

Local Stun Gun Maker to Close After Patent Dispute

Media Mention

Orlando Business Journal
01.28.2020

Related Attorneys

Jon M. Gibbs

A Kissimmee company is closing its doors after a lengthy patent battle with the maker of the Taser.

Phazzer Electronics Inc. filed for Ch. 7 bankruptcy on Jan. 23, following a patent dispute with Taser manufacturer Axon Enterprise Inc. (Nasdaq: AAXN). Phazzer, which makes electronic weapons for law enforcement similar to Tasers, was ordered in 2018 to pay Axon \$7.8 million.

Phazzer will shut down operations, Justin Luna, a bankruptcy lawyer for Orlando-based Latham, Luna, Eden & Beaudine LLP who represents Phazzer, told Orlando Business Journal. "There are no plans to continue to operate at all. This is to give this case a decent burial."

The company has not been able to sell some of its products since an injunction was issued in 2017. Phazzer's assets are between \$0-\$50,000, according to the bankruptcy filing, and its debts are between \$1 million-\$10 million. Phazzer had zero employees at the time of its bankruptcy filing, Luna said.

Axon, then known as Taser International Inc., sued Phazzer in 2016 over alleged patent infringements of its conducted electrical weapon, commonly used by law enforcement to incapacitate suspects. An injunction was issued for Phazzer to stop selling several of its products, and a judge ordered Phazzer to pay more than \$7.8 million to Axon. This was a default ruling because Phazzer was financially unable to fight the lawsuit, Luna told OBJ.

Phazzer previously had contracts with Miami-Dade County, but the county turned to Axon after Phazzer was banned from selling its products.

While Phazzer was found to have violated one patent, it holds partial ownership of another patent Axon claimed Phazzer violated. Products with multiple inventors can have patents with shared ownership, Jon Gibbs, chair of Orlando-based intellectual property law firm Lowndes, Drosdick, Doster, Kantor & Reed PA, told OBJ. But this case is rare because two competitors own one patent. "That is not common at all."

Axon could not be reached for comment. In a 2018 press release regarding the ruling in favor of Axon, Axon General Counsel Doug Klint said: "We aggressively enforce our intellectual property rights and have a proven track record of success in litigating these cases. Willful infringement of our weapons technology will never be tolerated and we will not allow competitors to trade on Axon's innovation, goodwill and reputation for quality."