PATTON BOGGS LLP

APRIL 19, 2013

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PRIVACY/TECHCOMM CLIENT ALERT

# FTC BALANCES PRIVACY, CONNECTIVITY NEEDS

While "smart" devices provide a wealth of consumer benefits, they pose risks to privacy and security due to their ability to collect and share personal data. In response to the increasing use and capabilities of smart devices, the Federal Trade Commission (FTC) is now reviewing the risks to privacy and security posed by the growing connectivity of smart devices.

In an April 17, 2013 press release, the FTC announced that it is seeking public comments on these issues, by June 1, 2013. In addition, FTC staff will hold a public workshop on privacy and device connectivity issues, on November 21, 2013.

As noted in the FTC press release, "Consumers already are able to use their mobile phones to open their car doors, turn off their home lights, adjust their thermostats, and have their vital signs, such as blood pressure, EKG, and blood sugar levels, remotely monitored by their physicians."

## BENEFITS VERSUS RISKS

That connectivity, with the transmission and storage of data, inevitably raises privacy and information security issues and potential threats. While these devices can provide important benefits, giving consumers more information and control, "the data collection and sharing that smart devices and greater connectivity enable pose privacy and security risks."

To explore those benefits and possible dangers, the FTC staff seeks comments on the privacy and security implications of these developments.

Specific topics on which the FTC staff seeks comments include:

- What are the significant developments in services and products that make use of this connectivity, including prevalence and predictions?
- What are the various technologies that enable this connectivity, such as RFID, barcodes, wired and wireless connections?
- What types of companies make up the smart ecosystem?
- What are the current and future uses of smart technology?
- How can consumers benefit from the technology?
- What are the unique privacy and security concerns associated with smart technology and its data? For example, how can companies implement security patching for smart devices? What steps can be taken to prevent smart devices from becoming targets of or vectors for malware or adware?
- How should privacy risks be weighed against potential societal benefits, such as the ability to generate better data to improve health-care decision-making or to promote energy efficiency? Can and should de-identified data from smart devices be used for these purposes, and if so, under what circumstances?

## CONTINUING INTEREST IN CONSUMER PRIVACY

Along with "Do Not Track" and other privacy-related issues, this most recent outreach underscores the FTC's continuing interest in protecting consumer privacy from threats and intrusions due to new technologies. As noted, the FTC staff is accepting written comments through June 1, 2013, and will hold a public workshop on November 21 to solicit public comments on these important issues.

Patton Boggs Privacy and TechComm attorneys monitor these issues, and we welcome your questions or comments on them.