# PRIVACY & INFORMATION SECURITY LAW BLOG

Global Privacy and Cybersecurity Law Updates and Analysis

#### June 2015

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.

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

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- SEC Cybersecurity Investigations: A How-to Guide
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- Consumer Groups Drop Out of NTIA Multistakeholder Process Regarding the Commercial Use of Facial Recognition Technology
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- New Dutch Law Introduces General Data Breach Notification Obligation and Higher Sanctions

### PCI Security Standards Council Releases Enhanced Validation Requirements for Designated Entities as PCI DSS Version 3.0 Set to Retire June 30, 2015

Earlier this month, the Payment Card Industry Security Standards Council ("PCI SSC") <u>published</u> a set of enhanced validation procedures designed to provide greater assurance that certain entities are maintaining compliance with the PCI Data Security Standard ("PCI DSS") effectively and on a continuing basis. The payment brands and acquirers will determine which organizations are required to undergo a compliance assessment with respect to these supplemental validation requirements, which are entitled the <u>PCI DSS Designated Entities Supplemental Validation</u> ("DESV"). <u>Continue reading...</u>

#### SEC Cybersecurity Investigations: A How-to Guide June 30, 2015

Hunton & Williams LLP partners <u>Lisa J. Sotto</u>, <u>Scott H. Kimpel</u> and <u>Matthew P. Bosher</u> recently published an article in *Westlaw Journal's Securities Litigation & Regulation* entitled <u>SEC Cybersecurity</u> <u>Investigations: A How-to Guide</u>. The article details the U.S. Securities and Exchange Commission's ("SEC's") role in cybersecurity regulation and enforcement, and offers best practice tips for navigating the

investigative process. In the article, the authors note that the threat of an SEC enforcement investigation must be considered an integral part of cybersecurity planning and compliance efforts. "Being prepared to engage the SEC in a proactive manner is often the best approach."

Download a copy of the full article now.

#### Hunton Webinar on the Proposed EU General Data Protection Regulation on July 9 June 29, 2015

Hunton & Williams will host a <u>live webinar</u> covering the latest developments on the proposed EU General Data Protection Regulation on Thursday, July 9, at 12:00 p.m. EDT. The webinar will provide an overview of the current status of the EU General Data Protection Regulation, highlights from the ongoing trilogue discussions, and guidance on how to prepare for the upcoming changes. <u>Continue reading...</u>

Federal Court: Data Breach Class Action Against Sony Survives Motion to Dismiss

Federal Court: Data Breach Class Action Against Sony Survives Motion to Dismiss June 23, 2015

The U.S. District Court for the Central District of California recently granted, only in part, a motion to dismiss a data breach class action against Sony Pictures Entertainment, Inc. ("Sony") in <u>Corona v. Sony Pictures Entertainment, Inc.</u>, No. 14-CV-09600 (RGK) (C.D. Cal. June 15, 2015). The case therefore will proceed with some of the claims intact. Continue reading...

#### New Hampshire and Oregon Student Privacy Legislation June 19, 2015

Legislators in New Hampshire and Oregon recently passed bills designed to protect the online privacy of students in kindergarten through 12th grade.

On June 11, 2015, New Hampshire <u>Governor Maggie Hassan</u> (D-NH) signed <u>H.B. 520</u>, a bipartisan bill that requires operators of websites, online platforms and applications targeting students and their families ("Operators") to create and maintain "reasonable" security procedures to protect certain covered information about students. H.B. 520 also prohibits Operators from using covered information for targeted advertising. H.B. 520 defines covered information broadly as "personally identifiable information or materials," including name, address, date of birth, telephone number and educational records, provided to Operators by students, their schools, their parents or legal guardians, or otherwise gathered by the Operators. <u>Continue reading</u>...

#### Consumer Groups Drop Out of NTIA Multistakeholder Process Regarding the Commercial Use of Facial Recognition Technology June 18, 2015

On June 16, 2015, the Consumer Federation of America <u>announced</u> in a <u>joint statement</u> with other privacy advocacy groups that they would no longer participate in the U.S. Department of Commerce's National Telecommunications and Information Administration ("NTIA") multistakeholder process to develop a code of conduct regarding the commercial use of facial recognition technology. The letter was signed by the Center for Democracy & Technology, the Center for Digital Democracy, the Consumer Federation of America, Common Sense Media, the Electronic Frontier Foundation, the American Civil Liberties Union, Consumer Action, Consumer Watchdog and the Center on Privacy & Technology at Georgetown University Law Center. This decision comes after 16 months of meetings and negotiations. In its announcement, the group highlighted its inability to come to an agreement with industry groups on how the issue of consumer consent would be addressed in a code of conduct regarding the use of facial recognition technology. Specifically, the disagreement between consumer and industry groups revolved

around the default rule for consumer consent (<u>i.e.</u>, whether the default should be opt-in or opt-out consent). <u>Continue reading...</u>

### Article 29 Working Party Publishes Its Position on the Proposed EU General Data Protection Regulation June 18, 2015

On June 18, 2015, the <u>Article 29 Working Party</u> (the "Working Party") published letters regarding the proposed EU General Data Protection Regulation (the "Regulation") addressed to representatives of the <u>Council of the European Union</u>, the <u>European Parliament</u> and the <u>European Commission</u>. Attached to each of the letters is an <u>Appendix</u> detailing the Working Party's opinion on the core themes of the Regulation. <u>Continue reading</u>...

