

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE**

In the Matter of

Thomas G. Watkins, III

Respondent

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Proceeding No. D06-04

FINAL ORDER

Director of the Office of Enrollment and Discipline Harry I. Moatz ("OED Director") and Thomas G. Watkins, III ("Respondent") have submitted a proposed settlement agreement to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office or his designate ("USPTO Director").

The OED Director and Respondent's proposed settlement agreement sets forth certain stipulated facts, legal conclusions, and sanctions to which the OED Director and Respondent have agreed in order to resolve voluntarily this disciplinary proceeding and obviate an administrative hearing. The proposed settlement agreement, which satisfies the requirements of 37 C.F.R. § 10.133(g), resolves all disciplinary action by the United States Patent and Trademark Office ("USPTO" or "Office") arising from the evidence previously submitted to the USPTO's Committee on Discipline in connection with this disciplinary proceeding.

Pursuant to such settlement agreement, this Final Order sets forth the parties' stipulated facts, joint legal conclusions, and agreed upon sanctions.

Jurisdiction

At all times relevant hereto, Respondent of Phoenix, Arizona, has been an attorney registered to practice patent law before the Office (Registration Number 27,964) and is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 et seq.

Stipulated Facts

1. At all times relevant hereto, Respondent of Phoenix, Arizona, has been an attorney registered to practice patent law before the Office (Registration Number 27,964) and is subject to the USPTO Code of Professional Responsibility set forth at 37 C.F.R. § 10.20 et seq.
2. Respondent has been registered as a patent attorney with the Office since June 29, 1976. He had been initially registered with the Office as a patent agent on December 15, 1975.
3. Respondent was licensed to practice law in the State of Arizona on April 24, 1976, under license number 004433. At all relevant times to this complaint, Respondent was so licensed until his disbarment by that state's highest court effective October 25, 2007.

4. Upon information and belief, Respondent has been admitted to practice law in the State of Texas since November 11, 1977, under license number 20927900. He currently maintains an "inactive" status in that jurisdiction.

5. Upon information and belief, Respondent has been admitted to practice law in the State of Florida since June 15, 1978, under license number 253545. He currently maintains an "inactive" status in that jurisdiction.

6. In 2005, an attorney ethics complaint was filed against Respondent with the Arizona State Bar in connection with Respondent's representation of Taser International, Inc. (TASER).

7. After weighing the sufficiency of information indicating that certain aspects of Respondent's representation of TASER constituted violations of the Arizona Supreme Court's Rules of Professional Conduct, the State Bar of Arizona issued a probable cause order against Respondent on August 14, 2005.

8. On November 1, 2005, counsel for the State Bar of Arizona filed a disciplinary complaint against Respondent with the Disciplinary Clerk of the Arizona Supreme Court, namely: In the Matter of a Member of the State Bar of Arizona v. Thomas G. Watkins, III (Case Number 05-0357).

9. On or about December 9, 2005, Respondent filed an answer to the complaint.

10. On April 12, 2006, counsel for the State Bar of Arizona filed an amended disciplinary complaint against Respondent.

11. On May 5, 2006, Respondent answered the amended complaint.

12. On June 20 and 21, 2006, a hearing was held in Case Number 05-0357.

13. On September 11, 2006, the hearing officer issued findings of fact, conclusions of law, and a recommendation of discipline in Case Number 05-0357. The hearing officer found that Respondent violated certain of the Arizona Rules of Professional Conduct, namely:

- a. Ethical Rule (ER) 1.4 by failing to disclose information to TASER that Respondent knew could impact the representation of TASER's business interests;
- b. ER 1.6 by misappropriating information learned during the course of the representation of TASER and using such information to harm TASER;
- c. ER 1.7(a)(2) by continuing to represent TASER at a time when the representation of TASER was materially limited by Respondent's self-interest;

