Managing the Long Civil Trial

An outline of a speech delivered by Mr Justice Young at the ABA Conference in Darwin on 10 July 1990.

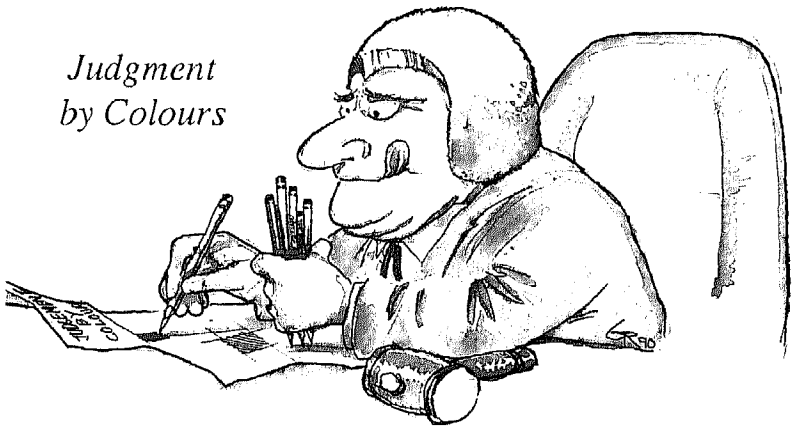
1. Almost all literature is written from a particular person's point of view. Thus Red Riding Hood's account of what happened in the woods or in her grandmother's house would be quite different from an account from the wolf's point of view. These remarks are presented from a Judge's viewpoint. Counsel's viewpoint may well be different and a solicitor's viewpoint different again.

2. This paper is concerned with a more or less historical account of a particular civil trial being an application for extension of a patent by a drug company. Accordingly, it was a case where the issues were complex, the stakes were high and the resources available to the parties fairly considerable. These matters must be borne in mind if one is to use these remarks in connection with other civil trials.

3. Civil trials can be broken down perhaps into three categories:

(a) the ordinary;
(b) the complex;
(c) those which need to be expedited.

Different procedures may well have to be employed for each type of case. With a complex case again different procedures may have to be devised for a case involving relatively poor people without the benefit of legal aid on one end of the scale, and multi-national corporations playing for high stakes at the other end. To illustrate, it is a great time saver for the Judge to have bound volumes or lever arch files filled with affidavits and exhibits in some logical order. The compilation, and indeed, even the photocopying of such bundles costs a significant sum of money. It may be oppressive to burden poor litigants with that expense, but where expense is not a problem it should be done in the interests of efficiency. Sometimes, however, justice requires that one has to do this.



4. The next thing to consider when tailoring a programme for the efficient trial of proceedings is the identity and personality of the lawyers involved in the case, especially counsel. On the solicitors' level, it is sometimes over-optimistic to expect a one-man firm to be able to meet deadlines which involve the production of a large amount of material even though the Judge may strongly hint that the solicitor will need to put on extra professional staff. Again, there are some counsel who (a) can never get organised, no matter how much time is granted them; (b) are incapable of seeing the real issues; and/or (c) are incapable of conducting a concise cross examination. With such counsel it is virtually impossible to do anything except let the case run and run and run, though one will be reluctant to give it any priority.

5. Again there are occasions where it is to counsel's client's interest to be as technical and as dilatory as the Court and opposing counsel will allow. Bitter experience suggests that it is again very difficult to conduct such proceedings expeditiously or efficiently.

6. In the case with which I am going to deal, not only were the parties persons of substance, but also all counsel were efficient and had a desire to proceed with the proceedings in the most expeditious way without, of course, sacrificing any real matter of principle.

The case on which I am focusing is reported as *Bayer AG v. Minister for Health (1988) 13 IPR 225*. The case is No. 3141 of 1983. It was tried for 15 days, being the weeks commencing 5, 12 and 19 September 1988 and a lengthy (150 odd pages) judgment was handed down on 10 November 1988.

7. The fact that the case took five years to come on for hearing was not surprising. It really had nothing to do with the state of the lists of the NSW Supreme Court because patent cases are put on a separate track and are fixed for hearing as soon as they are ready. This is because it is most usual for the parties to have to spend two or three years formulating the issues and getting extensive amount of evidence from overseas expert witnesses. What tends to happen is that the matter is made returnable before a Judge and then stood over for six months or a year with directions. It is usually difficult to keep to time limits because the witnesses involved are all busy people and are outside the parties' control. It is not unusual for three or four years to pass collecting material through no fault of any of the parties.

