The Sedona Conference Journal

Volume 5 2004

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Recommended Citation: Robert C. Morgan & Ashe P. Puri, *Expert Witnesses and Daubert Motions*, 5 SEDONA CONF. J. 15 (2004).

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EXPERT WITNESSES AND *DAUBERT* MOTIONS

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I. INTRODUCTION

Expert witnesses are critical in patent litigation, given the complexity of the technical and damages issues involved. While expert testimony in patent trials may not be as likely to involve "junk science" as some other areas of litigation, the requirements of Rule 702 F. R. Evid. must still be met and guidelines provided by *Daubert*[2], *Kumho*[3] and other authorities followed. Whether technical expert, damages expert or patent expert, counsel should consider how well his or her experts and proposed testimony will stand up to a *Daubert* motion challenge and whether the opposing party's experts may be subject to such a challenge and excluded. Whether to make a *Daubert* motion requires careful consideration of the proposed testimony, of the guiding authorities and of the tactical consequences of winning or losing such a motion.

II. RULE 702 FED. R. EVID.

Rule 702 F. R. Evid. provides:

> If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise, if (1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles and methods, and (3) the witness has applied the principles and methods reliably to the facts of the case.

The Rule appears straightforward. The proposed testimony must "assist the trier of fact," the witness must be qualified as an expert and the testimony must be appropriately based, the product of reliable principles and methods reliably applied. Some courts have summarized these criteria as "reliable and relevant" or as "reliability and fit." *Daubert*, 509 U.S. at 589-90; *KW Plastics* v. *United States Can Co.*, 131 F. Supp. 2d 1289, 1291 (M.D. Ala. 2001); *Aspex Eyewear, Inc.* v. *E'Lite Optik, Inc.*, No. 3:98-CV-2996-D, 2002 U.S. Dist. LEXIS 14834, at *90 (N.D. Tex. April 4, 2002). Rule 702 is not intended to make it difficult to admit expert testimony. Rather, courts have pointed out that expert testimony is best challenged through vigorous cross-examination. *Daubert*, 509 U.S. at 596; *Micro Chem.* v. *Lextron, Inc.,* 317 F.3d 1387, 1392 (Fed. Cir. 2003).

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2 *Daubert* v. *Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993).
3 *Kumho Tire Co.* v. *Carmichael*, 526 U.S. 137 (1999).

Daubert assigns to the trial court the gatekeeper role of determining whether proposed expert testimony meets the Rule 702 requirements, and *Kumho* establishes that the rule applies to testimony "of engineers and other experts who are not scientists." *Kumho*, 526 U.S. at 141. *Kumho* also establishes that various factors discussed in *Daubert* and *Kumho* for carrying out this gatekeeper role may or may not be pertinent to any particular case. If challenged, the proponent of the expert testimony must show that it meets the requirements of Rule 702 by a preponderance of the evidence. Fed. R. Evid. 702 Advisory Committee's note (2000) (citing *Bourjaily* v. *United States*, 483 U.S. 171 (1987)). Within these confines, the details of determining whether expert testimony meets the requirements of Rule 702 have been left to the discretion of the trial courts. *Gen. Elec. Co.* v. *Joiner*, 522 U.S. 136, 142 (1997).

The decisions concerning proffering one's own experts, as well as whether and how to challenge the other party's expert, are important trial strategy decisions.

III. THE PROPOSED EXPERT TESTIMONY MUST ASSIST THE TRIER OF FACT

The requirement that the "scientific, technical, or other specialized knowledge" of the expert witness "will assist the trier of fact" would seem to encompass all of the other Rule 702 criteria. *Daubert*, however, explained that this requirement "goes primarily to relevance." *Daubert*, 509 U.S. at 591.

