Ethical Rules and Guidelines for Expert (and Other) Testimony in Patent Litigation

David Bassett, Partner, WilmerHale
Christopher Noyes, Partner, WilmerHale
Thomas Smith, Patent Litigation Counsel, GlaxoSmithKline

WILMERHALE®

WILMER CUTLER PICKERING HALE AND DORR LLP®

Attorney Advertising

Overview

I. Overview of Applicable Ethical Rules: ABA Model Rule of Professional Conduct 3.3

II. Risks for Violation of Model Rule 3.3 in Expert Discovery

1. Selection of Experts
2. Preparation of Expert Reports
3. Expert Testimony

III. Other Types of Testimony

I. APPLICABLE ETHICAL RULES:

ABA MODEL RULE OF PROFESSIONAL CONDUCT 3.3

Rules of Professional Conduct

- **ABA Model Rule of Professional Conduct 3.3(a)(3)**
  - "A lawyer shall not knowingly . . . offer evidence that the lawyer knows to be false. If a lawyer, the lawyer's client, or a witness called by the lawyer, has offered material evidence and the lawyer comes to know of its falsity, the lawyer shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal."

- **Individual states may also have their own ethical rule that prohibits false testimony**
  - **New Jersey Disciplinary Rules of Professional Conduct 3.3(a)(1):** "A lawyer shall not knowingly . . . make a false statement of material fact or law to a tribunal."

Commentary to Model Rule 3.3

- *Commentary on Offering Evidence*

1. “If a lawyer knows that the client intends to testify falsely or wants the lawyer to introduce false evidence, the lawyer should seek to persuade the client that the evidence should not be offered.”

2. “Paragraph (a)(3) requires that the lawyer refuse to offer evidence that the lawyer knows to be false, regardless of the client’s wishes.”

3. “If only a portion of a witness's testimony will be false, the lawyer may call the witness to testify but may not elicit or otherwise permit the witness to present the testimony that the lawyer knows is false.”

Commentary to Model Rule 3.3

- *Commentary on Remedial Measures Once You Learn That Testimony Is False*

1. "[T]he advocate's proper course is to remonstrate with the client confidentially, advise the client of the lawyer's duty of candor to the tribunal and seek the client's cooperation with respect to the withdrawal or correction of the false statements or evidence."

2. "If withdrawal from the representation is not permitted or will not undo the effect of the false evidence, the advocate must make such disclosure to the tribunal as is reasonably necessary to remedy the situation, even if doing so requires the lawyer to reveal information that otherwise would be protected by Rule 1.6."

Attorney Duties Under Model Rule 3.3

- You should take steps to persuade your witness or client not to introduce false evidence if you know a client or witness will testify falsely
- You must refuse to offer evidence that is false if you know it to be false
- If only a portion of the testimony will be false, you may call the witness to testify but must not elicit the false testimony
- You must talk to your client if you expect false testimony
- You must notify the court immediately if false testimony is given.
  - How do you determine if testimony is false in a technical area as to which you have no personal knowledge?

Handling False Testimony After It Is Given

- Your “proper course” is to speak with the client confidentially, advise the client of the lawyer’s duty of candor to the court, and seek the client’s cooperation with respect to the withdrawal or correction of the false evidence

- Without cooperation, you must:
  - Withdraw from the representation; or
  - If withdrawal is not permitted, the lawyer must “must make such disclosure to the tribunal as is reasonably necessary to remedy the situation,” even if that requires disclosure of confidential information

II. RISKS FOR VIOLATION OF MODEL RULE 3.3 IN EXPERT DISCOVERY

1. Selection of Experts

Selecting an Expert: Qualifications

- Does the expert have any relationships or connections that might be questionable even if they are not disqualifying conflicts?
- Does the expert exaggerate his or her qualifications?
- Does the expert have the right background and experience to truthfully support his or her opinions?

