

FTC Consultation Internet of Things

ARM welcomes FTC's interest in the Internet of Things and in Data protection. In preparation for the workshop held in Washington DC on 19 November 2013 AMD/ARM worked on a joint paper (attached) outlining some ideas on the way forward.

The background to this is the concern that consumers risk losing trust in the Internet (and the digital economy) unless some key concerns are addressed. A loss of trust by consumers would inevitably slow the take up of the internet, and risk missing out on the potential for stimulating economic growth.

We would like to initiate discussion on the desirability of the Industry getting together to create and promote a framework of trust. This would be built around the following broad principles:

- Consumers own their own data
- Not all data is equally sensitive
- Data has the potential to drive economic growth
- Consumers need confidence in how data is handled
- Technology can help.
- We need a framework.

These need to be elaborated.

For example one distinction which might be useful in clarifying the issues is to consider consumers as either *targets* or *topics*.

Where the consumer is thought of as a *target*, the main aim of data analytics is to identify a range of services or products which the consumer might be interested in and advertising them to him/her. Thus ,if a consumer is judged, from data about their purchasing habits, to be in a certain income bracket they might receive ads targeted at people in that bracket.

Where the consumer is thought of as a *topic*, the main aim of data analytics is to inform third parties of key attributes about the consumer with a view to aiding the third party take a decision on their relationship with the consumer. This is the situation which gives rise to maximum concern: where your health data goes to your employer and insurance company as well as to your doctor and gym, etc.

As is explained in our paper, we believe that eventually, contractual arrangements can be expanded to enable consumers to have a clear picture of how their data is being handled, what the benefits are to them, and to reject certain uses of their data. This will need to be expressed in a simplified 'traffic lights' type indicator when consumers first engage with any app or other provider. Something similar has already been achieved for notifying consumers of the use of 'cookies'.

ARM would like to explore with other members of the industry and with FTC (if the FTC wishes to be engaged) whether an approach on these lines is workable.

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