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Commentary on Patent Litigation Best Practices: Use of Experts, Daubert, and Motions in Limine Chapter

A Project of The Sedona Conference
Working Group on
Patent Litigation Best Practices (WG10)

PUBLIC COMMENT VERSION



The Sedona Conference Commentary on Patent Litigation Best Practices: Use of Experts, *Daubert*, and Motions in *Limine* Chapter

*A Project of The Sedona Conference Working Group on
Patent Litigation Best Practices (WG10)*

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Preface

Welcome to the Public Comment Version of The Sedona Conference Commentary on Patent Litigation Best Practices: Use of Experts, *Daubert*, and Motions *in Limine* Chapter, a project of The Sedona Conference Working Group on Patent Litigation Best Practices (WG10). This is one of a series of working group commentaries published by The Sedona Conference, a 501(c)(3) research and educational institute that exists to allow leading jurists, lawyers, experts, academics, and others, at the cutting edge of issues in the areas of antitrust law, complex litigation, and intellectual property rights, to come together—in conferences and mini-think tanks called Working Groups—and engage in true dialogue, not debate, in an effort to move the law forward in a reasoned and just way.

WG10 was formed in late 2012 under the leadership of its now Chair Emeriti, the Honorable Paul R. Michel and Robert G. Sterne, to whom The Sedona Conference and the entire patent litigation community owe a great debt of gratitude. The mission of WG10 is “to develop best practices and recommendations for patent litigation case management in the post-[America Invents Act] environment.” The Working Group consists of over 200 active members representing all stakeholders in patent litigation. To develop this Use of Experts Chapter, the core drafting team held numerous conference calls over the past year, and the draft was a focus of dialogue at The Sedona Conference WG10 Annual Meeting in Washington, D.C. in September 2013 and the WG10 Midyear Meeting in San Francisco in April 2014.

The Chapter represents the collective efforts of many individual contributors. On behalf of The Sedona Conference, I thank in particular Gary Hoffman who has graciously and tirelessly served as the Editor-in-Chief for this and all Chapters for this Commentary on Patent Litigation Best Practices, and as the Chair of WG10. I also thank everyone else involved for their time and attention during the drafting and editing process, including: Robert Baechtold, Richard D. Egan, Vera M. Elson, Andrea Weiss Jeffries, Lisa B. Pensabene, and Mark Supko. In addition, I thank volunteer Jane Huang for her assistance and contributions to this effort.

The Working Group was also privileged to have the benefit of candid comments by several judges with extensive patent litigation trial experience, including the Judicial Review Panel for this Chapter consisting of the Honorable Joy Flowers Conti, the Honorable Faith S. Hochberg, and the Honorable Barbara M.G. Lynn who are serving as the WG10 Judicial Advisors for this ongoing endeavor to draft all of the Chapters of this Commentary, and the Honorable Ronald M. Whyte who also reviewed and commented on the draft. The statements in this Commentary are solely those of the non-judicial members of the Working Group; they do not represent any judicial endorsement of the recommended practices.

Working Group Series output is first published in draft form and widely distributed for review, critique and comment, including in-depth analysis at Sedona-sponsored conferences. Following this period of peer review, the draft publication is reviewed and revised by the Working Group taking into consideration what is learned during the public comment period. Please send comments to info@sedonaconference.org, or fax them to 602-258-2499. The Sedona Conference hopes and anticipates that the output of its Working Groups will evolve into authoritative statements of law, both as it is and as it should be.

Craig W. Weinlein
Executive Director
The Sedona Conference
October 2014

Foreword

Patent litigations are highly dependent on expert evidence. Experts nearly always testify in patent trials, and, depending upon the jurisdiction and the particulars of a given case, experts may testify in proceedings leading up to trial. For example, a number of district courts allow experts to provide technology background tutorials and/or opinion testimony during the claim construction process. Experts in patent litigation may include technical experts—who may be court appointed or party-selected—and damages experts. The objective of the WG10 Use of Experts, *Daubert*, and Motions *in Limine* Chapter drafting team has been to develop proposed best practices that will help the court and the litigants make use of expert testimony at pretrial proceedings and during trial so as to promote the fair, efficient, and effective use of experts in order to facilitate correct findings by the judge and/or jury.

Gary M. Hoffman
Editor-in-Chief
Chair, Working Group 10 Steering Committee

Andrew Weiss Jeffries
Chapter Editor

Table of Contents

Use of Experts, <i>Daubert</i> , and Motions <i>in Limine</i> Principles “At a Glance”	vi
Use of Experts, <i>Daubert</i> , and Motions <i>in Limine</i> Best Practices “At a Glance”	vii
I. Introduction—The Scope of Expert Testimony	1
II. Different Types and Uses of Expert Witnesses	3
A. Party-Retained Experts	3
1. Experts Testify One at a Time: Standard and Experimental Approaches	4
2. Concurrent Expert Testimony: the Australian “Hot Tub” Approach to Party-Retained Experts	4
B. Court-Appointed Experts and Technical Advisors	5
1. Testifying Court-Appointed Experts	5
2. Technical Advisors	6
III. Use of Experts in Prefiling Investigations and in the Drafting of Pleadings and Contentions	8
IV. Use of Experts to Present a Technical Tutorial	9
V. Use of Experts at the <i>Markman</i> Hearing	11
VI. Expert Discovery	16
A. The Scheduling and Timing of Expert Discovery	16
B. The Scope and Supplementation of Expert Reports	19
VII. Use of Experts on Summary Judgment	22
VIII. <i>Daubert</i> Motions	23
IX. Use of Experts at Trial	25
A. Motions <i>In Limine</i>	25
B. Visual Aids and Expert Testimony at Trial	26

Use of Experts, Daubert, and Motions in Limine Principles “At a Glance”

Principle No. 1 – An expert’s testimony should be fairly limited to the opinions and bases for those opinions disclosed in the expert’s Rule 26 report, and should seek permission to prepare and serve a supplemental report as soon as an evidentiary issue is identified. The expert should not attempt to supplement the report through deposition or declaration beyond what was fairly set forth in the report. 1

Principle No. 2 – The court should not hesitate to exclude expert testimony or demonstrative aids that are not supported by the expert report. Strict adherence to the view that parties must “show their cards” as to their final legal positions during expert discovery will discourage “sandbagging” and result in a fairer process that minimizes surprises at trial. 1

Use of Experts, Daubert, and Motions in Limine Best Practices “At a Glance”

Best Practice 1 – Both the selection of, as well as the communications with, the court-appointed expert or technical advisor should occur in the presence of the party attorneys or be put on the record in some fashion. 7

Best Practice 2 – In cases requiring special expertise beyond that available to the filer from its in-house or outside counsel resources, counsel should specially retain technical experts who can assist in meeting the requirements of Rule 11 and in preparing infringement or invalidity contentions. 8

Best Practice 3 – The timing and format of the technology tutorial should be discussed at the Rule 26(f) conference and addressed in the court’s Rule 16(b) scheduling order. 9

Best Practice 4 – Any technology tutorial should be presented or memorialized in written or video format for repeated review by the court and for submission on appeal. 9

Best Practice 5 – A court-appointed expert or technical advisor may be used to assist the court’s understanding of the relevant technology, so long as appropriate safeguards are observed. 10

Best Practice 6 – The issue of whether and to what extent experts will be involved in the *Markman* process should be discussed during the Rule 26(f) conference and addressed in the court’s Rule 16(b) scheduling order. 11

Best Practice 7 – To the extent the court uses a court-appointed expert or technical advisor to assist with the *Markman* hearing (or with a submitted motion), the court should provide a tentative ruling in advance and permit the parties to address any technical flaws prior to making the ruling final. 11

Best Practice 8 – Experts retained by the parties may serve a useful role for the *Markman* hearing in appropriate cases, such as those involving complex technology or disputes over how a person of ordinary skill in the relevant art would understand technical terms in the patent. 12

Best Practice 9 – The court may consider a “hot tub” approach in which the opposing experts appear together and are given the opportunity to engage in dialogue in response to questions posed by the court or counsel. 13

Best Practice 10 – Testimony from patent law experts should be received only in very rare cases. 13

Best Practice 11 – Any presentation or testimony presented by an expert during a tutorial or a *Markman* hearing should not be used to cross-examine the expert at trial. 13

Best Practice 12 – A court-appointed expert should prepare a report and be deposed, but live testimony from a court-appointed expert should rarely be received at the *Markman* hearing. 14

Best Practice 13 – A technical advisor or court-appointed expert generally should not be used to provide off-the-record, substantive input to the court on the meaning of disputed claim terms. However, with appropriate safeguards, either may be used to assist the court in understanding complex technical issues. ... 14

Best Practice 14 – In general, it is most efficient to phase the case such that expert reports on infringement, invalidity, and damages are prepared after the court has ruled on claim construction. 16

Best Practice 15 – The court should consider providing a date in the scheduling order for disclosing, prior to the date opening expert reports are exchanged, a description of the general subject matter of the intended expert reports and the identities of the experts who may be filing them. 17

Best Practice 16 – The case management schedule should provide for the submission of reply expert reports. 17

Best Practice 17 – Parties should conduct any expert depositions after all expert reports have been served. 18

Best Practice 18 – A party should seek permission to prepare and serve a supplemental expert report as soon as an evidentiary issue is identified. 18

Best Practice 19 – Parties should produce all documents and other materials relied upon by the expert prior to, or at least no later than, service of the expert report. 19

Best Practice 20 – Experts should not be permitted to opine as to the intent element of inequitable conduct or willful infringement. 19

Best Practice 21 – The expert report should set forth all opinions that the expert may present at trial and fully support each opinion to the extent any such testimony will be presented at trial. 19

Best Practice 22 – The court should limit the expert’s trial testimony to what is fairly and reasonably presented in the expert’s report. 19

Best Practice 23 – The expert should not be able to utilize the deposition as a mechanism to supplement the expert’s report. 20

Best Practice 24 – Expert declarations submitted with motions for summary judgment should not go beyond the bounds of the expert reports. 20

Best Practice 25 – It is inappropriate to submit expert testimony that was not previously disclosed during expert discovery in opposition to a motion for summary judgment in order to create an issue of material fact, unless the moving party raises a new argument necessitating the additional expert testimony. 22

Best Practice 26 – *Daubert* challenges should be made early on, after expert discovery, but well in advance of trial (preferably at least 60 days before trial). 23

Best Practice 27 – *Daubert* challenges should not be used in the absence of evidence that the scientific methodology is wrong, or that the expert lacks the qualifications to render the presented opinions. 24