Selecting an Expert: Past Work/Level of Experience

- Is there anything in the expert's past work that raises doubts about his or her trustworthiness or ability to be ethical?
- Is the expert a "professional expert"?
- Has the expert testified successfully before on similar issues?
- Has the expert's opinion ever previously been excluded or stricken by a court?

Selecting an Expert: Demeanor

- How does the expert deal with bad facts?
- Does the expert say things that suggest that he or she would bend the facts or stretch the truth?
- Does the expert try to shade or hide facts?
- Do the expert take care in how he or she responds to questions and frames issues?

Considerations for Counsel

- Have in-person meetings with potential experts
- Have multiple people from your firm and client observe the witness
- Pay attention to how the expert acts and what the expert says during breaks and “off the record”
- Retain a “backup” expert as a consultant
  - Beware of the expert that suggests an opinion to achieve an outcome

2. Preparation of Expert Reports

Changes in the Law: Expert Reports

- Some courts are paying more attention to whether experts actually write their reports and the level of assistance provided by counsel
  - Fed. R. Civ. P. 26(a)(2)(B):

    Witnesses. Who Must Provide a Written Report. Unless otherwise stipulated or ordered by the court, this disclosure must be accompanied by a written report—**prepared and signed by the witness**—if the witness is one retained or specially employed to provide expert testimony in the case or one whose duties as the party's employee regularly involve giving expert testimony.

- Some assistance from counsel in preparing a report is allowed

Determining Whether a Report Was "Prepared" By the Expert

- Relevant considerations:

1) Whether the report was "ghost written" by counsel. "[G]host writing a testifying expert's report is the preparation of the substance writing of the report by someone other than the expert purporting to have written it"

   Trigon Ins. Co. v. United States., 204 F.R.D. 277, 291-92 (E.D. Va. 2001)

2) When counsel prepares some or all of the initial draft of a report, how much the expert and counsel discussed the substance of the report

   Crowley v. Chait, 322 F. Supp. 2d 530, 543 (D.N.J. 2004)

3) When counsel prepares some or all of the initial draft of a report, how much the expert reviewed and edited subsequent drafts of the report

   James T. Scatuorchio Racing Stable, LLC v. Walmac Stud Mgmt., LLC, 2014 WL 1744848, at *1 (E.D. Ky. Apr. 30, 2014)

Determining Whether a Report Was "Prepared" By the Expert

4) How much the report mirrors language from a party's other documents (e.g., pleadings, invalidity contentions, or discovery responses) or other expert reports (even reports from other cases)

   In re Jackson Nat'l Life Ins. Premium Litig., 2000 WL 33654070, at *1 (W.D. Mich. Feb. 8, 2000).

5) Whether the expert can truthfully claim authorship of the report and the opinions in the report

   Bekaert Corp. v. City of Dyersburg, 256 F.R.D. 573, 579 (W.D. Tenn. 2009)

Determining Whether a Report Was "Prepared" By the Expert

6) Whether the expert can explain the content in the report and the methodology for his or her opinions, and whether the expert performed any testing and analysis himself or herself

   Weitz Co. v. Lloyd's of London, 2007 WL 7131908, at *1 (S.D. Iowa Sept. 28, 2007)

7) The balance between the time the expert spent on the case and the amount of substantive work the expert performed

   Scatuorchio, 2014 WL 1744848, at *1

Numatics, Inc. v. Balluff, Inc., 66 F. Supp. 3d 934, 941-46 (E.D. Mich. 2014)

Facts

- Counsel for the defendants drafted the report and gave it to the expert to review briefly and sign

- The report contained substantial similarities to the defendants' invalidity contentions—pictures, charts, and diagrams were copied, citations were identical, and the wording was identical

Numatics, Inc. v. Balluff, Inc., 66 F. Supp. 3d 934, 941-46 (E.D. Mich. 2014).

