PRACTICAL CONSIDERATIONS OF WORKING WITH EXPERTS IN TRADE SECRET LITIGATION

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Hilda Galvan practices in the area of intellectual property law, including patent, trademark, copyright, trade secret, and unfair competition, and has worked with such diverse technologies as computer software, specialized mobile radio technology, semiconductor processing techniques, semiconductor memory designs, car speakers, offshore oil and gas platforms, optic lenses, and soft drink preparation systems. Hilda has substantial litigation experience, particularly in patent litigation matters in various federal and appellate courts, including the International Trade Commission (ITC). She has also developed a growing practice in trademark litigation, with an emphasis on domestic and foreign protection.

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I. INTRODUCTION

This paper will attempt to address some of the issues that may arise when working with expert witnesses in trade secret cases, particularly as it may concern communications with expert witnesses and discovery of those communications. This paper does not address the admissibility of expert testimony as the scope of this topic requires its own paper.

II. ROLE OF EXPERT WITNESS

A. The Use of Expert Witnesses In Trade Secret Cases

1. One of the distinctive characteristics of a modern trial is the extensive reliance upon expert testimony to carry the burden of persuading the jury to reach a particular result. The outcome of the so-called “battle of the experts” frequently determines the resolution of the trial. Consequently the selection of the expert may be crucial to the outcome—whether a case is won or lost often is determined by which side has most effectively chosen and presented expert testimony.

2. The most frequent types of trials involving experts are tort cases (49%), primarily those involving personal injury or medical malpractice. Christina L. Studebaker et al., Judge and Attorney Experiences, Practices, and Concerns Regarding Expert Testimony in Federal Civil Trials, 8 Psychol. Pub.Pol’y & L. 309, 317-318 (September 2002). Tort cases are followed in frequency by civil rights cases (23%); contract cases (23%); intellectual property cases (10%); labor cases (2%); prisoner cases (2%) and other civil cases (8%). Experts are overrepresented in intellectual property cases which represent 3% of all civil trials. Id.

3. While experts in intellectual property cases are used primarily in patent cases, they are also used in other intellectual property cases, including trade secret litigation. In trade secret cases, technical experts are used to determine whether the information at issues is in fact a trade secret or whether it is known in the industry. Technical experts are also used to determine if there was a misappropriation of a trade secret; in other words, whether there was independent development. DSC Communications Corp. v. Next Level Communications, 107 F.3d 322 (5th Cir. 1997).

B. Categories of Experts In Trade Secret Cases

1. Lawsuits based on misappropriation of trade secrets are governed by state law. Even so, trade secret cases are typically in federal court because the misappropriation claims are usually joined with other claims such as patent or copyright infringement or due to diversity jurisdiction.

a. In federal court, Rule 26 governs expert witness testimony and discovery. Rule 26(b)(4) divides experts into at least three classes and deals separately with each: (1) testifying expert; (2) consulting experts (the facts and opinions of experts in this category can be discovered only on a showing of exceptional circumstances); and (3) experts whose information was not acquired in preparation for trial (This class, which includes both regular employees of a party not specially employed on the case and also experts who were actors or viewers of the occurrences that gave right to suit. All facts and opinions are freely discoverable as with any ordinary witness.)

b. An expert is identified as a testifying expert pursuant to Rule 26 at the times and in the sequence directed by the Court. In the absence of a court order or the parties stipulation, the expert is identified and the required disclosures are made at least 90 days before the trial date. If the evidence is intended solely to contradict or rebut evidence on the same subject matter identified by another party, then the disclosures must be made within 30 days after the disclosure made by the other party.

c. In Texas state court, there are three categories of experts: consulting expert, reviewed-consulting expert and testifying expert. TEX. R. CIV. P. 192. A “consulting-only expert” is defined as “an expert who has consulted, retained, or specially employed by a party in anticipation of litigation or in preparation for trial, but who is not a testifying expert.” TEX. R. CIV. P. 192.7(d). A reviewed-
consulting expert is a consulting expert whose opinion or impressions have been reviewed by the testifying expert. TEX. R. CIV. P. 192.3(e). A testifying expert is defined as "an expert who may be called to testify as an expert witness at trial. TEX. R. CIV. P. 192.7(c).