Best Practice 28 – The court should determine, as early as possible, whether there may be objections to an expert’s qualifications or anticipated testimony. 25

Best Practice 29 – Where possible, parties should use motions *in limine* to address potential issues with expert testimony rather than waiting to object at trial. 25

Best Practice 30 – Demonstrative aids to be used by an expert should have a foundation and contain citations to the evidence. 26

Best Practice 31 – Demonstrative aids for an expert’s direct testimony must be disclosed to the other side prior to the expert’s testimony. 27

Best Practice 32 – Expert testimony should not consist of an expert reading through demonstrative aids on direct examination. 28

Best Practice 33 – Experts should assist in the creation of the exhibits to be used during their direct examination. 28

I. Introduction—The Scope of Expert Testimony

Perceptions and practices among district courts and the patent bar as to the most fair and effective use of experts in patent litigation continue to evolve. As many practitioners have experienced, courts vary in their treatment of expert evidence, both with respect to the timing of motions to exclude expert testimony and the way in which they permit expert testimony to be used. This chapter identifies areas where there are apparent distinctions between or experimentation by the courts with respect to the use of experts, and offers best practices where appropriate. For example, there is a range of practices among the courts with respect to how closely an expert will be tied to the content of his or her Rule 26 report. Some courts allow an expert to testify beyond the content of the report if there is no perceived prejudice to the opposing party, whereas others exclude testimony that is not directly rooted in the report. On the experimental front, some courts are providing for testimony from a court-appointed technical expert in addition to the party experts; others have tried concurrent expert testimony in the form of “hot tubbing.” Both efforts are aimed at bringing clarity to the differences of opinion among competing experts. While there is no one-size-fits-all approach to the manner in which expert testimony should be received by the court, the WG10 Use of Experts, *Daubert*, and Motions *in Limine* drafting team hopes that this brief survey of the various approaches and set of recommended best practices will help to both guide and advance the ways in which experts may be fairly deployed in a manner that is the most helpful to the trier-of-fact.

The drafting team has developed the following principles in the drafting of many of these best practices:

Principle No. 1 – An expert’s testimony should be fairly limited to the opinions and bases for those opinions disclosed in the expert’s Rule 26 report, and should seek permission to prepare and serve a supplemental report as soon as an evidentiary issue is identified. The expert should not attempt to supplement the report through deposition or declaration beyond what was fairly set forth in the report.

Principle No. 2 – The court should not hesitate to exclude expert testimony or demonstrative aids that are not supported by the expert report. Strict adherence to the view that parties must “show their cards” as to their final legal positions during expert discovery will discourage “sandbagging” and result in a fairer process that minimizes surprises at trial.

Any assessment by the court as to whether or not to exclude expert testimony inherently requires the application of a “rule of reason” analysis. The term “fairly limited” as used in Principle No. 1 is intended to require substantive correspondence between the expert testimony and the underlying expert’s Rule 26 reports, but not to require expert testimony to be strictly limited to the exact language of the report. And sandbagging tactics, as referenced in Principle No. 2, may deprive the other party of a full and fair opportunity to rebut those opinions and/or bases, and have no place in a fair and efficient patent system. On the other hand, for example, in the interest of making the opinions clear and more understandable to a jury at trial—at which point many of the issues in the case have been reduced or narrowed—an expert should be permitted to create and exchange demonstratives or simpler statements of their fairly disclosed opinions typically a few days in advance of their anticipated testimony. Such demonstratives should be in the spirit of what some courts refer to as “permissible elaboration,” which is not intended to open the door to new opinions or bases therefore. Regardless, the core recommendation of Working Group 10 is that expert

testimony should be limited to what was disclosed in the expert's report, in particular if any later expansion beyond its original scope is unfairly prejudicial to the other party.

II. Different Types and Uses of Expert Witnesses

Patent litigation may involve several different types of experts. Depending on the case, the parties may invoke the assistance of one or more subject matter experts, such as technical experts in the technical fields of the patent(s)-in-suit, market experts who can testify about commercial success or surveys, and experts on damages-related issues, such as economists and licensing experts. Issues specific to damages-related experts are treated in The Sedona Conference Working Group 9 *Commentary on Patent Damages and Remedies*,¹ and are not addressed in this chapter. Further, unless stated otherwise, it will be assumed for purposes of this chapter that the expert is competent to offer opinions in the expert's area of expertise and would survive *voir dire*.

A. PARTY-RETAINED EXPERTS

The standard approach in U.S. patent litigation is for the parties to retain their own experts and to pay them an hourly or daily rate for the time they spend working on the matter. Each party is free to evaluate each potential expert's education, training, and ability to communicate with the court or jury, and to pay the expert the rate it deems appropriate. Such experts typically work with the attorneys for the party who retained them to prepare expert reports pursuant to Federal Rule of Civil Procedure 26, prepare for their depositions, evaluate the opposing expert's report, assist the attorneys with the opposing expert's deposition, assist in preparing a tutorial to the court, and testify at evidentiary hearings and at trial. In some cases, experts may present the tutorial and/or testify at *Markman* hearings.

There are several benefits associated with party-retained experts. Such experts may help the judge and jury to understand complicated technical, economic, or other issues in the case, and can present the party's position on the disputed issues effectively in light of their backgrounds. Opposing counsel, often with the assistance of their own experts, can point out weaknesses in an expert's opinions on cross-examination, and explain those weaknesses to the jury in closing argument. Moreover, as compared to a single expert, such as in the court-appointed expert scenario discussed below, multiple party-retained experts have the benefit of allowing different perspectives on technical issues to be aired.

There are also drawbacks to party-retained experts. As an initial matter, the judge and jury typically hear only one side at a time. Experts may talk past each other or have irreconcilable positions that are confusing to laypersons. As a result, the jury may decide important questions, such as infringement and validity, based on personal characteristics of the experts or other issues unrelated to the substance of the expert's opinion. In addition, party-retained experts may be biased, or perceived to be biased, in favor of the party who retained them. Unusual or excessive compensation by a party, which is discoverable,² may create bias as paid experts are often criticized as "hired guns." Experts may lose credibility by becoming too much of an advocate and slanting testimony to fit a party's case or fencing to avoid admitting potentially damaging admissions.

Below is a discussion of different approaches used by the courts for the examination of party-retained witnesses.

¹ The Sedona Conference *Commentary on Patent Damages and Remedies* (June 2014, public comment version), available at <https://thesedonaconference.org/download-pub/3827> (last visited October 14, 2014) [hereinafter, WG9 Patent Damages Commentary].

² Under Fed. R. Civ. P. 26(b)(4)(C), communications between the party's attorney and any witness required to provide a report under Fed. R. Civ. P. 26(a)(2)(B) are protected from disclosure, except to the extent that the communications relate to compensation for the expert's study or testimony.

1. Experts Testify One at a Time: Standard and Experimental Approaches

Typically, at trial, one party's experts first opine as to all of the issues on which that party bears the burden of proof. Then the opposing party's experts offer their opinions on those same issues, as well as any issues on which the opposing party bears the burden of proof. Finally, any rebuttals by the initial experts are offered.

While there is no best practice as to this sequencing, in one alternative to the above classic approach, a jury may better understand the testimony if both parties' experts completes their testimony on each discrete issue (e.g., infringement) before moving on to the next issue. Under this model, the first expert would provide direct testimony, undergo cross-examination, and then redirect on the first issue. Then the opposing expert would provide testimony on that same issue. The experts would then move on to the next issue, and so on. So for example, the jury could hear from both parties' experts back-to-back as to the issues of infringement and damages during the patent owner's case-in-chief. The jury could then hear from both parties' experts as to the issue of invalidity during the defense's case.

Some courts have experimented with this approach by breaking up the issues into separate trials (e.g., some judges in the District of Delaware have experimented with having separate trials on the issue of infringement, followed by a trial on invalidity, followed by a trial on damages, and ending with a trial on any remaining equitable defenses). One ramification of staging a case in this manner, however, is that this can significantly increase the cost of trying the case, which may or may not be warranted depending upon the value of the case.

It is, however, important with any sequencing of the issues, to give the patentee's expert an opportunity for rebuttal following the close of the defense's case. Some courts have experimented with doing away with the rebuttal case altogether, believing that it will save trial time. However, this approach may have the opposite effect. By forcing the patentee's expert to anticipate and rebut any and all theories that the defense may have raised in its expert reports, the patentee's expert will spend time addressing theories or arguments that the defense may by then have strategically decided not to raise at trial—thereby protracting the first expert's presentation unnecessarily.

2. Concurrent Expert Testimony: The Australian “Hot Tub” Approach to Party-Retained Experts

“Hot tubbing” is a technique utilized in Australian courts and some U.S. courts for receiving evidence from opposing experts concurrently. This technique generally works as follows: (1) there is a pretrial exchange of each party's individual expert reports and a joint submission stating all points of agreement or disagreement among the experts; (2) after all “lay evidence” has been presented at trial, each expert files a brief summary of the expert's position in light of the evidence; (3) both competing experts are sworn in; (4) the plaintiff's expert offers a brief oral exposition (around 10 minutes); (5) the defendant's expert asks questions of the plaintiff's expert directly (without counsel); (6) the defendant's expert offers a brief oral exposition (around 10 minutes); (7) the plaintiff's expert asks questions of the defendant's expert directly (without counsel); and finally, (8) each expert provides a summary of the expert's position. After the “hot tubbing” process is completed, counsel cross-examine and reexamine in the conventional way. Although currently not recommended as a best practice in all situations, the “hot tub” approach is potentially useful for some purposes.

This approach can be beneficial because it focuses the expert testimony on true areas of substantive disputes and eliminates superfluous testimony. In addition, since experts are testifying at the same time on the same issues rather than having testimonies days or even weeks apart, the fact-finder is better able to identify and focus on the issues in dispute as the experts are less able to “talk past each other.” By directly addressing (and being directly addressed by) their peers, experts can stay focused on the substance of the technical issues,

rather than on the drama of cross-examination. This approach is reported to be more economical as well, taking about half the time of more traditional methods.

Of course, “hot tubbing” also has its limits. As an initial matter, to date it has only been used for non-jury matters, and the consensus of the working group is that it would create more confusion than it would dispel for a jury to listen to this type of debate between experts, and hence is unlikely to be suitable for a jury trial.³ Moreover, for “hot tubbing” to be effective, the judge must be well prepared to moderate the discussion and to prevent it from devolving into unproductive squabbles. The approach may also unfairly favor more articulate experts, as some experts may perform poorly due only to a lack of conversational speaking ability. Additionally, junior experts may defer to more senior experts given the general pecking order common in academia. Furthermore, two experts speaking directly to each other may more readily lapse into speaking at a level of the technology at issue that is over the heads of most lay fact-finders, including judges.

