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## This Week's Stories

### Verizon Demands A Better Deal After Yahoo's Latest Historic Hack

December 16, 2016

Verizon is said to have threatened to go to court to get out of the deal if it is not repriced.

Yahoo came under renewed scrutiny by federal investigators and lawmakers on Thursday after disclosing the largest known data breach in history, prompting Verizon Communications to demand better terms for its planned purchase of Yahoo's internet business.

Shares of the Sunnyvale, California-based internet pioneer fell more than 6% after it announced the breach of data belonging to more than 1 billion users late on Wednesday, following another large hack reported in September.

Verizon, which agreed to buy Yahoo's core internet business in July for \$4.8 billion, is now trying to persuade Yahoo to amend the terms of the acquisition agreement to reflect the economic damage from the two hacks, according to people familiar with the matter.

The U.S. No. 1 wireless carrier still expects to go through with the deal, but is looking for "major concessions" in light of the most recent breach, according to another person familiar with the situation.

Asked about the status of the deal, a Yahoo spokesperson said: "We are confident in Yahoo's value and we continue to work towards integration with Verizon."

Verizon had already said in October it was reviewing the deal after September's breach disclosure. Late on Wednesday, it said it would "review the impact of this new development before reaching any final conclusions" about whether to proceed.

The company declined to comment beyond that statement on Thursday.

Verizon has threatened to go to court to get out of the deal if it is not repriced, citing a material adverse effect, said the people familiar with the matter, who asked not to be identified because the negotiations are confidential.

No court in Delaware, where Yahoo is incorporated, has ever found that a material adverse effect has occurred that would allow companies to terminate a merger agreement.

Nevertheless, the threat of a court case on the issue has been successfully used by companies to renegotiate deals, and experts said that some concessions from Yahoo are likely, given the magnitude of the cyber security breaches.

Renegotiating the deal's price tag would be the simplest but also least likely scenario because the impact of the data breaches will not be apparent for some time, according to Erik Gordon, a professor at the University of Michigan's Ross School of Business.

A more likely concession would be for Yahoo to agree to compensate Verizon after the close of the deal, based on the liabilities that occur. The two companies may also agree to extend the close of the deal to allow for more time for information to come in on the impact of the breaches, Gordon suggested.

Verizon shares rose 0.4% to close at \$51.81, in line with the S&P 500 Index. Yahoo closed down 6.1% at \$38.41.

### **BIGGEST BREACH**

Yahoo said late on Wednesday that it had uncovered a 2013 cyber attack that compromised data of more than 1 billion user accounts, the largest known breach on record.

It said the data stolen may have included names, email addresses, telephone numbers, dates of birth, hashed passwords and, in some cases, encrypted or unencrypted security questions and answers.

The company added that some of its partners were affected. One such partner, Europe's Sky Plc, said Yahoo provides email services to its 2.1 million Sky.com email account holders, but it was unclear how many of those accounts were affected.

The announcement followed Yahoo's disclosure in September of a separate breach that affected over 500 million accounts, which the company said it believed was launched by different hackers.

The White House said on Thursday the U.S. Federal Bureau of Investigation was probing the breach. Several lawsuits seeking class-action status on behalf of Yahoo shareholders have been filed, or are in the works.

Meanwhile, Democratic Senator Mark Warner of Virginia said he was looking into Yahoo's cyber security practices.

"This most-recent revelation warrants a separate follow-up and I plan to press the company on why its cyber defenses have been so weak as to have compromised over a billion users," he said in a statement.

Warner, who will become the top Democrat on the Senate Intelligence Committee next year, described the hacks as "deeply troubling."

New York Attorney General Eric Schneiderman urged anyone with a Yahoo account to change their passwords and security questions and said he is examining the breach's circumstances and the company's disclosures to law enforcement.

Germany's cyber security authority, the Federal Office for Information Security (BSI), advised German consumers to consider switching to safer alternatives for email, and criticized Yahoo for failing to adopt modern encryption techniques to protect users' personal data.