- d. ER 1.8(a) and 8.4(a) by attempting to enter into a business transaction with TASER or by attempting to knowingly acquire an ownership interest adverse to TASER without TASER's consent;
- e. ER 1.8(a) by acquiring TASER stock without complying with the provisions of ER 1.8(a)(2) or (3);
- f. ER 1.8(b) by using information relating to the representation of TASER to the disadvantage of TASER without TASER's consent;
- g. ER 1.9(b) by using information relating to the representation of TASER by provoking an interference with a patent application that Respondent had previously filed with the Office on behalf of TASER;
- h. ER 1.13(b) by failing to advise TASER that Respondent believed one of TASER's employees had stolen the technology giving rise to certain technology and had signed a declaration under oath claiming sole inventorship of the technology;
- i. ER 1.16(a)(1) by failing to withdraw from representing TASER in connection with the patent prosecution of certain technology as the representation violated the Arizona Rules of Professional Conduct;
- j. ER 3.3(a), 3.4(b), and ER 8.4(c) by filing declarations Respondent believed to be factually false with the Office and then failing to correct the false declarations Respondent filed on behalf of TASER employees in support of the patent applications and by filing declarations Respondent believed to be factually false on behalf of TASER employees in support of the patent applications;
- k. ER 5.4(a) by sharing legal fees with a non-lawyer;
- l. ER 8.4(d) by engaging in conduct during and after his representation of TASER that was prejudicial to the administration of justice.

14. In its February 8, 2007, Amended Disciplinary Commission Report, a majority of the Disciplinary Commission of the Supreme Court of Arizona adopted the Hearing Officer's findings of fact and conclusions of law in their entirety; modified, de novo, the recommended sanction; and imposed the sanction of disbarment and payment of the costs of the disciplinary proceedings.

15. In its September 25, 2007, Judgment and Order in In the Matter of a Member of the State Bar of Arizona v. Thomas G. Watkins, III, (Arizona Supreme Court No. SB-07-0062-D), the Supreme Court of Arizona denied Respondent's petition for review and ordered that Respondent be disbarred from the practice of law effective thirty days from the date of the

judgment and order.

16. Effective October 25, 2007, Respondent was disbarred from practice as an attorney on ethical grounds by a duly constituted authority of the State of Arizona.

Legal Conclusion

17. Based on the information contained in paragraphs 1 through 16, inclusive, Respondent acknowledges that his conduct violated 37 C.F.R. § 10.23(c)(5) of the USPTO Code of Professional Responsibility in that the Respondent was disbarred from practice as an attorney on ethical grounds by the Supreme Court of Arizona.

Discipline

Based on the foregoing, it is:

18. **ORDERED** that Respondent be, and hereby is, excluded from practicing patent, trademark, and other non-patent law before the Office commencing with the date of this Final Order.

19. **ORDERED** that the OED Director publish the Final Order.

20. **ORDERED** that the OED Director publish the following Notice in the Official Gazette:

Notice of Exclusion

Thomas G. Watkins, III, of Phoenix, Arizona, a patent attorney whose registration number is 27,964, has been excluded from practice before the United States Patent and Trademark Office for violating 37 C.F.R. § 10.23(c)(5) by being disbarred from practice as an attorney on ethical grounds by the Supreme Court of Arizona. This action is taken pursuant to the provisions of 35 U.S.C. § 32 and 37 C.F.R. §§ 10.133(g) and 10.159.

21. **ORDERED** that, in accordance with 37 C.F.R. § 10.159, the OED Director give notice of the Final Order to appropriate employees of the Office; interested departments, agencies, and courts of the United States; appropriate authorities of any State in which a practitioner is known to be a member of the bar; and any appropriate bar association.

22. **ORDERED** that, in accordance with 37 C.F.R. § 10.158(b)(1), Respondent, within 30 days of entry of the Final Order, a) notify in separate written communications all bars of which Respondent is a member and all his clients for whom he is handling matters before the Office, if any, of the exclusion and b) file a copy of each written communication with the OED Director.