Thus far, the “hot tub” approach has been used in a handful of cases in the U.S. For example, a District of Massachusetts court first used it in *Black Political Task Force*,⁴ wherein two political scientists discussed a voting rights issue. The U.S. Court of Federal Claims also used it for a damages issue in a breach of contract case.⁵ The Northern District of Ohio has used it in a *Daubert* hearing.⁶ With respect to its usage in patent cases, the District of Massachusetts used “hot tubbing” in a *Markman* hearing in *Genzyme Corp.*,⁷ as well as in other patent cases.⁸ The District of New Jersey has also begun to use “hot tubbing” for *Markman* hearings.⁹

B. COURT-APPOINTED EXPERTS AND TECHNICAL ADVISORS

1. Testifying Court-Appointed Experts

A court-appointed expert is an expert who is appointed by the court, either with or without the parties’ consent.¹⁰ The parties divide equally the compensation to the expert based on the expert’s hourly rate. Generally, the court-appointed expert is the only technical expert to testify at trial, but Federal Rule of Evidence 706(e) makes clear that the “rule does not limit a party in calling its own experts.”

Some courts favor this approach because it eliminates bias based on selection by counsel, working with counsel, and being paid by only one party or side.

³ It would also present a challenge for a court reporter.

⁴ *Black Political Task Force v. Galvin*, 300 F. Supp. 2d 291 (D. Mass. 2004).

⁵ *Anchor Sav. Bank v. U.S.*, No. 95-00039 (Fed. Cl. Aug. 31, 2012) (not for publication), available at <http://www.cofc.uscourts.gov/sites/default/files/opinions/BLOCK.ANCHOR083112.pdf> (last visited Oct. 14, 2014).

⁶ *In re Welding Fume Prods. Liab. Litig.*, 2005 WL 1868046, n.39 (N.D. Ohio Aug. 8, 2005) (O’Malley, J.) (After receiving “dramatically different views” from two experts, “the Court suggested an additional day of hearings, using what has come to be known as the ‘hot tub’ format: both [experts] would appear before the Court simultaneously to answer questions from the Court and to respond directly to each other’s opinions. The two experts did re-appear, and the parties and the Court found this ‘hot tub’ approach extremely valuable and enlightening.”).

⁷ *Genzyme Corp. v. Seikagaku Corp.*, No. 11-10636 (D. Mass.) (see docket, Nov. 30, 2011, Electronic Clerk’s Notes (referencing a proposed “hot tub” procedure)).

⁸ Judge Woodlock is quoted as saying he has used “hot tubbing” in a number of non-jury cases including patent and business cases, but he did not specify the other cases. Lisa C. Wood, *Experts in the Hot Tub*, 21 ANTITRUST ABA 95 (Summer 2007).

⁹ *Warner Chilcott Co. v. Teva Pharmaceuticals USA, Inc.*, No. 11-6936 (D.N.J., filed Nov. 22, 2011).

¹⁰ FED. R. EVID. 706(a).

Practitioners generally disfavor the court-appointed expert approach for numerous reasons:

- The use of a single court-appointed expert may deprive the fact-finder of a second, valid viewpoint on an issue, as the fact-finder may give undue weight to the opinions of the neutral.
- The court-appointed expert could be incorrect or biased on one or more issues, and there would be no other expert to point out these errors or biases. No individual, including a court-appointed expert, has perfect accuracy or is totally free of bias.
- Party experts are generally encouraged to spend time analyzing the issues. However, with no party or attorney overseeing the court-appointed expert's efforts, the court-appointed expert may not devote the time necessary to thoroughly understand important aspects of the parties' positions. The court-appointed expert therefore may not be as immersed in the issues, or be able to provide as informed a decision, as a party-retained expert.
- There are also open questions relating to the deposition of a court-appointed expert and the expert's testimony at trial (e.g., who prepares the expert and to what extent?). Our legal system is based on the principle that an adversarial procedure is best able to elucidate facts and opinions. Counsel may find it difficult to cross-examine a court-appointed expert aggressively at trial out of concern that the jury or judge may perceive an aggressive cross-examination as disrespect for the court's own expert.
- Where the parties seek to use their own experts in addition to a court-appointed expert, the court-appointed expert may have undue sway with a jury as the court-sanctioned provider of a "neutral" opinion.
- Lastly, the presence of a court-appointed expert who must also be dealt with, deposed, and paid for, adds further burden and expense to what is often already a burdensome and expensive case.¹¹

2. Technical Advisors

In some cases, a district court judge will request a technical advisor, or the parties will offer to provide one to the court.¹² A technical advisor, as distinct from a court-appointed expert, would not be expected to testify in the matter. Rather, the technical advisor works with the judge in a manner similar to that of a law clerk, but on technical rather than legal issues, explaining the technology of the patent(s)-in-suit to the judge and answering the judge's technical questions. Judges employ different practices when it comes to technical advisors. Some judges put all discussions with a technical advisor on the record, but most judges prefer to consult with the technical advisor privately. The parties typically split the fees of the technical advisor based on an hourly rate, and retain their own experts in accordance with the party-retained expert approach described above.

The appointment of a technical advisor allows the judge to ask foundational questions in order to become familiar with the technology at issue. It allows the judge to evaluate the party experts' competing testimonies, particularly at the *Markman* stage. However, use of a technical advisor can be problematic if it

¹¹ See *Monolithic Power Sys. v. O2 Micro Int'l. Ltd.*, 558 F.3d 1341 (Fed. Cir. 2009) (discussing the use of court-appointed testifying experts pursuant to FED. R. EVID. 706 as permissible, but not generally encouraged).

¹² See *Xilinx, Inc. v. Altera Corp.*, 1997 WL 581426, at *1 (N.D. Cal. June 3, 1997) (ordering the parties to jointly submit to the court the name of a technical advisor, or if unable to come to agreement, then to submit two names of potential technical advisors for the court's appointment); see also *MediaCom Corp. v. Rates Tech., Inc.*, 34 F. Supp. 2d 76, 77 (D. Mass. 1998) (appointing a technical advisor selected by the parties to assist the court in claim construction).

allows the judge to be unduly influenced on technical issues in a way that is not apparent to counsel and the parties, and/or not ultimately supported by the evidence of record. As discussed above in connection with a court-appointed expert, a technical advisor will have and present only a single view of the technology, and may get it wrong, or there may be room for another view. Further, the technical advisor may be unduly influenced by his or her personal, prior knowledge of the technology rather than what is set forth in the patent documentation and party evidence. The inherent technical biases of the technical advisor may sway the court, and if that happens in a way that is undetectable (e.g., the court freely consults with the technical advisor off the record), the parties will not have the opportunity to address the technical advisor's potentially problematic biases.

Best Practice 1 – Both the selection of, as well as the communications with, the court-appointed expert or technical advisor should occur in the presence of the party attorneys or be put on the record in some fashion.

Transparency with respect to communications between the court-appointed expert and/or technical advisor and the court is beneficial to the parties and to the court. It may not be necessary to transcribe all conversations, but the court could identify the topics of discussion held with the expert and present a summary of the discussion to the parties. This transparency will allow a party concerned about the information being provided to the court from the court-appointed expert or technical advisor to make a written submission or otherwise approach the court about its concerns, and to attempt to correct any misimpression held by the court. Transparency also helps to ensure that the court-appointed expert or technical advisor is adequately prepared and appropriately involved in the matter.

If the parties are concerned about the potential for off-the-record communications between a technical advisor or court-appointed expert, the court may instead use a special master, pursuant to Federal Rule of Civil Procedure 53. By using a special master, the parties have the benefit of receiving a report and recommendation, to which they can file objections. The court then considers the objections, and reviews the special master's report and recommendation, *de novo*, alleviating many of the concerns with technical advisors.

Additional best practices regarding the use of court-appointed experts at various stages of a patent infringement matter are discussed in the sections below.

III. Use of Experts in Prefiling Investigations and in the Drafting of Pleadings and Contentions

Rule 11 imposes a prefiling obligation on patent holders to “apply the claims of each and every patent that is being brought into the lawsuit to an accused device and conclude that there is a reasonable basis for a finding of infringement of at least one claim of each patent so asserted.”¹³

Best Practice 2 – In cases requiring special expertise beyond that available to the filer from its in-house or outside counsel resources, counsel should specially retain technical experts who can assist in meeting the requirements of Rule 11 and in preparing infringement or invalidity contentions.

In some cases, in-house engineers or scientists at law firms may have the necessary background to perform any technical evaluation required to perform the prefiling and early stage infringement analyses. In other cases, the infringement issues may be of such complexity that use of an outside technical expert is necessary. Decisions on when to use specially-retained technical experts should be made on a case-by-case basis, depending on the complexity of the technology and the available in-house expertise.

¹³ *View Engineering, Inc. v. Robotic Vision Sys., Inc.*, 208 F.3d 981 (Fed. Cir. 2000).

IV. Use of Experts to Present a Technical Tutorial

It has become common for courts to receive a technology tutorial as part of the claim construction process, either shortly before or during a *Markman* hearing. In jurisdictions with local patent rules, submission of a technology tutorial is typically a required step in the claim construction process, and in jurisdictions without such rules, parties often propose that a technology tutorial be included in the process particularly when complex technology is involved.

The goal of a technology tutorial is to educate the court regarding the underlying technology at issue in the case. As an earlier Sedona Conference working group observed:

The tutorial itself should be a non-argumentative presentation of the technology and its background, without argument concerning the patents involved or the accused products or methods. While some basic discussion about the patents and accused devices is appropriate, the tutorial is not intended for the purpose of arguing specific claim construction issues. The primary goal is to educate the court on the technology as it relates to the patents, claims, and accused products in the case.¹⁴

Best Practice 3 – The timing and format of the technology tutorial should be discussed at the Rule 26(f) conference and addressed in the court’s Rule 16(b) scheduling order.

In an ideal world, the parties would be able to agree on a single, joint technology tutorial to be presented to the court. In practice, however, it is often difficult to achieve consensus between the parties and/or their retained experts, and a substantial amount of time and expense can be wasted on the effort. For that reason, the parties should discuss early in the case, preferably as part of the Rule 26(f) conference, whether the technology tutorial will be presented jointly or individually, and in what format the tutorial will be presented. For example, the court and the parties may wish to discuss whether or not the court prefers to have the attorneys present the tutorial without the accompanying use of experts, which can avoid unnecessary expense.

