As filed with the Securities and Exchange Commission on January 27, 2017

Registration No. 333-_____

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

Form S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ITUS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**6794**	**11-2622630**
(State or other jurisdiction of incorporation or organization)	Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

12100 Wilshire Boulevard, Suite 1275
Los Angeles, CA 90025
Telephone: (310) 484-5200
(Address, including zip code, and telephone number, including area code, of principal executive offices)

Mr. Robert A. Berman
President and Chief Executive Officer
ITUS Corporation
12100 Wilshire Boulevard, Suite 1275
Los Angeles, CA 90025
Telephone: (310) 484-5200
(Address, including zip code, and telephone number, 1including area code, of agent for service)

Copies to:

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Approximate date of proposed sale to public: As soon as practicable on or after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 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, please 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(c) 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.☐

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered[1]	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Shares of common stock[2]	947,606	$ 5.04	$ 4,775,934.24	$ 553.53

(1) Pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act"), the shares of common stock offered hereby also include such presently indeterminate number of shares of the registrant's common stock as a result of stock splits, stock dividends or similar transactions.

(2) The maximum offering price is being computed in accordance with Rule 457(a) of the Securities Act. The shares of common stock are being issued by the registrant in accordance with a right held by the registration pursuant to the terms of a patent acquisition agreement at a price per share of $5.04.

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 which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this 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 prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This 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 January 27, 2017

Prospectus

ITUS CORPORATION

947,606 Shares of Common Stock

This prospectus relates to the issuance by ITUS Corporation ("we," "us," "our," the "Company," or "ITUS") of 947,606 shares of common stock, par value $0.01 per share, to Meetrix Communications, Inc. ("Meetrix"). The Company is issuing the shares in satisfaction of an obligation owed by the Company to Meetrix in the amount of $4,775,934 pursuant to the terms of that certain Patent Acquisition Agreement, dated November 11, 2013, by and between the Company and Meetrix (the "Patent Acquisition Agreement"). The Company's obligation to Meetrix is being satisfied at a price per share of $5.04. For more information regarding the issuance price, see "Determination of Offering Price" beginning on page 20.

Our common stock is listed on the Nasdaq Capital Market under the symbol "ITUS." On January 26, 2017, the last reported sale price of our common stock was $5.05 per share.

Upon issuance of the shares to Meetrix, the shares issued will not be "restricted" shares and Meetrix may offer all or part of the shares for sale from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. With regard only to the shares issued hereunder that it sells for its own behalf, Meetrix may be an "underwriter" within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 10 to read about factors you should consider before investing in shares of our common stock.

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 prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2017.

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with information different from or in addition to that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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In this prospectus, we rely on and refer to information and statistics regarding our industry. We obtained this statistical, market and other industry data and forecasts from publicly available information. While we believe that the statistical data, market data and other industry data and forecasts are reliable, we have not independently verified the data.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus contains forward looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this prospectus, including statements regarding future events, our future financial performance, business strategy, and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Although we do not make forward looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under "Risk Factors" or elsewhere in this prospectus, which may cause our or our industry's actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in a highly regulated, very competitive, and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long term business operations, and financial needs. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this prospectus, and in particular, the risks discussed below and under the heading "Risk Factors" and those discussed in other documents we file with the SEC. The following discussion should be read in conjunction with the consolidated financial statements for the fiscal years ended October 31, 2016 and 2015 and notes incorporated by reference therein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statement.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this prospectus. You should be aware that the occurrence of the events described in the section entitled "Risk Factors" and elsewhere in this prospectus could negatively affect our business, operating results, financial condition and stock price. Except as required by law, we undertake no obligation to update or revise publicly any of the forward-looking statements after the date of this prospectus to conform our statements to actual results or changed expectations.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in the common stock. You should carefully read the entire prospectus. In particular, attention should be directed to our "Risk Factors," "Information With Respect to the Company," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes thereto contained herein before making an investment decision.

Unless otherwise indicated, all references in this prospectus to "dollars" or "$" refer to US dollars.

Business Overview

We were incorporated on November 5, 1982 under the laws of the State of Delaware. From inception through October 2012, our primary operations involved the development of patented technologies in the areas of thin-film displays and encryption. Beginning in October of 2012 under the leadership of a new management team, we recapitalized the Company, unencumbered the Company's assets, changed the Company's name and ticker symbol, relocated the Company's headquarters, and modernized its systems. In July of 2015, the Company's stock was accepted for listing and began trading on the NASDAQ Capital Market.

In June of 2015, the Company announced the formation of a new subsidiary, Anixa Diagnostics Corporation ("Anixa"), to develop a platform for non-invasive blood tests for the early detection of cancer. That platform is called Cchek™. In July of 2015, ITUS announced a collaborative research agreement with The Wistar Institute ("Wistar"), the nation's first independent biomedical research institute and a leading National Cancer Institute designated cancer research center, for the purpose of validating our cancer detection methodologies and establishing protocols for identifying certain biomarkers in the blood which we identified and which are known to be associated with malignancies. In August of 2016 ITUS announced the renewal and expansion of our relationship with Wistar.

In October of 2015, ITUS and Wistar announced favorable results from initial testing of a small group of Breast Cancer patients and healthy controls. One hundred percent (100%) of the blood samples tested from patients with varying stages of breast cancer showed the presence of the biomarkers we identified, and none of the healthy patient blood samples contained the biomarkers. Breast Cancer is the second most common cancer in the United States and throughout the world.

In April of 2016, ITUS announced that we had demonstrated the efficacy of our Cchek™ early cancer detection platform with Lung Cancer. Lung cancer is the leading cause of death among cancers in the U.S. and throughout the world, accounting for approximately 27% of all cancer related deaths in the U.S. and 19% worldwide. In September of 2016, ITUS announced that we had demonstrated the efficacy of our Cchek™ early cancer detection platform with Colon Cancer. Colon Cancer is the third most common cancer in men and the second most common cancer in woman worldwide, with approximately 1.4 million new cases diagnosed each year, and approximately 700,000 deaths. At the end of September 2016 through the end of October 2016, the Company made similar announcements with respect to the efficacy of our Cchek™ early cancer detection platform for Melanoma, Ovarian Cancer, Liver Cancer, Thyroid Cancer, and Pancreatic Cancer. On November 15, 2016, ITUS announced that we had demonstrated the efficacy of our Cchek™ early cancer detection platform with six additional cancer types including Appendiceal Cancer (cancer of the appendix), Uterine Cancer, Osteosarcoma (cancer of the bone), Leiomyosarcoma (cancer of the soft tissue), Liposarcoma (cancer of the connective tissue), and Vulvar Cancer (cancer of the vulva), bringing the number of cancer types for which the efficacy of Cchek™ has been validated thus far to fourteen.

Our Cchek™ cancer detection platform measures a patient's immune response to a malignancy by detecting the presence, absence, and quantity of certain immune cells that exist in and around a tumor and that enter the blood stream. These types of cells and the tumor micro-environment have been the focus of recent ground breaking published and reported research in immuno-oncology, enabling the development of revolutionary immunotherapies used for treating certain cancer types. Instead of seeking to alter or boost the body's immune system and its ability to destroy cancer cells, as is the case with immunotherapy drugs, we have developed proprietary techniques and protocols for measuring the subtle immunological changes that occur in the blood stream during tumor development. Specifically, we seek to identify a subset of myeloid cells that we believe are diagnostic. These cells, often referred to as Myeloid Derived Suppressor Cells (MDSCs), are identified by specific surface proteins enabling characterization. We generally refer to MDSC's and other cells of the immune system which we believe can be diagnostic in nature as biomarkers. Through our proprietary protocols, we have had early success and have demonstrated accuracy in detecting these biomarkers in the peripheral blood of biopsy verified cancer patients, and in distinguishing the blood of healthy patients from the blood of cancer patients. The goal is to establish Cchek™ as a non-invasive, inexpensive, cancer diagnostic blood test that can reduce or eliminate the need for traditionally expensive, invasive, painful, and often inaccurate cancer diagnostic procedures which are currently in use.

In each instance where ITUS has demonstrated the efficacy of its cancer detection platform, fresh (utilized within 48 hours) blood samples from biopsy verified cancer patients have been tested at Wistar using a variety of experimental methodologies and protocols. Such un-blinded, non-uniform testing is common during the initial development stage of new technologies and diagnostic tests. Blood samples from patients with differing severities of cancers (with some cancers such as Breast Cancer stage 0 to stage 4) have been tested, including samples from both pre-treatment and post-treatment patients. In addition, Wistar has also tested blood from healthy donors. A critical aspect of any cancer diagnostic is the ability to accurately distinguish patients with cancer from healthy patients. Based upon our encouraging early results, our scientists are working with Wistar to finalize protocols and methodologies for identifying and classifying the immunologic biomarkers that are the foundation for our Cchek™ early cancer detection platform. Although our scientists, working in collaboration with Wistar, will continue to improve our processes and methodologies to achieve maximum performance, we expect our testing to become more uniform over time, and to eventually test patient samples in a double blinded manner. While studies comparing biopsy verified cancer patients have been compared to healthy donors, we have not yet evaluated benign conditions such as non-malignant neoplasias, systemic inflammatory conditions, infections, and other potential conditions that impact or may impact the immune system. Such testing will be necessary for regulatory approval.

Based upon and following the results of the more extensive clinical study, we will determine what further studies are necessary and whether and when to begin the process of seeking regulatory approval for a cancer screening test or confirmatory diagnostic test based upon our Cchek™ technology. One manner of seeking regulatory approval is to have a lab certified to run our cancer tests pursuant to The Clinical Laboratory Improvement Act of 1967 and the Clinical Laboratory Improvement Amendments of 1988 (collectively, "CLIA"). Among other things, CLIA requires clinical laboratories that perform diagnostic testing to be certified by the state in which the lab is located, as well as the Center for Medicare and Medicaid Services. If we seek regulatory approval pursuant to CLIA, only those laboratories that are certified under CLIA to run our diagnostic test would be able to process test samples. CLIA certification may or may not require additional studies. We could seek to establish our own CLIA certified laboratory to run the diagnostic tests, or we could potentially contract with an existing CLIA certified lab, and seek to have that laboratory certified to run our diagnostic test.

Another manner of obtaining regulatory approval would be to seek to have Cchek™ approved by The Food and Drug Administration ("FDA") pursuant to what are commonly referred to as either the 510(K) process, or the Premarket Application ("PMA") process. The appropriate pathway for FDA approval would depend upon a variety of factors, including the intended use of the test, and the risks associated with such use. FDA approval can take several years and would entail additional clinical studies.

The decision of whether and when to seek CLIA certification or FDA approval of a diagnostic test or tests utilizing our Cchek™ technology will be dependent on a variety of factors, including the results from more extensive clinical studies, the capital requirements of each approval process, the landscape for competitive diagnostic testing, and the time and resources required by each approval process. It is possible that we may seek to have one or more diagnostic tests approved via CLIA certification, and other diagnostic test or tests approved by the FDA, or that we may seek simultaneous FDA approval and CLIA certification of a particular diagnostic test or tests.

Over the next several quarters, we expect Cchek™ to be the primary focus of the Company. As part of our legacy operations, the Company remains engaged in limited patent licensing activities in the area of encrypted audio/video conference calling. We do not expect these activities to be a significant part of the Company's ongoing operations.

Over the past several quarters, our revenue has been derived from technology licensing and the sale of patented technologies, including in connection with the settlement of litigation. In addition to Anixa, the Company may make investments in and form new companies to develop additional emerging technologies.

Patent Acquisition Agreement

On November 11, 2013, the Company entered into the Patent Acquisition Agreement with Meetrix. Pursuant to the terms of the Patent Acquisition Agreement, which was entered into by the Company in connection with its former business operations involving the development of patented technologies in the areas of thin-film displays and encryption, the Company purchased from Meetrix its right, title and interest in four U.S. patents (Meetrix maintained a limited license to continue to use the patents). In consideration for its purchase of the patents, the Company issued to Meetrix 40,000 shares of common stock (the "Meetrix Shares"), granted Meetrix a continuing royalty in the net proceeds earned by the Company relating to the patents (the "Meetrix Royalty") and agreed to pay to Meetrix, on no later than the fourth anniversary of the effective date of the Patent Acquisition Agreement, $5,000,000 (less the value of the Meetrix Shares and any Meetrix Royalty payments) (the "Meetrix Obligation"). Pursuant to the terms of the Patent Acquisition Agreement, the Company could elect to pay the Meetrix Obligation using stock of the Company, with a value given to the stock equal to ninety percent (90%) of the weighted average closing prices for the thirty (30) day period prior to such election. On December 27, 2016, the Company provided notice to Meetrix of its intention to issue shares of common stock to satisfy the Meetrix Obligation, which as of the date of such notice was $4,775,934.

Corporate Information

Our principal executive offices are located at 12100 Wilshire Boulevard, Suite 1275, Los Angeles, CA 90025, our telephone number is (310) 484-5200, and our Internet website address is http://www.ITUScorp.com. The information on our website is not a part of, or incorporated in, this prospectus supplement.

	The Issuance
Common stock being issued:	947,606 shares
Common stock outstanding before the issuance to Meetrix: (1)	8,754,587 shares
Common stock to be outstanding after the issuance to Meetrix: (1)	9,702,193 shares
The Issuance:	The Company is issuing the shares in satisfaction of the Meetrix Obligation pursuant to the terms of the Patent Acquisition Agreement. The Meetrix Obligation is being satisfied at a price per share of $5.04. The Company will issue the shares on or about March 27, 2017. See "Prospectus Summary – Patent Acquisition Agreement" for more details.
Meetrix Ownership:	Giving effect to the issuance, Meetrix will own approximately 9.7% of our common stock following the issuance assuming that Meetrix does not hold any other shares of common stock.
Use of Proceeds:	We will not receive any proceeds from the issuance of the common stock to Meetrix. See "Use of Proceeds."
Rights Offering:	On January 19, 2017, the Company announced that its board of directors has approved a rights offering for its stockholders of up to $12,000,000. The rights offering will include the non-transferable right to purchase one (1) share of our common stock, at a discount, for each share of our common stock owned by stockholders on the ownership day of Friday, February 10, 2017. In the event that the issuance has not occurred prior to February 10, 2017, Meetrix will not receive any rights in connection with the shares being issued hereunder.
Listing of common stock:	Our common stock is listed on the Nasdaq Capital Market under the symbol "ITUS."
Dividend policy:	We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not currently anticipate paying cash dividends on our common stock.
Risk Factors:	An investment in our Company is highly speculative and involves a significant degree of risk. See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

(1) The number of shares of common stock shown above to be outstanding before and after this issuance is based on the 8,754,587 shares outstanding as of January 26, 2017 and excludes as of such date:

- 1,186,872 shares of our common stock issuable upon exercise of stock options outstanding under our 2010 Share Incentive Plan, 476,322 of which are not currently exercisable, which have a weighted average exercise price of $3.29 per share and 195,400 shares of our common stock issuable upon exercise of stock options outstanding under our 2003 Share Incentive Plan which have a weighted average exercise price of $19.05 per share;
- 764,000 shares of our common stock reserved for future issuance under our 2010 Share Incentive Plan;
- 1,780,000 shares of our common stock issuable upon the exercise of stock options outstanding pursuant to stock options that were not granted under the 2003 Share Plan or the 2010 Share Plan which have a weighted average exercise price of $2.70 per share; and
- 337,400 shares of our common stock issuable upon exercise of our outstanding warrants which have a weighted average exercise price of $10.02 (excluding the 500,000 shares of common stock issuable upon exercise of the warrant issued pursuant to the Redemption Agreement).

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision with regard to our securities. The statements contained in this prospectus that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Financial Condition and Operations

We have a history of losses and may incur additional losses in the future .

On a cumulative basis we have sustained substantial losses and negative cash flows from operations since our inception. As of October 31, 2016, our accumulated deficit was approximately $151,165,000. As of October 31, 2016, we had approximately $3,238,000 in cash and cash equivalents and short-term investments, and working capital of approximately $2,932,000. We incurred losses of approximately $5,016,000 in fiscal year 2016. We expect to incur material research and development expenses and to continue incurring significant legal and general and administrative expenses in connection with our operations. As a result, we anticipate that we will incur losses in the future.

As a result of our current lack of financial liquidity, our independent registered public accounting firm ("auditors") has expressed substantial doubt regarding our ability to continue as a "going concern."

As a result of our limited working capital, historical losses and our current burn rate, our auditors' report for our financial statements for the year ended October 31, 2016, which is included as part of this prospectus, contains a statement expressing substantial doubt concerning our ability to continue as a "going concern". Potential sources of capital include debt and the sale of the Company's equity securities. Many factors impact our ability to generate capital including the results of our ongoing clinical trials, the price of our stock, the liquidity of our stock, factors that influence the capital markets, and the overall health of the U.S. and world economies.

Because CchekÔ is at early stages of development, it is not likely that we will generate revenue from operations for the foreseeable future. In the event that we are unable to raise additional capital, the ongoing development of CchekÔ would be materially and adversely impacted as would the continuing viability of the Company.

The accompanying financial statements have been prepared assuming that we will continue as a going concern. In order for us to have sufficient capital to execute our business plan, fund our operations and meet our debt obligations over the next 12 months, we will need to raise additional capital. Although we have been successful in the past in raising capital, we cannot provide any assurance that we will be successful in doing so in the future to the extent necessary to be able to fund our operating activities and debt obligations over the next 12 months, which raises substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We will need additional funding in the future which may not be available on acceptable terms, or at all, and, if available, may result in dilution to our stockholders.

Based on currently available information as of January 26, 2017, we believe that our existing cash, cash equivalents, short-term investments and expected cash flows from operations will not be sufficient to fund our activities and debt obligations for the next 12 months. To date, we have relied primarily upon cash from the public and private sale of equity and debt securities, as well as net proceeds from the December 2014 settlement with AUO Optronics Corporation ("AUO"), to generate the working capital needed to finance our operations and to repay the Redemption Debenture (as defined below). If current cash on hand, cash equivalents, short term investments and cash that may be generated from our business operations are insufficient to continue to operate our business, we will be required to obtain more working capital. We may seek to obtain working capital through sales of our equity securities, including through our proposed rights offering, or through bank credit facilities or public or private debt from various financial institutions where possible which would be junior to our existing Redemption Debenture. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we do identify sources for additional funding, the sale of additional equity securities or convertible debt could result in dilution to our stockholders. Additionally, the sale of equity securities or issuance of debt securities may be subject to certain security holder approvals or may result in the downward adjustment of the exercise or conversion price of our outstanding securities. We can give no assurance that we will generate sufficient cash flows in the future to satisfy our liquidity requirements or sustain future operations, or that other sources of funding, such as sales of equity or debt, would be available or would be approved by our security holders, if needed, on favorable terms or at all. If we fail to obtain additional working capital as and when needed, such failure could have a material adverse impact on our business, results of operations and financial condition. Furthermore, such lack of funds may inhibit our ability to respond to competitive pressures or unanticipated capital needs, or may force us to reduce operating expenses, which would significantly harm the business and development of operations.

Failure to pay our secured debt holder may result in a foreclosure.

On September 9, 2014, we issued 140 shares of Series A Preferred Stock having an aggregate value of $3,500,000 (the "Series A Preferred") and a warrant to purchase 370,000 shares of the Company's common stock (the "September 2014 Warrant"). The September 2014 Warrant expired on November 11, 2016. Holders of our Series A Preferred had a one-time right to require the Company to redeem the Series A Preferred shares, which right was set to expire on November 11, 2016 (the "Redemption Date"). Under its terms, the Series A Preferred could only be redeemed from the proceeds of the sale of the Company's equity securities. On November 11, 2016 the holder of all of our outstanding Series A Preferred exercised its right of redemption. On December 6, 2016, we entered into an agreement with the holder of the Series A Preferred setting forth the terms under which such redemption would take place (the "Redemption Agreement") in lieu of paying the redemption from proceeds of the sale of equity securities. Pursuant to the Redemption Agreement, at closing the holder of the Series A Preferred received (i) $500,000 in cash, (ii) a 12% secured debenture evidencing the remaining $3,000,000 amount to be redeemed, $1,000,000 of which is due on or before June 1, 2017 and the remainder of which is due November 11, 2017 (the "Redemption Debenture"), and (iii) a 5 year warrant to purchase 500,000 shares of the Company's common stock with substantially the same terms as the expired September 2014 Warrant at an exercise price equal to 10% below the thirty (30) day volume weighted average closing price of our common stock at closing. The Redemption Debenture is secured by a lien on the Company's assets and prohibits the Company from incurring any senior indebtedness other than equipment financing in connection with the Company's business.

If we default under the Redemption Debenture, the creditor may seek to obtain a judgment against the Company for the remaining balance of the Redemption Debenture and attempt to foreclose on assets of the Company sufficient to repay the remaining balance of the Redemption Debenture. In the event of a default, if the Company is unable to re-negotiate the terms of the Redemption Debenture or raise sufficient capital to repay the remaining balance of the Redemption Debenture, such default would have a material adverse impact on the ongoing operations of the Company.

The terms set forth in the Redemption Debenture may make it difficult for us to borrow additional funds in the future.

Other than trade debt, the terms of the Redemption Debenture prohibit us from incurring indebtedness that is senior to the Redemption Debenture. This restriction may make it difficult for us to borrow additional funds from third parties. Additionally, the Redemption Debenture is secured by a lien on the assets of the Company which may prevent us from incurring additional secured debt. If we are unable to raise additional capital through the issuance of debt such failure could have a material adverse impact on our business, results of operations and financial condition.

Failure to effectively manage our potential growth could place strains on our managerial, operational and financial resources and could adversely affect our business and operating results.

Our business strategy and potential growth may place a strain on managerial, operational and financial resources and systems. Although we may not grow as we expect, if we fail to manage our growth effectively or to develop and expand our managerial, operational and financial resources and systems, our business and financial results will be materially harmed.

Risks Related to CchekÔ

Our cancer diagnostic business is pre-revenue, and subject to the risks of an early stage biotechnology company.

Since the Company's primary focus for the foreseeable future will likely be our cancer diagnostics business, shareholders should understand that we are primarily an early stage biotechnology company with no history of revenue-generating operations, and our only assets consist of our proprietary technologies and the know-how of our officers. Therefore we are subject to all the risks and uncertainties inherent in a new business, in particular new businesses engaged in the early detection of certain cancers. CchekÔ is in its early stages of development, and we still must establish and implement many important functions necessary to commercialize the technology.

