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# **Expert Evidence**

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## *Introduction*

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- “...there can be no doubt that testimony is daily received in our courts as ‘scientific evidence’ to which it is almost profanation to apply the term; as being revolting to common sense, and inconsistent with the commonest honesty on the part of those by whom it is given.”

S L Phipson, *Best on Evidence*, 12<sup>th</sup> edition, 1922.

## *Introduction*

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- “An expert is just some guy from out of town.”

Mark Twain

## ***Relevance of expert evidence in patent cases***

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- Validity (Patent Office and Federal Court):
  - Entitlement: identification of inventive concept in comparison to prior art?
  - Full description of best method?
  - Clarity?
  - Fair basis?
  - What is common general knowledge?
  - Novelty: construction of claims and prior art?
  - Inventive or obvious step?
  - Utility?

## *Relevance of expert evidence in patent cases*

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- Infringement:
  - Essential or inessential integers?
  - Construction of claim – comparison to respondent's product or method?
  - Making or repairing?
  - Assessment of damages or profits?

## ***Inadmissibility of opinion evidence***

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- As a general rule, witnesses must give evidence of FACTS, not OPINIONS.
- That is, opinion evidence is inadmissible.
- This is the case both under:
  - the common law; and
  - statute – s 76 of the *Evidence Act 1995* (Cth); *Evidence Act 2008* (Vic)
- BUT there is an exception for the opinions of experts.

## ***Admissibility: S 79 Evidence Act***

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### **79 Exception—opinions based on specialised knowledge**

**(1) If a person has specialised knowledge based on the person's training, study or experience, the opinion rule does not apply to evidence of an opinion of that person that is wholly or substantially based on that knowledge.**

## ***Admissibility: Makita (Aust) PL v Sprowles (2001) 52 NSWLR 705***

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- Heydon JA, at [85]:

For expert evidence to be admissible:

(a) there must be a field of "specialised knowledge";

(b) there must be an identified aspect of that field in which the witness demonstrates that by reason of specified training, study or experience, the witness has become an expert;

(c) the opinion proffered must be "wholly or substantially based on the witness's expert knowledge";

## ***Makita (Aust) PL v Sprowles (2001) 52 NSWLR 705***

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- Heydon JA, at [85] (cont.):

(d) so far as the opinion is based on facts "observed" by the expert, they must be identified and admissibly proved by the expert, and so far as the opinion is based on "assumed" or "accepted" facts, they must be identified and proved in some other way;

(e) it must be established that the facts on which the opinion is based form a proper foundation for it; and

(f) the scientific or other intellectual basis of the conclusions reached must be demonstrated: that is, the expert's evidence must explain how his/her field of specialised knowledge applies to the facts to produce the opinion.

## ***Makita (Aust) PL v Sprowles (2001) 52 NSWLR 705***

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- Heydon JA, at [85] (cont.):

If these criteria are not met, the evidence is strictly speaking not admissible, and so far as it is admissible, of diminished weight.

See also *Ocean Marine Mutual Insurance Association (Europe) OV v Jetoplay Pty Ltd* [2000] FCA 1463 at [21]-[23] per Black CJ, Cooper and Emmett JJ.

## ***Federal Court Practice Note CM7 on Expert Witnesses***

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- The rules and procedural steps relating to expert evidence vary slightly from jurisdiction to jurisdiction. The focus in this presentation is on the Federal Court of Australia.
- FCA Practice Note CM 7 – *Expert Witnesses in Proceedings in the Federal Court of Australia* (25 September 2009)
  - Should be given to expert witnesses at the time of engagement;
  - Explains that the overriding duty is to the Court;
  - Sets out the required form of expert reports;
- C.f. Expert Witness Code of Conduct (Vic Sup Ct)

## ***Duty to the Court – an expert is not an advocate***

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- Expert should understand that their overriding duty is to the Court – not to your client!
- See Goldberg J in *Qantas Airways Ltd* [2004] ACompT 9 at [221]:

*Generally, whether an expert's opinion is confined to his or her area of expertise and whether experts state the factual basis upon which they have formed their opinion, are useful considerations in determining at what point an expert witness ceases to be impartial and has moved beyond the bounds of legitimacy into advocating for a party.*

*Another indicator is the willingness of an expert to respond to questions whose answers may provide support for a view which is contrary to the interests of the party calling them.*

## Qantas Airways Ltd [2004] ACompT 9 (cont)

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- And regarding the particular witnesses in that case, at [222]:  
*[they] appeared reluctant to respond to questions whose answers might have been adverse to the case put by the party calling them. Instead, they provided non-responsive answers and deviated to discussions of other issues which supported the case of [their clients] respectively.*

*On some occasions, the presiding member asked the experts whether they could answer the question put to them and asked them not to give a long explanation, but to no avail.*

*Such an attitude and conduct of an expert witness leads to a conclusion of partiality and an inability to express an objective expert opinion upon which reliance can be placed.*

## ***Form of the expert's report***

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- Must include details of the expert's qualifications and of the literature or other material used in preparing the report;
- Must include statements:
  - of expert's qualifications;
  - of all literature and other material relied upon in preparing the report;
  - attesting that all relevant inquiries etc have been made and reported to the Court;
  - of the questions asked of the expert;
  - of the assumptions of fact made;
  - of reasons for each opinion given;
  - any qualifications.

## ***Changes of opinion***

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- If, at any time after the exchange of reports, the expert changes a material opinion for any reason (e.g. after reading another expert's report), that change of view must be communicated to the other party and, if appropriate, the Court.

