

Employers wary of camera phones at work

By John P. Mello Jr., Globe Correspondent, 4/11/04

Since their widespread introduction in the United States last year, the popularity of camera phones has grown in a flash -- and so have employer worries over their potential to cause headaches in the workplace.

Camera phones could be the key that opens a Pandora's box of lawsuits, according to legal specialists. They say possible misuses of the technology within the office include industrial espionage, invasion of privacy, harassment, and employer surveillance of workers.

"Fortunately, there hasn't been any litigation that's ensued yet," said Mark Pomfret, a partner with the Boston law firm of Testa, Hurwitz & Thibault. "But we're waiting for one of these cases to erupt because we think it's only a matter of time given the number of phones entering the market place."

Camera phones have been clicking with consumers since they became widely available last year. In 2003, there were 8.5 million shipped in the United States, according to International Data Corp., a technology research firm in Framingham.

IDC forecasts that number to soar to 27 million this year. And by 2006, as many as 80 percent of all cellphones will have cameras in them, according to the Gartner Group, a technology consulting firm based in Stamford, Conn. "Camera phones have been one of the biggest trends of the last year," said Mark Elliott, communications manager for telecommunications carrier Sprint. "People just enjoy the ability to share their personal experiences as they happen."

Having a camera phone has proven to be convenient for Todd Lehman, a systems programmer and analyst at Boston University.

"I used to carry around a four-megapixel digital camera that I don't have to carry around any more," he noted. "I use my camera phone to snap pictures on the street or to remind myself of something."

Although he infrequently snaps pictures at his workplace, he did find the camera phone useful on one occasion.

"I used it to take a picture of someone's white board at work because he didn't have a simple way to make it into a computer image," he said.

Camera phones are becoming a valuable asset in a number of fields, according to Alexa Graf Kaufman, regional public relations manager in Greenbelt, Md., for Cingular Wireless. Real estate agents, designers, insurance adjusters, and law enforcement officers have found applications for the phones, she noted.

Nevertheless, some employers remain apprehensive about possible abuses of the technology. A major worry is use of the phones in

industrial espionage, according to Pomfret. "These kinds of phones have been used to shoot and distribute sensitive documents -- prototypes, customer lists, trade secrets," he said.

Last summer the security risks posed by the phones led the world's leading maker, Samsung of South Korea, to ban workers and visitors from bringing them into its semiconductor, flat-panel, and electronics factories. And several major Massachusetts companies with manufacturing operations said that they would apply the same policies regarding cameras in the workplace to the phones.

"We don't allow any form of camera into our facilities unless authorized by security," noted Steve Brecken, a spokesman for Raytheon Integrated Defense Systems in Tewksbury.

A similar policy is in force at the Gillette Co. "We do not allow the use of cameras or recording equipment at our manufacturing or research facilities," spokesman Paul Fox said. "That would extend to the use of camera phones."

At Texas Instruments, which has an Attleboro facility, cameras can't be used in the workplace without proper authorization, but employees may use the phone function on the job, said spokeswoman Kim Quirk.

"It's a unique situation for us because we're in 70 percent of the world's cellphones so, by golly, we want people to have them," she explained.

It's not mere paranoia driving these companies to take precautions. The average cost of an incident of economic espionage in a manufacturing environment is \$50 million, according to Richard B. Isaacs, senior vice president at The Lubrinco Group, an international vulnerability management firm in New York City.

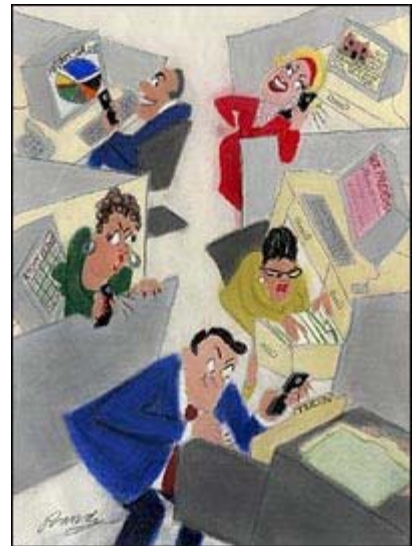
Camera phones have also raised workplace privacy concerns. "Employers have an obligation to prevent people from being voyeurs in areas like bathrooms, lockers, and workout areas that are on site," said Pomfret.