d. An expert in Texas state court is designated as a testifying expert through a request for disclosure under Tex. R. Civ. P. 194.1 and through depositions and reports permitted under Tex. R. Civ. P. 195. A party must designate experts by the later of 30 days after the request is served or 90 days before the end of the discovery period as to experts testifying for a party seeking affirmative relief; or 60 days before the end of the discovery period as to all other experts. TEX. R. CIV. P. 195.2. A party may redesignate an expert from a testifying expert to a consulting expert so long as there is no evidence that the redesignation was for an improper purpose. Such redesignation of experts should not be "an offensive and unacceptable use of discovery mechanisms intended to defeat the salutary objectives of discovery." Tom L. Scott, Inc. v. McIlhaney, 798 S.W.2d 556, 559 (Tex. 1990)(orig. proceeding); see also Lopez v. Martin, 10 S.W.3d 790, 795 (Tex. App.--Corpus Christi 2000, pet. denied).

e. The role of the testifying expert is "to assist the trier of fact to understand the evidence," Fed. R. Evid. 702. The expert must remain independent of the client: "A duty to advance a client's objectives diligently through all lawful measures, which is inherent in a client-lawyer relationship, is inconsistent with the duty of a testifying expert." ABA Standing Comm. On Prof. Conduct, Formal Op. 97-407 (1997).

f. The role of the consulting expert is to provide expertise and to assist the attorneys with developing positions.

III. COMMUNICATIONS WITH EXPERTS

A. Confidential Information of Client

1. What confidential information should be given to an expert?

a. Model Rules of Professional Conduct 1.6:

(1) A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).

b. Texas Disciplinary Rules of Professional Conduct 1.05:

(1) "Confidential information" includes both "privileged information" and "unprivileged client information." "Privileged information" refers to the information of a client protected by the lawyer-client privilege of Rule 503 of the Texas Rules of Evidence or of Rule 503 of the Texas Rules of Criminal Evidence or by principles of attorney-client privilege governed by Rule 501 of the Federal Rules of Evidence for United States Courts and Magistrates. "Unprivileged client information" means all information relating to a client or furnished by the client, other than privileged information, acquired by the lawyer during the course of or by reason of the representation of the client.

2. What duty of confidence does the expert owe to the client?

a. Restatement (Second) Of Agency § 395:

Unless otherwise agreed, an agent is subject to a duty to the principal not to use or to communicate information confidentially given him by the principal or acquired by him during the course of or on account of his agency..."
b. Ask the expert to preserve the client’s confidential information.

c. Enter into a written retention agreement:


(2) Acknowledgement that expert is receiving confidential information and of expert’s obligation to treat the information as confidential

(3) No potentially adverse engagements at least for the duration of the retention

d. If the expert is a testifying expert, he or she may have to disclose confidential information in the course of discovery.

B. Confidential Information of Adverse Party

1. Can you talk to someone’s expert ex parte?

a. Generally, it is not permissible for an attorney to talk to someone’s expert ex parte. In Texas, it is a violation of the Texas Rules of Professional Conduct for an attorney to communicate with the adverse party’s expert. Texas Rule 4.02(b) “Communication with One Represented by Counsel” provides:

   In representing a client a lawyer shall not communicate or cause another to communicate about the subject of representation with a person or organization a lawyer knows to be employed or retained for the purpose of conferring with or advising another lawyer about the subject of the representation, unless the lawyer has the consent of the other lawyer or is authorized by law to do so.

Comment 3 clarifies that experts indeed fall within the ambit of this rule. See also Cramer v. Sabine Transportation Co., 141 F.Supp.2d 727 (S.D. Tex. 2001). In Alabama state court, on the other hand, it is permissible for an attorney to contact and communicate with an expert employed by an opposing party, if the matter is not pending in federal court or in any other jurisdiction that has adopted an expert discovery rule patterned after Rule 26(a). Opinions of the General Counsel, Attorney’s Right to Communicate with Opposing Party’s Expert Witness, 63 ALLAW 22 (2002); see also Romine v. Medicenters of America, Inc., 476 So.2d 51 (Ala. 1985).

