



## INTELLECTUAL PROPERTY FIRST PARTY INSURANCE

First Party coverage also referred to as Multi-Peril insurance is available to any company or individual with an insurable interest in their intellectual property. The coverage provides "first party" reimbursement for losses incurred as a result of an unsuccessful attempt to defend or enforce IP in an infringement suit.

### Reasons to carry Multi-peril Insurance

- To cover losses resulting from an unfavorable outcome in intellectual property litigation whether you are the intellectual property holder or the accused infringer.
- To increase the likelihood that your business is able to stay afloat after an unfavorable judgment.
- To increase the attractiveness of your technology to potential investors.

Multi-peril Insurance protects your substantial investment in the products you offer and the revenues they produce. It pays you in the event you are involved in an intellectual property lawsuit and lose.

### Coverage

The policy provides coverage for losses incurred relating to IP, including the IP's value.

- **Loss of Commercial Advantage.** If the insured IP is declared to be invalid, the policy pays the loss of the additional increment of business income which was realized while the IP was in force, for a pre-established period of time.
- **Business Interruption.** If you suffer a preliminary injunction due to a suit against you for IP infringement, the policy pays for the loss of business income resulting from interrupted sales for a pre-established period of time or if you lose a Civil Proceeding charging that your products infringe the IP of another, the policy pays or the loss of business income for a pre-established period of time.
- **Loss of ongoing royalties/license fees.** The policy pays the loss of profits for a pre-established period of time if you lose fees because: a preliminary injunction is granted against you or a licensee, your IP is declared invalid, you lose on infringement issues, a license is wrongfully terminated, abandoned or suspended, you suffer a non-appealable finding of inequitable conduct or patent misuse of licensed IP.
- **Loss of benefit of research & development.** The policy reimburses a pre-established declared value of research & development of monies spent if: your patent is declared invalid, you lose an interference proceeding, there is a finding of inequitable conduct against you, there is a loss of benefit of research monies spent due to a Hatch-Waxman Act proceeding.
- **Loss of covered intellectual property portfolio value:** The policy pays a pre-established declared value should you: have your IP declared invalid, lose an interference proceeding vis-à-vis covered IP, suffer a non-appealable finding of inequitable conduct or patent misuse.
- **Cost of redesign, remediation & reparation:** The policy reimburses the insured the actual cost of redesigning, retooling or disposal of infringing manufactured products, marks and works, as well as shipping and restocking with

non- infringing products, marks and works, as well as renaming and/or redecorating of business premises and the rebuilding of goodwill of distributors, retailers and customers which are necessitated because: your covered IP is invalidated, you lose a Civil Proceeding charging you with infringement vis-à-vis your manufactured products, marks and works, you lose an interference proceeding, you suffer a non-appealable finding of inequitable conduct or patent misuse.

- Loss of trade dress identity: The policy reimburses you for loss of business income caused by the loss of a civil proceeding that enjoins you from continuing its use.
- Loss of trade secret advantage: The policy reimburses you for loss of business income caused by the unauthorized disclosure of trade secrets which were protected by confidentiality and nondisclosure agreements and/or were held on deposit with a technology escrow service for insurance verification purposes.

**This material is for promotional purposes only and in no way changes the terms or effect of the policy language.**

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