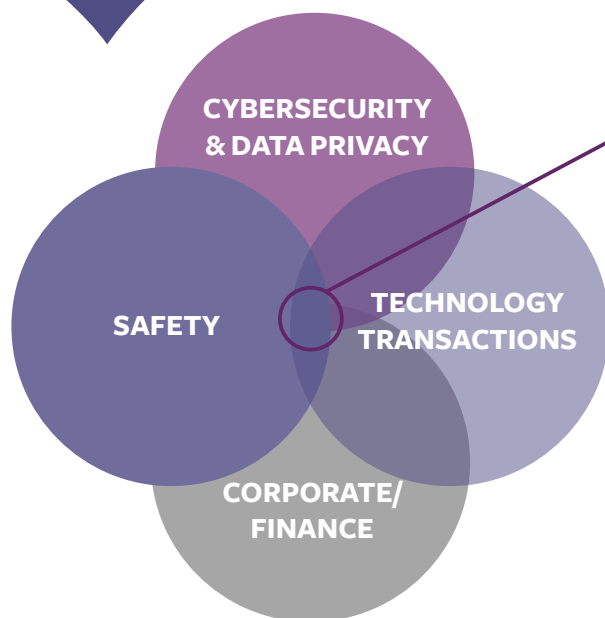


Connected & Autonomous Vehicles



Comprehensive, transactional, safety compliance, cybersecurity, privacy and governance advice to companies seeking to develop and supply technology for—or to manufacture and distribute or provide services using—Connected and Autonomous Vehicles

Safety. Seasoned lawyers with decades of hands-on experience in vehicle safety compliance, providing an intimate and unmatched knowledge of the US regulatory regime and its many challenges.

Cybersecurity & Data Privacy. Cutting-edge team skilled in developing strategic and practical approaches for managing cybersecurity and data privacy risks for a wide range of enterprises, including automotive companies and others providing connected consumer products and services.

Technology Transactions. More than 50 lawyers internationally recognized for their experience in helping clients form, evolve and govern complex relationships with providers of critical services and technology to improve and transform their business operations with specific experience representing vehicle, construction and agricultural equipment manufacturers developing and integrating connected technologies in their products.

Corporate/Finance. Global Corporate/Finance team of more than 430 lawyers advising clients on a variety of strategic transactions with deep experience representing vehicle manufacturers and other transportation service providers and distributors in engineering, design and development agreements, strategic alliances, joint ventures, venture investments, and mergers and acquisitions.



RANGE OF COOPERATION MODELS

Depending on the type of technology, its role in the product or service being offered, the stage of development and level of customization and investment required to fully integrate it into the offering, and the relative contributions of each party, we can help vehicle manufacturers, traditional automotive suppliers and information technology companies structure their relationship to meet their objectives.



LICENSING

- Obtain rights to use new technology
- Minimal commitment of financial resources
- Investment primarily in internal resources to implement
- Limited or no access to talent or the opportunity for future collaboration
- Exclusive license for a period of time or scope of use for an early adopter willing to pay a higher portion of the developer's research and development prior to achieving scale



SERVICES AGREEMENTS

- Outsourcing, Software as a Service (SaaS), data analytics, etc., offer opportunities to collaborate, develop and commercialize new ideas
- Parties can access expertise outside their traditional businesses
- Some level of customization or further development of existing software packages to provide branded user experience or to adapt to specific data needs
- Pricing often a factor in determining extent to which each party has licenses to continue to use the other's background technology in future projects with other suppliers



INTERNAL ACCELERATOR AND INCUBATOR

- Captive programs that offer mentorship and early-stage investment to existing start-ups
- Similar format to external accelerators but with more resource commitment
- May provide more flexibility to exercise control but also allow the start-up to grow separately and apart from the core business and defer decision as to whether to spin off or integrate later



STRATEGIC ALLIANCE/ MINORITY INVESTMENT

- Collaboration to develop new technology, application or platform
- Contribution of industry knowledge and skill and possibly existing tech
- Possible minority investment
- Limited resource commitments and control; possibly obtain board observation rights or seat



MAJORITY INVESTMENT

- Monetary investment in an existing company (early or late stage) that results in a majority ownership interest in the company
- More resource commitments and control than a minority investment; investor would have board seats and corresponding responsibilities



