

IPISC has issued a Defense Reimbursement Policy to Unified Patents which includes coverage for Named Additional Insureds, "members." The following are representative questions posed to IPISC about the Intellectual Property (IP) Defense Insurance Policy. IPISC has taken every effort to answer the questions clearly and concisely. As always, please consult IPISC or an insurance professional should you have additional questions not listed below.

What does the policy cover?

Policy includes coverage for Named Additional Insureds with revenues under \$20MM. The Policy reimburses defense Expenses incurred as a result of litigation initiated by a Non-Practicing Entity (NPE).

How is an NPE defined for purposes of this policy?

NPEs aka "trolls," own patents, but do not make, use, sell or offer to sell anything – they do not "practice" the inventions they own. Notwithstanding this lack of commercial activity, NPEs assert their patent rights against large and small firms frequently and effectively.

What are the policy terms?

Limits: \$50,000/claim (higher limits, alternate terms and wider coverage scope may be available by applying for separate coverage)

Self-Insured Retention (SIR): \$5,000

Co-pay: 20%

Are large NPEs such as Intellectual Ventures, Acacia, Empire IP and other covered by the IPISC insurance policy?

Yes.

Is there a limitation on the technology covered?

No.

How does the Self Insured Retention (SIR) work?

The SIR does not reduce Policy limits. The SIR is paid out-of-pocket by the Named Additional Insured. Once the SIR is satisfied, the Policy begins reimbursement.

Is there a Waiting or Exclusionary period?

Yes; threats of or actual Civil Proceedings alleging Infringement brought before or during the initial 90 days of the member's addition to the Policy are excluded from coverage under the Policy.

Can coverage be purchased if there is known infringement?

Yes; coverage may be obtained for other exposures; however, any pre-existing accusations and/or threats of Infringement may be excluded from coverage. Threats include, but are not limited to, warning letters and/or emails accusing Infringement and verbal threats of Infringement.

Are Invalidity Counterclaims and Post Grant Reviews covered?

Yes; they are automatically covered under the Policy.

How are claims handled?

The member listed as an Additional Insured to Unified Patents' policy will notify IPISC in the event of a Civil Proceeding. The member will complete a Claim form and submit it to IPISC. The Company shall choose the Litigation Counsel, and if authorized, upon compliance with the policy terms and Conditions, the Company will begin reimbursing the member's Litigation Expenses.

Who will be representing you in a Claim?

Company chooses litigation counsel, who average over 25 years of IP litigation experience and have taken IP cases successfully through trial. Litigation counsel is chosen based upon successful IP litigation experience, technical expertise, location, and familiarity with the Policy and Billing Guidelines, to maximize the value of the Policy to the Insured.

Can a Claim be made for settlement amounts paid?

No. The policy only covers litigation costs; it does not cover settlement expenses. Any settlements must be paid out of pocket by the insured.

Who controls the lawsuit?

The Company reserves the right to make recommendations as to how the case should or should not move forward but, ultimately, the Named Insured is in control of the lawsuit.