

VOIP-PAL & EMIL MALAK: A TELECOM PIONEER FIGHTS FOR PAYOFF FOR THE INNOVATIVE TECHNOLOGY IT INVENTED

This emerging public company is battling telecommunications and social networking “Goliaths” that are infringing on its patents, with large potential rewards for its shareholders

Emil Malak has always been a fighter, a David battling against many Goliaths. From Hollywood mogul James Cameron and 20th Century Fox, to the Bellagio Las Vegas Casino, Mr. Malak does not back down from a fight when he believes he is being wronged.

Now he’s in the biggest fight of his life. His emerging public company Voip-Pal.com Inc (OTCQB: VPLM) has sued telecommunication giants Apple, Verizon, AT&T and Twitter for a combined \$9.7 billion plus punitive damages for infringing on Voip-Pal’s patented technology, which is being used for routing calls and messages over the Internet.

Born in Cairo, Egypt, in 1952 to an Orthodox Christian father and Roman Catholic mother, Malak received his schooling at the famed French Brothers College De La Salle. At the age of 18 he moved to Liverpool, England where he studied hotel management at Manchester’s Hollings Faculty. In 1983, he and an Irish partner bought the North British Hotel in Glasgow, Scotland, selling it two years later and becoming a millionaire in the process. He later developed the first of three psycho-geriatric nursing homes in Inverness, Scotland. In 1988, Malak moved to Vancouver, Canada where he invested in a number of businesses. Today he owns the Bellaggio Café, with two locations in Vancouver. In addition, Mr. Malak is a prolific writer, having written “Terra Incognita” and “Sadness with Joy”. He has worked more than 10 years writing and producing a 17th Century classical musical Operetta, titled “La Rosa”.



“I have always been a dreamer,” says Malak. “You can only make dreams a reality through perseverance. So I am not going to disappear. I am going to fight for my shareholders—and make sure that they are rewarded.”

— Emil Malak, CEO of Voip-Pal

Malak’s life took big turn in 2004 when a team of Russian, Danish, New Zealand and Canadian software and hardware engineers came into his restaurant for drinks and a meal. Engaging his customers in conversation, Malak heard their vision of the future of telecommunications. The idea was simple but revolutionary. At a time when phone calls were made via traditional telephone lines and cell phones, these inventors envisioned a future when phone calls and messages would be routed over the Internet with seamless transfer between traditional landlines and cell phone networks.

“They were passionate about this vision,” Malak recalls. “I asked them what they needed.” The answer: they needed the money to develop the technology that would instantly switch calls and messages from traditional phone networks to the Internet and back.



Malak was intrigued but understandably skeptical. After all, Apple was still three years away from introducing the first iPhone. When Malak asked an expert at a University for his opinion, the expert responded: “Put in every penny you have.” So he did just that. He also put together a group that raised approximately \$16 million to fund development. Together, they founded a company that would be named Digifonica International Limited, employing as many as two dozen top engineers. Digifonica went on to invent and develop all the necessary technology needed to make the original vision a reality.

The fundamental technology decides the best way to route each call and message between its origination and destination, switching back and forth between the Internet and traditional telephony. The Digifonica team carefully patented all of the technology needed to make communications over the Internet possible. They also developed software that enables Internet communications to meet legacy compliance rules, such as for 911, Legal Intercept, Mobile Gateway, and Uninterrupted Communications.

The company built four global nodes to test its software and validate its originality, functionality and scalability. “It’s very clear that we were among the very first to conceive this system of using attributes for

routing and integrating communications systems, and to invent and practice the technologies that are now being used by major tech, telecom, and social media companies,” says Malak.

Digifonica experienced some financial difficulties during the recession of 2008. Liabilities had mounted and the technology could not yet be sold since the patents were only provisional at the time. Knowing the true value of the technology, Emil Malak acquired the struggling company in June 2011, taking on about a million dollars in Digifonica’s tax and other liabilities. Determined to see the patents through, he engaged two of the top intellectual properties legal firms in the world, Knobbe, Martens, Olson & Bear in the U.S. and Smart and Biggar in Canada, as his patent agents. Malak eventually merged Digifonica with Voip-Pal.com, becoming a 40% non-dilutive shareholder in the new company.

With the suite of patents allowed, the company, in good faith, began to contact all of the companies that they believed were using the technology and would benefit from licensing or acquiring the patents. “We are not litigious,” says Malak. “We went to the big boys and said we have these patents. But they wouldn’t even talk to us.” As far as the major companies in the industry were concerned, Voip-Pal was an annoying small company without the resources to win a costly litigation battle.

The company was left with no choice but to file patent infringement lawsuits. In addition to suing Apple, Verizon, AT&T, and Twitter, Voip-Pal has informed roughly sixty other companies about its technology. It is likely that other legal actions will be filed. “The company is here, is doing well, and is determined to see this process through, however long it may take,” Malak vows.

Shortly after filing the lawsuits, Voip-Pal received challenges in the form of petitions for Inter Partes Review (IPR). Apple and Unified Patents Inc., a company whose main

objective is to challenge the patentability of patents that are the subject of infringement lawsuits, filed separate IPR’s in an attempt to invalidate some or all of the claims of two of Voip-Pal’s patents. The U.S. Patent Office’s Patent Trial and Appeal Board (PTAB) ruled in favor of Voip-Pal, denying Unified Patent’s petition, but instituted the petition made by Apple. A final decision on Apple’s IPR by the PTAB is expected by November 2017.

Malak is confident his patents will prove to be patentable and expects the IPR decision to come out in Voip-Pal’s favor. The four lawsuits are currently being stayed until the outcome of the IPR is determined.

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Voip-Pal’s goal is to work towards an amicable settlement, securing fair value for its shareholders. Given Mr. Malak’s ability to put together a highly accomplished and well regarded team of legal advisors and patent experts, and his record of determination through the most difficult circumstances, Voip-Pal is likely to reach that goal.

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