

**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): October 28, 2014

**RPX Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other Jurisdiction of Incorporation)

**001-35146**

(Commission File No.)

**26-2990113**

(IRS Employer Identification No.)

**One Market Plaza**

**Suite 800**

**San Francisco, CA 94105**

(Address of principal executive offices, including zip code)

**(866) 779-7641**

(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- 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))

**Item 2.02 Results of Operations and Financial Condition.**

On October 28, 2014, RPX Corporation issued a press release announcing its financial results for the third quarter ended September 30, 2014. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press release issued by RPX Corporation dated October 28, 2014

**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.

RPX Corporation

By: /s/ MARTIN E. ROBERTS

Martin E. Roberts

General Counsel

Dated: October 28, 2014



## RPX Announces Third Quarter 2014 Financial Results

**SAN FRANCISCO – October 28, 2014** – RPX Corporation (NASDAQ: RPXC), the leading provider of patent risk management solutions, today announced its financial results for the third quarter ended September 30, 2014.

### Financial Highlights

- Subscription revenue for the third quarter of fiscal 2014 was \$62.7 million, up 9% compared to \$57.8 million in the prior year period
- Client count for the third quarter of fiscal 2014 increased by eleven members bringing our total client network to 195 as of September 30, 2014

“We continue to build out the network and reduce patent risk for our clients. We are pleased with the recent developments around the business and look forward to closing out the year with further progress against our goals,” said John A. Amster, Chief Executive and Co-founder of RPX Corporation.

### Summary Results

Revenue for the third quarter was \$65.4 million, compared to \$58.6 million in the third quarter of 2013.

Net acquisition spend during the quarter totaled \$42.2 million, and included 19 new acquisitions of patent assets, in addition to the exercise of previously negotiated options to acquire licenses for new clients.

GAAP net income for the third quarter was \$10.8 million or \$0.20 per diluted share, compared to \$8.4 million or \$0.16 per diluted share in the third quarter of 2013.

Non-GAAP net income for the third quarter, which excludes stock-based compensation and the amortization of acquired intangibles (in each case, net of tax), was \$14.3 million or \$0.26 per pro forma diluted share<sup>[1]</sup>, compared to \$11.4 million or \$0.21 per pro forma diluted share<sup>[1]</sup> in the third quarter of 2013.

As of September 30, 2014, RPX had cash, cash equivalents and short-term investments of \$303.1 million.

## Business Outlook

This outlook reflects the Company's current and preliminary view and may be subject to change. Please see the paragraph regarding "Forward-Looking Statements" at the end of this news release.

The Company provided the following business outlook for the fourth quarter of fiscal 2014:

<b>Subscription revenue<sup>[2]</sup></b>	\$62.8 - \$63.4 million
<b>Fee-related revenue</b>	\$4.2 - \$6.2 million
<b>Total revenue</b>	\$67.0 - \$69.6 million
<b>Net income (non-GAAP)</b>	\$12.0 - \$13.7 million
<b>Effective tax rate (non-GAAP)</b>	37%
<b>Pro forma weighted-average diluted shares outstanding</b>	55.3 million

The Company provided the following business outlook for the full year 2014:

<b>Subscription revenue<sup>[2]</sup></b>	\$250.6 - \$251.2 million
<b>Fee-related revenue</b>	\$8.0 - \$10 million
<b>Total revenue</b>	\$258.6 - \$261.2 million
<b>Cost of revenue (non-GAAP)</b>	\$124.5 - \$125.5 million
<b>SG&amp;A (non-GAAP)</b>	\$52.0 - \$52.8 million
<b>Net income (non-GAAP)</b>	\$52.0 - \$53.7 million
<b>Effective tax rate (non-GAAP)</b>	37%
<b>Pro forma weighted-average diluted shares outstanding</b>	55.0 million
<b>Net acquisition spend</b>	\$135 million

The above outlook is forward-looking. Actual results may differ materially. Please refer to the information under the caption "Use of Non-GAAP Financial Information" below.

<sup>[1]</sup> Pro forma diluted shares computed to give effect to the shares of restricted stock outstanding as of the original date of issuance.

