

Robinson+Cole

Data Privacy + Cybersecurity Insider

Leveraging Knowledge to Manage Your Data Risks



CYBERSECURITY

[Hacker Steals Millions from Virtual Currency Exchange Bithumb](#)

A cyber-attack against Bithumb—one of South Korea's largest cryptocurrency exchanges and one of the five largest in the world—has reaped access to the data of 30,000 users and drained their accounts in the process. Bithumb is one of the biggest ethereum exchanges by volume in South Korea, representing more than 44 percent of trading in that country. [Read more](#)

ENFORCEMENT + LITIGATION

[Solicitor General Urges Supreme Court Review of Second Circuit Microsoft Decision](#)

On June 23, 2017, the Office of the Solicitor General (OSG) filed a [petition for a writ of certiorari](#) with the United States Supreme Court, requesting reversal of a 2016 decision in which the U.S. Court of Appeals for the Second Circuit quashed a warrant obtained by the Department of Justice (DOJ) under the Stored Communications Act (SCA) seeking the contents of a Microsoft customer's emails.

In its July 2016 decision in *United States v. Microsoft Corp.*, a Second Circuit panel unanimously held that the DOJ's attempt to procure the contents of the emails, which allegedly pertained to illegal drug trafficking, via an SCA warrant constituted an impermissible extraterritorial application of the SCA because the server on which the emails were stored was located in Ireland. The Second Circuit [subsequently denied a request](#) for an *en banc* rehearing in January 2017. [Read more](#)

[VTech Escapes Class Action Case over Breach of 11 Million Toy Users' Information](#)

In November 2015, VTech Electronics North America LLC (VTech) announced that an unauthorized party infiltrated its network and gained access to the personal information of 5 million adults and 6.5 million children through its Learning Lodge app store, including their

July 13, 2017

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names, email addresses, security questions, photographs and messages [view related [post](#)]. One month following the announcement, 8 adults and 14 children sued VTech, alleging VTech breached its contract with them and put them at risk of identity theft as a result of the incident. [Read more](#)

DATA BREACH

[Three Million Wrestling Fans' Data Compromised](#)

World Wrestling Entertainment, Inc. (WWE) has announced that it is investigating a “vulnerability of [a] database” containing over three million users’ names, addresses, email addresses, dates of birth, educational background, ethnicity, earnings, and children’s ages and genders. The data includes social media tracking and posts from WWE stars and fans. [Read more](#)

DRONES

[Florida Enacts Law to Keep Local Governments from Regulating Drones](#)

Effective July 1, 2017, a new law in the State of Florida keeps “local governments from regulating drone and model aircraft operations” in the state while, in turn, “protecting those who fly safely and within the bounds of the law from unnecessary and burdensome local regulations.” However, the law does permit “local governments to enact or enforce local ordinances relating to illegal acts, such as voyeurism, property damage and harassment, arising from the use of drones and model aircraft.” Specifically, the law says that “a political subdivision” may not enact or enforce an ordinance or resolution that relates to the design, manufacture, testing, maintenance, licensing, registration, certification, or operation of drones, including airspace, altitude, flight paths, equipment or technology requirements, the purpose of operations, and pilot, operator or observer qualifications, training, and certification. [Read more](#)

[Canada Revises Its Recreational Drone Use Rules](#)

On June 16, 2017, Transport Canada, the department within the government of Canada, which is responsible for developing regulations, policies and services of transportation in the country, issued an Interim Order (“the Order”) under the Aeronautics Act and Canadian Aviation Regulations to regulate recreational drone use. The Order applies to all aircraft between 250 grams and 35 kilograms, including unmanned aircraft vehicles (UAV), flown for recreational purposes. All commercial UAV operations continue to be subject to the rules set forth in the Canadian Aviation Regulations (or the terms

of any Special Flight Operations Certificates issued to the operator). [Read more](#)

PRIVACY TIP #86

Consider “Who Has Your Back” as Your Next Summer Read

As you head to the beach or hammock for a bit of R+R this summer, here is one that you might want on the reading list.

The Electronic Frontier Foundation (EFF) has been publishing a report entitled “Who Has Your Back” since 2010. The point of the report is to assess major digital companies’ attitude toward consumer privacy in the context of responding to government inquiries for consumer data. According to EFF, the report will “turn a spotlight on how the policies of technology companies either advance or hinder the privacy rights of users when the U.S. government comes knocking, and we’ll highlight those companies advocating to shore up legal protections for user privacy,” hence—“Who Has Your Back.”

The criteria evaluated to complete the report include the following:

- Follows Industry-Wide Best Practices
- Tells Users About Government Data Requests
- Promises Not to Sell Out Users
- Stands Up to National Security Letters
- Complies with Pro-User Public Policy: Reform 702 (which deals with the surveillance powers of the National Security Agency. “EFF awards credit to companies that support reforming this section to reduce the collection of information on innocent people.”)

Here are the findings of the report:

- Every company evaluated has implemented best practices, including publishing a transparency report and requiring a warrant before releasing user content to the government.
- Nine companies received full credit in each of the five categories (Adobe, Credo, Dropbox, Lyft, Pinterest, Sonic, Uber, Wickr and Wordpress).
- All telecom companies were the lowest performing (AT&T, Comcast, T-Mobile and Verizon).
- Amazon and WhatsApp’s policies were graded lower than the other companies’ policies (“these two companies are not acting as leaders...we urge both Amazon and WhatsApp to improve their policies in the coming year so they match the standards of other major online services”).

EFF provides an important service to consumers in the evaluation of these companies’ protection of consumer data. Consumers can consider EFF’s evaluation of these companies when purchasing online products and services.

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