

# Intellectual property



Intellectual property (IP) can and does provide companies with competitive advantage. Defined as '*creations of the mind*', it includes patents, copyright, trademarks, design rights, trade secrets, and domain names. IP is not only key in building and growing revenue streams but is also a differentiator providing the company with a competitive edge to its business.

The scale of companies' IP is growing. Recent data suggests that the shift from tangible to intangible assets continues to abound, with up to 90% of the market value of Standard and Poor 500 companies comprising intangible assets. In today's economy, the protection of these assets is an exponential concern for those looking to protect their growth, revenue, and business resilience.

IP infringement can profoundly affect businesses, industries, and economies. Disputes over the ownership or scope of IP property are frequent, with increased claims activity from non-practicing entities, often supported by litigation funders willing to assume the risk and expense of litigating these disputes.

Now more than ever, companies should recognise the importance of valuing, managing, and protecting their IP.

## IP solutions

Traditional insurance policies designed to protect physical assets against perils are unlikely to protect intangible assets. These policies may only respond to liability risk and provide limited, or no protection for the significant first-party losses that can arise when a business is required to litigate against an infringer, or has lost revenue (or some other value associated with a challenged IP right).

Working with key Lloyd's and London markets, our specialist IP team provides focussed insurance solutions that bridge the gap where traditional policies might not meet client needs in protecting the value of the IP of a company, or providing sufficient protection for defending infringement claims.

Our team works with various industries where traditional policies are unsuitable, for example by covering defence costs only, eroding limits intended for other types of loss, or excluding patents. For clients that may be looking to broaden the coverage available to protect their IP, there are insurers who generally have an appetite for the following industries:

- Technology, including fintech and greentech.
- General manufacturing.
- Media and entertainment.
- Fashion
- Medical devices.
- Professionals, including architects and engineers.
- Renewable energy.
- Oil and gas.
- Food processing.
- Automotive.

Other industries, such as pharmaceutical and semiconductor companies, can be considered on a case-by-case basis.

Insurance solution	Product description	Coverage details
IP infringement insurance	Designed to protect the insured from an allegation of IP infringement and provide protection against financial losses in connection with an infringement. The policy can be tailored to cover all the IP of a company or to cover named IP, or a specific contract. IP will include patent, trademark, design, copyright, trade secret and domain name.	<ul style="list-style-type: none"> <li>Defence coverage – insuring infringement/misappropriation liability, including reimbursement for defence expenses and/or damages or settlements.</li> </ul> <p>Additional covers include:</p> <ul style="list-style-type: none"> <li>Contractual indemnities to customers and distributors that may be provided within any indemnity or hold-harmless provisions within a contract.</li> <li>Reputation and brand protection.</li> <li>Opposition costs during registration of your patent.</li> <li>Invalidation costs after registration of your patent.</li> <li>Legal fees and expenses incurred in defending judicial proceedings against directors or officers for personal liability.</li> </ul>
IP pursuit/enforcement cover insurance	Cover can be included within a standard IP infringement policy. It is available to SME's only and can provide cover for the substantial litigation expenses incurred in enforcing a company's IP rights.	<ul style="list-style-type: none"> <li>Legal expenses provided to fund litigation to pursue the infringing party subject to insurers, prior approval.</li> </ul>
IP infringement insurance for open source software	Designed to respond solely to IP liabilities arising from the creation, distribution or use of recognised Open Source software.	<ul style="list-style-type: none"> <li>Defence coverage – insuring infringement/misappropriation liabilities arising from creating, distribution or use of Open Source software.</li> </ul>

## Contacts



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## ADDED BENEFITS

Standalone IP policy cover includes numerous benefits for companies:



Specialist cover that enables better risk control and mitigation by focussing solely on IP risk.



Global coverage, available to companies domiciled and operating anywhere in the world.



Allows cash reserves formerly earmarked for litigation costs and damages to be freed up and used more productively.



Protects the financial statement and shareholder value against the impact of large uninsured IP losses.



Flexible scope of cover that can protect discrete or entire portfolios of owned and/or licensed IP.



Additional first party covers such as reputational and brand protection, withdrawal costs, and loss of profit.

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