### Council of the European Union Agrees on General Approach to the Proposed General Data Protection Regulation June 16, 2015

The Council of the European Union has <u>agreed</u> on a general approach to the proposed EU General Data Protection Regulation (the "Regulation"). This marks a significant step forward in the legislative process, and the Council's text will form the basis of its "trilogue" negotiations with the European Parliament and the European Commission. The aim of the trilogue process is to achieve agreement on a final text of the Regulation by the end of 2015. The first trilogue meeting is expected to take place on June 24, 2015. Continue reading...

#### Europe's Highest Court Delays Decision in Safe Harbor Case Schrems vs. Facebook June 10, 2015

On June 9, 2015, Max Schrems <u>tweeted</u> that the advocate general of the European Court of Justice ("ECJ") will delay his opinion in *Europe v. Facebook*, a case challenging the U.S.-EU Safe Harbor Framework. The opinion was previously scheduled to be issued on June 24. No new date has been set. Continue reading...

## China's Ministry of Industry and Information Technology Published Rules Governing Use of Text Messaging June 10, 2015

On May 19, 2015, China's Ministry of Industry and Information Technology promulgated its Provisions on the Administration of Short Messaging Services (the "Provisions"), which will take effect on June 30, 2015. Continue reading...

#### Nevada Expands Definition of Personal Information June 9, 2015

On May 13, 2015, Nevada Governor Brian Sandoval (R-NV) signed into law <u>A.B. 179</u> (the "Bill"), which expands the definition of "personal information" in the state's data security law. The law takes effect on July 1, 2015. Under the Bill, personal information now includes:

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#### Article 29 Working Party Issues Updated Guidance on BCRs for Processors June 9, 2015

On May 22, 2015, the Article 29 Working Party <u>published</u> an update to its explanatory document regarding the use of Binding Corporate Rules ("BCRs") by data processors ("WP204"). The original explanatory document was published on April 19, 2013 and identified two scenarios in which a non-EU processor, processing personal data received under BCRs, should notify the controller and the relevant data protection authorities ("DPAs") in the event of a legally binding request for the personal data. Continue reading...

#### NIST Publishes Draft Report on Privacy Risk Management for Federal Information Systems June 5, 2015

On June 2, 2015, the National Institute of Standards and Technology ("NIST") issued a press release on its recently published draft report, entitled Privacy Risk Management Framework for Federal Information Systems (the "Report"). The Report describes a privacy risk management framework ("PRMF") for federal information systems designed to promote "a greater understanding of privacy impacts and the capability to address them in federal information systems through risk management." The draft PRMF includes a Privacy Risk Assessment Methodology ("PRAM") consisting of several worksheets for assessing the privacy impact of data actions. Continue reading...

#### Germany Adopts a Draft Telecom Data Retention Law that Includes a Localization Requirement June 4, 2015

On May 28, 2015, the German government adopted a draft law that would require telecommunications and Internet service providers to retain Internet and telephone usage data. The initiative comes more than a year after the European Court of Justice <u>declared</u> the EU Data Retention Directive invalid, which had been implemented previously by German law. The German law implementing the EU Data Protection Directive had been declared unconstitutional by the German Federal Constitutional Court five years ago. <u>Continue reading</u>...

### EU General Data Protection Regulation: Timetable for Trilogue Discussions June 4, 2015

On June 1, 2015, the Group of the European People's Party in the European Parliament released an updated <u>timetable</u> for agreeing on the proposed EU General Data Protection Regulation (the "Regulation"). The European Commission, European Parliament and the Council of the European Union will soon enter multilateral negotiations, known as the "trilogue," to agree on the final text of the proposed Regulation. <u>Continue reading</u>...

#### New Dutch Law Introduces General Data Breach Notification Obligation and Higher Sanctions June 2, 2015

On May 26, 2015, the Upper House of the Dutch Parliament <u>passed</u> a <u>bill</u> that introduces a general obligation for data controllers to notify the Dutch Data Protection Authority ("DPA") of data security breaches and provides increased sanctions for violations of the Dutch Data Protection Act. A Dutch Royal Decree still needs to be adopted to set the new law's date of entry into force. According to the Dutch DPA, the new law is likely to come into force on January 1, 2016. <u>Continue reading</u>...



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