The background of patent extension proceedings is that drug companies need to patent their invention as soon as possible. It is not practicable to market a drug in Australia without very long drawn out testing by the health authorities. In the first instance a patent endures for 16 years. It may well be that the first 10 years of a patent's life will be taken up in testing so that it is only earning money on the market for four years. The Court has a discretion to extend the patent for up to a further 10 years. The patentee will be seeking as long as possible an extension because a monopoly on a popular drug will secure a

large amount of money. On the other hand, the Commonwealth, whose funds provide large medical benefits for persons using the drug, will save millions of dollars if the term of the extension is cut down or the application is refused. Almost always a generic drug manufacturer will also be interested in opposing the application. This is because if it does not have to pay royalties to the patentee, it will be able to produce the drug at a great profit to itself and sell it to the public at a cheaper rate. This cheaper rate is possible because the generic manufacturer will not have had to expend any moneys on research and development of the drug.

8. Although the pretrial directions went on for some years, I will take up the story on Thursday 16 June 1988. The trial was to be by affidavit and at that stage virtually all the affidavits that each party wished to read at the trial had been filed. In New South Wales the tradition has been that affidavits are read out loud almost in full to the Judge at the trial and that as counsel commences to read a particular paragraph of an affidavit, opposing counsel stands and objects to any material which is inadmissible. This system which developed in the leisurely past sometimes means that a week can be taken up merely in reading affidavits.

The efficient way of dealing with this matter is to obtain the consent of all parties for the Judge reading the affidavits prior to the hearing. Accordingly, more or less by consent, on 16 June 1988 I made the following directions:

(a) Direct that each party serve on the other a list of affidavits which it or he intends to read at the hearing on or before 30 June 1988.
(b) Direct each party to serve on the other a list of objections that will be taken to the opposing affidavits and a list of those deponents required for cross examination on or before 14 July 1988.
(c) Each party may serve supplementary affidavits to cure matters referred to in the list of objections on or before 28 July.
(d) Note that Professor O'Rourke's affidavit in reply is to be served by 28 July but otherwise all plaintiff's affidavits have been served and all defendant's affidavits other than replies to two of them have been served.
(e) Direct that each party leave with my Associate no later than 28 July 1988 an indexed collection of all the affidavits intended to be used at the hearing.
(f) Note that there is no objection to me reading affidavits prior to the hearing.
(g) Note that the exhibits to affidavits or a copy thereof shall similarly be left in indexed files with my Associate by 28 July 1988.
(h) Leave to the parties to uplift file documents for the purpose of preparing indices.
(i) Stand over for further mention on 29 July 1988 at 9.50.

9. The directions then secured two things (a) that there would be identical paginated lever arch files containing the court documents such as the summons, the affidavits and the exhibits which would be in the possession of the court and all counsel. Any objection as to form in which opposing evidence was presented could be dealt with by solicitors and counsel before the hearing and that other objections to the evidentiary material would be isolated before the hearing. The Judge would then have about six weeks to read the material (it went into some seven or eight lever arch files) before the hearing.

Paragraph 9 of the directions was set because experience shows that sometimes with the best will in the world some time limits can't be met and it is necessary to monitor the case as soon as possible after the last deadline.

10. A directions hearing was held on Friday 29 July but everything was going to programme so no further directions were made.

11. On 5 September 1988 the trial began. Ordinarily opening addresses are not encouraged in my court but in a complex matter they can be time-saving in the long run. The whole of the first day was occupied by opening address of counsel for the plaintiff. As he proceeded he would refer me to documents and, of course, all these documents were already in my possession and I had already at least glanced at them. I was able accordingly to note in my notebook a page number to each document as counsel referred me to it and to put an identifying coloured post-it note on the document so that I could easily recover it.

12. As counsel took me through the leading cases which supported his case I identified the passages which appeared to be basic statements which almost certainly would need to be referred to in the reasons for judgment. I marked these with a post-it note flag and had my tipstaff (my research assistant) photostat those pages.

During Counsel's address I also numbered the issues that I thought would arise.

