Note 8. Contingencies

The Company retains the services of law firms that specialize in intellectual property licensing and enforcement and patent law in connection with their licensing and enforcement activities. These law firms may be retained on an hourly fee, contingent fee, or blended fee basis. In a contingency fee arrangement, law firms are paid a scaled percentage of any negotiated fees, settlements or judgments awarded, based on how and when the fees, settlements or judgments are obtained.

On September 15, 2011, I/P Engine filed a patent infringement action in the Eastern District of Virginia. The matter involves two patents related to search systems having content and collaborative filters, and alleges that defendants AOL, Inc., Google, Inc., IAC Search & Media, Inc., Gannett Company, Inc. and Target Corporation each infringe both patents at issue. The defendants filed their answers to the complaint on November 14, 2011, and also asserted declaratory judgment counterclaims of non-infringement and invalidity. On November 28, 2011, all defendants (except AOL, Inc., which asserted no such allegation) amended their counterclaims to remove an allegation of unenforceability. On December 5, 2011, I/P Engine filed answers to AOL's counterclaims. On December 9, 2011, I/P Engine filed answers to the counterclaims of the remaining defendants. On February 15, 2012, the Court entered a scheduling order in the case setting the *Markman* hearing for June 4, 2012 and trial for October 16, 2012. On March 15, 2012, Google submitted a request to the USPTO for ex parte reexamination of U.S. Patent No. 6,314,420, one of the two patents-in-suit. The request was deposited on March 16, 2012 and was assigned Control No. 90/009,991. Innovate/Protect expected Google to seek reexamination and believes this request is a standard and typical tactic used by defendants in patent litigation cases. The filing of a request for reexamination is the first step in a process that ordinarily takes several years. On April 26, 2012, the USPTO vacated Google’s request for ex parte reexamination for failing to follow to the requirements set forth in the USPTO’s regulations.

Note 8. Contingencies (continued)

On May 24, 2012, Google submitted their request to the USPTO. This resubmission purports to address the issues identified by the USPTO. On July 18, 2012 the USPTO issued a determination ordering a reexamination. Google’s request has not resulted in any delay of the dates set out in the Court's scheduling order dated February 15, 2012. Discovery has commenced; the parties have served and responded to written discovery requests and have produced documents. Further discovery, including depositions, is expected to occur in the next few months. On July 25, 2012, the parties exchanged expert reports. The Company expects that defendants will make several attempts to avoid trial. At this stage of the litigation, the Company cannot assess the duration, cost or outcome of the infringement action.

On July 30, 2012, I/P Engine and AOL Inc. entered into a partial settlement agreement, which resulted in I/P Engine granting a partial release of AOL as to certain claims raised in the lawsuit in exchange for $100,000. AOL remains a defendant in the proceeding.

On August 2, 2012, I/P Engine and defendants Google and IAC agreed to dismiss the patent infringement claims as to Google Search and IAC’s Ask Sponsored Listings. For the avoidance of doubt, the patent infringement claims being dismissed explicitly excluded, and I/P Engine explicitly reserved and retained all rights and remedies with respect to, any and all other claims asserted in the present litigation including, without limitation, the patent infringement claims as to Google AdWords, Google AdSense for Search, Google AdSense for Mobile Search and AOL’s Search Marketplace.

Note 9. Subsequent Events

Subsequent events have been evaluated through August 14, 2012, the date the financial statements were available to be issued.

On July 12, 2012, Hudson Bay exercised in full its warrant to purchase 250,000 the Company's shares of common stock for an aggregate of $250,000 proceeds received by the Company.

On July 19, 2012 (the "Closing Date"), the Company merged with and into VIP Merger (which changed its name to Innovate/Protect, Inc.), a wholly-owned subsidiary of Vringo, pursuant to the Merger Agreement. In connection with the Merger, Vringo issued, as of the Closing Date, securities to the Company's stockholders in exchange for the capital stock owned by the Company's stockholders, as follows: (i) an aggregate of 18,617,569 shares of Vringo's common stock, par value $0.01 per share (the "Common Stock"), (ii) an aggregate of 6,673 shares of Vringo's Series A Preferred Stock, par value $0.01 per share, convertible into an aggregate of 20,136,445 shares of Vringo's Common Stock, with such powers, designations, preferences and other rights as set forth in the Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock Vringo filed with the Secretary of State of the State of Delaware, (iii) an aggregate of 8,299,116 Series 1 warrants to purchase up to an aggregate 8,299,116 shares of Vringo's Common Stock, with an exercise price of $1.76 per share and expiring on July 19, 2017, and (iv) an aggregate of 7,660,722 Series 2 warrants to purchase up to an aggregate of 7,660,722 shares of Vringo's Common Stock, with an exercise price of $1.76 per share and expiring on July 19, 2017. In addition, Vringo assumed an option to purchase an aggregate of 41,178 shares of Vringo's Common Stock at an exercise price of $0.994 per share, in exchange for the outstanding and unexercised stock option to purchase shares of the Company's common stock.

