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CAPA Applauds Introduction of the SMART Act

Kentwood, Mich. – June 7, 2021 – The Certified Automotive Parts Association (CAPA), an independent non-profit standard-setting and certification organization for automotive crash parts, applauds the *Save Money on Auto Repair Transportation (SMART) Act*, introduced in the U.S. House of Representatives last week. The bipartisan legislation was introduced by Congressman Darrell Issa (CA-50), Ranking Member of the Subcommittee on Courts, Intellectual Property and the Internet in the House Judiciary Committee. The SMART Act will reduce the expense of automotive repairs and the cost of car insurance. Original co-sponsors are Representatives Zoe Lofgren (CA-19), Stephen Cohen (TN-9), Scott Perry (PA-10), Dave Joyce (OH-14) and Sheila Jackson Lee (TX-18).

"The SMART ACT is a win for consumers," said Clark Plucinski, CAPA Chairman. "The misuse of design patents on parts used for collision repairs to block competition was highlighted by the Federal Trade Commission (FTC) in its <u>recent report</u> to Congress, and this important legislation addresses that issue. It's just not fair for consumers to be forced to pay monopolistic prices for the parts needed to repair their vehicles."

According to Congressman Issa's office, the SMART Act will expand consumer choice for automobile collision repair parts, decrease costs to both drivers and insurers, and enhance competition in the automobile repair parts market. Specifically, the legislation narrowly amends 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 such as fenders and hoods against alternative parts suppliers. The current patent term prevents aftermarket manufacturers from making or selling these parts, which increases repair costs by limiting consumer choice, crowding out competition, and leading to higher insurers rates and fees. Under the SMART Act, it would not be an act of infringement for an alternative parts supplier to sell an aftermarket part once the 2.5 years have elapsed from the patent date. The ACT would also allow alternative parts suppliers to research, develop, make and test parts on a not-for-sale basis during the new patent period. The Act would not alter the 14-year period that car companies can enforce design patents against other car companies. It would only impact aftermarket repair parts.

In addition to support from CAPA, the SMART Act is supported by: Consumers for Auto Reliability and Safety Coalition, National Association of Mutual Insurance Companies (NAMIC), CARE, Retiresafe, CFA, American Property Casualty Insurance Association (APCIA), Automotive Body Parts Association (ABPA), Autocare, LKQ, Autozone, AARP, and the CAR Coalition.

About CAPA

The Certified Automotive Parts Association, founded in 1987, is the nation's only independent, non-profit certification organization for automotive crash parts whose sole purpose is to ensure that both consumers and the industry have the means to identify high-quality parts via the CAPA Quality Seal. CAPA is an ANSI-accredited standards developer for competitive crash repair parts. For more information see CAPAcertified.org.