October 2014

This Client Alert is a monthly update on privacy and cybersecurity developments as posted on Hunton & Williams' Privacy and Information Security Law Blog. If you would like to receive email alerts when new posts are published, please visit our blog and enter your email address in the subscribe field.

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FCC Announces Intended \$10 Million Fine in First Data Security Case October 31, 2014

On October 24, 2014, the Federal Communications Commission <u>announced</u> that it intends to impose a \$10 million fine on TerraCom, Inc. ("TerraCom") and YourTel America, Inc. ("YourTel") for violating privacy laws relating to their customers' personal information. This announcement marks the FCC's first enforcement action in the data security arena as well as its largest privacy action to date. <u>Continue reading...</u>

UK Government Seeks Stronger Enforcement Powers Against Nuisance Callers and Texters October 30, 2014

The UK government has <u>announced</u> proposals designed to make it easier for the Information Commissioner's Office ("ICO") to fine companies responsible for nuisance calls and text messages.

Under the proposals, the current maximum fine of £500,000 would remain unchanged, but the threshold for imposing fines would be lowered. Continue reading...

FCC Joins the Global Privacy Enforcement Network October 30, 2014

On October 28, 2014, the Federal Communications Commission <u>announced</u> that it has joined the <u>Global Privacy Enforcement Network</u> ("GPEN"), a network of approximately 50 privacy enforcement authorities from around the world. The FCC is the second U.S. privacy enforcement authority to join GPEN. The other U.S. member, the Federal Trade Commission, helped establish the network in 2010. <u>Continue reading...</u>

Council of the European Union Proposes Risk-Based Approach to Compliance Obligations October 29, 2014

The Council of the European Union has published <u>proposed revisions</u> to the compliance obligations of data controllers and data processors included in Chapter IV of the forthcoming EU General Data Protection Regulation ("Regulation"). This proposal was led by the current Italian Presidency and the revisions reflect input from representatives of the national governments of the EU Member States. Continue reading...

California Attorney General Releases New Report with Findings and Recommendations on 2013 Data Breaches October 28, 2014

On October 28, 2014, California Attorney General Kamala D. Harris <u>announced</u> the release of the second annual <u>California Data Breach Report</u>. The report provides information on data breaches reported to California's Attorney General in 2012 and 2013. Overall, 167 breaches were reported by 136 different entities to California's Attorney General in 2013. According to the report, 18.5 million records of California residents were compromised by these reported breaches, up more than 600 percent from the 2.6 million records compromised in 2012. In addition, the number of reported data breaches increased by 28 percent in 2013, rising from 131 in 2012 to 167 in 2013. <u>Continue reading...</u>

Brazilian Congressman Introduces Right to Be Forgotten Bill October 23, 2014

Eduardo Cunha, a congressman from the Brazilian Democratic Movement Party in Rio de Janeiro, recently introduced a new bill in Brazil that provides Brazilians with a right to be forgotten (PL 7881/2014). Rep. Cunha is one of the most influential congressmen in Brazil and has been reported likely to be the next Speaker of the Brazilian House of Representatives (also translated as the "Chamber of Deputies"). Continue reading...

FTC Reaches Settlement with Online Marketers Over Text Message Spamming, Robocalling and Mobile Cramming Charges October 23, 2014

On October 22, 2014, the Federal Trade Commission <u>announced</u> that several interrelated online marketing and advertising companies ("Stipulating Defendants") agreed to pay nearly \$10 million to settle allegations that they engaged in a pattern of text message spamming, robocalling and mobile cramming

practices in violation of Section 5 of the FTC Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, and the Telemarketing Sales Rule. Continue reading...

TD Bank Agrees to Settlement to Resolve Multistate Investigation into 2012 Data Breach October 22, 2014

On October 10, 2014, TD Bank, N.A. entered into an <u>assurance of voluntary compliance</u> ("Assurance") with a multistate group of nine attorneys general to settle allegations that the company violated state consumer protection and personal information safeguards laws in connection with a 2012 data breach. The breach involved the loss of two unencrypted backup tapes containing the personal information of approximately 260,000 customers. The Assurance requires TD Bank to pay \$850,000 to the attorneys general. <u>Continue reading</u>...

