

Law Suit Filed over LinkedIn Data Breach

June 20, 2012 - Earlier this month we told you about the data breach at the business social networking site LinkedIn. User names and passwords for more than 6 million accounts were found published on a Russian hacking website. As a result of the breach, LinkedIn froze the accounts of those who were affected and asked them to establish new passwords. Now, a \$5 million law suit has been filed against the company for damages. But those involved in the suit are likely to face a very steep uphill climb to prove their case. As far as we know, there have not been any claims of identity theft or actual damages that have occurred so far as a result of the breach.

Tweet

```
(function() {  
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];  
s.type = 'text/javascript';  
s.src = 'http://widgets.digg.com/buttons.js';  
s1.parentNode.insertBefore(s, s1);  
})();
```

```
(function() {  
var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;  
po.src = 'https://apis.google.com/js/plusone.js';  
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);  
})();
```

The law suit was filed by a LinkedIn user in Chicago who is seeking class action status. The suit claims that LinkedIn's security policies were "in clear contradiction of accepted industry standards" for the protection of data contained within the company's database.

While that may turn out to be the case, the question of damages is likely to revolve around actual damages suffered by the plaintiffs. That's where the suit is likely to face very stiff winds. The court is likely to require the plaintiffs to show that they suffered actual financial losses as a result of the breach. If they can't then the suit could very well be thrown out.

The real cost associated with the data breach and the law suit is likely to be in the form of harm to LinkedIn's business reputation. Numerous studies have shown that data breaches cause many customers to leave and make the process of recruiting new customers more difficult.

But LinkedIn may weather this storm with little impact on its business. That's because the site is the 800 pound gorilla in

its market. No other business social networking site comes close to the number of registered users or offers the breadth of services to the business community that LinkedIn does. Businesses in more competitive markets would not fare anywhere near as well under the same circumstances.

Any users who have been notified that their account information was compromised in this data breach should change their password on LinkedIn immediately. And as several readers of the last article on this topic pointed out to me, if you use the same user name and password on other sites as you do on LinkedIn, then you need to change your passwords on those sites too.

byJim Malmberg

Note: When posting a comment, please sign-in first if you want a response. If you are not registered, [click here](#).

Registration is easy and free.

Follow me on Twitter:

Follow ACCESS