

Preserving consumer choice and affordable repair in the automotive collision parts industry

CAR Coalition Member Secures Major Victory for Design Patents in Federal Court of Appeals

The U.S. Court of Appeals for the Federal Circuit sided with Aftermarket Part Manufacturer LKQ against Original Equipment Manufacturer GM Global

WASHINGTON, D.C. (May 21, 2024) – Today, the U.S. Court of Appeals for the Federal Circuit ruled in favor of LKQ Corporation, throwing out the *Rosen-Durling* test that has been the standard for assessing design patent obviousness, ruling the utility patent obviousness standard should also be applied to design patents.

LKQ Corporation is a founding member of the CAR (Consumer Access to Repair) Coalition, a growing group of independent automotive parts and repair companies, associations, and insurers committed to preserving consumer choice and affordable vehicle repair.

"Today's ruling is not only a win for aftermarket part manufacturers, but most importantly it's a win for consumers," said Justin Rzepka, Executive Director of the CAR Coalition. "In the face of rising prices and supply chain breakdowns, consumers and small businesses deserve lower auto repair costs, diversity in the car repair market, and growing industry competition. This court's decision, coupled with growing bipartisan support of the SMART Act in Congress, is a huge step towards innovation and consumer confidence in the automotive repair market."

Last year, a bipartisan group of Members of Congress re-introduced the Save Money on Auto Repair Transportation (SMART) Act. This federal legislation aims to reform broken patent laws to strengthen consumer choice, lower repair costs, and promote a freer and fairer automotive repair market. The SMART Act will put an end to automakers' unfair use of patents by reducing from 15 years to 2.5 years the time that automakers can enforce design patents against alternative parts manufacturers on collision repair parts, including common parts like side mirrors, quarter panels, and bumpers.

Over the past two decades, automakers have increasingly applied for design patents to restrict consumer access to basic functional parts, including headlamps, doors, and fenders. Preserving consumer choice and affordable repair in the automotive collision parts industry anticompetitive practice hurts vehicle owners' ability to choose from a variety of brands and products when making repairs and costs American consumers more than \$1.5 billion per year, according to recent research from the CAR Coalition and DePaul University College of Law.

Read the decision here.

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ABOUT THE CAR COALITION

The CAR Coalition is committed to preserving and protecting consumer choice and affordable vehicle repair by ensuring competition in the automotive collision parts industry. Members include: Allstate, American Property Casualty Insurance Association (APCIA), Automotive Body Parts Association (ABPA), Certified Automotive Parts Association (CAPA), Carparts.com, Diamond Standard, Farmers Insurance, LKQ Corporation, Parts Trader, and Tire Pros.

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