"Considering the repeated cases of data theft, users should look more closely at which services they want to use in the future and security should play a part in that decision," BSI President Arne Schoenbohm said in a statement.

The latest breach drew widespread criticism from security experts, several advising consumers to close their Yahoo accounts.

"Yahoo has fallen down on security in so many ways I have to recommend that if you have an active Yahoo email account, either direct with Yahoo or via a partner like AT&T, get rid of it," Stu Sjouwerman, chief executive of cyber security firm KnowBe4 Inc., said in a broadly distributed email.

A Yahoo spokesperson, in response to criticism of the company's security measures, said on Thursday: "We're committed to keeping our users secure, both by continuously striving to stay ahead of ever-evolving online threats and to keep our users and platforms secure."

[fortune.com](#)

## Instagram Reaches 600 Million Monthly Users, Doubling In Size In Two Years

December 15, 2016

Instagram has reached 600 million monthly active users, adding its latest 100 million users faster than it ever has before, the company said on Thursday.

Instagram's user base has doubled in size from 300 million monthly users to 600 million monthly users in two years. Instagram reached 500 million users in June, adding its latest 600 million users in six months. It took the app nine months to grow from 400 million users to 500 million users.

Instagram first launched in 2010 and was acquired by Facebook for about \$1 billion in 2012. This year, the company has been focusing on growing its global advertising business and enabling more real-time sharing. After first launching advertising widely about a year ago, the app reached 500,000 advertisers in September. Instagram is expected to generate about \$1.5 billion in mobile advertising sales this year and \$5 billion in 2018, according to forecasting firm eMarketer. Lately, Instagram has been pushing into mobile shopping and launched a series of new tools last month to encourage product browsing within the app.

Instagram has also been steadily rolling out updates to promote more frequent, spontaneous sharing within the app. Last month, it launched live video for the first time and this week, extended the tool to all U.S. users. Live video disappears in the app immediately after a live stream ends, which has helped encourage users to experiment with the tool. This summer, Instagram launched a clone of Snapchat's core "Stories" feature, which allows users to post chains of photo and video clips with illustrations and filters. Instagram's feature has 100 million daily active users. (By comparison, Snapchat reportedly has 300 million daily active users.)

Instagram recently incorporated ephemeral sharing into its messaging service "Direct." Last month, Instagram made it possible for users to send disappearing photos and videos in group and private "Direct" threads, while keeping traditional direct messaging the same. Direct reached 300 million monthly active users last month, up from 80 million users last year.

"Instagram is going from a place to share highlights to a place where you can share all of the moments of your day in a pressure-free space," Instagram's head of product Kevin Weil said in an interview last month.

Encouraging more casual sharing has been working for Instagram so far. Video and photo sharing through both private and public tools on Instagram has risen substantially since debuting Stories, the company has said. And the company doesn't want to stop growing its user base any time soon. Instagram CEO Kevin Systrom told FORBES in August that his ultimate vision for Instagram is to create a visual record of everything happening around the world at any time, allowing users to zoom in to any corner of the planet they wish to explore. To hit that goal, Systrom envisions reaching at least a billion users, building an audience that rivals Facebook itself.

[forbes.com](#)

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## Products & Services

### 'Super Mario Run' Is Live On iOS

December 15, 2016

After a couple of months of waiting and a somewhat confusing morning, *Super Mario Run* is finally live on Apple's iOS -- though as of this writing, only the iPhone and not the iPad version is available. So if you've got fond memories of Mario and an iPhone, go forth and download: the first three levels are free, and the full game will cost you \$10. It also requires an internet connection to play, and is recommended for ages 4 and up.

*Super Mario Run* is an auto-runner, not unlike *Temple Run*, *Cannabalt*, *Jetpack Joyride* and all those other runners that were popular a few years ago. But while those games were also infinite runners, *Super Mario Run* takes place on finite, designed stages, just like the traditional games. So Mario runs forward all the time while you jump around, stomp goombas, collect coins and navigate all those obstacles Miyamoto and co. have thrown in your way. It's surprisingly familiar for a traditional Mario player.