<sup>[2]</sup> Subscription revenue is comprised of revenue generated from membership subscription services and premiums earned from insurance policies.

## Conference Call

RPX management will host a conference call and live webcast for analysts and investors at 2:00 p.m. PDT/5:00 p.m. EDT on October 28, 2014. Parties in the United States and Canada can access the call by dialing 1-888-572-7033, using conference code 3976582. International parties can access the call by dialing 1-719-325-2469, using conference code 3976582.

RPX will offer a live webcast of the conference call which can be accessed from the "Investor Relations" section of the Company's website at <http://ir.rpxcorp.com>. An audio replay of the conference call will also be available approximately two hours after the call and will be available for 30 days. To hear the replay, parties in the United States and Canada should call 1-888-203-1112 and enter conference code 3976582. International parties should call 1-719-457-0820 and enter conference code 3976582.

## About RPX Corporation

RPX Corporation (NASDAQ: RPXC) is the leading provider of patent risk solutions, offering defensive buying, acquisition syndication, patent intelligence, insurance services, and advisory services. Since its founding in 2008, RPX has introduced efficiency to the patent market by providing a rational alternative to litigation. The San Francisco-based company's pioneering approach combines principal capital, deep patent expertise, and client contributions to generate enhanced patent buying power. By acquiring patents and patent rights, RPX helps to mitigate and manage patent risk for its growing client network.

## Use of Non-GAAP Financial Information

This news release dated October 28, 2014 contains non-GAAP financial measures. Tables are provided in this news release that reconcile the non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include non-GAAP cost of revenue, non-GAAP selling, general and administrative expenses, non-GAAP net income, and non-GAAP net income per share.

To supplement the Company's condensed consolidated financial statements presented on a GAAP basis, management believes that these non-GAAP measures provide useful information about the Company's core operating results and thus are appropriate to enhance the overall understanding of the Company's past financial performance and its prospects for the future. Management is excluding from its non-GAAP operating results stock-based compensation expenses (inclusive of related employer payroll taxes), the amortization of acquired intangible assets (other than patents) and related tax effects. Management uses these non-GAAP measures to evaluate the Company's financial results, and believes these non-GAAP measures may prove useful to investors who wish to consider the impact of certain items when comparing the Company's financial performance with that of other companies. The adjustments to the Company's GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company's underlying operational results, trends and performance. The presentation of additional information should not be considered in isolation or as a substitute for or superior to financial results determined in accordance with GAAP.

## Forward-Looking Statements

This news release and its attachments contain forward-looking statements within the meaning of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements regarding the future financial performance of RPX as well as any statements regarding the Company's strategic and operational plans. The Company's actual results may differ materially from those predicted or implied in these forward-looking statements. Factors that may contribute to such differences include, among others, the Company's ability to maintain an adequate rate of growth, the success of the Company's insurance business and other new initiatives, and the Company's ability to attract new clients and retain existing clients. Forward-looking statements are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "project," "seek," "should," "target," "will," "would," and similar expressions or variations intended to identify forward-looking statements. More information about potential factors that could affect the Company's business and financial results is included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent annual report on Form 10-K and its quarterly reports on Form 10-Q on file and available at the SEC's website at [www.sec.gov](http://www.sec.gov). The Company does not intend, and undertakes no duty, to update any forward-looking statements to reflect future events or circumstances.

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**RPX Corporation**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue	\$ 65,407	\$ 58,554	\$ 191,588	\$ 177,229
Cost of revenue	30,444	29,766	90,906	78,130
Selling, general and administrative expenses	17,786	15,584	53,620	45,793
(Gain) loss on sale of patent assets, net	(8)	—	(707)	126
Operating income	17,185	13,204	47,769	53,180
Other income, net	73	56	266	170
Income before provision for income taxes	17,258	13,260	48,035	53,350
Provision for income taxes	6,425	4,863	17,943	19,561
Net income	\$ 10,833	\$ 8,397	\$ 30,092	\$ 33,789
Net income available to common stockholders:	\$ 10,833	\$ 8,395	\$ 30,092	\$ 33,767
Net income available to common stockholders per common share:				
Basic	\$ 0.20	\$ 0.16	\$ 0.56	\$ 0.65
Diluted	\$ 0.20	\$ 0.16	\$ 0.55	\$ 0.63
Weighted-average shares used in computing net income available to common stockholders per common share:				
Basic	53,773	52,267	53,263	51,751
Diluted	55,029	54,055	54,742	53,415

