

Drone Technologies in Business

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Drones, or unmanned aerial vehicles (“UAVs”) or unmanned aircraft systems (“UAS”) (for purposes of this article, drones, UAVs, and UASs are all referred to collectively as “drones”), are currently used for law enforcement, national security, property security, commercial and scientific purposes, photography, and for a variety of businesses. Other examples include:

- Retail:
 - Package delivery.
 - Inventory inspection and movement.
 - Tracking customer movement and shopping patterns.
 - Improve energy efficiencies with the use of thermal cameras attached to drones to search for heat loss.
- Real estate:
 - Helping developers developing and maintaining land, and in constructing buildings.
 - Helping sellers’ market their homes.
 - Helping buyers find homes.
 - Surveying.
 - Property owners needing property inspections and maintenance.
- Insurance:
 - Evaluating claims.
 - Inspecting property for underwriting purposes.
- Manufacturing:
 - Plant and facilities inspections.
 - Delivery of tools, equipment, and parts to different locations within the manufacturing facility, and/or to field engineers and service technicians.
- Oil and Gas companies; Utility and Power line companies:
 - Inspecting distribution lines.
 - Inspecting manufacturing and processing plants.
 - Delivery of tools, equipment, and parts to field engineers.
- Agricultural:
 - Crop management.
 - Irrigation problems.
 - Soil variations.
 - Insect control.
 - Mapping.

The Federal Aviation Administration (“FAA”) regulates the national airspace in the U.S. On June 21, 2016, the FAA issued the “Small Unmanned Aircraft Rule” (14 C.F.R. Part 107). A summary of this new regulation is available [here](#) and outlines certain operational limitations (e.g., visual line of sight, daylight operations only, must yield right of way to other aircraft, etc.), remote pilot in command certification and responsibilities (e.g., a person operating a small UAS must either hold a remote pilot airman certificate with a small UAS rating or be under the direct supervision of a person who does hold a

remote pilot certificate), aircraft requirements (e.g., FAA airworthiness certification is not required; however, the remote pilot in command must conduct a preflight check of the small UAS to ensure that it is in a condition for safe operation), and applicability to model aircraft (e.g., Part 107, the rule, does not apply to model aircraft that satisfy all of the criteria specified in section 336 of Public Law 112-95; and the rule codifies the FAA's enforcement authority in part 101 by prohibiting model aircraft operators from endangering the safety of the National Airspace System).

For businesses wanting to use drones for commercial purposes, the business must either contract with another company that has individuals who have a remote pilot certificate, or the business could have its own employee(s) qualify for and obtain a remote pilot certificate. You can try and obtain the remote pilot certificate yourself or you can contact us or someone else for assistance with the licensing process.

While drones, as above-mentioned, offer many new opportunities for businesses, they also present new risks and regulatory compliance requirements. While this is not an exhaustive list, some of those risks and compliance issues include:

1. Does the business have employees who have a remote pilot certificate?
2. Does the business have appropriate insurance coverage for use of drones (e.g., for damage or harm to people or property caused by the drone)?
3. What are the protocols in place to avoid liability for privacy violations?
4. If the drone will be taking photographs, who will own the copyrights to the photos?
5. What precautions are in place to minimize the risk of a cyber-attack on the drone during flight?
6. In addition to the FAA regulations, does the drone operation comply with other local, state, and federal laws and regulations?

The bottom line is that drone technologies uses in business, like cell phones, will become more ubiquitous. Businesses planning to use drones should be mindful of the legal landscape they are flying into before releasing a drone over the physical landscape.

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