The game has three modes: World Tour, Toad Rally and Kingdom Builder. World Tour is the meat of the experience, where players bounce around and try to compete levels. Toad Rally has the player showing off tricks to try to impress a crowd of Toads (for the unfamiliar, "Toad" here means little guys with mushrooms for heads). Kingdom Builder is a take on more traditional casual games, letting the player gradually build up their own Mushroom Kingdom with currency earned in the other Toad Rally.

*Super Mario Run* is Nintendo's first major entrance into the mobile market, and it's poised to be big. A brand like Mario has a unique ability to pierce the noise of an over-saturated mobile market, and the nostalgia factor alone should be able to nudge a huge number of people towards the \$10 purchase. We'll see soon how successful it is both commercially and as a game.

Android should be coming in 2017.

[forbes.com](http://forbes.com)

### Facebook Rolls Out Tools To Curb Fake News After Uproar

December 15, 2016

Facebook Inc. is changing its powerful news feed in an effort to stamp out fake stories following a firestorm around the social network's role in spreading false information.

The new features, rolled out to select U.S. users on Thursday, add options for readers and third-party fact checkers to flag articles, tweak Facebook's algorithm and provide more restrictions on advertising. A month ago, Chief Executive Officer Mark Zuckerberg said these changes were coming, responding to extensive criticism in the wake of the U.S. presidential election.

The issue has only grown more heated since. A Pew Research Center survey, released on Thursday, revealed that almost one-quarter of Americans believed they shared fake news and a greater percentage were concerned about its consequences.

Still, Facebook framed its moves carefully, showing its aversion to being seen as taking an editorial or political stance. "Fake news means different things to different people," said Adam Mosseri, Facebook's vice president of product management. "What we're focused on is the worst of the worst. We're not looking to get into the gray area of opinion."

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Two of the incoming changes are very visible. Facebook users will be able to flag content on the site as a "fake news story." Articles deemed false by Facebook's partner, Poynter Institute's International Fact Checking Network, will have a new tag attached: "Disputed by 3rd Party Fact-Checkers." Publishers behind these articles will no longer be able to promote these articles as Facebook paid ads. The social network also will be working with fact-checking organizations Politfact, Snopes and FactCheck.org, as well as ABC News and the Associated Press to identify articles as fake.

But Facebook isn't scrubbing these articles from its site altogether. "If something is been disputed, we're going to let you know," Mosseri said. "But you can still share it because we believe in giving people a voice."

Facebook also said it's taking steps to snip financial incentives for publishers of fake news. It plans to cut off producers of content from hoax domains from buying on its ad networks. Mosseri said these websites represent a negligible part of Facebook's advertising revenue.

Mosseri noted that the adjustments are algorithmic and won't rely on editors employed by Facebook. He also dismissed the likelihood that users would take advantage of the new features to bombard articles or publications they disagree with, rather than those stories they find blatantly false.

These incidents "happen many times less -- orders of magnitude less," Mosseri said. "Most people aren't going to report anything negative."

[bloomberg.com](http://bloomberg.com)

## Emerging Technology

### Skype's New Prototype App Wants To Do Everything, From Calls And Texts To Contacts

December 16, 2016

Skype's mobile apps are terrible, and the only reason you'd want to use one as your main communications platform would be if the company rebuilt the software from the ground up. Well, luckily enough, that seems to be what it's doing with Skype Mingo — an experimental Skype app for Android that's currently in alpha testing.

Mingo is your "ultimate communications hub," says Skype. Not only does it have Skype's usual mobile data-powered video and voice calling functionality, but it also handles native phone calls, your phone's contacts, and SMS. The app also seems like it's aimed at developing markets where data is at a premium. The release notes state that that the app is not only "small and fast," but comes with features like Economic Calling and On-Demand Sync to help users save money.

