

# RetireSafe

**Preserving Your Retirement. Securing Your Benefits.**

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July 3, 2008

Ms. Karin Ferriter  
Mail Stop External Affairs  
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P.O. Box 1450  
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## **RE: Written Testimony for USPTO Listening Tour on Protection of Industrial Designs**

On behalf of RetireSafe's nearly 400,000 senior citizen supporters, I urge the United States Patent & Trademark Office (USPTO) to guarantee that seniors—and motorists across the United States—have continued access to high-quality, low-cost collision replacement parts for their vehicles. Consumers, and especially American seniors on fixed incomes, are already feeling a drain on their pocketbooks from soaring gas and food prices. Now, a looming monopoly threatens to drive up the prices of alternative automotive repair parts because of a reduction in consumer choice and competition in the market. For America's seniors, who struggle daily with making their shrinking dollars meet their growing costs the effects of a monopoly on collision replacement parts would be catastrophic.

The presence of an alternative automotive collision parts market currently saves consumers up to \$1.5 billion a year, alleviating the strain put on Americans by higher-priced parts from original equipment manufacturers (OEMs). However, decreased competition among the manufacturers of automobile replacement parts will drive consumers to the dealership time and time again, allowing car companies to take advantage of monopoly pricing—and consumers.

Insurers estimate that a loss of competition in the market could add more than \$1 billion each year to their costs. This added cost will be passed onto American consumers by way of higher insurance premiums. As repair costs rise, insurers may classify more vehicles as "total losses." For many seniors, this situation may ultimately mean a "total loss" of freedom, especially since in their retirement years, seniors must typically look for funding sources to replace about 70 percent of the amount they earned while working. Costly repairs and more totaled vehicles may force millions of our nation's seniors to put an end to the crucial freedom derived from owning and operating motor vehicles.

America's senior citizens simply can't afford a car company monopoly on common repair parts.

Our seniors have witnessed 60 years of free markets in the collision replacement parts industry. They deserve the kind of financial security guaranteed by consumer choice and competition when it comes to automotive repairs. Their best interests—and those of American consumers—should be put ahead of private entities' monopolistic motives.

Fortunately, there is a solution available. H.R. 5638, introduced by Rep. Zoe Lofgren (D-Calif.) in March 2008 will protect millions of consumers, especially fixed-income senior citizens, by preserving competition in the automotive aftermarket industry.

(more)

The common aftermarket repair parts—bumpers, hoods, fenders and grilles, for instance—which Americans routinely need following fender-benders are, while equal in quality, far less costly than the original equipment parts from the car companies. As proven by extensive testing, these are safe aftermarket parts of like kind and quality to the original parts.

H.R. 5638 is gaining support on the federal level. Since its introduction, seven members of the U.S. House of Representatives have signed on as cosponsors. RetireSafe, like many other consumer groups, is dedicated to ensuring its passage into law. Cosponsors of H.R. 5638 recognize, like legislators in Australia, Belgium and Spain, that a sudden shift to unwarranted protection through design patents may result in a chilling effect on our economy – an economy that has until now rewarded competitors and consumers over car company monopolies.

H.R. 5638 would also bring the U.S. in line with the European Union, which, as a whole, is in the process of adopting a similar design directive. Adoption of a “repair clause” here in the U.S. will ensure freedom of choice and the continued availability of affordable auto body parts simply by maintaining a level playing field.

As the USPTO listening tour continues, RetireSafe urges you to consider how American consumers, and more specifically, senior citizens, benefit from the presence of a flourishing automotive aftermarket. Conversely, decreased competition in the replacement parts industry harms consumerism and may limit seniors’ access to the much-valued personal freedom of transportation. As a steadily- increasing segment of the American population, American seniors deserve the benefits that come with the continued tradition of a free American marketplace.

To learn more about RetireSafe, please visit [www.retiresafe.org](http://www.retiresafe.org).

Sincerely,

A handwritten signature in black ink that reads "Michelle Plasari". The signature is written in a cursive, flowing style.

Michelle Plasari  
President