b. Although the ABA Model Rules of Professional Conduct do not expressly prohibit ex parte contacts with a retained expert, the ABA Committee on Ethics and Professional Responsibility has issued an opinion that explains that such conduct may violate the Model Rules. See ABA Comm. on Ethics and Professional Responsibility, Formal Op. 93-378 (1993). The courts that find that this conduct violates the Model Rules interpret Rule 26 as prohibiting ex parte communications because the only means by which expert discovery can take place is through a deposition. Erickson v. Newmar Corp., 87 F.3d 298 (9th Cir. 1996) (relying on former Rule 26(a) found that defense lawyer who contacted pro se plaintiff’s expert witness on morning of expert’s deposition and offered employment in unrelated matter acted unethically

c. What if the expert is a former employee? The American Bar Association Standing Committee on Ethics and Professional Responsibility issued Formal Opinion 91-359 issued an opinion that addressed “whether a lawyer representing a client in a matter adverse to a corporate party that is represented by another lawyer may, without the consent of the corporation’s lawyer, communicate about the subject of the representation with an unrepresented former employee of the corporate party.” The Committee concluded that such contacts are not prohibited by Rule 4.2. The Committee placed two limitations on its decision. First, it cautioned that contacting attorneys must be careful not to induce unrepresented former employees to disclose information protected by the target’s attorney-client privilege. Second, the Committee warned that contacting lawyers must comply with Rule 4.3, which requires a contacting attorney to disclose the identity of his client, the fact that the target party may be adverse to the contacting lawyer’s client, and the nature of the contacting lawyer’s role in the matter. ABA Comm. on Ethics and Professional Responsibility, Formal Op. 91-359 (1991)

2. Can you hire an expert that may have confidential information of the adverse party?

a. Although the ethics rules do specifically address whether a party can hire an expert that may have confidential information of the adverse party, at least one court has relied on the ethics rules to find that such conduct is impermissible. American Protection Insurance Co. v. MGM Grand Hotel, 748 F.2d 1293, 1301 (9th Cir.1984)(“a corollary of the attorney’s duty not to reveal confidences of a client is the duty not to seek to cause another to do so.”)
Practical Considerations of Working with Experts in Trade Secret Litigation

b. The risk of hiring such an expert is the risk of disqualification. The courts have generally used a two-prong test to determine of an expert should be disqualified:

(i) Was it objectively reasonable for the first party who claims to have retained the expert to conclude that a confidential relationship existed?

(ii) Was any confidential or privileged information disclosed by the first party to the expert?

Koch Refining Co. v. Jennifer L. Boudreaux MV, 85 F.3d 1178, 1181 (5th Cir. 1996)

(1) The seminal case is Paul By and Through Paul v. Rawlings Sporting Goods Co., 123 F.R.D. 271 (S.D. Ohio 1988). In that case, Rawling's counsel retained a professor at the University of California at Berkeley to consult with Rawlings concerning baseball helmet design. Counsel also consulted with the professor about the pending lawsuit, but it was unclear the professor realized he was being retained in a specific case and no written agreement governed the parties' relationship. Some time later, the professor was approached by, and agreed to work for, plaintiff's counsel. The defendant sought to exclude the expert claiming a conflict of interest existed. The Court framed the question as (1) whether there was a relationship (whether contract or not) that gave rise to an objectively reasonable expectation that the defendant could impart, without risk, confidential information; (2) did the defendant do so; and (3) did plaintiff use that information to the defendant's disadvantage. The Court noted that a formal contract setting forth the obligations of the expert would have gone a long way toward helping the defendants' position. Absent such a formal agreement, the Court looked at the available evidence and, finding a lack of evidence that substantial confidential information had been imparted, declined to disqualify the expert.

(2) Wang Laboratories, Inc. v. Toshiba Corp., 762 F.Supp. 1246 (E.D.Va. 1991). Expert witness was engaged by plaintiff in patent infringement lawsuit to furnish opinion on the validity of the patents that were in suit. The expert was sent materials including outline of prosecution history and had multiple calls with plaintiff's counsel. The expert subsequently concluded that the patents were invalid so he was not interested in serving as an expert. Defendant Toshiba hired the expert to provide testimony on validity of patents. The court disqualified the expert.

