

IP insurance and the supply chain

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Agenda



Section 1: IP insurance – a reminder

Section 2: How is IP relevant in a supply chain?

Section 3: Contractual indemnities

Section 4: Q&A

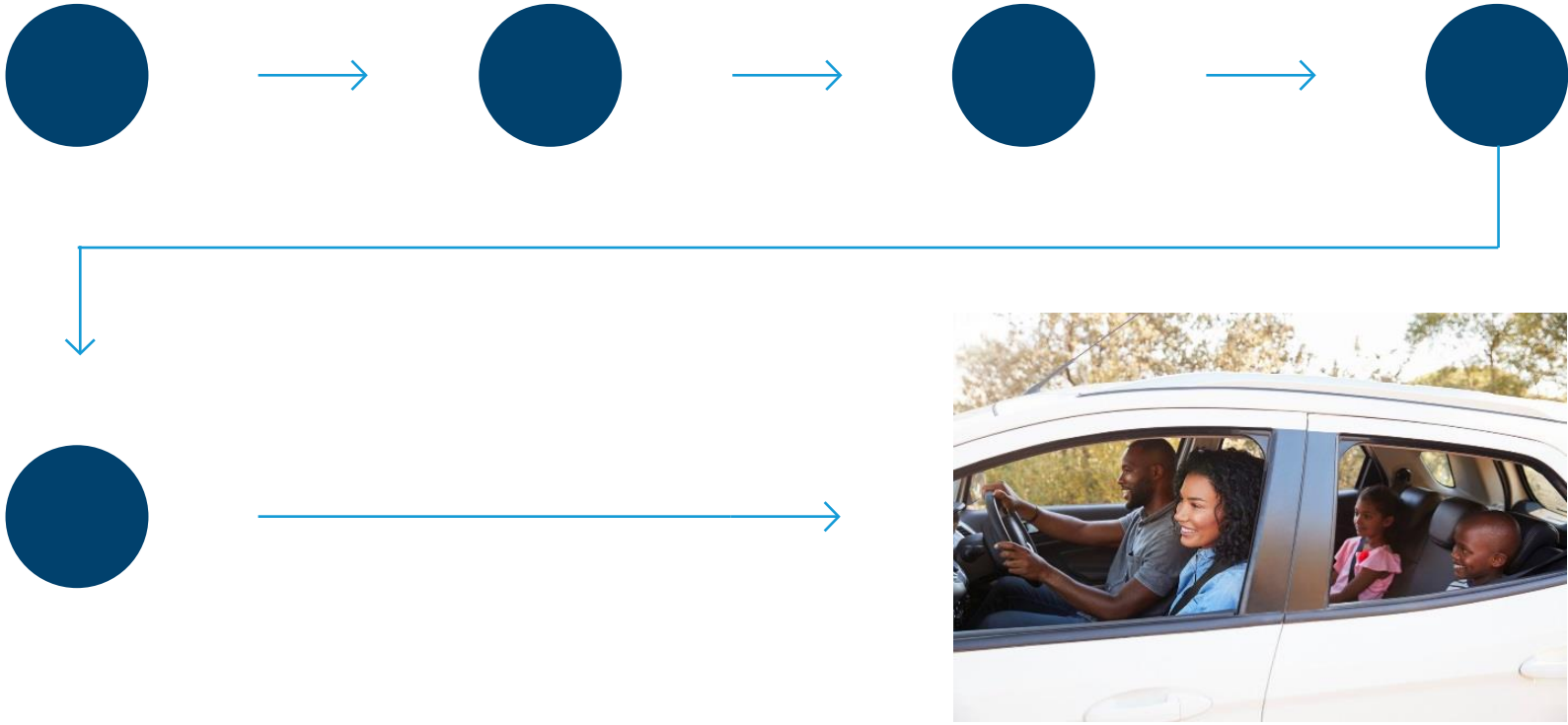


What is intellectual property (IP) insurance?

Cover for claims alleging infringement of IP rights, including patents, trademarks, copyright and trade secrets.

It also covers contractual indemnities.

