

The "Internet of Things" Will Impact Law and Regulation in 2014

January 16, 2014

If 2013 was the year of "Big Data," 2014 will be the year of the "Internet of Things." The Internet of Things is the network of physical objects that contain embedded technology to communicate and sense or interact with people, things, and the external environment. It includes everything from traffic sensors to refrigerators, thermostats, medical devices, and wristwatches that can track or sense the environment and use the data they collect to provide a benefit, or transmit the data to a central repository for analysis, or both. Some estimates say that by 2020, the Internet of Things will include more than 25 billion unique devices. It will create and share new data about consumer habits, behavior, and personal preferences. As a result, privacy and data security will be top-of-mind issues for state legislators, the U.S. Congress, and other government regulators in 2014 and beyond. For example, at least 14 states have proposed legislation on the 2014 docket that is intended to increase privacy protection for consumers and limit both government and private sector surveillance via the Internet of Things. At the federal level, several bills are already making their way through Congress. These include the Black Box Privacy Protection Act, which was introduced in the House of Representatives and would prohibit the sale of automobiles equipped with event data recorders—unless the consumer can control the recording of information. Additionally, it would require that any data recorded by an event tracker on an automobile be considered the property of the automobile's owner. Certain violations of the Black Box Privacy Protection Act would be treated as unfair or deceptive acts or practices under the Federal Trade Commission Act, presumably giving the FTC enforcement authority over violations. The We are Watching You Act, also introduced in the House of Representatives, would provide for notification to consumers before a video service (such as a DVR or Xbox) collects visual or auditory information from the viewing area. It would require the operator of the device to display the message "We are watching you" as part of the programming provided to the consumer when the device is collecting data in the viewing area. While the We are Watching You Act will not likely pass, its introduction illustrates the increased attention data privacy and consumer protection are receiving by federal legislators. The Internet of Things will bring tremendous new

benefits to consumers. Simultaneously, state and federal regulators will work to restrict government and private-sector collection and control of the data it will create.

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