- The expert reviewed the report for only a couple hours before signing it and made only “fairly minor” changes to the draft created by the defendants’ counsel

- There was very little collaboration between the expert and the defendants’ counsel on the report

- The expert devoted less than 30 hours to the case – almost half of that was spent traveling

- The expert claimed that he spent two to three hours reviewing 2,600 pages of deposition transcripts and less than eight hours reviewing technical documents and prior art

Considerations for Counsel

- Be prepared to have your expert testify at his or her deposition about the drafting process
- Have your expert engaged in the drafting process
- Ensure that your expert devotes an appropriate amount of time to the case

Hypothetical

- Your expert declares an opinion that scientists in his field *never* performed a certain technique before 2010.
- You have no basis to disagree with your expert, but your intuition tells you that the opinion is too extreme.
- When you confront your expert and ask about the basis for that opinion, he says that it was “common knowledge” and “obvious” to anyone in the field.
- The expert is committed to keeping his absolute opinion in the report.

3. Expert Testimony

False Expert Testimony

- What do you do when your expert gives false testimony at trial?
- How do you prevent your expert from giving false testimony at trial?
- Where do courts draw the line for false expert testimony?
- What are the consequences for false expert testimony?
- How do you determine if testimony is false in a technical area as to which you have no personal knowledge?

“Opinions” v. “Facts”

- Expert testimony consists of “opinions” and “facts”
- It can be difficult to draw the line between opinions and facts – facts also inform the content of opinions
- By their nature, opinions are less likely to appear false unless:
  - The expert’s prior testimony contradicts an opinion
  - An opinion is blatantly false
  - An opinion is undermined by documentary evidence

“Opinions” v. “Facts”

- Opinion testimony does not give an expert free license to take any position.

- Fed. R. Evid. 702 sets the boundaries.

  A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if:

  a) the expert’s scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue;
  b) the testimony is based on sufficient facts or data;
  c) the testimony is the product of reliable principles and methods; and
  d) the expert has reliably applied the principles and methods to the facts of the case

Expert “Facts”

- There is no “opinion” as to facts
  - The expert’s background (e.g., education, past employment, and relevant experience)
  - The expert’s billing rate and number of hours spent on the case.
  - The accused products and asserted patents
  - Information based on document discovery (e.g., when an accused product launched)
  - Representations made by the parties in interrogatories/admissions

- Although your expert is not responsible for verifying facts, your expert is responsible for presenting facts accurately

Expert "Opinions"

- Definition: There is a position to be taken and it is based on the expert's analysis and experience.
  - Whether a product infringes
  - How much damages should be
  - What methodology should be used to calculate damages
  - The definition of a POSA

- Once your expert's opinion is set forth in a report, your expert needs to testify consistently with it
  - An expert could give false testimony about what his or her opinions are by contradicting his or her report at deposition or trial

Considerations for Counsel

- Make sure that your expert understands what his or her opinions are, especially with unseasoned experts
- Be careful about how you define the scope of your expert's report and your expert's opinion
- Make sure that your expert takes the time to master the facts (e.g., your client's products and how they work)

Hypothetical

- Your expert is firm in her opinion that the accused product cannot be used in a certain manner.
- Halfway through drafting the expert report, you discover several articles that show why the accused product could be used in that manner.
- You show these articles to your expert, but she stands by her opinion.
- Can you allow the expert to give her opinion and satisfy your ethical obligations under Rule 3.3?

Rembrandt Vision Techs. v. Johnson & Johnson Vision Care, 818 F.3d 1320, 1323 (Fed. Cir. 2016)

Facts

- In a patent infringement suit, Johnson & Johnson Vision Care ("JJVC") relied on expert testimony to support its position that its accused lenses did not meet the "surface layer" limitation of the asserted claim from U.S. Patent No. 5,712,327

- It was later discovered that JJVC's expert:
  - Testified that he personally conducted TOF-SIMS ("time-of-flight secondary ion mass spectroscopy") analyses on J&J's contact lenses, when his graduate students had actually performed the test
  - Overstated his qualifications and experience with testing methodologies, when in fact he actually had no experience with TOF-SIMS
  - Withheld test results that would have undermined his opinions and trial testimony about the lenses having a certain surface coating

Rembrandt Vision Techs. v. Johnson & Johnson Vision Care, 818 F.3d 1320, 1323 (Fed. Cir. 2016)

Held

- A new trial should be granted
- "Under these circumstances, we cannot agree with the district court that this conduct did not prevent Rembrandt from fully and fairly presenting its infringement case. *The verdict was irretrievably tainted* by Dr. Bielawski's false testimony and Dr. Bielawski's and JJVC's withholding of relevant documents."