Accordingly, you should consider the Company's prospects in light of the costs, uncertainties, delays and difficulties frequently encountered by companies in their pre-revenue generating stages, particularly those in the biotechnology field. Shareholders should carefully consider the risks and uncertainties that a business with no operating history will face. In particular, shareholders should consider that there is a significant risk that we will not be able to:

- demonstrate the effectiveness of Cchek Ô;
- implement or execute our current business plan, or that our current business plan is sound;
- raise sufficient funds in the capital markets or otherwise to fully effectuate our business plan;
- maintain our management team, including the members of our scientific advisory board;
- determine that the processes and technologies that we have developed or will develop are commercially viable; and/or
- attract, enter into or maintain contracts with potential commercial partners such as licensors of technology and suppliers.

Any of the foregoing risks may adversely affect the Company and result in the failure of our business. In addition, we expect to encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. At some point, we will need to transition from a company with a research and development focus to a company capable of supporting commercial activities. We may not be able to reach such achievements, which would have a material adverse effect on our Company.

We may have difficulty in raising capital for our cancer diagnostic business and may consume resources faster than expected.

We currently do not generate any revenue from Cchek Ô or otherwise and as of October 31, 2016, the Company had $3,238,000 in cash, cash equivalents and short-term investments. Therefore, we have a limited source of cash to meet our future capital requirements, which will include the repayment of the Redemption Debenture and may include the expensive process of obtaining FDA approval for Cchek Ô for each type of cancer for which we desire to launch a diagnostic test. We do not expect to generate revenues for the foreseeable future, and we may not be able to raise funds in the future, which would leave us without resources to continue our operations and force us to resort to the Company raising additional capital in the form of equity or debt financings, which may not be available to us. We may have difficulty raising needed capital in the near or longer term as a result of, among other factors, the very early stage of our diagnostic business and our lack of revenues as well as the inherent business risks associated with an early stage, biotechnology company and present and future market conditions. Also, we may consume available resources more rapidly than currently anticipated, resulting in the need for additional funding sooner than anticipated. Our inability to raise funds could lead to decreases in the price of our common stock and the failure of our cancer diagnostic business which would have a material adverse effect on the Company.

While our CchekÔ diagnostic technology has shown favorable results from initial testing, we cannot guarantee that these results will be replicated in future testing nor can we guarantee the success of the technology at all.

We have initially used CchekÔ to test the blood of small groups of individuals consisting of cancer patients and healthy patients and have reported sensitivity of 92% and specificity of 92%. While these preliminary results far exceed existing diagnostic testing, there is no guarantee that these results will be replicable when we test a larger group of patients or at all. If we are unable to consistently attain results that are necessary for commercialization of CchekÔ , our diagnostic technology will not have any monetary value and we will be unable to generate any revenue from this technology.

Even if we are able to attain results necessary for the commercialization of CchekÔ , our ability to commercialize the technology in the future will depend on our ability to provide evidence of clinical utility.

Our ability to successfully commercialize CchekÔwill depend on numerous factors, including whether health care providers believe that CchekÔ provides sufficient incremental clinical utility; whether the medical community accepts that CchekÔ has sufficient sensitivity (there are no or very few false positives), specificity (detects the cancer the test is supposed to detect) and predictive value to be meaningful in patient care and treatment decisions; whether the cost of the test is reasonably priced and commercially viable; and whether health insurers, government health programs and other third-party payers will cover and pay for CchekÔ and the amount that they will reimburse for such tests. These factors may present obstacles to commercial acceptance of CchekÔ. To the extent these obstacles arise, we will need to devote substantial time and resources to overcome these obstacles, and we might not be successful. Failure to achieve widespread market acceptance of CchekÔ would materially harm our business, financial condition and results of operations.

We are unable to give any assurance that we will be successful in providing sufficient evidence of clinical utility or any assurance that we will have adequate managerial, technical or financial resources to support the studies necessary to provide sufficient evidence of clinical utility of CchekÔ or to adequately differentiate our test from other diagnostic products in the manner, timeframe or cost parameters we anticipate, if at all. If we are unable to provide evidence of clinical utility and differentiate CchekÔ, we will not be able to generate the revenues and market growth that we seek. Our failure to generate revenue from the sale of our products would materially adversely impact our business, financial condition, results of operations and prospects.

Diagnostic test development involves a lengthy and complex process, and we may be unable to commercialize CchekÔ on a timely basis, or at all.

We have begun to devote considerable resources to research and development for CchekÔ, however there can be no assurance that CchekÔ will be capable of reliably predicting the occurrence or recurrence of any cancers with the sensitivity and specificity necessary to be clinically and commercially useful, or, even if such technology is clinically and commercially useful, that it will result in commercially successful products. In addition, before we can fully develop CchekÔ and commercialize any new products, we will need to:

- conduct substantial research and development;
- conduct validation studies;
- expend significant funds;
- enter into agreements and maintain relationships with third party vendors to provide third party blood samples;
- obtain regulatory approval (either CLIA, FDA or both); and
- establish or contract with the owner of a CLIA certified laboratory to process test samples.

Accordingly, our product development process involves a high degree of risk and may take several years, especially if the Company seeks FDA approval for each of its diagnostic tests. If CchekÔ should fail at the research or development stage, not produce sufficient clinical validation data to support the effectiveness of the product or not gain regulatory approval or if we should run out of cash to devote towards the commercialization of the technology or fail to establish agreements with necessary third party vendors, we will not make it to commercialization and we will not generate any revenue from the technology.

If we fail to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize our CchekÔ technology, and our ability to generate revenue and the viability of our Company will be materially impaired.

Commercialization of CchekÔ will require that we obtain either CLIA certification, FDA approval or both. If we are unable to obtain regulatory approval for Cchek Ô , we will be unable to commercialize and generate revenue from the technology which would have a material adverse effect on our business, financial condition and results of operations.

Unless we obtain FDA approval for CchekÔ , we will be dependent on laboratory contractors for testing of patient samples that are essential to the development and validation of CchekÔ.

To pursue the development and validation of Cchek Ô, we will require access to test results obtained from patient blood samples. We have currently contracted with Wistar to provide these services. Unless and until CchekÔ receives FDA approval, we may elect to seek CLIA certification for one or more of our Cchek Ô tests. Failure to receive FDA approval or CLIA certification would have a material adverse effect on our ability to develop and validate CchekÔ.

We will be dependent on third parties for the patient samples that are essential to the development and validation of CchekÔ .

To pursue our development and validation of CchekÔ, we are likely to need access, over time, to patient blood samples and such patients will need to consent to the use of their blood. As a result, we have made arrangements with Wistar and neighboring hospitals and medical practices to give us access to patient samples for the development and validation of CchekÔ. In the event that we are unable to obtain patient samples, or access to patient samples becomes more limited due to changes in privacy laws governing the use and disclosure of medical information or due to changes in the laws restricting our ability to obtain patient samples and associated information, our ability to pursue the development of CchekÔ may be slowed or halted, which could have a material adverse effect on our business, financial condition and results of operations

Our business could be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or changing interpretations of, the law or regulations of the Clinical Laboratory Improvement Act of 1967, the Clinical Laboratory Improvement Amendments of 1988, or the FDA or other federal, state or local agencies.

ITUS will need to seek regulatory approval in order to market CchekÔ. The clinical laboratory testing industry is subject to extensive federal and state regulation, and many of these statutes and regulations have not been interpreted by the courts. The Clinical Laboratory Improvement Act of 1967 and the Clinical Laboratory Improvement Amendments of 1988 are federal regulatory standards that apply to virtually all clinical laboratories (regardless of the location, size or type of laboratory), including those operated by physicians in their offices, by requiring that they be certified under federal law. CLIA does not pre-empt state law, which in some cases may be more stringent than federal law and require additional personnel qualifications, quality control, record maintenance and proficiency testing. The sanction for failure to comply with CLIA and state requirements may be suspension, revocation or limitation of a laboratory's CLIA certificate, which is necessary to conduct business, as well as significant fines and/or criminal penalties. Several states have similar laws and we may be subject to similar penalties. The FDA regulates diagnostic products and periodically inspects and reviews their manufacturing processes and product performance. We may choose to seek FDA approval for one or more CchekÔ tests, opposed to seeking CLIA certification. We cannot assure that applicable statutes and regulations will not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect our business. Potential sanctions for violation of these statutes and regulations include significant fines and the suspension or loss of various licenses, certificates and authorizations, which could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us, which may be costly, including FDA regulation of laboratory developed tests.

Health insurers and other third-party payers may decide not to reimburse our CchekÔ diagnostic testing or may provide inadequate reimbursement, which could jeopardize our commercial prospects and require customers to pay for the tests out of pocket.

In the United States, the regulatory process that allows diagnostic tests to be marketed is independent of any coverage determinations made by third-party payers. For new diagnostic tests, private and government payers decide whether to cover the test, the reimbursement amount for a covered test and the specific conditions for reimbursement. Physicians may order diagnostic tests that are not reimbursed by third-party payers, but coverage determinations and reimbursement levels and conditions are critical to the commercial success of a diagnostic product. Each third-party payer makes its own decision about which tests it will cover and how much it will pay, although many payers will follow the lead of Medicare. As a result, the coverage determination process will be a time-consuming and costly process that requires us to provide scientific, clinical and economic support for the use of CchekÔ diagnostic testing to each payer separately, with no assurance that approval will be obtained. If third-party payers decide not to cover CchekÔ or if they offer inadequate payment amounts, our ability to generate revenue from CchekÔ could be limited since patients who want to take the diagnostic tests would have to pay for it out of pocket. Even if one or more third-party payers decide to reimburse for CchekÔ diagnostic testing, a third-party payer may stop or lower payment at any time, which could reduce revenue. We cannot predict whether third-party payers will cover CchekÔ diagnostic testing or offer adequate reimbursement. We also cannot predict the timing of such decisions. In addition, physicians or patients may decide not to order CchekÔ tests if third-party payments are inadequate, especially if ordering the test could result in financial liability for the patient.

Whether or not health insurers and other third-party payers decide to reimburse CchekÔ , the technology may cost patients more than we anticipate.

We believe that our CchekÔ diagnostic testing will significantly reduce the cost to patients of screening and confirmatory testing for certain types of cancer. If, however, the cost to utilize CchekÔ is more expensive than we anticipate, many patients and third-party payers may elect not to utilize the technology which would significantly impact our ability to generate revenue from the technology.

We operate in a competitive market and expect to face intense competition, often from companies with greater resources and experience than us.

The clinical diagnostics industry is highly competitive and subject to rapid change. We are aware of many different types of diagnostic tests available to detect cancer that are currently in use or being developed and many more types of diagnostic tests may be developed in the future. If we are able to successfully commercialize CchekÔ, all of these tests will compete with our product. If CchekÔ is more expensive than and/or does not have sufficient specificity, sensitivity or predictive value to compete with tests that are currently on the market, or if any other diagnostic tests that are under development, once successfully developed and commercialized, have greater specificity, sensitivity or predictive value and/or are cheaper than our technology, we may be unable to compete successfully with such products which would have a material adverse effect on our business, financial condition and results of operations.

Furthermore, as the industry continues to expand and evolve, an increasing number of competitors and potential competitors may enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than we do. Some of these competitors and potential competitors have more experience than we do in the development of diagnostic products, including validation procedures and regulatory matters. In addition, CchekÔ will compete with product offerings from large and well established companies that have greater marketing and sales experience and capabilities than we do. If we are unable to compete successfully, we may be unable to sustain and grow our revenue.

If we are unable to obtain and maintain intellectual property protection, our competitive position will be harmed.

Our ability to compete and to achieve sustained profitability will be impacted by our ability to protect our CchekÔ cancer diagnostic technologies and other proprietary discoveries and technologies. We expect to rely on a combination of patent protection, copyrights, trademarks, trade secrets, know-how, and regulatory approvals to protect Cchek Ô and any of our other technologies. Our intellectual property strategy is intended to help develop and maintain our competitive position. However, there is no assurance that we will be able to obtain patent protection for CchekÔ and any other technologies, nor can we be certain that the steps we will have taken will prevent the misappropriation and unauthorized use of our technologies. If we are not able to obtain and maintain patent protection our competitive position may be harmed.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability to develop, manufacture, market and sell our CchekÔ cancer diagnostic technologies and other proprietary discoveries and technologies without infringing, misappropriating or otherwise violating the proprietary rights or intellectual property of third parties. We may become party to, or be threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our CchekÔ cancer diagnostic technologies and other proprietary discoveries and technologies. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we are found to infringe a third-party's intellectual property rights, we could be required to obtain a license from such third-party to continue developing our CchekÔ cancer diagnostic technologies and other proprietary discoveries and technologies. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease developing the infringing technology or product. In addition, we could be found liable for monetary damages. Claims that we have misappropriated the confidential information or trade secrets of third parties can have a similar negative impact on our business.

We are dependent upon a few key personnel and the loss of their services could adversely affect us.

Our future success of developing CchekÔ will depend on the efforts of our Executive Chairman of the Board Dr. Amit Kumar. We do not maintain “key person” life insurance on Dr. Kumar. The loss of the services of Dr. Kumar could have a material adverse effect on our business and operating results.

Risks Related to Legacy Patent Licensing Activities

In connection with our legacy patent licensing activities, we may not be able to license our patent portfolios which may have an adverse impact on our future operations.

We may generate revenues and related cash flows from the licensing and enforcement of patents that we currently own, from technologies that we develop and from the rights to license and enforce additional patents we have obtained, and may obtain in the future, from third parties. However, we can give no assurances that we will be able to identify opportunities to exploit such patents or that such opportunities, even if identified, will generate sufficient revenues to sustain future operations.

We, in certain circumstances, rely on representations, warranties and opinions made by third parties that, if determined to be false or inaccurate, may expose us to certain material liabilities.

From time to time, we may rely upon the opinions of purported experts. In certain instances, we may not have the opportunity to independently investigate and verify the facts upon which such opinions are made. By relying on these opinions, we may be exposed to liabilities in connection with the licensing and enforcement of certain patents and patent rights which could have a material adverse effect on our operating results and financial condition.

In connection with patent licensing activities conducted by certain of our subsidiaries, a court that has ruled unfavorably against us may also impose sanctions or award attorney's fees, exposing us and our operating subsidiaries to certain material liabilities.

In connection with any of our patent licensing activities, it is possible that a court that has ruled against us may also impose sanctions or award attorney's fees to defendants, exposing us or our operating subsidiaries to material liabilities, which could materially harm our operating results and our financial condition.

Our patented technologies have an uncertain market value.

Many of our patents and technologies are in the early stages of adoption in the commercial and consumer markets. Demand for some of these technologies is untested and is subject to fluctuation based upon the rate at which our licensees will adopt our patents and technologies in their products and services.

Risks Related to Our Common Stock

The issuance or sale of shares in the future to raise money or for strategic purposes could reduce the market price of our common stock.

In the future, we may issue securities, including issuing securities in connection with our proposed rights offering, to raise cash for operations, to pay down existing or then existing indebtedness, as consideration for the acquisition of assets (as we did with Meetrix), to pay for the development of our CchekÔ platform and for acquisitions of companies. We have and in the future may issue securities convertible into our common stock. Any of these events may dilute stockholders' ownership interests in our company and have an adverse impact on the price of our common stock.

In addition, sales of a substantial amount of our common stock in the public market, or the perception that these sales may occur, could reduce the market price of our common stock. This could also impair our ability to raise additional capital through the sale of our securities.

Any actual or anticipated sales of shares by our stockholders may cause the trading price of our common stock to decline. The sale of a substantial number of shares of our common stock by our stockholders, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

Meetrix will experience immediate and substantial dilution as a result of this issuance.

Meetrix will incur immediate and substantial dilution as a result of the issuance of the shares pursuant to this registration statement. After giving effect to the issuance by us of 947,606 shares of common stock at a price of $5.04 per share, Meetrix can expect an immediate dilution of $4.73 per share, or 94%.

Delaware law and our charter documents contain provisions that could discourage or prevent a potential takeover of our company that might otherwise result in our stockholders receiving a premium over the market price of their shares.

Provisions of Delaware General Corporation Law ("DGCL") and our certificate of incorporation, as amended (the "Certificate of Incorporation") and by-laws ("By-Laws") could make the acquisition of our company by means of a tender offer, proxy contest or otherwise, and the removal of incumbent officers and directors, more difficult. These provisions include:

- Section 203 of the DGCL, which prohibits a merger with a 15%-or-greater stockholder, such as a party that has completed a successful tender offer, until three years after that party became a 15%-or-greater stockholder;

- The authorization in our Certificate of Incorporation of undesignated preferred stock, which could be issued without stockholder approval in a manner designed to prevent or discourage a takeover; and

- Provisions in our By-Laws regarding stockholders' rights to call a special meeting of stockholders limit such rights to stockholders holding together at least a majority of shares of the Company entitled to vote at the meeting, which could make it more difficult for stockholders to wage a proxy contest for control of our Board of Directors or to vote to repeal any of the anti-takeover provisions contained in our Certificate of Incorporation and By-Laws.

Together, these provisions may make the removal of management more difficult and may discourage transactions that could otherwise involve payment of a premium over prevailing market prices for our common stock.

We may fail to meet market expectations because of fluctuations in quarterly operating results, which could cause the price of our common stock to decline.

Our reported revenues and operating results have fluctuated in the past and may continue to fluctuate significantly from quarter to quarter in the future, specifically as we continue to devote more of our resources towards our CchekÔ diagnostic technology. It is likely that in future periods, we will have no revenue or, in any event, revenues could fall below the expectations of securities analysts or investors, which could cause the market price of our common stock to decline. The following are among the factors that could cause our operating results to fluctuate significantly from period to period:

- clinical trial results relating to our diagnostic technology;

- progress with regulatory authorities towards the certification/approval of our diagnostic technology;

- costs related to acquisitions, alliances and licenses.

Biotechnology company stock prices are especially volatile, and this volatility may depress the price of our common stock.

The stock market has experienced significant price and volume fluctuations, and the market prices of biotechnology companies have been highly volatile. We believe that various factors may cause the market price of our common stock to fluctuate, perhaps substantially, including, among others, the following:

- announcements of developments in the cancer diagnostic testing industry;

- developments in relationships with third party vendors and laboratories;

- announcements of developments in our remaining patent enforcement actions;

- developments or disputes concerning our patents and other intellectual property;

- our or our competitors' technological innovations;

- variations in our quarterly operating results;

- our failure to meet or exceed securities analysts' expectations of our financial results;

- a change in financial estimates or securities analysts' recommendations;

- changes in management's or securities analysts' estimates of our financial performance;

- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures, capital commitments, new technologies, or patents; and

- the timing of or our failure to complete significant transactions.

In addition, we believe that fluctuations in our stock price during applicable periods can also be impacted by changes in governmental regulations in the diagnostic testing industry and/or court rulings and/or other developments in our remaining patent licensing and enforcement actions. For example, if government regulators no longer allow for the use of diagnostic technology that has not been granted FDA approval (e.g. denying products that have only received CLIA certification), the time and cost to bring our technology to market will increase which will likely have an adverse impact on our stock price.

In the past, companies that have experienced volatility in the market price of their stock have been the objects of securities class action litigation. If our common stock was the object of securities class action litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm our business and financial results.

Our common stock is currently listed on NASDAQ Capital Market, however if our common stock is delisted for any reason, it will become subject to the SEC's penny stock rules which may make our shares more difficult to sell.

If our common stock is delisted from NASDAQ Capital Market, our common stock will then fit the definition of a penny stock and therefore would be subject to the rules adopted by the SEC regulating broker-dealer practices in connection with transactions in penny stocks. The SEC rules may have the effect of reducing trading activity in our common stock making it more difficult for investors to sell their shares. The SEC's rules require a broker or dealer proposing to effect a transaction in a penny stock to deliver the customer a risk disclosure document that provides certain information prescribed by the SEC, including, but not limited to, the nature and level of risks in the penny stock market. The broker or dealer must also disclose the aggregate amount of any compensation received or receivable by him in connection with such transaction prior to consummating the transaction. In addition, the SEC's rules also require a broker or dealer to make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction before completion of the transaction. The existence of the SEC's rules may result in a lower trading volume of our common stock and lower trading prices.

We do not anticipate declaring any cash dividends on our common stock which may adversely impact the market price of our stock.

We have never declared or paid cash dividends on our common stock and do not plan to pay any cash dividends in the near future. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. If we do not pay dividends, our stock may be less valuable to you because a return on your investment will only occur if our stock price appreciates.

USE OF PROCEEDS

We will not receive any proceeds from the issuance of shares to Meetrix. The Company is issuing the shares in satisfaction of the $4,775,934 Meetrix Obligation. Pursuant to the terms of the Patent Acquisition Agreement, the Meetrix Obligation is being satisfied at a price per share of $5.04.

DIVIDEND POLICY

We have not declared any dividends and do not anticipate that we will declare dividends in the foreseeable future; rather, we intend to retain any future earnings for the development of the business. Payment of future cash dividends, if any, will be at the discretion of our Board of Directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, outstanding indebtedness and plans for expansion and restrictions imposed by lenders, if any.

DETERMINATION OF OFFERING PRICE

The Company is issuing the shares in satisfaction of the $4,775,934 Meetrix Obligation. Pursuant to the terms of the Patent Acquisition Agreement, the Company's obligation is being satisfied at a price per share of $5.04 which is equal to ninety percent (90%) of the weighted average closing prices of our common stock on the Nasdaq Capital Market for the thirty day period prior to December 27, 2016, the date on which the Company provided notice to Meetrix of the Company's decision to satisfy the Meetrix Obligation in shares of common stock. The price per share at which the Meetrix Obligation is being satisfied does not otherwise bear any relationship to our book value, assets, past operating results, financial condition or any other established criteria of value.

Upon issuance of the shares to Meetrix, the shares issued will not be "restricted" shares and Meetrix may offer all or part of the shares for sale from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. The offering price of our common stock does not necessarily bear any relationship to our book value, assets, past operating results, financial condition or any other established criteria of value. There is no assurance that our common stock will trade at market prices in excess of the issuance price as prices for common stock in any public market will be determined in the marketplace and may be influenced by many factors, including the volume and liquidity.