## ***Involvement of lawyers in preparation of experts' reports***

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- Need for care
- Inappropriate involvement can undermine the weight given to the expert evidence
- See, for example, *Cobram Laundry Services Pty Ltd v Murray Goulburn Co-operative Co Ltd* [2000] VSC 353 (Warren J):
  - Defendant's expert witness made an early draft report which was more favourable to the plaintiff
  - Expert altered opinion after discussions with solicitors
  - Court required production of early draft – not privileged
  - Court found expert's approach "tainted" by the solicitors
  - Court preferred plaintiff's expert

## *Preparing instructions to experts – some general points*

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- Instructions to experts are NOT PRIVILEGED.
- Further, instructions MUST be disclosed in the expert's report.
- So, be extremely careful what you give to an expert as part of his or her instructions.
- In particular, give attention to whether earlier expert opinions should be provided
- REMEMBER: The expert, when giving evidence, is OBLIGED to disclose not simply the instructions he was given but also the facts, matters and presumptions upon which the report is based.

## ***Preparing instructions to experts – some general points***

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- Instructions should be clear and unequivocal.
- Instructions should not include any drafts of witness statements of other witnesses.
- If an opinion is to be based on assumptions, those assumptions should be clearly set out.
- To the extent that legal concepts need to be explained (e.g. inventive step), the explanations must be neutral.
- It may be prudent to have counsel settle the instructions to the expert.

## ***Preparing instructions to experts – a checklist***

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- Instructions should:
  - Identify parties to the dispute;
  - Attach copies of relevant documents (ensuring no privileged docs are included);
  - Require expert to set out relevant experience (usually by attaching or incorporating CV);
  - Ask for the opinion – most commonly by requesting answers to a question or series of questions;
  - Require identification of the documents, facts, assumptions and reasoning upon which the opinion is based;
  - Include guidelines as to required form;
  - Attach relevant code of conduct.

## ***“Settling” expert reports***

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- Legal input to experts’ reports must be fully disclosed
- As a general rule, lawyers should not draft the expert’s report nor should they be involved in “settling” beyond issues of expression, form and admissibility
- Failure to follow this advice may result in the various drafts being called for and ordered to be produced. See, for example:
  - *Phosphate Cooperative Co v Shears* [1989] VR 665;
  - *Interchase Corp v Grosvenor Hill (Qld) Pty Ltd (No 1)* [1999] 1 Qd R 141;
  - *ASIC v Southcorp* [2003] FCA 804;
  - *Temwell* [2003] FCA 948.

## ***Experts' reports – pre-exchange checklist***

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- Before an expert's report is filed (or exchanged with the other side), check the following:
  - Is the opinion expressed based wholly or substantially on the witness's expert knowledge?
  - If the opinion is based on assumed or accepted facts, are those identified? And are they proved or capable of being proved?
  - Has the witness explained how his or her field of specialist knowledge has been used to produce the opinion?

## ***Strategic issues:***

### ***Should expert evidence always be met with expert evidence?***

- It depends
- It may be that:
  - The other side's expert will not stand up to XXN; or
  - The other side's expert report is inadmissible; or
  - Further expert evidence will be unhelpful.
- A general rule (if there is one) might be to only call expert evidence when it is absolutely necessary.
- If the facts can be proved by lay evidence, then that will generally be the better course.

## ***Strategic issues:***

### ***Do you need two sets of experts?***

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- Consideration of the foregoing leads to the view that it may sometimes be appropriate to engage two sets of experts:
  - One to provide advice to those conducting the litigation; and
  - One to provide evidence for the litigation.

## ***Expert evidence in forms other than writing***

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- In *Gambro Pty Ltd v Fresenius Medical Care* (2004) 61 IPR 442, it was considered that a tape-recorded discussion between the solicitor and the expert was a very useful way to receive the expert evidence.

## ***Forms other than writing – HOT TUB – as fun as it sounds?***

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- All experts are sworn and give evidence in the same session
- Rules are very flexible
- Bench exerts much more control over the presentation of evidence – parties can lose control of the process



## ***Concurrent evidence – HOT TUB – Pre-trial***

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- In the Federal Court, the procedure for the giving concurrent (hot tub) evidence is generally that after the experts' reports have been exchanged, orders are made (at a directions hearing) that they confer, without lawyers, to produce a joint report setting out their areas of agreement and disagreement with reasons as to why they disagree (see, e..g. *APRA v Monster Communications Pty Ltd* (2006) 71 IPR 212).
- This will sometimes serve to narrow the issues.

## ***Concurrent evidence – HOT TUB – At the trial***

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- At the trial:
  - The experts sit together and share a single microphone;
  - One is invited to present the principal issues, as he or she sees them, in his or her own words;
  - Each of the other experts can then make comments or ask questions;
  - Counsel is then invited to identify the areas upon which they intend to cross-examine;
  - Each of those topics is then addressed in turn.
  - Counsel may ask “their own” expert to comment on answers given by the other expert(s).

## ***Concurrent evidence – HOT TUB – some comments***

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- There are advantages and disadvantages of concurrent evidence and whether it is suitable to a particular case will depend on the facts and law of that case.
- Justice Rares, a staunch advocate of the hot tub, has suggested that it may not be appropriate in patent cases because those cases typically turn on conflicts within a particular field of expertise.
- In his view, in patent cases a court appointed expert (or assessor) may be preferred.

## ***Court appointed experts***

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- It is within the power of the Federal Court to appoint its own expert (Order 34, *Federal Court Rules*) – though, in practice, this is rare.
- Perhaps this is because, as Sir George Jessel MR lamented in a patent case 130 years ago:

“It is very difficult to do so sometimes. First of all the Court has to find an unbiased expert. That is very difficult.”
- As to the circumstances in which this discretionary power to appoint should be exercised, see *Tyler v Thomas* (2006) 150 FCR 357 (FCAFC).