

RFID – Technology Opportunity! – Privacy Threat?

SAP Conference, Brussels, 8 December 2004

Panel 2: Data privacy implications

Statement by Dr Gottlobe Fabisch, ANEC Secretary-General

Ladies and Gentlemen,

Last but not least the consumer view. We have just heard what the industry thinks consumer need when it comes to RFID. I quote the Infineon representative: “There is no need to protect the consumer”. I am grateful to have the opportunity to counterbalance this view.

From a consumer perspective, certainly RFID offers new opportunities, and there are applications, which will even be supportive to consumer protection such as tracking of animals in the food supply chain. However, when not properly used, RFID has the potential to jeopardize consumer privacy and eliminate for instance, purchasing anonymity. Why actually does every single can of coke need a unique identification?

Moreover, in light of the Kok-Report, which was mentioned by MEP Malcolm Harbour at the beginning of the conference and which lists the completion of the Internal market as one of the major objectives to achieve the Lisbon strategy aiming to make the EU the most competitive region in the world, consumers believe that RFID tags as market control devices carry the risk to actually undermine the Single European Market, if we think of them for instance, as DVD region coding, only for blue jeans.

*Certainly privacy, closely linked to the right to know (**consumer information**) and the principle of **consumer choice**, as well as **confidentiality**, for its part closely linked to security, and the protection from **unauthorised third parties gaining access** to data are of major concern to consumers.*

*Security of RFID has recently been a hot issue in the mass media. The risk of interception seems serious considering that the **cost of each tag is a key factor**. To keep the costs down, most tags have limited memory capacity, which means that they work without sophisticated data encryption techniques. To put it bluntly cheap and widespread tags provide very poor security.*

*It is not difficult to imagine that by preventing product theft we are moving to **identity theft**. Then the risk of misuse of data by legitimate readers, also reading products bought somewhere else or misusing of databases containing ID codes. Let alone the massive data flow to be managed*

Security could be enhanced by standardisation. In any case standardisation of emerging technologies that have a strong impact on consumers needs to be open to consumer participation. Standardisation outside the traditional standards bodies, however, is often a closed shop whilst our experience, ANEC's experience, is that a standard developed on consensus basis taking the consumer view on board will be better accepted in the market place.

Next to security, privacy issues are of prime interest to consumers both in the short and in the long run. The problems concerning privacy, namely anonymity and tracking (for instance of a shopper in a shopping mall) are not a new phenomenon. The novelty, however, is the scale and thereby presumably the potential of financial gain from misusing the technology.

Not only is privacy a basic (consumer) right, it is also vital for people's acceptance of new technologies, and thus for the commercial utilisation of these technologies. Listening to Joao Da Silva from the European Commission, disclosing that VIPs had been tagged at the Information Society World Summit without knowing, I must admit for once I was glad not to be a VIP or would you want that your wife/husband tags you without telling you?

*Any new technology, including RFID, should provide the possibility to opt-out or disable the technology so as to guarantee **consumer choice**. When RFID tags are used for instance on products, consumers need to know that the product is tagged and whether tags are disabled at the point of sale. Consumers need to be aware and*

informed. Clear labelling and information is needed as well as a complete disclosure on any consumer products containing RFID device (maybe guaranteed by legislation).

The challenge is to implement RFID technologies in a manner that guarantees privacy and that is in line with existing legislation and guidelines. And maybe we even need more or different legislation to ensure privacy.

Modern technologies are not an end in themselves but a tool to increase the quality of life. If basic consumer requirements regarding privacy, security, consumer information and consumer choice are not addressed, consumers will be reluctant to accept certain applications of RFID technology.