DILUTION

Upon issuance of the shares to Meetrix pursuant to this prospectus, Meetrix's interest will be diluted immediately to the extent of the difference between the issuance price of $5.04 per share and the as adjusted net tangible book value per share of our common stock immediately following this issuance.

Our net tangible book value as of October 31, 2016 was approximately $(1,084,000), or approximately $(0.12) per share. Net tangible book value per share represents our total tangible assets less total liabilities, divided by the number of shares of common stock outstanding as of October 31, 2016. Net tangible book value dilution per share to new investors represents the difference between the amount per share that the shares were issued for and the as adjusted net tangible book value per share of common stock immediately after completion of the issuance.

Assuming the issuance is at a price of $5.04 per share, and after deducting estimated issuance expenses, our as adjusted net tangible book value as of October 31, 2016 would have been approximately $3,054,000, or $0.31 per share. This represents an immediate increase in net tangible book value of $0.43 per share to existing stockholders and an immediate dilution in net tangible book value of $4.73 per share to Meetrix for the shares issued herein.

The following table illustrates the dilution to Meetrix of the common stock in this issuance.

Issuance price per share	$	5.04
Net tangible book value per share as of October 31, 2016	$	(0.12)
Increase in net tangible book value per share attributable to satisfaction of the Meetrix Obligation in this issuance	$	0.43
Adjusted net tangible book value per share as of October 31, 2016, after giving effect to the issuance	$	0.31
Dilution per share to Meetrix in the issuance	$	4.73

The foregoing does not take into account:

- 1,150,872 shares of our common stock issuable upon exercise of stock options outstanding under our 2010 Share Incentive Plan, 491,433 of which are not currently exercisable, which have a weighted average exercise price of $3.22 per share and 225,600 shares of our common stock issuable upon exercise of stock options outstanding under our 2003 Share Incentive Plan which have a weighted average exercise price of $18.69 per share;
- 361,956 shares of our common stock reserved for future issuance under our 2010 Share Incentive Plan;
- 1,780,000 shares of our common stock issuable upon the exercise of stock options outstanding pursuant to stock options that were not granted under the 2003 Share Plan or the 2010 Share Plan which have a weighted average exercise price of $2.70 per share; and
- 707,379 shares of our common stock issuable upon exercise of our outstanding warrants which have a weighted average exercise price of $8.83 (excluding the 500,000 shares of common stock issuable upon exercise of the warrant issued pursuant to the Redemption Agreement).

PLAN OF DISTRIBUTION

We will issue the shares to Meetrix on or about March 27, 2017. The Company is issuing the shares in satisfaction of the $4,775,934 Meetrix Obligation. Pursuant to the terms of the Patent Acquisition Agreement, the Meetrix Obligation is being satisfied at a price per share of $5.04

Once issued to Meetrix, the common stock held by Meetrix may be resold or distributed from time to time by Meetrix directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The sale by Meetrix may be effected in one or more of the following methods:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- transactions involving cross or block trades;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- in privately negotiated transactions;
- short sales after the registration statement, of which this prospectus forms a part, becomes effective;
- broker-dealers may agree with Meetrix to sell a specified number of such shares at a stipulated price per share;
- "at the market" into an existing market for the common stock;
- through the writing of options on the shares;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

If Meetrix is an "affiliate" of the Company, as such term is defined under Rule 405 under the Securities Act, and the shares issued to Meetrix pursuant to this registration statement have not be registered for resale by Meetrix, Meetrix shall comply with Rule 144 under the Securities Act when selling its shares.

Meetrix may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from Meetrix and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that Meetrix will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. Meetrix may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act.

With regard only to the shares it sells for its own behalf, Meetrix may be an "underwriter" within the meaning of the Securities Act. The Company will not pay any of the selling commissions, brokerage fees and related expenses. If Meetrix does sell any of the shares issued pursuant to this prospectus, Meetrix will be subject to the prospectus delivery requirements of the Securities Act.

DESCRIPTION OF SECURITIES TO BE REGISTERED

General

Our authorized share capital consists of 24,000,000 shares of common stock, $0.01 par value per share, of which 8,754,587 shares of common stock are issued and outstanding as of January 26, 2017 and 20,000 shares of preferred stock, $0.01 par value per share, of which 140 shares have been designated as Series A Convertible Preferred Stock, none of which are issued and outstanding. We are a Delaware corporation and our affairs are governed by our Certificate of Incorporation and By-laws. The following are summaries of material provisions of our Certificate of Incorporation and By-laws insofar as they relate to the material terms of our common shares. Complete copies of our Certificate of Incorporation and By-laws are filed as exhibits to our public filings.

Common Stock

Our common stock is listed on the Nasdaq Capital Market under the symbol “ITUS”.

All outstanding shares of common stock are of the same class and have equal rights and attributes. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders of the Company. All stockholders are entitled to share equally in dividends, if any, as may be declared from time to time by the Board of Directors out of funds legally available. In the event of liquidation, the holders of common stock are entitled to share ratably in all assets remaining after payment of all liabilities. The stockholders do not have cumulative or preemptive rights.

Dividend Rights

Holders of the common stock may receive dividends when, as and if declared by our Board of Directors out of the assets legally available for that purpose and subject to the preferential dividend rights of any other classes or series of stock of our Company. We have never paid, and have no plans to pay, any dividends on our shares of common stock.

Voting Rights

Holders of the common stock are entitled to one vote per share in all matters as to which holders of common stock are entitled to vote. Holders of not less than a majority of the outstanding shares of common stock entitled to vote at any meeting of stockholders constitute a quorum unless otherwise required by law.

Election of Directors

Directors hold office until the next annual meeting of stockholders and are eligible for reelection at such meeting. Directors are elected by a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. There is no cumulative voting for directors.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, holders of the common stock have the right to receive ratably and equally all of the assets remaining after payment of liabilities and liquidation preferences of any preferred stock then outstanding.

Redemption

The common stock is not redeemable or convertible and does not have any sinking fund provisions.

Preemptive Rights

Holders of the common stock do not have preemptive rights.

Other Rights

Our common stock is not liable to calls or to assessment by the registrant and for liabilities of the registrant imposed on its stockholders under state statutes.

INFORMATION WITH RESPECT TO THE REGISTRANT

Description of Business

Overview

We were incorporated on November 5, 1982 under the laws of the State of Delaware. From inception through October 2012, our primary operations involved the development of patented technologies in the areas of thin-film displays and encryption. Beginning in October of 2012 under the leadership of a new management team, we recapitalized the Company, unencumbered the Company's assets, changed the Company's name and ticker symbol, relocated the Company's headquarters, and modernized its systems. In July of 2015, the Company's stock was accepted for listing and began trading on the NASDAQ Capital Market.

In June of 2015, the Company announced the formation of a new subsidiary, Anixa, to develop a platform for non-invasive blood tests for the early detection of cancer. That platform is called CchekÔ. In July of 2015, ITUS announced a collaborative research agreement with Wistar, the nation's first independent biomedical research institute and a leading National Cancer Institute designated cancer research center, for the purpose of validating our cancer detection methodologies and establishing protocols for identifying certain biomarkers in the blood which we identified and which are known to be associated with malignancies. In August of 2016 ITUS announced the renewal and expansion of our relationship with Wistar.

In October of 2015, ITUS and Wistar announced favorable results from initial testing of a small group of Breast Cancer patients and healthy controls. One hundred percent (100%) of the blood samples tested from patients with varying stages of breast cancer showed the presence of the biomarkers we identified, and none of the healthy patient blood samples contained the biomarkers. Breast Cancer is the second most common cancer in the United States and throughout the world.

In April of 2016, ITUS announced that we had demonstrated the efficacy of our CchekÔ early cancer detection platform with Lung Cancer. Lung cancer is the leading cause of death among cancers in the U.S. and throughout the world, accounting for approximately 27% of all cancer related deaths in the U.S. and 19% worldwide. In September of 2016, ITUS announced that we had demonstrated the efficacy of our CchekÔ early cancer detection platform with Colon Cancer. Colon Cancer is the third most common cancer in men and the second most common cancer in woman worldwide, with approximately 1.4 million new cases diagnosed each year, and approximately 700,000 deaths. At the end of September 2016 through the end of October 2016, the Company made similar announcements with respect to the efficacy of our CchekÔ early cancer detection platform for Melanoma, Ovarian Cancer, Liver Cancer, Thyroid Cancer, and Pancreatic Cancer. On November 15, 2016, ITUS announced that we had demonstrated the efficacy of our CchekÔ early cancer detection platform with six additional cancer types including Appendiceal Cancer (cancer of the appendix), Uterine Cancer, Osteosarcoma (cancer of the bone), Leiomyosarcoma (cancer of the soft tissue), Liposarcoma (cancer of the connective tissue), and Vulvar Cancer (cancer of the vulva), bringing the number of cancer types for which the efficacy of CchekÔ has been validated thus far to fourteen.

Our CchekÔ cancer detection platform measures a patient's immune response to a malignancy by detecting the presence, absence, and quantity of certain immune cells that exist in and around a tumor and that enter the blood stream. These types of cells and the tumor micro-environment have been the focus of recent ground breaking published and reported research in immuno-oncology, enabling the development of revolutionary immunotherapies used for treating certain cancer types. Instead of seeking to alter or boost the body's immune system and its ability to destroy cancer cells, as is the case with immunotherapy drugs, we have developed proprietary techniques and protocols for measuring the subtle immunological changes that occur in the blood stream during tumor development. Specifically, we seek to identify a subset of myeloid cells that we believe are diagnostic. These cells, often referred to as Myeloid Derived Suppressor Cells (MDSCs), are identified by specific surface proteins enabling characterization. We generally refer to MDSC's and other cells of the immune system which we believe can be diagnostic in nature as biomarkers. Through our proprietary protocols, we have had early success and have demonstrated accuracy in detecting these biomarkers in the peripheral blood of biopsy verified cancer patients, and in distinguishing the blood of healthy patients from the blood of cancer patients. The goal is to establish Cchek™ as a non-invasive, inexpensive, cancer diagnostic blood test that can reduce or eliminate the need for traditionally expensive, invasive, painful, and often inaccurate cancer diagnostic procedures which are currently in use.

In each instance where ITUS has demonstrated the efficacy of its cancer detection platform, fresh (utilized within 48 hours) blood samples from biopsy verified cancer patients have been tested at Wistar using a variety of experimental methodologies and protocols. Such un-blinded, non-uniform testing is common during the initial development stage of new technologies and diagnostic tests. Blood samples from patients with differing severities of cancers (with some cancers such as Breast Cancer stage 0 to stage 4) have been tested, including samples from both pre-treatment and post-treatment patients. In addition, Wistar has also tested blood from healthy donors. A critical aspect of any cancer diagnostic is the ability to accurately distinguish patients with cancer from healthy patients. Based upon our encouraging early results, our scientists are working with Wistar to finalize protocols and methodologies for identifying and classifying the immunologic biomarkers that are the foundation for our CchekÔ early cancer detection platform. Although our scientists, working in collaboration with Wistar, will continue to improve our processes and methodologies to achieve maximum performance, we expect our testing to become more uniform over time, and to eventually test patient samples in a double blinded manner. While studies comparing biopsy verified cancer patients have been compared to healthy donors, we have not yet evaluated benign conditions such as non-malignant neoplasias, systemic inflammatory conditions, infections, and other potential conditions that impact or may impact the immune system. Such testing will be necessary for regulatory approval.

Based upon and following the results of the more extensive clinical study, we will determine what further studies are necessary and whether and when to begin the process of seeking regulatory approval for a cancer screening test or confirmatory diagnostic test based upon our CchekÔ technology. One manner of seeking regulatory approval is to have a lab certified to run our cancer tests pursuant to CLIA. Among other things, CLIA requires clinical laboratories that perform diagnostic testing to be certified by the state in which the lab is located, as well as the Center for Medicare and Medicaid Services. If we seek regulatory approval pursuant to CLIA, only those laboratories that are certified under CLIA to run our diagnostic test would be able to process test samples. CLIA certification may or may not require additional studies. We could seek to establish our own CLIA certified laboratory to run the diagnostic tests, or we could potentially contract with an existing CLIA certified lab, and seek to have that laboratory certified to run our diagnostic test.

Another manner of obtaining regulatory approval would be to seek to have Cchek™ approved by the FDA pursuant to what are commonly referred to as either the 510(K) process, or the PMA process. The appropriate pathway for FDA approval would depend upon a variety of factors, including the intended use of the test, and the risks associated with such use. FDA approval can take several years and would entail additional clinical studies.

The decision of whether and when to seek CLIA certification or FDA approval of a diagnostic test or tests utilizing our CchekÔ technology will be dependent on a variety of factors, including the results from more extensive clinical studies, the capital requirements of each approval process, the landscape for competitive diagnostic testing, and the time and resources required by each approval process. It is possible that we may seek to have one or more diagnostic tests approved via CLIA certification, and other diagnostic test or tests approved by the FDA, or that we may seek simultaneous FDA approval and CLIA certification of a particular diagnostic test or tests.

Over the next several quarters, we expect Cchek™ to be the primary focus of the Company. As part of our legacy operations, the Company remains engaged in limited patent licensing activities in the area of encrypted audio/video conference calling. We do not expect these activities to be a significant part of the Company's ongoing operations.

Over the past several quarters, our revenue has been derived from technology licensing and the sale of patented technologies, including in connection with the settlement of litigation. In addition to Anixa, the Company may make investments in and form new companies to develop additional emerging technologies.

Preliminary Biomarker Results

On December 7, 2016 we announced the preliminary results from our CchekÔ cancer patient efficacy study. Using our most recent protocols and methods for measuring a patients' immunological response to a malignancy, the Company achieved Sensitivity of 92% and Specificity of 92% for 88 patient samples, including 54 samples from patients with multiple types and severities of cancer, and 34 healthy patients. During the initial phase of the study, which involved multiple experimental protocols and techniques for measuring immunological responses, the Company reviewed and analyzed data from a total of 315 patient samples, including 228 patients with varying stages of cancer, as well as blood samples from 87 healthy donors.

Patient samples representing 14 different types of cancer including Breast Cancer, Lung Cancer, Colon Cancer, Melanoma, Ovarian Cancer, Liver Cancer, Thyroid Cancer, Pancreatic Cancer, Appendiceal Cancer (cancer of the appendix), Uterine Cancer, Osteosarcoma (cancer of the bone), Leiomyosarcoma (cancer of the soft tissue), Liposarcoma (cancer of the connective tissue), and Vulvar Cancer (cancer of the Vulva) were included in the study. The study included samples from patients with early and late stage, biopsy-verified, drug-naïve (before therapy) tumors, as well as biopsy-verified, refractory (unresponsive to attempted chemotherapy) tumors.

Sensitivity and specificity are scientific measurements commonly used to determine the accuracy of a diagnostic test, where sensitivity measures how good a test is at identifying people with a particular disease, and specificity measures how good a test is at identifying people without the disease. Although published results vary widely, established diagnostic tests such as Low Dose Computed Tomography (LDCT) , which is used by other companies to screen for Lung Cancer, has sensitivity of approximately 93% and specificity of approximately 73%, the Prostate Specific Antigen ("PSA") test, which is used by other companies to screen for prostate cancer, has sensitivity of approximately 21% and specificity of approximately 91%, and Mammography, used by other companies to screen for breast cancer and considered to be the "gold standard" for breast cancer screening, has reported sensitivity as low as approximately 68% and specificity as low as approximately 75%. As these results indicate, current diagnostic testing is hampered by low sensitivity, low specificity or both, meaning that the tests miss a substantial portion of the cancers they are supposed to detect, or miss-diagnose a large number of healthy patients as having cancer. There is currently no inexpensive, non-invasive, diagnostic test that excels in both sensitivity and specificity. Our preliminary results, while extremely promising, will have to be confirmed in blinded clinical studies of sufficient size before we can seek marketing approval for CchekÔ from the FDA.

Initial samples in our study were tested utilizing immunostaining and fluorescent microscopic imaging. While results were promising, subjectivity in interpreting the imaging results together with labor intensive and time consuming sample processing hampered the commercial viability of this approach. Subsequently, patient samples were analyzed using flow cytometry, enabling more efficient processing and analysis. In addition, ITUS is developing a software application using a proprietary neural network, which currently relies on up to 13 quantitative parameters to analyze test results. This approach, which is highly data intensive and requires substantial computer processing power to develop, results in a test which can be performed using a desktop computer. An initial version of our neural network, which was trained to distinguish between the immunological responses from cancer patients and healthy patients, was responsible for the sensitivity and specificity results reported above. The Company expects to continue to improve its protocols, continue to upgrade its neural network-software by increasing the number of patient samples used to train the software and expanding the range of markers, increasing the data resolution, and enhancing the architecture of the software, which may enable better results.

Related to our collaborative research agreement, the Company and/or Wistar currently have collaborations with doctors from University of Pennsylvania Abramson Cancer Center, The Helen F. Graham Cancer Center and Research Institute at Christiana Hospital in Wilmington, Delaware, and Virtua Health System in southern New Jersey. In most cases, patients from participating doctors at these healthcare institutions who are beginning or in some cases, continuing cancer treatment are asked to consent to have an additional tube of blood drawn for the purpose of participating in the CchekÔ patients efficacy trials. Because the number of cancer patients treated by these hospitals varies over time, and the decision whether to participate in the CchekÔ patient studies is ultimately at the discretion of the patient, it is difficult to predict the number of patient samples that we will receive in any given week, or during any given month. ITUS is currently in discussions with additional doctors and healthcare providers about providing blood samples for our patient efficacy trials, and the Company has capacity available to process an additional quantity of samples. With the addition of these new sources of patient samples, the Company expects to process enough samples and generate enough data to begin its regulatory discussions in the next 6 to 12 month period.

The Market

There are four primary markets for a cancer diagnostic test: screening, confirmatory testing, treatment monitoring, and recurrence testing.

- Screening occurs when asymptomatic people are tested for indications of cancer. Examples of existing screening tests include the mammogram for Breast Cancer, Low Dose Tomography testing for Lung Cancer, and colonoscopy for Colon Cancer. All screening tests have their strengths and weaknesses, and for many cancers there are currently no recommended screening tests available.

- Confirmatory testing is used to confirm the results of a screening test. In certain instances, existing confirmatory testing can be invasive, painful, expensive, and have relatively high risks of complications. For example, a positive mammogram is often followed up with additional imaging, which can lead to a biopsy during which a needle is inserted into the breast to sample suspicious tissue or lesions. For Lung Cancer, existing confirmatory diagnostics include bronchoscopies, during which a flexible tube is inserted through the nose or mouth and into the lung, and needle biopsies, during which a long needle is inserted between the ribs and into the lung. One potential side effect a lung biopsy is a pneumothorax (commonly referred to as a "collapsed lung"), which has been reported to occur in approximately fifteen percent (15%) of needle biopsies of the lung. A pneumothorax can lead to other complications and sometimes requires extended hospitalization. In addition to the potential side effects, biopsies of any sort can be extremely painful for the patient.

- Treatment monitoring includes follow-on testing to monitor the effectiveness of a specific regimen of treatment. For example, diagnostic monitoring testing may be used to monitor the effectiveness of a particular type of chemotherapy, to determine how the cancer is responding and whether such treatment should be continued.

- Finally, recurrence diagnostic testing is used for cancer survivors to test for cancer recurrence. According to statistics published by the American Cancer Society, there are currently approximately fifteen million cancer survivors in the U.S., sixty-seven (67%) of which were diagnosed with cancer five or more years ago. Most cancer survivors live in fear of recurrence, and limitations of existing diagnostics, including repeated exposure to radiation from imaging tests, and invasiveness and costs and pain from tests such as traditional biopsies, prevent cancer survivors from being tested as often as they would like.

ITUS's long term vision is to have one or more tests based upon the CchekÔ platform to serve each of the markets identified above. At this stage, it is most likely that CchekÔ will begin as a confirmatory diagnostic test for one particular type of cancer, but our strategy for entering the market place will not be finalized until we have completed our developmental testing and analyzed all of our preliminary data.

Competition

Background

Continuing scientific advances and discoveries, the ability to more quickly process and analyze large amounts of scientific data, and decreases in the cost of sophisticated equipment and technologies, have resulted in the potential for significant advances in cancer treatment, and in particular, cancer diagnostics. Cancer statistics gathered over the past several decades provide overwhelming evidence that the earlier that cancers are detected, the greater the survival rates. Up until now, doctors have primarily relied upon technologies such as imaging (x-rays, mammograms, CT Scans, MRI's, PET Scans, Ultrasounds) and biopsies and other invasive procedures for cancer detection and cancer diagnoses. In many cases, these diagnostic procedures were performed after patients exhibited one or more symptoms of cancer, at which point the cancer may likely no longer be at an early stage. Existing diagnostic technologies such as imaging have gotten better, and invasive diagnostic procedures such as colonoscopies have become more accurate and less risky, and we expect these types of traditional diagnostic tools to continue to predominate the cancer diagnostic market for the foreseeable future.

We believe that with advancing medical knowledge, improvements in equipment and technologies, and reduction in costs of new technologies, new types of cancer diagnostics will be created and new types of cancer diagnostic testing that will outperform many of the traditional diagnostic tests, eliminate many of the negative consequences of existing diagnostic testing, and ultimately predominate the cancer diagnostic market.

We have identified a class and subclasses of biomarkers that we believe are present in the blood of patients with malignancies, and are perfecting a process and methodology for detecting those biomarkers. The goal is to create a platform, CchekÔ, that can be used to launch a series of simple and affordable blood tests that can be used to detect and monitor many of the most deadly forms of cancer, including lung cancer, breast cancer, ovarian cancer, colon cancer, pancreatic cancer, and others. It is unlikely that the Company will initially simultaneously launch tests for each of the cancers identified above, and that specific and individual cancer tests for each of the four markets identified above (screening, confirmatory testing, treatment monitoring, recurrence) will be launched over time.

Statistics from The American Cancer Society indicate that one out of every two males, and one out of every three females that are born today, will develop some form of cancer during their lifetimes. With approximately 200 million adults in the United States alone, we believe that the market for new, non-invasive cancer diagnostic technologies and testing will be enormous, and that there will be sufficient demand to support many different technologies and tests.

