

Justices give narrow win to Internet site in false data case

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The Supreme Court on Monday handed a narrow victory to an Internet search firm that was sued for posting false information about people, ruling that consumers could bring legal challenges only if the errors caused actual harm.

The 6-2 ruling threw out an appeals court decision in favor of Thomas Robins, a Virginia resident who sued Spokeo.com after it posted an online profile about him that was riddled with errors about his age, education, employment and marital status.

But the high court sent the case back for further proceedings, giving Robins another chance to show exactly how he might have been harmed.

The case was closely watched by Facebook, Twitter and other technology firms seeking to avoid costly litigation over the use of inaccurate data. They were concerned about lawsuits that could expose them to billions of dollars of damages for even trivial violations of statutes protecting consumer privacy rights.

Consumer rights advocates had sought a broader ruling that would let people sue without showing a real injury.

In the end, the court's decision gave both sides something to like.

Spokeo's website offers a searchable database that lets subscribers look up personal information about anyone. The profile at issue incorrectly

stated Robins' age, that he had a graduate degree, was employed, wealthy and married with children. In fact, Robins was single, unemployed and looking for work. His economic status was far lower than described.

He claimed the false information damaged his job prospects. Spokeo argued that being falsely portrayed was not enough to show Robins was really harmed.

Robins sued under the federal Fair Credit Reporting Act, which requires consumer reporting agencies to offer accurate information. The law allows victims to collect damages of up to \$1,000 each without having to show the mistakes caused any specific harm. It was intended to keep companies from compiling false information that could jeopardize a person's ability to get loans or find work.

Writing for the majority, Justice Samuel Alito said a person cannot show an injury simply by claiming a "bare procedural violation" of the credit reporting statute. But he also acknowledged that Congress has the power to identify "intangible harms" that also meet the minimum requirements.

Alito said the Supreme Court took no position on whether the 9th U.S. Circuit Court of Appeals made the right decision. But he said it applied the wrong legal standard. The majority ordered the appeals court to determine whether Robins had shown a "concrete" injury."

As an example, Alito said publishing an incorrect zip code for someone would likely not cause any concrete harm.

Justices Ruth Bader Ginsburg and Sonia Sotomayor dissented. Ginsburg said Robins had shown he was harmed because Spokeo's inaccuracies created the false impression he was overqualified for work he was seeking or that he might be unwilling to relocate for a job due to family.

Spokeo praised the court for ruling that so-called "no injury" class-action lawsuits can't move forward.

"The court's standard will make it much harder to turn individual cases like this one into million-member class actions," said Spokeo spokeswoman Vanessa Flores Waite.

But Jay Edelson, a lawyer representing Robins, said he was pleased the court failed to adopt the "real world" injury test that some business groups had pushed. He said he was "confident" the lower court would agree that Spokeo disseminated "the type of false information that Congress was concerned about" when it passed the credit reporting law.

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