



WEBINAR

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**IP INSURANCE  
AND THE SUPPLY CHAIN**

September 2018

# OVERVIEW

- IP Insurance – a reminder
- How is IP relevant in a Supply Chain?
- Contractual indemnities



# WHAT IS INTELLECTUAL PROPERTY (IP) INSURANCE?

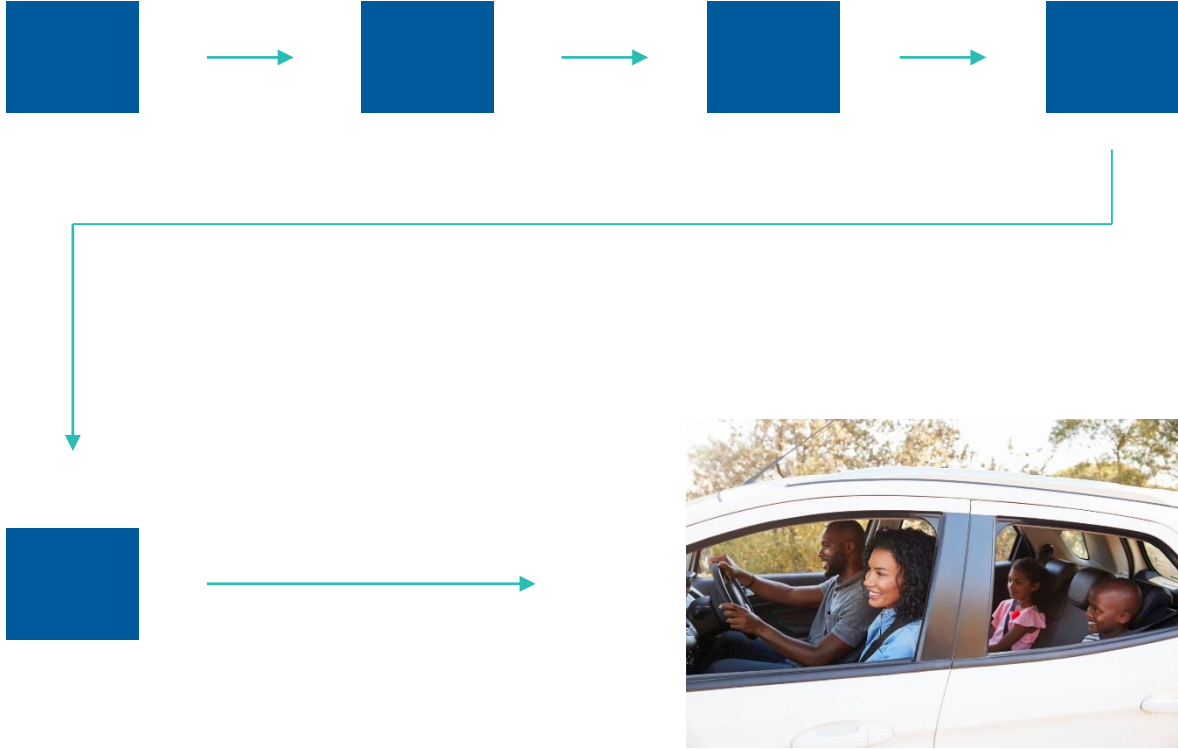
Cover for claims alleging infringement of IP rights, including patents, trademarks, copyright and trade secrets.

It also covers contractual indemnities.