(3) Koch Refining Co. v. Jennifer L. Boudreaux MV, 85 F.3d 1178, 1181 (5th Cir. 1996) Barge interests were suing tug interests for negligent towing; tug interests were suing for limitation of liability. Vinas was retained as an expert by Continental (barge's insurer) in its insurance dispute with OTC and 5801. Vitas provided two expert reports to Continental before Continental settled with 5801 and OC.

c. Disqualification is far less likely where nothing more is shown than a single meeting exploring the possibility of retaining the expert. Mayer v. Dell, 139 F.R.D.1 (D.D.C. 1992)(no disqualification where there was only one meeting between the expert and plaintiff's counsel, and this single meeting was no more than a consultation to permit the parties to determine whether the expert might later be retained); Palmer v. Ozbek, 144 F.R.D. 66 (D. Md. 1992)(no disqualification where the sole contact was a two-hour meeting between the expert and two of plaintiff’s experts at which plaintiff’s attorney was not present.)

d. These factors include whether there was a confidentiality agreement, whether the expert accepted a retainer, whether the parties entered into a written contract, whether the expert did a significant amount of work before the relationship terminated, whether or not an opinion was rendered by the expert to the party or the party’s attorney, and the nature of the information furnished to the expert.

(1) In Cordy v. Sherwin-Williams Co., 156 F.R.D. 575 (D.N.J. 1994), the court relied on these factors in determining that defendants' expert should be disqualified: the expert had accepted a retainer from plaintiff and entered into a written contract, had obtained information that was clearly confidential, billed for 28 hours of work, and rendered an oral opinion. According to the court, it was of no import that the expert later returned the retainer, that there was no confidentiality agreement of any kind, nor that a written opinion was never provided.

(2) No disqualification even though there were multiple meetings and confidential information was disclosed because attorneys failed to insist on confidentiality agreement, failed to tell expert they were disclosing privileged information and failed to heed expert's warnings not to disclose such information. Advanced Cardiovascular Systems, Inc. v. Medtronic, Inc., 47 U.S.P.Q.2d 1536 (N.D. Cal. 1998)
e. A recent patent decision involving conflicts of interest is *Chamberlain Group, Inc. v. Interlogix, Inc.*, 2002 WL 653893 (N.D. Ill. 2002). In that case, the plaintiff, Chamberlain, moved to designate an expert who had previously worked for the defendant on prior, unrelated patent litigation. The Court followed the two-prong test: (i) had a confidential or fiduciary relationship developed and (ii) was confidential information exchanged. The Court found no grounds for disqualification. In rejecting the disqualification motion, the Court also rejected the somewhat novel argument that additional grounds existed for disqualification existed because the expert had been exposed to the defendant’s trial strategies in the prior litigation. The Court noted that “disclosure of a party’s legal position and contentions to a testifying expert” is not privileged.

f. Parties have sought to enjoin their former employees from consulting with their adversaries in litigation by alleging obligations of confidentiality, basing their claims on common law trade secret protection, employment confidentiality agreements, and attorney-client privilege and work product doctrine.

(1) *Wang Lab. v. CFR Associates inc.*, 125 F.R.D. 10 (D. Mass. 1989). The court disqualified the plaintiff’s former employee from serving as the defendant’s expert with respect to any matters encompassed by the former employee’s confidentiality agreement. The court found that the former employee’s expertise on the Wang patent was based on information he gained during his employment at Wang and that there was an indication that the former employee was hired by the defendants precisely because of his past employment with Wang. The court also issued a protective order to prevent the defendant from showing the expert any confidential documents produced by the plaintiff because former employee was currently consulting for companies about products that competed with Wang. See also *Space Systems/Loral v. Martin Marietta Corp.*, 1995 WL 686369 (N.D. Cal. 1995).

(2) *American Motors Corp. v. Huffstutler*, 575 N.E.2D 116 (Ohio 1991). The Supreme Court reinstated an injunction prohibiting the former employee from consulting or testifying as a witness in any product liability litigation, already filed or filed in the future, involving American Motors. The former employee, Huffstutler, was an engineer at AMC and worked intimately with the legal department and its outside retained counsel in products liability cases involving the AMC Jeep, particularly rollover claims. The Ohio Supreme Court concluded that Huffstutler was at a minimum an agent acting on behalf of legal counsel to AMC, and therefore he was “subject to all the legal implications of the attorney-client and work product privileges.” But see *Frehauf Trailer Corp. v. Hagelthorn*, 528 N.W.2D 778 (Mich. App. 1995), where court found that Hagelthorn, a former Frehauf engineer, was not functioning as an attorney or as an agent of Frehauf’s counsel while employed at Frehauf.