Best Practice 4 – Any technology tutorial should be presented or memorialized in written or video format for repeated review by the court and for submission on appeal.

Counsel and courts have come to develop their individual preferences for the format of a tutorial. Tutorials may be presented as written submissions, as videos with “voice over” on DVDs, or in-person to the court, either on or off the record. Some courts and counsel prefer a “live” presentation, either before or at the beginning of the *Markman* hearing. Such an approach is more interactive, as it allows the court and any court-appointed expert to ask questions. As a result, a live tutorial may be particularly useful when the technology at issue is complex or when the parties disagree about some significant aspect of the underlying technology. Whether presented live or in static form, it is advisable for the parties to memorialize their tutorials (whether joint or individual) in the form of a written and/or video submission (e.g., on a DVD or flash drive) for the

¹⁴ *The Sedona Conference*® *Report on the Markman Process*, Principle 4, at 3 (Nov. 2010), available at <https://thesedonaconference.org/download-pub/497> (last visited October 14, 2014) [hereinafter, *WG5 Markman Report*].

court to review at its convenience.¹⁵ This enables the district court to refer back to the tutorial as various aspects of the case arise. A written or video submission to the district court also enables the tutorial to be included in the record on appeal, which can be very helpful to the Federal Circuit panel that must efficiently learn the relevant technology.

Best Practice 5 – A court-appointed expert or technical advisor may be used to assist the court’s understanding of the relevant technology, so long as appropriate safeguards are observed.

With appropriate safeguards designed to promote transparency and inspire confidence in the fairness of the process, the use of a court-appointed expert or technical advisor may assist a judge in understanding complex technology at a level sufficient to enable him or her to resolve the disputed claim construction issues in a case.

It is not advisable for a court-appointed expert or technical advisor to present the technical tutorial. However, the expert or advisor may attend and ask questions (either directly or indirectly through the court). The Federal Circuit has observed that “in those limited cases where the scientific complexity of the technology is such that the district court may require the assistance of a technical advisor to aid in understanding the complex technology underlying the patent, it has the inherent authority to appoint such an advisor.”¹⁶ In so holding, the appellate court emphasized the need for “safeguards to prevent the technical advisor from introducing new evidence and to assure that the technical advisor does not influence the district court’s review of the factual disputes.”¹⁷

As most experienced practitioners and judges appreciate, and as noted above, court-appointed experts and technical advisors may have hidden biases and viewpoints that impact the manner in which they explain the technology to the court. As a result, it is desirable for the court to establish with the parties a clear protocol for the manner in which the court will communicate with the court-appointed expert or technical advisor, including the extent to which discussions will be made part of the record. The court and the parties will need to strike the right balance between the court’s desire for flexibility in communicating with the court-appointed expert or technical advisor and the parties’ desire for complete transparency.

¹⁵ The live tutorial may be recorded on video so that it too may be available for review by the court and its staff subsequent to the live presentation, and made part of the appellate record.

¹⁶ *Techsearch, L.L.C. v. Intel Corp.*, 286 F.3d 1360, 1378 (Fed. Cir. 2002) (interpreting Ninth Circuit law).

¹⁷ *Id.* at 1377.

V. Use of Experts at the Markman Hearing

The issue of whether expert testimony will be permitted at a *Markman* hearing does not readily lend itself to a “one-size-fits-all” approach. Experts are not necessary for all claim construction proceedings. Experts may be helpful where claims use technical terms or terms of art that are not explicitly defined in the specification but have specialized meaning to a person of ordinary skill in the art (POSITA). Experts may also be necessary for consideration of complex technical issues, such as indefiniteness, which courts will sometimes take up in conjunction with the *Markman* hearing.¹⁸

Where experts are useful, expert declarations that accompany the parties’ *Markman* briefs may be sufficient. To the extent the court has questions for the experts after review of the declarations, it may order the experts to be present at the hearing and pose questions itself. In some cases, it may be beneficial for the parties to exchange written expert opinions and depose one another’s experts prior to submitting their claim construction briefs, as this may help to define or limit the issues for the court to resolve.¹⁹

Certain circumstances call for live testimony, such as where the technology at issue is particularly complex or outside common experience. Live testimony also may be useful where written submissions reveal dramatically conflicting positions on how a person of ordinary skill in the art would understand technical terms or terms of art.

Best Practice 6 – The issue of whether and to what extent experts will be involved in the *Markman* process should be discussed during the Rule 26(f) conference and addressed in the court’s Rule 16(b) scheduling order.

The decision whether to use expert testimony for claim construction has significant implications for both the parties and the court, including the time and expense associated with the use of experts. It can be disruptive if one or both sides in a litigation seek to present expert testimony at the *Markman* hearing relatively late in the case, as this may require a change in the case management schedule. To avoid such disruption, it is advisable to include among the topics to be addressed by the parties in the Rule 26(f) conference and discovery plan, the topic of expert involvement in the *Markman* process. Any procedures relating to the use of experts in the *Markman* process should be reflected in the court’s Rule 16(b) scheduling order. To the extent the parties are uncertain as to whether they may want to use an expert at the *Markman* hearing, they should set a date in the discovery plan by which they will discuss this issue and propose procedures relating to the presentation of expert testimony at the *Markman* hearing.

Best Practice 7 – To the extent the court uses a court-appointed expert or technical advisor to assist with the *Markman* hearing (or with a submitted motion), the court should provide a tentative ruling in advance and permit the parties to address any technical flaws prior to making the ruling final.

¹⁸ See *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S.Ct. 2120, 2128 (2014) (“First, definiteness is to be evaluated from the perspective of someone skilled in the relevant art.”).

¹⁹ Many courts now also impose limits on the number of technical terms or phrases to be construed at the *Markman* hearing in their local patent rules.

As noted above, a court-appointed expert or technical advisor may have technical biases or misperceptions that may not be apparent, but if unchecked, may sway the court to rule in a manner that is problematic. By providing a tentative ruling with reasoning, the parties have the opportunity to use their own experts to explain any technical errors to the court. This should enable the court to ensure that it is not issuing a ruling based on a flawed understanding of the technical issues.

Best Practice 8 – Experts retained by the parties may serve a useful role for the *Markman* hearing in appropriate cases, such as those involving complex technology or disputes over how a person of ordinary skill in the relevant art would understand technical terms in the patent.

It is well-settled that a court may receive expert testimony on various issues relating to claim construction. For example, expert testimony may be received to explain “relevant scientific principles, the meaning of technical terms, and the state of the art.”²⁰ Likewise, expert testimony may be received “to provide background on the technology at issue, to explain how an invention works, to ensure that the court’s understanding of the technical aspects of the patent is consistent with that of a person of skill in the art, or to establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field.”²¹

Ultimately, the court’s objective in construing claim terms is to determine how a person of ordinary skill in the relevant art would understand a disputed claim term. Thus, expert testimony regarding well-accepted or established meanings of technical terms may substantially increase the probability that the court will reach the “right” result.²² Similarly, if the court elects to address the alleged indefiniteness of a disputed claim term at the *Markman* hearing stage, testimony regarding how a person of ordinary skill in the art would understand the challenged claim term could be useful particularly in a case involving complex technology.²³

As noted above, the exchange of expert opinions and depositions of the experts may not be necessary in all cases. However, it is generally best to allow the parties to address, in some fashion, the opposing expert’s opinions. For this reason, many litigants and courts prefer the exchange of written disclosures and an opportunity to depose the experts prior to the *Markman* hearing. This can occur prior to or during the briefing process. In some cases, though, it may be sufficient for counsel simply to submit a rebuttal declaration to the declaration offered by the opposing party with its opening brief. When the experts testify live at the hearing, the substance of the expert’s anticipated testimony should be disclosed in advance, either through a declaration submitted with the briefing or in a separate disclosure. This will allow the court and the opposing party to identify issues and formulate questions, for a more efficient and productive hearing.

While the use of experts in the *Markman* process may enhance the judge’s understanding of the issues to be resolved, that benefit is not without cost. When experts are involved, the parties spend both lawyer and expert time preparing written submissions, taking and defending depositions, and potentially preparing for and conducting witness examinations at the hearing. In addition, the involvement of experts in the *Markman* process may impact the case management schedule, which must accommodate any procedures for the exchange of expert disclosures and depositions in advance of the hearing. Because the use of experts in the *Markman* process tends to make patent litigation more expensive and time consuming, the parties and the court should carefully consider whether the potential benefit justifies the cost in any given case.

²⁰ *Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (Fed. Cir. 2005).

²¹ *Id.* at 1318.

²² Given that the goal of claim construction is to determine the meaning of disputed claim terms from the perspective of a person having ordinary skill in the relevant art, any testifying expert should be competent to testify regarding the understanding of such a person. *Sundance, Inc. v. De Monte Fabricating, Ltd.*, 550 F.3d 1356, 1363–64 (Fed. Cir. 2008).

²³ See *Nautilus*, 134 S.Ct. at 2128.

Best Practice 9 – The court may consider a “hot tub” approach in which the opposing experts appear together and are given the opportunity to engage in dialogue in response to questions posed by the court or counsel.

As previously noted, the purpose of a *Markman* hearing is to provide the judge with information that may be useful in determining, as a matter of law, the meaning of disputed claim terms. In contrast to a jury trial, strict compliance with the Federal Rules of Evidence is neither necessary nor especially desirable as such legal formalities tend to increase the cost and duration of an already expensive and time-consuming process.²⁴ Accordingly, the Australian “hot tub” technique may be particularly well-suited for use at a *Markman* hearing.²⁵

Best Practice 10 – Testimony from patent law experts should be received only in very rare cases.

The Sedona Conference *Report on the Markman Process*, issued in November 2010, contains the following guidance on the use of patent law experts for claim construction:

A patent law expert may be useful to illuminate arcane aspects of patent prosecution. However, the Federal Circuit very recently “caution[ed] the district court regarding its reliance on testimony from any patent attorney on technical issues, as opposed to issues concerning legal procedure. In particular, a patent expert should not be permitted to construe claim terms unless he or she is first qualified as an expert in the pertinent art.”²⁶

Subsequent to the non-precedential *Landers* decision cited in the earlier report, the Federal Circuit excluded the testimony of a patent law expert, expressly holding that “where an issue calls for consideration of evidence from the perspective of one of ordinary skill in the art, it is contradictory to Rule 702 to allow a witness to testify on the issue who is not qualified as a technical expert in that art.”²⁷ Of course, the meaning of disputed claim terms is an issue that “calls for consideration of evidence from the perspective of one of ordinary skill in the art.”