23. **ORDERED** that, in accordance with 37 C.F.R. § 10.158(b)(2), Respondent, within 30 days of the date of the Final Order, a) surrender each client's active USPTO case file(s), if any,

to each client or to another practitioner designated by each client and b) file proof thereof with the OED Director.

24. **ORDERED** that, in accordance with 37 C.F.R. §§ 10.158(b)(8) and 10.160(d), Respondent, within 30 days of the date of the Final Order, a) return to any client having immediate or prospective business before the Office any unearned legal funds, including any unearned retainer fee, and any securities and property of the client and b) file a proof thereof with the OED Director no later than the date Respondent files his petition for reinstatement.

25. **ORDERED** that, in accordance with 37 C.F.R. §§ 10.158(a), (b)(2), and (b)(6), Respondent, during the period of exclusion, a) suspend all communication relating to a client matter, b) immediately forward to the client or the practitioner designated by the client all communication relating to a client matter that is addressed to, or received by, Respondent, and c) take no legal action, enter any appearance, or provide any legal advice concerning any matter that is the subject of the client communication.

26. **ORDERED** that, in accordance with 37 C.F.R. §§ 10.158(b)(4) and (b)(7), Respondent, a) promptly take any necessary and appropriate steps to remove from all telephone books, legal directories, signs, letterheads, and other media all advertisements, statements, representations, and all other expressions and indications that would reasonably suggest that the practitioner is authorized to practice law before the Office and b) within 30 days of taking those steps, file with the OED Director an affidavit describing the precise nature of the steps taken.

27. **ORDERED** that, in accordance with 37 C.F.R. §§ 10.158(a) and (b), Respondent, during the period of exclusion, a) not engage in unauthorized practice of patent, trademark and other non-patent law before the Office; b) not hold himself out as authorized to practice before the Office; c) not advertise his availability or ability to perform or render legal services for any person having immediate, prospective, or pending business before the Office; and d) not render legal advice or services to any person having immediate, prospective, or pending business before the Office as to that business.

28. **ORDERED** that, in the event that Respondent acts as a paralegal or aids or endeavors to aid another practitioner in any way in the other practitioner's practice of law before the Office during the period of exclusion, Respondent comply with 37 C.F.R. §§ 10.158(c) and (d).

29. **ORDERED** that Respondent not hereinafter be named as an inventor or co-inventor in any patent application based on a client's invention unless a) the client gives informed consent, confirmed in writing by the client, and b) Respondent otherwise fully complies with all applicable rules of the USPTO Code of Professional Responsibility.

30. **ORDERED** that, in accordance with 37 C.F.R. § 10.160, Respondent may not be considered for reinstatement until five years after the effective date of his exclusion but, thereafter, may apply for reinstatement to practice before the Office by filing a petition for reinstatement and an affidavit showing compliance with the following conditions:

a. Respondent demonstrates compliance with 37 CFR §§ 10.158 and 10.160;

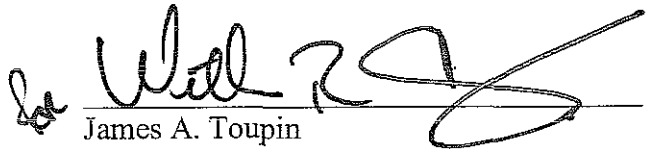
and

b. if and when Respondent applies for reinstatement, the OED Director conclusively presumes, for limited purpose of determining the application for reinstatement, that (i) the stipulated facts, above, and the findings of fact set forth in the hearing officer's September 11, 2006, "Findings of Fact, Conclusions of Law, and Recommendation" in In the Matter of a Member of the State Bar of Arizona v. Thomas G. Watkins, III (Case Number 05-0357) are true, and (ii) Respondent could not have successfully defended himself against the legal conclusions stemming from those facts.

31. **ORDERED** that the OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this agreement.

JUN 18 2008

Date



James A. Toupin
General Counsel
United States Patent and Trademark Office

on behalf of

Jon W. Dudas
Under Secretary of Commerce for Intellectual
Property and Director of the United States Patent
and Trademark Office