

# Crown Jewel® Protector (CJP); a Game Changer for Lenders and Investors



When the CJP process is implemented, not only are a company's trade secrets protected by ground-breaking insurance, but the Insured receives a full suite of Trade Secret Asset Risk Management (TSARM) services. This process can unlock capital by securing assets that currently are unsecured. Services include:

- **Indexing/Scoring**
  - Each insured will use a blockchain backed software platform called Trade Secret Examiner® (TSE) that aids in the identification, classification, and defensibility assessment of Trade Secret Assets (TSAs). Annual a-la-carte cost of \$50,000 (but included in the premium if the CJP package is purchased).
  - Blockchain creates a perfect record, available instantaneously, used to support the grant of a TRO or ex parte seizure, and also used in litigation if necessary. Currently, many cases get dismissed pretrial due to lack of proper documentation/evidence, which this software cures.
- **Asset Valuation**
  - Provided by an expert third-party to determine the fair market value of a company's "crown jewel" assets, increasing its overall value.
  - This valuation determines policy limits covered on an Agreed Value basis, creating an insurance vehicle to back these intangible assets as collateral
    - In May, 2021, entrinsic bioscience received a \$49 Million loan using their insured trade secret as collateral.
- **Security/Threat Assessment**
  - Done at the beginning of the underwriting process to weigh risk against countermeasures. Identifies areas for improvement in a company's security protocol and is critical to the pricing of the insurance and the "defensibility" score of each trade secret. Supplements automated scoring provided by TSE.
- **Dark Web Monitoring and Forensics**
  - Provided by XCyber® to facilitate discovery of misappropriation via hacking and aid in the recapture and forensics process.
- **Enforcement/Litigation:**
  - Provided by our legal experts armed with the tools to enforce and potentially litigate (via subrogation) against the misappropriating party anywhere in the world.
  - If successful, litigation could result in treble damages leading the Insured to ultimately recoup more than the limit purchased.

## Trade Secret Litigation by the numbers:

- The largest damages award in 2020: \$152 million<sup>4</sup>.
- The largest settlement of all time: \$1.8 Billion in 2021<sup>2</sup>.
- Average time to resolve federal trade secret lawsuits: 2.7 years (from the initial filing to the outcome at trial)<sup>1</sup>.
- Largest legal fees paid as part of settlement: \$139 million (MGA Entertainment)<sup>3</sup>.

1. Trends in Trade Secret Litigation 2020, [Stout](#)
2. [SK Innovation v. LG Energy](#)
3. [Trade Secret Watch Blog](#), Orrick Herrington & Sutcliffe LLP, 2013
4. [ResMan LLC v. Karya Property Management LLC et al.](#), case number 4:19-cv-00402, in the U.S. District Court for the Eastern District of Texas.

## How CJP Changes the game:

- All expenses associated with the valuation, forensics, recapture and/or securing a restraining order are paid for by the insurance proceeds. If not successful in recapture, then policy pays the value of the TSA.
- Offensive litigation expenses are paid for by the insurance followed a covered loss.
- With the use of the TSE software, litigation time is reduced from 617 days (average to Summary judgment) or 795 days (end of trial) to mere months, saving millions of dollars in legal fees and allowing C-Suite executives to return their focus to running the business.
- In cases where one or more experts were used, the average damages were approximately \$24 million versus only \$4 million when no expert was used. Reasonable expenses of attorneys and experts used in litigation would be covered by the insurance. Our industry-leading experts are ready to assist.
- Lenders/investors can be a Loss Payee on the insurance policy.