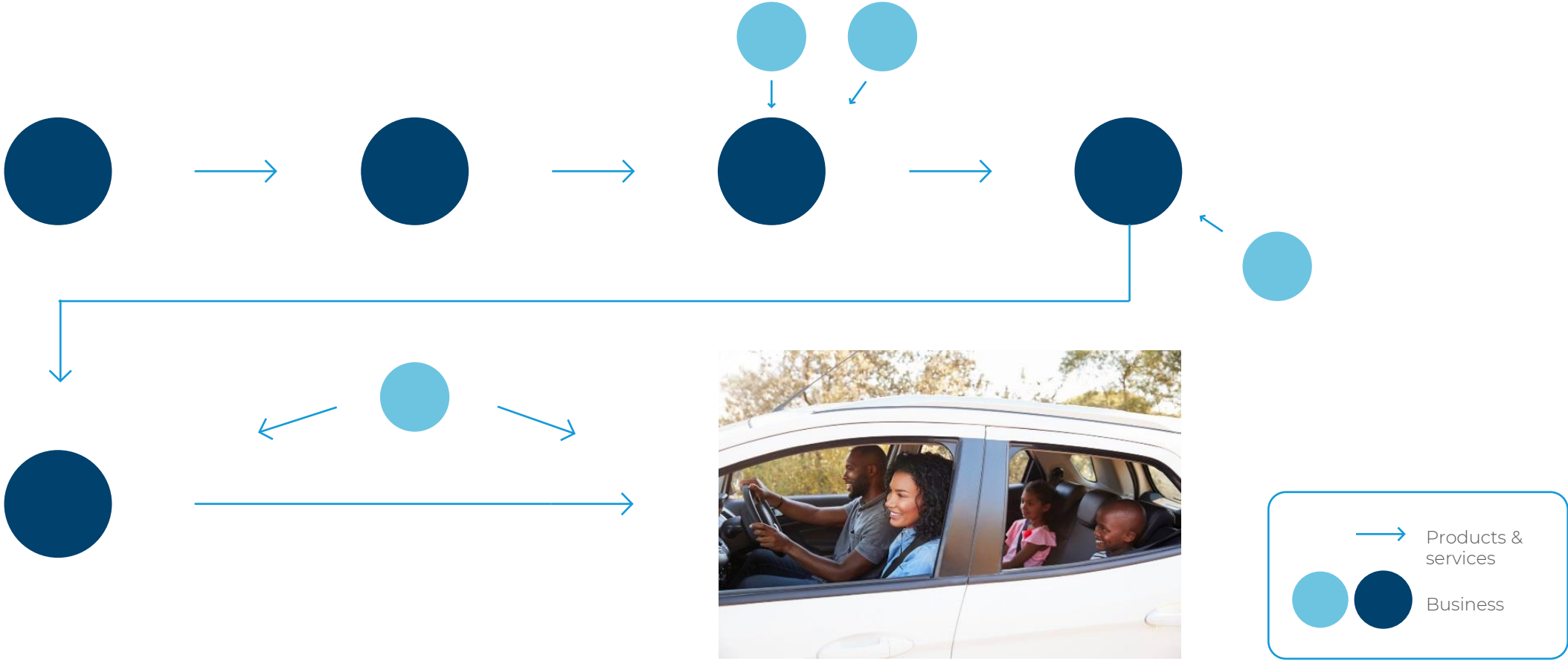
The supply chain



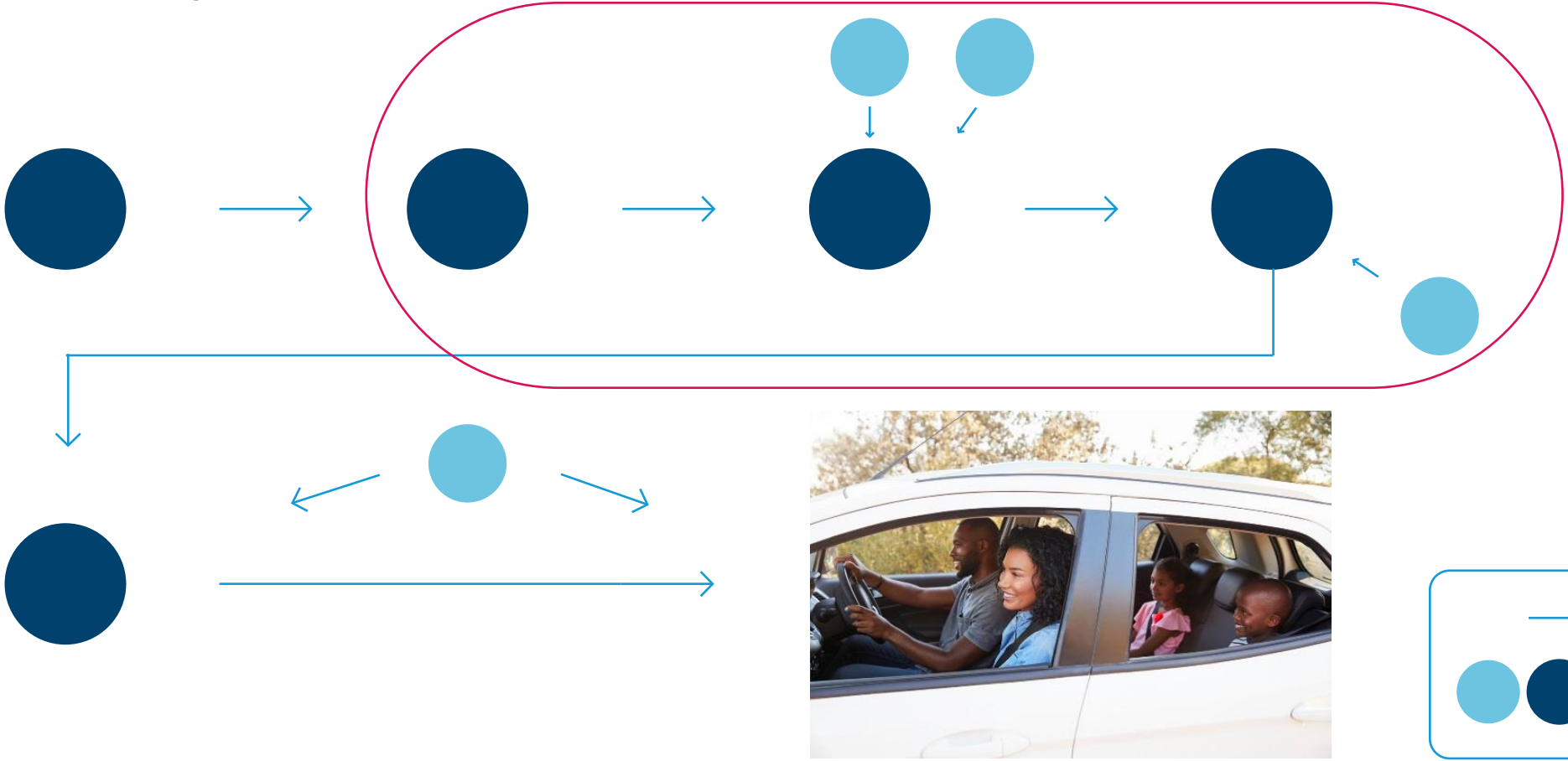
→ Products & services

● Business

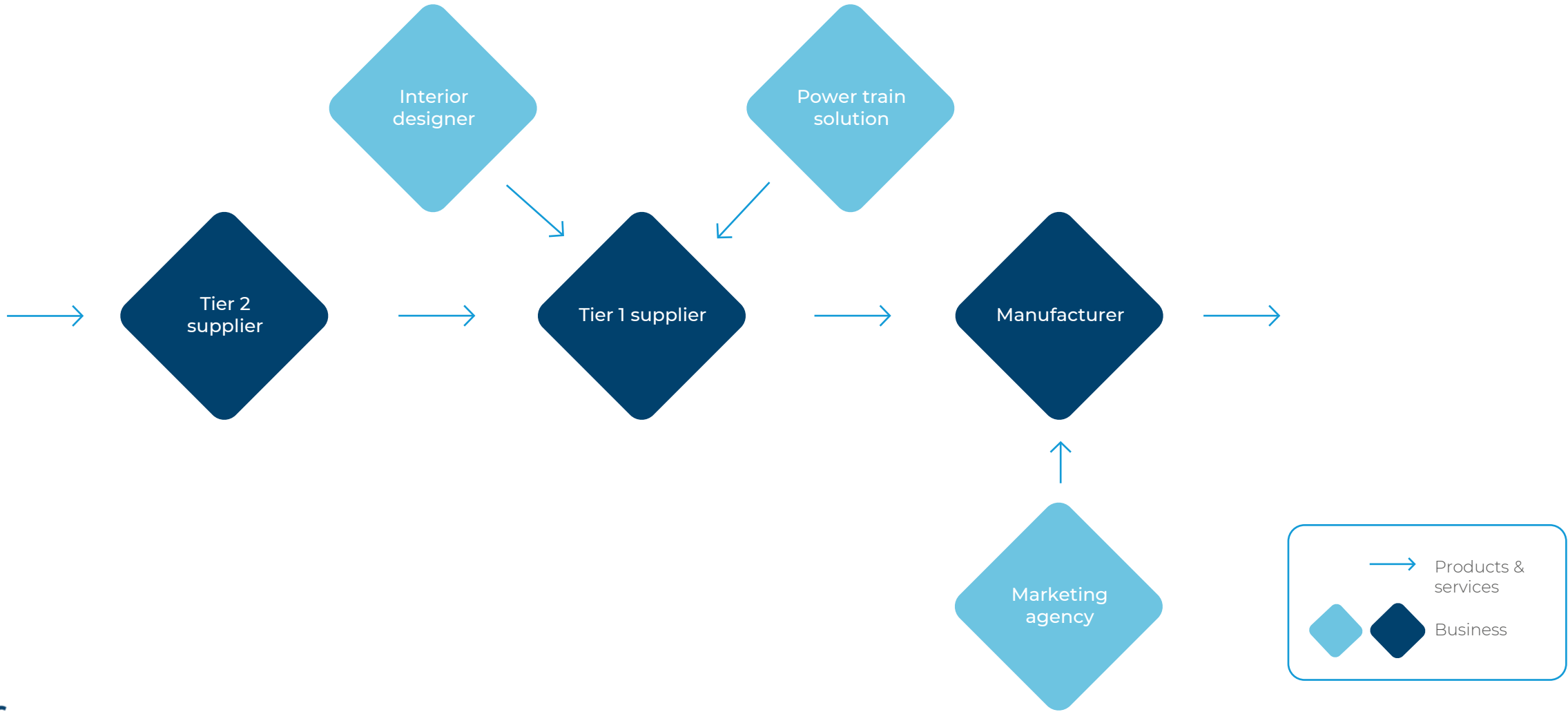
The supply chain



The supply chain



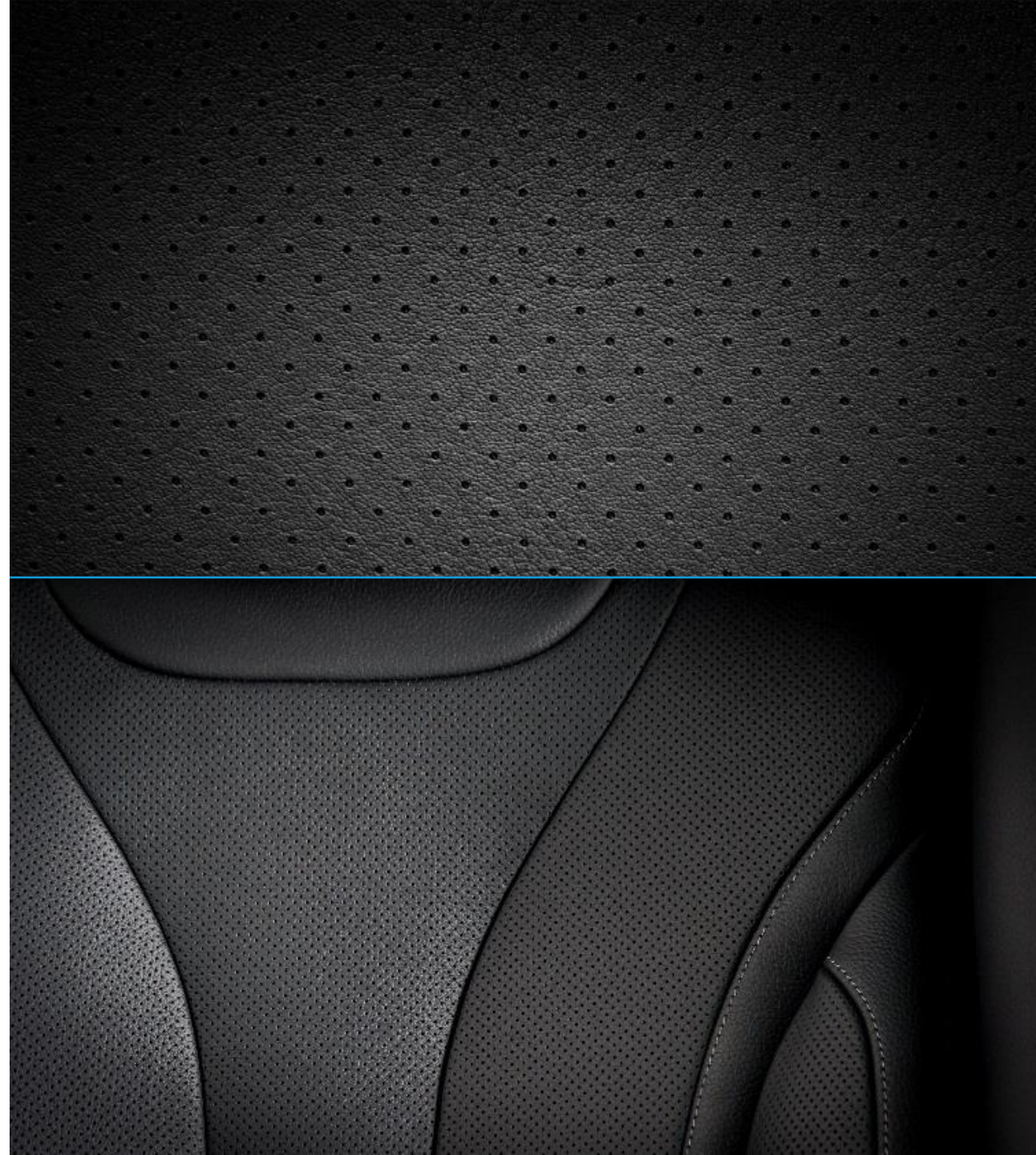
The supply chain



IP exposures

Interior designer

- Shape of a seat – has this been protected by design right / design patent?
- Texture used on the interior – a copyright exposure?



IP exposures

Power train solution

- A new way of transmitting power using a combination of energy sources
- But, could this technology have already been invented, and patented by somebody else?



IP exposures

Marketing agency

- They are keen to use cartoon characters to market this family car
- Will they be proprietary? If so, do they look like any existing characters?
- Will they use existing characters? If so, have they obtained permission for use?



Contractual indemnities

Contractual indemnities are a way of allocating risk within a contract to define, but what happens in the event of a loss?

- Who is responsible?
- Will the liability be allocated to one party or shared?
- Will one party indemnify, or promise not to sue, the other?
- To what extent will the liability be insured?

Every day, companies all over the world are negotiating these provisions!

What happens if you, or I, or both of us get sued for our car advertisement?

Marketing agency

“...The characters are licensed from a global company, it’s not our fault if they infringe...”

“...We are a small company, an unlimited liability could kill us...”

Manufacturer

“...We didn’t direct the advertisement, the agency is responsible...”

“...We require all suppliers to indemnify us...”

