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Data Act: MEPs back new rules for fair access and use of industrial data

- · Innovation increasingly relies on data
- · Legislation clarifies who can access data and on what terms
- It will empower a wider range of private and public entities to share data
- MEPs want to preserve incentives for businesses to invest in data generation

The "Data Act" aims to boost innovation by removing barriers obstructing consumers and businesses' access to data.

The draft legislation, adopted on Thursday in the Industry, Research and Energy Committee, would contribute to the development of new services, in particular in the sector of artificial intelligence where huge amounts of data are needed for algorithm training. It can also lead to better prices for after-sales services and repairs of connected devices.

MEPs adopted measures to allow users to gain access to the data they generate, as 80% of industrial data are never used, according to the European Commission. They also want to ensure contractual agreements are at the centre of business-to-business relations.

Companies could decide what data can be shared, and the manufacturer choose not to make certain data available "by design". When companies draft their data-sharing contracts, the law will rebalance the negotiation power in favour of SMEs, by shielding them from unfair contractual terms imposed by companies that are in a significantly stronger bargaining position.

The text also defines how public sector bodies can access and use data held by the private sector that are necessary in exceptional circumstances or emergencies, such as floods and wildfires.

MEPs strengthened provisions to protect trade secrets and avoid a situation where increased access to data is used by competitors to retro-engineer services or devices. They also set stricter conditions on business-to-government data requests.



Finally, the proposed act would facilitate switching between providers of cloud services, and other data processing services, and introduce safeguards against unlawful international data transfer by cloud service providers.

Quote

"The Data Act will be an absolute game changer providing access to an almost infinite amount of high-quality industrial data. Competitiveness and innovation are part of its DNA", said lead MEP Pilar del Castillo Vera (EPP, ES).

Next steps

The report was adopted by MEPs with 59 votes to 0, with 11 abstentions. It will put to a vote by the full House during the 13-16 March plenary session.

Background

The volume of data generated by humans and machines is increasing exponentially and becoming a critical factor for innovation by businesses (e.g. algorithm training) and by public authorities (e.g. shaping of smart cities).

The proposed act establishes common rules governing the sharing of data generated by the use of connected products or related services (e.g. the internet of things, industrial machines) to ensure fairness in data sharing contracts.

This kind of data is said to have become the new oil and is critical for innovations by business (e.g. algorithm training) and by public authorities (e.g. for shaping smart cities).

Further information

Committee on Industry, Research and Energy Meeting documents EP research briefing: The Data act Steps of the procedure



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