

Legislation for Sale



Emil Malak, CEO & Director

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Interview conducted by:
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CEOCFO Magazine

CEOCFO: *Mr. Malak, how many years ago did you get your patents?*

Mr. Malak: We started with five original core patents which we first applied for in November 2006. Between April 2013 and March 2014 those five original patents were all issued. After each patent was issued we filed for continuation patents and have built a portfolio so far of more than 20 patents in the US alone. We also have patents in Europe, Indonesia, Asia and we are expecting approvals soon in other countries

CEOCFO: *Why can you not monetize them?*

Mr. Malak: The Silicon Valley has spent billions of dollars in lobbying activities to stack the deck against small inventors and companies like ours. The legal system they helped create with the passage of the America Invents Act (AIA) in 2011 has put many obstacles in place which favor deep pocketed corporations. Most companies like ours do not survive the grueling process it takes to achieve monetization since the AIA became law. When we started this process there was no AIA, no IPR's and no Alice 101. These are major obstacles which were put in place by the Silicon Valley so they can steal intellectual property without repercussions.

CEOCFO: *You have been in litigation for four years. Where are you now?*

Mr. Malak: We are still fighting. We will stay the course and see this fight out until we win. I don't know if that will take months or years but we will not go away. After years of reaching out to companies and trying to monetize the technology we developed and not having success we were left no choice but to file a lawsuit to ask the courts to help us enforce our rights. We have been fighting some of the most powerful companies in the world in Apple, Amazon, AT&T, Verizon and Twitter. So far we have prevailed in eight IPR challenges and we expect to prevail soon in four others that were filed earlier this year. We are appealing an Alice 101 challenge before the Federal Appeals Court and defending against another in Federal District Court. Thanks to the AIA, patent infringers have many tools at their disposal to tie patent owners up in court for years and file countless motions geared towards draining smaller companies of their limited resources.

I have a fiduciary responsibility to my shareholders and I take that responsibility very seriously. I recently rejected an offer that could have resulted in a huge payday for me personally, but I never considered it for one minute. Our shareholders have supported and stood by us through this fight and I will never hang them out to dry. We will all succeed together in the end.

CEOCFO: *What is going to be the outcome?*

Mr. Malak: We are going to win. However long it takes we will fight to the very end and achieve monetization for our intellectual property. We developed these patents that have enriched many big companies and in the end they will have to pay us. The meter continues to run each day.

CEOCFO: *Are you going to survive?*

Mr. Malak: YES! We have had many ups and downs and we have always gotten back up. If they knock us down again we will get up again and keep fighting. We are not fighting this battle just for us. This fight is bigger than Voip-Pal. It is for all small inventors and innovators like us that are fighting for their piece of the American dream.

CEOCFO: *Why are you advising inventors not to patent at the USPTO?*

Mr. Malak: Just look at what we have been going through for the past four years. When we began developing patents in 2004, our business model was the right way to go. Back then, when a tech company used a patent without a license they were taken to court and forced to pay damages. Because of that they were much more likely to license or acquire a patent because the system protected inventors. We believed that once our patents were issued the companies using our intellectual property would have to buy or license them. During that time the big tech companies decided they no longer wanted to pay in order to use other company's patents; they wanted to simply steal intellectual property. So they spent billions of dollars in lobbying efforts to craft what would become the America Invents Act which swung the pendulum drastically away from protecting patent owner rights. As a result of the AIA the United States lost its standing in the world with regard to its patent system. For a long time the U.S. was number one in the world and was the gold standard in terms protecting inventors rights. Now thanks to the Silicon Valley the U.S. is not even in the top ten anymore and is ranked behind countries like Italy and Spain. If the system is not going to protect an inventor why should anyone spend up to millions of dollars and many, many years trying to secure a patent that is not going to make them any money. I tell new inventors all the time to keep their invention a trade secret. Instead of spending money on patents, they are better served using it to monetize their invention without getting a patent. The AIA has made owning a patent a liability. Its no longer an asset.

