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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ORACLE AMERICA, INC.,
Plaintiff,
v.
GOOGLE INC.,
Defendant.

No. C 10-03561 WHA

**ORDER STRIKING
IMPROPER REPLY
EXPERT REPORTS**

INTRODUCTION

In this patent and copyright infringement action, the instant issue is whether, after the opening damages report and the opposition damages report, may a reply to the opposition be served by a brand-new expert in addition to a reply by the original opening expert. The answer is no. This litigation maneuver will not be allowed and the reply by the new expert will be stricken.

STATEMENT

The facts of this action have been set forth in previous orders (*see* Dkt. Nos. 137, 230, 433). The November 2010 case management scheduling order provided the following general guidance regarding expert reports (Dkt. No. 56 at 2):

1 Subject to the exception in the next paragraph, the last date for
 2 designation of expert testimony and disclosure of full expert
 3 reports under FRCP 26(a)(2) as to any issue on which a party has
 4 the burden of proof (“opening reports”) shall be **JULY 29, 2011**.
 5 Within **FOURTEEN CALENDAR DAYS** of said deadline, all other
 6 parties must disclose any expert reports on the same issue
 7 (“opposition reports”). Within **SEVEN CALENDAR DAYS** thereafter,
 8 the party with the burden of proof must disclose any reply reports
 9 rebutting specific material in opposition reports. Reply reports
 10 must be limited to true rebuttal and should be very brief. They
 11 should not add new material that should have been placed in the
 12 opening report and the reply material will ordinarily be reserved
 13 for the rebuttal or sur-rebuttal phase of the trial.

14 The “exception in the next paragraph” provided more specific guidance regarding damages
 15 experts (*id.* at 3):

16 Any party seeking monetary damages must serve all of its damages
 17 report **SEVENTY CALENDAR DAYS** before the other non-damages
 18 opening reports are due. Within **FOURTEEN CALENDAR DAYS** of
 19 receipt of such damages reports, the opposing side must file any
 20 *Daubert* or other motion directed at the methodology, reliability or
 21 other defect, said motion to be heard on a normal 35-day track.
 22 The opposition report will be due **FOURTEEN CALENDAR DAYS**
 23 after the ruling on such motion with any reply due **SEVEN**
 24 **CALENDAR DAYS** thereafter. One purpose of this timing is to give
 25 the party seeking damages a brief window in which to cure
 26 (if possible) any flaws in the study.

27 Plaintiff Oracle America, Inc. served the opening damages report of Dr. Iain Cockburn in
 28 May 2011. No other opening damages report was served. Defendant Google Inc. challenged the
 29 Cockburn report with a *Daubert* motion, which was largely granted in July 2011. The July 2011
 30 order on that motion allowed Oracle an opportunity to cure the defects of the Cockburn report
 31 (Dkt. No. 230 at 15–16):

32 Oracle’s revised damages report limited to the claims actually to
 33 be tried will be due **35 DAYS** before the final pretrial conference
 34 and any responsive defense report will be due **FOURTEEN DAYS**
 35 before the final pretrial conference. The author of the report must,
 36 of course, sit for another deposition.

37 The order did not address the possibility of any additional damages reports, but did not disturb the
 38 case management scheduling order’s provision for a “very brief” reply report.

39 In August 2011, a conference was held with counsel for the parties and with candidates to
 40 serve as an independent damages expert pursuant to FRE 706. At that conference, counsel for

1 Oracle stated that Oracle might present a second damages expert in addition to Dr. Cockburn
2 (Dkt. No. 350 at 32):

3 THE COURT: So who are the experts we will be
4 critiquing here?

5 MR. HOLTZMAN: Our original expert was Professor Iain
6 Cockburn, Boston University. We may or
7 may not add a second expert, who would
8 most likely be Ken Serwin.

9 THE COURT: Ken Who?

10 MR. HOLTZMAN: Serwin, S-E-R-W-I-N. Those would be the
11 primary damage-related experts.

12 Oracle, however, never served any opening damages report by Dr. Serwin. Oracle served the
13 revised opening damages report of Dr. Cockburn in September 2011; no other opening damages
14 report was served.

15 During the four days following service of the revised opening Cockburn report, the parties
16 exchanged several rounds of correspondence concerning whether Oracle was entitled to serve any
17 reply report on damages and, if so, when it would be due. At various times, Oracle referred to
18 “the reply report” and “our submission of damages reply/rebuttal reports, should we elect to
19 submit any” (Purcell Exhs. A, B). At no point during this exchange did Oracle state an intent to
20 submit any damages report from an expert other than Dr. Cockburn (Purcell Decl. ¶ 9).

21 On October 3, 2011, Google served two opposition damages reports by two different
22 experts. One report addressed the alleged copyright infringement, and the other addressed the
23 alleged patent infringement. On October 7, Oracle served its list of trial witnesses. It identified
24 Dr. Serwin as “an expert retained by Oracle who may testify as a rebuttal witness regarding
25 damages” (Dkt. No. 491-1 at 12).

26 Three days later, Oracle served *four* more expert reports on damages. There were two
27 reply reports by Dr. Cockburn, one addressing each of Google’s damages reports. There were
28 also two “rebuttal” reports by Dr. Serwin, likewise one addressing each of Google’s damages
29 reports. These were the first reports by Dr. Serwin served in this matter (Purcell Decl. ¶ 2).

30 Google now moves to strike the “rebuttal” reports of Dr. Serwin as improper. Oracle
31 opposes. This order follows expedited briefing (*see* Dkt. No. 530).

