

IPISC Product of the Month: IP Infringement Defense Insurance Policy

Intellectual Property (IP) Infringement Defense Reimbursement Insurance provides the litigation expenses to defend against charges of infringement by a company that makes, uses and/or sells a product, or, uses a word or mark in the marketplace.

The defense insurance protects the substantial investment that companies put into their products and the revenues they produce. The policy can reduce the impact of litigation and enable the company's operations to continue uninterrupted.

The insurance also puts in place the funding mechanism

to cover the standard indemnification clause for IP infringement required in many of today's standard contracts.

The defense policy provides the Insured with several benefits:

- ◆ Enables the Insured to mitigate the risk of unexpected infringement litigation;
- ◆ Provides the money and expertise for a powerful defense, increasing the likelihood of a favorable decision;
- ◆ Relieves the pressure to settle a winning suit because of the lack of financial resources;

- ◆ Discourages frivolous infringement suits and prevents loss of market share by demonstrating the Insured's ability to financially protect their business practices;
- ◆ Increases the attractiveness of the company's technology and decreases the risk to potential investors; and,
- ◆ Includes IPISC's Litigation Management Services.

For further information, please contact your IPISC account representative or your insurance agent. We encourage you to visit our website at www.ipisc.com to learn more.

Intellectual Property Lawsuits in the News: Month of July 2008

- ◆ Who's the Brat here? A former employee of Mattel and the inventor of the popular Bratz® dolls may owe Mattel over \$1 billion in damages after a jury determined that he came up with the concept of the dolls while still under contract with Mattel. Oops!
- ◆ Trademarks and copyrights are presumably being infringed down and across,

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or so says maker of the popular Scrabble® game, Hasbro, Inc., who is suing the makers of the on-line word game, Scrabulous, for IP infringement. Our check of the United States Patent and Trademark Office (USPTO), shows that an application to register SCRABULOUS was abandoned by Imagination Holdings Pty Ltd. in February 2008.

- ◆ Shoes are in the news again. American Eagle Outfitters Inc. won a preliminary injunction against Payless Shoesource Inc. The American Eagle line of shoes alleges that Payless' American Eagle shoe line confuses consumers and tarnishes their brand.

Points of Interest

- ◆ Check out [this in-depth blog](#) discussing Intellectual Property (IP) and IP Infringement Insurance. The blog is authored by Andy Cohn of Wilson, Washburn & Forster in Pinerest, FL.

We'd love to hear from you! Tell us what you've been saying, or hearing, about IP insurance and we may feature you in our next monthly e-newsletter or our quarterly newsletter. Please send responses to kewis@ipisc.com.