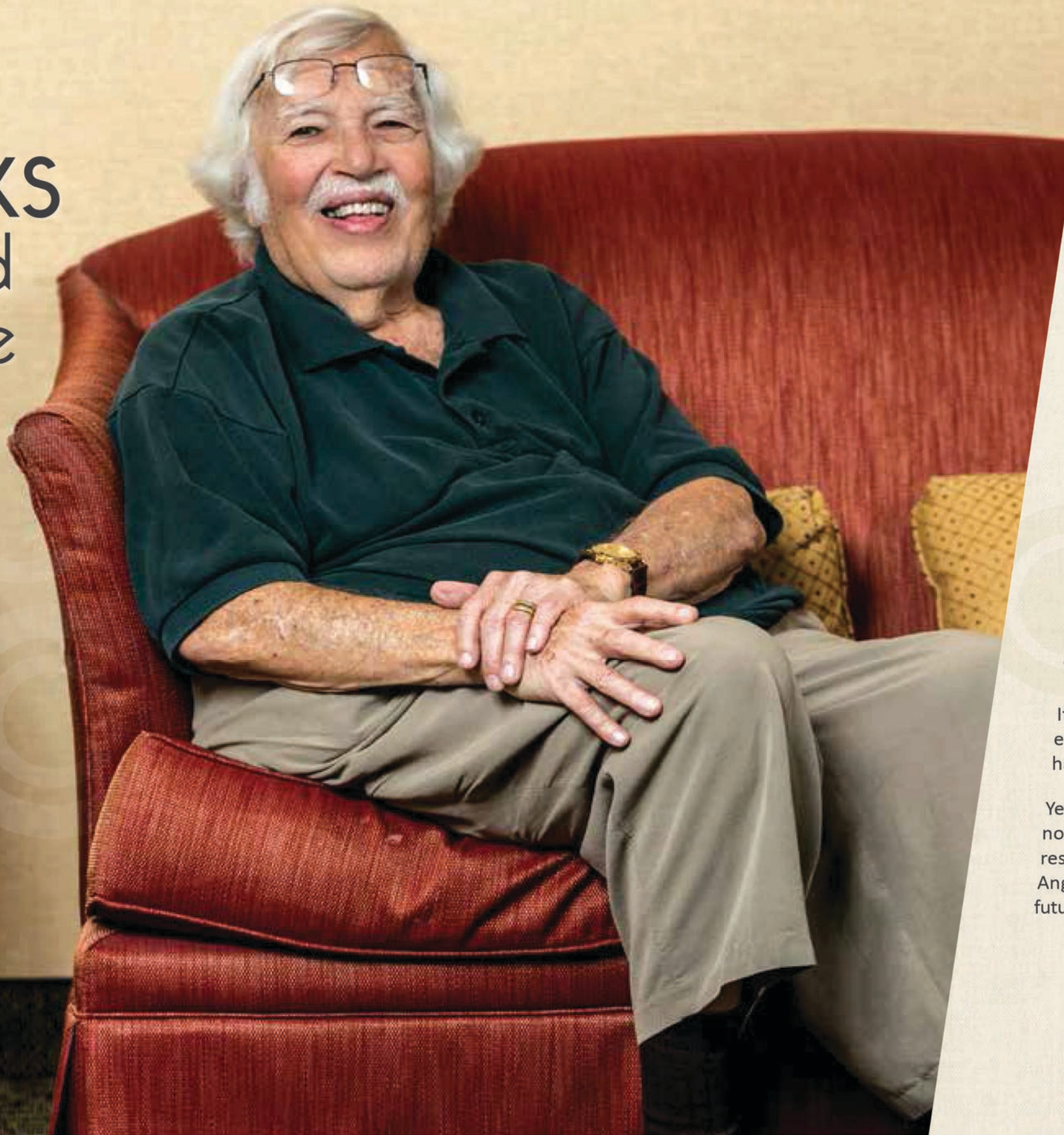


# Mark Brooks Changed the Future



You can blame  
Mark Brooks or  
thank him.

