

Insights**CIPA BOONDOGGLE TO CONTINUE FOR AT LEAST ANOTHER YEAR**

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On July 1, 2025, a hearing was held in the California Assembly Committee on Public Safety concerning Senate Bill 690, which aims to stem the tide of lawsuits targeting routine website analytics and marketing tools by amending the California Invasion of Privacy Act to exempt the processing of personal information for a “commercial business purpose.” The last few years have left virtually no business untouched by a massive wave of lawsuits alleging violation of Penal Code § 631(a), the California corollary to the federal Wiretap Act, and/or Penal Code § 638.51, the pen register/trap and trace device portion of CIPA, none of which have gone to verdict, but which have nevertheless cost businesses millions of dollars in nuisance settlements.

The bill’s author, Senator Anna Caballero (D- 14), advocated in favor of the bill, decrying the destructive financial impact of thousands of meritless strike suits on California businesses big and small. The Committee also heard testimony from the LA Times concerning the existential threat caused by lawsuits seeking \$5,000 statutory damages for each use of routine data marketing tools, as well as a conga-line of supporters from the business community and technology communities.

Opponents of the bill also had their say, however, including the Dolores Huerta Foundation arguing that the bill was unnecessary, misguided, and poorly drafted and that CIPA was needed to prevent sharing of sensitive data concerning victims of sexual assault and sex trafficking, immigrants, and abortion with government authorities. The opposition produced its own conga-line composed of digital rights groups, including the Electronic Frontier Foundation (EFF) and Electronic Privacy information Center (EPIC), union and labor organizations and attorneys and, of course, consumer rights attorneys.

Committee members recognized the need for reform to limit the stream of meritless suits, however, concerns were also expressed regarding the breadth of amendments, with some arguing that they failed to effectively distinguish between routine marketing uses and more extreme examples, which might impact victims, result in harassment of immigrants, or chill access to family planning or other sensitive healthcare information.

To move the bill forward, while also allowing additional time to try to address the concerns expressed by the opposition groups, Caballero ultimately agreed to redesignate the bill as a 2-year

bill, which means SB 690 will not get a final vote in the current legislative session but will remain viable for passage next year. With that proviso, the committee voted unanimously to advance the bill.

For the many, many businesses who have been hit, often repeatedly, by meritless lawsuits seeking nuisance settlements, these developments are surely disappointing. There does appear to be a general consensus, however, that reform is necessary and both sides seem committed to working together on a compromise bill. We will continue to track the bill and will report on significant developments.

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MEET THE TEAM



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