For accounting purposes, the Merger is treated as a "reverse acquisition" and the Company is considered the accounting acquirer. Accordingly, in future filings of Vringo, the Company will be reflected as the predecessor and acquirer in Vringo's financial statements, which will reflect the historical financial statements of the Company as Vringo's historical financial statements, except for the legal capital which will reflect Vringo's legal capital (common stock).

Exhibit 99.2

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following summary unaudited pro forma combined financial data is intended to show how the merger of Vringo, Inc. and Innovate/Protect, Inc. (the "Merger") might have affected historical financial statements if the Merger had been completed on June 8, 2011, for the purposes of the statements of operations, and June 30, 2012, for the purposes of the balance sheet and was prepared based on the historical financial position and results of operations reported by Vringo and Innovate/Protect.

Accounting Treatment of the Merger

U.S. Generally Accepted Accounting Principles (hereafter — GAAP), require that for each business combination, one of the combining entities shall be identified as the acquirer, and the existence of a controlling financial interest shall be used to identify the acquirer in a business combination. In a business combination effected primarily by exchanging equity interests, the acquirer usually is the entity that issues its equity interests. However, it is sometimes not clear which party is the acquirer. In these situations, the acquirer for accounting purposes may not be the legal acquirer (i.e., the entity that issues its equity interest to effect the business combination).

If a business combination has occurred, but it is not clear which of the combining entities is the acquirer, GAAP requires considering additional factors in making that determination. No hierarchy is provided to explain how to assess factors that influence the identification of the acquirer in a business combination, effectively concluding that no one of the criteria is more significant than any other. However, the more significant the differential in the voting interest of the combining entities, the more difficult it is to conclude that the entity with the largest voting interest is not the acquirer.

Based on the aforementioned, and after taking in consideration all relevant facts and circumstances (which included, among others, the composition of the senior management and the governing body of the combined entity, relative size of the entities prior to the Merger), we came to a conclusion that, in light of the significant differential in the voting interest of the combining entities (both on current holdings basis and on diluted basis), Innovate/Protect is the accounting acquirer, as it is defined in FASB Topic ASC 805 "*Business Combinations*".

As a result, the Merger will be accounted for as a reverse acquisition. In the post-combination consolidated financial statements, Innovate/Protect's assets and liabilities will be presented at its pre-combination amounts, and Vringo's assets and liabilities will be recorded and measured at fair value. In addition, the consolidated equity will reflect Vringo's common stock and preferred stock, at par value, as Vringo is the legal acquirer. The total consolidated equity will consist of Innovate/Protect's equity just before the merger, plus the fair value of assumed assets of Vringo, net, as well as, adjustments to equity caused by the consummation of the Merger, as per the guidance for business combinations in ASC 805.

The unaudited pro forma combined financial statements were prepared in accordance with the regulations of the SEC. The pro forma adjustments reflecting the completion of the Merger are based upon the acquisition method of accounting in accordance with GAAP, and upon the assumptions set forth in the notes to the unaudited pro forma combined financial statements.

The unaudited pro forma combined balance sheet as of June 30, 2012, combines the historical balance sheets of Vringo and Innovate/Protect as of June 30, 2012 and gives pro forma effect to the Merger as if it had been completed on June 30, 2012.

The unaudited pro forma combined statements of operations for the period from January 1, 2012 to June 30, 2012 combine the historical statements of operations of Vringo for the period from January 1, 2012 to June 30, 2012 and of Innovate/Protect from January 1, 2012 to June 30, 2012 and gives pro forma effect to the Merger as if it had been completed on June 8, 2011 (date of inception of Innovate/Protect).

