

A Note From Our President: Copy Right Infringement Coverage for Jewelers

The American Jewelry industry has seen a substantial increase in the number of litigations with "Copy Right Infringement" as the cause of action. Entities litigate on this basis when they have reason to believe that their patented or registered jewelry product and or designs have been copied.

Jewelers who receive these "Summons and Complaints" are usually caught by surprise. The reason is that in most cases any resemblance between products is inadvertent and unintentional. It therefore becomes hard to accept paying some damages and/or a "Cease and Desist" request, if in fact that is offered by the attorney for the plaintiff.

Many jewelers or their defense attorneys turn to insurance policies to seek coverage for defense of their position. Intentional acts of copying other products are not covered by any insurance. The Jewelers Block Insurance Policy does not offer liability coverage and therefore it can not be of any assistance. Most jewelers only buy liability policies to satisfy their Landlords. The industry culture is such that most are concerned about the valuables in their business and do not consider the business liability as priority. The liability policies if placed properly do offer some limited coverage.

The limited coverage could be found under the "Personal and Advertising Injury" section of a policy. Note that some insurers may exclude this part of coverage from their offering and only extend it for an additional premium or subject to additional underwriting. The coverage is limited in that it will only be extended if the plaintiff becomes aware of the copying incidence through the defendants certain classes of advertising. If coverage is afforded, then the insurer will defend the jeweler, usually without a deductible and through settlement.

Each policy needs to be examined individually to study whether the coverage is extended and the extent of the applicable coverage and its limitations if in fact it is included. Importers of foreign products, retail or wholesale, need to be as aware as manufacturers. The law will look at importers of foreign goods as manufacturers in these instances. If in doubt, you should consult with your broker.

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