Cancer Diagnostic Technologies

If successful, we believe CchekÔ will have several advantages over existing diagnostic technologies. For example, repeated exposure to radiation from x-ray technologies, such as mammograms, has become an increasing concern for the medical community, causing authorities to re-evaluate the recommended frequency of such x-ray based tests. Traditional biopsies are often impossible for some tumor based cancers depending on the location of the tumor, and are invasive, expensive, and painful enough to warrant only limited use for other cancers even when the tumor can be accessed. In addition, such biopsies are limited in their inability to detect the heterogeneity of many cancerous tumors, and the ongoing mutations that are often evident as the tumor progresses. False positives in existing testing such as the PSA test, result in otherwise healthy patients being misdiagnosed, and subject to unnecessary follow-on treatments and medical procedures. Patient inconvenience, risk of side effects from anesthesia, and risk of other complications result in low patient compliance with otherwise effective cancer screening tests such as the colonoscopy. These are just a few examples of the challenges with traditional diagnostic tests that we seek to eliminate with CchekÔ. This will be the foundation for the competitive advantages that we expect to have over existing diagnostic testing. We expect CchekÔ will be utilized as a component of multiple diagnostic technologies and patient background information to diagnose and manage the patient's condition.

Many public and private companies have announced plans and ongoing research efforts to launch non-invasive cancer diagnostic tests and tools that can be used for non-invasive cancer testing. These companies include well established, and successful biotech companies, start-ups, and companies of all sizes. Almost every bodily fluid, including blood, plasma, urine, saliva, and excrement, are being studied for biomarkers or indicators of one or more types of cancer. The term that has been used to describe the category of this type of non-invasive cancer diagnostic testing is "Liquid Biopsy". In general, most of these companies are focused on identifying and analyzing one of three types of biomarkers: circulating tumor cells ("CTC's"), circulating tumor DNA ("ctDNA"), and Exosomes. Each of these types of biomarkers has their advantages and disadvantages, and we expect that tests incorporating these and other biomarkers will make their way into the cancer diagnostic marketplace.

ITUS believes that its CchekÔ diagnostic platform has the potential for at least three distinct advantages over the types of biomarker tests referred to above. First, it appears that the biomarkers that we are using may be present in multiple types of and varying severities of cancers. As a result, we anticipate that CchekÔ will become a platform from which multiple tests could be launched for multiple types of cancers. Most biomarkers are associated with and useful for only one type or sub-type of cancer. Second, it appears that the biomarkers utilized by CchekÔ may be present in both advanced, and early stages of cancers. Third, we expect CchekÔ to be significantly less expensive than the technologies commonly used for tests based on CTC's, ctDNA, and Exosomes.

Employees

As of October 31, 2016, on a consolidated basis, we had seven full-time employees.

Other

Our principal executive offices are located at 12100 Wilshire Boulevard, Suite 1275, Los Angeles, California 90025, our telephone number is 310-484-5200 and our Internet website address is www.ITUScorp.com. We make available free of charge on or through our Internet website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements on Schedule 14A, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the Securities and Exchange Commission (the "SEC"). Alternatively, you may also access our reports at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at the SEC's public reference room located at 100 F Street, NE, Washington, DC 20549, on official business days during the hours of 10:00 a.m. and 3:00 p.m. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room.

Description of Properties

We lease approximately 3,000 square feet of office space at 12100 Wilshire Boulevard, Los Angeles, California (our principal executive offices) from an unrelated party pursuant to a lease that expires May 31, 2019. Our base rent is approximately $11,000 per month and the lease provides for annual increases of approximately 3% and an escalation clause for increases in certain operating costs.

Legal Proceedings

Other than suits we bring to enforce our patent rights we are not a party to any material pending legal proceedings other than that which arise in the ordinary course of business. We believe that any liability that may ultimately result from the resolution of these matters will not, individually or in the aggregate, have a material adverse effect on our financial position or results of operations.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Since July 2015, our common stock has traded on the Nasdaq Capital Market under the symbol "ITUS". Prior to July 2015, our common stock traded on the OTCQB. The high and low sales prices as reported by the Nasdaq Capital Market and OTCQB for each quarterly fiscal period during our fiscal years ended October 31, 2016 and 2015 is as follows (all sales prices below reflect our one-for-twenty-five reverse stock split which was effected in June 2015):

Fiscal Period	High	Low
4th quarter 2016	$6.82	$2.85
3rd quarter 2016	3.70	2.55
2nd quarter 2016	3.31	1.88
1st quarter 2016	4.85	2.01
4th quarter 2015	$6.00	$3.50
3rd quarter 2015	6.40	1.75
2nd quarter 2015	4.10	1.39
1st quarter 2015	5.53	2.25

As of January 26, 2017, the approximate number of record holders of our common stock was 302 and the closing price of our common stock was $5.05 per share.

Securities Authorized for Issuance Under Equity Compensation Plans

See "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

Dividend Policy

No cash dividends have been paid on our common stock since our inception. We have no present intention to pay any cash dividends in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

General

In reviewing Management's Discussion and Analysis of Financial Condition and Results of Operations, you should refer to our Consolidated Financial Statements and the notes related thereto.

Results of Operations

Fiscal Year ended October 31, 2016 compared with Fiscal Year ended October 31, 2015

Revenue from Licensing Activities

In fiscal year 2016, we recorded revenue from licensing activities of $300,000 from two license agreements. In fiscal year 2015, we recorded revenue from licensing activities of $255,000 from six license agreements and $9,000,000 from AUO as described below. The license agreements provided for one-time, non-recurring, lump sum payments in exchange for non-exclusive retroactive and future licenses, and/or covenants not to sue. Accordingly, the earnings process from these licenses was complete and 100% of the revenue was recognized upon execution of the license agreements.

Revenue from Settlement with AU Optronics Corporation

We did not record any revenue from the settlement with AUO during the fiscal year 2016. Revenue from the settlement with AUO was $9,000,000 in fiscal year 2015. On December 29, 2014, the Company and AUO entered into a Settlement Agreement (the "AUO Settlement Agreement") and a Patent Assignment Agreement (the "AUO Patent Assignment Agreement") pursuant to which the Company received an aggregate of $9,000,000 from AUO. The AUO Settlement Agreement and the AUO Patent Assignment Agreement were entered into to resolve a lawsuit filed by the Company against AUO in January of 2013, in connection with the joint development and commercialization of two of the Company's thin-film display technologies.

Inventor Royalties and Contingent Legal Fees

Inventor royalties and contingent legal fees decreased by approximately $36,000 in fiscal year 2016, to approximately $111,000, from approximately $148,000 in fiscal year 2015. The decrease was due to the decrease in revenue from licensing activities. Inventor royalties and contingent legal fees are expensed in the period that the related revenues are recognized. The economic terms of patent agreements and contingent legal fee arrangements vary across the patent portfolios owned or controlled by the Company.

Litigation and Licensing Expenses

Litigation and licensing expenses decreased by approximately $3,395,000 to approximately $106,000 in fiscal year 2016, from approximately $3,501,000 in fiscal year 2015. Litigation and licensing expenses included approximately $3,298,000 of legal fees and litigation costs in fiscal year 2015, related to the settlement with AUO.

Amortization of Patents

Amortization of patents was approximately $325,000 in fiscal years 2016 and 2015. We capitalize patent and patent rights acquisition costs and amortize the cost over the estimated economic useful life. During fiscal year 2016, we did not capitalize any patents or patent rights.

Research and Development Expenses

Research and development expenses increased by approximately $845,000 to approximately $1,556,000 in fiscal year 2016, from approximately $711,000 in fiscal 2015. The increase in research and development expenses was primarily due to an increase in costs in connection with the development of CchekÔ, including increased employee compensation and related costs, other than stock option expense, of approximately $626,000 and increased costs related to our collaboration with Wistar of approximately $121,000.

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses decreased by approximately $2,805,000 to approximately $2,710,000 in fiscal year 2016, from approximately $5,515,000 in fiscal 2015. The decrease in marketing, general and administrative expenses was principally due to a decrease in employee stock option expense of approximately $1,272,000, a decrease in employee compensation and related costs, other than stock option expense, of approximately $552,000, a decrease in consultant stock option expense of approximately $484,000, a decrease in consulting and outside services expense other than stock option expenses of approximately $276,000, and a decrease in legal and accounting fees of approximately $224,000, offset by an increase in investor relations and public relations expense of approximately $198,000.

Interest Expense

Interest expense increased by approximately $68,000 to approximately $520,000 in fiscal year 2016, from approximately $452,000 in fiscal 2015. Interest expense in fiscal years 2016 and 2015 consisted of accreted interest on our patent acquisition obligation.

Interest Income

Interest income decreased to approximately $13,000 in fiscal year 2016 compared to approximately $18,000 in fiscal year 2015, due to a decrease in funds available for short-term investments.

Liquidity and Capital Resources

Our primary sources of liquidity are cash, cash equivalents and short term investments.

Based on currently available information as of January 26, 2017, we believe that our existing cash, cash equivalents, short-term investments and expected cash flows from operations will not be sufficient to fund our activities and debt obligations for the next 12 months. Our basic monthly overhead expenses are approximately $300,000, excluding payments of principal and interest due on our Redemption Debenture in 2017. To date, we have relied primarily upon cash from the public and private sale of equity and debt securities, as well as net proceeds from the December 2014 AUO settlement, to generate the working capital needed to finance our operations. If current cash on hand, cash equivalents, short term investments and cash that may be generated from our business operations are insufficient to continue to operate our business, we will be required to obtain more working capital. We may seek to obtain working capital through sales of our equity securities or through bank credit facilities or public or private debt from various financial institutions where possible and as permitted pursuant to the Redemption Debenture which prohibits the Company from incurring any senior indebtedness other than equipment financing in connection with the Company's business. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we do identify sources for additional funding, the sale of additional equity securities or convertible debt could result in dilution to our stockholders. Additionally, the sale of equity securities or issuance of debt securities may be subject to certain security holder approvals or may result in the downward adjustment of the exercise or conversion price of our outstanding securities. We can give no assurance that we will generate sufficient cash flows in the future to satisfy our liquidity requirements or sustain future operations, or that other sources of funding, such as sales of equity or debt, would be available or would be approved by our security holders, if needed, on favorable terms or at all. If we fail to obtain additional working capital as and when needed, such failure could have a material adverse impact on our business, results of operations and financial condition. Furthermore, such lack of funds may inhibit our ability to respond to competitive pressures or unanticipated capital needs, or may force us to reduce operating expenses, which would significantly harm the business and development of operations.

The accompanying financial statements have been prepared assuming that we will continue as a going concern. In order for us to have sufficient capital to execute our business plan, fund our operations and meet our debt obligations over the next 12 months, we will need to raise additional capital. Although we have been successful in the past in raising capital, we cannot provide any assurance that we will be successful in doing so in the future to the extent necessary to be able to fund our operating activities and debt obligations over the next 12 months, which raises substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

During the year ended October 31, 2016, cash used in operating activities was approximately $3,382,000. Cash provided by investing activities was approximately $1,503,000, which resulted from the proceeds on maturity of certificates of deposit totaling $3,550,000 which was offset by the purchase of certificates of deposit totaling $1,900,000 and the purchase of property and equipment of approximately $147,000. Our cash used in financing activities was approximately $3,000, which resulted from a royalty payment of approximately $36,000 applied to the patent acquisition obligation liability, offset by the proceeds from exercise of stock options of approximately $34,000. As a result, our cash, cash equivalents, and short-term investments at October 31, 2016 decreased approximately $3,531,000 to approximately $3,238,000 from approximately $6,769,000 at the end of fiscal year 2015.

In October 2015, the Company entered into an At Market Issuance Sales Agreement (the "Sales Agreement") with National Securities Corporation ("National") to create an at-the-market equity program under which the company could sell up to $10,000,000 worth of its common stock (the "Shares") from time to time through National, as sales agent. On December 2, 2016, the Company terminated the Agreement with National.

On December 9, 2016, we issued the Redemption Debenture in the amount of $3,000,000, of which $1,000,000 is due on or before June 1, 2017 and the remainder is due November 11, 2017. The Redemption Debenture is secured by a lien on the Company's assets and prohibits the Company from incurring any senior indebtedness other than equipment financing in connection with the Company's business.

On January 19, 2017, we announced that our board of directors has approved a rights offering for our stockholders of up to $12,000,000. The rights offering will include the non-transferable right to purchase one (1) share of common stock, at a discount, for each share of common stock owned by stockholders on the ownership day of Friday, February 10, 2017. The discounted price will be the lesser of (i) twenty-five percent (25%) discount to the volume weighted average price for our common stock for the five (5) trading day period through and including Wednesday, February 15, 2017, subject to board approval and (ii) fifteen percent (15%) discount to the volume weighted average price for our common stock for the five (5) trading day period through and including Friday, March 10, 2017.

The issuance of the shares in fulfilment of the Meetrix Obligation will reduce liabilities by approximately $4,172,000.

Off-Balance Sheet Arrangements

We have no variable interest entities or other off-balance sheet obligation arrangements.

Critical Accounting Policies

The Company's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. In preparing these financial statements, we make assumptions, judgments and estimates that can have a significant impact on amounts reported in our consolidated financial statements. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. On a regular basis, we evaluate our assumptions, judgments and estimates and make changes accordingly.

We believe that, of the significant accounting policies discussed in Note 3 to our consolidated financial statements, the following accounting policies require our most difficult, subjective or complex judgments:

- Revenue Recognition; and
- Stock-Based Compensation

Revenue Recognition

Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed pursuant to the terms of the arrangement, (iii) amounts are fixed or determinable, and (iv) the collectability of amounts is reasonably assured.

Patent Licensing

In certain instances, our past revenue arrangements have provided for the payment of contractually determined fees in settlement of litigation and in consideration for the grant of certain intellectual property rights for patented technologies owned or controlled by the Company. These arrangements typically include some combination of the following: (i) the grant of a non-exclusive, retroactive and future license to manufacture and/or sell products covered by patented technologies owned or controlled by the Company, (ii) a covenant-not-to-sue, (iii) the release of the licensee from certain claims, and (iv) the dismissal of any pending litigation. In such instances, the intellectual property rights granted have been perpetual in nature, extending until the expiration of the related patents. Pursuant to the terms of these agreements, we have no further obligations. As such, the earnings process was complete and revenue has been recognized upon the execution of the agreement, when collectability was reasonably assured, and when all other revenue recognition criteria were met.

Stock-Based Compensation

We account for stock options granted to employees and directors using the accounting guidance in ASC 718. We recognize compensation expense for stock option awards over the requisite or implied service period of the grant. We recorded stock-based compensation expense, related to stock options granted to employees and directors, of approximately $874,000 and $2,192,000 during the years ended October 31, 2016 and 2015, respectively. We account for stock options granted to consultants using the accounting guidance under ASC 505-50. We recognized stock-based compensation expense for stock options granted to non-employee consultants during the years ended October 31, 2016 and 2015, of approximately $-0- and $484,000, respectively.

As of October 31, 2016, there was unrecognized compensation cost related to non-vested share-based compensation arrangements for stock options granted to employees and directors of approximately $1,139,000, which will be recognized in future periods upon vesting of the stock options.

Determining the appropriate fair value model and calculating the fair value of stock-based awards requires judgment, including estimating stock price volatility, forfeiture rates and expected term. If factors change and we employ different assumptions in the application of ASC 718 and ASC 505-50 in future periods, the compensation expense that we record may differ significantly from what we have recorded in the current period. See Note 3 to the consolidated financial statements for additional information.

Effect of Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-09 (“ASU 2014-09”), Revenue from Contracts with Customers. This amendment updates addressing revenue from contracts with customers, which clarifies existing accounting literature relating to how and when a company recognizes revenue. Under the standard, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. This standard update is effective for interim and annual reporting periods beginning after December 15, 2016, and are to be applied retrospectively or the cumulative effect as of the date of adoption, with early application not permitted. In July 2015, a one-year deferral of the effective date of the new guidance was approved. We are currently evaluating the impact ASU 2014-09 will have on our consolidated financial statements and related disclosures.

In June 2014, the FASB issued Accounting Standards Update 2014-12 (“ASU 2014-12”), Compensation – Stock Compensation. This amendment requires that a performance target that affects vesting and could be achieved after the requisite service period shall be treated as a performance condition. Adoption of this standard is required for annual periods beginning after December 15, 2015. Early adoption is permitted. We do not expect this update to have a significant impact on our consolidated financial statements and related disclosures.

In August 2014, the FASB issued Accounting Standards Update 2014-15 (“ASU 2014-15”). This amendment requires management to assess an entity’s ability to continue as a going concern every reporting period including interim periods, and to provide related footnote disclosure in certain circumstances. Adoption of this standard is required for annual periods ending after December 15, 2016 and are to be applied retrospectively or the cumulative effect as of the date of adoption. We do not expect this update to have a significant impact on our consolidated financial statements and related disclosures.

In April 2015, the FASB issued Accounting Standards Update 2015-03 (“ASU 2015-03”) to simplify the presentation of debt issuance costs. This amendment requires debt issuance costs be presented on the balance sheet as a direct reduction from the carrying amount of the debt liability, consistent with debt discounts or premiums. Adoption of this standard is required for interim and annual periods beginning after December 15, 2015 and is to be applied retrospectively. The adoption of this amendment on November 1, 2016 did not have an impact on our consolidated financial statements and related disclosures.

In November 2015, the FASB issued Accounting Standards Update 2015-17 (“ASU 2015-17”) to simplify the presentation of deferred taxes. This amendment requires that all deferred tax assets and liabilities, along with any related valuation allowances, be classified as noncurrent on the balance sheet. Adoption of this standard is required for annual periods beginning after December 15, 2016. We are currently evaluating the impact ASU 2015-17 will have on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued Accounting Standards Update 2016-02 (“ASU 2016-02”) which requires lessees to recognize most leases on the balance sheet. This is expected to increase both reported assets and liabilities. The new lease standard does not substantially change lessor accounting. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, although early adoption is permitted. Lessees and lessors will be required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. The requirements of this standard include a significant increase in required disclosures. We are currently evaluating the impact ASU 2016-02 will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update 2016-09 (“ASU 2016-09”) that changes the accounting for certain aspects of share-based payments to employees. The new guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. It also allows an employer to repurchase more of an employee’s shares than it can today for tax withholding purposes without triggering liability accounting and to make a policy election for forfeitures as they occur. The guidance is effective for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those years. Early adoption is permitted. We are currently evaluating the impact ASU 2016-09 will have on our consolidated financial statements and related disclosures.

MANAGEMENT

The following table sets forth certain information with respect to all of our directors and executive officers as of the date of this prospectus:

Name	Position with the Company and Principal Occupation	Age	Director and/or Executive Officer Since
Dr. Amit Kumar	Executive Chairman of the Board	52	2012
Robert A. Berman	Director, President and Chief Executive Officer	53	2012
Dale Fox	Director	49	2014
Dr. Arnold Baskies	Director	67	2016
Dr. John Monahan	Director	70	2016
Michael J. Catelani	Chief Financial Officer	50	2016

We believe that our Board represents a desirable mix of backgrounds, skills, and experiences. The principal occupation and business experience during the last five years for our executive officers and directors and some of the specific experiences, qualifications, attributes or skills that led to the conclusion that each person should serve as one of our directors in light of our business and structure is as follows:

Dr. Amit Kumar, 52, Executive Chairman of the Board and Executive Chairman of Anixa Diagnostics . Dr. Kumar has served as a director since November 30, 2012 and as Chairman of the Board since August 23, 2016. From June 15, 2015 until August 23, 2016, Dr. Kumar served as Vice Chairman of the Company. Dr. Kumar served as a strategic advisor to the Company since September 19, 2012. Dr. Kumar has been Executive Chairman of Anixa Diagnostics Corporation, a wholly-owned subsidiary of the Company since June 15, 2015. Upon his appointment as Executive Chairman of Anixa, Dr. Kumar resigned from his position as the CEO of Geo Fossil Fuels LLC, an energy company, which he had held since December 2010. From September 2001 to June 2010, Dr. Kumar was President and CEO of CombiMatrix Corporation, a NASDAQ listed biotechnology company and also served as director from September 2000 to June 2012. Dr. Kumar was Vice President of Life Sciences of Acacia Research Corporation, a publicly traded investment company, from July 2000 to August 2007 and also served as a director from January 2003 to August 2007. Dr. Kumar has served as Chairman of the board of directors of Ascent Solar Technologies, Inc., a publicly-held solar energy company, since June 2007, and as a director of Aeolus Pharmaceuticals, Inc. since June 2004. Dr. Kumar holds an A.B. in Chemistry from Occidental College and Ph.D. from Caltech and completed his post-doctoral training at Harvard University. Dr. Kumar has experience in technology driven startups, both at the board and operating levels, in a broad variety of areas including finance, acquisitions, R&D, and marketing, and has served as a director and officer of another publicly traded company.

Robert A. Berman, 53, Director, President and Chief Executive Officer. Mr. Berman has served as our President and Chief Executive Officer since September 19, 2012 and was elected to our Board on November 30, 2012. Mr. Berman has experience in a broad variety of areas including finance, acquisitions, marketing, and the development, licensing, and monetization of intellectual property. He was recently the CEO of IP Dispute Resolution Corporation (“IPDR”), a consulting company focused on technology licensing and product development, from March 2007 to September 2012. Prior to IPDR, Mr. Berman was the Chief Operating Officer and General Counsel of Acacia Research Corporation from 2000 to March 2007. Mr. Berman holds a J.D. from the Northwestern University School of Law and a B.S. in Entrepreneurial Management from the Wharton School of the University of Pennsylvania. Mr. Berman has experience in both investing in and starting new ventures and new technologies, in areas including finance, acquisitions, operations, and marketing, and has served as an officer of another publicly traded company.

Dale Fox, 49, Director. Mr.Fox is an entrepreneur and innovator who has launched many companies. He is currently the CEO of Tribogenics, a start-up company he co-founded in 2010 that develops portable, powerful X-ray devices based, in part, upon a technology conceived and licensed from the University of California, Los Angeles. Mr. Fox has raised numerous rounds of capital for many types of companies, including venture capital, strategic investments, and other financings. Mr. Fox has built executive and advisory teams. He received a Bachelor of Business Administration degree from Southern Methodist University's Cox School of Business. Since 2009, Mr. Fox has taught at the Founders Institute where he teaches classes on start-ups and continues to mentor young entrepreneurs. Mr. Fox is an experienced startup entrepreneur and inventor who has successfully launched a number of companies. As a result, Mr. Fox has gained experience is a broad variety of other areas including finance, research and development and marketing.

