

Copyright, Patent, & Trademark Infringement Insurance



Homegrown Roots - Global Reach

Independent Insurance Broker providing
insurance solutions to companies,
families, and individuals for over 70 years

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EXPOSURE

In today's fast-paced business world, companies may unknowingly infringe upon another party's patent rights. All companies in the production cycle are exposed because of the substantial breadth of patent infringement liability - anyone who manufactures, uses or distributes a patented article is at risk. Some courts have even held that mere advertising violates patent rights. Patent litigation is on the rise, and allegations of infringement are becoming more common as plaintiffs realize the economic value of their patents. Patent infringement lawsuits and settlements often involve past royalties, lost profits and damages totaling thousands and sometimes millions of dollars. In addition, defense costs can place an enormous burden on companies that are sued, even if the suit lacks merit. RHSB has access to specialized markets which provide a variety of Patent Infringement coverages.

WHAT IS PATENT INFRINGEMENT INSURANCE?

Patent Infringement Insurance covers the insured for allegations that they have infringed on someone else's patent. Coverage may also be available for alleged infringement of other types of intellectual property, such as copyright and trademark.

LOSS EXAMPLES

- Defense expenses for pre-trial discovery and preparation for trial can typically exceed \$500,000. Defense expenses for a case involving the formula used in motor oil exceeded \$18 million and were assessed against the losing manufacturer.
- The award against the manufacturer was hit with an \$18 million award to an individual who had patented the idea of filling plastic sacks with water to be used as a mattress.
- A cookie manufacturer that patented a process for making "soft and chewy" cookies received more than \$125 million from competitors.

INFRINGEMENT ABATEMENT INSURANCE

Infringement Abatement Insurance reimburses you for your legal expenses when you have to enforce your patents, trademarks, or copyrights against infringers.

Infringement Abatement Insurance pays your legal costs when a countersuit for invalidity challenges your patent, trademark, or copyright.

The policy will cover US and foreign patents, trademarks and/or copyrights, as well as patent applications including provisional patent applications.

WHY DO I NEED INFRINGEMENT ABATEMENT INSURANCE?

Your intellectual property is a valuable asset. Every act of infringement lowers its value and eventually unabated infringement can render it worthless.

The alternatives available to you for dealing with infringement are as follows:

- Abandon your intellectual property rights.
- Attempt to license the infringer from a position of financial weakness.
- Sue the infringer and tie up your cash reserves in legal costs.

The first two alternatives are not acceptable as they may result in not only rendering your intellectual property rights worthless, but an aggressive infringer may well elect to institute legal actions in the forum of his choice, forcing you to incur huge legal expenses.

With Infringement Abatement Insurance, you can insure the litigation funds will be available when needed. With policy limits of \$100,000, \$250,000, or \$500,000 available, you can now adequately protect your intellectual property rights.

DEFENSE COST REIMBURSEMENT INSURANCE

Patent Defense Cost Reimbursement Insurance reimburses you for your legal expenses when you have to defend yourself against lawsuits brought in the U.S. for patent infringement. It also reimburses your legal costs when you assert patent invalidity as a defense to a charge of patent infringement.

The policy will reimburse the cost of reexamination proceedings initiated by the Insured as a defense strategy arising out of a lawsuit for patent infringement.

WHY DO I NEED PATENT DEFENSE COST REIMBURSEMENT INSURANCE?

Your ability to defend yourself in patent infringement lawsuits may be the key to your company's survival. Every lawsuit charging infringement must be taken very seriously and defended to the utmost no matter how frivolous the suit may be.

The alternatives available to you for dealing with infringement are as follows:

- Abandon your accused products
- Attempt to obtain a license from the accuser from a position of financial weakness.
- Defend yourself from your cash reserves and available credit lines.

The first two alternatives are not acceptable as they may result in you having to settle with an aggressive accuser or incur a large royalty payment. Insurance is the best vehicle for defending a patent infringement suit.