Best Practice 11 – Any presentation or testimony presented by an expert during a tutorial or a *Markman* hearing should not be used to cross-examine the expert at trial.

The record of a tutorial or a *Markman* hearing should not be used to cross-examine any expert later at trial by pointing out that the expert offered the court a construction that was somehow rejected or made mention of a technical concept as background that conflicts with the court’s construction. While the tutorial and *Markman* proceedings are related to the trial, they are directed to a preliminary and necessary phase of the case—claim construction—on which the jury trial depends. At least one party’s expert can always be viewed as having been “wrong” with regard to his or her proffered claim construction, but that does not mean that the expert is necessarily “wrong” with regard to any opinions offered at trial, nor that such trial opinions lack credibility. The court should assume that the parties’ experts offered a good faith claim construction and disassociate the tutorial and *Markman* hearing from the trial. At trial, only the constructions should be read to the jury; the jury does not need to know how the court determined the proper constructions. Indeed, it would

²⁴ See, e.g., *WG5 Markman Report*, *supra* note 14, Principle 7, at 4–5 (recommending that the *Markman* hearing proceed more like a closing argument than a trial).

²⁵ See *supra*, Sec. II.A.2. (Concurrent Expert Testimony: The Australian “Hot Tub” Approach to Party-Retained Experts).

²⁶ *Id.*, Principle 13, at 8 (citing *Landers v. Sideways, LLC*, 2005 WL 1772692, at *4 n.3 (Fed. Cir. 2005) (non-precedential)).

²⁷ *Sundance*, 550 F.3d at 1363; see *Outside the Box Innovations, LLC v. Travel Caddy, Inc.*, 695 F.3d 1285, 1297 (Fed. Cir. 2012).

be counter-productive to a candid and open discussion at the *Markman* hearing (including by way of a “hot tubbing” form of presentation) if the party experts were concerned that their statements could be the subject of cross-examination at trial.

Best Practice 12 – A court-appointed expert should prepare a report and be deposed, but live testimony from a court-appointed expert should rarely be received at the *Markman* hearing.

The law permits a district court to appoint an expert when circumstances warrant, and if a district court does so, that expert’s testimony should be heard at the *Markman* hearing and subject to cross-examination by the parties. However, appointing an expert in addition to the experts proffered by the parties should be the exception, not the norm. Should a court appoint an expert for purposes of claim construction, that expert should be required, before the due date for the claim construction briefs, to submit an expert report disclosing his or her opinions on the disputed claim construction issues. The court-appointed expert should also be subject to deposition by both parties. Furthermore, the relevant portions of the expert’s report and deposition testimony should be available to the parties at the hearing.²⁸

Best Practice 13 – A technical advisor or court-appointed expert generally should not be used to provide off-the-record, substantive input to the court on the meaning of disputed claim terms. However, with appropriate safeguards, either may be used to assist the court in understanding complex technical issues.

Claim construction can be a daunting task for a district court judge who typically does not have a technical background or prior experience with the particular technology at issue in any given case. As a result, a judge may be tempted to rely on informal, off-the-record communications with the judge’s clerks during claim construction, not only to help gain an understanding of the technology at issue, but also to help work through substantive issues concerning the meaning of disputed claim terms. Off-the-record communications on substantive claim construction issues become more problematic from the standpoint of the litigants when a judge is communicating with a technical advisor or appointed expert, as opposed to his or her law clerk (even a law clerk with a technical background). While it is well-accepted that a court may use a technical advisor to understand the technical issues underlying claim construction disputes,²⁹ litigants often believe that a judge may more readily defer to a technical advisor or appointed expert than to the judge’s law clerks because technical advisors and appointed experts have acknowledged expertise in a field unfamiliar to the judge, whereas the very nature of the position of a law clerk is that of an apprentice to the judge. The perception that a technical advisor or court-appointed expert may influence the court’s decision-making raises concern on the part of litigants, who may have no ability to determine, let alone correct, any biases or misunderstandings that the technical advisor may be conveying to the court.

To avoid this perception and its attendant concerns, district court judges should take care to conduct their own review, and to make clear to the parties that they are, in fact, conducting their own review. To inspire confidence in the process, it is a best practice for district court judges to be as transparent as possible in their communications with technical advisors and court appointed experts, and to use appropriate safeguards against undue influence. Indeed, as discussed in Best Practice 1 above, the use of a technical advisor in the

²⁸ See *WG5 Markman Report*, *supra* note 14, Principle 14, at 9.

²⁹ See, e.g., *Techsearch*, 286 F.3d at 1378 (applying Ninth Circuit law, the court stated that “in those limited cases where the scientific complexity of the technology is such that the district court may require the assistance of a technical advisor to aid in understanding the complex technology underlying the patent, it has the inherent authority to appoint such an advisor”).

Markman context requires “safeguards to prevent the technical advisor from introducing new evidence and to assure that the technical advisor does not influence the district court’s review of the factual disputes.”³⁰

³⁰ *Id.* at 1377.

VI. Expert Discovery

Expert discovery in patent cases involves the preparation of Federal Rule of Civil Procedure 26(a)(2) reports and depositions taken of the experts on the subject matter disclosed in their reports. Occasionally, expert discovery may also include depositions or document discovery relating to other individuals or analyses relied upon in the Rule 26 report.

The requirements for expert disclosures under Rule 26 are no different for patent cases than they are for other types of cases. Among other things, Rule 26(a)(2) requires that the written report contain a complete statement of all opinions the witness will express and the basis and reasons for them; the facts or data considered by the witness in forming them; and any exhibits that will be used to summarize or support them. Failure, or perceived failure, to adhere to these requirements is a significant source of motion practice regarding experts. Generally, an expert will be—and should ordinarily be—precluded from testifying to any new opinions or bases that were not disclosed in the report. Requiring a party to point out where an opinion or bases therefor is contained in the report is the only practicable way for judges to determine whether the expert is offering admissible testimony; judges cannot feasibly review all deposition testimony during trial to make that assessment. While some reasonable elaboration on the explicit opinions presented in the report should be allowed, experts should not be permitted to offer previously undisclosed opinions or bases at any potentially dispositive hearing or trial. Thus, as the best practices below demonstrate, it is strongly advised that litigants engage in full and complete expert disclosures and seek to timely supplement their disclosures to rectify any incompleteness that may exist at the outset or that may later arise.

A. THE SCHEDULING AND TIMING OF EXPERT DISCOVERY

Best Practice 14 – In general, it is most efficient to phase the case such that expert reports on infringement, invalidity, and damages are prepared after the court has ruled on claim construction.

It is generally more efficient, and hence preferable, to have expert discovery on infringement, invalidity, and damages begin after the court has already ruled on claim construction.³¹ Given that cases often settle following claim construction, proceeding in this manner can be cost-saving. Additionally, by providing for expert discovery on infringement and invalidity once claim construction has been determined, experts can opine on these issues under the court's construction. If experts are required instead to provide their opinions on these issues before the court issues its claim construction ruling, the experts must either: (1) opine on infringement and validity issues under both (or in a case with many parties, more than two) proposed constructions; or (2) opine only under their own side's constructions and risk preclusion of the opinion at trial if the other side's construction is adopted. Neither approach is desirable. First, requiring experts to opine on infringement or validity issues under alternative constructions is confusing, costly, and inefficient, particularly where a judge ultimately adopts any party's proposed construction and instead enters the court's own construction. Second, supplementing reports to address the court's *Markman* order may be impractical, or even impossible, unless this approach was negotiated and worked into the scheduling order early in the case. When expert discovery is conducted after the court has issued its claim construction, experts need only submit reports based on one claim construction.

Nonetheless, there are cases where claim construction and a summary judgment motion on infringement or invalidity are most efficiently heard and determined together. For example, an early combined hearing may be appropriate if the court is persuaded at the initial case management conference that the construction of a

³¹ This general preference would not apply where the court takes up indefiniteness issues during the *Markman* process, and one or both parties seeks to use a technical expert on that issue.

particular term may be dispositive of the case or would remove one or more claims from the case. The court and the parties can thereby avoid addressing most or all of the claim construction disputes that the parties would otherwise present.³²

Best Practice 15 – The court should consider providing a date in the scheduling order for disclosing, prior to the date opening expert reports are exchanged, a description of the general subject matter of the intended expert reports and the identities of the experts who may be filing them.

Typically scheduling orders provide for four to six weeks between opening expert reports and rebuttal expert reports. Prior to receiving an opponent's opening expert reports, counsel may not know or be able to anticipate the subject matter of all of those reports. Expert reports on infringement, invalidity, and damages would be expected, but other reports may not be. For example, an accused infringer may not be expecting to receive a report from a survey expert on a value of a feature on an accused product, or from a scientist who has conducted tests on the accused products. Given that the rebuttal expert reports to all of these experts—those anticipated and those unanticipated—would be due in the four to six week period set out in the case management order, the party on the receiving end of the unanticipated reports is at a distinct disadvantage. The party serving the reports will have had months to identify an expert and prepare the report while the opposing party would only have had four to six weeks to do the same.³³

To avoid this sort of disparity, the court should consider requiring parties to agree on a specific date by which the identity of each expert will be disclosed, along with a brief description of the subject matter of that expert's anticipated testimony at trial (and hence the subject matter of the report). Depending on the circumstances, a date that is approximately four weeks in advance of opening expert reports is likely sufficient.

Best Practice 16 – The case management schedule should provide for the submission of reply expert reports.

Cases in which experts have provided reply expert reports have generally provided for a clearer definition of and narrowing of the issues in dispute. Accordingly, it is recommended that case management schedules require this third round of reports. Although an additional report adds to the costs of the litigation, it will likely save costs on motion practice, such as motions relating to an expert's failure to have disclosed all opinions in the original expert report and summary adjudication motions on issues that are not actually disputed. In a manner analogous to a reply brief, a reply report should be strictly limited to responding to the rebuttal report; it is not a "do over" or opportunity for an expert to inject new opinions.