But the important question for many users is how exactly does it handle SMS? Does it just stand in for your phone's default text message app, or does it sync texts with your Skype account and with Skype's desktop app? According to Microsoft blog MSPowerUser, which first spotted the app, it's the former: Mingo will send and receive texts from your phone, but it won't sync them anywhere. This is a feature Microsoft has previously called "messaging everywhere," and which is now known as SMS relay. (Apple calls this Continuity.)

It's currently only available if you have the Skype Preview app for the latest Windows 10 Insider preview build and a phone running Windows 10 Mobile. So, you know, it's not exactly widespread.

These caveats aside, Skype Mingo is an interesting peek at the direction that Microsoft could take its premier communications app. And turning Skype into a lightweight messaging hub on Android would

*"Skype Mingo is an interesting peek at the direction that Microsoft could take its premier communications app. And turning Skype into a lightweight messaging hub on Android would put also Microsoft ahead of Google."*

put also Microsoft ahead of Google. Google's own Allo app (released in September) does let you send and receive SMS messages, but only through a relay phone number — not your own. Despite its somewhat unusual name, Mingo could be going places.

[theverge.com](http://theverge.com)

## Live On Twitter: Broadcasting Video From The App

December 14, 2016

To Twitter Inc., a live video is worth 140 characters.

Twitter is rolling out a feature starting Wednesday to let users of its app broadcast videos as easily as composing a tweet, furthering its bid to move live video from the periphery to the center of its digital town square.

The move to let people broadcast their surroundings directly from the app underscores the importance of live video to social-media companies. Twitter and Facebook Inc. are expanding their live-video capabilities to reach more users with more immediate and original content that could eventually be tied to advertising.

Positioning itself as a major player in live video is important to Twitter because the company touts itself as the destination to “see what’s happening right now,” and increasingly people are recording what’s happening in the world through the camera on their smartphones rather than in text updates

“We think live video can take these moments and bring them to life in a way that no other medium can,” said Sara Haider, senior manager for software engineering at Twitter.

Twitter and Facebook have spent significant resources trying to associate their brands with live video. In April, Twitter said it had obtained the rights to stream some of the National Football League’s Thursday night games and in July, it announced a partnership with CBS News to live stream the Republican and Democratic conventions to leverage the large audiences of those events to reach more users. Facebook, meanwhile, has paid internet stars to create live broadcasts and planned major ad campaigns to encourage more of its regular users to stream live video, in an effort to refashion the social network into a “video-first” company.

Twitter is hoping live video will juice its growth. In the third quarter, Twitter reported dwindling revenue growth, and executives at the time said the company would double down on its video strategy to broaden Twitter to mainstream users.

The new live-streaming feature on Twitter’s app is powered by Periscope, an app Twitter acquired in 2015 for slightly less than \$100 million. Earlier this year, Twitter enabled viewing of Periscope videos within the Twitter app, but users still had to go to Periscope to create the videos or comment on them.

The new Twitter feature combines most of Periscope’s interface, such as the ability for users to comment on and “like” live videos within the player.

Ms. Haider says Twitter has no plans to shut down the Periscope app and will continue investing in it. As of last year, Periscope said it had 10 million users.

[wsj.com](http://wsj.com)

## Mergers and Acquisitions

### Nokia Acquires Network Performance Management Company Deepfield

December 15, 2016

*“Deepfield...identifies popular cloud services and tracks how their traffic flows through networks to the end-user. The analysis happens automatically, in real time, and the data can be used to help networks adapt to changes in traffic-flow patterns.”*

Nokia has announced plans to acquire Deepfield, a Software-as-a-Service (SaaS) startup that helps enterprises and cloud-service providers improve their network performance and security. Terms of the deal were not disclosed.

Founded out of Michigan in 2011, Deepfield is a privately held company that provides real-time big data analytics to clients around their IP network performance and security, insights that can also help identify DDoS (Distributed Denial of Service) attacks.

Cloud-application services such as Netflix, Spotify, and Facebook represent a significant portion of network traffic globally, and networks service provider's benefit from insights into what applications are running and the impact the corresponding traffic is having across the spectrum. This is where Deepfield comes into play, as it identifies popular cloud services and tracks how their traffic flows through networks to the end-user. The analysis happens automatically, in real time, and the data can be used to help networks adapt to changes in traffic-flow patterns.

