

LITIGATORS CORNER: Improve Your Experts' Reports



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Last month I wrote about expert reports, who must provide them, and the general legal requirements for them under Rules 26(a)(2) and 702 of the Federal Rules of Evidence. I had planned to discuss experts' depositions in this column, but have decided instead to spend some additional time on the expert's report, especially a few of the practical aspects which make the report more or less persuasive. The things you can do to improve your expert's credibility, and prevent damaging impeachment of your expert by the opposing party, aren't all in the rules.

It is important that you use the report to help your expert in those areas where he is really not an expert. Accountants and engineers and economists are experts in their fields, and that is why you retain them. But they are not experts in the law. You are the one with legal expertise, and you must guide your expert and protect him from attack on this weak spot. The best way to do this is to have the expert recite his understanding of the appropriate legal standards which govern his opinion in his report. If he

is giving an opinion that an invention was obvious, the report should cite the legal standards for proving that. You don't want your technical or damages expert to try to be a legal expert. That is not his role.

If the proper standards are not described in the report, or if the legal standards are misstated, the expert will be vulnerable when he is deposed. You don't want him to be impeached by showing that he doesn't know and hasn't used the correct legal standard. If the standard for obviousness of an invention, or for reasonable precautions to protect one's trade secrets, or for damages based on a reasonable royalty, are set out accurately in the report, then the expert can, when questioned, refer to his report. In other words, use the report to help your expert.

Writing the report this way has a second benefit; it will make sure your expert is using the right standard for his opinion. Let me give an example. In one of our cases, the experts for the other side were opining that our client's patent for a machine controlled by a PC was obvious. Their technical expert relied on two patents that had not been cited during the prosecution of the patent our client asserted in the lawsuit. The prosecution history of the patent included a number of patents that were cited by the applicant or the examiner, and considered during the course of the prosecution — some in detail and others superficially. The principle of law that controls here is that, if the reference patent was cited, it is deemed to have been considered, even if the examiner did not discuss it. Otherwise, an examiner would have to discuss every reference in detail, including those that are clearly inapplicable. That would divert his attention from the important stuff. Uncited references which do not show anything new are, by law, cumulative. The opposing party failed to recognize this legal principle in preparing its expert or in drafting his report.

At any rate, our opponent's expert concluded that our client's patent was obvious based on the combination of a couple of uncited references.

He pointed to parts of the two uncited patents showing the use of PCs to control a machine and certain devices connected to

the PC, which he claimed were sensors. But the expert forgot, or was not told to consider, whether these uncited references were cumulative to anything that had been cited to and therefore considered by the examiner. In fact, references that the examiner did look at included both the personal computer and the same type of sensing devices as were shown in the uncited references. The uncited references were cumulative to references that were considered, and therefore did not render the invention obvious.

The result? The expert looked slipshod, and possibly unfair. He wasn't coming up with new thoughts; instead, he was second-guessing the examiner's work for no good reason. His bias in favor of his client, and his failure to do his own thinking and be a bit skeptical, caused him to render an unfair and incomplete opinion. A litigant offering such an expert to a jury is headed for a train wreck. Most likely, the defendant's myopia had infected the expert. He didn't do any thinking, but simply parroted what he had been told. The lawyer did not insure that the legal standard was communicated, completely and accurately, in the report. The result was a big hole in the defendant's obviousness opinion. Because the defendant was relying almost exclusively on expert opinion, its chances of proving invalidity of our client's patent were poor.

Insure your expert does some hands-on work. In other words, have him visit the scene of the crime! In another of our cases, a damage expert retained by the opposing party (which was also asserting some patents against our client) was supporting a lost profits claim. To get lost profits, one must prove several things: a demand for the invention, that there are no acceptable non-infringing substitutes for the invention, the amount of the profits lost, and that the damaged party had the ability to make and sell the products that the infringer sold. This last factor is often referred to as "capacity," meaning the damaged party had to have the manufacturing and sales capacity to make and sell additional products. If any one of these factors is not established, lost profits are precluded.

