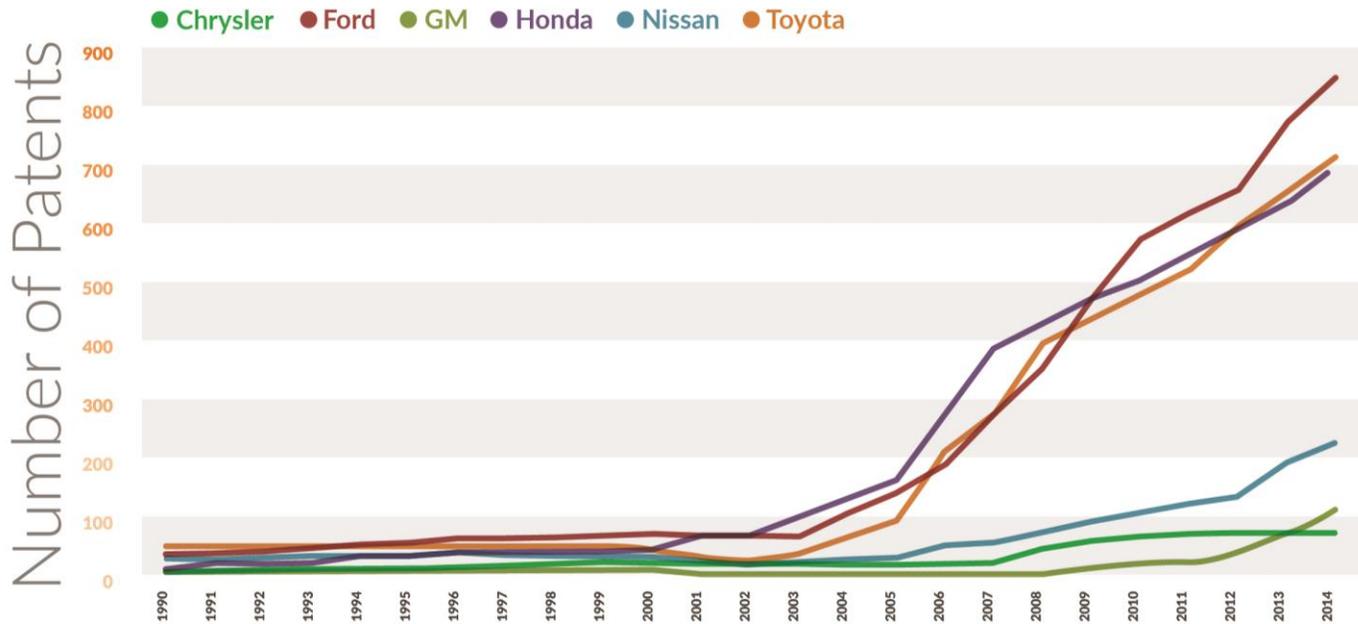




DISTURBING TREND: Car Company Monopoly on Collision Repair Parts

Cumulative Number of Collision Repair Part Design Patents Owned by Major Car Companies



The number of design patents awarded to the major car companies on collision repair parts has increased dramatically since the 1990s, after Congress said NO to their strategy to enact legislation providing copyright protection for repair parts. Note 1: The term “collision repair parts” includes bezels, bumper covers, deck lids, door shells, fenders, fascias, front/rear grilles, header panels, headlamps, high-mounted brake lights, hoods, pickup beds, pickup box sides, quarter panels, radiator supports, side markers, side mouldings, tailgates, taillamps, and wheel houses as defined by the Certified Automotive Parts Association at <http://www.capacertified.org/whatparts.asp>. Note 2: Figures shown are cumulative. Note 3: 2014 data annualized based on design patents issued through December 31, 2014.

Car companies are making repairs more expensive by creating a monopoly on collision parts.

- **Design vs. utility patents:** There are two types of patents for articles of manufacture: utility and design. Utility patents may be granted to anyone who invents or discovers a new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof (U.S. Patent and Trademark Office). Design patents are granted to those who invent a new, original and ornamental design for an article of manufacture. By enforcing design patents on repair parts, car companies can eliminate competition and drive up prices.
- **The number of design patents granted to major car companies on collision repair parts (e.g., bumpers, hoods, fenders, etc.) has more than doubled since 2005.** By enforcing design patents on seven collision repair parts for the 2004 Ford F-150 through a complaint at the International Trade Commission (ITC), Ford temporarily effectively eliminated competition for seven F-150 collision repair parts. In May 2008, Ford initiated another design patent enforcement action at the ITC against its aftermarket competitors, this time for parts on the 2005 Mustang.

What does this mean for American motorists?

- **Repair costs will skyrocket:** The ability to choose alternative collision repair parts currently **saves consumers approximately \$1.5 billion each year in insurance costs alone.** These parts – while equivalent in quality – are far less expensive. Often, these parts are priced 26-50 percent less.
- **Choice may disappear:** If the car companies are allowed to use design patents to eliminate competition for collision repair parts, car owners in the U.S. will be left with very limited options.