³² Indeed, some judges prefer to combine claim construction and summary judgment motions to focus the issues early in the case. These judges suggest that the combination of the claim construction hearing and the motion for summary provides a more meaningful context for understanding the parties' claim construction positions. These judges report that a combined process gives them more confidence in their construction and minimizes the likelihood of needing to reconsider claim construction as the court learns more about the technology. For a full discussion of the merits of and recommended best practices for combined claim construction and summary judgment hearings, see *The Sedona Conference, Commentary on Patent Litigation Best Practices: Summary Judgment Chapter* (Aug. 2014, public comment version), at Sec. III.C. (Best Practices for Cases with the Claim Construction Process Scheduled for After the Close of Fact Discovery), available at <https://thesedonaconference.org/download-pub/3769> (last visited Oct. 14, 2014).

³³ Under most protective orders entered in patent cases, parties must disclose expert witnesses to whom they plan to show confidential documents. However, experts who would not need access to confidential information, such as invalidity and survey experts, may proceed with their work unnoticed.

Best Practice 17 – Parties should conduct any expert depositions after all expert reports have been served.

Rule 26(b)(4)(A) provides: “[a] party may depose any person who has been identified as an expert whose opinions may be presented at trial. If Rule 26(a)(2)(B) requires a report from the expert, the deposition may be conducted only after the report is provided.” It is generally more efficient for expert depositions to be taken after all expert reports have been served, rather than between rounds of expert reports. Thus, it is recommended that the parties proceed in this manner and avoid multiple depositions of a given expert unless there is some compelling reason to proceed with depositions following each expert report.

Best Practice 18 – A party should seek permission to prepare and serve a supplemental expert report as soon as an evidentiary issue is identified.

As discussed above, the most common objection to expert testimony is that it was not disclosed in the expert’s Rule 26 report.³⁴ Another common objection is that an expert has failed to provide the bases underlying opinions provided in the report, such as the data and other information considered by the expert.³⁵ In both cases, an expert may be precluded from offering at trial the insufficiently disclosed or supported opinion.

To the extent a party wants to prevent preclusion of an important expert opinion that may not have been fully disclosed in an expert report, it should consider submitting a supplemental report. Pursuant to Federal Rule of Civil Procedure 26(e)(2):

For an expert whose report must be disclosed under Rule 26(a)(2)(B), the party’s duty to supplement extends both to information included in the report and to information given during the expert’s deposition. Any additions or changes to this information must be disclosed by the time the party’s pretrial disclosures under Rule 26(a)(3) are due.

If the opposing party objects to the supplementation, the party seeking supplementation should seek permission to supplement from the court with an explanation of why supplementation is warranted. For example, there may be facts or opinions raised by the opposing expert that were not anticipated or perhaps there were issues that were not believed to be important enough to be addressed in the initial expert report. Obtaining permission and serving the expert report as early as possible brings the issue to the forefront in a timely manner, preventing prejudice and allegations of sandbagging at trial. Given that courts generally prefer to conduct trials based on a full record, rather than risk excluding important material that may provide the basis for appeal, supplementation that does not cause prejudice will often be permitted.

³⁴ See *Pfizer Inc. v. Ranbaxy Labs. Ltd.*, No. 03-209 (JJF), 2005 WL 3525681, at *2 (D. Del. Dec. 22, 2005) (precluding expert from expanding opinions related to methods of analysis that were not disclosed in his expert report); *Inline Connection Corp. v. AOL Time Warner Inc.*, 472 F. Supp. 2d 604, 609–10, 613–15 (D. Del. 2007) (precluding expert from testifying at trial on new bases for infringement because they were not previously disclosed in expert reports); *STS Software Sys., Ltd. v. Witness Sys., Inc.*, No. 04-2111(RWS), 2008 WL 660325, at *2 (N.D. Ga. Mar. 6, 2008) (“The Court notes that Plaintiffs will suffer prejudice as a result of the untimely disclosure of these opinions because Plaintiffs’ experts did not have an opportunity to respond to the new opinions submitted in Defendant’s rebuttal reports.”).

³⁵ See *Honeywell Int’l Inc. v. Universal Avionics Sys. Corp.*, 347 F. Supp. 2d 114, 119–120 (D. Del. 2004) (excluding testimony on doctrine of equivalents when technical witness provided only conclusory opinions unsupported by any analysis in his report); see also *Magnetar Techs. Corp. v. Six Flags Theme Parks Inc.*, No. 07-00127 (Slip Op.), 2014 WL 529983, at *12 (D. Del. Feb. 7, 2014) (recommending granting the defendants’ motion to strike the report of the plaintiffs’ infringement expert, finding the opinions unreliable for failure to provide any analysis of how infringement was determined. “[I]t is not the court’s role . . . to comb through these documents, extrapolate the necessary information, analyze it, and hobble [sic] together an expert opinion based on assumptions of what the expert felt was significant.”).

If a supplemental report is permitted, a short follow-up deposition may be scheduled, limited in scope to the new opinions expressed in the supplemental report. However, to the extent a supplemental report only memorializes information given at an expert deposition, a new deposition may not be necessary.

Best Practice 19 – Parties should produce all documents and other materials relied upon by the expert prior to, or at least no later than, service of the expert report.

To expedite the expert discovery process, parties should agree to produce concurrently with the submission of the expert report(s), documents relied upon by the expert to the extent not already produced. Doing so will reduce ambiguity over what is included in a document referenced in the report, and hence reduce litigation costs.

B. THE SCOPE AND SUPPLEMENTATION OF EXPERT REPORTS

Best Practice 20 – Experts should not be permitted to opine as to the intent element of inequitable conduct or willful infringement.

Intent is an element of both inequitable conduct and willful infringement. However, it is a best practice for the court not to entertain expert testimony on the issue of an applicant's intent. Such factual evidence involves issues beyond the scope of any expert's expertise, such as the state of mind of the applicant or the applicant's knowledge of particular references or of the asserted patent(s), and it is improper for an expert witness to attempt to opine on this element. Of course, with respect to inequitable conduct, a qualified expert may opine as to the materiality of various references or other information which the applicant allegedly failed to disclose or allegedly misrepresented.

Best Practice 21 – The expert report should set forth all opinions that the expert may present at trial and fully support each opinion to the extent any such testimony will be presented at trial.

Rule 26 requires that an expert report contain a detailed and complete statement of all opinions to be expressed.³⁶ A complete report must include the substance of the testimony which an expert is expected to give on direct examination together with the reasons therefor.³⁷ The report must be complete such that opposing counsel is not forced to depose an expert in order to avoid ambush at trial. Expert reports must not be sketchy, vague, or preliminary in nature.³⁸ Expert reports must include how and why the expert reached a particular result, not merely the expert's conclusory opinions. Moreover, under Rule 26(e)(2), a party's duty to supplement extends both to information included in the report and to information given during the expert's deposition. Any additions or changes to this information must be disclosed by the time the party's pretrial disclosures under Rule 26(a)(3) are due. Thus, Rule 26(a)(2)(B) and 26(e)(1) require disclosures in advance of trial of the bases and reasons for an expert's opinions. The purpose of requiring these pretrial disclosures, which ensure all expert opinions are properly disclosed before trial, is to avoid surprises at trial and to save costs associated with depositions.

Best Practice 22 – The court should limit the expert's trial testimony to what is fairly and reasonably presented in the expert's report.

³⁶ FED. R. CIV. P. 26, Advisory Committee Notes (1993).

³⁷ *Id.*

³⁸ *Id.*

Courts should limit the expert's trial testimony to what is fairly and reasonably presented in the expert's report(s). For the trial to be fair, all parties should have equivalent prior knowledge of the facts and opinions that will be presented. Rule 37(c) states: "[i]f a party fails to provide information or identify a witness as required by Rule 26(a) or (e), the party is not allowed to use that information or witness to supply evidence on a motion, at a hearing, or at a trial, unless the failure was substantially justified or is harmless." This provides incentive for total disclosure due to the threat the expert testimony not disclosed in accordance with the rule can be excluded. The availability of the Rule 37(c) sanction "put[s] teeth into the rule" for complete and full disclosure in written reports.³⁹

Best Practice 23 – The expert should not be able to utilize the deposition as a mechanism to supplement the expert's report.

In patent litigation, experts often attempt to use their deposition to fill in gaps in their reports (sometimes referred to as "backfilling"). While this practice is contrary to the basic purpose of providing full disclosure in the reports, some judges have allowed it where they perceive it will not prejudice the parties.

Backfilling, however, may prejudice the parties or prolong the litigation in several ways, including by:

- injecting a new opinion that the other party's expert may not have an opportunity to formally rebut;
- resulting in jockeying and gamesmanship in scheduling depositions since each party wishes to have its expert be the last one deposed;
- resulting in counsel foregoing a question or even the deposition in its entirety so as not to give an expert any opportunity to backfill a gap in the expert's report; and
- requiring the court to conduct a time-consuming review of the expert's deposition testimony, in addition to the expert's report, in deciding a Rule 26 objection at summary judgment or at trial.

Thus, an expert's testimony during a deposition and at trial should be limited to the opinions set forth in his or her expert report. In other words, an expert should not be able to utilize the deposition as a mechanism to voluntarily supplement the report. Of course, this proscription should not limit the expert from giving, and thereafter relying on, a complete responsive answer to any question asked by opposing counsel in the deposition or at trial.

Best Practice 24 – Expert declarations submitted with motions for summary judgment should not go beyond the bounds of the expert reports.

Expert declarations submitted in support of a motion for summary judgment (or in support of an opposition to a motion for summary judgment) after the close of fact discovery should not go beyond the bounds of the experts' Rule 26 reports. A party should not add new opinions or bases therefor to the expert's written reports by means of either the expert's deposition testimony or the expert's declaration submitted in conjunction with the summary judgment motion, even if the expert's deposition covered testimony that was not part of the expert's written disclosures. This best practice of staying in the bounds of Rule 26 should be vigorously enforced, and the court should entertain motions to strike new expert opinions, submitted in conjunction with summary judgment motions, that are outside the scope of the previously disclosed expert

³⁹ Richard M. Heimann & Rhonda L. Woo, *Import of Amended Federal Rule of Civil Procedure 26(a)*, 506 PLI/LIT 279, 293 (Jul.-Aug. 1994). The rule presents alternatives less severe than exclusion of the expert testimony. If the expert's report, however, contains only incomplete opinions, the court may choose to restrict the expert's testimony to those opinions alone. Robert M. Lovein, *A Practitioner's Guide: Federal Rule of Civil Procedure 26(a)—Automatic Disclosure*, 47 SYRACUSE L. REV. 225, 255 (1996).

reports. As noted above, to the extent it is necessary to add to or more fully disclose the expert's opinions, a party may seek to supplement the expert's Rule 26 report.

