NEW YORK LAW JOURNAL

Tuesday, October 15, 2002

Objections Raised Over Technical Advisors

Judges Have Power to Use Them but Rules and Case Law Offer Little Guidance on Their Role

By Joseph Ferraro

The Federal Circuit has given a yellow light to the appointment of technical advisors to aid the district courts if in exceptional cases. Such advisors, who do not testify and are not subject to the restrictions imposed on court-appointed expert witnesses by Rule 706 of the Federal Rules of Evidence, can provide general technical instruction and assist the court in under standing the evidence. In *TechSearch, LLC v. Intel Corporation*,[1] the U.S. Court of Appeals for the Federal Circuit, applying Ninth Circuit law, concluded that the district court had not abused its discretion in consulting a technical advisor, but warned that appellate courts would need to take a "hard look" at future district court decisions to be sure that such advisors have not been misused.

In *TechSearch*, the plaintiff asserted Infringement of a patent relating to computer microprocessor design. After the *Markman* hearing, the district judge appointed a technical advisor "to acquaint the judge with the jargon and theory disclosed by the testimony and to help think through certain of the critical technical problems." After considering submissions from the parties, the district court granted summary judgment of non-infringement. On appeal, the plaintiff argued that the district court had abrogated its authority by allowing the technical advisor to decide disputed issues of fact.

The majority of the Federal Circuit panel discussed the role and propriety of technical advisors at length, and concluded that the district court had not abused its discretion in appointing and consulting a technical advisor. Judge Timothy B. Dyk, who concurred in the decision, agreed with the panel's treatment of the technical advisor issue with one reservation. He believed that the district judge had, in fact, relied too heavily on the technical advisor, but that there were adequate alternative grounds for a ruling of non-infringement, unaffected by the technical advisor's work, to sustain the ruling.

The Federal Circuit's opinion provides detailed and valuable guidance to courts and litigants on the appropriate use of technical advisors, but leaves some important questions unanswered. Thus, the court implicitly rejected the suggestion that the district courts could treat such advisors as specialized "law clerks"; it emphasized that the district courts should employ such advisors sparingly; and it recommended a number of procedural safeguards for the district courts to employ in the appointment and use of technical advisors to insure the fairness and transparency of the proceedings and to insure that decisions are based solely on evidence in the record. Because the court applied the law of the regional circuit, however, it left open the possibility that different rules might

be applied to such advisors in different venues, and it did not resolve the question of how much detail the district court will need to include in the record in order to demonstrate to the appellate court that the advisor has complied with the suggested guidelines.

Inherent Authority

Rule 706 of the Federal Rules of Evidence allows the district court to appoint an expert witness of its own selection and to call such a witness to give testimony. Court-appointed expert witnesses, however, are required to notify the parties of their findings; the parties may take their depositions; and, if they are called to testify, they "shall be subject to cross examination by each party, including the party calling the witness."[2]

Unlike court-appointed expert witnesses, technical advisors are not required to make findings or report their opinions, nor are they subject to deposition or cross examination. Because of the danger that such advisors might improperly influence the decision-making process by supplying off-the-record evidence and advice to the court, litigants have lodged vigorous objections to their use, and have contended in particular that the rules permit the use of expert witnesses, but not the use of non-testifying advisors.

The courts have uniformly held, however, that Rule 706 did not supplant the court's "inherent power" to appoint technical advisors. In *Reilly v. United States*,[3] the U.S. Court of Appeals for the First Circuit concluded that the courts retained such inherent power and distinguished technical advisors from court-appointed expert witnesses, pointing out that, "an advisor, by definition, is called upon to make no findings and to supply no evidence."

In *General Elec. Co. v. Joiner*,[4] U.S. Supreme Court Justice Stephen Breyer, suggested that courts could obtain assistance in dealing with scientific or technical evidence by appointing special masters or specially trained law clerks, who would presumably be free to communicate informally and ex parte with the court.

