

Issue:

Have Plaintiffs X and Y suffered harm as a result of Company A's negligence in securing their sensitive information stored in the stolen laptops that further lead to a data breach resulting in the identify theft of Plaintiff X and Y?

Rule:

Under the doctrine of negligence, a plaintiff must establish the following four elements to successfully bring lawsuit against a company:

- (1) Duty of Care: the defendant owes a legal duty or standard of care to the plaintiff under the circumstances;
- (2) Breach of Duty: Defendant breached that legal duty by acting or failing to act in a certain way; fails to satisfy the "reasonable person" standard of care;
- (3) Causation: Defendant's conduct (breach of duty) causes plaintiff's foreseeable injury;
- (4) Damages: The plaintiff was harmed or injured as a result of the defendant's actions.

Analysis:

- (1) Has Company A failed to provide the plaintiffs with their duty of care or standard of care under the circumstances?

Yes, Company A, as a publicly traded corporation that handles sensitive customer information, has a legal duty of care to protect the personal information of its customers, which includes Plaintiffs X and Y. This duty includes taking reasonable precautions to secure laptops containing sensitive information through means such as encryption and proper supervision. Company A failed to provide these reasonable measures and as a result failed to provide their duty of care to the plaintiffs. Resulting in Company A failing to protect the plaintiffs' personal information from unauthorized access and potential data breaches.

- (2) Has Company A breached their legal duty by acting or failing to act in a certain way by failing to satisfy the "reasonable person" standard of care?

Yes, Company A breached their duty of care by leaving the laptops unattended and unsecured, which then resulted in the theft of the laptops and subsequent data breach of approximately 1.2

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million customers including Plaintiffs X and Y. The failure to encrypt the laptops and inadequate supervision constitutes a breach of the standard of care that is expected from a company that handles sensitive customer information.

(3) Has Company A's conduct caused the plaintiffs' foreseeable injury?

Yes, Company A's conduct has caused Plaintiff X and Y foreseeable injury. The theft of the laptops and the subsequent data breach directly caused the identity theft of Plaintiffs X and Y. The sensitive information stored on the stolen laptops was then used by unknown third parties to commit identity theft which resulted in financial losses and damage suffered by Plaintiffs X and Y. Both plaintiffs became victims of identity theft due to the laptops being stolen where unauthorized accounts were opened, and purchases made using their information due to Company A's conduct.

(4) Were the plaintiffs harmed or injured as a result of Company A's actions?

Yes, Plaintiffs X and Y suffered actual damages in the form of financial losses and harm to their personal information as evidenced by the unauthorized use of their personal information to open accounts and make purchases. These outcomes were a direct result from Company A's action of not taking reasonable precautions by securing the sensitive information stored in the laptops.

Conclusion:

Based on the analysis, Plaintiffs X and Y have a valid claim of negligence against Company A for failing to properly secure their sensitive information stored in the stolen laptops which directly caused them harm in the form of identity theft where their personal information was used to open accounts and make purchases. If the plaintiffs want to sue Company A based on negligence, they have a strong chance of winning the lawsuit by proving the elements of negligence discussed above that are as follows: Duty of Care, Breach of Duty, Causation, and Damages.