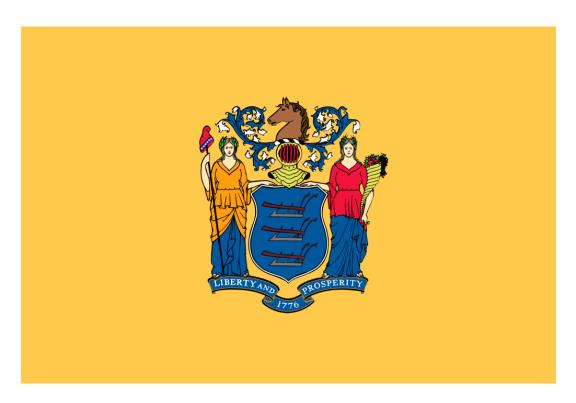


# Data Brokers Face Slew of Lawsuits Under New Jersey Privacy Law

December 9, 2024 By <u>Harris S. Freier</u>

A federal judge recently ruled that a New Jersey privacy law, which allows victims to assign their right to sue, is constitutional, which will allow thirty-seven separate lawsuits to proceed. The court certified the question for appellate review.



#### **Quick Hits**

- Daniel's Law in New Jersey allows judges, prosecutors, police officers, correctional officers, and their immediate family members to request in writing that any company or entity not disclose their home addresses or unpublished telephone numbers.
- On November 26, 2024, the U.S. District Court for the District of New Jersey rejected constitutional challenges to the law.

• On December 2, 2024, the court allowed the defendants whose constitutional challenge was rejected to immediately appeal.

A multitude of lawsuits have sprung up in the last two years, alleging violations of Daniel's Law. Atlas Data Privacy Corporation has brought more than 140 such lawsuits. Atlas is the assignee of approximately 19,0000 covered individuals who used the website to notify various entities, such as data brokers, to not post their home addresses and telephone numbers.

States across the country and the federal government have passed similar laws to protect the personal information of judges and other law enforcement officers. New Jersey's law is unique in allowing the assignment of the right to sue, meaning a tremendous amount of money and legal fees are at issue, putting New Jersey at the forefront of legal challenges to this type of privacy law.

### **Background on Daniel's Law**

Daniel's Law, enacted in 2020, is named after the son of federal Judge Esther Salas, who was murdered at his home in New Jersey by a lawyer who previously appeared before the judge. In 2022, the U.S. Congress passed a similar law to protect federal judges and their family members. Multiple states have passed similar laws. The issue has come to the forefront in New Jersey due to the ability of covered individuals to assign their rights to bring suit, which has resulted in significant litigation with millions of dollars at stake. The statute grants attorneys' fees and damages of \$1,000 for each separate violation of the act.

Atlas operates a website that allows covered individuals to identify data brokers and send written requests to remove their personal information. By signing up through the Atlas platform, an individual assigns his or her right to bring a claim for any violation of Daniel's Law. Atlas will remit 65 percent of any recovery to the covered individual and retain 35 percent for itself.

Most of the cases from Atlas are in New Jersey state court. Approximately thirty-seven of the cases were removed and have not been remanded and are before a federal judge in Pennsylvania because the judges in New Jersey were forced to recuse themselves, as they are protected by Daniel's Law.

The U.S. District Court for the District of New Jersey stayed all actions except motions to remand and motions to dismiss on constitutional grounds. Thirty-nine cases were remanded for lack of diversity. On November 26, 2024, the court rejected the constitutional objections of the data brokers, finding that Daniel's Law should be read to include a negligence standard for a party's violation of it, rather than strict liability, and as a result, it is constitutional. However, the court allowed the defendants to appeal on December 2, 2024. This matter will be appealed and may eventually reach the Supreme Court of the United States.

Data brokers, direct-mailing companies, marketers, real estate companies, and others that publicly post home addresses or phone numbers may wish to create systems to avoid or limit the publishing of home addresses or phone numbers of judges, prosecutors, and law enforcement officials. Such companies may wish to establish ways to quickly delete such data within ten days of receiving a takedown request. Otherwise, the monetary and criminal penalties could make it hard to continue to operate viable businesses.

Ogletree Deakins will continue to monitor developments and will provide updates on the <u>Cybersecurity and Privacy</u> and <u>New Jersey</u> blogs as new information becomes available.

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