



ALERT
SEPTEMBER 2022



California Attorney General Signals CCPA Enforcement Priorities in \$1.2 Million Sephora Settlement

The groundbreaking settlement focuses on California Consumer Privacy Act ("CCPA") violations involving sales of data and honoring global privacy controls.

On August 24, 2022, California Attorney General Rob Bonta announced his office's first privacy enforcement action and settlement against a publicly disclosed entity, Sephora, Inc., for violations of the CCPA, including the failure to provide notice of sales of personal information. Prior to this announcement, the California Attorney General's Office issued only [generalized summaries](#) of CCPA enforcement actions without disclosing the names of enforcement subjects. Last week's settlement [announcement](#) of a \$1.2 million penalty against Sephora signals enhanced enforcement for violations of CCPA's privacy provisions.

The California Attorney General [alleged](#) that Sephora failed to comply with the CCPA in three ways: (i) it did not disclose to consumers that it was selling their personal information; (ii) it failed to process consumer requests to opt out of sale via user-enabled global privacy controls; and (iii) it did not fix these violations within the 30-day CCPA cure period. As part of the [settlement](#), Sephora agreed to update its consumer privacy disclosures to indicate that it sells consumer personal information, will allow consumers to opt out of the sale, and revise its agreements with third-party service providers to restrict third parties' use of consumer personal information. The settlement also requires Sephora to submit to the California Attorney General regular compliance reports for two years.

Two Insights Into California Attorney General's Enforcement Priorities

First, this enforcement action underscores the importance of the global privacy control ("GPC"), a mechanism via which users can signal to businesses that they do not want their personal information sold. The GPC-related provisions of the settlement were a significant focus of both the press release and the settlement order.

Second, the settlement reflects the California Attorney General's view that a "sale" of personal information occurs where a business allows a third party—e.g., an analytics provider—to collect consumer personal information for the third party's own commercial benefit in exchange for providing free services to the business. The settlement indicates that a "sale" under the CCPA can capture sharing of data for a third party's benefit even when no monetary consideration has been exchanged.

The settlement indicates increased enforcement risks in California under the CCPA and the upcoming California Privacy Rights Act ("CPRA"). This risk is heightened under the CPRA because it expands certain consumer rights and protections that become effective on January 1, 2023. For more information on the CPRA and its rulemaking, see our client alert [here](#). Businesses should continue to monitor these developments and frequently review their CCPA/CPRA compliance

program to manage this increased enforcement risk.



Lisa M. Ropple
Boston



Edward S. Chang
Irvine



Jennifer C. Everett
Washington



Mary Alexander Myers
Atlanta



Mauricio F. Paez
New York



Jeff Rabkin
San Francisco/
Silicon Valley



Rasha Gerges Shields
Los Angeles



Kerianne N. Tobitsch
New York

[Amul Kalia](#), an associate in the San Francisco Office, contributed to this Alert.

Jones Day is a global law firm with more than 2,400 lawyers on five continents. One Firm Worldwide®

Disclaimer: Jones Day's publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our "Contact Us" form, which can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm.

© 2022 Jones Day
North Point, 901 Lakeside Avenue, Cleveland, Ohio 44114-1190
www.jonesday.com