# THE SUPPLY CHAIN

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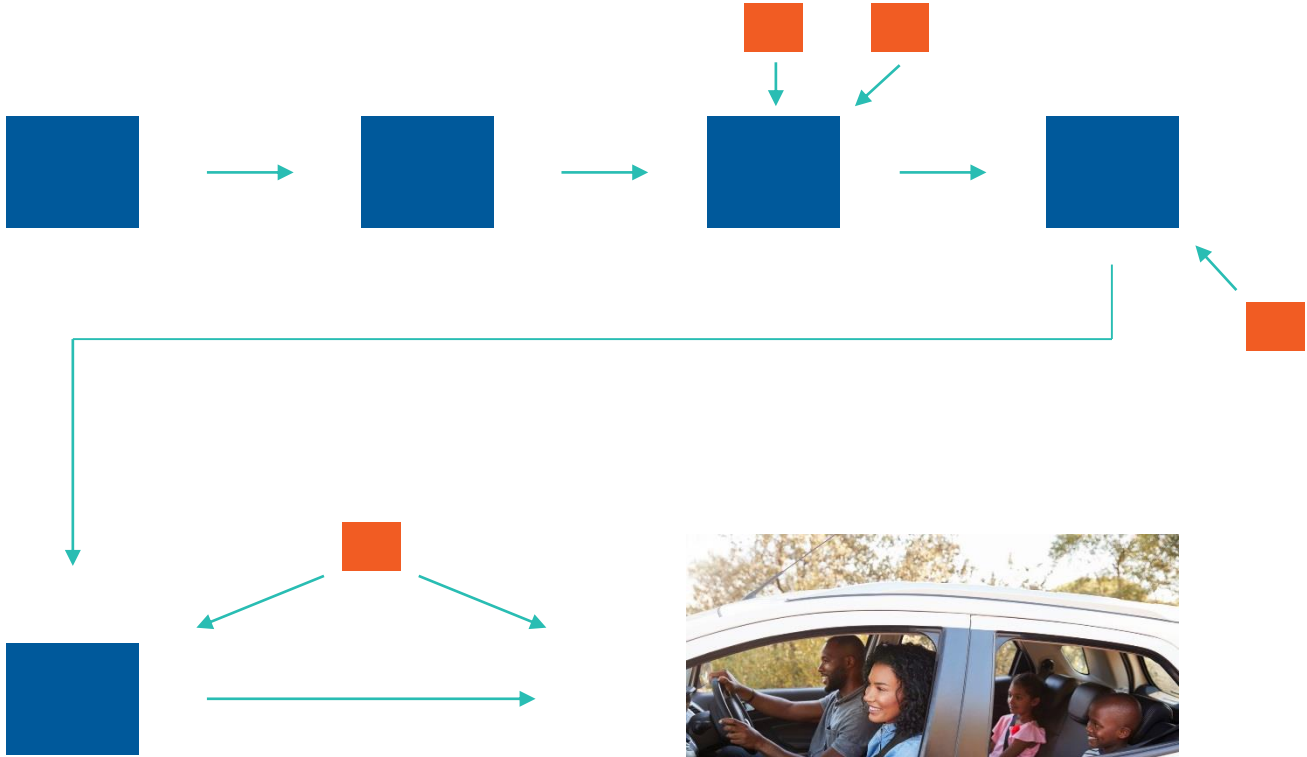


