



FOR IMMEDIATE RELEASE

Media contact:

John Christensen
jchristensen@cornerstonecomms.com
(949) 200-6108 or (949) 735-0394 (cell)

Investel Sues Snap Inc. to Invalidate Key Patent

Challenged patent is central to revenue model

LOS ANGELES, Feb. 3, 2017 -- Investel Capital Corporation ("Investel"), a Vancouver-based developer of the social media posting gateway called iFramed™, today announced it filed a lawsuit in U.S. federal court against Snap Inc. to invalidate a patent that is central to its revenue model of its flagship product, Snapchat.

Investel said it invented and owns the rights to location-based filters that Snap calls "[Geofilters](#)." Investel in August 2016 filed a patent infringement lawsuit against Snap Inc. in the Federal Court of Canada, and the court has ruled in favor of Investel on sufficiency of the claim to proceed.

Snap Inc. on Thursday officially filed for a U.S. initial public offering. The filing does not mention Investel's lawsuit, but it does describe on [page F-29](#) how Snap Inc. agreed to pay \$157.5 million to a man who asserted that Snap was "using certain intellectual property that the individual jointly owned with our founders."

"The revelation that it settled an intellectual property suit with Reggie Brown, an 'ousted founder' of Snapchat, shows that the company has a pattern of grabbing intellectual property that it does not own or have the right to use," said Lawry Trevor-Deutsch, Investel's Managing Partner. "Snap clearly does not respect intellectual property rights. It is unconscionable that they did not even mention Investel's patent litigation in its filing."

According to Snap's registration statement, "We monetize our business primarily through advertising. Our advertising products include Snap Ads and Sponsored Creative Tools like Sponsored Lenses and Sponsored Geofilters."

Trevor-Deutsch suggested that Snap go back to the drawing board and develop its own technology for monetization.

“Our company is not for sale, and the patent is not available for license to Snap,” he said. “We are uncertain on what basis Snap asserts its right to use the technology in the U.S., Canada, China, India, Japan, Europe and Australia, where Investel has patents or the benefit of the priority dates on the technology.”

Investel’s iFramed application permits users to add extra content onto their photos or videos based on their locations. For example, users can brand photos or videos based on their demographic information and geolocation. Unlike Snapchat, [the iFramed application additionally allows advertisers](#) to more closely target their messages based on user locations and permits users to share in the monetization of social media by being paid to share their content.

“The lawsuit seeks to protect Investel’s revolutionary technology that allows social media users to brand and monetize their content,” said Trevor-Deutch.

Snapchat has focused its core monetization strategy in the same area as Investel’s patent portfolio, according to the lawsuit.

The suit was filed in the U.S. District Court for the Central District of California.

Investel is being represented by Greenberg Gross, a Los Angeles-based law firm.

Commenting on the suit, Wayne Gross, a founding partner said, “The Oculus verdict this week illustrates the dangers of big tech disregarding the intellectual property rights of true innovators. We will vigorously seek to protect Investel’s inventions from exploitation by other companies.”

For further information about iFramed, go to www.iframe.com

For further information about Investel Capital Corporation, go to www.investel.com