Bird&Bird

EU Data Act

Tech & Comms – Connected devices



What is the purpose of the Data Act?

Market service providers will be able to improve their services, innovate and compete on an equal footing with comparable services offered by manufacturers. Therefore, users of connected products (including consumers and businesses) will be able to opt for a cheaper repair and maintenance provider (or maintain and repair themselves) and benefit from lower prices in the market. According to the European Commission, this could extend the lifespan of connected products, thereby contributing to the Green Deal objectives.

What are connected products and related services?

Connected products are items that can generate, obtain, or collect data about their use, performance, or environment and that can communicate this data via a cable-based or wireless connection. Those could be smart home appliances, consumer electronics, industrial machinery, medical devices, smartphones, and TVs.

Related services are digital services that can be linked to the operation of a connected product and that affects the functionality of this connected product (e.g. a vacuum cleaner app, smart home apps).

Who is subject to the Data Act's data sharing obligations?

Manufacturers of connected products, suppliers of data-generating components, providers of related services, and holders of product data (data obtained, generated, or collected by a connected product and which relates to its performance, use or environment).

What do you need to do to prepare?

To ensure compliance with the Data Act, you should:

- Work with technical teams to design and manufacture connected products and related services in a way that product data are directly accessible by default by consumer and corporate users;
- Draft additional documentation: notices providing users with transparent information on connected products and related services;
- Design a process and procedure for handling product data access requests from users, that would include analysing which data to share with others (i.e. customers but also other businesses) and balancing the requests against the protection of trade secrets, IP and personal data;

- Adopt a pricing policy: require third-party businesses to compensate for accessing product data; the compensation must be non-discriminatory and reasonable and may include a margin;
- Develop template agreements for making product data available to party businesses. Companies must incorporate fair, reasonable, FRAND terms and must not impose any terms that are blacklisted as abusive; and
- Design a process and procedure for handling product data access requests from public sector bodies in cases of exceptional need.

What is most urgent?

Although the design and manufacture obligations will apply to connected products and related services placed on the market after **12 September 2026**, adaptation work should already be underway to meet the deadline.

Enforcement

Infringements of certain data sharing obligations may be subject to GDPR-range fines: up to **20 000 000 EUR** or **4 % of the total worldwide annual turnover** of the preceding financial year, whichever is higher.

Adoption by European Parliament & Most rights & obligations apply Certain provisions re: unfair contractual terms apply Council 27 June 2023 11 Jan 2024 12 Sept 2026 Nov 2023 12 Sept 2027 12 Sept 2025 Specific measures re: Inter-institutional Regulation political agreement reached entered into design/manufacture force apply

Timeline of the Data Act Implementation





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