Rembrandt Vision Techs. v. Johnson & Johnson Vision Care, 818 F.3d 1320, 1323 (Fed. Cir. 2016)

- Accidental omissions can trigger misconduct
  - "But we need not determine whether JJVC's failure to obtain and produce this data was intentional or merely accidental . . . even an accidental omission qualifies as misconduct under Rule 60(b)(3)"

- The complicity of the lawyer is not required to prevail on a Rule 60(b)(3) motion
  - "[W]e have previously affirmed a grant of a new trial under Rule 60(b)(3) in view of an expert's perjured testimony, even when it was undisputed that the party was unaware of the perjury."

    Rembrandt, 818 F.3d at 1328-29

Rembrandt Vision Techs. v. Johnson & Johnson Vision Care, 818 F.3d 1320, 1323 (Fed. Cir. 2016)

- Expert witnesses are "free agents." Parties and counsel have an obligation to correct statements they know to be false, but they are not responsible for the details of the witness's testimony

  - "The majority's conclusion also conflicts with long-settled evidence and professional responsibility rules"

    Rembrandt, 818 F.3d at 1335-36 (Dyk, J., dissenting) (citing Model Rule 3.3).

Considerations for Counsel

- Make sure you take reasonable steps to fully understand what your expert is doing to perform his or her analysis
- Make sure you know if your expert has any associates working on the report and analysis and, if so, what those associates are doing
- Help your expert find the best way to describe how he or she performed his or her analysis
- Pay attention not only to *what* your expert is saying but also *how* your expert is saying it

Hypothetical

- Innovator is sued for patent infringement. Expert witness is retained, and has impeccable qualifications in the field.
- Expert witness tells you that accused products do not meet certain claim limitations of asserted patents based on experiments he conducted, and will testify to that effect at trial.
- Expert witness states that he has extensive experience with scientific instrumentation used to assess potential infringement. Expert has analyzed the results and the analysis shows no literal infringement.
- What does Innovator need to do before presenting the Expert's testimony and testing results to satisfy their ethical obligations?

III. OTHER TYPES OF TESTIMONY

Gilead Scis., Inc. v. Merck & Co, Inc., 2016 WL 3143943, at *27-32 (N.D. Cal. June 6, 2016)

Facts

- In a patent litigation suit, Gilead sought to bar Merck from maintaining its suit based on the equitable defenses of waiver and unclean hands

- After a verdict of infringement, it was discovered that:
  - Inconsistent material testimony by in-house patent prosecution counsel made testimony suspect
  - Withdrawal of its patent counsel's testimony was not timely

Gilead Scis., Inc. v. Merck & Co, Inc., 2016 WL 3143943, at *27-32 (N.D. Cal. June 6, 2016).

Held

- Patents are unenforceable because of "misconduct … constituting unclean hands," such as:
  - In-house patent counsel learned of a competitor's confidential drug product and drafted claims to cover that product
  - The record reflected litigation misconduct, including contradictory and false testimony by patent counsel
  - Untimely disclosure to the court that patent counsel would recant his testimony

Hypothetical

- Innovator seeks to obtain patents directed to the administration of active compounds to treat hepatitis C through Company A. Innovator also explored a partnership with Company B during the same timeframe.

- Innovator's in-house patent counsel will be involved in collaboration with Company A, and will draft patent applications covering the research findings. Innovator expects the application(s) to mature into U.S. patents.

- Innovator's partnership with Company B involved the transfer of confidential materials, including the structure of Company B's lead compound for treatment of hepatitis C.

