

Federal Circuit Issues Decision Addressing Patent Damages Computation

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On January 4, 2010, the Court of Appeals for the Federal Circuit (CAFC) issued a decision in *Uniloc USA Inc. v. Microsoft Corporation*. The decision rejected the “25 Percent Rule” also known as the “Goldreyer Rule” for calculating patent damages. The Court states: “This court now holds as a matter of Federal Circuit law that the 25 percent rule of thumb is a fundamentally flawed tool for determining a baseline royalty rate in a hypothetical negotiation. Evidence relying on the 25 percent rule of thumb is thus inadmissible under *Daubert* and the Federal Rules of Evidence, because it fails to tie a reasonable royalty base to the facts of the case at issue.”

Please click [here](#) to view the decision.

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