A. A Witness Must Be Qualified As An Expert By Knowledge, Skill, Experience Or Education

The qualification requirement can be related to the requirement that expert testimony should be relevant, and thereby "assist the trier of fact." The witness should be qualified in the "scientific, technical, or other specialized knowledge" relevant to the issues to be determined by the trier of fact. It may be an easy matter in some cases to determine that the witness is not qualified. For example, a witness with education or experience only in mechanical devices should not be permitted to present expert opinion testimony where the issue is the operation of electronic circuitry. Such a witness is not qualified in scientific, technical, or other specialized knowledge which "will assist the trier of fact to understand the evidence or to determine a fact in issue." Similarly, a witness experienced in one kind of automotive clutch, but without any experience or knowledge concerning the type of clutch at issue, is not qualified. His testimony will not assist the jury. *Eaton Corp.* v. *Rockwell Int'l Corp.*, No. 97-421-JJF, 2001 U.S. Dist. LEXIS 17054, at *61-*64 (D. Del. Oct. 10, 2001).

On the other hand, a witness with "substantial credentials as an electrical engineer" has been held qualified to testify concerning an ultrasonic device having electrical circuitry for measuring the level of material in a bin or tank. *Endress + Hauser, Inc.* v. *Hawk Measurement Sys. Pty. Ltd.*, 122 F.3d 1040, 1042 (Fed. Cir. 1997). Even if the witness' expertise was not in ultrasonic measurement devices, issues to be determined related to electrical circuitry.[4]

Similarly, a witness may be qualified in one aspect of the facts to be decided, but not in others. So long as the witness has relevant, specialized knowledge and directs the expert testimony to that relevant specialized knowledge, the qualification requirement of Rule 702 and *Daubert* may be met. Testimony outside the area of expertise, even if directed to issues in

4 The *Endress* court also noted that an expert need not be one of ordinary skill in the art to be qualified.

the case, will be excluded. *City of Tuscaloosa* v. *Harcros Chems., Inc.*, 158 F.3d 548, 565 (11th Cir. 1998); *Buckley* v. *Airshield Corp.*, 116 F. Supp. 2d 658, 662 (D. Md. 2000).

B. The Weight To Be Given To Expert Testimony Based On Qualifications Can Be Determined By The Trier Of Fact

Because many disputes concerning qualifications are not clear cut, courts often resolve challenges to an expert's qualifications by noting that the fact finder can assess the witness' qualifications and weigh the expert's testimony accordingly. *Laser Indus., Ltd.* v. *Reliant Techs., Inc.* No. C96-00390 CW, 1998 U.S. Dist. LEXIS 23494, at *17-18 (N.D. Cal. Sept. 3, 1998). The purpose of Rule 702 and *Daubert* is to be sure the testimony will assist, not that the witness must have perfect qualifications. *Daubert,* 509 U.S. at 592-93; *Colon ex rel. Molina* v. *BIC USA, Inc.*, 199 F. Supp. 2d 53, 73 (S.D.N.Y. 2001). In defending against a *Daubert* challenge to qualifications, counsel would do well to focus on the ability of the expert to "assist the trier of fact," and the ability of the court or jury to assess the expert's qualifications, rather than engage in argument about narrow issues of specialization.

C. Patent Expert Testimony May Be Challenged For Not Assisting The Trier Of Fact

Some patent expert testimony may be subject to challenge as not assisting the trier of fact. Indeed, more and more courts are excluding the type of patent expert testimony that instructs in substantive patent law, and then tells the fact finder how to decide an issue based on the facts as the patent expert sees them.[5]

This type of patent expert testimony may seem relevant in that it bears on the issues the court or jury is to decide. But will it really "assist the trier of fact?" In a bench trial the court certainly knows the law, and in a jury trial the court will instruct the jury concerning the law. Instruction in the law by the patent expert is unnecessary in either event and, in a jury trial, can be confusing and misleading. In addition, on many issues as to which patent experts are proposed to testify, once the jury is instructed in the law by the court, the expert is in no better position to determine the issue than are the jurors. The patent expert's "specialized knowledge" about the practice of patent law or Patent Office procedures does not make him or her any more qualified than the court or jurors to assess the evidence and to determine, for example, whether a claim is infringed, or whether a party has committed inequitable conduct. *Buckley*, 116 F. Supp. 2d at 662.[6] The specialized patent knowledge of such a witness does not assist the jury.

