

## [Privacy Shield Membership Swells To More Than 700 Cos.](#)

By Alex Lawson

Law360, New York (September 29, 2016, 5:20 PM EDT) -- More than 700 companies, including tech stalwarts like Google and Dropbox, have committed to the overseas transfer of personal data under the landmark U.S.-European Union Privacy Shield mechanism, a senior U.S. Department of Commerce official said Wednesday.

The search engine behemoth and the file sharing company formally registered their Privacy Shield certifications last week, becoming the latest additions to a massive roster of companies taking advantage of the transatlantic pact since its launch nine weeks ago, according to Deputy Commerce Secretary Bruce Andrews.

“This vital legal framework will keep data flowing between companies across the Atlantic while protecting the privacy rights of our people,” Andrews said at a gathering of Danish businesses in Washington, D.C. “The Privacy Shield will deliver tremendous benefits to all companies, and especially for small and medium-sized firms that cannot afford massive legal expenses.”

The foreign business delegation was in the U.S. alongside Danish Crown Prince Frederik and Crown Princess Mary on a two-day trade promotion swing, which saw Andrews tout the Privacy Shield as a crucial prong of business between U.S. and EU partners.

“Make no mistake, the Privacy Shield is essential to transatlantic commerce,” he said. “It supports the \$290 billion in digital services traded between the U.S. and the EU every year — and paves the way for future growth.”

Leading tech companies have been steadily flocking to the revised deal, with Google and Dropbox now lining up alongside Microsoft,

Salesforce, and many others.

More than 4,000 multinationals that had long relied on the popular safe harbor mechanism to transfer data from the EU to the U.S. have been in limbo since October, when the European Court of Justice invalidated the pact due to concerns about the scheme's ability to adequately protect the privacy rights of EU citizens.

Under the new Privacy Shield pact, which was first revealed in February, stronger obligations will be placed on U.S. companies to protect the personal data of Europeans and more robust monitoring and enforcement will be carried out by Commerce and the Federal Trade Commission, which has agreed to cooperate with European data protection authorities on complaints.

The pact will also allow Europeans to raise their complaints about data misuse through several different channels, including by dealing with a company directly when it comes to commercial uses of their data and by lodging concerns with a newly created privacy ombudsman when their data is being used for national security purposes, and contains written assurances from the U.S. about the limitations that will be in place to prevent unfettered access to transferred data by U.S. law enforcement and intelligence officials.

Since the Privacy Shield gained final approval from EU leaders in July, doubts have been raised about how widespread the buy-in would be from multinationals. While officials have set up an incentive that allows companies that sign up within the first two months of the pact's existence to take advantage of a transitional grace period that will give them nine months to get their contracts in order, attorneys have predicted that some companies may be turned off by what many view as the inevitability that the deal will soon face a court challenge similar to the one that resulted in the safe harbor's demise.

--Additional reporting by Allison Grande. Editing by Emily Kokoll.