I should digress and deal with numbered issues. The NSW Supreme Court is not yet in a situation where it can have the evidence of a case digested by computer. However, many of the Judges have taken on board some of the processes that it would be necessary to employ if this were done. In the old days (ie five years ago), the system was that plaintiffs' exhibits were given a letter, and defendant's exhibits were given a number. Nowadays, all exhibits have numbers, all exhibits have the letter "X" in them so that they can be recalled and listed by a computer. Plaintiff's exhibits are "PX", defendant's exhibits are "DX". If there is a third party or second defendant in a different interest, those exhibits are in the "TX" series, a fourth party in the "FX" series, a fifth party in the "VX" series (note the classsical influence of Roman Law). Documents tendered by consent I usually use "AX". If there is an exhibit that is to be admissible only on some interlocutory motion, I usually start a new numeric series beginning with 1001 or 2001 as the case may be. Issues can then be similarly isolated by describing them, for instance, as "PI 01" being the first issue raised by the plaintiff etc. When the system is fully developed witnesses should be numbered so that one's computer can tell one that plaintiff's witness 11 (PW 11) gave evidence about plaintiff's

issue 3 (PI 03) on transcript p. 153 (T 153) and exhibits PX 72, PX 88 and PX 97. Even without a computer, numbering the issues will enable this sort of exercise to be done manually and will assist preparation of the judgment.

13. If one looks at 13 IPR 231-2, one can see the way in which the issues were nominated. This is the final version, it went through many drafts. The judgment is set out in seven sections, viz A. Introduction; B. The Facts; C. Inadequate Remuneration (sub-paragraphs 1 to 21); D. Section 93 of the Patents Act (subdivisions 1 to 9); E. Defences (subdivisions 1, 2 and 3); F. The Terms of the Extension (subdivisions 1 to 7); and G. Miscellaneous and Conclusion.

Accordingly, as each piece of evidence was being given I would classify it in C, D, E and F as the case may be.

14. As the trial was going on, I would commence the skeleton of the judgment. Section A which involved noting for posterity what was the application of the relevant sections of the Statute, the basal authorities, could be written in semi-final form merely from the plaintiff's opening address and it was so done in draft form at an early stage. After the key scientific evidence had been given from the plaintiff and those witnesses had been cross examined the skeleton outline of the facts also became fairly clear so that these could be summarised and the common facts noted and the area of factual dispute also noted and identified.

For each of issues, C1-21, D1-9, E1-3 and F1 to 7, the dispute had to be identified. For instance a key matter in the case is what was meant by the expression "The profits of the patentee as such". This eventually became issue C3. Some cases had been cited by the plaintiff in opening and the key passages of these had been photostatted and were put in a ringed folder under guidecard C3. These cases threw up references to other cases and I perused these and again had my tipstaff photostat the relevant pages and we assembled these in the ringed folder under the appropriate headings. We did the same thing with standard textbooks.

15. The evidence proceeded in what I would think was the normal way with two exceptions. There was an English expert. He flew out from England to give evidence, but unfortunately his plane was detained in Hong Kong as a result of which his schedule was thrown out. He was scheduled to give evidence at 10 am on a Friday and to fly out of Australia back to England on the Friday night so that he could resume work in England the following Monday. He did not arrive until 3 pm on the Friday. I made arrangements with the court reporting service for his evidence to be taken between 4 pm and 6.30 pm and he was then taken back to Mascot to go back to London. All he saw thus of Sydney on that trip was the taxi trip between Mascot and the Court. Despite this, he was able to give his evidence in a very clear and impressive way and did not appear too tired to combat well thought out cross examination.

16. The other expert witness was an American who would not or could not come out from Boston. His evidence was taken by satellite via the OTC network. At 8 am one morning (when it was, I think, 6 pm the previous night in Boston), counsel and I proceeded to the OTC headquarters in Sydney where we sat (without robes) at a semi-circular table. There was a screen in front of us on which the image of the witness was projected. He was sworn in according to the law of Massachusetts and counsel in Sydney examined and cross examined him. The witness had some documents with him by arrangement. Documents which he did not have in his possession could be put on a screen in Sydney and displayed in Boston. The reverse process could also be effected. However, we found that these were a little hard to read. The backup service was a fax machine so that documents could be faxed from Sydney to Boston or vice versa. The examination took about an hour and a half. I understand that in 1988 the rates were something like $5,000 an hour for America but considerably higher to Europe. There was doubtless a saving in costs and time if one had to take the whole team to the United States to hear the witness's evidence, and I do not think that with an expert witness anything was lost in having his evidence taken by satellite. It may be different if credit were at issue because it is rather like seeing an actor or singer on television as opposed to a live performance: one misses out some of that personality which can only be caught in a live performance.

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Addresses began on the final day, day 15. I sat for an extra hour that day to ensure that addresses would finish and counsel were very good in keeping to the time with an outline of their argument and speaking to it.

17. I should say that I have devised a colour code system for making notes of both evidence and addresses. I use blue ink for plaintiffs, black ink for defendants and purple ink for additional defendants appearing by different counsel. I have also handy green, brown, pink and orange felt-tipped pens in case there are a multiplicity of parties, but seldom one has to use these. I find that it is useful to produce notes which make it spring readily to mind who has said what. In preparing this paper I can see that page 101 of my notebook has three different kinds of ink as towards the end of the addresses each set of counsel just thought of one or two more points that they wished to put after their formal addresses were finished.