Basil Alwan, president of Nokia's IP/optical networks business group, said in a press release:

We are impressed with Deepfield's unique approach to network analytics and their deployments with major providers around the globe, delivering critical visibility into how leading cloud applications and services flow through their networks.

Combining Deepfield's cutting-edge analytics with Software Defined Networking techniques (SDN) will allow our customers to automate engineering and assurance processes while enhancing performance, utilization, and security. We believe this capability will only increase in importance as networks and applications become more complex, diverse, and dynamic.

Nokia today consists of two core divisions — Nokia Technologies, a division focused on consumer-focused products, and Nokia Networks, a broadband network infrastructure business.

Nokia's aspirations in the networking infrastructure realm are significant, and following its exit from the mobile phone business in 2014, Nokia snapped up French networking giant Alcatel-Lucent in a juicy \$16.6 billion deal. And earlier this year, Nokia acquired Gainspeed, a company that specializes in Distributed Access Architecture (DAA) services for the cable industry, a notable move, given the growing need for network capacity ushered in with the rise of bandwidth-intensive media-streaming services.

[venturebeat.com](http://venturebeat.com)

### Qualcomm To Collaborate With Google On Android Things

December 14, 2016

Google just unveiled Android Things, an update to its Internet of Things (IoT) development platform, and it's already got the support of Qualcomm Technologies, which intends to collaborate with Google to add support for the Android Things operating system in Qualcomm Snapdragon processors.

Google announced Android Things for developers in a blog post yesterday, describing it as a comprehensive way to build IoT products with the Android OS. Google also incorporated feedback

from Project Brillo to include familiar tools for developers, and it promises to provide updates in coming months as well as built-in Weave connectivity.

Qualcomm, which has backed its own previous flavors of IoT, sees the initiative as an opportunity to help a vast number of developers participate in the IoT. “The design of IoT devices can be a complex task, usually requiring developers to bring together multiple connectivity technologies, sensors, data processing and storage, advanced multimedia and user interfaces, security, cloud integration, device management, as well as over-the-air upgrades and services,” the company said in a press release, acknowledging that development can be particularly tricky due to the fragmentation in IoT.

Qualcomm anticipates Android Things running on Snapdragon processors will offer developers familiar connectivity environments, including cellular, Wi-Fi and Bluetooth; support for a wide array of sensors; camera, graphics, multimedia and rich UI capabilities; hardware-based security; Google services and cloud integration; test and optimization tools, and more—allowing for rapid development of scalable, cost-effective and security-focused IoT solutions.

“Since the launch of the first Android phone, Qualcomm Technologies and Google have closely collaborated to create exciting new opportunities for developers in mobile, wearables and the IoT,” said Jeffery Torrance, vice president, business development, Qualcomm Technologies, in the release. “We are pleased to announce our intent to work with Google on this new initiative to expand the Android ecosystem. We anticipate many new and exciting IoT products will result as developers are able to bring the power of the Snapdragon processor together with Android Things.”

Asked how Qualcomm’s participation with Google jibes with its work with the Open Connectivity Foundation (OCF), a Qualcomm spokesperson described the company’s involvement as a natural step in its overall IoT strategy.

Qualcomm is a diamond member in the OCF and serves on its board of directors. “We remain committed to OCF and the importance in driving interoperability across brands and ecosystems for proximal, peer-to-peer connectivity and secure remote access and cloud services,” the spokesperson said in a statement to FierceWirelessTech.

“The OCF spec and reference implementation, IoTivity, is OS, platform and brand-agnostic and allows devices to discover and interact with nearby products regardless of their underlying communications protocols. And since Android Things is an OS, it dovetails neatly with IoTivity, which sits above the OS layer,” the statement said.

