



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

THE SMART ACT EXPANDS CHOICES FOR CONSUMERS

In the current post-collision automobile repair market, consumer choices are limited and prices are high. On average, consumers spend 36 percent more on repair at dealerships than at an independent repair shop.¹ At the same time, many vehicles are aging – the average vehicle is 12 years old – and most owners of these cars would choose an independent repair shop for repairs.²

Many consumers would like to consider aftermarket parts as an alternative to dealer parts when repairing their car. However, in the current marketplace, design patent abuse restricts choice preventing aftermarket manufacturers from making or selling external collision repair parts in a timely way. This drives up repair costs by limiting consumer choices, crowding out competition, and leading to higher insurance rates and fees.

The safety of these parts is not in dispute. According to the Certified Automotive Parts Association (CAPA), an independent non-profit standard-setting and certification organization for automotive crash parts, it has certified more than 128 million aftermarket parts since 1990. Representative samples of the parts were tested and certified to CAPA's standards by a third party, independent test laboratory. These parts provide a viable option for consumers in need of a repair.

SPECIFICALLY, THE SMART ACT WILL:

- Narrowly amend U.S. design patent law to reduce from 14 years to 2.5 years the time car manufacturers can enforce design patents on collision repair parts (fenders, quarter panels, doors, etc.) against alternative parts suppliers.
- Allow alternative parts suppliers to research, develop, make, and test parts on a not-for-sale basis during the new patent period.
- Allow alternative parts suppliers to sell an aftermarket collision repair part once 2.5 years have elapsed from the date of patent.
- Would not alter the 14-year period that car companies can enforce design patents against other car companies. It would impact only aftermarket repair parts.

¹ Massachusetts Vehicle Repair Cost Study, October 20, 2020

² IHS Markit and Roland Berger