→ Products & Services  
■ Business

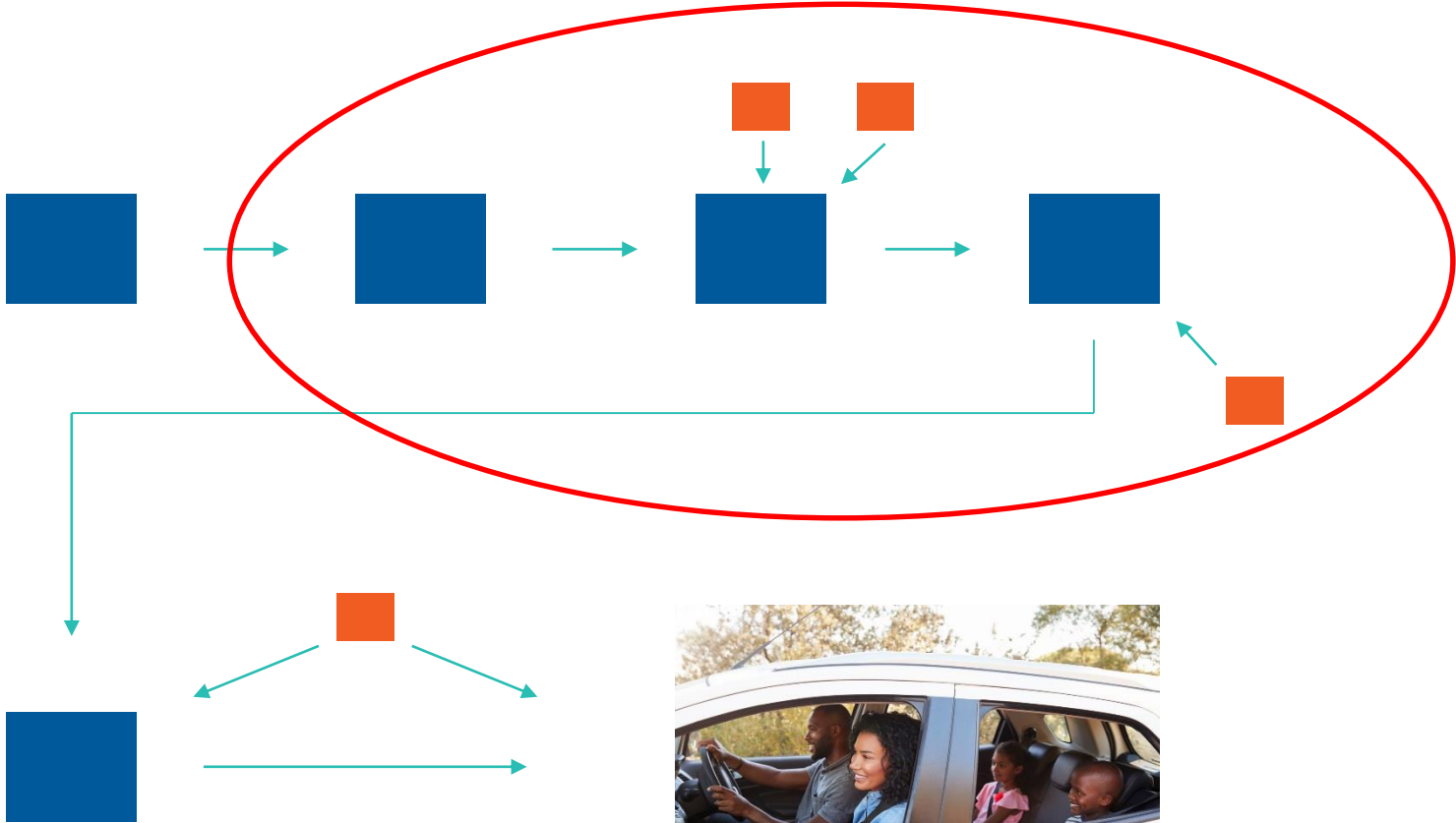


# THE SUPPLY CHAIN

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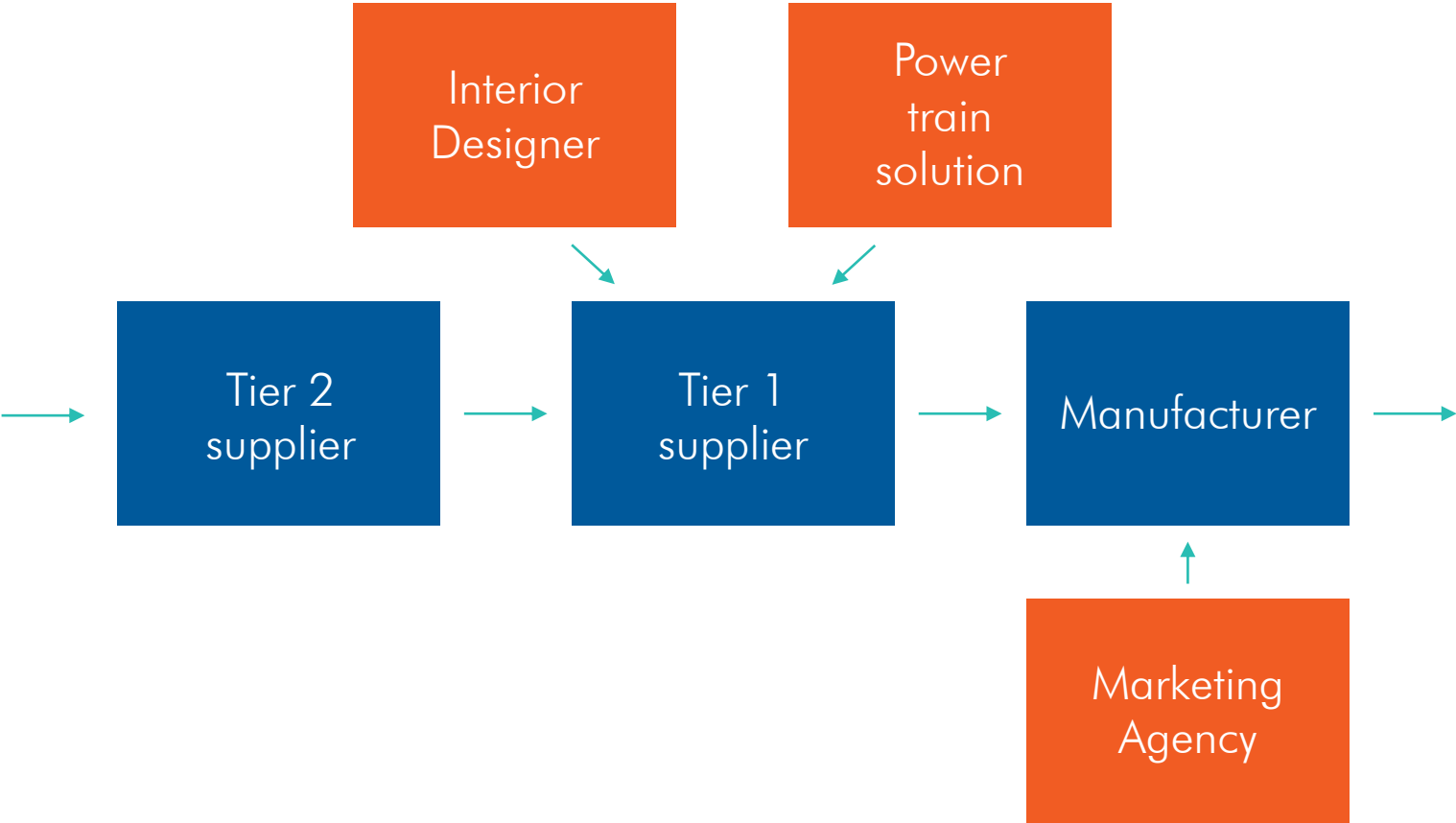


# THE SUPPLY CHAIN



# THE SUPPLY CHAIN

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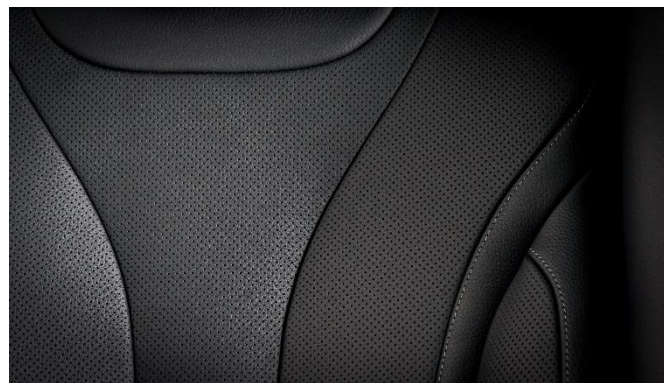
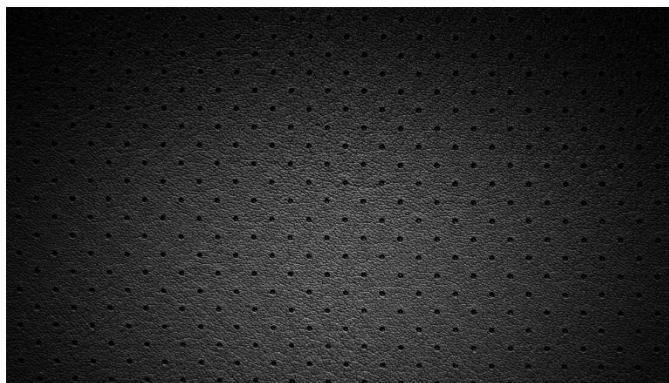


# THE IP EXPOSURES

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## Interior Designer

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





# THE IP EXPOSURES

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## 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?