Snapshots taken with camera phones have also been used to harass individuals, he noted. "There's an emerging trend known as cyberbullying," he said. "People will use an electronic medium, such as e-mail or websites, to widely disseminate images of people they've captured with camera phones to humiliate them or mock them or just for sheer nuisance value."

Pomfret cited a number of ways that companies have sought to address the perceived risks camera phones pose to their operations. They range from all out bans to adopting policies regulating the proper use of technology in the workplace. "Companies are still trying to figure out for themselves what makes the most sense for their business while allowing themselves to have the maximum protection under the law," he noted.

There's no blanket solution to the problem, he added. "For companies that don't have espionage concerns, a simple, but explicit policy is their best bet," he said.

Such a policy might include a requirement that phones be used only for business purposes, a list of



Illustration/Randy Stevens

designated areas where use of camera phones is prohibited, and a ban on the transmission of confidential company information.

An outright ban on camera phones is the solution that's least likely to work, maintains Gartner analyst Carolina Milanesi. "If you look at how many camera phones will be sold by 2006, you're talking about 80 percent of all phones being shipped with a camera on them," she said. "It's going to be very hard for enterprises to police that."

There's also a question of effectiveness. Lubrinco's Isaacs recalled an occasion when one of his colleagues entered a plant where they inspected his bag for recording devices. After leaving the facility, he e-mailed the president of the company 39 sensitive shots taken during his visit.

"While delighted that this was done by their own team, the company was not happy with the level of their exposure," Isaacs said.

Moreover, any action taken by a Bay State employer has to be carefully balanced with an employee's right to privacy. "In Massachusetts, there's a statute that says everyone has a right against unreasonable interference with their privacy," explained Terence McCourt, a partner with Hanify & King in Boston. "That applies to camera phones, e-mail monitoring -- anything where an employer is beginning to invade an employee's privacy."

As is often the case when technology creates a problem, technology frequently tries to fix it. One such fix is starting to appear in Japan, which is a hotbed for camera phones.

"They're putting the sound of a shutter click or a loud electronic tone that will pulse when the camera phone is capturing a picture," noted Christopher Ambrosio, director of Strategy Analytics in Newton.

A more elegant solution is being proposed by two British companies, Iceberg Systems and Sensaura. Their Safe Haven system can prevent the cameras in cellphones from working in a localized area about 330 yards in diameter. However, the system requires special hardware to be installed in a phone and for "nodes" to be set up to define restricted areas.

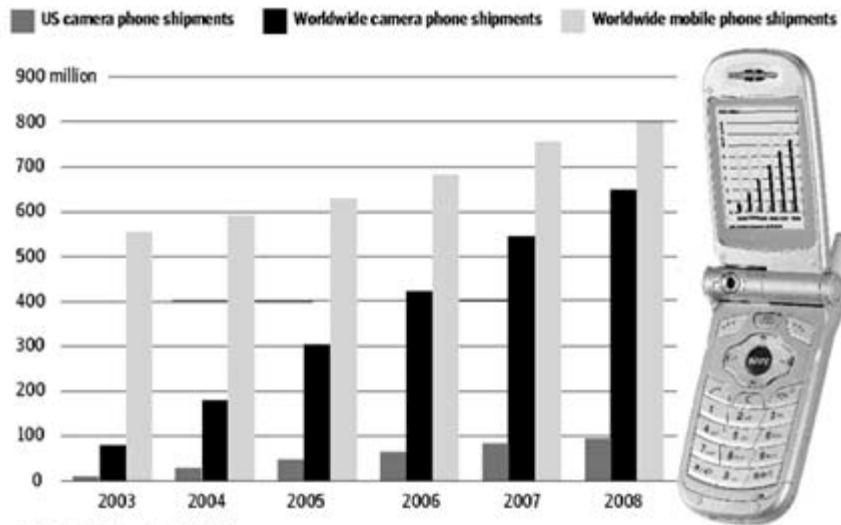
While companies fret over the arrival of camera phones in the office and on the factory floor, there are some who believe the hullabaloo is overblown.

"It might be an overreaction," said Verizon Wireless spokesperson Abra Degbor. "With any technology, there are individuals who can abuse that technology, but I think it's unfair to blame the device for the way a small minority of people might use it."

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Camera phones are clicking

Camera phones have caught on with consumers and are also drawing increasing use from businesses such as insurers and real estate agents. Their popularity is expected to grow. In the United States, the devices are forecast to have a compound annual growth rate of 36 percent between 2004 and 2008.



Note: Estimated shipments 2004-2008.
SOURCE: International Data Corp.

