The Use of Expert Witnesses in Intellectual Property Disputes

At some point during the litigation of intellectual property disputes the parties will need to select experts to educate the judge and/or jury on the various technical/financial/ scientific issues that may arise in such cases.

The type of expert counsel retains will vary depending on the nature of the case. For example, in patent cases, in addition to deciding infringement issues, the judge or jury must potentially decide issues such as the ramifications of prior art found in earlier patents and in technical and scientific literature. Thus, patent litigators frequently retain technical and/or scientific experts in the area(s) covered by the patents to assist in explaining the scope of and ramifications of such prior art. Trademark lawyers frequently hire experts to prepare and take highly detailed consumer surveys on such issues as likelihood of confusion between the trademark owner's product or service and the alleged trademark infringer's product or service. Trademark survey experts can also conduct surveys on whether a brand is distinctive and recognized as such in the marketplace or whether the brand has become genericized. In trade secret cases, experts may opine on whether the alleged trade secret is in fact a trade secret, or whether it represents common industry knowledge. Experts in copyright cases may have to address a myriad of issues, depending on the copyrighted material: music, photography and other visual arts, or in published materials such as in articles, books, or online works. Of course, irrespective of the type of intellectual property case, each may require a separate expert to opine on damages and the applicability of any penalty or damages enhancements available to the aggrieved plaintiffs.

Testimony by experts

Whomever the expert, his or her testimony must comply with the Federal Rules of Evidence.

Under Federal Rule of Evidence 702, an expert can be permitted to testify about anything that "will assist the trier of fact to understand the evidence or to determine a fact in issue." The primary consideration for testimony under Rule 702 is "helpfulness." Rule 702 addresses the qualifications that can enable persons to testify as "experts." People who do not have formal education but have had practical experience within a field may testify as experts, as well as those who have the relevant formal education.

Rule 703 of the Federal Rules of Evidence sets forth the nature of the evidence, information or material upon which an expert can base his/her opinion. There are three sources of facts or data upon which the expert can rely: (a) facts or data perceived directly and independently by the experts; (b) facts or data made known to the expert at trial; and (c) facts or data made known to the expert before the trial.

Rule 704 of the Federal Rules of Evidence allows an expert to provide an opinion on the ultimate issue of fact.

In patent cases, the issues of validity, invalidity, obviousness, non-obviousness, infringement, non-infringement, willfulness and other issues are all matters that can be considered as "ultimate issues" to be decided by the trier of fact.

In trademark cases, the expert may express opinions on such ultimate issues as the validity of the trademark/ trademark registration and whether a trademark has become generic. They may also testify on whether there has been trademark, service mark, or trade dress infringement and conduct false advertising and brand confusion surveys and analyses. They may also testify on and provide additional insights on secondary meaning, distinctiveness, and trademark present and future values.

In copyright cases, experts can testify on ultimate issues such as whether there is a valid copyright and copyright notice and whether there has been infringement (copying) of the relevant material, as well as on copyright damages.

Rule 705 of the Federal Rules of Evidence permits an expert to give opinion testimony, together with giving reasons therefore, without prior disclosure of the underlying facts or data. The expert may set forth qualifications and then proceed directly to the opinion, followed by an explanation of the basis for that opinion.

Rule 706 (Court Appointed Experts) of the Federal Rules of Evidence recognizes that there are instances where the court needs its own assistance in dealing with technical issues. For example, a busy trial judge faced with complex technology may require independent education or analysis if it is to understand the technology before the trial. In addition, a court may find it helpful in determining a motion for summary judgment in a patent case to obtain an independent explanation of the technology and assistance in understanding the positions of the parties.

Damages experts

If the liability phase has been concluded in favor of the intellectual property owner and the patent has been held valid, enforceable and one or more of its claims infringed, or, likewise, the trademark or copyright is deemed valid and infringed, then damages are assessed. Economic experts can testify during trial (if the case is not one where trials on liability and damages are bifurcated) on such matters as the profits lost by the IP owner, assuming the measure of damages is "lost profits." If the measure of damages is a reasonable royalty, a damages expert can be helpful in explaining how licenses are negotiated. Copyright cases provide for ranges of so-called statutory damages, which are available if certain conditions are met. Experts can testify what the appropriate damages amount would be in that case. In addition, some cases permit the assessment of attorneys' fees and costs, as well as a damage multiplier. Experts may be used to support such an assessment, including commentary on the reasonableness of the attorney's fees for the relevant market.

Retain experts early in the dispute process

It is never too early to involve experts in your case. For example, a damages expert may provide early value to both parties in assessing what types of accounting and financial information should be produced during discovery. An early damages assessment may be of especial benefit to the plaintiff, to help estimate realistic damages recovery. Such intelligence will go far in informed decision-making regarding settlement and dispute strategies.

A scientific expert may be called upon relatively early in a patent case to assist in the organization and content of a technical tutorial to assist the court in that part of a patent case in which the judge "construes" or identifies the meaning of any allegedly unclear terms in the patent(s) being asserted. Claim construction is an important step because it is the language of the claims that may determine whether the accused products infringe. Thus, early use of a technical expert may be invaluable in setting the stage for ultimate success.