

<u>U.S. social networks will face EU privacy</u> <u>rules</u>

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17 March 2011 — Websites including Google and Facebook that operate from the U.S. but which target consumers in Europe will be bound to follow tighter EU privacy and data protection rules being drawn up by the European Union, said Viviane Reding, the EU justice commissioner.

Speaking at "Privacy Platform 2011" in Brussels yesterday — and in an apparent reference to Facebook — Reding said during her speech that "a US-based social network company that has millions of active users in Europe needs to comply with EU rules".

Reding has also been deeply involved in sheltering the private data of EU citizens held by US authorities for counter-terrorism purposes, notably bank and passenger data. She was sharply

critical following a trip to the US last December, stating that "we have noted an apparent lack of interest on the US side to talk seriously about data protection".

Earlier this month the European Parliament found that U.S. requests for European banking data were "too general and too abstract to allow proper evaluation of the necessity of the requested data transfers".

Viviane Reding told the seminar that European citizens' rights in regard to data collection needed to apply regardless of where the data were collected.

For Reding's full speech *click here*.

Internet companies have previously faced criticism from data protection watchdogs in Europe for the way that they retain and use private data that they collect from web users.

The application of the rules to U.S.-based companies was one of four principles that Reding outlined for governing privacy rights, which are currently under scrutiny in Brussels.

She also said there should be a "right to be forgotten".

The commission is reviewing Europe's data protection laws, and could come forward with proposals this summer.

In the process of updating the laws, Reding said she wanted to "explicitly clarify that people shall have the right – and not only the "possibility" – to withdraw their consent to data processing".

She also said that transparency was critical, and that individuals should be informed about which data were being collected and for what purposes.

Finally, she said that there should be "privacy by default". The use of data for purposes other than those specified should only be allowed with the explicit consent of users.

Gregory P. Bufithis is the founder and chairman of Project Counsel SCS (http://<u>www.projectcounsel.com</u>). He is also the founder and chairman of The Electronic Discovery Reading Room (<u>http://www.ediscoveryreadingroom.com</u>) and Babel-Law (<u>www.babel-law.com</u>).