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Insurance Contract of Intellectual Property Rights

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ABSTRACT

Intellectual property insurance is a contract that covers occurred risks to intellectual entities inducing damage to their owners and users or the third person and compensates those damages. Now, since the subject of this secure coverage is different from other kinds of commercial insurances, it is essential to formulate and analyze elements of intellectual property insurance contract. Now, according to the fact that this is a new kind of insurance policy particularly if it is to cover all risks of intellectual property, it seems that identifying elements of this kind of insurance policy and investigating its certain related problems is of significance importance and interest considering the specific nature of intellectual creations and different concept of risk in the insurable interest. In this paper, these issues have been put under investigation.

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Introduction

There have always been great debates and conflicts on risk coverage related to decline and violation of intellectual assets among the insured and insurers because these assets are new ones. When a commercial company insures its civil liability generally developed as a result of daily commercial activities. Regarding the publicity of its liability in insurance policy, it expects its liability to be guaranteed irrespective of the cause of its development; whether its cause is the lack of implementation of its conventional commitment or violation of patent belonging to the third person. On the other hand, when insurers guarantee all risks arrived to the insured's all property, they should not overlook occurred loss to intellectual properties; nowadays there is no doubt on the possession of these properties and they are also undoubtedly regarded as company's properties. However, in assuming that, in legal system, comprehensive insurances of civil liability and/ or property comprehensive insurance are not able to cover intellectual property risks and /or such risk have been excluded from insurance policy subject area according to apparent agreement of parties, in such situations, we should resort to particular insurance policies that can specifically cover aforementioned risks so that there would be no doubt on the security of the insured rights.

Undoubtedly like other insurances, intellectual property insurance is also consisted of elements and conditions such as subject of insurance policy and risk of insurance object, insurance interest, time and location territory of secure coverage. When elements of intellectual property insurance policy is considered, in many various aspects there may be problems and ambiguities and misgivings, thus it is essential to resolve these problems in order to this insurance to be accepted by the insured and insurers. These problems are mainly derived from the very essence of intellectual properties and creations. One of these main problems is the fact that whether these intellectual creations and given risks are insurable in terms of insurance principles and techniques; such that which intellectual assets and which category of their risk

are insurable? As an insurable interest owner who can be a party with the insurer? Is the risk of insurance policy subject a subordinate of time and local limit of the authenticity of intellectual entity or the parties can accord independently?

In this paper, according to the especial rules of intellectual rights and also considering the principles and regulations of insurance, in order to formulate the essence of intellectual property insurance policy (irrespective of generality or specificity of its subject) and to conform it to legal principles and regulations, elements of this kind of insurance are analyzed and put under investigation.

Object and subject of intellectual property insurance

In commercial insurance contracts, when "insurance object" is considered, it means the integration of "subject of insurance policy" and "covered risks". Insurance subject refers to anything (both assets outwardly or interests, and etc.) that has been covered under insurance and the insurer compensates the losses. Sometimes in legal terms, risk referred to as sinister is the very event or likely events that their occurring entails the insurer commitment on the compensation of damage (Foss and Laura, 2015, 4). In this section given the importance of subject, intellectual property insurance is discussed in two separate following sections (the subject of insurance policy and risks) and the risks that their occurrence leads to the compensation of losses by the insurer are probed too.

With the emergence of intellectual property rights, new issues emerged in legal knowledge that were challenging for traditional lawyers and jurists. These challenges are mainly derived from intangible and abstract nature of these assets and nonetheless their worth. What is relevant to the subject matter of this paper is to answer this question if it is possible to insure an asset which is not observable and it is not damaged materially? Although at the beginning there were many controversies among foreign lawyers, nowadays insurance rights provide positive answer to this question. Naturally, insurance policy is a contract for the compensation of losses to the insured and that the insurance object is regarded as a valuable asset that can be guaranteed under insurance

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(Habibaand Eshraghi, 2013, 38).

However, since insurance profession power is too much dependent on insurance calculations, probability of prediction, capability of damage compensation, different kinds of intellectual property subjects should be distinguished, those subjects should be considered that can be included in the subject of insurance policy. In the first phase, intellectual assets are divided into literary-artistic and industrial ones. Here we should consider the fact that literary and artistic works possess price and so they are regarded as assets and in some countries (such as US and UK) they are insured (Kumar and Parnami, 2008, p. 6). In developing countries according to the high frequency of their infringement and the difficulty of computing the owner's loss especially when damage on intellectual part is dominant, at least in today's condition, insurance is not possible and affordable. On the other hand, since there is mainly no need to register intellectual assets to support them as they enter legal system as soon as they are made. Obtaining the insured competency on these assets from the insurer is difficult. This has led to the uncertainty on the insurability of these assets.