There are areas where an experienced patent practitioner's specialized knowledge, or that of a former Patent and Trademark Office official, may assist the trier of fact. Explanation of Patent and Trademark Office rules and procedures may be helpful, although that role may be filled by preliminary jury instructions or the FJC video. Patent expert testimony has been provided in recent non-jury cases involving prosecution laches estoppel, where the reasonableness of delays in prosecution of an application in view of Patent and Trademark Office rules and procedures is at issue. A patent expert's proposed testimony should be carefully scrutinized, however, to ensure that it is testimony in which the witness' specialized knowledge will assist the trier of fact, and not simply be a way for trial counsel to present his or her view of the law and the facts in the form of expert testimony.

5 *Bausch & Lomb, Inc.* v. *Alcon Labs., Inc.*, 79 F. Supp. 2d 252, 254-59 (W.D.N.Y. 2000); *Aspex Eyewear*, 2002 U.S. Dist. LEXIS 14834, at *102-*03.

6 *See also Revlon Consumer Prods. Corp.* v. *L'Oreal S.A.*, No. 96-192 MMS, 1997 WL 158281, at *3 (D. Del. March 26, 1997) (finding that expert "may not testify as to substantive issues of patent law, including inequitable conduct"). Courts also have excluded expert testimony in non-patent cases where the jury was as capable as the expert to determine an issue. *Schwartz v. Fortune Magazine,* 193 F.R.D. 144, 147 (S.D.N.Y. 2000) (finding that expert's testimony was not based on any specialized knowledge, but rather involved basic calculations and therefore should be excluded under Rule 702 as unhelpful to the trier of fact).

D. Expert Testimony Based On Or Contrary To The Court's Claim Construction Rulings Should Be Excluded

Since *Markman*,[7] in nearly all patent cases the trial court provides its claim construction before trial. It should go without saying that expert testimony concerning validity or infringement which is based on a claim construction inconsistent with the court's construction should be excluded. Such testimony is not relevant to the issues to be decided by the trier of fact and cannot assist the trier of fact in determining those issues. Opposing experts' reports should be reviewed for this type of improper opinion and counsel should be ready to object if such an inconsistent opinion appears during trial testimony.

IV. EXPERT TESTIMONY MUST BE RELIABLE

A. The Testimony Should Be Based On Sufficient Facts Or Data

The courts have indicated that exclusion is not to be used as a be-all or end-all. Vigorous cross-examination and countering evidence and testimony should enable the jury to deal with "shaky but admissible" expert testimony. *Daubert*, 509 U.S. at 596; *Heller* v. *Shaw Indus., Inc.*, 167 F.3d 146, 152 (3d Cir. 1999) (stating "[c]learly, the [Supreme] Court envisioned cases in which expert testimony meets the *Daubert* standard yet is 'shaky,' and cases in which admissible expert testimony provides only a 'scintilla' of support for a claim or defense"). That does not mean, however, that counsel should not try to exclude testimony which has no basis in supporting facts or data.

The testimony of damages experts may be particularly subject to challenge on the basis of insufficient supporting facts or data. Damages claims in patent cases sometimes seem limited only by the imagination of the expert. Inflated claims can be attacked on cross-examination, but it may be better to seek to prevent them from being presented to a jury at all. A review of the cases suggests that trial courts may feel more comfortable delving into the bases for opinions related to economic issues and making decisions to exclude them, than in more technical, less familiar areas. Testimony of a damages expert may therefore prove a more fruitful target for challenge than that of a technical expert.

In a variety of contexts, courts have analyzed economic/damages expert testimony where the underlying facts and data do not, in the view of the court, support the expert's conclusions. For example, in a non-patent case, *Target Mkt. Publ'g, Inc.* v. *ADVO, Inc.*, 136 F.3d 1139, 1142-45 (7th Cir. 1998), the court reviewed the facts upon which an expert based a conclusion of lost profits. The expert testified that problems with the business would have been remedied and that the company could have penetrated certain marketing zones, with resulting revenues and profits. This sounds like the kind of lost profits testimony often proffered in patent cases. The court, however, had no trouble concluding that the remedying of problems was only an "assumption," as was the penetration into the marketing zones, and excluded the testimony. In *Boucher* v. *U.S. Suzuki Motor Corp.*, 73 F.3d 18, 21-22 (2d Cir. 1996), the appellate court determined that the trial court should have excluded damages testimony because the facts relied on by the expert did not support conclusions, rendering them "speculative assumptions." Likewise, in *Otis* v. *Doctor's Assocs., Inc.*, No. 94 C 4227, 1998 U.S. Dist. LEXIS 15414, at *18-19 (N.D. Ill. Sept. 10, 1998), the court excluded the testimony of the damages expert on the ground that, like the expert in *Target Mkt. Publ'g* v. *ADVO*, the expert based future lost profits damages on marketing plans and profit estimates generated by speculation and mere assumptions. [8]

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7 *Markman* v. *Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996).

