

ExecutivePerils

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Intellectual Property Claims Scenarios

- 1) A nationally recognized pharmaceutical company (plaintiff) sued a competitor for misappropriating their trademark. The plaintiff contended that the name of their product, which had the trademark for 10 years, was also being marketed under the same name by their competitor. The plaintiff was awarded \$134,000,000, the largest such trademark infringement award to date.
- 2) A national conglomerate was sued by a competitor alleging patent infringement for using the plaintiff's technology. The plaintiff was awarded \$128,700,000, which represented 10 times their 1996 earnings.
- 3) In a recent case, an online imaging company was awarded \$1,000,000 against two industry rivals for infringement on its patent. The judge on the case ruled that the online company had the exclusive rights to dynamic imaging created with a fisheye lens. The patented technology allows users to interact within an image, looking 360 degrees in any direction.
- 4) A well known website company providing music via the internet, was ruled to have willfully infringed on the copyrights rights of a record company, when it unlawfully copied approximately 10,000 compact disks.. The claimant was awarded \$118,000,000 in damages.
- 5) In a pending case, a nationally recognized chemical manufacture filed a patent suit, as a preemptive strike against its rival competitor, in an attempt to invalidate a claim of patent infringement by the competitor. The suit involves a sealant used in the manufacturing process of semi-conductors.
- 6) A global medical products distributor / health care software developer, filed suit against its former employees and their new company, for theft of trade secrets involving software used by managed care organizations to improve and help lower the cost of health care. The suit alleged that the former employees used proprietary information and divulged trade secrets to its new employer, even after signing an employment agreement, which expressly barred the employees from working at competing companies or disclosing trade secrets and other proprietary information.

These scenarios are not intended to be interpreted as coverage positions. Coverage for any given claim is based upon its facts and the specific terms and conditions of the policy.