

PROMOTING AUTOMOTIVE REPAIR, TRADE AND SALES ACT

BACKGROUND

Legislation has been introduced that would exempt the creation, sales and/or importation of certain copycat component automobile repair parts from infringing U.S. design patents – this legislation has been titled the *Promoting Automotive Repair, Trade and Sales (PARTS) Act*. The bills were introduced in the House by Reps. Darrell Issa (R-CA) and Zoe Lofgren (D-CA) – H.R. 1057; and in the Senate by Sens. Sheldon Whitehouse (D-RI) and Orrin Hatch (R-UT) – S. 560. The PARTS Act would overturn U.S. legal precedent, endangering American consumers, and threatening U.S. jobs and investment. Design protection encourages innovation and creates jobs. Design patents protect the designer against unfair competition from people or companies who copy without investing in the process or making an effort to innovate. Removing design protection promotes unfair copying to the detriment of U.S.-based designers, manufacturers, workers, and dealers. Permitting this intellectual property infringement also exposes consumers to significant safety, performance or durability risks without their knowledge.

POSITION

IP rights are explicitly recognized in the U.S. Constitution, by the U.S. Supreme Court, in our international trade agreements, and by our trading partners. AIADA **OPPOSES** legislation (H.R. 1057 and S. 560) that would reduce the current protections on automotive design patents – this is legislation in search of a problem.

MORE ABOUT THE ISSUE

- The PARTS Act would deny businesses the ability to rightfully protect their intellectual property (IP), it promotes piracy among all global industries.
- Virtually all major automotive companies – regardless of where they are headquartered globally – maintain design centers in the U.S. that employ highly skilled workers to create vehicles that will appeal to American consumers. Automotive companies invest billions each year to develop and patent these current designs, so to retroactively reduce patent protection to a just few years upends the business decisions supporting this important segment of the U.S. economy.
- Manufacturers of original product for whom such unlicensed replacement parts are made do not know how these parts will perform with the rest of the vehicle and how their use will impact the quality and integrity of the original product. Automotive collision repairers are very concerned about the quality of replacement crash parts.