**RPX Corporation**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(unaudited)

	September 30, 2014	December 31, 2013
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 83,326	\$ 100,155
Short-term investments	219,804	190,567
Restricted cash	660	364
Accounts receivable	21,572	38,477
Prepaid expenses and other current assets	17,381	10,546
Deferred tax assets	4,136	3,817
Total current assets	346,879	343,926
Patent assets, net	248,051	219,954
Property and equipment, net	4,214	4,667
Intangible assets, net	3,962	1,718
Goodwill	19,978	16,460
Restricted cash, less current portion	1,091	1,454
Other assets	785	622
Total assets	\$ 624,960	\$ 588,801
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 596	\$ 332
Accrued liabilities	10,993	8,784
Deferred revenue	110,874	131,808
Deferred payment obligations	—	500
Other current liabilities	13,316	1,638
Total current liabilities	135,779	143,062
Deferred revenue, less current portion	1,946	5,935
Deferred tax liabilities	11,846	11,654
Other liabilities	3,043	3,227
Total liabilities	152,614	163,878
Stockholders' equity:		
Common stock	5	5
Additional paid-in capital	322,774	305,343
Retained earnings	149,619	119,527
Accumulated other comprehensive income	(52)	48
Total stockholders' equity	472,346	424,923
Total liabilities and stockholders' equity	\$ 624,960	\$ 588,801



**RPX Corporation**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	Nine Months Ended September 30,	
	2014	2013
<b>Cash flows from operating activities</b>		
Net income	\$ 30,092	\$ 33,789
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	89,700	76,767
Stock-based compensation	13,353	12,081
Excess tax benefit from stock-based compensation	(2,394)	(2,752)
(Gain) loss on sale of patent assets	(707)	126
Amortization of premium on investments	5,031	4,496
Deferred taxes	(1,797)	(2,772)
Other	(500)	13
Changes in assets and liabilities, net of business acquired:		
Accounts receivable	17,227	5,259
Other receivables	—	33,775
Prepaid expenses and other assets	(8,833)	(6,392)
Accounts payable	264	143
Accrued and other liabilities	1,507	1,134
Deferred revenue	(25,023)	859
Net cash provided by operating activities	<u>117,920</u>	<u>156,526</u>
<b>Cash flows from investing activities</b>		
Purchases of investments classified as available-for-sale	(176,209)	(134,155)
Maturities of investments classified as available-for-sale	146,225	115,122
Sales of investments classified as available-for-sale	—	1,099
Business acquisition, net of cash	(2,286)	—
Decrease in restricted cash	67	(1,818)
Purchases of property and equipment	(1,084)	(2,073)
Acquisitions of patent assets	(103,958)	(82,751)
Proceeds from sale of patent assets	1,086	100
Net cash used in investing activities	<u>(136,159)</u>	<u>(104,476)</u>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of stock options and other common stock issuances	2,864	4,174
Tax withholdings related to net share settlements of restricted stock units	(3,848)	—
Excess tax benefit from stock-based compensation	2,394	2,752
Net cash provided by financing activities	<u>1,410</u>	<u>6,926</u>
Net increase in cash and cash equivalents	(16,829)	58,976
Cash and cash equivalents at beginning of period	100,155	73,638
Cash and cash equivalents at end of period	<u>\$ 83,326</u>	<u>\$ 132,614</u>

**RPX Corporation**  
**Reconciliation of Pro Forma Net Income Per Share**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 10,833	\$ 8,397	\$ 30,092	\$ 33,789
<b>Pro forma net income per share:</b>				
Basic	\$ 0.20	\$ 0.16	\$ 0.56	\$ 0.65
Diluted	\$ 0.20	\$ 0.16	\$ 0.55	\$ 0.63
<b>Shares used in computing pro forma net income per share:</b>				
<b>Basic:</b>				
Basic weighted-average common shares	53,773	52,267	53,263	51,751
Add: Restricted stock	—	13	—	34
Shares used in computing pro forma basic net income per share	53,773	52,280	53,263	51,785
<b>Diluted:</b>				
Diluted weighted-average common shares	55,029	54,055	54,742	53,415
Add: Restricted stock	—	13	—	34
Shares used in computing pro forma diluted net income per share	55,029	54,068	54,742	53,449

