



Warner Legal Corner

LEGAL TOPICS FOR THE AUTOMOTIVE INDUSTRY

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Key Technology Contracting Issues Facing the Automotive Industry Today

With digital technologies in vehicles now representing at least 50% of the total value of a vehicle, it's no wonder that every company in the automotive industry is starting to feel like a tech company. As a result, automotive company procurement and supply contracts have adjusted in response to the increased emphasis on technology in the supply chain. Below are a few key issues your contracts should clearly address.

1. **Licensing.** When procuring or supplying technology, your license agreement should address confidentiality, exclusivity and ownership, and rights to any data collected by the technology. The contract should ensure it is clear which party has responsibility for maintaining the technology and addressing issues that may arise for the duration of the vehicle's life.
2. **Risk Allocation.** As technology enables more autonomous driving, extra attention must be paid to the risks associated with these solutions. At the contractual level, this includes clearly detailing specifications and establishing party responsibilities and warranty limitations for design, integration, testing and validation. You should also have established procedures for handling claims, including the ability to quickly identify root causes, should warranty issues arise.
3. **Data Privacy.** With increased technology function comes an increase in personal data collection. Recently, privacy and security laws have grown exponentially, as have consumer expectations regarding their vehicle's data privacy and security protections. As a result, you will need to have contractual provisions in place to establish data collection and use rights and responsibilities, including security, compliance and notification obligations.

For more information from Warner's Automotive Industry Group, visit their [webpage](#) or log onto www.wnj.com.

Warner's Legal Corner provides OESA members with educational resources, best practices and updates on law and regulatory changes impacting the automotive supply industry. The automotive environment is ever-changing. That's why Warner is committed to building a better partnership with OESA and its members.

Click [here](#) to access Warner's Legal Corner Resource Page on OESA's website.

ATTORNEY SPOTLIGHT

Kelly Hollingsworth

For the last eight years, Warner Partner Kelly Hollingsworth has provided legal counsel to clients needing advocacy in commercial contracting, technology procurement and data privacy compliance. Kelly is an authority on cloud-based solutions and privacy issues, which provides a niche expertise for many of her clients.



Within commercial contracting, Kelly assumes a practical approach by protecting her clients' interests without slowing down the negotiation process. Her familiarity in the technology space ensures that the contracts she is involved in support the goals of the business, while allowing for flexibility and agility for future opportunities.

One of Kelly's primary focuses is on helping her clients buy and sell technology and data-related solutions. She often assists automotive suppliers in securing cloud-based and on premise software, including supply chain management and enterprise resource planning tools, to help run their businesses with smarter and more efficient solutions. She is also experienced in drafting and negotiating OEM-supplier agreements and protecting the rights of suppliers by mitigating risk whenever possible.

As data privacy regulations continue to expand across the nation and the globe and consumers expect increased data privacy and security measures, many of Kelly's clients rely on her advice when collecting and sharing personal information. Kelly is accomplished in the data privacy field, and frequently speaks on and writes about data privacy and cybersecurity issues to keep Warner's clients in-the-know on compliance requirements and industry trends.

Check out Kelly's [full bio](#) here.



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