In *Ass'n of Mexican Am. Educators v. California*,[5] the Ninth Circuit agreed that "district courts retain inherent authority to appoint technical advisors in appropriate cases." In *TechSearch*, the Federal Circuit, too, concluded that, "in those limited cases where the scientific complexity of the technology is such that the district court may require the assistance of a technical advisor to aid in understanding the complex technology underlying the patent, it has the inherent authority to appoint such an advisor."

Using Technical Advisors

While the courts have agreed that the district courts have the power to appoint advisors, neither the federal rules nor the case law provided explicit guidance as to how they should be used, or as to how the appellate courts could be sure that the advisors had not improperly influenced the district court. In *TechSearch*, the Federal Circuit attempted to do so. While the Federal Circuit relied on the en banc opinion of the Ninth Circuit in *Ass'n of Mexican Am. Educators* to find authority for the appointment of technical advisors and for the standard of review to be applied, it relied more heavily on Judge A. Wallace Tashima's dissenting opinion in that case as a basis for predicting what procedural safe guards the Ninth Circuit would require for the use of technical advisors.

In *Ass'n of Mexican Am. Educators*, the district court had appointed a technical advisor who had not been required to submit a report, was not called as an expert witness and had not been subject to cross examination. The district judge stated at one point that he intended to call the advisor as an expert witness, but he never did so. The Ninth Circuit acknowledged that there was a "relative paucity of information in the record about Dr. Klein's interaction with the district court," but held that, in the absence of evidence to the contrary, it would assume that the district court had done its job properly and that the advisor had not impermissibly influenced the court's decision.[6]

The Ninth Circuit noted that Judge Tashima, in dissent, had proposed a list of procedures for the district courts to follow in using technical advisors, but stated that these guidelines are required nowhere in the rules or relevant case law."[7]

The Federal Circuit took note of the Ninth Circuit's unwillingness to adopt the guidelines suggested by Judge Tashima in the case before it, but attributed this unwillingness to the court's reluctance to unnecessarily "undo" the trial. It recognized, however, the need "to establish some definable safeguards for future cases." It found those safeguards largely in Judge Tashima's dissenting opinion.

In general, the Federal Circuit suggested, the procedural safeguards should be sufficient to insulate the judicial process from "undue influence by the technical advisor and to ensure that the technical advisor's role is properly limited to a tutoring function and providing technical education and background information in the technology to the court."[8] The court emphasized that technical advisors should be used "sparingly, and then only in exceptionally technically complicated cases." It also implicitly rejected. the suggestion that technical advisors could be treated as specially trained law clerks.

Citing Judge Tashima's dissent in *Ass'n of Mexican Am. Educators*, the court noted that "a judge can filter out 'bad' legal advice or research from a law clerk; he or she is ill- equipped, however, to do the same with 'bad' technical advice." The specific guidelines suggested by the Federal Circuit apply to four phases of the advisor's employment: the appointment process; defining the advisor's role; limiting the advisor's use of material outside the record; and making a record of the advisor's work.

The Appointment Process

The appointment process should be designed to insure that the advisor is neutral and well-qualified. In *TechSearch*, the Federal Circuit suggested that a list of candidates could be compiled from nominations by the parties and suggestions from the court. The court may or may not seek nominations from the parties, but should certainly provide the parties with notice of its intention to appoint a technical advisor, should reveal the identity and qualifications of the proposed advisor to the parties, and should provide them with the opportunity to object to any proposed candidate on the basis of bias, partiality or lack of qualifications.

In *Ass'n of Mexican Am. Educators*, the district court provided the parties with the advisor's curriculum vitae, and allowed them to submit written interrogatories to him concerning his experience and background, although, according to Judge Tashima, the district court did not adequately address the parties' objections.

Defining the Role

The advisor's role should be clearly defined and limited. The Federal Circuit suggests that this should be done in a writing disclosed to all parties.[9] The court also suggests that the advisor should submit affidavits before undertaking his work and after completing it, attesting that the advisor "has complied with these safeguards, operated within the scope of his or her assignment, and confined his or her information sources to the record."[10] Judge Tashima would have required something even more specific, such as an explanation from the district court as to which technical concepts it finds troubling, so that the advisor's role could be limited to helping the court understand those issues.