IP insurance is very useful for insuring IP infringement indemnities

IP infringement indemnities

- IP insurance can protect your clients for IP infringement indemnities
- It can be a 'business enabler'

Receiving IP infringement indemnities

- Protects insureds as a 'back stop' in the event an agreed
- IP infringement indemnity isn't paid to the insured

Claims example

The insured indemnifies a customer

- A customer receives a letter from a third party alleging infringement of a patent
- Customer forwards letter to Insured
- Insured contacts our claims team
- Lawyers are selected
- Legal costs, settlement costs or damages covered

Insuring contractual obligations: Cover options

IP infringement indemnities

- All contracts on which the insured provides indemnity are insured, including any entered into during the period of the policy
- Underwritten at renewal

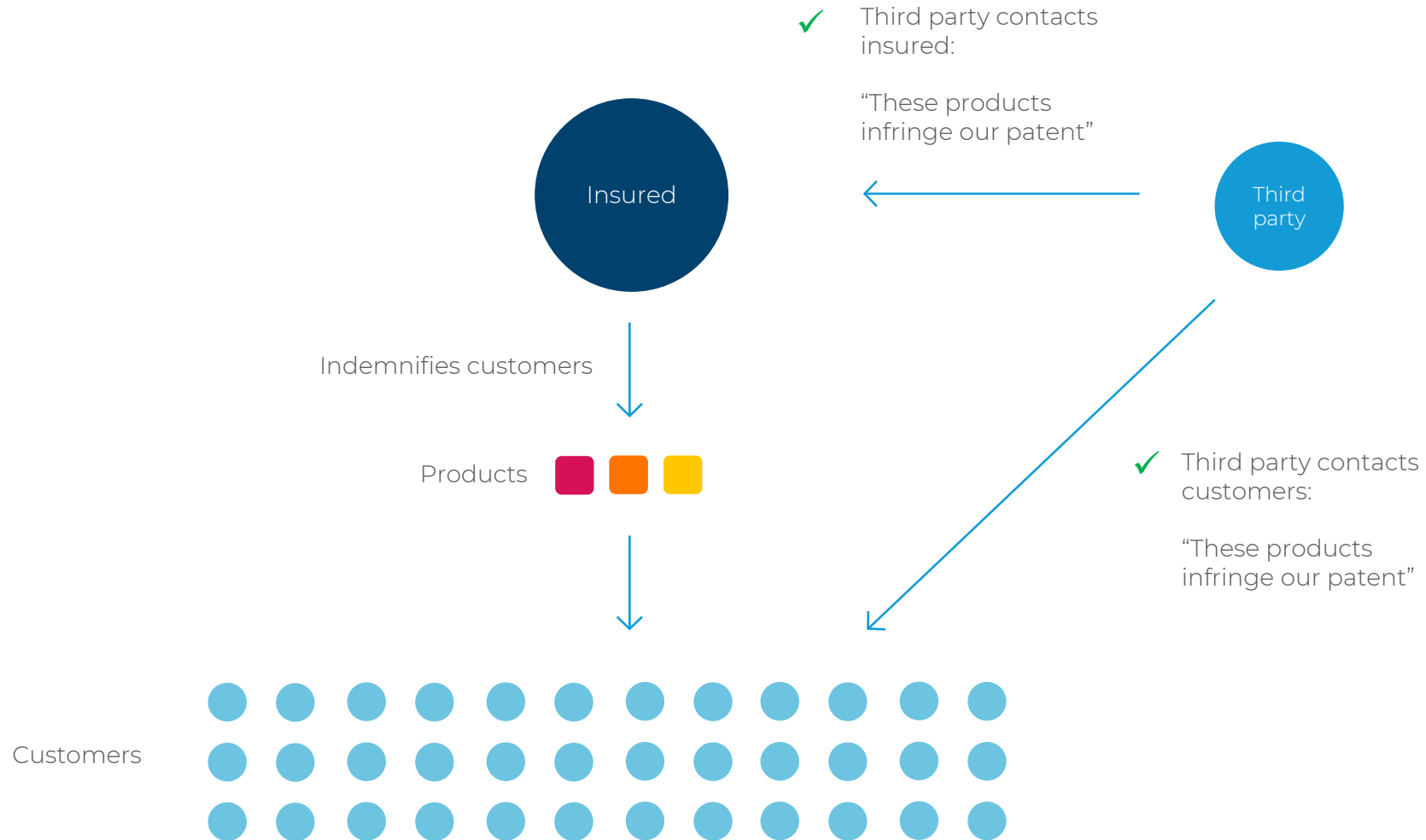
'Specified' contract coverage

- Covers the insured for all their business activities, plus any contractual parties specified by endorsement
- Underwritten each time there is a contract change, or new contract