Dr. Arnold Baskies, 67, Director. Dr. Baskies, Vice Chairman of the National Board of Directors of the American Cancer Society, is a board certified general surgeon and fellowship trained surgical oncologist with special interests in breast cancer, thyroid cancer, and melanoma. Dr. Baskies has been a member of Virtua Surgical Specialists, a multi-specialty practice since 2011. In addition to his pioneering efforts to promote the latest surgical and nonsurgical techniques, including minimally invasive surgery (and advanced radioguided techniques) for diseases of the breast, thyroid, and parathyroid glands, he has cared for thousands of surgical patients in his 30-year career. Dr. Baskies received his Bachelor of Arts degree summa cum laude and was a member of Phi Beta Kappa at Boston University, graduated from the Boston University School of Medicine, completed his surgical residency at Boston Medical Center, and had fellowship training in surgical oncology at the National Cancer Institute.

Dr. John Monahan, 70, Director. Dr. Monahan is an experienced executive and has served on a number of biotechnology company boards over the years. He is currently a Scientific Advisory Consultant for Synthetic Biologics, Inc. (NYSE MKT: SYN) and from 2010 through 2015 he was the Sr. Executive Vice President of Research & Development at Synthetic Biologics, Inc. He is also a director of Heat Biologics, Inc. (Nasdaq: HTBX), a position that he has held since 2011, and was a director of Tacere Therapeutics, Inc., a wholly-owned subsidiary of Benitec Biopharma Limited (Nasdaq: BNTC) from 2006 to 2015. In addition to his work with public companies, Dr. Monahan is also currently a member of the Scientific Advisory Board of Agilis Biotherapeutics, Inc., a position that he has held since 2014, and is a board member of several other biotechnology companies. In addition, in 1992 he founded Avigen, Inc., a biotech company that pioneered the development of gene medicines based on adeno-associated virus vectors, now an industry standard. Over a 12-year period as its CEO, Dr. Monahan took Avigen public through an initial public offering raising over $235M and led the company through several Investigational New Drug (IND) applications. Prior to Avigen, Dr. Monahan served as Vice President - Research and Development at Somatix B.V., and Director of Molecular & Cell Biology at Triton Biosciences, Inc. He was also previously Research Group Chief, Department of Molecular Genetics at Hoffmann-LaRoche Inc., and Adjunct Assistant Professor, Department of Cell Biology at New York University. Dr. Monahan earned a Ph.D. in Biochemistry from McMaster University, Hamilton, Canada, and a B.S. in Science from University College, Dublin, Ireland. Dr. Monahan has over 50 publications in scientific literature and has made hundreds of presentations and public TV appearances, to scientific groups, investors and the general public over the years.

Michael J. Catelani, 50, Chief Financial Officer. Mr. Catelani, has served as our Chief Financial Officer since November 1, 2016. Previously, Mr. Catelani co-founded Tacere Therapeutics, Inc., a privately held biotechnology company, and served as its Chairman, President and Chief Financial Officer until its sale. Prior to Tacere, Mr. Catelani served on the Board of Directors and was the Chief Financial Officer of Benitec Biopharma Limited, an Australian Stock Exchange-listed biotechnology company. Prior to Benitec, Mr. Catelani served as Vice President and Chief Financial Officer at Axon Instruments, a U.S. corporation publicly traded on the Australian Stock Exchange that was a leading designer and manufacturer of instrumentation and software systems for biotechnology and diagnostics research. Prior to Axon, Mr. Catelani served as the Vice President of Finance for Media Arts Group, Inc., an NYSE-listed company. Mr. Catelani has also worked with several early stage start-up companies in a variety of industries, including biotechnology, retail, waste water recovery, and distributed power generation, in both advisory and management roles and has served as a contract Chief Financial Officer to a number of established businesses in the biotechnology field. Mr. Catelani began his professional career at Ernst & Young and is a CPA. He received his B.S. degree in business administration, with a concentration in accountancy, from Sacramento State University and earned his MBA from the University of California, Davis.

Except for Drs. Kumar and Monahan, none of our current directors or executive officers has served as a director of another public company within the past five years.

There are no family relationships between or among the directors, executive officers or persons nominated or chosen by the Company to become directors or executive officers.

To the best of our knowledge, during the past ten years, none of the following occurred with respect to a present or former director or executive officer of the Company: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; (4) being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated; (5) being subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree or finding relating to an alleged violation of the federal or state securities, commodities, banking or insurance laws or regulations or any settlement thereof or involvement in mail or wire fraud in connection with any business entity not subsequently reversed, suspended or vacated and (6) being subject of, or a party to, any disciplinary sanctions or orders imposed by a stock, commodities or derivatives exchange or other self-regulatory organization.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Executive Compensation

The following table sets forth certain information for the fiscal years ended October 31, 2016 and 2015, with respect to compensation awarded to, earned by or paid to our Executive Chairman, our Chief Executive Officer and our Chief Financial Officer (the "Named Executive Officers"). No other executive officer received total compensation in excess of $100,000 during fiscal year 2016.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($) (2)	All Other Compensation ($) (3)	Total Compensation ($)
Dr. Amit Kumar (1)	2016	$300,000	$200,000	$566,896	$12,000	$1,078,896
Executive Chairman of the Board	2015	$112,500	$-	$-	$-	$112,500
Robert A. Berman	2016	$300,000	$200,000	$566,896	$-	$1.066,896
Chief Executive Officer and Director	2015	$300,000	$150,000	$169,081	$4,160	$623,241
Henry P. Herms (4)	2016	$87,500	$-	$85,034	$-	$172,534
Chief Financial Officer, Vice President- Finance	2015	$168,000	$-	$16,252	$-	$184,252

1) On June 15, 2015 Dr. Kumar was appointed Vice Chairman of the Company and Executive Chairman of Anixa Diagnostics Corporation, a wholly-owned subsidiary of the Company. The above table represents Dr. Kumar's compensation subsequent to June 15, 2015. Prior to that date Dr. Kumar received compensation for his services as a consultant. For more information about Dr. Kumar's consultancy arrangements, see the section entitled "Transactions with Related Persons" below.

2) Amounts in the Option Awards column represent the aggregate grant date fair value of stock option awards made during the fiscal years ended October 31, 2016 for each Named Executive Officer in accordance with Accounting Standards Codification ("ASC") 718 and also reflects the repricing of outstanding options on February 5, 2015. A discussion of assumptions used in valuation of option awards may be found in Note 3 to our Consolidated Financial Statements for fiscal year ended October 31, 2016, included elsewhere in this Annual Report on Form 10-K.

3) Amounts in the All Other Compensation column reflect, for each Named Executive Officer, the sum of the incremental cost to us of all perquisites and personal benefits, which for Dr. Kumar consisted solely of compensation for use of a home office, and for Mr. Berman consisted solely of life insurance premiums.

4) Mr. Herms resigned his position as Chief Financial Officer, Vice President-Finance on November 1, 2016. Mr. Herms retired from the Company on December 31, 2016.

Employment Agreements

Employment Agreement with Robert Berman

On September 19, 2012, the Company entered into an Employment Agreement with Mr. Berman (the "Berman Agreement") to serve as President and Chief Executive Officer of the Company. Pursuant to the Berman Agreement, Mr. Berman initially received an annual base salary of $290,000, which was increased to $300,000 by the Board effective November 1, 2013.

If Mr. Berman's employment is terminated by the Company or he terminates his employment for any reason or no reason, the Company shall be obligated to pay to Mr. Berman only any earned compensation and/or bonus due under the Berman Agreement, any unpaid reasonable and necessary expenses, and any accrued and unpaid benefits due to him in accordance with the terms and conditions of the Company's benefit plans and policies including any accrued but unpaid vacation up to the cap of 20 days through the date of termination. All such payments shall be made in a lump sum immediately following termination as required by law.

Consulting Agreement with Amit Kumar

On September 19, 2012, the Company entered into a Consulting Agreement with Dr. Amit Kumar (the "Kumar Agreement") pursuant to which Dr. Kumar agreed to provide business consulting services for an initial annual consulting fee of $120,000. On June 15, 2015, Dr. Kumar was appointed Vice Chairman of the Company and Executive Chairman of Anixa Diagnostics Corporation, a wholly-owned subsidiary of the Company. As a result of this appointment, Dr. Kumar's cash compensation was increased to $300,000 by the Board. The terms of the Kumar Agreement still remain in effect.

If Dr. Kumar's services are terminated by the Company or he terminates his services for any reason or no reason, the Company shall be obligated to pay to Dr. Kumar only any earned compensation and/or bonus due under the Kumar Agreement and any unpaid reasonable and necessary expenses, due to him through the date of termination. All such payments shall be made in a lump sum immediately following termination.

Stock Options

The following table sets forth certain information with respect to unexercised stock options held by the Named Executive Officers outstanding on October 31, 2016:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Un-Exercisable	Option Exercise Price ($)	Option Expiration Date
Dr. Amit Kumar	320,000(1)		$2.575	9/19/2022
	106,667(2)		$2.575	9/19/2022
	213,333(3)		$2.575	9/19/2022
	38,889(4)	1,111(4)	$2.575	11/8/2023
	44,444(5)	155,556(5)	$2.920	2/18/2026
Robert A. Berman	320,000(1)		$2.575	9/19/2022
	106,667(2)		$2.575	9/19/2022
	213,333(3)		$2.575	9/19/2022
	38,889(4)	1,111(4)	$2.575	11/8/2023
	44,444(5)	155,556(5)	$2.920	2/18/2026
Henry P. Herms (6)	3,000		$2.575	11/11/2017
	4,000		$2.575	10/7/2019
	4,000		$2.575	6/1/2021
	12,000		$2.575	9/19/2022
	21,389(4)	611(4)	$2.575	11/8/2023
	6,667(5)	23,333(5)	$2.920	2/18/2026

1) Options vested and became exercisable in 36 consecutive monthly installments, beginning October 31, 2012 and continuing through September 30, 2015.

2) Options vested upon achievement of a cash milestone.

3) Options were to vest in two equal installments upon achievement of certain stock price targets. On November 8, 2013, the vesting conditions were modified by the Board to provide that the unvested portion of the stock options vest in 23 consecutive monthly installments, commencing on November 30, 2013 through September 30, 2015.

4) Options vest and became exercisable in 36 consecutive monthly installments, beginning December 31, 2013 and continuing through November 30, 2016.

5) Options vest and became exercisable in 36 consecutive monthly installments, beginning March 31, 2016 and continuing through February 28, 2019.

6) On December 19, 2016, the Board amended all of Mr. Herms' option awards in connection with Mr. Herms' retirement such that all unvested options vested on December 31, 2016.

The following table summarizes stock option grants during fiscal year 2016.

GRANTS OF PLAN BASED AWARDS TABLE

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards ($)	Grant Date Fair Value ($)
Dr. Amit Kumar	2/18/16	200,000	$2.920	$566,896
Robert A. Berman	2/18/16	200,000	$2.920	$566,896
Henry P. Herms	2/18/16	30,000	$2.920	$85,034

The following table summarizes the exercise of stock options during fiscal 2016 by Named Executive Officers:

OPTION EXERCISES AND STOCK VESTED TABLE

	Option Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (1)
Henry P. Herms	4,000	$9,060

1) The value realized on exercise is calculated based on the difference between the exercise price of the options and the market price of the stock at the time of exercise.

Potential Payments upon Termination or Change in Control

Dr. Amit Kumar

Options granted Dr. Kumar on November 8, 2013 and February 18, 2016 provide for the vesting of the unvested portion of his options to be accelerated and such accelerated options to become immediately exercisable if Dr. Kumar is terminated without cause or upon a change in control as defined below. The intrinsic value of options granted on November 8, 2013 would be $4,194, which was calculated by multiplying (a) 1,111 options (being the number of options granted to him on November 8, 2013 that would be accelerated) by (b) an amount equal to the excess of (x) our closing share price on October 31, 2016 of $6.35 and (y) the options' exercise price of $2.575 per share. The intrinsic value of options granted on February 18, 2016 would be $533,557, which was calculated by multiplying (a) 155,556 options (being the number of options granted to him on February 18, 2016 that would be accelerated) by (b) an amount equal to the excess of (x) our closing share price on October 31, 2016 of $6.35 and (y) the options' exercise price of $2.92 per share.

Robert A. Berman

Options granted Mr. Berman on November 8, 2013 and February 18, 2016 provide for the vesting of the unvested portion of his options to be accelerated and such accelerated options to become immediately exercisable if Mr. Berman is terminated without cause or upon a change in control as defined below. The intrinsic value of options granted on November 8, 2013 would be $4,194, which was calculated by multiplying (a) 1,111 options (being the number of options granted to him on November 8, 2013 that would be accelerated) by (b) an amount equal to the excess of (x) our closing share price on October 31, 2016 of $6.35 and (y) the options' exercise price of $2.575 per share. The intrinsic value of options granted on February 18, 2016 would be $533,557, which was calculated by multiplying (a) 155,556 options (being the number of options granted to him on February 18, 2016 that would be accelerated) by (b) an amount equal to the excess of (x) our closing share price on October 31, 2016 of $6.35 and (y) the options' exercise price of $2.92 per share.

In addition to the acceleration of the options, if Mr. Berman's employment is terminated by the Company or he terminates his employment for any reason or no reason, the Company shall be obligated to pay to Mr. Berman only any earned compensation and/or bonus due under the Berman Agreement, any unpaid reasonable and necessary expenses, and any accrued and unpaid benefits due to him in accordance with the terms and conditions of the Company's benefit plans and policies including any accrued but unpaid vacation up to the cap of 20 days through the date of termination (which accrued and unpaid benefits would have a maximum value of $23,077).

It is the intent that this definition be construed consistent with the definition of "Change of Control" as defined under Code Section 409A and the applicable treasury regulations, as amended from time to time.

Director's Compensation

There is no present arrangement for cash compensation of directors for services in that capacity. Consistent with the non-employee director compensation approved on March 28, 2013 for calendar year 2013, on November 8, 2013, the Board approved an amendment to the 2010 Share Incentive Plan to provide that on January 1st of each year commencing on January 1, 2014, each non-employee director (a "Director Participant") of the Company at that time shall automatically be granted a 10 year nonqualified stock option to purchase 12,000 shares of common stock (or 16,000 in the case of the Chairman of the Board to the extent he qualifies as a Director Participant), with an exercise price equal to the closing price on the date of grant, that will vest in four equal quarterly installments in the year of grant. In addition, each person who is a Director Participant and joins the Board after January 1 of any year, shall be granted on the date such person joins the Board, a nonqualified stock option to purchase 12,000 shares of common stock (or 16,000 in the case of the Chairman of the Board) pro-rated based upon the number of calendar quarters remaining in the calendar year in which such person joins the Board (rounded up for partial quarters).

Our employee directors, Dr. Amit Kumar and Robert A. Berman, did not receive any additional compensation for services provided as a director during fiscal year 2016. The following table sets forth compensation of Dale Fox and Drs. Arnold Baskies and John Monahan, our non-employee directors, and Lewis H. Titterton and Bruce F. Johnson, our former non-employee directors, for fiscal year 2016:

DIRECTORS COMPENSATION

Name	Option Awards ($) (1)	Bonus ($)	All Other Compensation ($)
Dale Fox	$33,939	$ -	$ -
Dr. Arnold Baskies	$18,240	$ -	$ -
Dr. John Monahan	$18,240	$ -	$ -
Lewis H. Titterton	$45,251	$ -	$ -
Bruce F. Johnson	$38,939	$ -	$ -

1) Amounts in the Option Awards column represent the aggregate grant date fair value of stock option awards made during the fiscal year ended October 31, 2016, in accordance with ASC 718. A discussion of assumptions used in valuation of option awards may be found in Notes 3 to our Consolidated Financial Statements for fiscal year ended October 31, 2016, included elsewhere in this Annual Report on Form 10-K. At October 31, 2016, Dale Fox and Drs. Arnold Baskies and John Monahan, and Lewis Titterton and Bruce Johnson held unexercised stock options to purchase 30,000, 6,000, 6,000, 256,400 and 52,800 shares respectively, of our common stock.

TRANSACTIONS WITH RELATED PERSONS

Aside from compensation arrangements with executive officers described above, there are no other transactions entered into by the Company with related persons.

Related Person Transaction Approval Policy

While we have no written policy regarding approval of transactions between us and a related person, our Board, as matter of appropriate corporate governance, reviews and approves all such transactions, to the extent required by applicable rules and regulations. Generally, management would present to the Board for approval at the next regularly scheduled Board meeting any related person transactions proposed to be entered into by us. The Board may approve the transaction if it is deemed to be in the best interests of our stockholders and the Company.

Director Independence

Our Board oversees the activities of our management in the handling of the business and affairs of our company. Our common stock trades on the NASDAQ Capital Markets and we are subject to listing requirements which include the requirement that our Board be comprised of a majority of "independent" directors. Dale Fox and Drs. Arnold Baskies and John Monahan currently meet the definition of "independent" as defined by the SEC. The Board of Directors has separately designated audit, nominating and compensation committees. Our directors, Robert A. Berman and Dr. Amit Kumar, are employees of the Company and as such do not qualify as "independent" directors.

BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS, OFFICERS AND DIRECTORS

The following table sets forth certain information with respect to our common stock beneficially owned as of November 30, 2016 (or exercisable within 60 days of such date) by (a) each person who is known by our management to be the beneficial owner of more than 5% of our outstanding common stock, (b) each of our directors and executive officers, and (c) all directors and executive officers as a group:

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1)(2)(3)(4)	PERCENT OF CLASS (5)
DIRECTORS AND OFFICERS OF THE COMPANY		
DR. AMIT KUMAR 12100 WILSHIRE BOULEVARD, SUITE 1275 LOS ANGELES, CA 90025	847,533	8.93%
ROBERT A. BERMAN 12100 WILSHIRE BOULEVARD, SUITE 1275 LOS ANGELES, CA 90025	786,683	8.29%
DALE FOX 12100 WILSHIRE BOULEVARD, SUITE 1275 LOS ANGELES, CA 90025	30,000	*
DR. ARNOLD BASKIES 12100 WILSHIRE BOULEVARD, SUITE 1275 LOS ANGELES, CA 90025	7,000	*
DR. JOHN MONAHAN 12100 WILSHIRE BOULEVARD, SUITE 1275 LOS ANGELES, CA 90025	6,000	*
MICHAEL J. CATELANI 12100 WILSHIRE BOULEVARD, SUITE 1275 LOS ANGELES, CA 90025	-	-
ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (6 PERSONS)	1,677,216	16.32%
5% STOCKHOLDERS OF THE COMPANY		
LEWIS H. TITTERTON 1900 PURDY AVENUE, UNIT 2904 MIAMI BEACH, FL 33139	802,812	8.91%
BRUCE F. JOHNSON 6519 SHABBONA ROAD INDIAN HEAD PARK, IL 60525	471,919	5.36%

* LESS THAN 1%.

1) A beneficial owner of a security includes any person who directly or indirectly has or shares voting power and/or investment power with respect to such security or has the right to obtain such voting power and/or investment power within sixty (60) days. Except as otherwise noted, each designated beneficial owner in this Annual Report on Form 10-K has sole voting power and investment power with respect to the shares of common stock beneficially owned by such person.

2) Includes 101,125 shares, 101,125 shares, 30,000 shares, 6,000 shares, 6,000 shares, and 244,250 shares which Dr. Amit Kumar, Robert A. Berman, Dale Fox, Dr. Arnold Baskies, Dr. John Monahan and all directors and executive officers as a group, respectively, and 170,400 shares and 40,800 shares which Lewis H. Titterrton and Bruce Johnson, respectively, have the right to acquire within 60 days upon exercise of options granted pursuant to the 2003 Share Incentive Plan and/or the 2010 Share Incentive Plan.

3) Includes 2,000 shares that Dr. Amit Kumar and all directors and executive officers as a group, respectively, and 2,000 shares that Lewis H. Titterton have the right to acquire within 60 days upon exercise of warrants purchased by them in the private placement on July 15, 2014.

4) Includes 640,000 shares, 640,000 shares and 1,280,000 shares which Dr. Amit Kumar, Robert A. Berman and all directors and executive officers as a group, respectively, and 86,000 shares and 12,000 shares that Lewis H. Titterton and Bruce Johnson, respectively, have the right to acquire within 60 days pursuant to option agreements with the Company.

5) Based on 8,752,387 shares of common stock outstanding as of November 30, 2016.

Change in Control

We are not aware of any arrangement that might result in a change in control of the Company in the future.

Equity Compensation Plan Information

The following is information as of October 31, 2016 about shares of our common stock that may be issued upon the exercise of options, warrants and rights under all equity compensation plans in effect as of that date, including our 2003 Share Incentive Plan and our 2010 Share Incentive Plan. See Note 5 to Consolidated Financial Statements for more information on these plans.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)
Equity compensation plans not approved by security holders (1)(2)	3,086,472	$4.02	431,956

1) On April 23, 2003 the Board adopted the 2003 Share Incentive Plan. Officers, key employees and non-employee directors of, and consultants to, the Company or any of its subsidiaries and affiliates were eligible to participate in the 2003 Share Incentive Plan. The 2003 Share Incentive Plan provided for the grant of stock options, stock appreciation rights, stock awards, performance awards and stock units (the "2003 Benefits"). The maximum number of shares of common stock available for issuance under the 2003 Share Incentive Plan was 2,800,000. The 2003 Share Incentive Plan was administered by the Stock Option Committee through June 2004, from June 2004 through July 2010, by the Board of Directors, from July 2010 through August 2012, by the Stock Option Committee, from August 2012 through November 2012, by the Executive Committee of the Board of Directors, from November 2012 to July 2015, by the Board of Directors and since July 2015 by the Compensation Committee, which determined the option price, term and provisions of the 2003 Benefits. The 2003 Share Incentive Plan contains provisions for equitable adjustment of the 2003 Benefits in the event of a merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, spinoff, combination of shares, exchange of shares, dividends in kind or other like change in capital structure or distribution (other than normal cash dividends) to stockholders of the Company. The 2003 Share Incentive Plan terminated with respect to additional grants on April 21, 2013.