The financial data has been adjusted to give pro forma effect to events that are (i) directly attributable to the Merger, (ii) factually supportable, and (iii) with respect to the statements of operations, expected to have a continuing impact on the combined results. The pro forma adjustments are preliminary and based on management's estimates of the fair value and useful lives of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the acquisition and certain other adjustments.

The unaudited pro forma combined financial statements are presented for illustrative purposes only, and are not necessarily indicative of the financial condition or results of operations of future periods or the financial condition or results of operations that actually would have been realized had the entities been combined during the periods presented. In addition, the preliminary acquisition-date fair value of the identifiable assets acquired and liabilities assumed reflected in the unaudited pro forma combined financial statements is subject to adjustment and may vary from the actual amounts that will be recorded upon completion of the Merger.

Preliminary Purchase Price Allocation:

The Pro Forma Unaudited Consolidated Financial Information reflects the allocation of the preliminarily estimated purchase price of $75.0 million to the assets acquired and liabilities assumed of Vringo. The fair value of the consideration issued to former shareholders of Innovate/Protect is based on the price of Vringo's share of common stock, as well as the fair value of other outstanding equity instruments. A preliminary determination of the fair values of certain acquired assets and assumed liabilities of Vringo is based on a $3.70 share price (Vringo’s share closing price on July 19, 2012, the closing date of the Merger), as basis for valuation:

	($ — in thousands)
Current assets, net of current liabilities	2,054
Long-term deposit	8
Property and equipment	121
Technology	10,906
Goodwill	65,318
Total assets acquired	**78,407**
Fair value of outstanding warrants granted by Vringo prior to the Merger, classified as a long-term derivative liability, in these consolidated pro forma financial statements, see note 1	3,375
Total liabilities assumed	**3,375**
Total estimated purchase price	**75,032**
Fair value of vested stock options granted to employees, management and consultants, classified as equity in these consolidated pro forma financial statements, see note 1	7,037
Fair value of outstanding warrants granted by Vringo prior to the Merger, classified as equity, in these consolidated pro forma financial statements, see note 1	10,392
Fair value of Vringo common stock shares and $0.01 options granted to employees, management and consultants, classified as equity in these consolidated pro forma financial statements	57,603
Total estimated purchase price	**75,032**

Unaudited Pro Forma Consolidated Statement of Operations, for the six month period ended June 30, 2012:

	Historical				
	Innovate/Protect	Vringo	Pro Forma adjustments	Notes	Pro Forma consolidated
	($ — in thousands, except share and per share data)				
Revenue	—	206	—		206
Costs and expenses:					
Cost of revenue	—	62	909	1	971
Operating legal costs	2,124	—	—		2,124
Compensation	872	—	(872)	2	—
Amortization and depreciation	313	—	(313)	2	—
Research and development	—	930	—		930
Marketing	—	1,099	—		1,099
General and administrative	396	2,742	1,185	2	4,323
Total operating expenses:	3,705	4,833	909		9,447
Operating loss:	(3,705)	(4,627)	(909)		(9,241)
Non-operating expense	(7)	(19)	—		(26)
Issuance of non-preferential reload warrants	—	(1,091)	—		(1,091)
Loss on revaluation of warrants	—	(3,497)	—		(3,497)
Issuance of preferential reload warrants	—	(1,476)	—		(1,476)
Loss before income taxes:	(3,712)	(10,710)	(909)		(15,331)
Income taxes	—	(103)	—		(103)
Net loss:	(3,712)	(10,813)	(909)		(15,434)
Basic and diluted net loss per common share	(0.81)	(0.81)		3	(0.48)
Weighted average shares used in computing basic and diluted net loss per common share	4,587,764	13,407,668		3	32,025,237

Unaudited Pro Forma Consolidated Balance Sheets, as of June 30, 2012:

	Historical				
	Innovate/Protect	Vringo	Pro Forma adjustments	Notes	Pro Forma consolidated
			($ — in thousands)		
Assets:					
Current assets:					
Cash and cash equivalents	2,571	3,374	—		5,945
Accounts receivable	—	126	—		126
Prepaid expenses and other current assets	19	106	—		125
Total current assets	2,590	3,606	—		6,196
Long-term deposit	—	8	—		8
Property and equipment	17	121	—		138
Intangible assets, net	2,757	—	—		2,757
Technology	—	—	10,906	*	10,906
Goodwill	—	—	65,318	1,*	65,318
Total assets	5,364	3,735	76,224		85,323
Liabilities and stockholders' equity:					
Current liabilities:					
Deferred tax liabilities, net – short-term	—	103	—		103
Accounts payable and accrued expenses	1,041	953	284	4	2,278
Accrued severance pay	—	155	—		155
Accrued employee compensation	—	341	—		341
Current portion, note payable – related party	2,000	—	—		2,000
Total current liabilities	3,041	1,552	284		4,877
Long-term liabilities					
Note payable – related party	1,200	—	—		1,200
Derivative liabilities on account of warrants	—	3,555	22,794	5	26,169
			(3,555)		
			3,375	1,*	
Total long-term liabilities	1,200	3,555	22,614		27,369
Preferred stock, Series A Convertible, $0.0001 par value; 6,968 shares authorized and issued; 6,673 outstanding at June 30, 2012	1,724	—	(1,724)	6	—
Stockholders' equity (deficit)					
Preferred stock, Series A Convertible, $0.01 par value per share; 6,673 authorized, issued and outstanding	—	—	—	6	—
Common stock, $0.01 par value per share, 150,000,000** authorized, 33,669,533 issued and outstanding	1	151	(1)	7	337
			186	7	
Additional paid-in capital	5,863	46,836	(10,639)	8	59,489
			7,037	1,*	
			10,392	1,*	
Accumulated deficit	(6,465)	(48,359)	(284)	4	(6,749)
			48,359	8	
Total stockholders' equity (deficit)	(601)	(1,372)	55,050		53,077
Total liabilities and stockholders' equity	5,364	3,735	76,224		85,323

* Refer to preliminary Purchase Price Allocation table on page 1.

** The increase in common stock $0.01 par value per share, from 28,000,000 to 150,000,000, took place immediately following the stockholders' meeting on July 19, 2012, the closing date of the merger.

Notes to the Unaudited Pro Forma Consolidated Statements of Operations and Balance Sheet:

1. This pro-forma adjustment represents additional amortization expense, recorded in connection with amortizable intangible assets acquired in the Merger, assuming the acquisition of Vringo occurred on June 8, 2011:

	Gross carrying amount	Life	Six month period ended June 30, 2012
	($ — in thousands)	(years)	($ — in thousands)
Cost of revenue:			
Technology	10,906	6	909
			909

	Gross carrying amount	Amortization of intangible assets and liabilities
		($ — in thousands)
Goodwill	65,318	Goodwill is reviewed for impairment at least annually in accordance with the provisions of ACS 350 "Intangibles, Goodwill and Other"
Fair value of vested stock options granted to employees, management and consultants, classified as equity in these consolidated pro forma financial statements	7,037	Originally allocated fair value (which also reflects the impact of partial acceleration of vesting of outstanding options granted to employees, management and consultants of Vringo triggered directly by the Merger) will be adjusted for options exercised. This adjustment will be recorded as internal reclassification in additional paid-in capital.
Fair value of outstanding warrants granted by Vringo prior to the Merger, classified as a long term derivative liability, as these warrants bear certain down-round protection clauses	3,375	Originally allocated fair value to warrants classified as a derivative liability will be adjusted at the end of each reporting period.
Fair value of outstanding warrants granted by Vringo prior to the Merger, classified as equity, in these consolidated pro forma financial statements	10,392	Originally allocated fair value to warrants classified as equity will be adjusted for warrants exercised. This adjustment will be recorded as internal reclassification in additional paid-in capital.

For these pro forma consolidated statements of operations, we assume that there was no sign of impairment of goodwill, throughout the period presented. In addition, we assume that the purchase price allocated to the fair value of outstanding warrants granted by Vringo prior to the Merger did not change over the presented period.

2. Amortization and depreciation and capital acquisition costs, were reclassified into general and administrative:

	Six month period ended June 30, 2012
	($ — in thousands)
General and administrative	1,185
Compensation	(872)
Amortization and depreciation	(313)
	—

3. According to GAAP, the consolidated pro forma equity will reflect Vringo's common stock and preferred stock, at par value, as Vringo is the legal acquirer. Shares used to calculate unaudited pro forma basic and diluted loss per share were computed by adding the shares assumed to be issued, to the weighted average number of shares outstanding for the six month period ended June 30, 2012. However, as the combined company generated only losses in the period presented, potentially dilutive securities, comprised mainly of the abovementioned preferred shares, warrants and stock options, were not reflected in pro forma diluted net loss per share, because the effect of conversion of such shares is anti-dilutive.