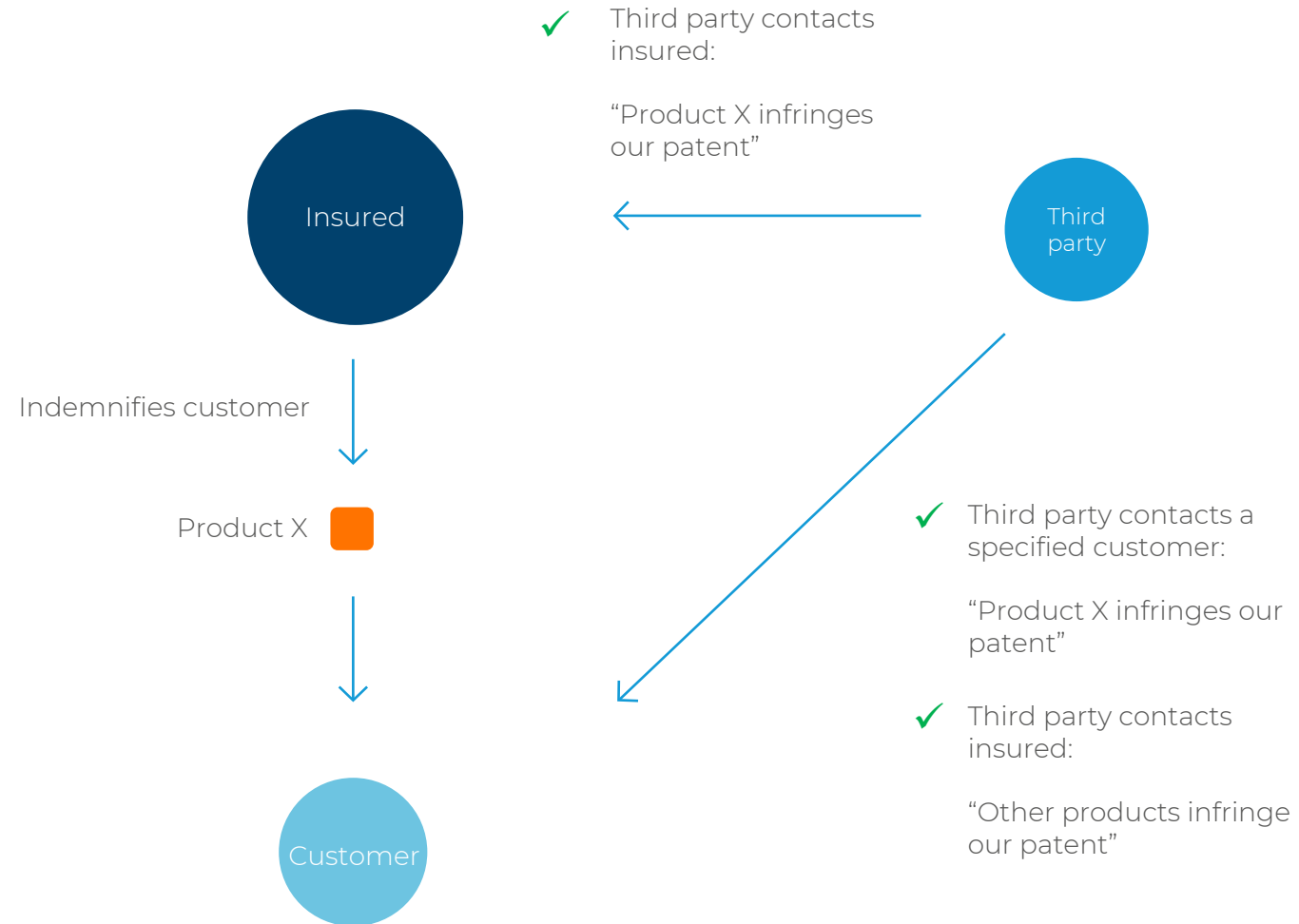
'Specified' contract coverage – contract only

- Covers the insured only for their work performed under the contracts specified by endorsement, plus any contractual parties specified by endorsement
- Underwritten each time there is a contract change, or new contract