2) On July 14, 2010 the Board adopted the 2010 Share Incentive Plan. Officers, key employees and non-employee directors of, and consultants to, the Company or any of its subsidiaries and affiliates are eligible to participate in the 2010 Share Incentive Plan. The 2010 Share Incentive Plan provides for the grant of stock options, stock appreciation rights, stock awards, and performance awards and stock units (the "2010 Benefits"). The maximum number of shares of common stock available for issuance under the 2010 Share Incentive Plan was initially 600,000 shares. On July 6, 2011 and August 29, 2012, the 2010 Share Incentive Plan was amended by our Board to increase the maximum number of shares of common stock that may be granted to 1,080,000 and 1,200,000 shares, respectively. On November 8, 2013, the Board approved an amendment to provide that effective and following November 8, 2013, the maximum aggregate number of shares available for issuance will be 800,000 shares. Additionally, commencing on the first business day in 2014 and on the first business day of each calendar year thereafter, the maximum aggregate number of shares available for issuance shall be replenished such that, as of such first business day, the maximum aggregate number of shares available for issuance shall be 800,000 shares. Current and future non-employees directors are automatically granted a 10 year nonqualified stock option to purchase 12,000 shares of Common Stock (or 16,000 in the case of the Chairman of the Board) on January 1st of each year that will vest in four equal quarterly installments. The 2010 Share Incentive Plan was administered by the Stock Option Committee through August 2012, from August 2012 through November 2012, by the Executive Committee of the Board of Directors, from November 2012 through July 2015, by the Board of Directors and since July 2015, by the Compensation Committee, which determines the option price, term and provisions of the 2010 Benefits. The 2010 Share Incentive Plan terminates with respect to additional grants on July 14, 2020. The Board may amend, suspend or terminate the 2010 Share Incentive Plan at any time.

EXPERTS

The consolidated financial statements of ITUS Corporation and subsidiaries as of October 31, 2016 and 2015, and for each of the years in the two-year period ended October 31, 2016, have been included in the registration statement in reliance upon the report of Haskell & White LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing. The report of Haskell & White LLP includes an explanatory paragraph expressing substantial doubt regarding the Company's ability to continue as a going concern as described in Note 1 to the Company's consolidated financial statements.

LEGAL MATTERS

The validity of the common stock being issued pursuant to this registration statement have been passed upon for us by Ellenoff Grossman & Schole LLP located at 1345 Avenue of the Americas, New York, NY 10105.

DISCLOSURE OF COMMISSION POSITION OF INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our directors and officers are indemnified to the fullest extent permitted under Delaware law. We may also purchase and maintain insurance which protects our officers and directors against any liabilities incurred in connection with their service in such a capacity, and such a policy may be obtained by us in the future.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by a director, officer or controlling person of ours in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, which registers certain of our shares of common stock for public resale. This prospectus, which is part of such registration statement, omits certain information, exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

We file reports, proxy statements and other information with the SEC. Information filed with the SEC by us can be inspected and copied at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains reports, proxy and information statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is *www.sec.gov*.

You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to issue these securities. The information in this document may only be accurate on the date of this document.

Additional risks and uncertainties not presently known or that are currently deemed immaterial may also impair our business operations. The risks and uncertainties described in this document and other risks and uncertainties which we may face in the future will have a greater impact on those who purchase our common stock. These purchasers will purchase our common stock at the market price or at a privately negotiated price and will run the risk of losing their entire investment.

ITUS CORPORATION

947,606 Shares of
Common Stock

PROSPECTUS

, 2017

INDEX TO FINANCIAL STATEMENTS

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2016

Additional information required by schedules called for under Regulation S-X is either not applicable or is included in the consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Shareholders
ITUS Corporation

We have audited the accompanying consolidated balance sheets of ITUS Corporation (the "Company") as of October 31, 2016 and 2015, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years ended October 31, 2016 and 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of October 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the years ended October 31, 2016 and 2015, in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has limited working capital and limited revenue-generating operations and a history of net losses and net operating cash flow deficits. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/ Haskell & White LLP
HASKELL & WHITE LLP

Irvine, California
December 7, 2016

ITUS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	October 31, 2016	October 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,488,323	$ 4,369,219
Short–term investments in certificates of deposit	750,000	2,400,000
Prepaid expenses and other current assets	162,069	126,528
Total current assets	3,400,392	6,895,747
Patents, net of accumulated amortization of $965,040 and $639,744, respectively	2,071,071	2,396,367
Property and equipment, net of accumulated depreciation of $46,950 and $13,617, respectively	156,644	43,456
Total assets	$ 5,628,107	$ 9,335,570
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 468,756	$ 380,765
Royalties and contingent legal fees payable	-	213,017
Total current liabilities	468,756	593,782
Patent acquisition obligation (Note 6)	4,171,876	3,688,187
Total liabilities	4,640,632	4,281,969
Commitments and contingencies (Notes 6 and 7)		
Shareholders' equity:		
Preferred stock, par value $100 per share; 19,860 shares authorized; no shares issued or outstanding	-	-
Series A convertible preferred stock, par value $100 per share; 140 shares authorized, issued and outstanding	14,000	14,000
Common stock, par value $.01 per share; 24,000,000 shares authorized;		
8,752,387 and 8,724,878 shares issued and outstanding, respectively	87,524	87,249
Additional paid-in capital	152,051,144	151,101,117
Accumulated deficit	(151,165,193)	(146,148,765)
Total shareholders' equity	987,475	5,053,601
Total liabilities and shareholders' equity	$ 5,628,107	$ 9,335,570

The accompanying notes are an integral part of these statements.
See Report of Independent Registered Public Accounting Firm.

ITUS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended October 31,	
	2016	2015
Revenue:		
Revenue from licensing activities	$ 300,000	$ 255,000
Settlement with AU Optronics Corporation	-	9,000,000
Total revenue	300,000	9,255,000
Operating costs and expenses:		
Inventor royalties and contingent legal fees	111,192	147,670
Litigation and licensing expenses	106,224	3,500,852
Amortization of patents	325,296	325,291
Research and development expenses (including non-cash stock option compensation expenses of $259,930 and $306,584, respectively)	1,556,459	711,391
Marketing, general and administrative expenses (including non-cash stock option compensation expense of $613,631 and $2,369,806, respectively)	2,709,841	5,514,555
Total operating costs and expenses	4,809,012	10,199,759
Loss from operations	(4,509,012)	(944,759)
Interest expense (Note 6)	(519,946)	(451,906)
Interest income	12,530	17,622
Loss before income taxes	(5,016,428)	(1,379,043)
Provision for income taxes (Note 7)	-	-
Net loss	$ (5,016,428)	$ (1,379,043)
Net loss per share:		
Basic and diluted	$ (0.57)	$ (0.16)
Weighted average common shares outstanding:		
Basic and diluted	8,739,453	8,760,126

The accompanying notes are an integral part of these statements.
See Report of Independent Registered Public Accounting Firm.

ITUS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2016 and 2015

	Series A Convertable Preferred Stock		Common Stock		Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Par Value	Shares	Par Value			
BALANCE, October 31, 2014	140	$ 14,000	8,788,176	$ 87,882	$ 148,677,413	$ (144,769,722)	$ 4,009,573
Stock option compensation to employees and consultants	-	-	-	-	2,676,309	-	2,676,309
Common stock issued upon exercise of stock options	-	-	17,334	173	44,462	-	44,635
Common stock issued to consultants	-	-	11,600	116	45,984	-	46,100
Repurchase 92,232 shares of common stock and cancellation of warrants to purchase 16,000 shares of common stock	-	-	-	-	(343,973)	-	(343,973)
Retire common stock repurchased	-	-	(92,232)	(922)	922	-	-
Net Loss	-	-	-	-	-	(1,379,043)	(1,379,043)
BALANCE, October 31, 2015	140	14,000	8,724,878	87,249	151,101,117	(146,148,765)	5,053,601
Stock option compensation to employees and consultants	-	-	-	-	873,561	-	873,561
Common stock issued upon exercise of stock options	-	-	12,676	127	33,454	-	33,581
Common stock issued to consultants	-	-	10,833	108	31,252	-	31,360
Common stock issued to acquire patents	-	-	4,000	40	11,760	-	11,800
Net Loss	-	-	-	-	-	(5,016,428)	(5,016,428)
BALANCE, October 31, 2016	140	$ 14,000	8,752,387	$ 87,524	$ 152,051,144	$ (151,165,193)	$ 987,475

The accompanying notes are an integral part of this statement.
See Report of Independent Registered Public Accounting Firm.

ITUS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended October 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	$ (5,016,428)	$ (1,379,043)
Stock option compensation to employees and consultants	873,561	2,676,309
Common stock issued to consultants	31,360	46,100
Amortization of patents	325,296	325,291
Accretion of interest on patent acquisition obligations to interest expense	519,946	451,906
Loss on acquisition of common stock and warrants to purchase common stock	-	101,280
Common stock issued to acquire patent license	11,800	-
Depreciation and amortization of property and equipment	33,333	12,515
Loss on disposal of property and equipment	-	10,680
Change in operating assets and liabilities:		
Accounts receivable	-	400,000
Prepaid expenses and other current assets	(35,541)	(65,951)
Accounts payable and accrued expenses	87,991	(868,661)
Royalties and contingent legal fees payable	(213,017)	(347,059)
Net cash (used in) provided by operating activities	(3,381,699)	1,363,367
Cash flows from investing activities:		
Disbursements to acquire short-term investments in certificates of deposit	(1,900,000)	(2,900,000)
Proceeds from maturities of short-term investments in certificates of deposit	3,550,000	3,000,000
Purchase of property and equipment	(146,521)	(54,776)
Net cash provided by investing activities	1,503,479	45,224
Cash flows from financing activities:		
Proceeds from exercise of employee stock options	33,581	44,635
Royalty payment applied to patent acquisition obligation	(36,257)	-
Payments to acquire 92,232 shares of common stock and cancellation of warrants to purchase 16,000 shares of common stock	-	(445,253)
Net cash used in financing activities	(2,676)	(400,618)
Net (decrease) increase in cash and cash equivalents	(1,880,896)	1,007,973
Cash and cash equivalents at beginning of year	4,369,219	3,361,246
Cash and cash equivalents at end of year	$ 2,488,323	$ 4,369,219

The accompanying notes are an integral part of these statements.
See Report of Independent Registered Public Accounting Firm.

ITUS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND FUNDING

Description of Business

As used herein, "we," "us," "our," the "Company" or "ITUS" means ITUS Corporation and its wholly-owned subsidiaries. From inception through October 2012, our primary operations involved the development of patented technologies in the areas of thin-film displays and encryption. Beginning in October of 2012 under the leadership of a new management team, we recapitalized the Company, unencumbered the Company's assets, changed the Company's name and ticker symbol, relocated the Company's headquarters, and modernized its systems. In July of 2015, the Company's stock was accepted for listing and began trading on the NASDAQ Capital Market.

In June of 2015, the Company announced the formation of a new subsidiary, Anixa Diagnostics Corporation ("Anixa"), to develop a platform for non-invasive blood tests for the early detection of cancer. That platform is called CchekÔ . In July of 2015, ITUS announced a collaborative research agreement with The Wistar Institute ("Wistar"), the nation's first independent biomedical research institute and a leading National Cancer Institute designated cancer research center, for the purpose of validating our cancer detection methodologies and establishing protocols for identifying certain biomarkers in the blood which we identified and which are known to be associated with malignancies. In August of 2016 ITUS announced the renewal and expansion of our relationship with Wistar. In October of 2015, ITUS and Wistar announced favorable results from initial testing of a small group of Breast Cancer patients and healthy controls. One hundred percent (100%) of the blood samples tested from patients with varying stages of Breast Cancer showed the presence of the biomarkers we identified, and none of the healthy patient blood samples contained the biomarkers. Breast Cancer is the second most common cancer in the United States and throughout the world.

In April of 2016, ITUS announced that we had demonstrated the efficacy of our Cchek Ô early cancer detection platform with Lung Cancer. Lung cancer is the leading cause of death among cancers in the U.S. and throughout the world, accounting for approximately 27 percent of all cancer related deaths in the U.S. and 19 percent worldwide. In September of 2016, ITUS announced that we had demonstrated the efficacy of our CchekÔ early cancer detection platform with Colon Cancer. Colon Cancer is the third most common cancer in men and the second most common cancer in woman worldwide, with approximately 1.4 million new cases diagnosed each year, and approximately 700,000 deaths. At the end of September 2016 through the end of October 2016, the Company made similar announcements with respect to the efficacy of our CchekÔ early cancer detection platform for Melanoma, Ovarian Cancer, Liver Cancer, Thyroid Cancer, and Pancreatic Cancer. On November 15, 2016, ITUS announced that we had demonstrated the efficacy of our CchekÔ early cancer detection platform with six additional cancer types including Appendiceal Cancer (cancer of the appendix), Uterine Cancer, Osteosarcoma (cancer of the bone), Leiomyosarcoma (cancer of the soft tissue), Liposarcoma (cancer of the connective tissue), and Vulvar Cancer (cancer of the vulva), bringing the number of cancer types for which the efficacy of CchekÔ has been validated thus far to fourteen.

Over the next several quarters, we expect Cchek™ to be the primary focus of the Company. As part of our legacy operations, the Company remains engaged in limited patent licensing activities in the area of encrypted audio/video conference calling. We do not expect these activities to be a significant part of the Company's ongoing operations.

During years ended October 31, 2016 and 2015, our revenue has been derived from technology licensing and the sale of patented technologies, including in connection with the settlement of litigation. In addition to Anixa, the Company may make investments in and form new companies to develop additional emerging technologies.

AUO Lawsuit and Settlement

On December 29, 2014, the Company and AUO Optronics Corporation ("AUO") entered into a Settlement Agreement (the "Settlement Agreement") and a Patent Assignment Agreement (the "Patent Assignment Agreement" and together with the Settlement Agreement, the "Agreements") pursuant to which the Company received an aggregate of $9,000,000 from AUO. The Agreements were entered into to resolve a lawsuit filed by the Company against AUO, relating to the Company's patented ePaper® Electrophoretic Display, and Nano Field Emission Display ("nFED") technologies.

Background

In May 2011, the Company entered into an Exclusive License Agreement (the "EPD License Agreement") and a License Agreement (the "Nano Display License Agreement") with AUO (together the "AUO License Agreements"). Under the EPD License Agreement, the Company provided AUO with an exclusive, non-transferable, worldwide license to its ePaper® Electrophoretic Display ("EPD") patents and technology, in connection with AUO jointly developing EPD products with the Company. Under the Nano Display License Agreement, the Company provided AUO with a non-exclusive, non-transferable, worldwide license to its Nano Field Emission Display patents and technology, in connection with AUO jointly developing nFED products with the Company.

On January 28, 2013, the Company terminated the AUO License Agreements due to numerous alleged material and continual breaches of the agreements by AUO. On January 28, 2013, the Company also filed a lawsuit in the United States District Court for the Northern District of California against AUO and E Ink Corporation in connection with the AUO License Agreements, alleging breach of contract, breach of the implied covenant of good faith and fair dealing, fraudulent inducement, unjust enrichment, unfair business practices, and other charges (the "AUO/E Ink Lawsuit"). In June 2013, the Company and AUO agreed to arbitrate the charges (the case against E Ink Corporation had been dismissed without prejudice) (the "AUO/E Ink Arbitration").

The Agreements

Pursuant to the Settlement Agreement, AUO paid the Company $2,000,000 in U.S. currency, net of any Taiwanese withholding taxes. The Settlement Agreement further provides that:

- the Company will dismiss the AUO/E Ink Lawsuit and AUO/E Ink Arbitration, with prejudice;
- the AUO License Agreements are terminated;
- AUO gives up all rights to the nFED Technology;

- for a period of two years, the Company agrees not to initiate (whether on its own or through a third party) any patent infringement lawsuits against AUO or its affiliates alleging infringement by AUO's or AUO's affiliates products or services, for patents owned or controlled by the Company as of the date of the Settlement Agreement. Any potential damages for patent infringement will toll uninterrupted during this two-year period. The prohibition does not apply to patents acquired by the Company after the date of the Settlement Agreement; and

- each of AUO and the Company mutually released each other from all claims that either may have against the other in connection with the AUO License Agreements, including any claims relating to the ePaper® Electrophoretic Display and nFED patents and technologies.

Pursuant to the Patent Assignment Agreement, AUO paid the Company $7,000,000 in U.S. currency, net of any Taiwanese withholding taxes in exchange for the Company's ePaper® Electrophoretic Display patent portfolio for which AUO was previously the exclusive licensee, consisting of:

- 10 active U.S. patents and 1 U.S. pending patent application; and

- 103 expired and/or abandoned U.S. and foreign patents and/or patent applications.

In connection with the lawsuit and settlement, the Company incurred a total of approximately $3,604,000 of legal fees and litigation costs.

Funding

In October 2015, the "Company entered into an At Market Issuance Sales Agreement (the "Agreement") with National Securities Corporation ("National") to create an at-the-market equity program under which it may sell up to $10,000,000 worth of its common stock (the "Shares") from time to time through National, as sales agent. The Company has no obligation to sell any of the Shares, and may at any time suspend offers under the Agreement or terminate the Agreement. The Shares will be issued pursuant to the Company 's previously filed registration statement that was declared effective by the Securities and Exchange Commission (the "SEC") on September 18, 2015. As of October 31, 2016, no Shares have been sold under the Agreement.

During the year ended October 31, 2016, cash used in operating activities was approximately $3,382,000. Cash provided by investing activities was approximately $1,503,000, which resulted from the proceeds on maturity of certificates of deposit totaling $3,550,000 which was offset by the purchase of certificates of deposit totaling $1,900,000 and the purchase of property and equipment of approximately $147,000. Our cash used in financing activities was approximately $3,000, which resulted from a royalty payment of approximately $36,000 applied to the patent acquisition obligation liability, offset by the proceeds from exercise of stock options of approximately $34,000. As a result, our cash, cash equivalents, and short-term investments at October 31, 2016 decreased approximately $3,531,000 to approximately $3,238,000 from approximately $6,769,000 at the end of fiscal year 2015.

Based on currently available information as of December 7, 2016, we believe that our existing cash, cash equivalents, short-term investments and expected cash flows from operations will not be sufficient to fund our activities and debt obligations (Note 2) for the next 12 months. To date, we have relied primarily upon cash from the public and private sale of equity and debt securities, as well as net proceeds from the December 2014 AUO settlement, to generate the working capital needed to finance our operations. If current cash on hand, cash equivalents, short term investments and cash that may be generated from our business operations are insufficient to continue to operate our business, we will be required to obtain more working capital. We may seek to obtain working capital through sales of our equity securities or through bank credit facilities or public or private debt from various financial institutions where possible and as permitted pursuant to our existing indebtedness. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we do identify sources for additional funding, the sale of additional equity securities or convertible debt could result in dilution to our stockholders. Additionally, the sale of equity securities or issuance of debt securities may be subject to certain security holder approvals or may result in the downward adjustment of the exercise or conversion price of our outstanding securities. We can give no assurance that we will generate sufficient cash flows in the future to satisfy our liquidity requirements or sustain future operations, or that other sources of funding, such as sales of equity or debt, would be available or would be approved by our security holders, if needed, on favorable terms or at all. If we fail to obtain additional working capital as and when needed, such failure could have a material adverse impact on our business, results of operations and financial condition. Furthermore, such lack of funds may inhibit our ability to respond to competitive pressures or unanticipated capital needs, or may force us to reduce operating expenses, which would significantly harm the business and development of operations.

The accompanying financial statements have been prepared assuming that we will continue as a going concern. In order for us to have sufficient capital to execute our business plan, fund our operations and meet our debt obligations over the next 12 months, we will need to raise additional capital. Although we have been successful in the past in raising capital, we cannot provide any assurance that we will be successful in doing so in the future to the extent necessary to be able to fund our operating activities and debt obligations over the next 12 months, which raises substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. SUBSEQUENT EVENT

On November 11, 2016, the holder of all our outstanding Series A Preferred Stock (the "Series A Preferred") with an aggregate stated value of $3,500,000 exercised its right of redemption to receive such amount from proceeds from the sale of the Company's equity securities. On December 6, 2016, we entered into an agreement with the holder of the Series A Preferred setting forth the terms under which such redemption would take place (the "Series A Redemption Terms"). Pursuant to the Series A Redemption Terms, at closing the holder of the Series A Preferred will receive (i) $500,000 in cash, (ii) a 12% secured debenture evidencing the remaining $3,000,000 amount to be redeemed, $1,000,000 of which is due on or before June 1, 2017 and the remainder of which is due November 11, 2017 (the "Redemption Debenture"), and (iii) a 5 year warrant to purchase 500,000 shares of the Company's common stock at an exercise price equal to 10% below the thirty (30) day volume weighted average closing price of our common stock at closing. The Redemption Debenture is secured by a lien on the Company's assets and prohibits the Company from incurring any senior indebtedness other than equipment financing in connection with the Company's business.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of ITUS Corporation and its wholly owned subsidiaries. All intercompany transactions have been eliminated.

Revenue Recognition

Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed pursuant to the terms of the arrangement, (iii) amounts are fixed or determinable, and (iv) the collectability of amounts is reasonably assured.

Patent Licensing

In certain instances, our past revenue arrangements have provided for the payment of contractually determined fees in settlement of litigation and in consideration for the grant of certain intellectual property rights for patented technologies owned or controlled by the Company. These arrangements typically include some combination of the following: (i) the grant of a non-exclusive, retroactive and future license to manufacture and/or sell products covered by patented technologies owned or controlled by the Company, (ii) a covenant-not-to-sue, (iii) the release of the licensee from certain claims, and (iv) the dismissal of any pending litigation. In such instances, the intellectual property rights granted have been perpetual in nature, extending until the expiration of the related patents. Pursuant to the terms of these agreements, we had no further obligations. As such, the earnings process was complete and revenue has been recognized upon the execution of the agreement, when collectability was reasonably assured, and when all other revenue recognition criteria were met.

Inventor Royalties and Contingent Legal Fees

Inventor royalties and contingent legal fees are expensed in the consolidated statements of operations in the period that the related revenues are recognized.

Research and Development Expenses

Research and development expenses, consisting primarily of salaries and other direct costs associated with developing a platform for non-invasive blood tests for early detection of cancer, are expensed in the consolidated financial statements in the year incurred.

