

Intellectual Property Liability Insurance Frequently Asked Questions

Virtually any company could be sued for intellectual property infringement even if the intellectual property is not directly owned. Intellectual property liability insurance is designed for companies across sizes and industries that design, manufacture, distribute, use, import, or sell products, or provide product-related services.

What does intellectual property insurance cover?

Policy coverage includes:

- Third-party infringement claims for patent, copyright, and trademark infringement claims:
 - (1) Litigation expenses, settlements, and damages
 - (2) Post-grant review / re-issue proceedings
 - (3) Invalidity, rectification, cancellation, or revocation proceedings
- Scheduled coverage for products, processes, and services
- Coverage for both competitor and non-practicing entities (patent trolls)
- Coverage for appeals and counterclaims
- Contractual indemnity coverage and indemnified party defense
- Loss mitigation through expert witness testimony, technical analysis & design-arounds
- Client's choice of counsel
- Post-incident response needs

What is the geographical scope of coverage?

Aon's Intellectual Property Liability policy is available worldwide, but can also be scheduled to cover exposures in the following targeted countries: The Netherlands, US, Canada, UK, Spain, Sweden, Norway, Denmark, Australia, and New Zealand.

What amount can be covered by an intellectual property liability policy?

Aon can provide up to € 100 million in insurance indemnity limit per policy.

What is the range of insurance limits that my company can get through Aon?

Companies can purchase policies with limits as low as € 1 million in insurance limits and up to € 100 million per policy.

What is the typical timeline to bind coverage?

The timeline typically ranges from one week to one month, depending on the company's profile and intellectual property exposure.

What does the underwriting process entail?

The insured will receive a non-binding pricing indication of the potential premium range along with some risk details. The non-binding indication is based on an automated risk model developed by Aon using publicly known information about the client such as revenue and industry, and an automated rater. The process does not involve manual underwriting.

We're here to empower results

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Intellectual Property Liability Coverage: Purchasing Scenarios

Intellectual Property Liability Coverage in Action

SCENARIO 1

Defensive Coverage



Situation: You manufacture and sell products, aggressively promote your brand name and products, have a prominent company website, and occasionally hire knowledgeable employees from your competitors.

Problem: You are concerned that you are a target for an infringement suit regarding patents, trademarks, or copyrights. You fear significant or even catastrophic impact on your bottom line.

Solution: You purchase an Intellectual Property Liability insurance policy covering patent, trademark, and copyright infringement.

SCENARIO 2

Contractual Liability Coverage



Situation: 1. You use third-party vendors to distribute your product OR
2. Other companies license your product for use in their products.

Problem: Your vendor contracts do not contain indemnification clauses for infringement allegations or the indemnification amounts are not reflective of the true risk. Your vendors are worried about being named in an infringement lawsuit because they distribute. Without proper indemnification, the vendor is concerned about the potential liability.

Solution: You purchase an Intellectual Property Liability insurance policy to cover your third-party vendors. The policy protects your vendors from the costs of infringement allegations and eases their concerns about working with you.

SCENARIO 3

Transactional Coverage



Situation: A supplier sells a product that you want to incorporate into a key product line. In its licensing agreement with you, the supplier insists on representations of “non-infringement” and seeks indemnification language.

Problem: The supplier is willing to offer you some indemnity, but will not agree to put funds into escrow to sufficiently cover potential damages. You are concerned about their ability or willingness to honor the agreement. The deal is in jeopardy.

Solution: You purchase a product-specific Intellectual Property Liability insurance policy to cover the “non-infringement” indemnities.

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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