

Privacy Issues and The California Consumer Privacy Act of 2018

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In recent years, the business model of Silicon Valley's tech giants has come under serious public scrutiny. The world has watched companies such as Google, Facebook, and Apple take over the digital landscape and quickly become some of the most profitable companies in the world. People soon began to realize what exactly it was that was making these companies widely successful – data. Despite providing essential productivity services and networking platforms at no cost, these companies continued to thrive from their massive data harvesting and targeted advertising. What many people are concerned about today is the legality and ethicality of such data collection amid calls for regulation. Because this is a fairly new topic in the legal realm, only a few states have proposed legislation to combat the intrusive and often opaque data collection techniques of these companies, one of them being California. The California Consumer Privacy Act of 2018 (CCPA) is a groundbreaking piece of legislation which hopes to establish a regulatory standard for data collection procedures and defend one's privacy against the powerful tech companies of Silicon Valley.

The California Consumer Privacy Act of 2018 was born out of earlier efforts to pass the Consumer Right to Privacy Act of 2018. That earlier effort was quickly shot down because it contained many restrictive policies. As a result, legislators had to negotiate with businesses and other interest groups to finally settle upon what became the CCPA [1]. Despite attempts to water down the act, many still consider it to be the toughest data privacy law in the US. The law seems to be aimed directly at firms that do business in the State of California [2]. More specifically, the law applies to businesses that “earn more than \$25 million in annual revenue, purchase, sell, or share the personal information of 50,000 or more consumers every year, or earn 50 percent or more of their annual revenue from selling consumers' personal information” [3]. In other words, corporations heavily involved in the distribution of customer data, including some even previously accused of abusing their power, are now highly susceptible under this new legislation.

This new legislation aims to give consumers the control they never had over the information that businesses collect about them. It hopes to accomplish this by giving individuals the “right to know,” the “right to delete,” the “right to opt-out,” and the “right to non-discrimination” [4]. The “right to know” refers to one's entitlement to knowing what personal information a business collects about them, which also includes knowledge of how it is used or distributed. Following up, “the right to delete” gives one the ability to have businesses delete information collected about them. Furthermore, one also has “the right to opt-out” of the sale of

their personal information. Lastly, companies cannot discriminate individuals attempting to exercise the rights this act provides them.

In the case that a company fails to comply with this new legislation, there will be repercussions. If a violation is brought up by customers, companies have 30 days to resolve the issue. If further malpractice continues, the company may be fined up to \$7,500 per record [5]. Though these fines may seem small, they quickly add up in the case of data breaches affecting thousands or even millions of people. It should also be noted that in 2020, an amendment to the CCPA, known as Proposition 24, removed the 30-day window to address and fix violations [3]. More so, if the victim of a data breach is under the age of 16, companies may face increased fines. If this current trend holds, it seems that the rules and regulations surrounding the mishandling of personal information are only going to get stricter.

Although many states do not provide exclusive protections against the collection of personal information, they are certainly working towards it. It is reassuring to see states in important circuits establish concrete guidelines which companies need to follow. Regulation in this field is necessary in that it will help prevent companies from abusing their privilege to collect customer data and profit off of its sale. The strict guidelines outlined by the CCPA and Proposition 24 are going to set the precedent as other states begin to follow suit in drafting their own data regulation policies. In the coming years, drafting legislation of this stature will be necessary to protect an individual's privacy.

Sources

- [1] https://www.americanbar.org/groups/business_law/publications/committee_newsletters/bcl/2019/201902/fa_9/
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- [3] [https://ballotpedia.org/California_Proposition_24,_Consumer_Personal_Information_Law_and_Agency_Initiative_\(2020\)#California_Consumer_Privacy_Act_.28AB_.375.29](https://ballotpedia.org/California_Proposition_24,_Consumer_Personal_Information_Law_and_Agency_Initiative_(2020)#California_Consumer_Privacy_Act_.28AB_.375.29)
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