



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

August 07, 2012

Via E-mail

Mr. Sterling Du  
Chief Executive Officer  
O2Micro International Limited  
3118 Patrick Henry Drive  
Santa Clara, CA 95054

RE: **O2Micro International Limited**  
**Form 20-F for Fiscal Year Ended December 31, 2011**  
**Filed May 1, 2012**  
**File No. 000-30910**

Dear Mr. Du:

We have reviewed your filing and have the following comments. We have limited our review to only your financial statements and related disclosures and do not intend to expand our review to other portions of your documents. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days, by providing the requested information, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances, please tell us why in your response.

After reviewing the information you provide in response to these comments, we may have additional comments.

Form 20-F for the Fiscal Year Ended December 31, 2011

Item 15 Controls and Procedures, page 47

1. We note that you conduct substantially all of your operations outside of the United States. In order to enhance our understanding of how you prepare your financial statements and assess your internal control over financial reporting, we ask that you provide us with information that will help us answer the following questions.

**How do you evaluate and assess internal control over financial reporting?**

- In connection with your process to determine whether your internal control over financial reporting was effective, please describe whether and how you considered controls to address financial reporting risks that are relevant to all locations where you have operations.
- If you have an internal audit function, please describe it and explain how, if at all, that function impacted your evaluation of your internal control over financial reporting.

**How do you maintain your books and records and prepare your financial statements?**

- If you maintain your books and records in accordance with U.S. GAAP, describe the controls you maintain to ensure that the activities you conduct and the transactions you consummate are recorded in accordance with U.S. GAAP.
- If you do not maintain your books and records in accordance with U.S. GAAP, tell us what basis of accounting you use and describe the process you go through to convert your books and records to U.S. GAAP for SEC reporting. Describe the controls you maintain to ensure that you have made all necessary and appropriate adjustments in your conversions and disclosures.

**What is the background of the people involved in your financial reporting?**

We would like to understand more about the background of the people who are primarily responsible for preparing and supervising the preparation of your financial statements and evaluating the effectiveness of your internal control over financial reporting and their knowledge of U.S. GAAP and SEC rules and regulations. Do not identify people by name, but for each person, please tell us:

- what role he or she takes in preparing your financial statements and evaluating the effectiveness of your internal control;
- what relevant education and ongoing training he or she has had relating to U.S. GAAP;
- the nature of his or her contractual or other relationship to you;
- whether he or she holds and maintains any professional designations such as Certified Public Accountant (U.S.) or Certified Management Accountant; and
- about his or her professional experience, including experience in preparing and/or auditing financial statements prepared in accordance with U.S. GAAP and evaluating effectiveness of internal control over financial reporting.

If you retain an accounting firm or other similar organization to prepare your financial statements or evaluate your internal control over financial reporting, please tell us:

- the name and address of the accounting firm or organization;
- the qualifications of their employees who perform the services for your company;

- how and why they are qualified to prepare your financial statements or evaluate your internal control over financial reporting;
- how many hours they spent last year performing these services for you; and
- the total amount of fees you paid to each accounting firm or organization in connection with the preparation of your financial statements and in connection with the evaluation of internal control over financial reporting for the most recent fiscal year end.

If you retain individuals who are not your employees and are not employed by an accounting firm or other similar organization to prepare your financial statements or evaluate your internal control over financial reporting, do not provide us with their names, but please tell us:

- why you believe they are qualified to prepare your financial statements or evaluate your internal control over financial reporting;
- how many hours they spent last year performing these services for you; and
- the total amount of fees you paid to each individual in connection with the preparation of your financial statements and in connection with the evaluation of internal control over financial reporting for the most recent fiscal year end.

**Do you have an audit committee financial expert?**

Based on disclosures at page 49 of this filing it appears you have determined that Mr. Lawrence Lin is an “audit committee financial expert”. Please describe his qualifications, including the extent of his knowledge of U.S. GAAP and internal control over financial reporting.

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Notes to Consolidated Financial Statements, page F-8

19. Contingencies, page F-32

Legal Proceedings, page F-32

2. We see disclosures herein that you have legal matters outstanding with Monolithic Power Systems, Inc. We also see from disclosures in a Form 6-K dated August 3, 2012 that “Operating expenses in the *second quarter of 2012* include a litigation provision of \$9.4 million” and see disclosures in a Form 6-K dated May 9, 2012 that “O<sub>2</sub>Micro® International Limited announced that on *March 8, 2011*, a district judge recently issued an order awarding Monolithic Power Systems, Inc., (“MPS”) costs of \$663,151 and attorney’s fees of \$8,419,429 in the case *Monolithic Power Systems, Inc. v. O<sub>2</sub>Micro International Limited*, Civil Case No. 08-04567, Northern District of California”. Please tell us how you determined the second quarter of 2012

was the correct accounting period to record the referenced litigation provision. Also, tell us how the amount of the provision was determined. Refer to the applicable guidance at FASB ASC 450 in your response to our comment. Finally, tell us why you did not disclose any of these facts in your subsequent events footnote in this filing.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In responding to our comments, please provide a written statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

You may contact Dennis Hult, Staff Accountant, at (202) 551-3618 or Jay Webb, Reviewing Accountant, at (202) 551-3603 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 551-3643 with any other questions.

Sincerely,

/s/ Jay Webb "for"

Kevin L. Vaughn  
Accounting Branch Chief