

The Dentons logo, consisting of the word "DENTONS" in white, uppercase, sans-serif font, enclosed within a purple arrow-shaped graphic pointing to the right.

DENTONS

# Drones a Service

June 1, 2017

# Hiring UAS Service Providers - The Risks

- Risks from non-compliance with the FARs or state and local regulations
  - Illegal activities by your vendor can put your certificates and licenses at risk
  - Increase scrutiny as a non-compliant business
- Risks to injury to your reputation.
  - Media can link your brand to an accident or public enforcement action

# Hiring UAS Service Providers - The Risks

- Operational risks
  - Injury to employees
  - Damage to infrastructure
  - Liability for injuries to 3rd parties
  - Loss of data and privacy issues
- Transactional Risks
  - Inability to meet your obligations to a customer or other contractors
- Financial Risks
  - Can the vendor deliver on what it promises? Can it meet its indemnity obligations in the event of an accident or incident?

# Hiring UAS Service Providers - Mitigating Risks

- Establish a vetting process
  - Do they have required authorizations?
  - Do they have licensed pilots?
  - Do they have registered aircraft?
  - Do they have a track record of satisfied customers?
  - Do they have the financial ability to meet their obligations?

# Hiring UAS Service Providers - Mitigating Risks

- Insurance
  - What are the limits?
  - Can they name you as an additional insurer?
  - Do they have aviation insurance?
  - If they just have a CGL policy, is there an aviation exclusion?
  - Does their policy cover risks assumed by contract?

# Hiring UAS Service Providers - Mitigating Risks

- Waiver of consequential damages
- Defense and indemnity from third party claims
- Choice of law, forum and arbitration
- Warranties of compliance with the law
- Warranties of airworthiness of the aircraft
- Provision making clear the you are relying on the expertise of the provider and his or her professional judgment.
- Responsibility for privacy issues
- Data rights and confidentiality

# Risk & Liability: What a UAS Lawsuit Looks Like?

- Plaintiff was a corporate CFO
- Full thickness corneal laceration
- Emergency surgery
  - Medical Expenses, Lost Income for "Extended Period of Time," Lost Opportunities and Growth for the Company, Hedonic Damages
- Strict Liability
- Negligence
- Breach of Warranty
- Colorado Consumer Protection Act
  - Treble Damages, Attorney Fees, Costs
- Loss of Consortium
  - Wife has Suffered Loss of Time, Income, Consortium, Affection, Love, Support, Care, Society, Comfort, Companionship, Services

## What a UAS Lawsuit Looks Like?(cont'd)

- Parrot Rolling Spider Minidrone





# What a UAS Lawsuit Looks Like?

## The Search for the Deep Pocket

- Parrot S.A.
- Parrot Drones S.A.S.
- Parrot Inc.
- Parrot Asia Pacific (Shenzhen) LTD
- Sensefly
- PIX4D, S.A.
- Pix4D Inc.
- MICASENSE, S.A.
- Airinov S.A.S.
- Iconem
- EOS Innovation
- Biocarbon Engineering Ltd.
- John Does 1-40

# Thank you

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