

## IGF 2017 Reporting Template

- Session Title: IoT and Cybersecurity: Will regulation save the day
- Date: 18/12/2017
- Time: 11.50
- Session Organizer: Farzaneh Badiei, Internet Governance Project
- Chair/Moderator: Arthur Rizer
- Rapporteur/Notetaker: Farzaneh Badiei
- List of Speakers and their institutional affiliations:

- Key Issues raised (1 sentence per issue):

1. The feasibility of IoT security regulation considering the cross border nature of IoT
2. The role of various actors in IoT governance
3. Will the IoT industry die if we regulate it?

- If there were presentations during the session, please provide a 1-paragraph summary for each presentation:

- Please describe the Discussions that took place during the workshop session (3 paragraphs):

### **The debate**

The rise of the Internet connected devices have led to calls for government regulation. The moderator opened the debate by asking how can we provide IoT security for consumers and do we need regulation to do so.

### **We Need Regulation!**

Arthur van der Wees provided a couple of existing notions in the IoT security field: first producers do not consider ex ante measures and most of the time they take the approach of solving the problems 'ex post facto'. Second that the market is not static and things change so we might want to pay attention to product liability and see if we want to impose regulations with that regard on IoT industry. He then went on to mention that IoT regulation and product liability might not kill the industry as they claim but he clarified that he does not believe regulation can solve all the problems.

**What do we mean by regulation?**

Dr. Tatiana Tropina mentioned that regulation is a complex concept and we have to pay attention to the nuances when we talk about it. Who are we going to regulate? Regulation in IoT sector can be cross-industry, and we have to also decide on the national or international nature of it.

### **Markets and governments should work together**

Milton Mueller asserted that the IoT market is still at its infancy and is not very well established. The solution to IoT security should be a combination of market approaches and government mandates and it would be wrong to emphasize on the importance of one over the other.

### **“Consumers with no choice” an argument in support of regulation?**

Arthur van der Wees responded that the free will of people to buy non-smart products will be diminished over the time and the industry will choose for them. He also disagreed with Mueller that IoT is a new industry, and said IoT is nothing new and devices operate in an already established network.

Dr Tropina disagreed that there is no consumer choice and also emphasized on the cross-border nature of IoT devices because they are on a cross-border network. She reiterated that enforceability of such regulation is not clear.

Arthur van der Wees disagreed with the conviction that enforcement is not possible and said that it's not only about establishing liability but also about responsibility before the incidents happen and industry should be responsible. Dr. Tropina responded that it is still unclear what we are talking about when we say “industry” should be responsible. Mueller agreed and said that the regulation camp presumes that consumers lack any real choice, however this premise has to be challenged and we should also inject a good dose of economics into the IoT regulation discussions since the cost of taking security measures might become prohibitive and higher than the value of the product. Market and actors other than governments learn from mistakes and try to fix the issues. They do react to security incidents and we cannot ignore them.

### **So how should we regulate?**

Dr. Tropina explained that we should also focus on who are we protecting by regulation, are we protecting the network or the consumer, because with some safety regulations we could prohibit the import of devices but this measure does not protect the network since it has a cross border nature and many unregulated devices can be connected to it. She recommended to come up with “targeted regulatory solutions” to ensure IoT security. She added that such regulation might be more enforceable as well.

Pearse O'Donohue from the European Commission stated that regulation in terms of imposing certain harmonized requirement on the IoT industry is not going to work and we have to be more creative when thinking about IoT regulation and come away from normative regulation, focus on detailed and targeted regulatory solutions and work with all the stakeholder groups including governments, civil society and industry in order to have a balanced regulation. He also provided an example of efforts by the European Commission which included strengthening the already cybersecurity measures and a certification scheme and different schemes should have different standards and one size doesn't fit all.

Maareten Bottermann warned against the restrictive regulatory measures that might be taken due to ignoring the early signs of security problems that IoT industry causes. Hence he suggested that regulation is a good response but we need to try and get to a more balanced opinion about the regulation of IoT security globally.

- Please describe any Participant suggestions regarding the way forward/ potential next steps /key takeaways (3 paragraphs):

- No blanket regulation but targeted regulation
- Identify the industry actors
- Various stakeholders should have a say in IoT security governance
- In most cases market learns from its mistakes and tries to correct them

## **Gender Reporting**

- Estimate the overall number of the participants present at the session:

- Estimate the overall number of women present at the session:

Roughly a third of the session attendees were women

- To what extent did the session discuss gender equality and/or women's empowerment?

NA

- If the session addressed issues related to gender equality and/or women's empowerment, please provide a brief summary of the discussion:

NA