VII. Use of Experts on Summary Judgment

In seeking or opposing summary judgment on technical or damages issues, patent litigants may submit expert opinions to the court. The expert submissions may come in different forms, depending on the nature of the summary judgment proceeding. Possible formats include expert reports, deposition testimony, supporting declarations, and live testimony.⁴⁰ For infringement or noninfringement motions, expert submissions may incorporate claim charts, schematics, photographs, and source code. For motions involving patent validity, expert submissions may incorporate claim charts and prior art. Parties may submit summary judgment motions on other issues as well, including patent prosecution, inequitable conduct, willful infringement, and damages issues.

Experts should avoid submitting conclusory opinions and legal opinions in support or opposition of a summary judgment motion. Experts should also avoid, and courts should disregard, expert testimony that is based solely on the *ipse dixit* of the expert. A solid foundation of undisputed facts should underlie each submission of an expert who is offering opinions in support of a motion for summary judgment. By the same token, expert opinions submitted in opposition to summary judgment motions should be limited to (or at least be focused on) issues that involve factual disputes.

Best Practice 25 – It is inappropriate to submit expert testimony that was not previously disclosed during expert discovery in opposition to a motion for summary judgment in order to create an issue of material fact, unless the moving party raises a new argument necessitating the additional expert testimony.

It is inappropriate to add expert testimony not set forth in an expert report in an effort to obtain or oppose summary judgment. Indeed, such evidence is often excluded by courts as unfairly prejudicial and in violation of the scheduling order.⁴¹ For example, in one case, the court excluded an expert declaration submitted in conjunction with an expert report that was “substantively different from . . . the original expert report,” holding that the declaration was really a “supplemental report” and not contemplated by the parties or the pretrial schedule.⁴² The court held that this late submission of expert testimony did not give the plaintiffs a sufficient or fair amount of time to address the new issues in the report.⁴³

⁴⁰ See *supra* Sec. VI.B. (The Scope and Supplementation of Expert Reports) regarding the best practice of limiting the expert’s opinions to those opinions and bases properly disclosed in the expert’s Rule 26 report(s) to avoid permitting a party to inject new opinions by means of the expert’s deposition transcript or supporting declaration.

⁴¹ See, e.g., *AstraZeneca v. Mutual Pharm.*, 278 F. Supp. 2d 491, 501–03 (E.D. Pa. 2003).

⁴² *Id.*

⁴³ *Id.*

VIII. Daubert Motions

Challenges to an expert's qualifications method of analysis under *Daubert*⁴⁴ and *Kumho Tire*⁴⁵ have become commonplace in patent litigation, particularly with respect to expert opinions on damages. “[A] district court judge, acting as a gatekeeper, may exclude evidence if it is based upon unreliable principles or methods, or legally insufficient facts and data.”⁴⁶ District court judges often find this rule difficult to apply in practice. Indeed, as a Northern District of Illinois court explained:

The biggest challenge to the judge at a *Daubert* hearing, . . . , is to distinguish between disabling problems with the proposed testimony, which are a ground for excluding it, and weaknesses in the testimony, which are properly resolved at the trial itself on the basis of evidence and cross-examination.⁴⁷

While it is important for the court to satisfy its function as a gatekeeper, many judges have expressed concern over the sheer number of *Daubert* motions they are seeing. Parties should take care to file *Daubert* motions only when truly warranted, not when it merely disagrees with the method of analysis used by the opposing expert. The effect of a successful *Daubert* motion—the exclusion of expert testimony—can be devastating for a party's case. Without an expert to support the case, e.g., one's damages case or infringement case, a party is often left with few options aside from settling. Indeed, the Court held that Federal Rule of Civil Procedure 50 permits an appellate court to direct the entry of judgment as a matter of law if it determines that evidence was erroneously admitted at trial and that the remaining, properly admitted evidence is insufficient to constitute a triable case.⁴⁸ Hence, while courts are more than willing to grant a meritorious motion, they proceed very cautiously so as to not exclude testimony that may appropriately be considered by the fact-finder.

Best Practice 26 – *Daubert* challenges should be made early on, after expert discovery, but well in advance of trial (preferably at least 60 days before trial).

Because they can greatly alter the landscape of the litigation, *Daubert* challenges should be made after the close of expert discovery, but well in advance of trial.⁴⁹ Patent litigation often turns on a battle of experts, and experts are thus often crucial to a party's ability to prove its case. The court should be given ample time to evaluate all *Daubert* challenges. Courts, however, should be extremely cautious about allowing a party to use the time between the filing of a *Daubert* motion and trial to supplement expert disclosures in an attempt to cure deficiencies brought out by a *Daubert* motion, especially if expert discovery is closed. The court should

⁴⁴ *Daubert v. Merrell Dow Pharmaceuticals*, 509 U.S. 579 (1993).

⁴⁵ *Kumho Tire v. Carmichael*, 526 U.S. 137 (1999).

⁴⁶ *Apple Inc. v. Motorola Inc.*, No. 757 F.3d 1286, 1314 (Fed. Cir. 2014); see, e.g., *Smith v. Ford Motor Co.*, 215 F.3d 713, 718 (7th Cir. 2000) (“[W]e emphasize that the court’s gatekeeping function focuses on an examination of the expert’s methodology.”); *Daubert*, 509 U.S. at 595 (“The focus, of course, must be solely on principles and methodology, not on the conclusions that they generate.”); *i4i Ltd. P’ship v. Microsoft Corp.*, 598 F.3d 831, 854 (Fed. Cir. 2010) (stating that “*Daubert* and Rule 702 are safeguards against unreliable or irrelevant opinions, not guarantees of correctness”) (applying Fifth Circuit law); *Walker v. Soo Line R. R. Co.*, 208 F.3d 581, 587 (7th Cir. 2000) (“The critical point is that Dr. Pliskin employed a proper methodology to determine Mr. Walker’s pre-incident IQ.”).

⁴⁷ *Apple Inc. v. Motorola, Inc.*, No. 11-08540, 2012 WL 1959560, at *1 (N.D. Ill. May 22, 2012) (overruled by *Apple*, 757 F.3d at 1286).

⁴⁸ *Weisgram v. Marley Co.*, 528 U.S. 440, 447–56 (2000).

⁴⁹ Of course, a party may file a *Daubert* motion concurrently with an opposition to a motion for summary judgment.

permit such supplementation only upon a showing of good cause as to why the material was not originally included.

Best Practice 27 – *Daubert* challenges should not be used in the absence of evidence that the scientific methodology is wrong, or that the expert lacks the qualifications to render the presented opinions.

Daubert motions are not intended as means to cross-examine an expert. Instead, the rationale of *Daubert* is to exclude from consideration at trial opinions that have no reasonable scientific or technical basis and opinions from witnesses who lack the credentials to give them.

Proper *Daubert* motions may, therefore, focus on the lack of an expert's qualifications, such as education, training, or expertise as well as inappropriate or unsound methodology. Thus, they should not be used unless the scientific methodology is essentially "junk science" or that the expert is wholly unqualified in the relevant subject.

IX. Use of Experts at Trial

Experts may testify at trial for a number of reasons, including: explaining technical subject matter in such a way that is intelligible and easy to understand to the fact-finders; setting forth evidence to satisfy the elements of a claim or defense in order to prove the claim or defense and persuade the fact-finders that the positions being articulated are reasonable and correct; explaining why an adversary's positions may be unreasonable and incorrect; supporting a fact witnesses' testimony to give it more weight; and at times, explaining areas of law or practice that may be unfamiliar to the fact-finders.

Potentially objectionable expert testimony at trial can be addressed either before trial with pretrial motions *in limine* or, at trial, by objections during the testimony.

A. MOTIONS *IN LIMINE*

Best Practice 28 – The court should determine, as early as possible, whether there may be objections to an expert's qualifications or anticipated testimony.

There are many potential objections to an expert's proposed testimony. For example, some or all of an expert's testimony may be excluded based on Federal Rule of Evidence 403 (which permits the exclusion of relevant evidence for prejudice, confusion, waste of time, or other reasons) to prevent unnecessary cumulative testimony.⁵⁰ An expert's testimony may be prejudicial or unduly consumptive of time, e.g., where he or she is one of two experts a party attempts to offer on a given topic.

The lack of sufficient qualifications may also be reason to object to a proposed expert. For example, if there is an issue in a patent litigation that depends on the perspective of one of ordinary skill in the art at the time of the invention, an expert's expertise must be in the relevant field of art.⁵¹ This type of issue may be styled either as a *Daubert* motion or an evidentiary objection. Where the court has set a *Daubert* motion schedule, such issues should be brought to the court in accordance with that schedule. Otherwise, deciding which path to use in a given instance is a strategic determination to be made by trial counsel.

Another potential objection to an expert's proposed testimony is that it was not properly disclosed in the expert's Rule 26 report(s).

Best Practice 29 – Where possible, parties should use motions *in limine* to address potential issues with expert testimony rather than waiting to object at trial.

While not all evidentiary issues can be anticipated, those that can be anticipated should be raised in a motion *in limine*. A written, pretrial motion *in limine* (as compared to an oral objection at trial) will likely educate the court about the evidentiary issue more effectively and provide the court with the opportunity to carefully consider the issue in chambers, rather than being forced to rule from the bench upon oral objection during

⁵⁰ See *Donnelly Corp. v. Gentex Corp.*, 918 F. Supp. 1126, 1136–37 (W.D. Mich. 1996); see also *Leeje v. Air Logistics, Inc.*, 876 F.2d 409, 410–11 (5th Cir. 1989) (affirming the district court's holding that an expert's testimony was cumulative and therefore inadmissible).