While all kinds of industrial properties including patent, industrial scheme, trademarks, trade secrets, and softwares are insurable because their economic and commercial value is vivid and are in complete conformity with commercial insurance necessities. Specifically, if these rights are commercialized and distributed through transferring contracts and granting license containing the sum of contract subject, such that these methods will pave the way for insuring intellectual assets. Insurability of this category of intellectual creations is fostered in that unlike literary-artistic creations obtaining legal support for industrial properties often requires registering this group of intellectual assets by the inventor or its owner received over considerable formalities. This leads to the entrance of intellectual creations into legal world, on the other hand, it is proved that if they are easily regarded as an asset or asset rights, this in turn facilitates and makes insurers' prediction precise. In other words, insurance company issues insurance policy for insurance applicants if they offer the license of their patent or industrial plan or trademark and/or software (Sergent and Brown, 2010, 455). In this way, an authorized and legal right is insured. This is the reason why sometimes the insurers make a condition that the subject of the insurance policy should pass six month registration without any risk occurring so that the insured competency toward the subject of insurance policy can be identified from their perspective (Sergent and Brown, 2010, 451).

The role of risk in intellectual property insurance

At first, risks encountered by owners and users of intellectual assets are introduced and investigated. Then those categories of risks which are insurable under insurance principles and techniques are analyzed.

Risks encountered by intellectual rights holders and users

There is a risk in all individuals' actions but the nature of these risks differs according to the individuals' type and activities for which they struggle. In intellectual property field, these risks exist for investing companies, especially in commercializing industrial plans and inventions. Their negative impact on the activities of mentioned companies cannot be overlooked (Qaiser, 2011, 5). Generally, the following risks exist for a company or institution trying to commercialize intellectual property rights particularly

industrial plans and inventions and other users of intellectual entities:

* Companies usually don't have an effective control or ownership over intellectual property rights they try to commercialize. This not only will prevent progress in commercializing project but also it may lead to complete failure and destruction of the project (Ibid).

* Lack of success in registering intellectual property rights or its survey can also be one of the risks threatening commercial investing companies. The risk of lack of struggle for re-registration and prolongation of the credit of inventions is among the risks which are problematic for investing companies (Pual, 2013, 2).

* Lawsuit from the third person over intellectual property rights and prosecution against this company is among risks that not only cause material and intellectual loss to investing company but also it will bring about damage to companies authenticity and reputation. Even this may induce the company tend to invest no longer (Reyes, 1995, P. 2).

* The probability of risk to the insured is not merely due to the liability from the infringement of third person rights, but in the process of utilizing the invention and other intellectual creations, the user company or the owner of intellectual right may face infringement of their rights by others. If another person start parallel importing of goods its patent have already registered by the investor in industrial property department. In such a way, inevitably he is forced to persecute against the violator in order to prevent parallel importing and generally remove infringement sources. The cost of infringement lawsuit and violator prosecution requires paying high cost of proceedings and lawyer's fee, especially if the plaintiff wants to gain temporary order to stop the continuation of the activities leading to intellectual right infringement. In fact, these costs will be more than the costs of defending against infringement lawsuit (Betterley, 2015, 6).

* On the other hand, inventor's or intellectual right utilizer's civil liability necessarily is not achieved out of contract but lack of observing their contractual commitments may lead to the compensation of losses. It mainly results in violating intellectual owner's rights. This contractual liability induced through unpaying royalties, violating special and temporal limitations of operating insurance subject(e.g. manufacturing and production of goods out of territories of agreed country), and so on, requires the existence of prior contract granting utilization license or transferring patent, industrial plan, trademark, ...between plaintiff and defendant of infringement lawsuits (Gauntlett, 1998, 23).

But not observing the requirements of abovementioned contracts will lead to the infringement of patent and other intellectual rights. Using others' intellectual rights is subject to obtaining their permission. Regarding the case, violating contract requirements means violating the rightful person's permission and as a result it is regarded infringement. Of course, violating utilization license granting contract is of two types: 1. Violating intellectual entity transferor's right by the user as a result of factors such as failure to pay patent, failure to follow the requirements and agreement commitments (purchase out of recommended geographical area, failure to compensate predicted damages in the contract); 2. Failure to enforce the contents of intellectual property representative contract by the transferor including transferring the subject of insurance policy of granting exclusive utilization license to the third person.

