

Privacy matters! - California Consumer Privacy Act

Only one month after the introduction of the GDPR on 25 May 2018, the state of California introduced and passed the California Consumer Privacy Act in only 72 hours. The CCCPA comes into force on 01.01.2020 and is regarded as the little sister of the GDPR.

In the US data protection is governed by state law, so each federal state can pass its own data protection law. California, the state with the most tech companies and start-ups, is the pioneer here. The protection of personal data was based on a citizens' initiative. Citizens/consumers have a significant interest in co-determining on how their data is handled.

The CCCPA applies to companies and service providers, similar to the GDPR. In contrast to the GDPR, which provides for comprehensive requirements for the (technical) implementation of data protection, the CCCPA only covers consumer data protection. A large part of the principles enshrined in the GDPR, such as the lawfulness of processing, data minimisation and the right to information, are also reflected in the CCCPA.

Effects of the CCPA on Europe

And what does this have to do with German and European companies?

The CCCPA applies to all providers who process data from Californian consumers. Like the GRPR, it is a law with extraterritorial effect, the so-called market place principle applies. It can be applied to companies with annual gross revenues of more than 25 million US dollars and/or to such companies that generate more than 50% of their annual revenues from the sale of personal data. This means that small and medium-sized enterprises are initially spared for now.

Fines for data protection breaches

Fines are imposed for individual violations and are claimed directly by the company. Fines between \$2,500 and \$7,500 are per violation and are not capped at an absolute number of violations. The Company may remedy the violation within 30 days of becoming aware of it in order to avoid liability. The CCCPA provides for individual lawsuits against the infringing company, which are to be enforced particularly effectively by way of class action. Due to the wide scope of application of the CCCPA, European companies may also be affected.

The good news is: Companies that have already implemented a functioning data management and data protection management system with the introduction of the GDPR are well positioned.

Bottom line

The CCCPA is not an equivalent to the GDPR, but it should be noted that data protection in the home jurisdiction and abroad does not lose its importance and remains a valid factor for every company's management.

by Annelie Gallon, lawyer at **STÄMMLER RECHTSANWÄLTE**