Amendments to Fed. R. Civ. P. 26
Alter the Disclosure Rules for Trademark Survey Experts

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On December 1, 2010, revisions to Federal Rule of Civil Procedure 26 came into effect that will change the way litigants deal with experts. In trademark litigation, survey experts have become invaluable to building a successful case. Working with an expert who will testify at trial presents practical challenges, however, in protecting the interactions between the expert and litigation counsel from discovery. Frequently, attempted discovery of these interactions leads to significant, and costly, disputes. The recent revisions to the Federal Rules attempt to limit discovery of these interactions.

Revisions to Rule 26(a)(2)(B)(ii) and 26(b)(4): Work-product Protection for Draft Expert Reports and Communications Between Attorney and Expert

Rule 26(a)(2)(B)(ii) has been revised slightly, but in an important practical way: the report prepared by an expert must now include the "facts or data ~~or other information~~ considered by the witness."

The addition of subsections (B) and (C) to Rule 26(b)(4) grants greater protection from discovery to draft reports and communications with experts in litigation.

Specifically, they provide:

> (B) *Trial-Preparation Protection for Draft Reports or Disclosures*. Rules 26(b)(3)(A)[1] and (B) protect drafts of any report or disclosure required under Rule 26(a)(2), regardless of the form in which the draft is recorded.
>
> (C) *Trial-Preparation Protection for Communications Between a Party's Attorney and Expert Witnesses*. Rules 26(b)(3)(A) and (B) protect communications between the party's

[1] Essentially, the embodiment of the work-product doctrine.

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> attorney and any witness required to provide a report under Rule 26(a)(2)(B), regardless of the form of the communications, except to the extent that the communications:
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> > (i) relate to compensation for the expert's study or testimony;
> >
> > (ii) identify facts or data that the party's attorney provided and that the expert considered in forming the opinions to be expressed; or
> >
> > (iii) identify assumptions that the party's attorney provided and that the expert relied on in forming the opinions to be expressed.

As the Report of the Civil Rules Advisory Committee notes, the prior version of the expert discovery rules resulted in the "widespread practice [of] permitting discovery of all communications between attorney and expert witness." This caused needless discovery disputes as attorneys sought discovery of all "other information" considered by the expert witness, including communications between the other side's attorneys and their expert.

Additionally, it has become relatively common to use a consulting expert to help develop a survey and then turn over the end result to a testifying expert to prevent the discovery of discussions between counsel and the expert during the development stage of the survey. In its Report to the Supreme Court on the changes to Rule 26, the Judicial Conference described the current state of affairs as follows:

> Lawyers and experts take elaborate steps to avoid creating any discoverable record and at the same time take elaborate steps to attempt to discover the other side's drafts and communications. The artificial and wasteful discovery-avoidance practices include lawyers hiring two sets of experts – one for consultation, to do the work and develop the opinions, and one to provide the testimony – to avoid creating a discoverable record of the collaborative interaction with the experts. The practices also include tortuous steps to avoid having the expert take any notes, make any record of preliminary analyses or opinions, or produce any draft report. Instead, the only record is a single, final report. These steps add to the costs and burdens of discovery, impede the efficient and proper use of experts by both sides, needlessly lengthen depositions, detract from cross-examination into the merits of the expert's opinions, make some qualified individuals unwilling to serve as experts, and can reduce the quality of the experts' work.

New subsections (B) and (C) clarify that only facts and data provided by a party's attorney and considered by the expert, or assumptions provided by the attorney and relied on by the expert may be discovered. Thus, for purposes of interacting with a trademark survey expert, it likely is no longer necessary to disclose e-mails with the expert that discuss survey methodology or exchanges of draft reports.

Will these changes eliminate the use of consulting experts? Arguably not, because the results of a pilot survey, that is a preliminary survey used to determine whether a chosen survey methodology supports a particular theory of confusion, constitute "data" considered by an expert.

Addition of New Rule 26(a)(2)(C): Disclosure of "No-Report" Expert Witnesses

New Rule 26(a)(2)(C) provides:

> *Witnesses Who Do Not Provide a Written Report*. Unless otherwise stipulated or ordered by the court, if the witness is not required to provide a written report, this disclosure[2] must state:
>
> > (i) the subject matter on which the witness is expected to present evidence under Federal Rule of Evidence 702, 703, or 705; and
> >
> > (ii) a summary of the facts and opinions to which the witness is expected to testify.

This revision should have no effect on trademark litigation with respect to the use of survey experts. Testifying survey experts always are "retained…to provide expert testimony in the case" as provided in Rule 26(a)(2)(B) and, therefore, always must prepare and produce a report. A consulting survey expert and any documents or data he or she generates still will not have to be disclosed because they fall outside the "witness it may use at trial" requirement of Rule 26(a)(2)(A). New Rule 26(a)(2)(C) does not change the underlying principle that only testifying experts need provide any kind of report.

However, if a party intends to rely on an internal marketing or industry expert, i.e., an employee of the party who will be presented to the trier of fact as an expert in the field or the manner in which the products at issue are marketed, now their testimony may have to be disclosed in a report prior to trial. Arguably, reports from such witnesses were unnecessary until this revision. Now, to the extent a party wants to use such an employee as an expert witness, a brief report, as described subsections (i) and (ii), may have to be prepared and produced to the other side.

Overall, these revisions should make it easier and less costly to work with trademark survey experts, but they do not fundamentally alter how many attorneys will approach the use of consulting and testifying experts.

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[2] Referring to the required disclosure of testifying experts and production of expert report under Fed. R. Civ. P. 26(a)(2)(A)-(B).