	Six month period ended June 30, 2012
	($ — in thousands, except share and per share data)
Numerator:	
Net loss attributable to common stock shares (basic and diluted):	(15,434)
Denominator:	
Weighted average of Vringo common stock shares, outstanding for the period:	13,407,668
Weighted average of Vringo common stock shares issued to former Innovate/Protect stockholders, outstanding for the period:	18,617,569
Total common stock shares outstanding, after the Merger:	32,025,237
Basic and diluted net losses per share of common stock:	(0.48)

4. This adjustment represents direct, incremental costs of this Merger, which were not yet reflected in the historical financial statements of either company. These costs include mainly legal, accounting and filing fees.

5. According to the Merger Agreement, Vringo will grant former Innovate/Protect stockholders 15,959,838 warrants, at an exercise price of $1.76. 8,299,116 of these warrants bear down-round protection clauses; as a result, they will be classified as a long term derivative liability and recorded at fair value. Fair value, in the total amount of $22.8 million was calculated using the Black-Scholes-Merton and the Monte-Carlo models, using the following assumptions: 76.9% expected volatility, a risk-free interest rate of 0.82%, estimated life of 5 years and no dividend yield. The fair value of our common stock, used for this valuation, was $3.70. We estimate there is a 15% probability that the down-round protection will be activated. Our valuation may significantly change, dependent on the deviation of actual future parameters (primarily our common stock price, that will be known on the date of the Merger), from those taken in our preliminary valuation. In these consolidated pro forma statements of operations we assume that fair value of these warrants did not change throughout the period presented.

6. The Series A Convertible Preferred stock shares, both pre and post-Merger, have certain liquidation preferences, and are otherwise convertible, at any time, at the option of the holder, subject to certain limitations. In addition, their conversion price may be subject to adjustments for anti-dilution and other corporate events. Also, under certain circumstances (as defined in the Certificate of Designations in each of the merging companies), these shares are entitled to participate in dividends, and vote, on an as converted basis. The 6,673 outstanding Series A Convertible Preferred stock shares, $0.0001 par value, issued by Innovate/Protect were classified as mezzanine equity, as the holder had the right to require the Company to redeem these shares in cash, upon occurrence of a triggering event which is outside the control of the company. The 6,673 Series A Convertible Preferred stock shares, $0.01 par value, issued by Vringo to former stockholders of Innovate/Protect, as part of this Merger, were classified as equity, as cash based redemption event is only triggered by events fully controlled by the company. As a result, in these pro forma consolidated financial statements, Innovate/Protect's mezzanine equity, in the total amount of $1,724 thousand, was cancelled, as, according to GAAP, these pro forma consolidated financial statements will only include the 6,673 Series A Convertible Preferred stock, presented at par value.

7. According to GAAP, the equity of the combined entity will reflect Vringo's shares of common and preferred stock, at par value, as Vringo is the legal acquirer. As a result, the common stock share number will be adjusted to include Vringo's common stock shares, immediately after the merger:

	As of June 30, 2012
Vringo common stock outstanding as of June 30, 2012	15,051,964
Vringo common stock issued to former Innovate/Protect stockholders	18,617,569
Total common stock outstanding, pursuant to the Merger	33,669,533

8. According to GAAP, in the post-combination consolidated financial statements, equity will reflect Innovate/Protect's total equity just before the Merger, plus the fair value of assumed assets of Vringo, net, as well as adjustments to equity caused by the consummation of the Merger (notes 4, 5 and 6). Specifically, in these consolidated pro forma financial statements, accumulated deficit will include only Innovate/Protect's historical deficit, in the total amount of $6,465 thousand, plus adjustments reflected in Note 4. Vringo's historical deficit, in the total amount of $48,359 thousand, will be cancelled upon consolidation. Finally, an adjustment to additional paid-in capital, in the total amount of $10,639 thousand was recorded, in order to adjust the total consolidated equity, as per the abovementioned GAAP requirements.