But our adversary's expert had not bothered to investigate and prove capacity with reliable information. Instead, he had taken someone else's word for it. In fact, he didn't even know to whom he had spoken about the subject. He could only rely on an

anonymous person. A surgeon might as well do the heart surgery without looking at the x-rays.

This serious error probably would not have occurred had the expert gotten his hands dirty by visiting his client's plant. In other words, visit the scene of the crime. Had this expert done so, he would likely have been able to point to and testify about his visit, to name people he had spoken to there, to describe the assembly lines he had seen, and probably to refer to specific documents. This first-hand exposure to his client's plant would have given him more than an adequate basis to testify that his client did have the capacity – such as by adding shifts – necessary to proving lost profits. But he could not testify to any of these things, because he took someone else's word for it. As a result, his opinion of lost profits might never have been heard by a jury. Even if it was, a jury would not be impressed with his diligence, and the damage to his credibility could have been severe.

Have your expert talk to the fact witnesses. In one of our suits, the expert was an arrogant know-it-all. He spent almost all of his preparation time talking to the lawyers for the client he was representing, and little or none speaking with the engineers who actually designed the products accused of infringement. But the defendant's lawyers didn't design the products, and were not experts in electrical circuitry or computers. A doctor who testifies that a plaintiff has suffered a damaging injury with life-long consequences is going to have seen and examined the patient, and reviewed the records of the patient's treatment. But not the expert in our case. He didn't need or want to know any "facts," except those fed to him by his client's attorneys.

This expert and his client were missing the point of Rule 702. Anyone offering an expert opinion must base that opinion on reliable, trustworthy information. Rule 702 of the Federal Rules of Evidence requires



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underlying data, reliable principles and methods, and the reliable application of those methods to the underlying data. If any expert is using his experience, that experience has to meet the same requirements. How can a lawyer, who is an advocate, possibly be a source of reliable data? He cannot be a trustworthy source.

No expert should rely principally on an attorney for his data. The attorney opposing us in our case was never employed by his client. He was not an experienced scientist, engineer, or accountant. His information was second-hand and inherently unreliable. And an attorney's "data" cannot be tested in any reasonable way. He cannot normally be deposed, and will not be a witness, for the same reason that the roles of attorney and witness are in most instances incompatible.

So use your fact witnesses. You have to get the facts into evidence, and the fact witnesses are likely to be the persons you will call at trial, anyway. Having your expert rely on you, the attorney, for all of his information may seem cute, but it isn't smart. It could lead to your expert's testimony being inadmissible. Even if it does get into evidence, the expert is vulnerable on cross-examination.

Keep the report as simple as you can. Use simple language, and examples and analogies, if appropriate, in the expert's report. For example, a technical expert

should say what he understands when someone says an invention is "anticipated" by a prior art reference. But after that, it is better for the expert to refer to the invention as "new" or "old."

The Federal Circuit Bar Association pattern instructions use an analogy of a table and its legs to explain the nature of a patent claim and other legal issues. You can do the same. Cases often involve means-plus-function claims. Because I am a pilot, our expert and I used an analogy to airplanes in an expert report to demonstrate how different structures could be used to satisfy a means clause. We hypothesized a claim to an airplane with one means clause, a "means of propulsion." We then described in the report how the means of propulsion could be a piston engine with a propeller, a turbine with a propeller, or a jet engine. It put the issue in terms more readily understandable to a fact-finder, whether a judge or a juror.

The goal of an expert's report isn't just to satisfy Rule 26 and Rule 702. It must also improve your expert's credibility, protect him from cross-examination on weak points, and demonstrate that your expert's opinion should be accepted because he has really done his homework, and isn't just regurgitating lawyer's arguments. If you do this with your expert, your chances of winning increase. 