

# Licensing agreement liability insurance: Everything you need to know

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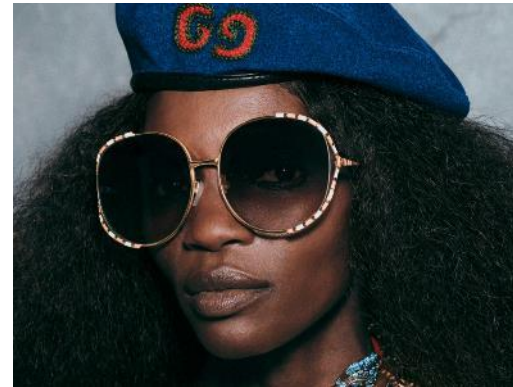


# What is licensing agreement liability?

- When two parties enter a contract allowing one party to use the intellectual property of the other party, this is known as a licensing agreement.
- License agreements include warranties and indemnities and introduce liability in relation to the use of the IP in question.
- United Airlines created a light and a dark side themed flight – which would have required a license agreement to be in place with Disney Lucas films.



# Well-known industry examples



# The global licensing industry

Estimated to be worth more than \$280bn per annum

“Retro” and old school brands are having a huge resurgence.

Big brand or well-known characters/trademarks.

Brand owners and celebrities have really woken up to this revenue stream.

# Why do your clients need this?

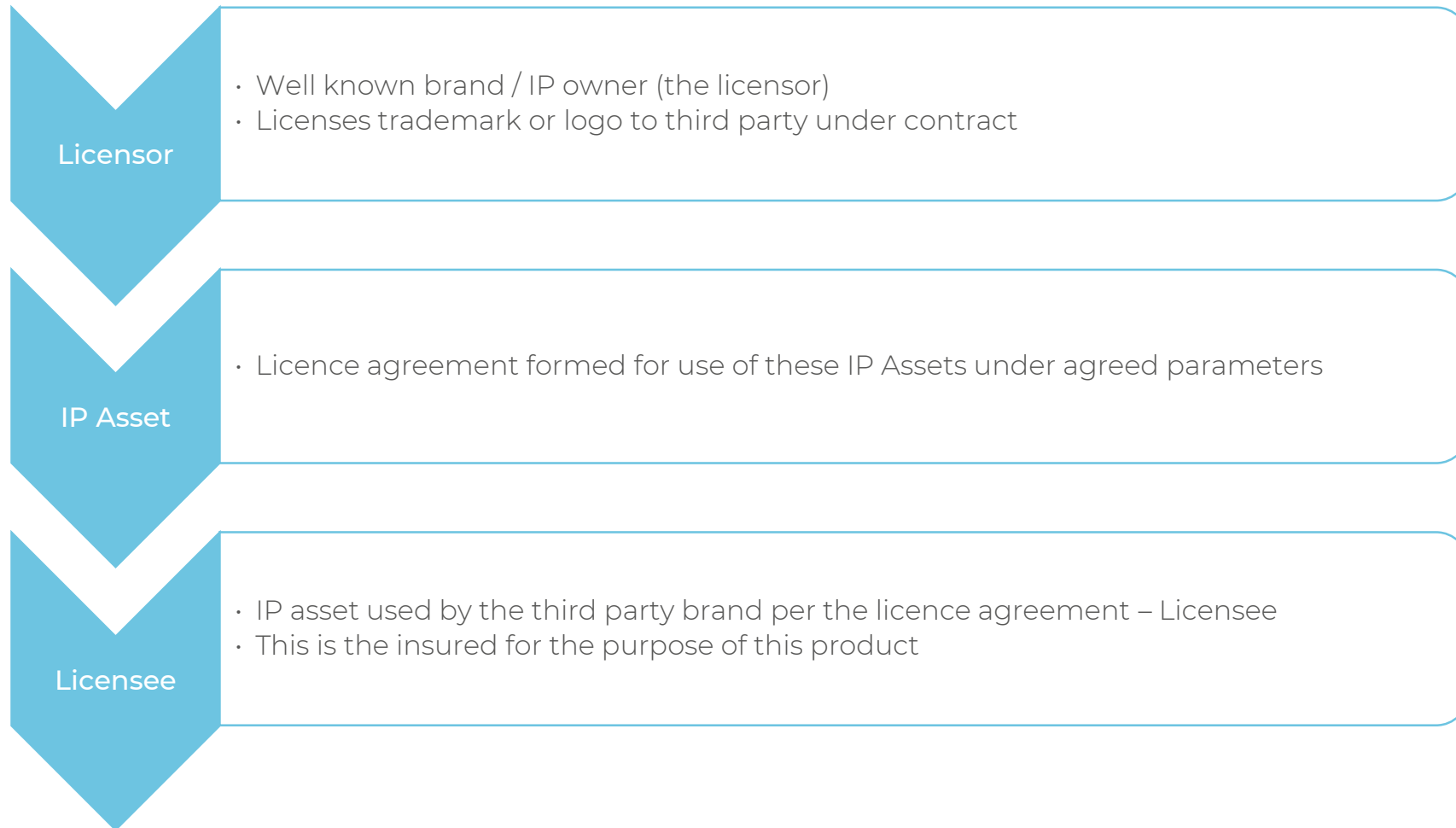
1. Rapidly expanding industry
2. Huge uptick in requests for cover for license agreements between licensors and licensees
3. Mandatory insurance requirement