In order to support interoperability across brands and ecosystems via Qualcomm Technologies’ chipsets, “we continue to embrace and support various aspects of the expanding IoT ecosystem. We are currently working with a wide range of frameworks and communication protocols for the IoT, including OCF and others like Weave, Thread, and HomeKit.”

[fiercewireless.com](http://fiercewireless.com)

## Industry Reports

### BlackBerry Gives China’s TCL Rights To Use Its Brand On Phones

December 15, 2016

BlackBerry Ltd. agreed to give Chinese manufacturer TCL Corp. the right to use its brand on future phones and sell them around the world.

The deal, which was announced Thursday without terms, gives investors and fans of the ailing smartphone brand a clearer picture of the future of the device that helped usher in the mobile age.

TCL has already built two phones for BlackBerry using off-the-shelf parts and blueprints: the touch screen, Android-equipped DTEK50 and DTEK60.

Chief Executive Officer John Chen has been weaning the company off phones since he took over the top job three years ago, replacing falling handset revenue with software acquisitions and saying in September he would outsource all device design, production and marketing.

This deal gives TCL exclusive rights to sell BlackBerrys everywhere except Indonesia, where BlackBerry has an existing licensing deal, and India, Bangladesh, Sri Lanka and Nepal. Chen has said he's working on a deal with an Indian company, so the carve-out suggests such an agreement is still forthcoming. A spokeswoman for BlackBerry didn't immediately return a request for further details.

When Chen announced the outsourcing plan, he said the company could sign many licensing deals with manufacturers around the world, opening the possibility of dozens of BlackBerry-branded smartphones popping up in different countries. The TCL agreement limits this to just a small handful of manufacturers, depending on what the final deal in India looks like.

BlackBerry has seen its share of the global smartphone market fall to a fraction of 1 percent, but its brand is still valued by some professionals in the U.S. and Europe who miss the easy typing afforded by the company's trademark keyboard. Large groups of consumers in Indonesia and Nigeria still covet the brand's high-class cachet.

[bloomberg.com](http://bloomberg.com)

## Verizon Gets In Line, Will Kill The Galaxy Note 7 After All

December 15, 2016

The Samsung Galaxy Note 7's death throes will continue into 2017 — but the end is in sight.

Verizon has announced that Jan. 5 will be that last day it will support the Note 7 on its network, which will effectively kill off the phone in the U.S.

Last week, Samsung announced a long-awaited software update to finally disable the few Note 7s still out in circulation in the United States. The update was primed for a Dec. 19 release date to give device owners even more time to exchange their explosive devices, but there was some unexpected pushback.

Verizon, the largest mobile carrier in the country, declared that it would not support Samsung's kill-switch and that Note 7 users would not be cut off from service on Dec. 19. The company justified the decision by citing concerns for "the added risk this could pose to Galaxy Note7 users that do not have another device to switch to," and the hectic holiday season.

Other U.S. mobile carriers stayed in line behind Samsung. T-Mobile, Sprint and AT&T all confirmed to *Mashable* their pledge to stand behind the update. US Cellular stayed silent on the matter.

When it declared that it *will* issue Samsung's update to disable the Note 7s still in service, Verizon stayed strong in its convictions that the phone needs to stay connected to the network through the holidays:

"Samsung will be releasing a Note7 software update on December 19. This update prevents the device from charging and eliminates the ability for it to work as a mobile device.

*"Samsung announced a long-awaited software update to finally disable the few Note 7s still out in circulation in the United States. The update was primed for a Dec. 19 release date to give device owners even more time to exchange their explosive devices, but there was some unexpected pushback."*

Verizon will not be pushing this software update to your device until January 5, 2017. We want to make sure you can contact family, first responders, and emergency medical professionals during the holiday travel season.

However, we urge you to stop using your Note7, upgrade it to another device, and return the Note7 to us.”

With this news, we can finally close the book on the long saga of the Galaxy Note 7. If you are still for some reason using one of those pocket bombs, please, go exchange it as soon as possible. If you don't, Samsung and your network — even if it's Verizon — will finally cut you off.

[mashable.com](http://mashable.com)



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