

# NEWSLETTER

NO.3

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## CYBER-SECURITY AND DATA PROTECTION COMPLIANCE

### I. Chinese and Foreign Legislative Developments

#### DOMESTIC LEGISLATIVE DEVELOPMENTS

- *On February 18, the Central Committee of the Communist Party of China and the State Council issued the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*

The Outline covers the period from now to 2022 in the immediate term and extends to 2035 in the long term. It is determined that 5G and mobile Internet major industrial projects will be cultivated in the Guangdong-Hong Kong-Macao Greater Bay Area. The Outline sets clear requirements for optimizing and upgrading information infrastructure, cultivating and expanding strategic emerging industries, and accelerating the development of advanced manufacturing industries.

- *On February 20, the Ministry of Science and Technology issued the Letter on Supporting Beijing to Build a National New Generation Artificial Intelligence Innovation Development Pilot Area*

The Letter mentioned that supporting Beijing to build a national new generation artificial intelligence innovation development pilot area requires Beijing to give talents and technological advantages full play, to highlight leading role of high-caliber talents, to deepen institutional reform, and to optimize the innovation ecology of artificial intelligence development.

#### FOREIGN LEGISLATIVE DEVELOPMENTS

- On February 19, the ETSI Technical Committee on Cybersecurity (TC CYBER) released ETSI TS 103 645, a standard for cyber security in the Internet of Things, to establish a security baseline for internet-connected consumer products and provide a basis for future IoT certification schemes.

- On February 19, EU member states and the European Parliament negotiators reached an agreement to adopt a new minimum standard to make ID cards safer. To prevent terrorists and other criminals from counterfeiting ID cards, people must store fingerprints on the new EU ID cards in the future.
- On February 22, the US Cybersecurity and Infrastructure Security Agency (CISA) released the latest National Emergency Communications Plan. The Plan attaches great importance to strengthening the cyber defense capabilities of public security infrastructure to respond to emerging digital threats and to make it easier for organizations to share information among different networks.
- On February 26th, it is reported that the United States is advancing the CLOUD Act promulgated about a year ago, and Europe is trying to resist the impact of the Act. Under the Act, US cloud computing service providers such as Microsoft, IBM, and Amazon must provide data stored on the server when requested by the government, regardless of where the data is stored.

## II. Chinese and Foreign Typical Cases

### DOMESTIC TYPICAL CASES

- *Staff of ZiRoom accused of stealing company's information and infringement of citizens' information*

On February 20th, Li, a former employee of ZiRoom, was accused of during his employment using technical means to secretly download a large amount of customer information from the company's intranet system and illegally obtaining citizens' personal information through online purchase and exchange, and providing others with the obtained citizens' personal information. Li stole more than 800,000 pieces of company information, caused the leakage of 70,000 pieces of customer data and was put on trial for infringement of citizen's information

- *First-instance judgment released on the mini-program tort lawsuit involved Tencent*

On the afternoon of February 27th, the Hangzhou Internet Court publicly pronounced the first-instance judgement on the case where the plaintiff, a network company in Hangzhou sued a Changsha network company (Defendant One) and Tencent (Defendant Two) for infringing the works' right to network dissemination of information. The plaintiff requested Tencent and the operator of the mini program to bear the tort liability together and remove the mini program. After the trial, the court ruled that the defendant, the operator of the mini program, compensated the plaintiff for economic losses of RMB 15,000 per case, and rejected all claims of the plaintiff against Tencent. The court held that, according to the Regulation on the Protection of the Right to Network Dissemination of Information, the purely automatic access or automatic transmission service provider does not bear tort liability and the rule of "notice and take down" does not apply.

- *A police officer in Beijing sold more than 50,000 criminal records of citizens and was sentenced to 4 years for making profit of RMB 320,000*

On February 22, Nie, a police chief of a police station in Beijing, used the key authority to search more than 50,000 individual criminal records from the public security system of the intranet. This information was sold to a company for a total profit of more than RMB 328,000. Recently, after the two levels' court hearings, Nie was sentenced to four years in prison for accepting bribes and the auxiliary policeman Guo was sentenced to one and a half years for assisting Nie to commit the crime.



### FOREIGN TYPICAL CASES

- On February 23, it is reported that personal information obtained by Facebook may be far more than the information previously known to smartphone users, including health and other sensitive data. Andrew Cuomo, the governor of New York, USA, ordered two state agencies to investigate this. It is understood that many popular health and fitness applications have stopped sending sensitive personal health information to Facebook.
- On February 28th, the US Federal Trade Commission (FTC) issued an important ruling that the short video application TikTok was fined \$5.7 million for violating the US Children's Online Privacy Protection Act.



## III. Industry Information

- On February 16, a netizen released a video saying that Jingdong Finance App will obtain sensitive images of users and upload them. Jingdong Finance responded that the image cache is convenient for customers to make complaints or give suggestions and will not be uploaded to the Jingdong Finance background. Jindong Finance will not collect user's privacy data without permission, and said that the relevant functions had been temporarily offline.
- On February 18, the Office of Cyberspace Affairs Commission of the Shanghai Municipal Committee officially released the 2018 Shanghai Network Security Situation Analysis Annual Report. The report showed that 2,796 websites of 2,323 units in the city were monitored and 523 network security notifications were issued to 431 incident units.
- On February 20, Coalition, the leading network insurance company for small and medium-sized enterprises in San Francisco, announced that it would expand its coverage of violations of the General Data Protection Regulations (GDPR). Unlike other online insurance policies, Coalition is the first to offer comprehensive coverage to help companies comply with regulations, prevent suspected violations, and pay for the fees and fines thereof.
- On February 21, the Office of Cyberspace Affairs Commission of the Shanghai Municipal Committee and the Municipal Public Security Bureau jointly held the 2019 conference on the deployment of special action of the whole city's network security law enforcement inspection.
- On February 22, Alibaba Cloud was exposed that the project permission setting of its code hosting platform was ambiguous, which caused the developer users to operate improperly when building the database of the project, i.e. setting the project permission to "platform open", and caused 40 enterprise codes on Alibaba Cloud leaked, including personal information of 360,000 primary and secondary school students. Alibaba Cloud responded that a reminder has been issued to the whole station and the developer users involved are being notified one by one.
- On February 28, Tencent Qingyuan Qingxin Cloud Computing Data Center held a commencement ceremony in Taiping Town. The project is expected to invest RMB 10 billion and will be completed within the year.

***Disclaimer: All of the above information is from domestic and foreign media reports and publications. We have not verified the specific content of the information, and are not responsible for its authenticity, accuracy and completeness. This publication does not constitute any form of legal opinion or advice. If you need legal consultation on a particular matter, please contact the following lawyers:***



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