

**USA VIDEO INTERACTIVE CORP.**

June 22, 2005



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SECURITIES AND EXCHANGE COMMISSION

**Securities and Exchange Commission**  
Office of International Finance  
450 - 5th Street NW  
Washington, D.C. 20549

**FILE #82-1601**

SUPPL

Dear Sir/Madam:

**Re: USA Video Interactive Corp. (the "Company")  
News Release**

Enclosed for your reference is a copy of the Company's recent News Release, which was delivered to an acceptable dissemination service with instructions for "Immediate Release".

Yours truly,

**USA VIDEO INTERACTIVE CORP.**

*"Anton (Tony) J. Drescher"*

Per:  
Anton (Tony) J. Drescher  
Director

PROCESSED  
JUN 30 2005  
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FINANCIAL

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Encl.

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The logo for USVO, featuring the letters "USVO" in a bold, sans-serif font. The letter "O" is stylized as a diamond shape with a small square inside it.The logo for FilmMates Entertainment, with "FilmMates" in a large, bold, sans-serif font and "Entertainment" in a smaller font below it.

For release June 22, 2005

Contact: USA Video Interactive Corp.  
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**FILMMATES ENTERTAINMENT AND USVO MARK SHOW  
FOR TV BROADCAST**

*Anti-piracy solution embeds digital watermark to protect intellectual property*

(Los Angeles, CA – June 22, 2005) - **USA Video Interactive Corp.** (OTCBB: **USVO**; TSX: **US**; BSE/Frankfurt: **USF**; <http://www.usvo.com>), is pleased to announce that FilmMates Entertainment, the Los Angeles-based film finance, production and distribution entity announced today that it has used USVO's MediaSentinel™ digital watermarking technology to protect its feature film slated for major cable network television debut in September 2005.

The MediaSentinel™ technology is the solution that FilmMates Entertainment chose to protect their content to deter piracy. Despite the sophisticated techniques used to break existing protections, watermarking allows a company to enforce their rights as individual producers or distributors.

MediaSentinel™ is the powerful anti-piracy digital watermarking technology created and distributed by the Connecticut-based technology company USVO Inc., a wholly owned subsidiary of USA Video Interactive Corp.

"We're pleased to be a part of FilmMates Entertainment's efforts to protect their property. MediaSentinel™ is like a forensics team embedded in the broadcast master, providing the evidence law enforcement needs to convict criminals and deter video piracy," said Edwin Molina, CEO of USVO.

FilmMates Entertainment marked their feature film with an invisible, irremovable watermark using MediaSentinel™ from USVO. These digital watermarks occur in every frame of video content and are virtually impossible to remove and can survive a wide variety of conversions and attacks. Law enforcement agencies and other authorized parties can easily read the watermarks to verify the source of any particular copy. This marks the first time that a film will utilize MediaSentinel™ for a cable network broadcast.

Individual producers and distributors like FilmMates Entertainment can now enter the digital revolution knowing that their property rights have a foundation for enforcement. For the first time content can be proactively protected, independent of the distribution system through which their content must travel.

With the implementation of MediaSentinel™ to protect its films from illegal copying and distribution, FilmMates Entertainment takes an aggressive step in leading the ongoing fight against piracy. The Motion Picture Association of America currently estimates the U.S. motion picture industry loses more than \$3 billion dollars annually in potential worldwide revenue due to piracy.

“We are thrilled to be working with USVO and using their MediaSentinel™ technology with the network broadcast of our feature film. As content owners and producers, protecting our content is tantamount in meeting the rising trend in video piracy head on,” said Jay Malla, Senior Vice President of Distribution and Business Strategy, FilmMates Entertainment.

The film was watermarked at Lightning Media’s facility in Hollywood, California. Lightning Media is a post-production company and a MediaSentinel™ Anti-Piracy Protection Partner.

### **About USVO, Inc.**

USVO Inc., a wholly owned subsidiary of USA Video Interactive Corporation, is a developer and supplier of Internet media delivery services, systems, and innovative end-to-end solutions. USVO developed its MediaSentinel™ digital watermarking technology and its StreamHQ™ architecture to provide a wide range of business customers with value-added media delivery services and piracy protection. For more information, visit [www.usvo.com](http://www.usvo.com).

### **About FilmMates Entertainment**

FilmMates Entertainment, the Los Angeles based film finance, production and distribution entity acquires projects in various stages of production and assures their worldwide sales and distribution via its in-house sales department. FilmMates Entertainment was founded in November 2001 as a fund acquiring films from promising, young directors. Its business model has quickly evolved as FilmMates Entertainment started acquiring film libraries, entertainment companies and theatrical feature film projects. For more information, visit [www.FilmMates.net](http://www.FilmMates.net).

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USVO; Trading symbol on the TSX Venture Exchange US; Trading symbol on the Berlin and Frankfurt Stock Exchanges: USF. CUSIP  
902924208. For more information contact [Edwin Molina](mailto:Edwin.Molina) (860) 434 – 5535 ext.#125; [contact@usvo.com](mailto:contact@usvo.com)

The press release may contain forward-looking statements. Actual results may differ materially from those projected in any forward-looking statements. Investors are cautioned that such forward-looking statements involve risk and uncertainties, which may cause actual results to differ from those described.

MediaSentinel™ is a trademark of USA Video Interactive Corp.

*The TSX Venture Exchange (TSX) has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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