IN-HOUSE START-UP AND ACQUISITION

- Monetary investment in an existing company (early or late stage) that results in 100 percent ownership of the company or establishment of a start-up newco
- Most financial resource commitment and control
- Fully purchase and integrate resources



FINANCING

- Invest in upside of new technology via debt or preferred stock, convertible securities with company call options, etc.
- Influence innovation by setting standards under which the necessary investments will be financed but keep long-term ownership rights and control of direction with the equity owners
- Access to talent and opportunity for future collaboration



JOINT VENTURE

- Co-ownership of a new venture with an existing company to develop and commercialize specific new ideas/products
- More commitment and control than with a licensing/outsourcing arrangement
- Need to preserve independence and negotiate non-compete provisions to protect the joint venture from other conflicting interests of each joint venture partner



REPRESENTING COMPANIES ACROSS THE INDUSTRY

- Representing the **Automotive Information Sharing** and Analysis Center (Auto-ISAC), whose purpose is to facilitate cybersecurity awareness and coordination across the automotive industry, in corporate governance and the negotiation of information technology and other services agreements. Represented Auto-ISAC in connection with the successful motion to quash a subpoena to produce materials concerning a lawsuit against one of the Auto-ISAC's members—the first subpoena to be served on an Auto-ISAC member.
- Represented a **major vehicle manufacturer** in negotiating contracts with providers of original equipment and after-market telematics equipment and services, including wireless vehicle connectivity and a wide range of features for entertainment, safety, maintenance, communication and navigation.
- Advised a leading **Asian motor trading group** (with a number of popular consumer brands) on unauthorized access to customer data through the use of search engines. Our advice included whether and how data security breach notification needs to be given to the jurisdiction's privacy commissioner and/or affected customers.
- Negotiated an agreement with a **telematics provider** for a major automotive client's vehicles. As part of that agreement, we negotiated various privacy concerns involving telematics, as well as the provider's privacy policy.
- Advised a **major vehicle manufacturer** on the legality of a proposed program for monitoring encrypted communications passing through the client's computer systems. The first phase of the project involved advice on US law. The second phase involved advice on the proposed program's legality in several jurisdictions around the world.
- Regularly advising **major vehicle manufacturers** on National Highway Traffic Safety Administration (NHTSA) product safety matters regarding autonomous vehicles.
- Represented an **auto parts manufacturer** on global cloud computing arrangements involving a range of data protection issues in a variety of countries.
- Represented **heavy equipment manufacturer** in drafting Product Link Web Terms of Use, which involves the use of telematics with the client's machines as well as big data.
- Represented a **heavy equipment manufacturer** in negotiating a software development, deployment and hosting agreement with Uptake Technologies, Inc.
- Represented a **world leader in cruise shipbuilding** on the formation of a joint venture with one of the largest shipbuilding conglomerates in China. The joint venture is to be incorporated in Hong Kong to engage in the design and development of cruise vessels for the Chinese market.
- Negotiated a master strategic alliance and development agreement to be used by our client, a **manufacturer of heavy machinery**, to engage partners to develop autonomous technology for both mobile equipment and other machinery. The master agreement presents a framework for the client to partner with one or more technology companies to integrate new technologies into the client's products.



WHY MAYER BROWN?

To successfully deliver connected and autonomous vehicles, automakers need to build new commercial relationships, comply with new safety regulations and address cybersecurity and privacy risks. Mayer Brown's Connected & Autonomous Vehicles group provides clients with integrated, practical advice on negotiations, regulatory compliance and internal governance tailored to the needs of the automotive industry.

BUILDING COMMERCIAL RELATIONSHIPS

Automakers need to build new commercial relationships for connected and autonomous vehicle technologies. Traditional automotive supplier relationships must evolve to accommodate the open architecture and iterative development cycles required for complex, interconnected systems. Additionally, automakers will need to build commercial relationships with technology suppliers whose contracting approaches and risk tolerances differ in material respects from those of traditional automotive suppliers. Working with in-house counsel, our 50-lawyer Technology Transactions team helps automakers address these challenges, drawing on our extensive experience negotiating complex information technology transactions and our specific experience representing automakers in transactions involving telematics and other automotive supply arrangements and services.