8 In each of these cases, "vigorous cross-examination and competing evidence" could have been used to point out the lack of support for the expert's opinion. In *Boucher* v. *U.S. Suzuki Motor Corp.*, cross-examination, if used, was not successful at the trial court level but may have provided the record for the appellate court's decision.

Similarly, a trial court excluded reasonable royalty expert testimony in a cellular communications equipment case. The expert used the total minutes of customer cellular telephone use (a huge number) as the royalty base. There were no facts to support that analysis. Every license agreement in the field turned up by either side used the cost of the equipment as the base. No one had ever agreed to pay royalties based on minutes of customer use. *MLMC, Ltd.* v. *Airtouch Communications, Inc.*, No. 99-781-SLR, slip op. at 3 (D. Del. Nov. 9, 2001) (mem.).

The Federal Circuit, on the other hand, has approved reasonable royalty testimony where the plaintiff's expert based his *Georgia-Pacific*[9] hypothetical royalty negotiation testimony on contested facts. *Micro Chem.*, 317 F.3d at 1392. The court quoted the advisory committee's note (2000) to Rule 702, which states that "[t]he emphasis in the amendment on 'sufficient facts or data' is not intended to authorize a trial court to exclude an expert's testimony on the ground that the court believes one version of the facts and not the other." The court further recognized that defendants had ample opportunity to rebut the plaintiff's expert damages theory during cross-examination.[10]

To avoid a successful *Daubert* challenge on this basis, counsel should be careful to include in an expert witness statement the supporting facts for each of the expert's conclusions and opinions. The facts may be contested, but they should be sufficient to support a jury's verdict or trial court's findings.

B. The Expert Testimony Must Be The Product Of Reliable Principles And Methods

In *Daubert*, the Supreme Court was primarily concerned with evaluating the reliability of the principles and methodology employed by the experts, cautioning against "junk science." The court established as a precondition for admissibility a flexible list of guidelines for trial judges to consider ("*Daubert* factors"). *Daubert*, 509 U.S. at 592-93.

When applied in *Kumho*, the Supreme Court affirmed the trial court's decision to exclude the expert's testimony on the basis that the methodology employed by the petitioner's expert was unreliable. Although the expert was qualified to testify and his testimony concerning the failed automobile tire was based on sufficient facts and data, the methodology employed in determining the cause of the tire failure was suspect and grounds for exclusion. *Kumho*, 526 U.S. at 152-57.

In *Domingo* v. *T.K.*, 289 F.3d 600, 605-06 (9th Cir. 2002), the appellate court held that the trial court properly excluded the expert's testimony on the ground that the methodology employed was unreliable. In this medical malpractice case, the expert claimed that the medical procedure performed by the defendant caused the plaintiff to suffer brain damage. The appellate court affirmed the trial court's decision to exclude the testimony because it lacked "any objective source, peer review, clinical tests, establishment of an error rate or other evidence to show that [the expert] followed a valid, scientific method in developing his theory."

The question of methodology is less often at issue in patent cases, but cannot be ignored. The courts have not hesitated to exclude testimony where the methodology can be tested against the practice or views of the scientific community and found wanting. In

9 *Georgia-Pac. Corp.* v. *United States Plywood Corp.*, 318 F. Supp. 1116 (S.D.N.Y. 1970), *modified and aff'd*, 446 F.2d 295 (2d Cir. 1971).