# THE IP EXPOSURES

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## 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

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Contractual indemnities are a way of allocating risk within a contract to define:

## 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!



# CONTRACTUAL INDEMNITIES: EXAMPLE

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“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

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IP insurance is very useful for insuring IP infringement indemnities

## Providing 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

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The insured indemnifies a customer:

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



# INSURING CONTRACTUAL OBLIGATIONS: COVER OPTIONS

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## 'Blanket' contractual obligations cover

- 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

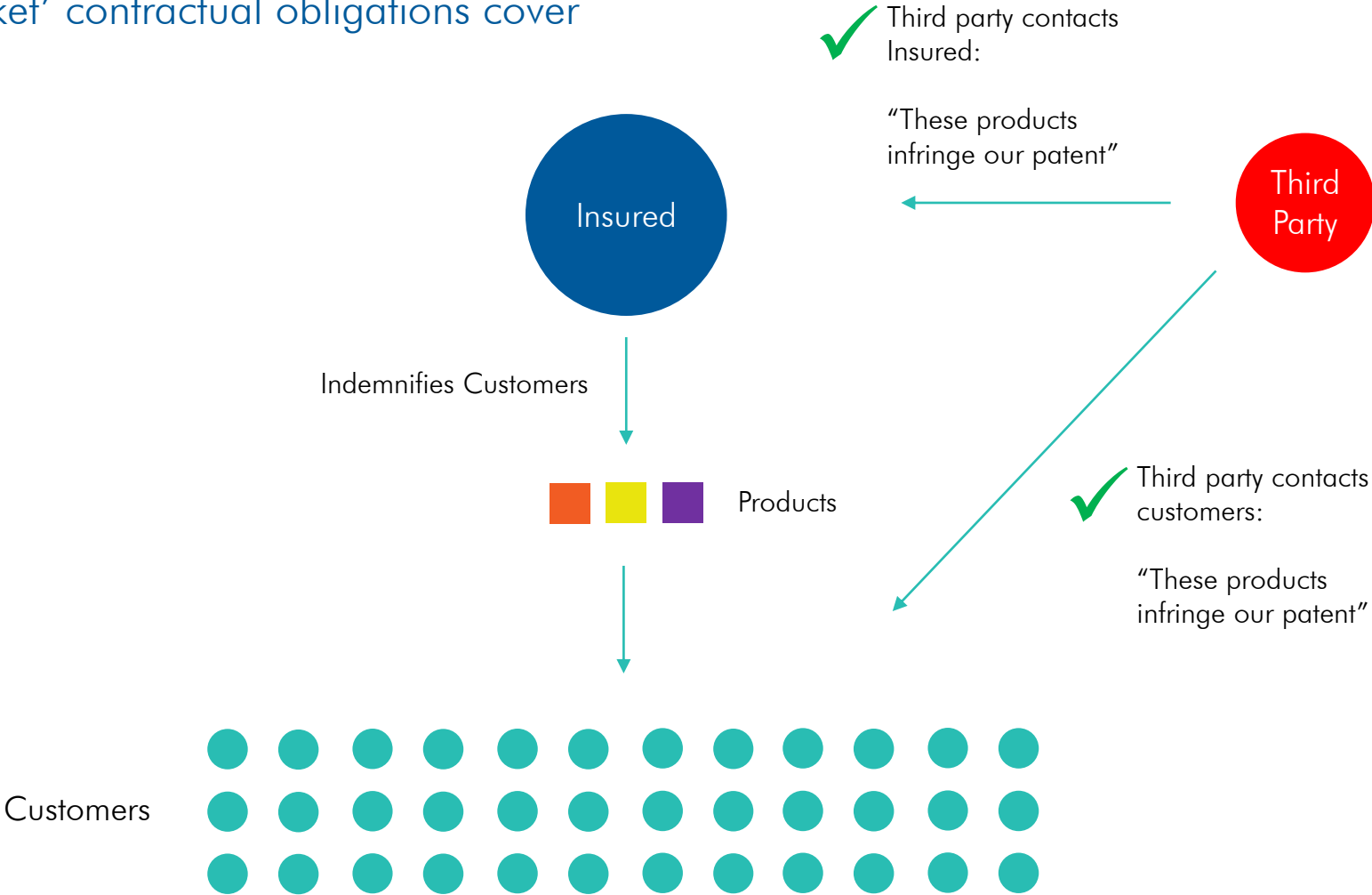
- Covers the insured only for their work performed under the contracts specified by endorsement, plus any contractual parties specified by endorsement
- Underwritten each time there is a contract change, or new contract



