

*IPISC's mission is to promote efficient and effective claim resolution by building a strong working relationship with the Insured, and by doing all that is possible, within the terms of the Policy, to help support the Insured in enforcing and/or defending their Intellectual Property (IP) rights.*

*The following Claim Study is an actual Claim managed by IPISC's Litigation Management Department, and was reimbursed according to the terms of the Defense Policy and specific Claim terms. In an effort to protect the identity of the Insured, names have been omitted, except those agreeing to provide testimonials. For additional questions about IPISC's Litigation Management Services and claims, please contact IPISC or an IP insurance professional.*

### About

The Insured, a large producer and marketer of beverage cartridges for coffee brewers, was sued by a coffee brewer manufacturer.

### Policy Terms

**Policy:** IP Defense Cost Reimbursement Policy

**Term:** 3 year

**Policy Limits:** \$3,000,000 per claim/ \$3,000,000 per aggregate

**Premium:** \$98,861

**Self Insured Retention (SIR):** \$150,000 SIR that adjusted upward as the total combined litigation expenses and damages reach pre-set amounts

### The Claim History

**October 2010:** The coffee brewer manufacturer sued the Insured, alleging that the use of the Insured's beverage cartridges in the manufacturer's brewers directly infringed the manufacturer's patents. The manufacturer also alleged several other non-patent causes of actions.

**September 2012:** After extensive discovery and motions practice, the district court granted the Insured's motion for summary judgment for the patent claims based on the doctrine of patent exhaustion.

**November 2012:** The manufacturer appealed the district court's summary judgment decision regarding patent exhaustion to the Court of Appeals for the Federal Circuit.

**February 2013:** The parties settled the non-patent claims.

**October 2013:** The Court of Appeals for the Federal Circuit affirmed the district court's decision, holding that the manufacturer's patent rights were exhausted by the sale of its brewers to customers.

### Outcome

**Length of litigation:** 2 years and 4 months

**Length of Appeal:** 6 months

**Total Defense costs:** over \$3,900,000

**Insurance Company paid:** \$665,998 \*

\*Amount paid out by the Company was pro-rated according to Policy terms, and was based upon several causes of action charged against the Insured, who had scheduled patent coverage only under the Defense Policy for their products. Additional causes of action included, but were not limited to, trademark, copyright and trade dress infringement.