* Risks derived from enacting new rules in intellectual property rights, particularly industrial inventions and plans, that can take place according to medical, remedial or public order considerations in different countries. Such changes induce restraints on material rights of intellectual property rights owners. Sometimes its outcome and consequences is against commercializing purposes practiced by companies investing on them.

* Other risks in this respect include company employees and personnel's remissness in commercializing field and/or occasionally their practices which lead to the infringement of intellectual property rights of others and consequently it results in lawsuit on their part (Kienle and German, 2000, 5).

With regard to the total risks mentioned above, the necessity of risk transfer and distribution through contract conclusion is not unknown to anybody. But the main point is that: which one of abovementioned risks are insurable and can be considered as subject risk of contract conclusion?

Insurable risks in intellectual property field

Based on insurance rules and principles, a risk with the following characteristics is insurable:

1. The risk should be common among large group of people. Otherwise, insuring that risk would be merely damaging to the insurer (Babaei, 2008, p. 45). Although at the beginning of intellectual property, due to limited inventions, it was not possible to insure intellectual assets, nowadays with the extension of inventions a wide range of people are subject to damage so there is no obstacle to insure them.
2. The risk should occur at the specified time and specified place and due to single cause. The traditional example of this requirement is the death of the insured in life insurance (ADVISON, 2010, 5). Intellectual property damages are mainly produced as a result obvious cause (e.g. importing invention) at the specified time and place. In fact, what has induced intellectual property insurance risk has been ascertained in different intellectual property rights fields.
3. The risk should be contingent and unexpected and at least should be out of the insured's control (Babaei, *Ibid*, p. 45). This case should be investigated in details among given risks.
4. Premium paid in exchange for the insurer pledge should be appropriate and payable. On the other hand, if the intensity and amount of risk is too much large that few persons accept to pay its premium, such a risk is not insurable.

Among mentioned risks in previous sections, what is related to failure of registering invention or lack of its survey and invention re-registration cannot be regarded as insurable risk because such risks are not contingent and unexpected, and at least are not out of the insured's control (lack of fourth requirement), while the existence of probability in risk occurrence is its main element. Indeed, intellectual property insurance is a means to attain further guarantee and more security for their owners, to support their legal rights, and if there is an infringement, to compensate damage. Undoubtedly, rights are supportable that have been extended based on registered regulations and determined respites. Similarly, in their own insurance policy, insurers stipulate that they will grant insurance advantages providing the registration of intellectual right in related authorities and refuse to contract with those who have not registered their own intellectual assets ((Kumar and Parnami, 2008, p. 6).

Indeed, out of intellectual property risks, only cases are insurable that violates indisputable right of the insured or the third person and thereby damages them. Infringement includes

different forms and occurs in different ways. Their complete and detailed discussion is beyond the scope of this paper. Ultimately considering mentioned conditions, infringement is insurable when it is based on contract (contractual commitment infringement liability), if it is not included in contract framework, it leads to third party lawsuit against insurer or the insurer lawsuit against the infringer (Habibaand Eshraghi, 2013, 43). This term is required such that insurance computations and probability of prediction, and damage occurrence consequences would be possible in courts according to concluded contracts with condescension subjects or granting using intellectual assets or precedent of registered lawsuits, and illusive and fictitious pledges would not be undertaken by the insurer.

Defensive insurance

Hereby if insurance risk entails infringement lawsuit against the insured and indeed the insured's civil liability risk is due to infringement, in this case the intellectual property insurance is called "Defensive insurance". For example, when a company contracts an inventor or right owner in order to earn utilization license for manufacturing and distributing range of industrial products, with assuring certainty and decreasing probable infringement lawsuit from the third person, embarks on performing utilization license granting. Although these companies protect themselves against any violation lawsuit through inserting requirements related to guarantee or indemnification. Since there is a possibility that the inventor or right owner fail to success in his own defense and/or cannot afford it (that requires paying high proceeding and experts costs), complete assurance for utilization (commercial company) is obtained when this liability is insured and indemnification or lawsuit defense is condescended to the insurer company. So it can continue its commercial activity in a secured environment. Not only this risk exists in patent but also it exists in most utilization granting license contracts of software, industrial designing, and transferring contracts of patent, software, trademark, and industrial plan. Transferring the receiver or user of aforementioned intellectual rights cannot assured the absence of the third person rights infringement even observing the registration license. The probability of infringement continue to exist especially even the inventor or designer might not be aware of violating others' rights (Fuentes, 2009, p. 14).

