Global Privacy and Cybersecurity Law Updates and Analysis

#### May 2015

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

Recent posts on the Privacy and Information Security Law blog include:

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- FCC Advises Broadband Providers to Take Steps to Protect Consumer Privacy
- <u>Cyber Insurance: Addressing Your Risks and Liabilities</u>
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- Belgian Data Protection Authority Issues Recommendation on Facebook's User Tracking
- FinCEN Announces First BSA Enforcement Action Against Virtual Currency Exchanger
- <u>CNIL, ICO and GPEN Review Websites Aimed at Children During Internet Sweep</u>
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- Second Circuit Rules that NSA Phone Data Collection Not Authorized by PATRIOT Act
- Florida Passes Drone Surveillance Bill Requiring Individual Consent
- Hunton Releases Guide to the Proposed EU General Data Protection Regulation
- Justice Department Releases Guidance on Best Practices for Cyber Incident Preparedness

## French Data Protection Authority Reveals 2015 Inspection Program May 29, 2015

On May 25, 2015, the French Data Protection Authority ("CNIL") <u>released</u> its long-awaited annual inspection program for 2015. Under French data protection law, the CNIL may conduct four types of inspections: (1) on-site inspections (i.e., the CNIL may visit a company's facilities and access anything that stores personal data); (2) document reviews (i.e., the CNIL may require an entity to send documents or files upon written request); (3) hearings (i.e., the CNIL may summon representatives of organizations to appear for questioning and provide other necessary information); and (4) since March 2014, <u>online inspections</u>.

# FCC Advises Broadband Providers to Take Steps to Protect Consumer Privacy May 27, 2015

On May 20, 2015, the Federal Communications Commission ("FCC") released an <u>Enforcement</u> <u>Advisory</u> announcing that its previously-released Open Internet Order "applies the core customer privacy protections of Section 222 of the Communications Act to providers of broadband Internet access service" and that the statutory provisions of Section 222, which historically have been used to protect Consumer Proprietary Network Information on telephone networks, will apply to broadband providers when the Open Internet Order goes into effect on June 12, 2015. This approach will expand broadband providers' requirements to protect consumer privacy and limit their use of consumer data. <u>Continue reading</u>...

## Cyber Insurance: Addressing Your Risks and Liabilities May 27, 2015

After a number of high-profile data breaches, corporate cybersecurity is facing increased scrutiny and attention from consumers, the government and the public. In a webinar, entitled <u>Cyber Insurance:</u> <u>Addressing Your Risks and Liabilities</u>, hosted by <u>Hunton & Williams LLP</u> and <u>CT</u>, Hunton & Williams partners <u>Lon A. Berk</u> and <u>Lisa J. Sotto</u> provide a background into the current cyber threats and educate companies and their counsel on how to take full advantage of their existing insurance programs and specialized cyber insurance products to effectively and proactively address cyber risks.

Download a copy of the webinar.

#### Enforcement of the Self-Regulatory Principles for Online Behavioral Advertising in the Mobile Environment to Begin on September 1, 2015 May 19, 2015

On May 7, 2015, the Digital Advertising Alliance ("DAA") <u>announced</u> that, as of September 1, 2015, the Council of Better Business Bureaus and the Direct Marketing Association will begin to enforce the DAA Self-Regulatory Principles for Online Behavioral Advertising and the Multi-Site Data Principles (collectively, the "Self-Regulatory Principles") in the mobile environment. <u>Continue reading</u>...

### Belgian Data Protection Authority Issues Recommendation on Facebook's User Tracking May 19, 2015

On May 13, 2015, the Belgian Data Protection Authority (the "DPA") published a <u>recommendation</u> addressing the use of social plug-ins associated with Facebook and its services (the "Recommendation"). The Recommendation stems from the recent discussions between the DPA and Facebook regarding Facebook's privacy policy and the tracking of individuals' Internet activities. <u>Continue reading</u>...

