**Cloud Computing Legal Issues**

Computing in “the Cloud” has quickly become a fact of everyday life for many businesses, and everyone needs to know that it creates many legal issues that can lead to problems if not handled proactively. Legal standards, regulations, and norms relating to cloud computing are evolving rapidly in the United States, in Europe, and elsewhere. Businesses in industries including healthcare, software, financial services, and social media are offering cloud-based products and services to customers and clients that provide unprecedented convenience and mobility, but also create unprecedented risks. Nearly every business that uses computers is itself a consumer of cloud-based solutions.

Legal issues that can arise “in the cloud” include liability for copyright infringement, data breaches, security violations, privacy and HIPAA violations, data loss, data management, electronic discovery (“e-discovery”), hacking, cybersecurity, and many other complex issues that can lead to complex litigation and regulatory matters before courts and agencies in the United States, Europe, and elsewhere.

Whether as vendors or as consumers of cloud-based services, many businesses assume that other participants in the process are taking the necessary steps to ensure data security and otherwise address the many potential legal issues. Although it is widespread, that assumption can be dangerous if it leads businesses not to take adequate steps to protect themselves and their customers and clients.

In our upcoming series of blog entries, we will explore these emerging issues involving cloud computing. We will provide an overview of laws in the United States that govern data privacy and security, particularly in the cloud. Our focus will be on providing practical recommendations for handling data in the cloud under the European Union’s (“EU”) directive for data privacy and security and supply examples of when U.S. businesses may find themselves subject to EU law and the various mechanisms for authorized trans-border data movement. We will also give insights into the proposed EU data privacy and security regulations.