In this insurance policy, If there is a lawsuit against the insured, the insurer is required to pay defense costs including expert fee, lawyer's fee and etc. In addition, if parties agree, the insurer should undertake defending the lawsuit and proceedings. Also if the insured was found guilty in the court under court sentence, winning party must indemnify, so the insurer must carry out the verdict (Aetna Casualty & Sur. V. Water Cloud 1, California, 1992).

Offensive Insurance

If the insurance subject is the persecution of intellectual rights violators, in this case intellectual property insurance is called offensive insurance. Thus, since suing lawsuit (either legal or criminal) requires high proceedings costs that is not affordable by inexperienced inventor and even commercial companies are not able to pay such costs, so the intellectual rights owner or user can insure his/her intellectual assets to receive the costs of persecuting violators. This kind of insurance policy can put the responsibility of claiming and persecuting rather than paying the costs of persecution on the insurer (Kienle and German, 2000, 18).

IP Asset Protection Insurance

In addition to abovementioned risks practically reducing Intellectual property insurance to “intellectual property proceeding insurance”, intellectual rights owner or the company trying to commercialize its own or others inventions can embark on insuring their own intellectual assets in a real sense. Indeed, this insurance policy known as “IP Asset Protection Insurance” if voided under court judgment or terminated, it will indemnify damages result from the insurer investigations and development as well as loss of prospective profits of losing mentioned asset. On the other hand, subject risk of this kind of insurance policy is the void and invalidity of intellectual entity under court judgment (Rowe, 1998, p. 86). Certainly, if the cause of patent void is, for example, due to lack of use during given period in the Act, this risk is excluded from insurance subject risk because insurance risk of this insurance policy is attained when the court judgment is based on infringement of third person rights rather merely not observing related requirements.

Insurable interest holders (insurer) in intellectual property insurance

In this section, we deal with who can embark on concluding intellectual property risks insurance policy. Based on insurance right property principle, the insurer should be a person with insurable interest in contract subject; i.e. s/he should benefit the existence and duration of contract or to sustain a damage on asset infringement and he would be able to indemnify his/her loss (ADVISON, 2010, 3).

Undoubtedly, the first person as the owner of insurable interest comes to mind is the creator of intellectual work (such as inventor or designer of industrial plan or trademark). All intellectual and material rights of invention, industrial plan and etc, in the loss of contrary agreement, belong to the mentioned people. Maintaining their rights justifies preparing secure coverage. The creator does not always engage independently in creating work, but sometimes intellectual creation development takes place according to agreement with other people (Reyes, 1996, 47). This agreement is conceptualized through following assumptions: 1. Sometimes several inventors create an invention cooperatively; 2. Sometimes is employed for a company (work contract) following employment relation and using employer’s facilities, the inventor creates an invention; 3. Sometimes without any employment relation with a company, based on ordered contract the inventor creates the work for an employer; 4. Sometimes the inventor creates an invention for himself/herself, then the patent is acquired by the inventor and his/her name is included as both the inventor and owner of that creation in mentioned license, finally, after aforementioned steps, all related rights transfers to others and the legal transference is registered in industrial property department; 5. Sometimes the creator or transferor of intellectual assets contracts with an investing company for commercializing products i.e. production and extended supply of their products, and condescends required rights un-exclusively or exclusively.

It should be noticed that in above assumptions, which one of involved individuals are of insurable interest and as an insurer can enter concluding intellectual property insurance contract. Insurance policy purchase by a person who doesn’t benefit materially from intellectual assets is unusual and anomalous. In order to specify the inventor insurable interest, different kinds of insurance policy should be distinguished. In “defensive insurances” in which the third person persecute

infringement against the insured, considering the fact that invention was developed in accordance with employer benefits and the above-named person will use its profits and according to this principle “ all losses are the beneficiary’s liability” : s/he should compensated related costs and losses, the inventor is the person who had supervision in making the work and material infringement is attributed to him/her and along with employer, the inventor can be a party in persecution. On the other hand, the inventor’s insurable interest is manifested as his/her legal liability. But in “offensive insurances” the employer is the owner of work material rights and should undertake persecuting infringement claims. In addition to the fact that in this kind of insurance, the inventor does not possess any “material rights” in insurance the inventor is not regarded as insurable interest owner. The very same reasoning is applied for IP asset protection insurance.

