

Film: Product Warranties

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Product Warranties

As we discussed in previous issues, one of the chief concerns as 3D printing becomes increasingly more commonplace is the after-market or replacement parts market. A company sells a big machine and receives recurring revenue as parts break. Ordinarily, the customer would repeatedly order replacement parts from the manufacturer.

Soon it will be commonplace for customers to be able to 3D-print those replacement parts. Remember, parts can already be printed in a variety of materials, including metal, ceramic, cement, and electronics. By scanning a part, a customer could quickly and efficiently print out a replacement part required for a machine, obviating the need to purchase that part from the original manufacturer.

In previous issues (and on our industry website) we discuss the obvious products liability and intellectual property concerns respecting such activities. It bears repeating that Gartner analysts predict \$100 billion per year in intellectual property losses commencing in 2018 as a result of 3D printing.

One way to curb the unauthorized printing of products and parts is with careful drafting of product warranties - warranties that contemplate the future digital ecosystem. With 3D printing if you can envision the product and express it in a digital file you can print it. Scanning technology is progressing quickly. If your business has a model that includes replacement parts, you need to pay attention.