18. Very often in the Supreme Court of NSW there is no time at all available for writing judgments. It is expected that some cases will settle and that some of this time will be used to write reserved judgments. In this particular case, because it had taken

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Judicial Criticism of Barristers' Fees

At the recent Australian Bar Association conference in Darwin, each State and Territory was required to present an irreverent skit during the Dinner and Dance held on the last evening.

The following is the contribution made by Robert O'Connor QC of the Western Australian Bar. It was inspired by comments at the conference made earlier in the day by a Queensland silk in response to a suggestion by a Queensland Judge that barristers should act on a gratis basis in alternative dispute resolution matters.

In the light of that Judge's comments and the other occasions where Judges, immediately on elevation to the Bench, have taken the opportunity to criticise the level of barristers' fees, Mr O'Connor looked into his crystal-ball and speculated whether, in line with the trend, the Queensland silk himself would make the following speech if and when he is appointed to the Bench.

"Your Honours, ladies and gentlemen.

To the ladies and gentlemen of the Press, I hasten to let you know that, if you miss anything I say, don't worry - pop around to my chambers and I'll gladly give you a full copy of this speech.

I thank you all for attending this Court ceremonial sitting today to mark my appointment as a Judge of this Honourable Court.

I must offer my profuse apologies to my learned brother Mr Justice X for the gross ignorance I displayed when I made observations regarding him at the Australian Bar Association Conference in Darwin way back on 12 July 1990.

The problem is that I did not know then that, immediately upon my swearing-in as a Judge of this Honourable Court today, I would be suddenly the beneficial holder of great wisdom, foresight and compassion, and that when I was a barrister I did not really possess any of those virtues.

How was I to know that a leopard could change its spots, or a poacher turn gamekeeper?

Please disregard the fact that I exercised my free choice to cease being a barrister and have opted to take judicial office - with security for the rest of my working life, on a comfortable salary, generous superannuation entitlements, and an office which gives my wife and me the greatest status, prestige and privilege which cannot be measured in money terms.

While 99% of the community feels that as a Judge I will be overpaid, what I just cannot stand is that money is money, and that henceforth some barristers may be earning almost as much as I have been receiving over the past 20 years.

Let me say, barristers should not earn so much.

I ask you to ignore - their many years of study; their long hours of work; their early starts; their rushed lunches; their late evenings; and sacrifices to family life, all in the interests of their clients, and to put their cases to the Judges in the most presentable form.

Ignore also their expenses for - chambers accommodation; technological equipment; library; salaries of clerk and secretary.

Further, ignore that up to one-half of their net income goes in paying tax.

As well as lower earnings, barristers should do pro bono work, i.e. act for free. Some say 50 hours a year. It's a matter of degree - I say: why not 52 weeks a year?

Finally, ignore - legal aid work done at reduced rates; deserving cases done for nothing; work done on Barristers' Board, Bar Association; work done on committees in relation to legal education, ethics, complaints, and presenting papers to the various professions, and writing professional articles, all for nothing.

Ignore also the other charitable and community work done for free by barristers.

I am proud to have left the real world. Like some of my brethren, I can now pontificate on the financial circumstances of a professional group of which I was a fully participating member until yesterday.

I thank God that today I have been blessed with the great gift of being the source and repository of all wisdom and knowledge." ❑

Managing the Long Civil Trial

(continued from page 7.....)

three weeks, I was allowed, I think, three days to write the judgment. I had already put together in my ring folder copious notes together with photostats from the law reports under the appropriate guidecard. I also had summarised the witnesses by either writing a summary immediately after they had given evidence and having my Associate type it up and insert it in the relevant part of the ring folder and/or photostatting pages of the witness's affidavit or statement or exhibit and similarly positioning it in the folder. Accordingly, if my memory serves me correctly, by the end of those three days I had the first draft of a judgment that was eventually to go to 152 A4 pages with my Associate. This took some time to type up and then it needed some more time spent on polishing it and minor adjustments. We then had to prepare about 25 copies of the judgment to go to the various parties and legal publishers etc., an exercise which itself takes time. The judgment was handed down on 10 November 1988, just over six weeks from the last day of hearing. I allowed an extension of the patent for roughly six and a half years. This appears to have been regarded as a satisfactory solution by the parties because no appeal was ever lodged. ❑

NB that statutory provisions as to extensions of patents have been changed since the hearing of the Bayer case.