



NEWS RELEASE

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APRA Joins Forces with Computer Manufacturers to Uphold Right to Repair

CHANTILLY, VA -- In an important ruling issued right before it adjourned for the summer, the United States Supreme Court dealt a stunning defeat to a software company which was trying to impose greater restrictions on the use of its products after their sale to customers. The case was titled *Quanta Computer, Inc. v LG Electronics, Inc.* LG, a Korean manufacturer of computer electronics, had tried to collect multiple royalties from the sale of its software by demanding royalties not only from Intel, the chip manufacturer that incorporated LG's patented software into its microprocessor chips, but also from Quanta and the other computer manufacturers that use the Intel chips in their computers.

The Automotive Parts Remanufacturers Association (APRA) actively supported the computer manufacturers to protect the remanufacturing industry's "right to repair."

The trial court had rejected LG's arguments but the Federal appellate court which handles all patent appeals had accepted those arguments and ruled that the computer manufacturers had violated LG's patents by using the Intel microprocessors without LG's approval. In a unanimous decision, the Supreme Court overturned the appellate court decision and reaffirmed the patent exhaustion rule. Justice Clarence Thomas, speaking for the Court, stated "The authorized sale of an article that substantially embodies a patent exhausts the patent holder's rights and prevents the patent holder from invoking patent law to control post-sale use of the article."

Because of the potentially devastating impact of a ruling favoring LG's position on the "right to repair" a patented product and the ability of APRA members to remanufacture motor vehicle products, APRA filed a "friend of the court" brief. In the brief APRA argued that "the right to repair depends upon proper application of the Court's precedents on patent exhaustion and implied license, because the repair right attaches only where the product is subject to exhaustion or the use of the patent is licensed. Any curtailment of the scope of patent exhaustion or

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implied license necessarily constricts the repair right, and substantially expands the patent owner's power to preclude otherwise lawful commerce in the repair of patented articles and the sale of unpatented components." The Court ruling was clearly influenced by this concern and recognized that adopting LG's position would destroy the independent repair and remanufacturing industry.

APRA continues to monitor pending court cases, as well as legislative and regulatory activities, to support positive actions promoting motor vehicle parts remanufacturing and to ensure that any efforts that could adversely affect the remanufacturing industry are vigorously opposed.

- 30 -

APRA is a non-profit, international trade association serving over 1,000 companies involved in the \$35 Billion/year motor vehicle parts rebuilding/remanufacturing industry. Remanufacturing is the ultimate form of recycling.