

*The Defense Insurance Policy is the solution to the coverage gap left by the commercial general liability policy for intellectual property (IP) risks. This Policy accommodates any entity that makes, uses, sells, offers for sale or imports products and/or services in commerce.*

## KEY COVERAGE

- Companies making, using, selling, importing or offering for sale products and/or services.
- Companies possessing sought-after technology on products and/or processes.
- Litigation expenses to help defend against charges if infringing another's IP rights, and can include damages.
- Cost of invalidity defense to charges of Infringement and patent post grant review proceedings are covered.

## REASONS TO INSURE

- Litigation is expensive. Based upon the most recent American Intellectual Property Law Association Survey, U.S. median litigation costs for an infringement suit through trial, when the amount in controversy is between \$1M and \$25M, can range from \$350K for copyrights to \$2.8M for patents. These numbers exclude Damages or settlements.
- IP is an extremely valuable asset, having a significant impact on the U.S. and global economy and job creation.
- The ability to defend against charges of IP Infringement is often the key to a company's survival.

## ADVANTAGES

- Reduces the risk of abandoning the accused infringing product due to the inability to afford the cost of litigation.
- Reduces the pressure of entering into an undesirable license agreement or the risk of incurring burdensome royalty payments.
- Prevents abandoning market share.
- Prevents unexpected cash drain on operations.
- Deters frivolous suits by demonstrating the ability to be financially protected.
- Reduces the pressure to settle Infringement cases.
- Makes a company more attractive to investors.
- Strengthens the viability of a company.

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- *Limits available up to \$10 million (USD)*
  - *Policy terms available up to 3 years*
  - *Worldwide territory coverage available*

## ADDING PRODUCTS

- The Insured must provide detailed information about the products, processes and/or services to be added to the Policy. There is a mandatory conference call with an IPISC underwriter during the underwriting process to clarify products, processes and/or services to be added to the Policy.
- Insured must submit an opinion of non-infringement or remit a fee for an insurability search for any new products or services to be added to the Policy. (Please see Coverage and Conditions in the Defense Policy for details).
- Upon underwriting approval, the additional products and/or services will be added to the existing Policy.
- Newly Added Insured products, processes and/or services are also subject to the 90 day, exclusionary period.

## PREMIUM

- The actual cost is dependent upon the number of insured products, risk factor, litigation history and/or litigation potential, Policy limits and other underwriting factors. Contact IPISC for a premium indication.
- Financing is available for all terms. If financed, a down payment of 20% of the premium (plus any applicable taxes) is due 15 business days after binding coverage.

## QUOTES

- Contact IPISC to obtain an application or a specimen Policy. Send completed application, reflecting all products the applicant wishes to insure to an IPISC account representative.
- As part of the Defense underwriting due diligence, Applicant must include, along with the application, the underwriting, insurability search fee; or, in lieu of the search fee, a comprehensive freedom to operate opinion from outside counsel that is 6 months old or less.
- Include descriptions of the subject matter to be insured, i.e. product brochures, operational manuals, relevant patent claims, if any, sample specimens and/or source code.

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- *MPIP coverage of \$50K or 10% of policy limits, whichever is less included with the Policy*
  - *SIR- 2.5% of Policy limits/ Co-pay- 20%*