In re Relators *Bell Helicopter Textron, Inc.*, 87 S.W.2D 139 (Tex.Ct. App. - Fort Worth 2002). Consulting expert was a former employee of Bell Helicopter and in her capacity as an employee had worked with the in-house lawyers to develop strategies for defending against lawsuits that arose out of helicopter crashes. The plaintiff was suing Bell Helicopter for damages caused by a Bell 412 helicopter crash. Defendant Bell moved to disqualify counsel because the consulting expert had possession of Bell’s work product and confidential information. The court disqualified the expert and the attorneys.

IV. EXPERT TESTIMONY

A. Preparation of Expert Report

1. Expert’s opinion should be his or her independent testimony.

a. Unlike attorneys, expert witnesses do not owe a duty of loyalty to their clients. “A duty to advance a client’s objectives diligently through all lawful measures, which is inherent in a client-lawyer relationship, is inconsistent with the duty of a testifying expert.” ABA Standing Committee on Professional Conduct, Formal Op. 97-407 (1997).

b. What if the expert’s answers to the tough questions are wrong? What if you suspect that the expert’s good answer is not completely honest? If the lawyer knows the testimony is invalid or fraudulent, the lawyer’s obligation is to prevent the expert witness’s testimony from entering the court.

(1) Texas Rule 3.03(a): A lawyer shall not knowingly (1) make a false statement of material fact or law to a tribunal; or (5) offer or use evidence that the lawyer knows to be false.

(2) Texas Rule 3.03(b): If a lawyer has offered material evidence and comes to know of its falsity, the lawyer shall make a good faith effort to persuade the client to authorize the lawyer to correct or withdraw the false evidence. If such efforts are unsuccessful, the lawyer shall take...
reasonable remedial measures, including disclosure of the true facts.

(3) Model Rules 3.4: A lawyer shall not: (b) falsify evidence, counsel or assist a witness to testify falsely, or offer an inducement to a witness that is prohibited by law;

2. Assistance is Permissible.

a. Model Rules 3.03 & 3.08

b. An attorney may provide assistance to the expert in the preparation of the expert report. In Abrams v. Anheuser Busch, Inc., 811 F.Supp. 848 (E.D.N.Y 1993), the defendant sought to exclude the testimony of the state’s expert because the report was actually written and edited by the state’s attorney. The court did not exclude the expert’s testimony, but stated that it damaged the expert’s credibility seriously and reduced the weight the court gave it. In Occulto v. Adamar of New Jersey, Inc., 125 F.R.D. 611 (D. N.J. 1989), the attorney completely drafted the expert’s opinion to which the expert then signed his name. The attorney sent the opinion and noted that the expert should retype the opinion on his own stationary. The court ordered the production of the attorney’s letter and commented that both the expert’s ad the attorney’s credibility was seriously damaged.

c. In Texas state court, an expert report is not required. A court may, however, order the expert to reduce to tangible form any discoverable factual observations, tests, supporting data, calculations, photographs or opinions of the expert. Tex. R. Civ. P. 195.5. When a party seeking affirmative relief produces an expert report, this report triggers the designation of the other party’s expert. Tex. R. Civ. P. 195.3(b).

3. Sufficiency of Disclosure

a. The disclosure requirements are designed to eliminate unfair surprise. The report must contain the following:

(1) A complete statement of all opinions to be expressed and the basis and reasons for the opinion. Opinions not disclosed in the report may be excluded. Under Rule 37(c)(1), a party who, without substantial justification, fails to disclose information required by Rule 26, shall not be permitted to use as evidence at trial any witness or information not disclosed. The sanction under Rule 37 is automatic and mandatory unless the party sanctioned can show that its violation of Rule 26(a) was either justified or harmless. Mid-American Tablewares v. Mogi Trading Co., Ltd., 100 F.3d 1353, 1363 (7th Cir. 1996). The exclusion of expert testimony based on a party’s failure to properly and timely designate experts is to be guided by the consideration of four factors: (1) the importance of the evidence or the witness’ testimony; (2) the potential prejudice to the opposing party of allowing the testimony; (3) the possibility of curing such prejudice by granting a continuance; and (4) the explanation, if any, for the party’s failure to identify the witness or evidence. Seymour v. Consolidated Freightways, 187 F.R.D. 541 (S.D. Miss. 1999); Texas Instruments, Inc. v. Hyundai Elecs. Indus. Co., 50 F. Supp. 2d 619 (E.D. Tex. 1999). Courts may excuse the failure to submit an expert report if it finds that the failure was justified or there was no prejudice suffered by the party entitled to the expert disclosure. The fact that the opposing side’s report does not comply with Rule 26 is not an excuse for non-compliance. Smith v. State Farm Fire & Casualty Co., 16 F.R.D. 49 (S.D. W. Va. 1995).

(2) Rule 26(a)(2)(B) requires that the report contain the data or other information considered by the expert in forming his or her opinion. This means all information the expert considered, read, observed or relied upon in reaching his or her opinion, no merely the information relied upon by the expert.

(3) The report shall disclose any exhibits to used as a summary or support of the expert’s opinions. Counsel should make certain that demonstrative exhibits are not precluded by a failure to disclose.

(4) The report must set forth the qualifications of the expert and must contain a listing of nay other cases in which the expert has testified as an expert at trial or by deposition within the preceding four years. The cost or difficulty in preparing a list of other cases does not excuse non-compliance with the requirement. Palmer v. Rhodes Machinery, 187 F.R.D. 653 (N.D. Okla. 1999). The conclusions or opinions offered in unrelated litigation do not, however, fall within the scope of Rule 26 discovery. Trunk v. Midwest Rubber and Supply Co., 175 F.R.D. (D. Colo. 1997).

b. Supplementation under Rule 26(e) means correcting inaccuracies or filling the interstices of an incomplete report based on information that
B. Discovery of Experts

1. Discovery of Drafts


b. Courts have pointed to three primary justifications for requiring production of experts' preliminary reports. BDF Oil Refining, Inc. v. Consolidated Edison Co. of New York, Inc., 171 F.R.D. 57, 66 (S.D.N.Y. 1997). The first is the recognition that such information is vital to cross-examination. The second is the acknowledgement that, when an attorney willing shares sensitive information with third parties, the core precepts of the work product privilege are no longer implicated. Finally, courts have cited the benefits of having a bright-line rule regarding the issue to minimize the time and expense wasted on discovery battles.

c. The case most often cited as authority for severely restricting access to attorney-expert communications, Bogosian v. Gulf Oil Corp., 738 F.2D 587, 592 (3d Cir. 1984), was decided before the 1993 amendments to the Rule 26. Subsequent courts have held to the minority position by contending that no "clear statement" is present in Rule 26 that would authorize overriding work product concerns. Krisa v. Equitable Life Assurance Soc'y, 196 F.R.D. 254, 260 (M.D. Pa. 2000); see also Haworth Inc. v. Harman Miller Inc., 162 F.R.D. 289 (W.D. Mich. 1995) (holding that communications between counsel and the testifying expert are not discoverable).

(1) New Jersey adopted a rule that grants work product protection to "communications between counsel and the expert constituting the collaborative process in preparation of the report, including all preliminary or draft reports produced during this process." N.J. R. Civ. P. 4:10-2(d)(1) (amended July 12, 2002).

d. What constitutes a draft? The transmission of a version between an expert and the retaining attorney or another person or a communication potentially affecting the report by the retaining attorney or any person other than the expert. W.R. Grace & Co. v. Zotos Int'l Inc., 2000 WL 1843258 at *5 (W.D.N.Y. 2000). In WR Grace, the court relied upon this principle and upon an expansive view of the matters to be disclosed to require production of the following: preliminary drafts of an expert's report e-mailed from the expert to the attorney, the expert's diary entries regarding the facts of the case, a memorandum from the expert to the non-disclosing attorney, and a facsimile transmission from the expert to the attorney. The WR Grace court properly recognized that "the exchange of documents between counsel and [the expert] raises an issue of the extent to which [the expert's] final report represents [the expert's] own product or that of [the non-disclosing attorney]." The key event that should trigger the disclosure requirement is the transmission of information, not whether it is exchanged in paper, oral, or electronic form, and whether or not the transmission is from the expert to the attorney or vice-versa.

