

ALL INDUSTRY SECTORS FACE DIGITAL CHALLENGES AND MAY NEED TO DEVELOP NEW BUSINESS MODELS

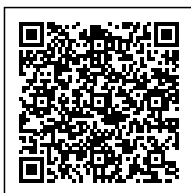
Posted on 10/10/2018



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Traditional aviation legislation was not designed to cover new technology such as drones and flying cars – meanwhile, the implementation of the GDPR is creating many opportunities for lawyers

Regardless of which industry sector they operate in, companies face significant challenges related to communications, media and technology challenges, and their need for clarity on these issues is presenting many opportunities for lawyers, according to Vieira de Almeida partners Magda Cocco and Fernando Resina da Silva.

"Virtually all economic activity faces challenges in the digital sphere, making communications, media and technology advice crucial", says Cocco. She adds that technological developments are facilitating the creation of new business models in many sectors such as banking and finance, agriculture and insurance.

Meanwhile, there are also implications for legal advisers, as Resina da Silva explains. "The client expects legal advice from someone who understands the technology and the products and services that use and incorporate it," he says. To ensure a thorough understanding of the issues involved, law firms are increasingly creating interdisciplinary teams that enable lawyers to seek advice from other professionals including engineers, and scientists specialising in different areas, such as biology, nanotechnology and physics.

Even with a clear understanding of the underlying issues, lawyers can still encounter major challenges when advising clients in the technology sector. "Technological developments are not accompanied by the swift adaptation of the **law, and lawyers have the difficult job of incorporating new technologies into existing laws, which are often obsolete and created for completely different scenarios**", says Resina da Silva.

Flying cars

Take the example of drones. Until recently, the only applicable legislation for drones was aviation law, which was originally developed for aeroplanes and helicopters. Resina da Silva says that the law was "not at all intended for this new reality in which a small device controlled by a person of any age can fly anywhere while capturing images and carrying objects, not to mention flying cars, which are already becoming a reality."

A number of legal issues can arise in relation to drones. For example, who is allowed to control drones? Where can they fly? What are the security and privacy implications? These are matters addressed by the new regulations – though they were not considered at all by the previous legislation. Resina da Silva has first-hand experience with such matters after helping various clients adapt to the existing regulations, and consequently he is now being asked to assist different entities involved in the drafting of relevant legislation and regulation. His work has involved defending the creation of the "so-called free technology zones", where researchers and manufacturers can test new technologies, such as drones and self-driving and connected cars. Resina da Silva argues that the creation of free technology zones in Portugal could help to attract more foreign tech companies.

Meanwhile, the implementation of the EU's General Data Protection Regulation (GDPR) has created tremendous opportunities for lawyers who specialise in data protection. Cocco believes that this trend will continue as companies change the way they interact with clients, employees, business partners and third parties. As a consequence, data privacy impact assessments will "continue to be

of utmost importance whenever a new product or service that uses new technologies is launched", Cocco says.

Worst-case scenario

Data protection is becoming an increasingly important consideration for businesses, Cocco says. She adds that data privacy breaches are becoming more common in an economy in which data is "one of the most valuable assets".

In the worst-case scenario, specialised legal advice on the scope and extent of notification obligations, as well as the type of mitigation actions to take, is a key requirement.

To avoid any potential incidents involving breaches of data privacy, precautionary measures need to be taken by clients. However, fulfilling compliance obligations can often entail high costs for businesses.