"I am following my own advice. The America Invents Act has made owning a patent in the United States a liability. We will keep our technology as a strict trade secret."- Emil Malak

CEOCFO: *What would you like to see happen?*

Mr. Malak: The first thing we need is for congress to repeal the America Invents Act and replace it with laws that protect inventors and promote more innovation. It's a travesty that Inventors are fleeing the U.S. and taking their patents to of all places China for patent protection. They are doing a much better job right now of protecting inventors rights than the US patent system. That has to change. There are some in congress that see what has happened to property rights over the past decade and say they want to fix it but so far nothing has happened. Most of it is just window dressing. Recently, Senator Chris Coons introduced the STRONGER Patents Act 2019. He is one of the sponsors of this bill and is a big advocate for patent protection and inventors rights. If passed this bill will repeal all the bad elements of the AIA and replace them with laws that once again protect patent owners. He is also working on a bill that will undo the Alice 101 which some have misinterpreted and used as a way to invalidate software patents.

The Supreme Court also needs to speak to some of these issues. There are a couple of cases before them now that if they decide to hear them could result in some much needed changes to the current patent debacle we are living through.

CEOCFO: *You have criticized the American Democracy and the media. Why?*

Mr. Malak: Let me first say there is no greater country in the world than the United States. My criticism is not aimed at American democracy. Its aimed at the threat to America's democracy posed by unbridled lobbying efforts and rampant political contributions. When you see the huge amount of money the Silicon Valley has thrown at politicians and the huge amount of money they have spent and continue to spend on lobbying efforts it is a threat to democracy. The corporations with the deepest pockets are the ones controlling the legislative agenda according to what benefits them. When that happens you have put your democracy up for sale to the highest bidder. The media is doing the same thing. They are complicit. They pick their favorites and set their agenda according to what they want to happen. A free press is supposed to be impartial and protect the people from abuse. They should be investigating wrongdoing and speak up on behalf of what's right. Instead they pick sides and use their resources to achieve their agenda.

CEOCFO: *Do you have any regrets?*

Mr. Malak: Absolutely not! Our team is working tirelessly on behalf of our shareholders. The obstacles we are facing are part of the broken patent system. We are doing all we can do and we will prevail in the end. Had we known in 2004 what would become of the US patent system 10 years later, we would have certainly done things differently. But with the knowledge we had at the time and the system that was in place we believe made the right moves. We didn't change the rules. The Silicon Valley's billions changed the rules.

CEOCFO: *Why don't you resign from VOIP-PAL?*

Mr. Malak: I am not a quitter no matter how difficult things are. I started this and I intend to see it through and finish it. I surround myself with good and smart people. Our technical team and legal team are the best there is. I always take their advice on technical and legal matters. I have no ego. I am a shareholder like the other four thousand shareholders. If know that someone can come in and do a better job I would be happy to step aside let them lead Voip-Pal. But no one has the passion and desire to get this done more than I have. We have come a long way in spite of terrible odds and there is still much more work to do.

CEOCFO: *What other projects are you involved with?*

Mr. Malak: Voip-Pal has been my number one project for more than 15 years and will always remain my top priority. Throughout the years I have been offered many other opportunities to involve myself in. I passed on most of them, but two of them stuck out as ways to really help people and make a difference in the world. Both projects are based in Europe. One is a biomed which has made very big strides in cancer research. We have very exciting things we are working on and could realize some significant breakthroughs very soon.

The other project I am involved with is in the CBD space. The marijuana industry is a very mixed bag. CBD is the part of marijuana that provides many positive health benefits. There have been literally thousands of studies showing the great health benefits of CBD in the treatment of dozens of diseases. But marijuana also contains THC which can be very dangerous and harmful especially to younger users. And today's marijuana is far more potent and harmful than the marijuana that was around 30 years ago. We are working on a delivery method that will remove THC and all its harmful effects and just provide the user with all the positive benefits of CBD. This is going to revolutionize the flailing medical marijuana industry.

CEOCFO: *Will you patent your two projects?*

Mr. Malak: Oh no! I am following my own advice. The America Invents Act has made owning a patent in the United States a liability. We will keep our technology as a strict trade secret.