The third and fourth assumptions also enjoy the very commandment of the second assumption. The person who has ordered the intellectual entity or to whom the created entity has been transferred is considered as its possessor and his/her insurable interest in maintenance and permanence of work is confirmed. Moreover, a company which has obtained the work property right or its utilization through transfer contract or utilization license granting and franchise or intended to commercialize patent (fifth assumption), has insurable interest in purchasing all kinds of intellectual property secure coverage since in order to obtain aforementioned rights it has paid some money based on in (between) contracts and it invested for manufacturing and supplying goods as well. More specifically, if under court verdict, the stated company is banned to continue using that right (whether a verdict issued on the void of intellectual right by the court or not) so it is deprived earning further benefit and consequently it will experience too much damage. In this assumption, since only some of the inventor’s material right has been transferred to the commercial company (while this transfer may be in a limited time) hence material right is generally or specifically is conceived for the inventor, but his insurable interest is under question (Reyes, 1996, 52).

In all abovementioned assumptions, if the insurance contract is concluded by one of insurable interest owner so that other work beneficiaries were not the party in insurance contract, the inventor is deprived required secure coverage (e.g. if the employer or transferor or commercial company take action to purchase insurance policy). Hence, supporting the work inventor’s benefits and rights requires that in concluded contract there should be a condition between the abovementioned on the one hand and transferor of intellectual assets or the receiver of utilization license and commercialization on the other hand that recent persons, in addition to preparing secure coverage, should mention the creator as “additional insured” in insurance contract. In fact, under this term, the inventor is an additional insured and indeed is regarded as contract party. It is like a situation in which the inventor himself/herself has participated in an independent insurance contract with the insurer rather being considered as the interested party in the third contract (Fisher, 1981, 461).

Regardless of abovementioned assumptions referring to individuals and persons who in some ways have contributed and involved in designing, constructing, commercializing, manufacturing and utilizing intellectual creations, generally in “intellectual property defensive insurances” it can be stated

that everyone deals with intellectual assets according to his activity, and in virtual or real world he may violate others' intellectual rights (such as internet service providers and advertisement companies) as a result he is regarded as insurable interest owner. Considering the development and extension of intellectual assets in today's world and probability of their conjunction and infringement by anyone, we can go beyond this and include all traders and commercial companies, even though they have not encountered such assets, in obtaining intellectual property insurance regard all abovementioned as insurable interest; if so, it will provide intellectual rights owners and users with the most security and will pave the way for knowledge and technology development and growth.

Territorial and time limit of insurance policy

In this section, according to the importance of time and location of risk occurrence in contract conclusion, and specific characteristics of intellectual property insurance policy, this issue is discussed separately.

Time limit in intellectual property insurance policy

Based on insurance rights principles, insurer's pledge is limited to validity period of insurance contract. On the other hand, the risk should occur when contract period is initiated and it has not expired yet; otherwise the insurer is not committed to compensate damage. But in the case of intellectual property insurances, this question is raised whether the contract can be concluded before registering intellectual work? And whether the time of the effectiveness of contract can be related to the period of the time before registration? On the other hand, if during the period of insurance policy, the validity period of patent is expired, does the insurer's commitment become ineffective? If the answer is positive, whether the parties can agree that even after the expiration of patent, the insurer's commitment to remain powerful? (Fisher, 1981, 454)

In order to answer the abovementioned questions, two legal premises should be pointed out. According to the first introduction, unlike other kinds of properties, intellectual assets are limited to the time and are temporal, and the legislator's support is terminated after the passage of certain time, e.g: Validity duration of invention license based on most act is 20 years after invention statement submission. Therefore, with the expiration of intellectual property validity duration, exclusive rights of its owner or inventor are terminated. After that any damage occurrence to the owner is conceived of as infringement. On the other hand, if during the course of contract, insurance subject is not considered as an asset or it is not asset at the time of contract conclusion, conclusion is void due to the lack of subject. Consequently, according to two mentioned introductions, it should be noted that as a result of expiration of validity duration of patent, trademark, and industrial plan licenses, neither remains subject for concluding intellectual property insurance nor risk occurrence towards insurance subject is no longer conceivable (Betterley, 2015, 5-7). Therefore, when concluding insurance contract, the insurer should obtain the commencement and expiration date and then draw up insurance policy duration based on that time (or less than that time).