Every time your call to a retailer, doctor's office, or credit card company is answered by a machine that gives you a long list of menu options, you can blame Mark.

Or you can thank Mark for all the occasions when voicemail allowed you the freedom to leave your home or office without the worry of missing an important phone call you anxiously awaited.

You can also thank Mark for his pivotal role in the expansion of the worldwide web.

If it weren't for Mark, it's possible that the electronics and computer revolution might have been delayed by decades.

Yet Mark does not enjoy the wealth and notoriety of Bill Gates or Steve Jobs. This resident at Brookdale North Euclid in the Los Angeles suburban town of Ontario changed the future back in 1969.





## The PhoneMate Lands in His Lap

During much of the 1960s, Mark worked for NovaTech, the company that invented the first answering machine, called the PhoneMate.

When an investment group made a buyout offer, Mark's boss couldn't refuse; the owner sold the company and retired to the Florida coast.

Fortunately, Mark also owned a small stake in NovaTech. With proceeds from the sale, he had an opportunity to start a company of his own.

Mark's luck continued when he learned that the new owners had no interest in manufacturing and selling NovaTech's commercial and industrial equipment, much less a small consumer retail product like the PhoneMate. These investment speculators "were only interested in making a stock play," he said. Mark could take the PhoneMate with him.

## It's Time to Think Bigger

In 1969, Mark launched his enterprise in an 800-square-foot loft in Redondo Beach. He knew he had a product with great potential. The PhoneMate was simple to manufacture and easy to operate. The price was affordable enough for Mark to take the PhoneMate beyond the commercial market and sell it to a vast pool of residential customers numbering in the millions.

Unfortunately, Mark's marketing did not operate on such a vast scale. "For the first few years, I ran ads on local radio stations, then went out and sold to the leads the ads generated, one machine at a time," he said. Sales were barely sufficient to keep the company afloat. One of his best friends since college, Bill Shaphren, had the sales and marketing expertise to see Mark's problem and understand the PhoneMate's potential. He offered to join Mark's company. In very little time, Bill managed to place the PhoneMate in every major department store in the U.S., and sales boomed.

## AT&T is a Bully

At the time, AT&T was the only telephone company in the country. They owned all components of the entire telecommunications system, from routing stations and phone lines all the way to the phone jacks and Bell telephones in people's homes.

In addition to exercising absolute ironclad control over the telecommunications system, AT&T sought to extend their monopoly by claiming the right to control anything connected to their network. They took the position that plugging any non-AT&T device like the PhoneMate into their system was prohibited.

Mark's company ignored the AT&T rule, as did PhoneMate customers who bought and plugged their new answering machines into the AT&T phone jacks in their homes.

AT&T likewise ignored PhoneMate as long as answering machine sales remained relatively small. But when PhoneMate sales climbed to \$1 million, then \$2 million per month, AT&T noticed and threatened to sue.

The telecom giant also sent out millions of statement stuffers inside their phone bills warning customers that if they choose to buy a PhoneMate, they are not allowed to plug it directly into their line, but must instead use a special unit that connects between the answering machine and the phone jack.

(That special unit was a fiction that did not exist.) Mark saw the statement stuffers as an attempt to intimidate PhoneMate sales.

PhoneMate retained a Washington DC law firm and countersued, arguing that AT&T prohibitions against connecting a device to the telephone system constituted restraint of trade. Surprisingly, PhoneMate won it's case.

The ruling handed down by the federal court judge read in part: "Anything that is privately beneficial without being publicly detrimental shall be allowed to be connected to the phone system."

## The Other Goliaths

For seven years, PhoneMate was the only answering machine on the market. Electronics giants like Panasonic, Sony, and GE could have designed their own versions and flooded the market, but they didn't. They had no desire to take on AT&T as an adversary, engaging in costly court battles over the device connection rule.

However, after PhoneMate's David and Goliath battle, the other Goliaths saw it was now safe for them to come out and enter the market. PhoneMate had already done all the hard work and heavy lifting.