CFPB Updates GLB Privacy Rule to Allow Online Privacy Notices October 21, 2014

On October 20, 2014, the Consumer Financial Protection Bureau ("CFPB") <u>announced</u> a finalized <u>rule</u> that enables certain financial institutions to comply with the Gramm-Leach-Bliley Act ("GLB") by publishing their financial privacy notices online instead of mailing them to their customers. The GLB Privacy Rule requires financial institutions to provide privacy notices to their customers on an annual basis. The new disclosure method only applies to financial institutions regulated by the CFPB and does not impact those entities regulated by the Securities and Exchange Commission, Commodity Futures Trading Commission or Federal Trade Commission. <u>Continue reading</u>...

German DPAs Adopt Resolutions Regarding "Connected Cars" and Cooperation with Competition Authorities October 20, 2014

On October 9, 2014, the 88th Conference of the German Data Protection Commissioners concluded in Hamburg. This biannual conference provides a private forum for all German state data protection authorities ("DPAs") and the Federal Commissioner for Data Protection and Freedom of Information to share their views on current data protection issues, discuss relevant cases and adopt resolutions aimed at harmonizing how data protection law is applied across Germany. During the conference, several resolutions concerning privacy were adopted. Continue reading...

Obama's New Executive Order Focuses on Securing Consumer Payments October 17, 2014

On October 17, the White House announced that the President signed a new executive order focused on cybersecurity. The signed executive order, entitled Improving the Security of Consumer Financial Transactions (the "Order"), is focused on securing consumer transactions and sensitive personal data handled by the U.S. Federal Government. Continue reading...

Mauritius Conference Panelists Endorse Coordinated Approach to Net Neutrality and Data Protection October 17, 2014

On October 16, 2014, the <u>36th International Conference of Data Protection and Privacy Commissioners</u> in Mauritius hosted a panel including representatives from the European Data Protection Supervisor (EDPS) and Hunton & Williams to discuss the need for a coordinated approach to net neutrality and data

protection in the EU. While there are divergent views on what net neutrality should (or should not) entail, net neutrality in the EU typically refers to the principle that all Internet traffic is treated equally and without discrimination, restriction or interference. Continue reading...

Centre Reports on 36th International Conference of Data Protection and Privacy Commissioners October 16, 2014

During the October 14, 2014 closed session of the 36th International Conference of Data Protection and Privacy Commissioners (the "Conference") held in Balaclava, Mauritius, the host, the Data Protection Office of Mauritius, and member authorities of the Conference issued the "Mauritius Declaration on the Internet of Things," and four new resolutions – a "Resolution on Accreditation" of new members, a "Resolution on Big Data," a "Resolution on enforcement cooperation," and a "Resolution on Privacy in the digital age." Brief summaries of each of these documents are below. Continue reading...

Chinese Supreme People's Court Issues Interpretations Regarding the Publication of Personal Information on the Internet October 15, 2014

In October 2014, the People's Republic of China Supreme People's Court issued interpretations regarding the infringement of privacy and personal information on the Internet. The interpretations are entitled Provisions of the Supreme People's Court on Several Issues concerning the Application of the Rules regarding Cases of the Infringement of Personal Rights over Information Networks (the "Provisions") and became effective on October 10, 2014. Continue reading...

FDA Issues Final Guidance on Cybersecurity in Medical Devices October 6, 2014

On October 1, 2014, the Food and Drug Administration ("FDA") announced that it has issued final guidance regarding cybersecurity in medical devices, entitled Content of Premarket Submissions for Management of Cybersecurity in Medical Devices (the "Guidance"). The Guidance provides recommendations to device manufacturers for content "to include in FDA medical device premarket submissions for effective cybersecurity management." The Guidance updates a draft guidance that was originally published in June 2013. Continue reading...

California Governor Approves New Privacy Legislation October 3, 2014

On September 30, 2014, California Governor Jerry Brown <u>announced</u> the recent signings of several bills that provide increased privacy protections to California residents. The newly-signed bills are aimed at protecting student privacy, increasing consumer protection in the wake of a data breach, and expanding the scope of California's invasion of privacy and revenge porn laws. Unless otherwise noted, the laws will take effect on January 1, 2015. <u>Continue reading</u>...

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