

CPSC SETS PUBLIC HEARING ON INTERNET-CONNECTED CONSUMER PRODUCTS

MAY 2018

In a <u>Federal Register Notice</u>, the Consumer Product Safety Commission ("CPSC") stated that on May 16, it will conduct a public hearing on potential safety issues and hazards associated with internet-connected consumer products. This hearing gives companies that sell, manufacture, distribute, or import consumer products connected to the Internet of Things ("IoT") the opportunity to shape policy surrounding the regulation of internet-connected consumer products.

The CPSC acknowledges the potential benefits of internet-connected products that can "transmit or receive data, upload or download operating software or firmware, or communicate with other internet-connected devices." Despite the benefits that IoT products provide, the CPSC notes that IoT products can create physical hazards for consumers, including "fire, burn, shock, tripping or falling, laceration, contusion, and chemical exposure."

According to the CPSC, IoT product safety challenges include:

- Preventing or eliminating hazardous conditions designed into products intentionally or without sufficient consideration; e.g., high-risk remote operation or network-enabled control of products or product features.
- Preventing and addressing incidents of hazardization. Hazardization is a term used to describe
 a product that was safe when obtained by a consumer but becomes hazardous through
 malicious, incorrect, or careless changes to operational code when connected to a
 network. Managing these kinds of hazards may involve examining "policies related to code
 encryption and security, authorized access to programming, and defensive measures (and
 countermeasures) for device software."

To address these concerns, the CPSC hopes to gain insight and guidance from industry leaders on a variety of topics, including:

- The adequacy of current regulatory systems to address IoT consumer product safety;
- Potential certification requirements before IoT devices are released to the market;
- Consumer education;
- Potential recall procedures; and
- Procedures for determining responsibility and liability for injuries resulting from IoT products.

To review the complete list of inquiries being considered, please see the *Federal Register* Notice.

The May 16 hearing will also be available via webcast. Interested parties may submit written comments to the CPSC through June 15.

This hearing marks the first step in regulating IoT products and will likely have a significant impact in determining best practices and related liability. Interested parties should participate in and take necessary steps to integrate IoT product safety into current practices and procedures to ensure consumer safety and compliance with all potential requirements.

ADDITIONAL INFORMATION

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