In *TechSearch*, the advisor had agreed that he would not engage in independent investigation, provide evidence to the court or contact any of the parties or witnesses. The court also undertook to identify any material relied on by the advisor other than that submitted by the parties or that which persons knowledgeable about the field would expect to rely on, and the court stated that the advisor would submit affidavits before and after doing his work attesting to his understanding of the terms of the court's order appointing him and his compliance with its terms. Although the advisor failed to certify his compliance with the order, the Federal Circuit concluded that this was not reversible error, in view of the care which the court took to ensure that the advisor would not exercise improper influence over the court.[11]

The Record

Guarding against extra-record information appears to be one of the most difficult of the guidelines to comply with, although clearly one of the most important. The Federal Circuit suggests that the court should make it clear to the advisor that "any advice that he or she gives to the court cannot be based on extra-record information, except that the advisor may rely on his or her own technology specific knowledge and back ground in educating the district court."[12] Given that the advisor's detailed conversations with the court will not be recorded, it will be hard to know whether the advisor, in relying on something he or she considers to be simply part of his or her general back ground, may in fact be expressing an opinion on a disputed issue.

Although the district court might find a free-wheeling, unstructured discussion with the expert to be most useful in helping it to understand the technology, the parties cannot effectively object, and the appellate court cannot effectively review unless there is a fairly informative record of what the advisor has told the court. The Federal Circuit suggests that there should be a report or record making explicit "the nature and content of the technical advisor's tutelage concerning the technology." Some courts, likening the technical advisor to a law clerk, have reasoned that the exchanges between the advisor and the court maybe kept confidential.

The Federal Circuit appears to have rejected that reasoning implicitly. Judge Tashima responded to it more explicitly in his dissent in *Ass'n of Mexican Am. Educators*. He notes, "In some important respects, a technical advisor is quite unlike a law clerk. A law clerk's function is to aid the judge in researching legal issues in cases pending before the court. Because the judge is an expert in the law, and fully understands legal theory and analyses, it is unlikely, to say the least, that a law clerk will impermissibly usurp the judicial function. On the other hand, a technical advisor is

brought in precisely because the judge is not familiar with the complex, technical issues presented in the case."[13] Thus, while the advisor and the district court may engage in ex parte communications, at least the substance of those communications should be memorialized and disclosed to the parties and to the reviewing court.

Conclusion

As noted earlier, the Federal Circuit applied Ninth Circuit law in *TechSearch*, but the court found no explicit guidance in that circuit's case law as to how technical advisors should be used. Because the court felt that there was a need for such guidance in future cases, it tried to predict what standards and guidelines the Ninth Circuit would have adopted if called upon to do so. Thus, it is likely that, given the absence of specific guidelines in other circuits as well, the Federal Circuit will apply the *TechSearch* safeguards to other patent cases in which the district courts have relied on technical advisors.

Although the guidelines are far more helpful than the simple "abuse of discretion" standard that would generally be applicable in the absence of specific guidelines, they are still general enough to require the development of specific mechanisms and forms for individual cases. The general principles, however, are clear: the use of technical advisors should be reserved for unusually difficult cases; the court should insure the appointment of neutral and qualified advisors; the court should carefully define and limit the advisor's role; the advisor should not rely on evidence outside the record; and the advisor's work should be documented.

*

Joseph Ferraro is a partner in the intel1ectual properly and technology law group of Clifford Chance US LLP.

---

[1] 286 F.3d 1360 (Fed. dr. 2002).
[2] Fed. K. Evict. Rule 706.
[3] 863 F. 2d 149 (1st dir. 1988).
[4] 522 U.S. 136(1997).
[5] 231 F.3d 572, 591 (9th Or. 2000) (en banc).
[6] 286 F.3d at 1378.
[7] 231 F.3dat 591.
[8] 286 F.3d at 1378-79.
[9] 231 F.3d at 612 (Tashima, J., dissenting).
[10] 286 F.3d at 1379.
[11] 231 F.3d at 613.
[12] 256F.3dat 1380.81.
[13] 231 F.3d at 613.