



INTERNET OF THINGS PRACTICE LEGAL AND COMPLIANCE SERVICES

The *CommLaw* Group provides many legal and compliance services that can be helpful to businesses operating in and around the Internet of Things (IoT) and Connected Devices. Our attorneys and consultants have solid expertise in these matters. For your convenience, we present summaries of the types of services that we offer.

- **Taxation.** The IoT business model transformation is blurring the lines between products and services for taxation purposes. Companies that add value to products by selling connectivity services could be considered service providers, or even telecommunications carriers, by pertinent taxing authorities. Taxing agencies are rethinking their rules to ensure that they are receiving “fair revenues” from products that have various capabilities bundled into a single product offering. There are substantial costs associated with calculating, tracking, and collecting telecom-related taxes, fees, and surcharges. Tax planning is essential, from the design process up through marketing all devices and services. We can assist companies with understanding and complying with the complex tax requirements as they apply to individual products and services.
- **Privacy & Data Security.** Growth of the IoT coincides with the rise of big data, as IoT sensors and networks generate vast quantities of real-time information. Privacy and data security compliance is extremely important in the IoT marketplace. Among other things, the federal government is currently conducting audits to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA). Entities that handle protected health information (PHI) must have safeguards in place have very specific safeguards in place to protect against unauthorized use and disclosure of PHI. And, cybersecurity legislation is being considered in the current Congress, addressing several issues relevant to IoT applications, such as information sharing and notification of data breaches. We can assist IoT businesses to determine whether current security measures are satisfactory, and ensure that their systems are compliant with the applicable data protection laws, in the U.S. and abroad.
- **Spectrum Access.** Electromagnetic spectrum is a critical link in IoT development. Access to spectrum, both licensed and unlicensed, is essential for IoT devices and objects to communicate wirelessly. The FCC’s spectrum allocation process is complex, and the agency is currently revising its rules for obtaining spectrum in many frequency bands that will become scarce as new technologies for IoT mobile communications are developed. We can help companies in assessing their spectrum needs and ensuring that they have access to the spectrum they need to operate their devices.
- **Vendor Contract Review/Negotiation.** Businesses that adopt IoT solutions will need to ensure the way in which they do this addresses legal requirements. Much of this will relate to the contractual relationships that will support the technology and connectivity. Regulatory issues arise in contract provisions concerning: regulatory responsibility,

warranty, indemnification, liability, privacy, content, and damages. We can effectively assist IoT companies in making sure that those and other issues are addressed in their favor in various types of contracts.

- **Equipment Authorization/Compliance.** All countries have very specific rules and regulations as to authorization of RF devices. Authorization requirements typically concern compliance with equipment classification, RF emissions testing and reporting, registration, labeling, device modification, responsible parties, importation, and post-market agency follow-up. Countries typically have very strict authorization requirements; violations of same can result in stiff financial penalties, device confiscation, and even the banning of a company's products from the market. We can assist businesses with compliance regarding those matters, as well as the mechanics of obtaining authorization of its products.
- **Marketing Rules.** We advise companies on compliance with regulations concerning marketing products in a given country, *e.g.* what types of activities constitute "marketing" and what must be done to comply with the applicable laws.
- **Exemptions.** We advise companies on exemptions to the general rules concerning marketing non-authorized products in a given country, *e.g.*, trade show, testing, and sales contact exemptions.
- **Rule Waivers.** We can assist companies in obtaining regulatory rule waivers, where permitted by law.
- **Risk Assessment and Compliance Planning.** Given the "moving targets" of regulatory compliance, it can be difficult to determine just what is required, and what the costs would be of inadvertent non-compliance. We advise on companies on their individual compliance requirements and their risk levels concerning same.
- **Updates on Rule Changes.** We keep clients advised on changes to regulatory and tax rules pertinent to their businesses.
- **Representation in Enforcement and Rulemaking Proceedings.** Should an IoT business be accused of a rule violation, we can represent that company in enforcement proceedings before the FCC and other agencies. We have a solid record of successful representation. And, as we keep abreast of agency proceedings, we can advise and assist businesses in participation in rulemaking proceedings that are critical to their operations and growth.

These are just some of the ways in which we can be of assistance to your business. If you have any questions or would like additional information, please contact Ronald E. Quirk, Jr. at 703-714-1305 or req@commlawgroup.com.