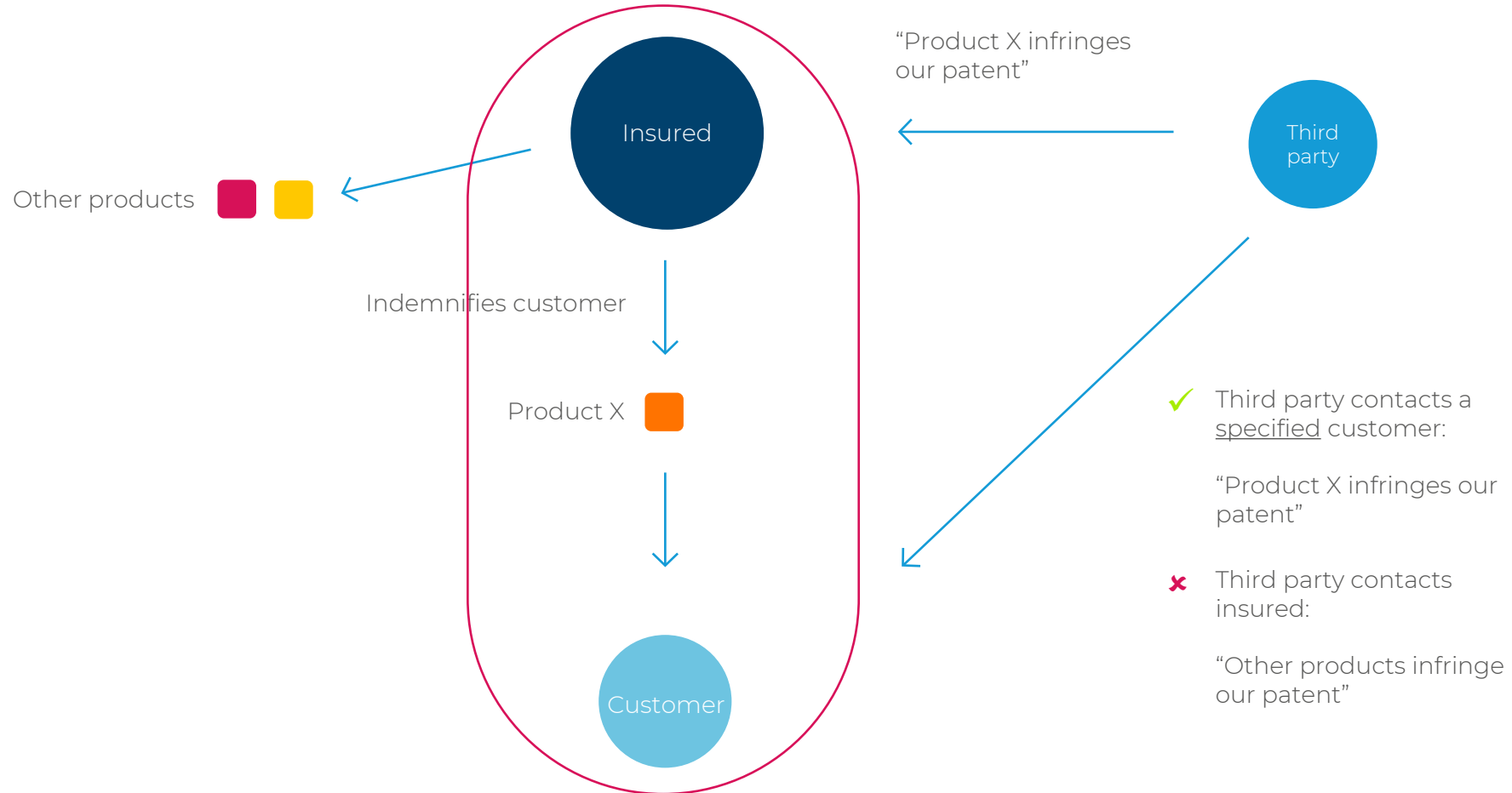
'Blanket' contractual obligations cover



'Specified' contractual obligations cover



'Specified' contractual obligations cover – single contract only





Questions?

Thank you!

Contact us if you have any questions:

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