**They invented the answering machine, stimulated consumer interest, and broke down AT&T's brick wall around their phone jacks. PhoneMate paved the way.**

In short order, every major electronics company began manufacturing their own answering machines in greater quantities at cheaper prices with distribution to much larger networks of retailers. Profiting from PhoneMate's work, the giants quickly dominated the market. PhoneMate was crushed.

Mark Brooks is philosophical about his marketplace venture. *"We won the battle and lost the war. But my, what a beautiful run we had."*

## A Ready-Made Web

Mark's legal victory led to another kind of global transformation that was much larger than the proliferation of answering machines. The court ruling he won permitted connection of ANY device to the telephone network. The most important device that could ever take advantage of that legal decision was the computer.

In that decade of the 1970s, there was no such thing as a personal computer. Very few computers were linked together, mostly in university campus research labs.

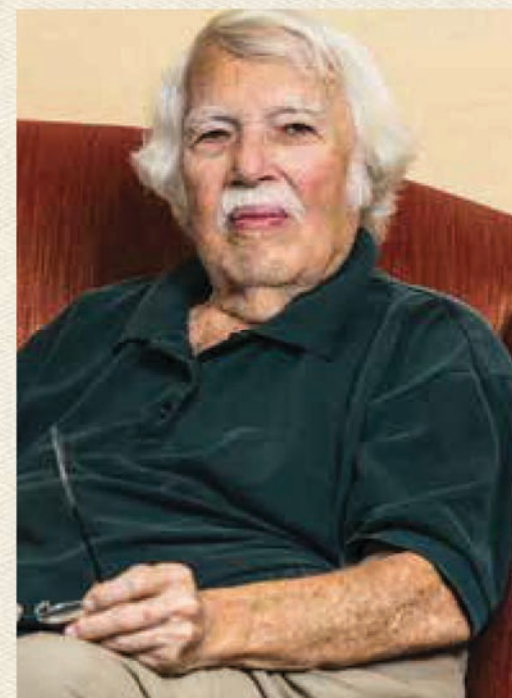
A future in which millions of personal computers could connect to a nationwide network would require building a vast web of cables, wiring into millions of homes and businesses. Such a monumental task could take decades.

However, AT&T already had a nationwide network of phone lines leading into most every house and building across the country. Those phone lines could serve as a ready-made web for computer dial-up connections. The PhoneMate court case made it possible for computers to plug in to that network.

## What If Mark Kept Quiet?

What, if PhoneMate never challenged AT&T's device connection policy and stayed on the sidelines like everyone else? What if AT&T had been allowed to reserve the nationwide network of phone lines exclusively for their phones? Would we have an Internet?

**“At the time, I didn't fully appreciate the ripple effect of the PhoneMate court decision. It became staggering.”**



In that alternate future, would some other corporation invest in stringing miles and miles of computer cable across the country?

Or would Congress authorize the use of tax funds to fulfill that task? Would cities set up public utilities to provide computer wiring?

How long would it take to build a national infrastructure of computer lines from scratch? How many years would that delay the emergence of the Internet we have today? Ten years later? Twenty years later? In that different future, how many fewer people would have access to the worldwide web? How much more would that access cost us and who in our society would be able to afford it?

Mark reflects, "At the time, I didn't fully appreciate the ripple effect of the PhoneMate court decision. It became staggering." He thinks of how the Internet has spurred billions of dollars in personal computer and software sales for Apple and Microsoft. The worldwide web has fueled billions in online retail product sales, and made billions of pages of information available to students. "As I look back now, years later, it's a legacy I can be proud of," he says.

Mark feels no ill will toward the major electronics brands that sold millions of their own answering machines. Nor does he hold a grudge against AT&T. In fact, he selected ATT.net as his email provider.

## New Connections in a New Network

Mark came to the Brookdale North Euclid community directly from a hospital recovery center. "I was not a happy camper," he admits. "But the associates were so delightful, efficient, and caring that I soon became an enthusiastic fan."

Much of Mark's career was determined by making connections between electronic devices. Now, he is rewarded by warm connections made between hearts.

At Mark's retirement community, he is now dialed-in to a network of care, where his connections are strong, conversations are clear, and he never has to talk to a machine.