e. Ask your testifying experts not to prepare written reports (including 'draft' or 'tentative' reports) until after they confer with you personally by phone. This will give you a chance for input before they commit themselves to a discoverable writing!

f. Keep in mind, however, that your conversations with the expert may themselves be discoverable.
g. At least for non-testifying experts (other than those working at the direction of the testifying counsel), the recent decision in Trigon suggests a greater degree of caution may be appropriate. Trigon was a taxpayer suit against the United States, in which the government retained Analysis Group/Economics (AGE) as a litigation consultant and elected to use two employees affiliated with AGE as testifying experts. In the course of their work as a non-testifying or consulting expert, AGE communicated with the testifying experts and participated extensively in the preparation of the expert reports. However, neither AGE nor the testifying experts retained many of the communications between AGE and the testifying experts; furthermore, several drafts of the expert reports were not retained. This was not viewed as significant at the time because "normally the internal communications within a firm acting as a litigation consulting expert would not fall within the expert disclosure requirements of Rule 26(a)(2)(B)." However, the district court, taking an unusually expansive view of the mandatory disclosure obligations, found that AGE's failure to retain the drafts and communications was improper--and in fact, rose to the level of a sanctionable offense. 204 F.R.D. at 290-91.

2. Discovery of Attorney-Expert Communications

a. There is tension between the work product doctrine of Rule 26(b)(3) and the expert disclosure requirement of Rule 26(b)(4). The question is whether the duty of disclosure of expert testimony mandated by Rule 26(a)(2)(B) includes the duty to disclose material provided to the expert by the party's attorney that the expert "considered" in forming his or her opinions and that also contain "mental impressions, conclusions, opinions or legal theories of an attorney" protected from discovery. The Courts have given different answers to the question, but there appears to be a trend in favor of disclosure. In re Pioneer Hi-Bred Int'l., Inc., 238 F.3d 1370, 1375 (Fed. Cir. 2001)("The revised rule proceeds on the assumption that fundamental fairness requires disclosure of all information supplied to a testifying expert in connection with his testimony."); Hewlett-Packard Co. v. Baush & Lomb, Inc., 116 F.R.D. 533 (N.D. Cal. 1987)("[Attorneys in patent cases] might argue that [expert witness] declarations like the one in issue here are the product of intense and very private dialogue between retained expert and lawyer, a dialogue in which the expert contributes the raw data and the lawyer packages it into a form that is likely to go the farthest toward satisfying the relevant legal standard."); Intermedics, Inc. v. Ventritex, Inc., 139 F.R.D. 384 (N.D. Cal. 1991)(mandating wide disclosure of attorney-expert communications). But see Krista v Equitable Life Assurance Soc'y, 196 F.R.D. 254. (M.D. Pa. 2000)(holding that documents containing "core work product" information were protected by the attorney client privilege in spite of disclosure to an expert and suggesting that an attorney's handwritten notes on an expert report would also be protected from disclosure of discovery by the work product doctrine)

b. Rule 26 Advisory Committee's Note (1993):

1993 amendment was designed to require production of all materials divulged to experts despite any claims of privilege or other protection.

c. Rule 26(b)(4)(B) precludes the discovery of facts known or opinions held by a non-testifying expert except upon a showing of exceptional circumstances. However, the opinions of non-testifying or consulting experts may be subject to discovery when the testifying expert relies upon or considers the reports and opinion of the consulting expert in reaching his or her conclusion. Trigon Ins. v. United States, 204 F.R.D. 277 (E.D. Va. 2001); Heitmann v. Concrete Pipe Machinery, 98 F.R.D. 740 (1983)

d. Bio-Rad Labs., Inc. v. Pharmacia, Inc., 130 F.R.D. 116 (N.D. Cal. 1990). Patent infringement case in which patent attorney who prepared and prosecuted the patent in suit later worked as "consultant." At time of deposition, no decision had been made as to whether to call him as a witness at trial. Fundamental issue: opinion of prior art during prosecution v. now. Because hired as expert, waived work product protection. Unclear if different result had witness been identified as consultant rather than testifying expert during deposition

