



# Advanced Media and Technology Law

Advertising and Promotions Law



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## FTC Focuses on Internet of Things: Files Suit Against Network Equipment Company D-Link, Announces IoT Challenge

The Federal Trade Commission is focused on the Internet of Things and its implications for consumer privacy – from both an enforcement and a regulatory perspective.

The agency recently filed a complaint against Taiwan-based computer networking equipment manufacturer D-Link Corp. and its U.S. subsidiary, alleging that inadequate security measures taken by the company left its wireless routers and internet cameras vulnerable to hackers and put the privacy of U.S. consumers at risk.

The complaint, filed in the Northern District of California, alleged one count of unfair practices in violation of Section 5 of the FTC Act, relating to the company's failure to take reasonable steps to secure consumers' information, and five counts of misrepresentation, noting that the company's website advertised its products as "Easy to Secure" or containing "Advanced Network Security." Specifically, the FTC alleged that although D-Link router and camera vulnerabilities had already been publicized, the company failed to take reasonable steps –including testing measures, confidentiality steps and free security software – to secure its routers and Internet Protocol cameras, which could potentially compromise consumer information, including the live video and audio feeds from the cameras.

This suit follows the FTC's enforcement actions in 2016 against ASUS, a computer hardware manufacturer, and TRENDnet, a marketer of video cameras.

In announcing the suit, the FTC pointed out that it has already issued [guidance](#) to Internet of Things companies on how to preserve privacy and security in their products while still innovating and growing IoT technology.

### FTC Announces Internet of Things Challenge

In addition to its focus on enforcement, the FTC is also focused on education and regulation. The agency just announced that it is inviting the public to create an innovative tool that will help protect consumers from security vulnerabilities in the software of home devices connected to the Internet of Things. The FTC is asking IoT Home Inspector Challenge contestants to develop a tool that would address security vulnerabilities caused by out-of-date software in IoT devices. An ideal tool might be a physical device that the consumer can add to his or her home network that would check and install updates for other IoT devices on that home network, or it might be an app or cloud-based service, or a dashboard or other user interface.

The agency is offering a cash prize of up to \$25,000 for the best technical solution, with as much as \$3,000 available for up to three honorable mention winners.

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