COMPLYING WITH NEW SAFETY REGULATIONS

Safety is central to the connected and autonomous vehicle industry. Vehicle manufacturers and their suppliers need to anticipate and comply with the complex and evolving body of regulations, guidance and Federal Motor Vehicle Safety Standards promulgated by NHTSA so that regulatory and compliance best practices are embedded throughout their businesses. Mayer Brown brings decades of hands-on experience in the auto safety field, providing an intimate and unmatched knowledge of the motor vehicle regulatory regime and its many pitfalls. We are savvy and experienced in helping our clients navigate the regulatory landscape of the automotive industry and in building strategies that are both compliant and competitive, from design and testing to deployment.

ADDRESSING CYBERSECURITY AND DATA PRIVACY RISKS

Cybersecurity and data privacy are critical concerns for the connected and autonomous vehicle industry. As manufacturers and software and application suppliers are well aware, a successful cyber attack could result in the compromise of sensitive personal data, theft of vehicles or even threats to passenger safety. In addition, failure to adopt data privacy policies and practices that comply with a global web of regulations covering the collection and transfer of data could result in regulatory fines and civil litigation and erode consumer confidence. Mayer Brown lawyers bring a wealth of experience from private practice and government service to help clients address their most complex cybersecurity and data privacy issues.

COLLABORATION THROUGH JOINT VENTURES AND STRATEGIC ALLIANCES

The connected and autonomous vehicles industry has entered into an intense era of collaboration among carmakers, technology giants, software start-ups, research institutions, telecom providers, insurance companies and others to develop and commercialize the technology, share risk and prepare the market. Our ability to navigate our clients' interests through the legal and regulatory framework accommodates their long-term goals and allows them to adapt to the unexpected. We have helped our clients create a wide variety of durable and effective joint venture and alliance structures both within a jurisdiction and across borders.

Learn more about our Connected & Autonomous Vehicles practice at mayerbrown.com/experience/Connected-Autonomous-Vehicles/

MAYER BROWN CONTACTS



Erika Z. Jones

Partner

Washington DC

+1 202 263 3232

ejones@mayerbrown.com



Marjorie H. Loeb

Partner

Chicago

+1 312 701 8833

mloeb@mayerbrown.com



Linda L. Rhodes

Partner

Washington DC

+1 202 263 3382

lrhodes@mayerbrown.com

Americas | Asia | Europe | Middle East | www.mayerbrown.com

MAYER ♦ BROWN

Mayer Brown is a global legal services organization advising clients across the Americas, Asia, Europe and the Middle East. Our presence in the world's leading markets enables us to offer clients access to local market knowledge combined with global reach.

We are noted for our commitment to client service and our ability to assist clients with their most complex and demanding legal and business challenges worldwide. We serve many of the world's largest companies, including a significant proportion of the Fortune 100, FTSE 100, CAC 40, DAX, Hang Seng and Nikkei index companies and more than half of the world's largest banks. We provide legal services in areas such as banking and finance; corporate and securities; litigation and dispute resolution; antitrust and competition; US Supreme Court and appellate matters; employment and benefits; environmental; financial services regulatory and enforcement; government and global trade; intellectual property; real estate; tax; restructuring, bankruptcy and insolvency; and wealth management.

Mayer Brown comprises legal practices that are separate entities (the "Mayer Brown Practices"). The Mayer Brown Practices are: Mayer Brown LLP and Mayer Brown Europe-Brussels LLP, both limited liability partnerships established in Illinois USA; Mayer Brown International LLP, a limited liability partnership incorporated in England and Wales (authorized and regulated by the Solicitors Regulation Authority and registered in England and Wales number OC 303359); Mayer Brown, a SELAS established in France; Mayer Brown Mexico, S.C., a sociedad civil formed under the laws of the State of Durango, Mexico; Mayer Brown JSM, a Hong Kong partnership and its associated legal practices in Asia; and Tauil & Chequer Advogados, a Brazilian law partnership with which Mayer Brown is associated. Mayer Brown Consulting (Singapore) Pte. Ltd and its subsidiary, which are affiliated with Mayer Brown, provide customs and trade advisory and consultancy services, not legal services. "Mayer Brown" and the Mayer Brown logo are the trademarks of the Mayer Brown Practices in their respective jurisdictions.

© 2017 The Mayer Brown Practices. All rights reserved.

Attorney advertising. Prior results do not guarantee a similar outcome.