e. If person is both consultant and testifying expert, work product related to the person in his or her "consultant " role is protected from discovery if it can be segregated from the work done in an expert capacity. Construction Industry Services Corp. v. Hanover Ins. Co., 206 F.R.D. 43, 45 (E.D.N.Y. 2001)

f. The policy behind the consulting expert privilege is to encourage parties to seek expert advice in evaluating their case and to prevent a party from receiving undue benefit from an adversary's efforts and diligence. Tom L. Scott, Inc. v. McIlhaney, 798 S.W.2d 556, 559 (Tex. 1990)(original proceeding).
3. Depositions of Experts

a. The three key questions about expert depositions in federal court are: (1) Do you depose? (2) If so, what do you need to know; and (3) what don't you want to know. Because Rule 26(a) report freezes the experts' testimony to their reported opinions and sources and thus eliminates the need for a deposition to accomplish that — but also because taking a deposition can allow an expert to expound beyond the bounds of his report. If an expert volunteers new or different opinions, data or exhibits in a deposition, that may cure their omission for the expert's Rule 26(a) report. If a deposition is taken, asking the question “do you have any other opinions in this case that we have not discussed” opens the door to the expert expounding beyond the bounds of his report.

b. In preparing a witness for deposition, a lawyer must balance the ethical obligations set out in the professional rules of conduct with the lawyer's responsibility to zealously pursue his or her client's best interest.

(1) Model Rules of Professional Conduct 3.3 Candor Toward the Tribunal:

(a) A lawyer shall not knowingly:

(1) make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the lawyer;

(2) fail to disclose to the tribunal legal authority in the controlling jurisdiction known to the lawyer to be directly adverse to the position of the client and not disclosed by opposing counsel; or

(3) 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. A lawyer may refuse to offer evidence, other than the testimony of a defendant in a criminal matter, that the lawyer reasonably believes is false.

(b) A lawyer who represents a client in an adjudicatory proceeding and who knows that a person intends to engage, is engaging or has engaged in criminal or fraudulent conduct related to the proceeding shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.

(c) The duties stated in paragraphs (a) and (b) continue to the conclusion of the proceeding, and apply even if compliance requires disclosure of information otherwise protected by Rule 1.6.

(d) In an ex parte proceeding, a lawyer shall inform the tribunal of all material facts known to the lawyer that will enable the tribunal to make an informed decision, whether or not the facts are adverse.

(2) Model Rules of Professional Conduct 3.4 Fairness to Opposing Party and Counsel

A lawyer shall not:

(b) falsify evidence, counsel or assist a witness to testify falsely, or offer an inducement to a witness that is prohibited by law;

See also Texas Disciplinary Rules of Professional Conduct 3.4:

A lawyer shall not:

(a) unlawfully obstruct another party's access to evidence; in anticipation of a dispute unlawfully alter, destroy or conceal a document or other material that a competent lawyer would believe has potential or actual evidentiary value; or counsel or assist another person to do any such act.

(b) falsify evidence, counsel or assist a witness to testify falsely, or pay, offer to pay, or acquiesce in the offer or payment of compensation to a witness or other entity contingent upon the content of the testimony of the witness or the outcome of the case.

One of the first steps for a lawyer preparing a witness to testify is to advise the witness to tell the truth. Texas Disciplinary Rule 3.04, entitled "Fairness In Adjudicatory Proceedings," has particular relevance to this task. The rule states a lawyer shall not:
(a) Unlawfully obstruct another party's access to evidence; in anticipation of a dispute unlawfully alter, destroy or conceal a document or other material that a competent lawyer would believe has potential or actual evidentiary value; or counsel or assist another person to do any such act.

(b) falsify evidence, counsel or assist a witness to testify falsely, or pay, offer to pay, or acquiesce in the offer or payment of compensation to a witness or other entity contingent upon the content of the testimony of the witness or the outcome of the case.

(c) knowingly disobey, or advise the client to disobey, an obligation under the standing rules of or a ruling by a tribunal except for an open refusal based either on an assertion that no valid obligation exists or on the client's willingness to accept any sanctions arising from such disobedience.

c. It is not unethical for a lawyer to assist an expert to prepare for trial or deposition. A lawyer, however, may not instruct a witness how to testify. Model Rule 3.1 cmt. 1.