**RPX Corporation**  
**Reconciliation of GAAP to Pro Forma Non-GAAP Net Income Per Share**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 10,833	\$ 8,397	\$ 30,092	\$ 33,789
Stock-based compensation <sup>[1]</sup>	4,613	4,017	13,694	12,453
Amortization of acquired intangible assets <sup>[2]</sup>	478	351	1,040	1,069
Income tax adjustments <sup>[3]</sup>	(1,648)	(1,396)	(4,890)	(4,357)
Non-GAAP net income	\$ 14,276	\$ 11,369	\$ 39,936	\$ 42,954
<b>Pro forma non-GAAP net income per share:</b>				
Basic	\$ 0.27	\$ 0.22	\$ 0.75	\$ 0.83
Diluted	\$ 0.26	\$ 0.21	\$ 0.73	\$ 0.80
<b>Shares used in computing pro forma net income per share:</b>				
Basic	53,773	52,280	53,263	51,785
Diluted	55,029	54,068	54,742	53,449

**RPX Corporation**  
**Reconciliation of GAAP to Non-GAAP Cost of Revenue**  
(in thousands)  
(unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cost of revenue	\$ 30,444	\$ 29,766	\$ 90,906	\$ 78,130
Amortization of acquired intangible assets <sup>[2]</sup>	(67)	(56)	(170)	(168)
Non-GAAP cost of revenue	<u>\$ 30,377</u>	<u>\$ 29,710</u>	<u>\$ 90,736</u>	<u>\$ 77,962</u>

**RPX Corporation**  
**Reconciliation of GAAP to Non-GAAP Selling, General and Administrative Expenses**  
(in thousands)  
(unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Selling, general and administrative expenses	\$ 17,786	\$ 15,584	\$ 53,620	\$ 45,793
Stock-based compensation <sup>[1]</sup>	(4,613)	(4,017)	(13,694)	(12,453)
Amortization of acquired intangible assets <sup>[2]</sup>	(411)	(295)	(870)	(901)
Non-GAAP selling, general and administrative expenses	<u>\$ 12,762</u>	<u>\$ 11,272</u>	<u>\$ 39,056</u>	<u>\$ 32,439</u>

**RPX Corporation**  
**Additional Metrics**  
(in thousands, except client and headcount data)  
(unaudited)

	As of and for the Three Months Ended September 30,	
	2014	2013
<b>Operating Metrics</b>		
Number of clients	195	160
Net additions	11	3
Trailing four quarters	35	32
Gross acquisition spend	\$ 59,960	\$ 20,591
Trailing four quarters	\$ 178,508	\$ 195,488
Net acquisition spend	\$ 42,210	\$ 17,591
Trailing four quarters	\$ 156,008	\$ 109,288
Full time equivalent headcount	149	136
<b>Financial Metrics</b>		
As of and for the Three Months Ended September 30,		
	2014	2013
Subscription revenue <sup>[4]</sup>	\$ 62,749	\$ 57,829
Fee-related revenue	2,658	725
Total revenue	\$ 65,407	\$ 58,554
Cash, cash equivalents and short-term investments	\$ 303,130	\$ 277,607
Deferred revenue, current and noncurrent	\$ 112,820	\$ 105,230

<sup>[1]</sup> RPX excludes stock-based compensation and related employer payroll taxes from its non-GAAP financial measures.

<sup>[2]</sup> RPX excludes amortization expense related to intangible assets (other than patents) acquired in conjunction with the acquisition of businesses from its non-GAAP financial measures.

<sup>[3]</sup> Amount reflects income taxes associated with the above noted non-GAAP exclusions.

<sup>[4]</sup> Subscription revenue is comprised of revenue generated from membership subscription services and premiums earned from insurance policies.