Chem. Eng'g Corp. v. Essef Indus., Inc., 795 F.2d 1565, 1570-71 (Fed. Cir. 1986)

Facts

- In patent litigation, Essef Industries moved in the district court for an award of reasonable costs and expenses for Chemical Engineering Corp.'s failure to admit that Essef's accused devices did not raise pH as required by claims in water treatment patents

- The district court granted the motion. The court specifically noted that:
  - "[T]here is evidence before this court that plaintiffs were aware that the device manufactured by [Essef] did not raise the pH of the water being treated"

Chem. Eng'g Corp. v. Essef Indus., Inc., 795 F.2d 1565, 1570-71 (Fed. Cir. 1986)

Held

- The district court was correct in rejecting CE's "attempt[] to excuse its refusal to admit, saying to have done so would have been to concede the absence of literal infringement"

- "The notion that CE was free to refuse to admit the truth because the truth might have defeated its lawsuit is contrary to the duty of candor owed the court" *Id.* at 1575 n.11 (citing Model Rule 3.3)

Considerations for Counsel

- Immediately notify the court when you realize that false testimony has been given
- Be especially careful when you have an attorney testify as a witness, whether as a fact witness or as an expert
- Pay attention to inconsistencies in what your witness or expert says
- If necessary, question your witness or expert off the record about testimony that seems like it could be false or misleading
- Acknowledge the truth even if it is bad for your case

Other Types of Testimony

- Fact Witnesses
  - Company executives
  - Former employees

- 30(b)(6) Testimony

Other Risks for Rule 3.3 Violations

- ***Quoting and Citing the Record***

- *Amstar Corp. v. Envirotech Corp.*, 730 F.2d 1476, 1486 (Fed. Cir. 1984)
  - "Distortion of the record, by deletion of critical language in quoting from the record, reflects a lack of the candor required by [Model Rule 3.3], wastes the time of the court and of opposing counsel, and imposes unnecessary costs on the parties . . . ."

Other Risks for Rule 3.3 Violations

- ***Selectively Quoting Materials***

- *Kloster Speedsteel AB v. Crucible Inc.*, 1986 WL 721181, at *20 n.17 (Fed. Cir. June 11, 1986)
  - "Quoting part of a statement out of context, while ignoring a portion that totally undermines the proposition for which the quote was offered, reflects a reprehensible and unprofessional dereliction of the duty of candor owed the court." (citing Model Rule 3.3)

Other Risks for Rule 3.3 Violations

- ***Ignoring Adverse Precedent***

- *In re Oximetrix, Inc.*, 748 F.2d 637, 643 (Fed. Cir. 1984)
  - "Oxco entirely ignores *Gravitt*, the very Supreme Court case cited by the district court and most closely on all fours with the present case, and cites cases clearly distinct from that before us, while cavalierly ignoring adverse language in the opinions filed in the cited cases" (citing Model Rule 3.3)

Hypothetical

- Innovator is sued by a patent assertion entity (PAE) for patent infringement. PAE claims that Innovator's method for producing certain chemical compounds infringes its patent. PAE notes that Innovator's method employs techniques implementing certain asserted claim limitations.

- Innovator's technical expert examined Innovator's method and will draft an affidavit stating that it does not infringe the asserted patent. The affidavit will accompany Innovator's Answer to PAE's Complaint.

- After further analysis of the test results, Innovator's expert will testify that Innovator's method for production of chemical compounds does produce trace amounts of byproduct, which may fall within the scope of asserted claims.

Final Thoughts

Questions?

WilmerHale has been accredited by the New York State and California State Continuing Legal Education Boards as a provider of continuing legal education. This program is being planned with the intention to offer CLE credit in California and non-transitional CLE credit in New York. This program, therefore, is being planned with the intention to offer CLE credit for experienced New York attorneys only. Attendees of this program will be able to claim England & Wales CPD for this program. WilmerHale is not an accredited provider of Virginia CLE, but we will apply for Virginia CLE credit if requested. The type and amount of credit awarded will be determined solely by the Virginia CLE Board. Attendees requesting CLE credit must attend the entire program.