*Often described as Media Liability but for non-Media and Entertainment industries.*

4. Cover is required for licensing agreements / licence transfers between a recognised brand and another party, or a transfer of intellectual property rights of some kind between one party and another.
5. No universal language is used within contracts in relation to cover required

*Licenses relate to content such as images, logos, graphics, trademarks and characters*

# The players and the game



# Key exposures

- Intellectual property infringement (defence and subrogation).
- Selling in unauthorised channels and/or territorial breach unless as a result of a deliberate act, which is excluded.
- Breaching an agreed use of licence
- Regulatory issues could arise under competition laws relating to exclusive licences but that is more likely to fall under patent. We would be happy to consider a patent endorsement or a separate policy for patent
- Specified activities covered by the licence Usage and quality assurances
- Assignment and sub licensing. It is usual for no sub-licensing to be allowed but it could occur in error.
- There will likely be strict marketing and advertising requirements imposed on the insured to protect the Licensor

# The solution

CFC's licensing agreement liability policy offers cover for breach of a licensing agreement between a Licensor and a Licensee for the use of content such as images, logos, trademarks, graphics and animations.

The cover is requested for either:

- One specific licensing agreement / contract or;
- Annual licensing agreements between multiple brands and the proposer

CFC has a very specific and clear wording

A fit for purpose, sensible and speedy option covering exactly what is being requested and nothing more.

One insuring clause. Intellectual Property Licensing Agreement Liability split into:

**Section A:** Breach of IP Licensing Agreement

**Section B:** Intellectual Property Rights Infringement.

**Section C:** Reputation and Brand Protection

**Section D:** Court Attendance Costs



# The product

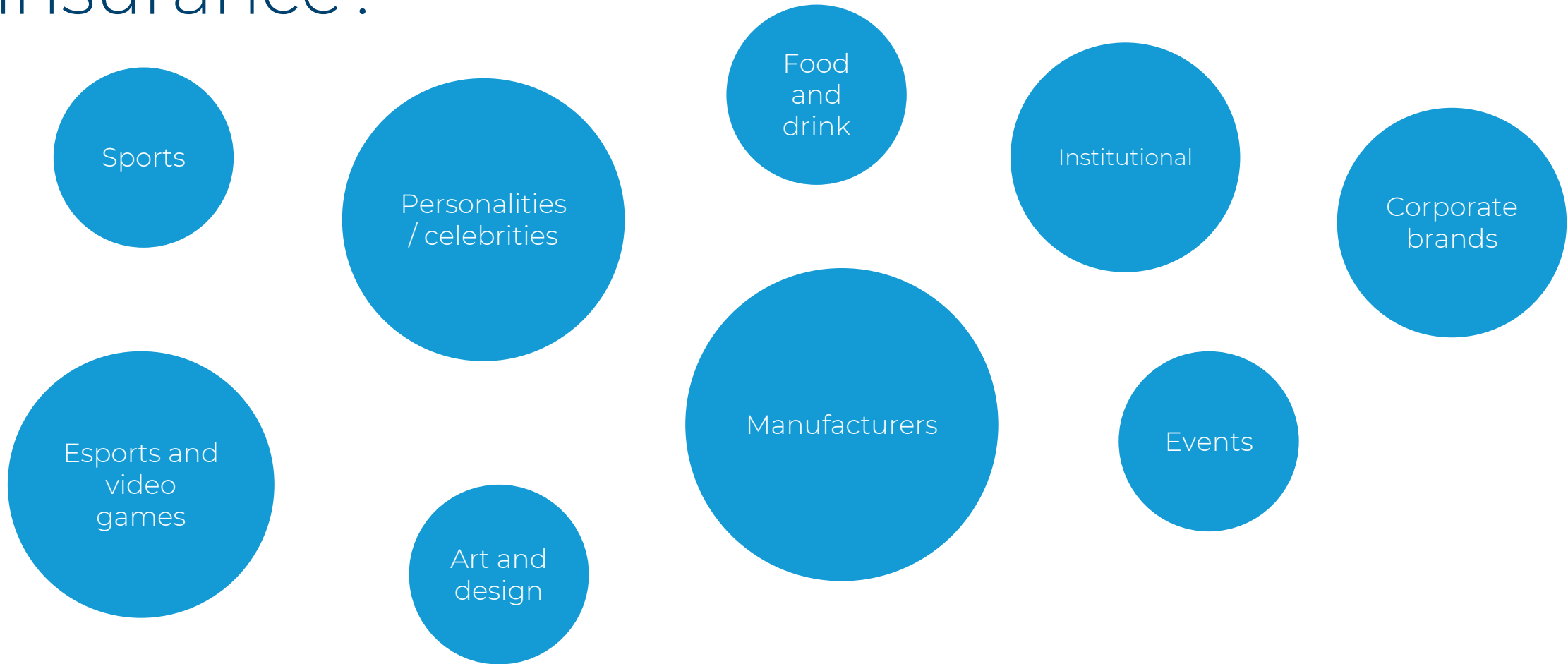
CFC have an appetite for a very broad spectrum of client types from many different industries for:

- Sponsorship deals
- Endorsement deals
- Brand collaborations and partnerships
- Naming rights agreements
- Licensing agreements and intellectual property rights transfer under contract

In addition to:

- Claims made policies
- Up to 18 month policy period
- Option of up to a 7 year reporting period. Claims made and first reported to include the OERP

# Who needs licensing agreement liability insurance?





Thank you