

LEGAL-EASE



Are You Ready for VoIP? (Ready or Not, Here It Comes!)

I've been using an amazing program called "Skype" for the past few months. Using voice over Internet protocol ("VoIP"), it allows you to make a phone call from your computer over the internet to anyone else on their computer, anywhere in the world, for **free**! All you have to do is get a set of headphones with a built-in microphone (or a stand-alone microphone and play the sound through your computer speakers), take a few minutes to download the free program at www.skype.com, and you're set to go (as long as the person at the other end has set themselves up, of course!).

It gets better. With the recent release of Skype Beta version 2.5, if you get a relatively inexpensive "webcam" (I got one for about \$60 from Amazon, and it even has a built-in microphone), you can make a **video** telephone call to anyone on their computer, anywhere in the world, also for free.

Your friend isn't sitting at their computer waiting for your call? Or your elderly grandmother, who lives in Florida, doesn't have a computer? You can also call just about any "land line" anywhere in the world for only about \$.02/minute (free to land lines in the U.S. during 2006; calling a cell phone usually costs extra) by setting up a prepaid account. That's less than every standard, telephony-based long distance service I know about.

How did I find out about this incredible service? My 75-year-old mother, of all people, had her "computer guru" set her up, and she called to tell me I'd better "get with it"! When she said, "Look at your computer screen," and I saw her on my monitor, speaking to me from her home office in Northern California, I knew we had entered a new era. Within just a couple of weeks, I was making video calls with my sister, who lives in Israel – all 100% free.

O.k., the picture is a little jerky, like the video feed from the Space Shuttle. But, hey, that's still pretty amazing having what amounts to a **free video conference** half-way around the world!

Word about VoIP has been out in the security industry for quite a while now, of course. The equipment to work with the technology is also out there. Plenty of advertising can be found in every recent industry publication pushing the stuff.

Is it realistic to change your whole business model to take VoIP into account right now? Not being an installer or an alarm company owner myself, I can't speak with complete authority. But based on my own experience, I don't think VoIP is ready for "prime time" quite yet.

One of the problems is that the service gets the lowest "priority" over the internet pipeline. So in a typical 20-minute call with my sister, for example, we will get cut off at least three or four times when the bandwidth evaporates. That can get pretty annoying, pretty quickly. We often switch to land lines after a while, even though it's more expensive (of course anything is, compared to "free"!), just to be able to carry on an uninterrupted conversation.

There is also the issue of 9-1-1 emergency calling, which is not set up over the internet yet.

In short, I'm not quite ready yet to ditch my home land line (sometimes referred to as "POTS," for "plain old telephone service") in favor of using a computer-based communication system. The latest surveys I've seen indicate only a very small percentage of folks in this country have gone that far.

But in my opinion, it's only a matter of time before the bugs are worked out and VoIP becomes much more commonly used in our homes and businesses.

What should you do to be ready? First, I recommend for the time-being that you should simply have a clause in your contract that warns your clients that switching to any type of broadband, DSL or VoIP-based telephone service may affect the ability of the subscriber's system to communicate with the central station. I have seen articles in some industry publications recommending a lot more, such as additional notices, warnings, disclaimer clauses and further limitations of liability. I don't think that's necessary at this stage. Besides, our contracts are long enough as it is!

Eventually, however, you will probably want to have extra warnings, disclaimers and other clauses to insert in your contracts for those who do opt for exclusively VoIP service. Again, because of the length of our contracts as it is, I recommend that these terms be included on a "rider," or separate attachment, to the contract. That way you can give it only to those clients to whom it applies. Consult your friendly, local alarm industry lawyer for the right paperwork.

As always, please feel free to give me a call for a **free, no-obligation initial consultation** about this, or any other legal aspect of your security business.

Mr. Gottlieb is a legal specialist in the security and fire protection industry. He provides contracts and other legal forms, and advises on business transactions and legal compliance matters.

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