⁵¹ See *Flex-Rest, LLC v. Steelcase, Inc.*, 455 F.3d 1351, 1355–56, 60 (Fed. Cir. 2006).

trial. This is particularly important in a jury trial to avoid referencing prejudicial information in front of the jury, which might serve to emphasize the very portion of an expert's testimony that should be excluded.⁵²

B. VISUAL AIDS AND EXPERT TESTIMONY AT TRIAL

Demonstrative exhibits have become more important for all trials and are particularly important to eliciting direct (and even cross) testimony of expert witnesses. For example, in patent cases, demonstrative exhibits may aid judges and juries in understanding difficult, seemingly foreign scientific concepts. Indeed, scientific expert witnesses often will expect and be most comfortable presenting with visual aids, as scientific discussions are generally accompanied by the same sorts of visuals to aid understanding. A diagram outlining the replication of a virus or the workings of a circuit breathes life into technical jargon. In fact, trial court decisions in patent cases increasingly reproduce particularly important demonstrative illustrations to assist the reader in understanding the facts underlying the decision.⁵³

Demonstrative exhibits may also summarize large volumes of evidence, particularly data that an expert may need to present. Such summaries are expressly contemplated by Federal Rule of Evidence 1006. That rule permits "contents of voluminous writings or photographs which cannot conveniently be examined in court [to] be presented in the form of a chart, summary, or calculation." Such summaries and compilations not only make powerful points, but also permit the efficient presentation of expert testimony. This type of presentation is becoming commonplace as more courts are turning to timed trials.⁵⁴

On the more practical side, because testimony of an expert in a patent case may take place over the course of more than a day, demonstrative exhibits can provide a road map of the testimony of an expert. Types of visual aids commonly used with expert testimony in patent cases include: illustrations of technical principles, timelines, "call outs" of important sections of text or other portions of exhibits, compilations, and animations.

Parties often want and expect the demonstrative exhibits to go to the jury room to assist the jurors in their deliberations. However, because demonstrative aids are simply used as an aid to facilitate testimony, they are generally not admissible as exhibits.⁵⁵ Parties should discuss with each other and with the court before the trial starts on how demonstrative aids will be handled so there is no misunderstanding as to whether they may be taken to the jury room for deliberations.

Best Practice 30 – Demonstrative aids to be used by an expert should have a foundation and contain citations to the evidence.

⁵² Indeed, some judges have specific procedures as to how oral objections to an expert's testimony must be handled during trial. At least one judge's procedure permits only the statement "outside the scope of the report" and only a response citing a paragraph number of the report. The objection is resolved post trial, if necessary. Another judge who also resolves the objection post trial, includes the sanction that if the court "determine[s] that the expert's testimony was impermissibly broad, the party proffering such testimony may be sanctioned, e.g., by having to assume the costs for a new trial." Procedures like these underscore the benefits of submitting supplemental reports where possible, and raising issues early.

⁵³ See *Daiichi Sankyo Co. v. Mylan Pharmaceuticals*, 670 F. Supp. 2d 359, 362–66, 373, 385, Figs. 1–8 (D. N.J. 2009) (reproducing chemical formulae demonstratives and a market share demonstrative); *Insite Vision Inc. v. Sandoz Inc.*, No. 11-3080 (MLC), 2013 WL 5975015, at *4 (reproducing diagram of the layers of the eye).

⁵⁴ See *Official Committee of Unsecured Creditors v. Baldwin*, No. 10-800, 2013 WL 309975 (W.D. Pa. Jan. 25, 2013) (discussing trial time limits and noting two patents cases trials subject to time limits).

⁵⁵ Summaries of voluminous writings, recordings or photographs may be admissible under FED. R. EVID. 1006.

Whatever the form of the demonstrative aids, a foundation must be provided. The foundation required depends on the type of demonstrative exhibit to be introduced. For example, a computer animation requires a detailed foundation such as screen shots of the animation with source citations to trial exhibits or witness testimony.⁵⁶ On the other hand, a simple call out from evidence in the record put onto a slide or a board requires only the identification of the exhibit number from the exhibit list provided the court. It is advisable to also note the citation to the expert report on the slide or board, to fend off objections that the demonstrative is not supported by the expert's previously disclosed opinions.

Demonstrative aids must fairly portray the evidence on which they are based and will be excluded if any possible probative value is substantially outweighed by the danger of unfair prejudice or confusion.⁵⁷ "Prejudicial" in this context means that the demonstrative aid has an undue tendency to suggest a decision on an improper basis. When a demonstrative exhibit is likely to confuse, raise collateral issues, or is more prejudicial than probative, the court should refuse to allow it to be used at trial.⁵⁸

As discussed above with respect to previously undisclosed expert opinions, a demonstrative exhibit cannot include new theories that are not contained in the testifying expert's report. For most courts, so long as the expert report explains the "how and why" in support of the demonstrative, the demonstrative itself does not need to be part of the report.⁵⁹ Instead, demonstrative aids can be disclosed to opposing counsel during the pretrial process. However, it should be noted that in the Northern District of California, at least two judges' rules provide that "[i]llustrative animations, diagrams, charts and models may be used on direct examination only if they were part of the expert's report, with the exception of simple drawings and tabulations that plainly illustrate what is already in the report, which can be drawn by the witness at trial or otherwise shown to the jury."⁶⁰

While such full disclosure is ideal from a discovery perspective, it can be very burdensome to create all demonstrative exhibits prior to the submission of the Rule 26 report. It is time consuming and expensive to create demonstrative exhibits, and it may be a wasted effort given that most cases settle before trial. Thus, while an expert's visual aids must be fairly based on the information contained in the Rule 26 report, the vast majority of courts allow them to be exchanged closer to trial, consistent with the best practices outlined below.

Best Practice 31 – Demonstrative aids for an expert's direct testimony must be disclosed to the other side prior to the expert's testimony.

Demonstrative aids for direct testimony must be disclosed to the other side prior to the expert's testimony. Ideally, the procedure for the exchange, including the timing, the method of exchange, the timing of objections, and the possibility for a meet and confer to resolve objections, should be set out in the pretrial order. If following the exchange, an objection is raised and cannot be resolved between the parties, it may be best to request a ruling on the objection in advance of the proposed testimony so that the issue may be resolved before the witness takes the stand. Objections or arguments about an exhibit during a witness examination are disruptive and potentially prejudicial to one or both parties. It is also wasteful of the jury's

⁵⁶ See Charles J. Faruki, *The Preparation and Trial of Intellectual Property and Other Complex Cases*, 34 U. Dayton L. Rev. 125, 138–39 (Winter 2009).

⁵⁷ FED. R. EVID. 403.

⁵⁸ See *Carnegie Mellon Univ. v. Marvell Tech. Group, Ltd.*, No. 09-290, 2012 WL 6562221, at *15–16 (W.D. Pa. Dec. 15, 2012).

⁵⁹ *CNH America LLC v. Kinze Mfg., Inc.*, 809 F. Supp. 2d 280, 287-88 (D. Del. 2011).

⁶⁰ See *supra* Sec. VI.B. (The Scope and Supplementation of Expert Reports) regarding certain drawbacks to this approach.

time. Resolving any questions about the availability of a demonstrative exhibit prior to a direct examination will allow for a much smoother presentation with the witness.

Best Practice 32 – Expert testimony should not consist of an expert reading through demonstrative aids on direct examination.

Finally, when using demonstrative aids at trial, it is not appropriate for an expert to simply be led through slides on direct examination.⁶¹ The purpose of demonstrative aids is to educate by providing visual illustrations of the expert's testimony regarding the opinion being elicited. Thus, an expert reading through slides may serve to discredit the testimony because it may suggest to the fact-finder that the expert is nothing more than a paid mouthpiece. Moreover, an expert should not and may not be allowed to read through slides as direct testimony, especially in a jury case, as such "testimony" may be subject to an objection that the attorney is leading the witness.

Best Practice 33 – Experts should assist in the creation of the exhibits to be used during their direct examination.

While an expert does not need to physically create a demonstrative exhibit, the demonstratives to be used during the expert's trial testimony should be made with input from the expert to ensure accuracy and the expert's familiarity with the demonstratives. This way, the expert will be comfortable referring to them during the expert's testimony, and the exhibits will be less susceptible to exclusion based on an objection that counsel is leading the witness.

⁶¹ See, e.g., *Carnegie Mellon*, 2012 WL 656221, at *15 (excluding slide presentation, without prejudice, and ruling that expert "would testify the 'old fashioned way,' i.e., without the assistance of a slide deck.").

Appendix: The Sedona Conference Working Group Series & WGS Membership Program

**“DIALOGUE
DESIGNED
TO MOVE
THE LAW
FORWARD
IN A
REASONED
AND JUST
WAY.”**

The Sedona Conference Working Group Series (“WGS”) was established to pursue in-depth study of tipping point issues in the areas of antitrust law, complex litigation, and intellectual property rights. It represents the evolution of The Sedona Conference from a forum for advanced dialogue to an open think tank confronting some of the most challenging issues faced by our legal system today.

A Sedona Working Group is formed to create principles, guidelines, best practices, or other commentaries designed to be of immediate benefit to the bench and bar and to move the law forward in a reasoned and just way. Working Group output, when complete, is then put through a peer review process involving members of the entire Working Group Series including—where possible—critique at one of our regular season conferences, resulting in authoritative, meaningful and balanced final commentaries for publication and distribution.

The first Working Group was convened in October 2002 and was dedicated to the development of guidelines for electronic document retention and production. The impact of its first draft publication—The Sedona Principles: Best Practices Recommendations & Principles Addressing Electronic Document Production (March 2003 version)—was immediate and substantial. The Principles was cited in the Judicial Conference of the United States Advisory Committee on Civil Rules Discovery Subcommittee Report on Electronic Discovery less than a month after the publication of the “public comment” draft, and was cited in a seminal e-discovery decision of the United States District Court in New York less than a month after that. As noted in the June 2003 issue of *Pike & Fischer’s Digital Discovery and E-Evidence*, “The Principles ... influence is already becoming evident.”

The WGS Membership Program was established to provide a vehicle to allow any interested jurist, attorney, academic, consultant or expert to participate in WGS activities. Membership provides access to advance drafts of WGS output with the opportunity for early input, and discussion forums where current news and other matters of interest can be discussed. Members may also indicate their willingness to volunteer for brainstorming groups and drafting teams.

Visit the “Working Group Series” area of our website, www.thesedonaconference.org for further details on our Working Group Series and WGS membership.

The Sedona Conference was founded in 1997 by Richard Braman in pursuit of his vision to move the law forward in a reasoned and just way. Richard’s personal principles and beliefs became the guiding principles for The Sedona Conference: professionalism, civility, an open mind, respect for the beliefs of others, thoughtfulness, reflection, and a belief in a process based on civilized dialogue, not debate. Under Richard’s guidance, The Sedona Conference attracted leading jurists, attorneys, academics and experts who support the mission of the organization by their participation in WGS and contribute to moving the law forward in a reasoned and just way. After a long and courageous battle with cancer, Richard passed away on June 9, 2014, but not before seeing The Sedona Conference grow into the leading nonpartisan, nonprofit research and educational institute dedicated to the advanced study of law and policy in the areas of complex litigation, antitrust law, and intellectual property rights.