Fair Value Measurements

Accounting Standards Codification ("ASC") 820 “Fair Value Measurements and Disclosures” (“ASC 820”) defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements. In accordance with ASC 820, we have categorized our financial assets and liabilities, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded in the accompanying consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial instruments whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market which we have the ability to access at the measurement date.

Level 2 - Financial instruments whose values are based on quoted market prices in markets where trading occurs infrequently or whose values are based on quoted prices of instruments with similar attributes in active markets.

Level 3 – Financial instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the instrument.

The following table presents the hierarchy for our financial assets measured at fair value on a recurring basis as of October 31, 2016:

	Level 1	Level 2	Level 3	Total
Money market funds – Cash and cash equivalents	$ 1,899,136	$ -	$ -	$ 1,899,136
Certificates of deposit - Short term investments	-	750,000	-	750,000
Total financial assets	$ 1,899,136	$ 750,000	$ -	$ 2,649,136

The following table presents the hierarchy for our financial assets measured at fair value on a recurring basis as of October 31, 2015:

	Level 1	Level 2	Level 3	Total
Money market funds – Cash and cash equivalents	$ 467,967	$ -	$ -	$ 467,967
Certificates of deposit - Short term investments	-	2,400,000	-	2,400,000
Total financial assets	$ 467,967	$ 2,400,000	$ -	$ 2,867,967

The following table presents the hierarchy for our financial liabilities measured at fair value on the transaction date and then adjusted for the subsequent accretion of interest, as of October 31, 2016:

	Level 1	Level 2	Level 3	Total
Patent acquisition obligation	-	-	$ 4,171,876	$ 4,171,876

The following table presents the hierarchy for our financial liabilities measured at fair value on the transaction date and then adjusted for the subsequent accretion of interest, as of October 31, 2015:

	Level 1	Level 2	Level 3	Total
Patent acquisition obligation	-	-	$ 3,688,187	$ 3,688,187

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis:

Patent acquisition obligation:		
Balance October 31, 2014	$	3,236,281
Accretion of interest on patent obligation		451,906
Balance October 31, 2015		3,688,187
Accretion of interest on patent obligation		519,946
Royalty payment applied to patent acquisition obligation		(36,257)
Balance October 31, 2016	$	4,171,876

Our non-financial assets that are measured on a non-recurring basis include our patents and property and equipment which are measured using fair value techniques whenever events or changes in circumstances indicate a condition of impairment exists. The estimated fair value of prepaid expenses, accounts payable and accrued expenses approximates their individual carrying amounts due to the short term nature of these measurements.

Cash and Cash Equivalents

Cash equivalents consists of highly liquid, short term investments with original maturities of three months or less when purchased.

Short-term Investments

At October 31, 2016 and 2015, we had certificates of deposit with maturities greater than 90 days and less than 12 months when acquired of $750,000 and $2,400,000, respectively, that were classified as short-term investments and reported at fair value.

Patents

Our only identifiable intangible assets are patents and patent rights. We capitalize patent and patent rights acquisition costs and amortize the cost over the estimated economic useful life. No patent acquisition costs were capitalized during the years ended October 31, 2016 and 2015. We recorded patent amortization expense of approximately $325,000 and $325,000 during the years ended October 31, 2016 and 2015, respectively.

Impairment

Long-lived assets, including intangible assets that are amortized, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company evaluates potential impairment by comparing the carrying amount of the assets with the estimated undiscounted future cash flows associated with them. Should the analysis indicate that an asset is not recoverable, the carrying value of the asset would be reduced to fair value and a corresponding charge would be recognized.

Intangible assets that are not amortized are reviewed for impairment at least annually. The Company evaluates potential impairment by comparing the carrying amount of the asset with its estimated fair value. Should the carrying amount exceed the estimated fair value, a corresponding charge would be recognized for the difference.

Income Taxes

We recognize deferred tax assets and liabilities for the estimated future tax effects of events that have been recognized in our financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Stock-Based Compensation

We maintain stock equity incentive plans under which we may grant non-qualified stock options, incentive stock options, stock appreciation rights, stock awards, performance and performance-based awards, or stock units to employees, non-employee directors and consultants.

Stock Option Compensation Expense

We account for stock options granted to employees and directors using the accounting guidance in ASC 718 “Stock Compensation” (“ASC 718”). In accordance with ASC 718, we estimate the fair value of service based options and performance based options on the date of grant, using the Black-Scholes pricing model. For options vesting if the trading price of the Company’s common stock achieves a defined target, we use a Monte Carlo simulation in estimating the fair value at grant date. We recognize compensation expense for stock option awards over the requisite or implied service period of the grant. With respect to performance based awards, compensation expense is recognized when the performance target is deemed probable. We recorded stock-based compensation expense, related to stock options granted to employees and directors, of approximately $874,000 and $2,192,000, during the years ended October 31, 2016 and 2015, respectively.

Included in stock-based compensation cost for employees and directors during the years ended October 31, 2016 and 2015 was approximately $393,000 and $2,093,000, respectively, related to the amortization of compensation cost for stock options granted in prior periods but not yet vested. As of October 31, 2016, there was unrecognized compensation cost related to non-vested stock options granted to employees and directors, related to service based options of approximately $1,139,000 which will be recognized over a weighted-average period of 2.3 years.

We account for stock options granted to consultants using the accounting guidance included in ASC 505-50 “Equity-Based Payments to Non-Employees” (“ASC 505-50”). In accordance with ASC 505-50, we estimate the fair value of service based stock options and performance based options at each reporting period, using the Black-Scholes pricing model. For options vesting if the trading price of the Company’s common stock achieves a defined target we estimate the fair value at each reporting period using a Monte Carlo simulation. We recognize compensation expense for service based stock options and options subject to market conditions over the requisite or implied service period of the grant. For performance based awards, compensation expense is recognized when the performance target is achieved.

We recorded consulting expense, related to stock options granted to consultants, during the years ended October 31, 2016 and 2015 of approximately $-0- and $484,000, respectively. Stock-based consulting expense for the years ended October 31, 2016 and 2015 includes approximately $-0- and $484,000, respectively, related to the amortization of compensation cost for stock options granted in prior periods but vested in the current period. As of October 31, 2016, there was no unrecognized consulting expense related to non-vested stock options granted to consultants.

Fair Value Determination

We use the Black-Scholes pricing model in estimating the fair value of stock options which vest over a specific period of time or upon achieving performance targets. To determine the weighted average fair value of stock options on the date of grant, employees and directors are included in a single group. The fair value of stock options granted to consultants is determined on an individual basis. The stock options we granted during the year ended October 31, 2015 consisted of awards with 10-year terms that vest over one year, options with 10-year terms that vest over 36 months. The stock options we granted during the year ended October 31, 2014 consisted of awards with 10-year terms that vest over one year and options with 10-year terms that vest over 36 months, options with 5-year terms which vest immediately and options with 10-year terms which vest upon achievement of performance milestones.

The following weighted average assumptions were used in estimating the fair value of stock options granted during the years ended October 31, 2016 and 2015:

	For the Year Ended October 31,	
	2016	2015
Weighted average fair value at grant date	$ 2.84	$ 3.09
Valuation assumptions:		
Expected life (years)	5.70	5.75
Expected volatility	181.1%	117.8%
Risk-free interest rate	1.26%	2.01%
Expected dividend yield	0%	0%

The expected term of stock options represents the weighted average period the stock options are expected to remain outstanding. We use the simplified method to determine expected term. The simplified method was adopted since we do not believe that historical experience is representative of future performance because of the impact of the changes in our operations and the change in terms from historical options which vested immediately to terms including vesting periods of up to three years. Under the Black-Scholes pricing model, we estimated the expected volatility of our shares of common stock based upon the historical volatility of our share price over a period of time equal to the expected term of the options. We estimated the risk-free interest rate based on the implied yield available on the applicable grant date of a U.S. Treasury note with a term equal to the expected term of the underlying grants. We made the dividend yield assumption based on our history of not paying dividends and our expectation not to pay dividends in the future.

Under ASC 718, the amount of stock-based compensation expense recognized is based on the portion of the awards that are ultimately expected to vest. Accordingly, if deemed necessary, we reduce the fair value of the stock option awards for expected forfeitures, which are forfeitures of the unvested portion of surrendered options. Based on our historical experience and future expectations, we have not reduced the amount of stock-based compensation expenses for anticipated forfeitures.

We will reconsider use of the Black-Scholes pricing model if additional information becomes available in the future that indicates another model would be more appropriate. If factors change and we employ different assumptions in the application of ASC 718 in future periods, the compensation expense that we record under ASC 718 may differ significantly from what we have recorded in the current period.

Net Loss Per Share of Common Stock

In accordance with ASC 260, “Earnings Per Share”, basic net loss per common share (“Basic EPS”) is computed by dividing net loss by the weighted average number of common shares outstanding. Diluted net loss per common share (“Diluted EPS”) is computed by dividing net loss by the weighted average number of common shares and dilutive common share equivalents and convertible securities then outstanding. Diluted EPS for all years presented is the same as Basic EPS, as the inclusion of the effect of common share equivalents then outstanding would be anti-dilutive. For this reason, excluded from the calculation of Diluted EPS for the years ended October 31, 2016 and 2015, were options to purchase 3,086,472 and 2,672,471 shares, respectively, warrants to purchase 707,379 shares and 1,028,931 shares, respectively, preferred stock convertible into 739,958 shares.

Use of Estimates

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. Estimates and assumptions are used for, but not limited to, determining stock-based compensation, asset impairment evaluations, tax assets and liabilities, license fee revenue, the allowance for doubtful accounts, depreciation lives and other contingencies. Actual results could differ from those estimates.

Effect of Recently Issued Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2014-09 (“ASU 2014-09”), Revenue from Contracts with Customers. This amendment updates addressing revenue from contracts with customers, which clarifies existing accounting literature relating to how and when a company recognizes revenue. Under the standard, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. This standard update is effective for interim and annual reporting periods beginning after December 15, 2016, and are to be applied retrospectively or the cumulative effect as of the date of adoption, with early application not permitted. In July 2015, a one-year deferral of the effective date of the new guidance was approved. We are currently evaluating the impact ASU 2014-09 will have on our consolidated financial statements and related disclosures.

In June 2014, the FASB issued Accounting Standards Update 2014-12 ("ASU 2014-12"), Compensation – Stock Compensation. This amendment requires that a performance target that affects vesting and could be achieved after the requisite service period shall be treated as a performance condition. Adoption of this standard is required for annual periods beginning after December 15, 2015. Early adoption is permitted. We do not expect this update to have a significant impact on our consolidated financial statements and related disclosures.

In August 2014, the FASB issued Accounting Standards Update 2014-15 ("ASU 2014-15"). This amendment requires management to assess an entity's ability to continue as a going concern every reporting period including interim periods, and to provide related footnote disclosure in certain circumstances. Adoption of this standard is required for annual periods ending after December 15, 2016 and are to be applied retrospectively or the cumulative effect as of the date of adoption. We do not expect this update to have a significant impact on our consolidated financial statements and related disclosures.

In April 2015, the FASB issued Accounting Standards Update 2015-03 ("ASU 2015-03") to simplify the presentation of debt issuance costs. This amendment requires debt issuance costs be presented on the balance sheet as a direct reduction from the carrying amount of the debt liability, consistent with debt discounts or premiums. Adoption of this standard is required for interim and annual periods beginning after December 15, 2015 and is to be applied retrospectively. The adoption of this amendment on November 1, 2016 did not have an impact on our consolidated financial statements and related disclosures.

In November 2015, the FASB issued Accounting Standards Update 2015-17 ("ASU 2015-17") to simplify the presentation of deferred taxes. This amendment requires that all deferred tax assets and liabilities, along with any related valuation allowances, be classified as noncurrent on the balance sheet. Adoption of this standard is required for annual periods beginning after December 15, 2016. We are currently evaluating the impact ASU 2015-17 will have on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued Accounting Standards Update 2016-02 ("ASU 2016-02") which requires lessees to recognize most leases on the balance sheet. This is expected to increase both reported assets and liabilities. The new lease standard does not substantially change lessor accounting. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, although early adoption is permitted. Lessees and lessors will be required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. The requirements of this standard include a significant increase in required disclosures. We are currently evaluating the impact ASU 2016-02 will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update 2016-09 ("ASU 2016-09") that changes the accounting for certain aspects of share-based payments to employees. The new guidance requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. It also allows an employer to repurchase more of an employee's shares than it can today for tax withholding purposes without triggering liability accounting and to make a policy election for forfeitures as they occur. The guidance is effective for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those years. Early adoption is permitted. We are currently evaluating the impact ASU 2016-09 will have on our consolidated financial statements and related disclosures.

Concentration of Credit Risks

Financial instruments that potentially subject us to concentrations of credit risk are cash equivalents, short-term investments and accounts receivable. Cash equivalents are primarily highly rated money market funds. Short-term investments are certificates of deposit within federally insured limits. Where applicable, management reviews our accounts receivable and other receivables for potential doubtful accounts and maintains an allowance for estimated uncollectible amounts. Our policy is to write-off uncollectable amounts at the time it is determined that collection will not occur.

Two licensees accounted for 67% and 33%, respectively, of revenues from patent licensing activities during fiscal year 2016. Three licensees accounted for 53%, 37% and 10%, respectively, of revenues from patent licensing activities during fiscal year 2015.

4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued liabilities consist of the following as of:

	October 31,	
	2016	2015
Accounts payable	$ 373,224	$ 374,703
Payroll and related expenses	49,901	-
Accrued other	45,631	6,062
	$ 468,756	$ 380,765

5. SHAREHOLDERS' EQUITY

Reverse Stock Split

On June 26, 2015, we effected a 1-for-25 reverse stock split (the "Stock Split") of our issued common stock and preferred stock. Each shareholders' percentage ownership and proportional voting power remained unchanged as a result of the Stock Split. All applicable share data, per share amounts and related information in the consolidated financial statements and notes thereto have been adjusted retroactively to give effect to the Stock Split. As a result of the Stock Split, the number of shares of our common stock and preferred stock authorized was also decreased by the same proportion as the outstanding shares.

Common Stock Issuances

During the years ended October 31, 2016 and 2015, we issued 10,833 shares and 11,600 shares, respectively, of common stock to consultants for services rendered, pursuant to the 2010 Share Plan. We recorded consulting expense for the years ended October 31, 2016 and 2015 of approximately $31,000 and $46,000, respectively, for shares of common stock issued to consultants.

Stock Option Plans

As of October 31, 2016, we have two stock option plans: the ITUS Corporation 2003 Share Incentive Plan (the "2003 Share Plan") and the ITUS Corporation 2010 Share Incentive Plan (the "2010 Share Plan") which were adopted by our Board of Directors on April 21, 2003 and July 14, 2010, respectively.

The 2003 Share Plan provided for the grant of nonqualified stock options, stock appreciation rights, stock awards, performance awards and stock units to key employees and consultants. The maximum number of shares of common stock in the 2003 Share Plan was 2,800,000 shares. The 2003 Share Plan was administered by the Stock Option Committee through June 2004, from June 2004 through July 2010, by the Board of Directors, from July 2010 through August 2012, by the Stock Option Committee, from August 2012 through November 2012, by the Executive Committee of the Board of Directors, from November 2012 to July 2015, by the Board of Directors and since July 2015 by the Compensation Committee, which determined the option price, term and provisions of each option. The exercise price with respect to all of the options granted under the 2003 Share Plan since its inception was equal to the fair market value of the underlying common stock at the grant date. In accordance with the provisions of the 2003 Share Plan, the plan terminated with respect to the grant of future options on April 21, 2013.

Information regarding the 2003 Share Plan for the two years ended October 31, 2016 is as follows:

	Shares	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Options Outstanding at October 31, 2014	493,991	$18.00	
Exercised	(4,000)	$2.58	
Forfeited	(123,791)	$14.71	
Options Outstanding at October 31, 2015	366,200	$17.86	
Exercised	(11,080)	$2.58	
Forfeited	(129,520)	$17.72	
Options Outstanding and Exercisable at October 31, 2016	225,600	$18.69	$ 142,470

The following table summarizes information about stock options outstanding and exercisable under the 2003 Share Plan as of October 31, 2016:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
$ 1.79 - $ 7.75	41,200	1.77	$2.91
$14.75 - $17.50	50,400	.43	$16.98
$20.50 - $23.00	94,000	.83	$22.04
$29.25	40,000	.81	$29.25

The 2010 Share Plan provides for the grant of nonqualified stock options, stock appreciation rights, stock awards, performance awards and stock units to key employees and consultants. The maximum number of shares of common stock in the 2010 Share Plan was initially 600,000 shares. On July 6, 2011, the 2010 Share Plan was amended by our Board of Directors to increase the maximum number of shares of common stock in the plan to 1,080,000 shares and on August 29, 2012, the maximum number of shares in the plan was further increased to 1,200,000 shares. On November 8, 2013, the Board of Directors approved an amendment to provide that effective November 8, 2013, the maximum aggregate number of shares available for future issuance will be 800,000 shares and that on the first business day in 2014 and on the first business day of each calendar year thereafter the maximum aggregate number of shares available for future issuance shall be replenished such that 800,000 shares will be available. Accordingly, on November 8, 2013, January 2, 2014 and January 2, 2015, the number of shares in the 2010 Share Plan was increased to 1,957,000 shares, 2,225,400 shares and 2,569,400 shares, respectively. In addition, on November 8, 2013, the 2010 Share Plan was amended to provide that on the first business day of each year commencing on January 2, 2014, each non-employee director of the Company at that time shall automatically be granted a 10-year stock option to purchase 12,000 shares of common stock (16,000 for the Chairman) that will vest in four equal quarterly installments. The 2010 Share Plan was administered by the Stock Option Committee through August 2012, from August 2012 through November 2012, by the Executive Committee of the Board of Directors, from November 2012 through July 2015, by the Board of Directors and since July 2015, by the Compensation Committee, which determines the option price, term and provisions of each option. The exercise price with respect to all of the options granted under the 2010 Share Plan was equal to the fair market value of the underlying common stock at the grant date. As of October 31, 2016, the 2010 Share Plan had 431,956 shares available for future grants.

Information regarding the 2010 Share Plan as of October 31, 2016 is as follows:

	Shares	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Options Outstanding at October 31, 2014	728,561	$5.75	
Granted	60,400	$2.91	
Exercised	(13,334)	$2.58	
Forfeited	(249,355)	$6.24	
Options Outstanding at October 31, 2015	526,272	$3.33	
Granted	557,000	$2.92	
Exercised	(2,400)	$4.25	
Options Outstanding at October 31, 2016	1,080,872	$3.12	$ 3,569,079
Options Exercisable at October 31, 2016	659,439	$3.16	$ 2,126,338

The following table summarizes information about stock options outstanding under the 2010 Share Plan as of October 31, 2016:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
$2.58 - $9.25	1,080,872	7.71	$3.12	659,439	6.71	$3.16

In addition to options granted under the 2003 Share Plan and the 2010 Share Plan, during the years ended October 31, 2012 and 2013, the Board of Directors approved the grant of stock options to purchase 1,660,000 shares and 120,000 shares, respectively.

Information regarding stock options that were not granted under the 2003 Share Plan or the 2010 Share Plan for the two years ended October 31, 2016 is as follows:

	Shares	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Options Outstanding at October 31, 2014, 2015 and 2016	1,780,000	$2.70	
Options Outstanding and exercisable at October 31, 2016	1,780,000	$2.70	$ 6,494,275

The following table summarizes information about stock options outstanding and exercisable that were not granted under the 2003 Share Plan or the 2010 Share Plan as of October 31, 2016:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
$ 2.58 - $ 5.56	1,780,000	5.76	$2.70

Re-Priced Stock Options

On January 28, 2015, the Board of Directors authorized management of the Company to re-price issued and outstanding stock options for all of the officers, directors and employees of the Company, at any time prior to February 16, 2015. On February 5, 2015, management acted to re-price 2,184,125 issued and outstanding stock options (the "Re-Priced Options") pursuant to the authority granted by the Board of Directors. The new exercise price of the Re-Priced Options is $2.575, the closing sales price of the Company's common stock on February 5, 2015. All other terms of the previously granted Re-Priced Options remain the same. The Company recorded additional stock-based compensation of approximately $297,000, as of February 5, 2015, related to this re-pricing. This amount was determined to be the incremental value of the fair value of the Re-Priced Options compared to the fair value of the original option immediately before the re-pricing.

Preferred Stock

In May 1986, our shareholders authorized 200,000 shares of preferred stock with a par value of $100 per share. The shares of preferred stock may be issued in series at the direction of the Board of Directors, and the relative rights, preferences and limitations of such shares will all be determined by the Board of Directors. As of October 31, 2016, 140 shares of preferred stock had been designated and issued as Series A Preferred Stock.

Series A Convertible Preferred Stock

On September 9, 2014, the Company designated 140 shares of the preferred stock as Series A Convertible Preferred Stock, par value $100 per share, in accordance with the Certificate of Designation of Series A Convertible Preferred Stock filed with the Secretary of State of the State of Delaware on September 9, 2014 (the "Series A Convertible Preferred Stock"). On September 9, 2014, 140 shares of Series A Convertible Preferred Stock with a stated value of $25,000 per share were issued in connection with the conversion of a Convertible Debenture due November 2016.

Ranking

The Series A Convertible Preferred Stock ranked senior to the Company's common stock, to all series of any other classes of equity which may be issued and to any indebtedness, unless the Company obtained the prior written consent of the Series A Convertible Preferred Stock holder.

Redemption

At any time on or after November 11, 2016 (the "Redemption Date"), and upon at least 60 days prior written notice to the Company (a "Redemption Notice"), any holder of the Series A Convertible Preferred Stock had a one-time right to require the Company to redeem all or some of its shares of Series A Convertible Preferred Stock (a "Redemption") for cash generated from a subsequent sale of the Company's equity securities. The redemption price being equal to the stated value ($25,000 per share) of the shares of Series A Convertible Preferred Stock being converted, (the "Redemption Purchase Price"). Upon receipt of a Redemption Notice, the Company shall complete a sale or sales of its equity securities for the purpose of accumulating net proceeds sufficient to pay the Redemption Purchase Price.