## FinCEN Announces First BSA Enforcement Action Against Virtual Currency Exchanger May 12, 2015

On May 5, 2015, the Financial Crimes Enforcement Network of the U.S. Treasury Department ("FinCEN"), in coordination with the U.S. Attorney's Office for the Northern District of California ("USAO"), <u>announced</u> a civil monetary penalty of \$700,000 against Ripple Labs, Inc. ("Ripple Labs") and its subsidiary XRP II, LLC ("XRP II") for violations of the Bank Secrecy Act ("BSA"). This assessment represents the first BSA enforcement action against a virtual currency exchanger by FinCEN. The fine coincides with a settlement agreement between Ripple Labs, XRP II and the USAO to resolve any criminal and civil liability arising out of these activities, the terms of which include a \$450,000 forfeiture and full cooperation by Ripple Labs in the ongoing investigation. <u>Continue reading</u>...

# CNIL, ICO and GPEN Review Websites Aimed at Children During Internet Sweep May 11, 2015

On May 11, 2015, the <u>French Data Protection Authority</u> ("CNIL") and the <u>UK Information Commissioner's</u> <u>Office</u> ("ICO") announced that they will participate in a coordinated online audit to assess whether websites and apps that are directed toward children, and those that are frequently used by or popular among children, comply with global privacy laws. The audit will be coordinated by the Global Privacy Enforcement Network ("GPEN"), a global network of approximately 50 data protection authorities ("DPAs") from around the world. <u>Continue reading</u>...

## Centre for Information Policy Leadership Comments on Brazil's Draft Privacy Law May 7, 2015

On May 5, 2015, the Centre for Information Policy Leadership at Hunton & Williams (the "Centre") filed comments in <u>English</u> and <u>Portuguese</u> on Brazil's <u>draft law</u> "on the processing of personal data to protect the personality and dignity of natural persons" (the "Draft Law"). <u>Continue reading</u>...

## Second Circuit Rules that NSA Phone Data Collection Not Authorized by PATRIOT Act May 7, 2015

On May 7, 2015, the U.S. Court of Appeals for the Second Circuit sided with the American Civil Liberties Union, <u>holding</u> that the National Security Agency's ("NSA's") collection of metadata relating to domestic phone records is not permitted under the PATRIOT Act. This ruling overturns a <u>December 2013 Southern</u> <u>District of New York decision</u> finding that the NSA's telephone data collection program is lawful under Section 215 of the PATRIOT Act. The Second Circuit did not issue a preliminary injunction to stop the program or address questions as to whether the program is constitutional under the Fourth and Fifth Amendments. The case will now return to the Southern District of New York for further proceedings.

### Florida Passes Drone Surveillance Bill Requiring Individual Consent May 5, 2015

On April 28, 2015, the Florida House of Representatives <u>passed</u> a bill (<u>SB 766</u>) that prohibits businesses and government agencies from using drones to conduct surveillance by capturing images of private real property or individuals on such property without valid written consent under circumstances where a reasonable expectation of privacy exists. <u>Continue reading</u>...

## Hunton Releases Guide to the Proposed EU General Data Protection Regulation May 5, 2015

Hunton & Williams' EU Privacy and Cybersecurity practice lawyers recently authored <u>The Proposed EU</u> <u>General Data Protection Regulation – A guide for in-house lawyers</u>(the "Guide"), addressing the key impacts of the forthcoming changes to EU data protection law. Current EU data protection law is based on the EU Data Protection Directive 95/46/EC (the "Directive"), which was introduced in 1995. An updated and more harmonized data protection law, in the form of a Regulation, has been proposed by the EU's legislative bodies to replace the Directive. The Guide is intended to assist in-house lawyers in understanding the likely impact of the Regulation on businesses. While still under negotiation, the Regulation will significantly change the landscape of EU privacy and data protection in several key areas, including:

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## Justice Department Releases Guidance on Best Practices for Cyber Incident Preparedness May 5, 2015

Last week, the Cybersecurity Unit of the U.S. Department of Justice (the "Justice Department") released a guidance document, entitled <u>Best Practices for Victim Response and Reporting of Cyber Incidents</u> ("Guidance"), discussing best practices for cyber incident response preparedness based on lessons learned by federal prosecutors while handling cyber investigations and prosecutions. The Guidance is intended to assist organizations with preparing to respond to a cyber incident, and emphasizes that that the best time to plan a cyber response strategy is before an incident occurs. The Justice Department drafted the Guidance with smaller, less-experienced organizations in mind, but also believes that larger organizations may benefit from its summary of best practices. <u>Continue reading</u>...



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