Another subject is to investigate whether the insurer and the insured can agree that the duration of insurance policy be applicable more than the duration of validity duration of intellectual assets registration; such that if insurance contract parties can extend insurance policy duration and validity of

their commitment even after the expiration of validity duration of intellectual property asset? In an overview it can be concluded that a perspective giving positive answer to the aforementioned question is invalid; since according to the expiration of intellectual entity validity duration, there is no longer any right for the insured so that the insurer can insure its loss. So meditatively it can be concluded that determining risk in contract conclusion is up to the parties. Since the nature and amount of damage is determined in insurance policy, there would be no problem in implementing insurer commitment. Freedom principle of contracts also confirms the correctness of mentioned conclusion. Finally, occurred damage is not regarded as a legal damage, the nature of insurance contract concluding in this assumption is no longer to compensate damage, but it is a kind of investing.

Territorial limit in intellectual property insurance policy

Insurer commitment to compensate damage depends on the fact that the risk has been occurred in local territory inserted in insurance policy. In the case of local limit of intellectual property insurance we should refer to the agreement between the insurer and the insured. In this respect, it is essential to mention that most insurance policies, except if there is a contrary term, however, are limited to the the a country territory in terms of local limit. In the case of intellectual property risks this is a function of patent, industrial plan or trademark territory stated in their registration. So if the invention has registered internationally, full compensation of the insured's damage requires that insurance contract territory include all countries. Although the insurer can limit risk occurrence territory to a specific country, guaranteeing indemnification of the insured's damage requires that insurer's commitment should include all places in which the probability of risk occurrence exists (Fisher, 1981, 447).

Furthermore, if intellectual assets enter internet, more precisely, infringement of insured intellectual rights takes place in cyber space, in this case, the territory of intellectual property insurance policy will not be limited to a certain country; because internet is global and secure coverage of intellectual property will inevitably be global. Therefore, if a company aimed to supply its intellectual assets in the internet, it should make sure that the risk occurrence territory is global too, otherwise, there would be no compensation for its damage.

Since the insurer disagree about global secure coverage (it imposes heavy burden on them), in order to cover internet risks of intellectual property which in practice no certain place cannot be identified for the place of infringement and damage occurrence, special insurance policies have been designed to embody the insurance fee payment of most related global risks. This kind of insurance policy is known as cyberspace/net secure coverage. In addition to certain risks of intellectual property, it covers all given damages to softwares and hardwares derived from viruses and computer hackers and it is viewed as public secure coverage (Fuentes, 2009, 46).

Conclusion

Nowadays, according to the economic significance and value of intellectual assets on the one hand, and fear of damage to these assets or development of liability for traders and inventors on the other hand, it is increasingly essential to develop intellectual property insurance. Particularly, in the above investigation, any ambiguity regarding correctness and authenticity of these kinds of insurance policies and their conformity or opposition with the principles and techniques of

insurance industry are eliminated.

Therefore, we should first assess everything that can be included in the subject of intellectual property insurance contract. Based on explained rationales of this paper, it was demonstrated that literary-artistic works do not enjoy this capacity. Specifically insurance companies prefer those commercial companies mainly embarking on commercializing inventions and industrial property entities to others. Moreover, considering the existing conditions and the fact that there is no compulsion for registering literary-artistic works, predicting frequency and probability of violation occurring in literary-artistic works is too much hard for insurers.

Out of considered risks in intellectual property insurance, insurer's commitment more than anything else, i.e. risk of intellectual rights violation lawsuit and/or defense against infringement lawsuit on the part of third person, is insurable. This has led to the emergence and prevalence of certain insurances including "intellectual property offensive insurance" and "defensive intellectual property insurance" which compensate all costs and losses derived from persecution (such as costs of proceedings, expert's fee, and lawyer's fee) and defense against lawsuits (such as lawyer's fee, judgment debt loss, and costs resulting from voiding and invalidity of intellectual rights).

In summary, all individuals who have right in intellectual works in any way (both creation, property, benefit, and utilization) or those who invested in their creation and numerous manufacturing have insurable interest in this respect. Furthermore, in the context of "defensive intellectual property insurances" those who deal with these intellectual assets due to their activity or may violate others' intellectual rights in real world or cyber space (such as internet service providers and commercial companies) are regarded insurable interest owner.

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