

VA43 Pure financial loss

– intellectual property rights



In case of any dispute under these conditions the original Finnish wording shall prevail.

1. Coverage

Pure financial loss insurance covers pure financial loss caused to another party in the insured activity, when

- the insured is legally liable for the loss
- the loss was discovered during the insurance period and Tapiola was notified about it within 12 months of the termination of the insurance
- the loss concerns claims that are processed within the territorial scope of the insurance in accordance with the law applicable in the countries belonging to the territory and
- the loss resulted from an act or negligence that was in violation of the intellectual property rights of another party.

Loss caused before the commencement of this insurance is covered only in the event that

- the act or negligence the claim is based on occurred during the validity of the insured's pure financial loss insurance that immediately preceded this insurance; and
- the loss is not covered by the preceding pure financial loss insurance, because the loss was discovered or a claim made to the insured after the termination of the previous pure financial loss insurance or after the end of the notification or reporting period of the previous insurance; and
- Tapiola was notified of the loss during the validity of this pure financial loss insurance.

In this insurance, intellectual property rights refer to copyright, patent, registered trademark, registered design and utility model. The use of a licence right is also considered an intellectual property right.

Pure financial loss insurance is limited by the limit of liability, the deductible and the exclusions set out in section 4 of the common terms and conditions of liability insurance VY1, as well as the exclusions to set out below in section 2 and any special clauses.

2. Exclusions

2.1 Loss caused to a party in the same sphere of interest

The insurance does not cover loss caused to a legal entity belonging to the same sphere of interest as the insured, based on ownership or voting power.

Sphere of interest refers to the insured's direct or indirect control of or holding in a legal entity exceeding 20% of the legal entity's share capital, or to share options that make it possible to obtain a similar control or holding either through the use of share options or the combined use of share options and share holdings.

2.2 Contractual liability

The insurance does not cover any loss to the extent that the liability is based on an undertaking by the insured to assume greater liability than would apply to the insured under current legislation in the same contractual relationship in the absence of such contractual provision.

2.3 Bodily injury and material damage

The insurance does not cover bodily injury or material damage.

Material damage is also deemed to include the destruction of, damage to or loss of cash, securities, unused postage stamps, coupons, bills of exchange, cheques and similar certificates of claim.

2.4 Trade secrets

The insurance does not cover loss relating to the acquisition, use, transfer or loss of a trade secret or other confidential information or material.

2.5 Bonuses and royalties

The insurance does not cover bonuses, royalty fees, utilisation fees or other corresponding payments that the insured has been ordered to pay or has agreed to pay.

2.6 Inspection of intellectual property rights

The insurance does not cover loss that was caused because the insured did not perform or order an inspection or did not otherwise attempt to ensure that the insured is not violating the intellectual property rights of a third party.

Such anticipatory measures may refer to (preliminary) studies of intellectual property rights, inviolability studies, inspection of pending registration applications or granted registrations and other similar preliminary studies or measures aiming to ensure that the insured's action is not in violation of the intellectual property rights of a third party and to prevent claims for compensation in advance.

In the event of loss, the insured has the burden of proof as regards the performing of such preliminary inspections of intellectual property rights.

2.7 Expired intellectual property rights

The insurance does not cover loss relating to an intellectual property right that has expired, has been invalidated or cancelled, or has not been granted or approved or has otherwise not become effective before the insured is informed about the claim for damages.

2.8 Registration of intellectual property rights

The insurance does not cover loss relating to the registration of intellectual property rights.

2.9 Liability for subcontractor's performance

The insurance does not cover loss that was exclusively caused by an independent entrepreneur, company or other party employed in performing an obligation, whom the insured used as a subcontractor.

2.10 Delay and cancellation of contract

The insurance does not cover loss caused by a delay or cancellation of a contract.

2.11 Bankruptcy of the insured

The insurance does not cover loss resulting from the bankruptcy or other insolvency of the insured.