

Insurance Coverage for Intellectual Property Lawsuits

California Business Insurance Dispute Attorneys

Almost any company striving to innovate, compete and grow can face allegations that it violated intellectual property law. Mounting an effective defense against a lawsuit for patent, trademark or copyright infringement – often accompanied by claims such as misappropriation of trade secrets and unfair competition – can be a complex and extremely costly effort, whether or not the claims have real merit.

If your company has been accused of a violation of intellectual property laws, it is essential to determine whether you have insurance coverage in place to cover the costs of your legal defense and any settlement. Depending on a vast range of factors and circumstances, such coverage may be available under a commercial general liability (CGL) policy or directors & officers (D & O) liability policy.

Do You Have Coverage Under a CGL or D & O Policy?

Generally speaking, the primary purpose of CGL insurance is defense against bodily injury or property damage claims. However, several cases in recent years have demonstrated that coverage may be available for patent infringement and other intellectual property-related claims associated with advertising activities and business methods.

Directors & officers liability policies may be an even more likely source of coverage when facing an intellectual property lawsuit, since D & O policies often contain broad language that covers many forms of negligence or recklessness and some intentional acts. There are documented intellectual property-related cases in which courts have ordered a D & O carrier to reimburse both the company and covered officer for a settlement paid as well as attorney fees incurred in defending the claim.

At Pillsbury & Levinson, LLP, our dedicated insurance law attorneys can carefully analyze all insurance policies and forms of coverage that may apply in an intellectual property dispute. We actively follow developments in this area and have a track record of success enforcing insurers' duties to defend and other obligations. When claim denials and delays are unreasonable, we aggressively pursue insurance bad faith litigation.

Protecting Businesses' and Stakeholders' Rights and Assets

If you are involved in an intellectual property dispute and have questions about whether insurance coverage is available, or if you believe you have coverage but your carrier is refusing to provide it, please contact our firm. From offices in San Francisco, we counsel and represent business and individual policyholders throughout California.