

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

FOR IMMEDIATE RELEASE

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CAR Coalition Strongly Supports Bipartisan SMART Act

WASHINGTON, D.C. (June 2, 2021) – The <u>CAR Coalition</u>, a growing group of independent automotive parts, management and repair companies, associations, and insurers committed to preserving consumer choice and affordable vehicle repair, offered strong support for the Save Money on Auto Repair Transportation (SMART) Act which was introduced in the U.S. House of Representatives this week. The legislation, which is being championed by Congressman Darrell Issa (CA-50), Ranking Member of the Subcommittee on Courts, Intellectual Property and the Internet in the House Judiciary Committee, will reduce the costs of post-collision auto repairs and insurance for consumers. Original co-sponsors of the bipartisan legislation 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 CAR Coalition strongly supports the SMART Act," Justin Rzepka, Executive Director of the CAR Coalition, said. "This bipartisan legislation will ensure vehicle owners have more - not fewer - choices when they need to repair their cars. By restoring balance to the patent process, the SMART Act will benefit consumers over corporations. Our members applaud the leadership of Congressman Issa and the group of bipartisan members who are working on this important measure."

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 (fenders, quarter panels, doors, etc.) against alternative parts suppliers. The current patent term prevents aftermarket manufacturers from making or selling external collision repair parts, which drives up repair costs by limiting consumer choice, crowding out competition, and leading to higher insurance rates and fees. Under the SMART Act, it would not be an act of infringement for an alternative parts supplier to sell an aftermarket collision repair part once 2.5 years have elapsed from the date of patent. 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 impact only aftermarket repair parts.

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, and AARP.

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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), Automotive Manufacturers Equipment Compliance Agency, Inc. (AMECA), AutoZone, Certified Automotive Parts Association (CAPA), Diamond Standard, Geotab, and LKQ Corporation. Learn more at carcoalition.com

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