# INSURING CONTRACTUAL OBLIGATIONS: COVER OPTIONS

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'Blanket' contractual obligations cover

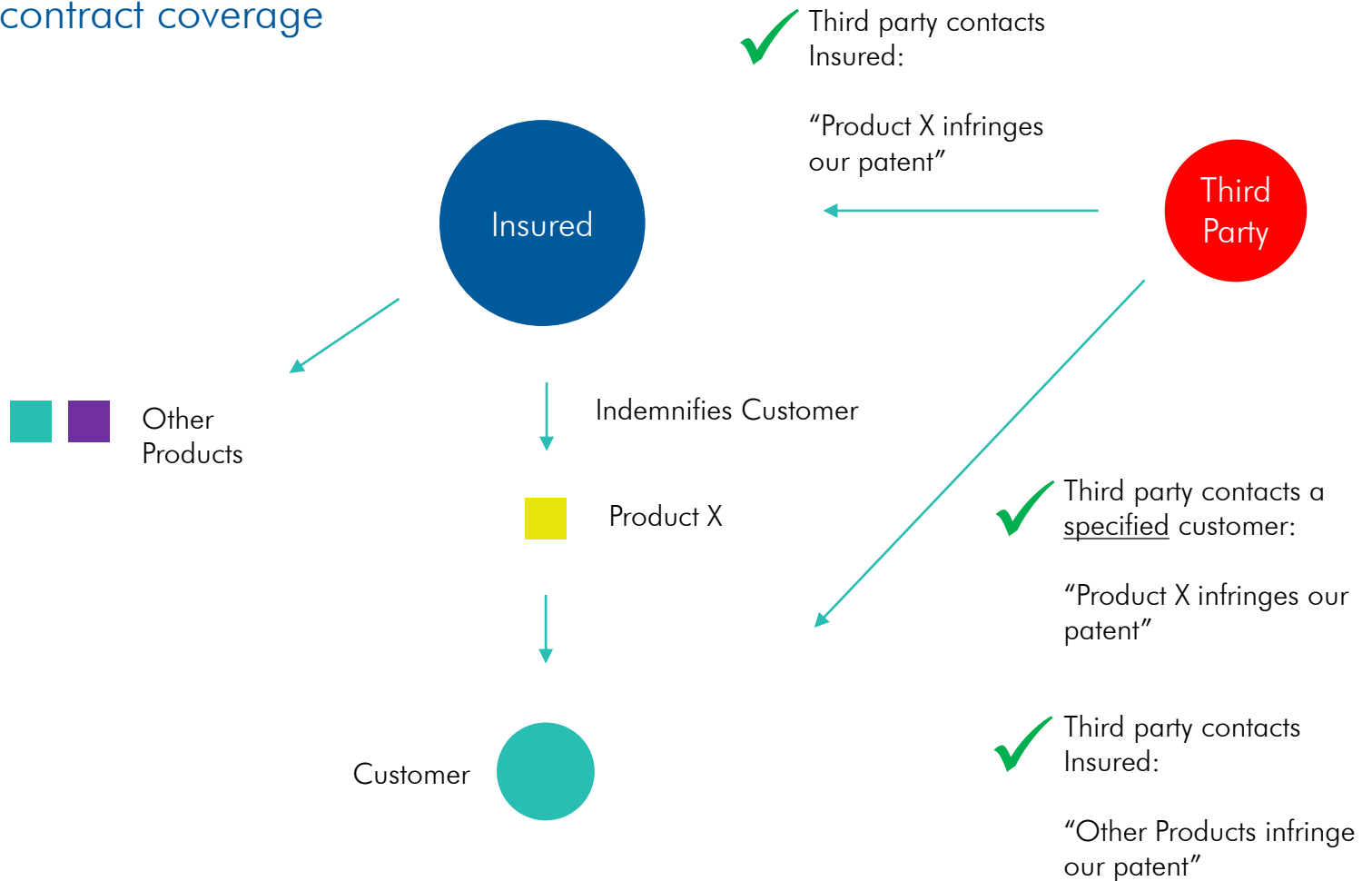




# INSURING CONTRACTUAL OBLIGATIONS: COVER OPTIONS

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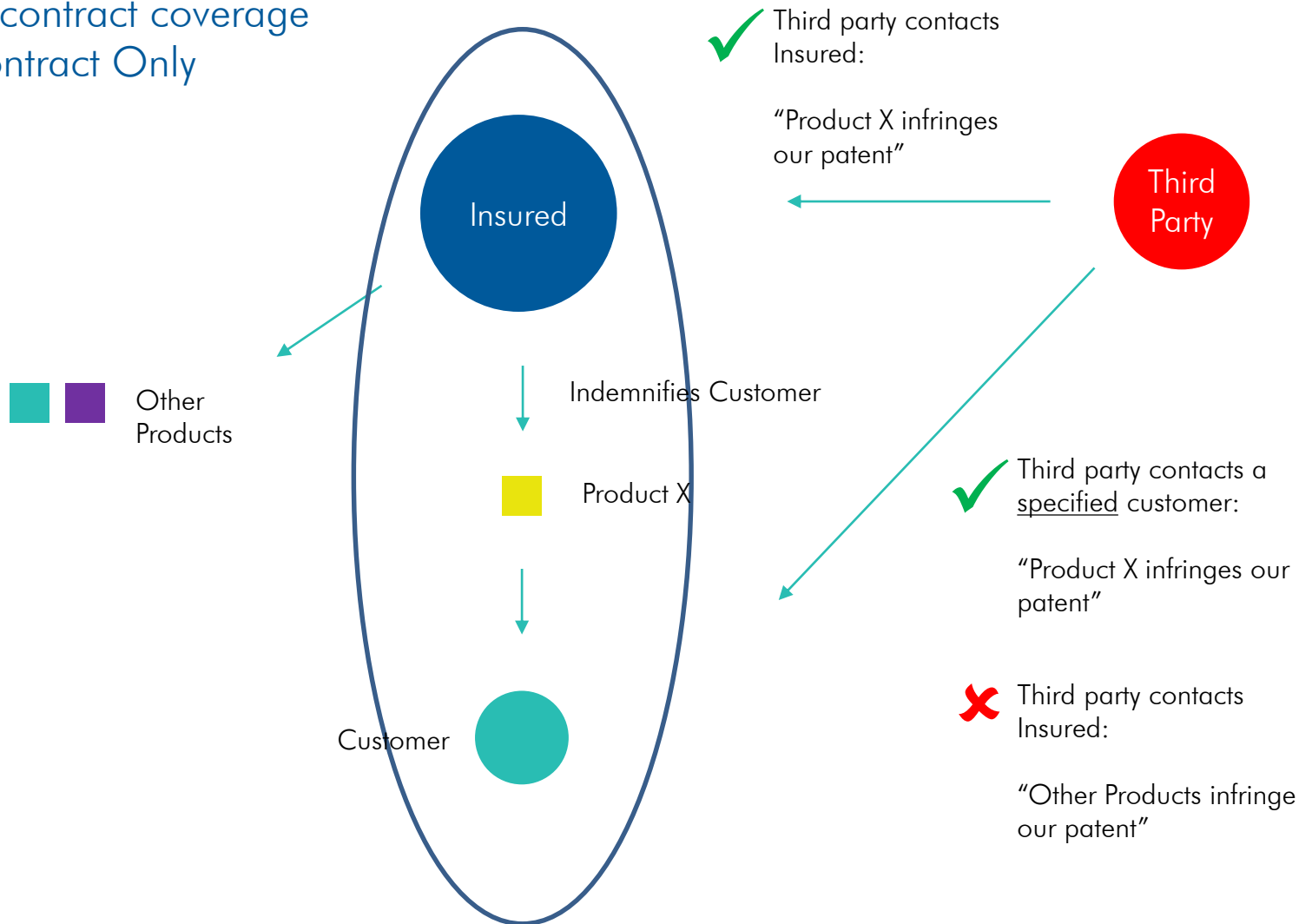
'Specified' contract coverage



# INSURING CONTRACTUAL OBLIGATIONS: COVER OPTIONS

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'Specified' contract coverage  
- Single Contract Only



# CONTACT US

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Contact us if you have any questions:

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We will also be inviting you to future IP webinars - we have several planned for the next few months.

Please let us know if there is a topic or terminology that you would like us to include in these webinars.

