



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-0303

Mail Stop 3720

February 20, 2009

Via U.S. Mail and facsimile to (925) 355-2020

Per Bystedt
Chief Executive Officer
Neonode Inc.
651 Byrdee Way
Lafayette, CA 94549

**Re: Neonode Inc.
Revised Preliminary Proxy Statement on Schedule 14A
Filed February 18, 2009
File No. 0-08419**

Dear Mr. Bystedt:

We have limited our review of your filing to those issues we have addressed in our comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

1. We note your response to comment two from our letter dated February 13, 2009. Please note that we are unaware of any temporal limitation on the application of Note A. We believe that pursuant to Note A, the proxy statement should contain the information required by Item 14 of Schedule 14A because, at the time of the acquisition, the company knew that additional shares of common stock were needed for the acquisition of AB Cypressen 9683. Please either provide us with a detailed legal analysis for your position that Item 14 disclosure is not required, including citations to Commission releases, no-action letters, etc., or revise to ensure that you provide the disclosure required by Item 14.
2. We note that you have included a telephone number on page 19 of the revised proxy statement that does not appear to be a working number. Please disclose a telephone

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number that investors can use to contact the company in order to request copies of information that has been incorporated by reference into your proxy statement. See Note D(2) to Schedule 14A.

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As appropriate, please amend your Schedule 14A in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

You may contact Jessica Plowgian, Attorney-Adviser at (202) 551-3367 or me at (202) 551-3257 if you have questions regarding these comments.

Sincerely,

/s
Celeste M. Murphy
Legal Branch Chief

Cc: Steve Kronengold
Via facsimile: 972(8) 936 6000