10 In *Bio-Tech. Gen. Corp.* v. *Genentech, Inc.*, 267 F.3d 1325, 1330-31 (Fed. Cir. 2001), the court stated that "[w]hen scientific certainty is not available, and the scientific theories and evidence are within a reasonable range of difference of scientific opinion, resolution of such difference based on weight and credibility of evidence is the province of the trier of fact."

Carnegie Mellon Univ. v. *Hoffmann-LaRoche*, 55 F. Supp. 2d 1024, 1030-41 (N.D. Cal. 1999), the court excluded the testimony of the plaintiff's expert on the grounds that the methodology employed in determining the expression of an enzymatic activity (1) rested on unsound scientific standards within the scientific community; (2) was not subjected to peer review and publication; and (3) was not followed by at least a recognized minority of scientists in his field. In *SmithKline Beecham Corp.* v. *Apotex Corp.*, 247 F. Supp. 2d 1011, 1036-42 (N.D. Ill. 2003), although the court did not exclude the testimony in a non-jury trial, the court did apply a "sharp discount factor" to the testimony of two of the plaintiff's expert witnesses because their methodology was not in keeping with the methodology the experts used in their regular work.

Counsel should be very careful before creating restrictions on the methodology the expert may use. If those restrictions result in the expert doing a less thorough analysis than would be done in the normal course of his or her work, the result may be excluded testimony. *SmithKline Beecham*, 247 F. Supp. 2d at 1038-42 (discounting the testimony of the expert due, in part, to the lawyers' limitations placed on the expert's analysis).

The expert's methodology may also be tested against legal precedent. The entire patent damages analysis is by necessity hypothetical, whether a reasonable royalty determination or a "but for" lost profits analysis. If the methodology of reaching that hypothetical result is consistent with legal precedent, the testimony may be admitted. *Micro Chem.*, 317 F.3d at 1393.

When preparing an expert report and expert testimony, counsel should become familiar with the accepted methodologies in the relevant field and be sure that the expert's methodology is consistent. This may require independent study by counsel or consultation with other, non-testifying experts in the field. Counsel should also be familiar with the legal precedents in the field so that the expert may adopt, where possible, a methodology previously accepted by the courts.

V. WHICH IS BETTER? *DAUBERT* MOTION OR VIGOROUS CROSS-EXAMINATION

A tactical question for counsel is whether to seek to exclude questionable expert testimony by *Daubert* motion or to deal with it by "vigorous cross-examination." With the Rule 26, Fed. R. Civ. P. requirement for expert witness statements and expert depositions, the expert's proposed testimony is known before trial. Accordingly, some courts are requiring that *Daubert* motions be filed before trial with other pretrial motions such as motions *in limine*. Whether made before or during trial, if the *Daubert* motion fails, attack by cross-examination is still available. The witness and opposing counsel, of course, are then forewarned of the cross-examination to come. This would suggest that *Daubert* motions be used only where there is a significant chance of success.

Successful exclusion of the expert's entire proposed testimony is always preferable to running the risk that cross-examination will not persuade the jury of the expert's errors. The more difficult tactical question is when some, but not all, of the expert's testimony is questionable and could be excluded on motion. In that case, counsel should consider whether it may be more helpful to establish the lack of credibility of the expert through cross-examination of the questionable portion, than to preclude that portion by motion. Partial exclusion may result in an opposing expert appearing to the jury more reasonable and credible than would be the case if the questionable testimony were presented and effectively cross-examined.

Whether the case is tried to the court or to the jury is an important factor to consider. Cases suggest that in trial to the court, questionable expert testimony is more likely to be admitted, with the court assessing its weight and discounting it where appropriate. Except in the most clear cut case of inadmissibility, cross-examination and trial briefing may make *Daubert* motions an unnecessary expenditure of the client's funds and of the court's time.

VI. IN SUM, BE MINDFUL OF THE GATE

The trial court is the gatekeeper for expert testimony. Ensuring that one's own experts get through that gate and determining whether, and if so how, to try to have that gate closed on the opposing party's experts should be important considerations in every trial strategy. Counsel should be knowledgeable concerning Rule 702 and the technical and economic fields about which the parties' experts are to testify. Counsel can then ensure that their own experts will be properly qualified and that their testimony will be admissible and effective, while determining the best challenge to the opposing party's experts.