On September 9, 2016, the holder of 140 shares of the Series A Convertible Preferred Stock delivered a Redemption Notice to the Company requesting a redemption date of November 11, 2016 (it being understood by the holder of the Series A Convertible Preferred Stock that the Company may only redeem shares of Series A Convertible Preferred Stock with the proceeds from the sale of the Company's equity securities). On December 6, 2016, we entered into an agreement with the holder of the Series A Preferred Stock to exchange the Series A Preferred Stock for a secured debenture, cash and warrants. See Note 2, Subsequent Event.

Optional Conversion

Holders of the Series A Convertible Preferred Stock had the right at any time convert their shares of Series A Convertible Preferred Stock into such number of shares of the Company's common stock in such an amount equal to (a) the stated value of $25,000 per share of the shares of Series A Convertible Preferred Stock being converted, divided by the conversion price of $4.73, multiplied by (b) the number of shares of Series A Preferred Stock being converted.

The holder did not have the right to convert any portion of the Series A Convertible Preferred Stock if after giving effect to such conversion, the holder, together with any affiliate thereof, would beneficially own in excess of 4.99% of the number of shares of common stock outstanding immediately after giving effect to such conversion.

The embedded conversion option had certain anti-dilution protection provisions which would be triggered if the Company issues its common stock, or certain common stock equivalents, (as defined) at a price below $3.55 per share.

Board and Observer Rights

Each holder of Series A Convertible Preferred Stock shall have the right, upon 10 days' prior written notice, to designate one representative, reasonably acceptable to the Company, who shall be entitled to attend and observe meetings of the Company's Board of Directors in a non-voting observer capacity (the "Observer").

Accounting for the Series A Convertible Preferred Stock

The Company determined that the economic characteristics and risks of the conversion feature and the preferred stock instrument were clearly and closely related as equity instruments and accordingly, the conversion feature would not require separate accounting. In addition, the redemption feature was contingent upon Series A Convertible Preferred Stock not being converted into common stock and upon the holder delivering a redemption notice to the Company. Further, the redemption purchase price may only be paid from the proceeds of a subsequent sale of equity securities. Accordingly, the Series A Convertible Preferred Stock was accounted for as an equity instrument. Further, because the conversion rate of the Series A Convertible Preferred Stock of $4.73 per share was less than the Company's closing stock price on the date of this transaction, the Company determined that the Series A Convertible Preferred Stock contained a beneficial conversion feature. The beneficial conversion feature was recorded in additional paid-in-capital as a result of the Company's accumulated deficit.

Common Stock Purchase Warrants

As of October 31, 2016, we had warrants to purchase 10,000 shares and 10,000 shares of common stock at $9.25 and $13.875 per share, respectively, expiring on August 19, 2019, warrants to purchase 369,979 shares of common stock at $7.75 per share expiring on November 11, 2016, warrants to purchase 8,000 shares of common stock at $6.925 per share expiring on June 2, 2017 and warrants to purchase 309,400 shares of common stock at $10.00 per share expiring on July 15, 2019.

6. COMMITMENTS AND CONTINGENCIES

Patent Acquisition Obligations

As of October 31, 2016, we have incurred obligations due no later than November 2017 related to the acquisition of patents, which have a discounted present value of approximately $4,172,000, and which amount will be reduced by royalties paid during the period, if any. The payment due in November 2017 is payable at the option of the Company in cash or common stock. We recorded interest expense of approximately $520,000 and $452,000, respectively, for the years ended October 31, 2016 and 2015, for the accretion of interest on patent acquisition obligations. The payment due date of November 2017 may be extended for up to two years if any patent infringement lawsuit initiated by the Company is stayed because of any re-exam or similar proceeding in the United States Patent and Trademark Office.

Leases

We lease approximately 3,000 square feet of office space in Los Angeles, California pursuant to a lease that expires May 31, 2019. The lease contains base rentals of approximately $11,000 per month with annual increases of approximately 3% and an escalation clause for increases in certain operating expenses. As of October 31, 2016, our non-cancelable operating lease commitments for the years ending October 31, 2017, 2018 and 2019 were approximately $129,000, 134,000 and $80,000, respectively. Rent expense for the years ended October 31, 2016 and 2015, was approximately $104,000 and $100,000, respectively.

Litigation Matters

On December 29, 2014, we settled our lawsuit against AUO which had been filed on January 28, 2013. For a more detailed description of the settlement with AUO see Note 1, “Business and Funding - Description of Business - AUO Lawsuit and Settlement”.

Other than suits we bring to enforce our patent rights we are not a party to any material pending legal proceedings other than that which arise in the ordinary course of business. We believe that any liability that may ultimately result from the resolution of these matters will not, individually or in the aggregate, have a material adverse effect on our financial position or results of operations.

7. INCOME TAXES

Income tax provision (benefit) consists of the following:

	Year Ended October 31,	
	2016	2015
Federal:		
Current	$ -	$ -
Deferred	(1,631,000)	(487,000)
State:		
Current	-	-
Deferred	(134,000)	(120,000)
Adjustment to valuation allowance related to net deferred tax assets	1,765,000	607,000
	$ -	$ -

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset, net, at October 31, 2016 and 2015, are as follows:

	2016	2015
Long-term deferred tax assets:		
Federal and state NOL and tax credit carryforwards	$ 33,079,000	$ 31,261,000
Deferred compensation	6,232,000	6,522,000
Intangibles	713,000	483,000
Other	289,000	282,000
Subtotal	40,313,000	38,548,000
Less: valuation allowance	(40,313,000)	(38,548,000)
Deferred tax asset, net	$ -	$ -

As of October 31, 2016, we had tax net operating loss and tax credit carryforwards of approximately $79,428,000 and $1,110,000, respectively, available within statutory limits (expiring at various dates between 2020 and 2035), to offset any future regular Federal corporate taxable income and taxes payable. If the tax benefits relating to deductions of option holders' income are ultimately realized, those benefits will be credited directly to additional paid-in capital. Certain changes in stock ownership can result in a limitation on the amount of net operating loss and tax credit carryovers that can be utilized each year. As of October 31, 2016, management has not determined the extent of any such limitations, if any.

We had New York, California and Pennsylvania tax net operating loss carryforwards of approximately $76,847,000, $4,849,000 and $841,000, respectively, as of October 31, 2016, available within statutory limits (expiring at various dates between 2020 and 2035), to offset future corporate taxable income and taxes payable, if any, under certain computations of such taxes.

We have provided a valuation allowance against our deferred tax asset due to our current and historical pre-tax losses and the uncertainty regarding their realizability. The primary differences from the Federal statutory rate of 34% and the effective rate of 0% is attributable to certain permanent differences and a change in the valuation allowance. The following is a reconciliation of income taxes at the Federal statutory tax rate to income tax expense (benefit):

	Year Ended October 31,			
	2016		2015	
Income tax benefit at U.S.				
Federal statutory income Tax rate	$ (1,706,000)	(34.0)%	$ (469,000)	(34.0)%
State income taxes	(411,000)	(8.2)%	(117,000)	(8.5)%
Permanent differences	2,000	0.1%	1,000	0.1%
Expiring net operating losses, credits and other	350,000	7.0 %	(22,000)	(1.6)%
Change in valuation allowance	1,765,000	35.1%	607,000	44.0%
Income tax provision	$ -	0.0%	$ -	0.0%

During the two fiscal years ended October 31, 2016, we incurred no Federal and no State income taxes. We have no unrecognized tax benefits as of October 31, 2016 and 2015 and we account for interest and penalties related to income tax matters in marketing, general and administrative expenses. Tax years to which our net operating losses relate remain open to examination by Federal authorities and other jurisdictions to the extent which the net operating losses have yet to be utilized.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The Company is paying all expenses of this issuance. No portion of these expenses will be borne by Meetrix. Meetrix, however, will pay any expenses incurred in selling its common stock following the issuance, including any brokerage commissions or costs of sale. Following is an itemized statement of all expenses in connection with the issuance and distribution of the securities to be registered. All of the amounts shown are estimates, except for the SEC Registration Fees.

SEC Registration Fee	$	553.53
Accounting Fees and Expenses	$	7,500.00
Legal Fees and Expenses	$	25,000.00
Miscellaneous Fees and Expenses	$	1,500.00
Total	$	34,553.53

ITEM 14. INDEMNIFICATION OF OFFICERS AND DIRECTORS

Under Section 145 of the DGCL, a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacities with another enterprise, against expenses (including attorney's fees), as well as judgments, fines and settlements, actually and reasonably incurred in connection with the defense of any action, suit or proceeding (other than an action by or in the right of the corporation) in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The DGCL provides, however, that such person must have acted in good faith and in a manner he or she reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the case of a criminal action, such person must have had no reasonable cause to believe his or her conduct was unlawful. In addition, the DGCL does not permit indemnification in an action or suit by or in the right of the corporation, where such person has been adjudged liable to the corporation for negligence or misconduct in the performance of his/her duty to the corporation, unless, and only to the extent that, a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

Section 102(b)(7) of the DGCL permits a corporation to include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL (relating to unlawful payment of dividends and unlawful stock purchase or redemption) or (iv) for any transaction from which the director derived an improper personal benefit.

Article XIII of the bylaws of the Company contains provisions which are designed to provide mandatory indemnification of directors and officers of the Company to the full extent permitted by law, as now in effect or later amended. The bylaws further provide that, if and to the extent required by the DGCL, an advance payment of expenses to a director or officer of the Company that is entitled to indemnification will only be made upon delivery to the Company of an undertaking, by or on behalf of the director or officer, to repay all amounts so advanced if it is ultimately determined that such director is not entitled to indemnification.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

On September 9, 2014, we issued 140 shares of Series A Preferred Stock having an aggregate value of $3,500,000 (the "Series A Preferred") and a warrant to purchase 370,000 shares of the Company's common stock (the "September 2014 Warrant"). The September 2014 Warrant expired on November 11, 2016. Holders of our Series A Preferred had a one-time right to require the Company to redeem the Series A Preferred shares, which right was set to expire on November 11, 2016 (the "Redemption Date"). Under its terms, the Series A Preferred could only be redeemed from the proceeds of the sale of the Company's equity securities. On November 11, 2016 the holder of all of our outstanding Series A Preferred exercised its right of redemption. On December 6, 2016, we entered into an agreement with the holder of the Series A Preferred setting forth the terms under which such redemption would take place (the "Redemption Agreement") in lieu of paying the redemption from proceeds of the sale of equity securities. Pursuant to the Redemption Agreement, at closing the holder of the Series A Preferred will receive (i) $500,000 in cash, (ii) a 12% secured debenture evidencing the remaining $3,000,000 amount to be redeemed, $1,000,000 of which is due on or before June 1, 2017 and the remainder of which is due November 11, 2017 (the "Redemption Debenture"), and (iii) a 5 year warrant to purchase 500,000 shares of the Company's common stock with substantially the same terms as the expired September 2014 Warrant at an exercise price equal to 10% below the thirty (30) day volume weighted average closing price of our common stock at closing. The Redemption Debenture is secured by a lien on the Company's assets and prohibits the Company from incurring any senior indebtedness other than equipment financing in connection with the Company's business. The securities were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act as they were issued to an accredited investor, without a view to distribution, and were not issued through any general solicitation or advertisement.

During the fiscal year ended October 31, 2014, the Company issued an aggregate of 12,400 shares of our common stock to various companies in payment of public relations and investor relations services and 48,000 shares of our common stock to inventors in connection with the acquisition of patents. The common stock was issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act as they were issued to accredited investors, without a view to distribution, and were not issued through any general solicitation or advertisement.

During the fiscal year ended October 31, 2015, the Company issued an aggregate of 11,600 shares of our common stock to various companies in payment of public relations and investor relations services. The common stock was issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act as they were issued to accredited investors, without a view to distribution, and were not issued through any general solicitation or advertisement.

During the fiscal year ended October 31, 2016, the Company issued an aggregate of 10,833 shares of our common stock to various companies in payment of public relations and investor relations services and 4,000 shares of our common stock to inventors in connection with the acquisition of patents. The common stock was issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act as they were issued to accredited investors, without a view to distribution, and were not issued through any general solicitation or advertisement.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following exhibits are filed with this registration statement.

3.1	Certificate of Incorporation, as amended. (Incorporated by reference to Form 10-Q for the fiscal quarter ended July 31, 1992 and Form S-3, dated February 11, 2014.)
3.2	Amendment to the Certificate of Incorporation. (Incorporated by reference to Form 10-K for the fiscal year ended October 31, 2013.)
3.3	Certificate of Amendment to the Certificate of Incorporation. (Incorporated by reference to Exhibit 3.1 on Form 8-K, dated September 4, 2014.)
3.4	Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock. (Incorporated by reference to Exhibit 3.1 of our Form 8-K, dated September 10, 2014.)
3.5	Amended and Restated By-laws. (Incorporated by reference to Exhibit 3.1 to our Form 8-K dated, November 8, 2012.)

3.6 Certificate of Amendment to the Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 on Form 8-K, dated June 25, 2015.)

4.1 Form of Warrant issued to investors in connection with the Company's registered direct offering. (Incorporated by reference to Exhibit 4.1 to Form 8-K, dated July 15, 2014).

4.2 Form of Warrant to be issued to Adaptive Capital LLC (Incorporated by reference to Exhibit 4.2 to our Form 10-K for the fiscal year ended October 31, 2016).

5.1 Opinion of Ellenoff Grossman & Schole LLP (Filed herewith)

10.1 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 4 to our Form S-8 dated May 5, 2003.)

10.2 Amendment No. 1 to the 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 4(e) to our Form S-8 dated November 9, 2004.)

10.3 Amendment No. 2 to the 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2006.)

10.4 Amendment No. 3 to the 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2006.)

10.5 Amendment No. 4 to the 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 4(g) to our Form S-8 dated September 21, 2007.)

10.6 Amendment No. 5 to the 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 4(g) to our Form S-8 dated January 21, 2009.)

10.7 Amendment No. 6 to the 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 10.5 to our Form 8-K, dated July 20, 2010.)

10.8 2010 Share Incentive Plan. (Incorporated by reference to Exhibit 10.1 to our Form 8-K, dated July 20, 2010.)

10.9 Amendment No. 1 to the 2010 Share Incentive Plan. (Incorporated by reference to Exhibit 10.1 to our Form 8-K, dated July 7, 2011.)

10.10 Amendment No. 2 to the 2010 Share Incentive Plan. (Incorporated by reference to Exhibit 10.1 to our Form 8-K, dated September 5, 2012.)

10.11 Amendment No. 3 to the 2010 Share Incentive Plan (Incorporated by reference to Exhibit 10.1 to our Form 10-Q for the fiscal quarter ended January 31, 2014.)

10.12 Employment Agreement, dated as of September 19, 2012, between the Company and Robert Berman. (Incorporated by reference to Exhibit 10.35 to our Form 10-K for the fiscal year ended October 31, 2012.) (Portions of Section 4 of this exhibit have been redacted and filed separately with the Commission in accordance with a request for, and related Order by the Commission, dated May 3, 2013, File No. 0-11254-CF#29240, granting confidential treatment for portions of Section 4 of this exhibit to pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)

10.13 Consulting Agreement, dated as of September 19, 2012, between the Company and Amit Kumar. (Incorporated by reference to Exhibit 10.37 to our Form 10-K for the fiscal year ended October 31, 2012.) (Portions of Section 4 of this exhibit have been redacted and filed separately with the Commission in accordance with a request for, and related Order by the Commission, dated May 3, 2013, File No. 0-11254-CF#29240, granting confidential treatment for portions of Section 4 of this exhibit to pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)

10.14 Securities Purchase Agreement, dated July 15, 2014, between the Company and the Purchasers named therein in connection with the Company's registered direct offering. (Incorporated by reference to Exhibit 10.1 to Form 8-K, dated July 15, 2014.)

10.15 Termination Agreements, each dated August 29, 2014, relating to the Company's transaction with Videocon Industries Limited. (Incorporated by reference to Exhibit 10.20 to our Form S-1 dated December 8, 2014.)

10.16 Debt Conversion Agreement, dated September 9, 2014, between the Company and Adaptive Capital, LLC. (Incorporated by reference to Exhibit 10.21 to our Form S-1 dated December 8, 2014.)

10.17 Warrant issued to Adaptive Capital, LLC. (Incorporated by reference to Exhibit 10.22 to our Form S-1 dated December 8, 2014.)

10.18 At Market Issuance Sales Agreement, dated October 2, 2015, between the Company and National Securities Corporation (Incorporated by reference to Exhibit 10.1 to Form 8-K, dated October 2, 2015.)

10.19 Letter Agreement, dated December 6, 2016, between the Company and Adaptive Capital LLC (Incorporated by reference to Exhibit 10.19 to our Form 10-K for the fiscal year ended October 31, 2016).

10.20 Form of 12% Secured Debenture, dated December 9, 2016, to be issued to Adaptive Capital LLC (Incorporated by reference to Exhibit 10.20 to our Form 10-K for the fiscal year ended October 31, 2016).

10.21 Letter Agreement, dated October 17, 2016, between the Company and Mike Catelani (Incorporated by reference to Exhibit 10.21 to our Form 10-K for the fiscal year ended October 31, 2016).

21 Subsidiaries of ITUS Corporation. (Incorporated by reference to Exhibit 21 to our Form 10-K for the fiscal year ended October 31, 2016)

23.1 Consent of Haskell & White LLP. (Filed herewith)

23.2 Consent of Ellenoff Grossman & Schole LLP (contained in Exhibit 5.1)

99.1 Collaborative Research Agreement, dated July 14, 2015, between Anixa Diagnostic Corporation and The Wistar Institute of Anatomy and Biology (Incorporated by reference to Exhibit 99.1 to our Form 10-K for the fiscal year ended October 31, 2016) (Portions of this exhibit have been redacted pursuant to a request for confidential treatment. The redacted portions have been separately filed with the Securities and Exchange Commission.)

99.2 First Amendment to The Collaborative Research Agreement, dated August 4, 2016, between Anixa Diagnostic Corporation and The Wistar Institute of Anatomy and Biology (Incorporated by reference to Exhibit 99.2 to our Form 10-K for the fiscal year ended October 31, 2016) (Portions of this exhibit have been redacted pursuant to a request for confidential treatment. The redacted portions have been separately filed with the Securities and Exchange Commission.)

99.3 Collaborative Research Agreement, dated August 4, 2016, between Anixa Diagnostic Corporation and The Wistar Institute of Anatomy and Biology. (Previously submitted with our Form 10-K for the fiscal year ended October 31, 2016) (Portions of this exhibit have been redacted pursuant to a request for confidential treatment. The redacted portions have been separately filed with the Securities and Exchange Commission.)

99.4 Patent Acquisition Agreement, dated November 11, 2013, between the Company and Meetrix Communications, Inc. (Filed herewith.)

101.ins Instance Document. (Filed herewith.)
101.def XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.sch XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.cal XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.lab XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.pre XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the provisions above, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities, other than the payment by us of expenses incurred or paid by one of our directors, officers, or controlling persons in the successful defense of any action, suit or proceeding, is asserted by one of our directors, officers, or controlling persons in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification is against public policy as expressed in the Securities Act, and we will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California on this 27th day of January, 2017.

ITUS CORPORATION

By: /s/ Robert A. Berman
Name: Robert A. Berman
Title: President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert Berman his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated below.

By: /s/ Robert A. Berman — January 27, 2017
Robert A. Berman
President, Chief Executive Officer
and Director (Principal Executive Officer)

By: /s/ Michael J. Catelani — January 27, 2017
Michael J. Catelani
Chief Financial Officer
(Principal Financial and Accounting Officer)

By: /s/ Dr. Amit Kumar — January 27, 2017
Dr. Amit Kumar
Executive Chairman of the Board

By: /s/ Dale Fox — January 27, 2017
Dale Fox
Director

By: /s/ Dr. Arnold Baskies — January 27, 2017
Dr. Arnold Baskies
Director

By: /s/ Dr. John Monahan — January 27, 2017
Dr. John Monahan
Director

Exhibit 5.1

Ellenoff Grossman & Schole LLP

1345 AVENUE OF THE AMERICAS, 11 th FLOOR
NEW YORK, NEW YORK 10017
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FACSIMILE: (212) 370-7889
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January 27, 2017

ITUS Corporation
12100 Wilshire Boulevard, Suite 1275
Los Angeles, CA 90025

Re: Registration Statement on Form S-1

Gentlemen:

We have acted as counsel to ITUS Corporation, a Delaware corporation (the "**Company**"), in connection with a Registration Statement on Form S-1 (the "**Registration Statement**"), filed by the Company with the Securities and Exchange Commission (the "**Commission**") pursuant to the Securities Act of 1933, as amended. The Registration Statement relates to the registration of the issuance of 947,606 shares (the "**Shares**") of the Company's common stock, par value $0.01 per share, to Meetrix Communications, Inc. ("**Meetrix**") pursuant to a certain Patent Acquisition Agreement, dated November 11, 2013, by and between the Company and Meetrix (the "**Patent Acquisition Agreement**").

In connection with the opinion expressed herein, we have examined the Patent Acquisition Agreement and such additional documents, records and matters of law as we have deemed relevant or necessary for purposes of such opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies, the authenticity of the originals of such documents and the legal competence of all signatories to such documents.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that the Shares, when issued in accordance with the terms of the Patent Acquisition Agreement and as described in the Registration Statement, will be duly authorized, validly issued, fully paid and non-assessable.

The opinions expressed herein are limited solely to the General Corporation Law of the State of Delaware, including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such law, as currently in effect, and we express no opinion as to the effect of any other law of the State of Delaware or the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder. We assume no obligation to update or supplement any of the opinion set forth herein to reflect any changes of law or fact that may occur following the date hereof.

Very truly yours,
/s/ Ellenoff Grossman & Schole LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion in this Registration Statement on Form S-1 of ***ITUS Corporation*** (the "Company") of our report dated December 7, 2016, relating to our audits of the Company's consolidated financial statements as of October 31, 2016 and 2015, and for each of the years then ended, included in the Company's Annual Report on Form 10-K for the year ended October 31, 2016, which report includes an explanatory paragraph expressing substantial doubt regarding the Company's ability to continue as a going concern. We also consent to the reference to us under the heading "Experts" in this Registration Statement.

HASKELL & WHITE LLP

Irvine, California
January 27, 2017