ANALYSIS

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2 The issue presented is whether a new expert who did not serve any opening report may
3 nonetheless make a reply submission attacking the opposition reports served by the other side.
4 Neither party has identified any controlling authority on this point. This order therefore addresses
5 the question as a matter of case management and finds that the answer is no.

6 The case management scheduling order emphasized the limited nature of reply reports
7 (*i.e.*, those reports responding to opposition reports). For example, it noted that reply reports
8 “should be very brief” and “must be limited to true rebuttal” (Dkt. No. 56 at 2):

9 Within **SEVEN CALENDAR DAYS** thereafter, the party with the
10 burden of proof must disclose any reply reports rebutting specific
11 material in opposition reports. Reply reports must be limited to
12 true rebuttal and should be very brief. They should not add new
material that should have been placed in the opening report and the
reply material will ordinarily be reserved for the rebuttal or
sur-rebuttal phase of the trial.

13 It established a system for exchanging expert reports that placed a full up-front disclosure duty
14 upon the party with the burden of proof on a given issue. This system contemplated a narrowing
15 of issues through the service of opening, then opposition, then reply reports (if at all), similar to
16 the order of proof at trial or the examination of a particular witness at trial. It was designed to
17 forestall “sandbagging” by a party with the burden of proof who wishes to save its best points for
18 reply, when it will have the last word, a common litigation tactic.

19 True, reply reports were not explicitly limited to the authors of the opening reports. The
20 Court thought this was already clear and in twelve years of using this form of case management
21 scheduling order, this is the first time anyone has suggested to the contrary. The case
22 management scheduling order cannot fairly be read to bless expansion of the expert roster at the
23 reply stage. The reply, if made at all, must expressly be very short. There is no opportunity
24 provided for a deposition of the reply expert for the obvious reason that the expert was *already*
25 *deposed* earlier after the opening report. There is no way, moreover, that all of the
26 Rule 26(a)(2)(B) mandatory items could be provided in a “very brief” document. It is impossible
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1 to imagine and explicitly preclude every possible litigation trick ahead of time. Any reasonable
2 reading of the case management scheduling order counsels against what Oracle is now trying to do.

3 A party with the burden of proof on an issue should not be allowed to secretly prepare an
4 army of “rebuttal” experts to attack the opposition reports like Odysseus and the Greeks springing
5 forth from their wooden hideout in Troy. If they were allowed to do so, their work would not be
6 subject to a direct response from any opposing expert. This immunity, combined with the
7 element of surprise, would be unfair. Moreover, the late addition of new experts would frustrate
8 case-management objectives by complicating the task of planning and preparing the case for trial.

9 Here, Oracle served *two* reply reports attacking *each* of Google’s two opposition reports
10 on damages — one by Dr. Cockburn, the original expert who authored Oracle’s opening report on
11 damages, and one by Dr. Serwin, the new expert who crept out of the woodwork only for this
12 purpose. Both are economists. Oracle does not claim that Dr. Cockburn would have been
13 unqualified to make the Serwin reply points. Nor has Oracle identified any issue raised by
14 Google’s opposition reports whose rebuttal might require or be enhanced by some specialty of
15 Dr. Serwin. Yet Dr. Serwin’s reply reports were 46 and 27 pages long, respectively. Each one
16 was about 40% as long as the corresponding opposition report (*see* Opp. 2). Thus, Dr. Serwin
17 took on a substantial role in attacking Google’s experts on damages, *in addition* to the rebuttal in
18 Dr. Cockburn’s reply reports, which were 54 and 33 pages long, respectively.

19 Oracle has identified no facts or law that would justify this highly unusual maneuver.
20 *First*, the silence of the case management scheduling order as to the authorship of reply reports
21 did not entitle Oracle to serve the Serwin reports. This point was explained above.

22 *Second*, the reference in the case management scheduling order to multiple “reply reports”
23 simply acknowledged the fact that expert reports might be served on multiple issues. It did not
24 imply that an expert who offered no opening report on a given issue could then attack the
25 opposition reports served on that issue.

26 *Third*, contrary to Oracle, FRCP 26 does not require such an unusual tactic. Rule 26 in
27 fact makes no reference at all to the authorship of various types of expert reports. Oracle
28 emphasizes that Rule 26(a)(2)(D)(ii) mentions expert testimony “intended solely to contradict or

1 rebut evidence on the same subject matter identified by another party.” Any party offering expert
2 testimony on an issue on which it does not bear the burden of proof would need to serve an
3 *opposition* report fitting this description. *This does not refer to reply reports.* This categorical
4 description in Rule 26 does not bless Oracle’s introduction of a brand-new expert by way of a
5 *reply* to an *opposition* on an issue on which it bears the burden of proof.

6 *Fourth*, the parties’ previous litigation conduct does not support Oracle’s decision to serve
7 the Serwin reports. To the extent the parties’ conduct and supposed understandings are relevant
8 to this analysis at all, they counsel against allowing the reports. Oracle did not disclose its intent
9 to use a rebuttal-only expert on the issue of damages until three days before it served the disputed
10 Serwin reports. Moreover, neither party suggested or attempted using such an expert on any
11 other issue.

12 *Fifth*, Oracle’s argument that Google has not been prejudiced is meritless. As explained
13 above, the practice urged by Oracle is inherently unfair and frustrates important
14 case-management objectives.

15 CONCLUSION

16 In sum, Google’s motion to strike the “rebuttal” reports of Dr. Serwin is **GRANTED**. The
17 two reports by Dr. Serwin served on October 10, 2011, are **STRICKEN**, and Dr. Serwin will not be
18 permitted to testify at trial.

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20 **IT IS SO ORDERED.**

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22 Dated: November 15, 2011.

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25 WILLIAM ALSUP
26 UNITED STATES DISTRICT JUDGE
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