

Blockbuster Settles Class Action Lawsuit Over Use of Personal Information

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Blockbuster recently settled a class action lawsuit that was filed in September 2011 in a Minnesota district court. The complaint had alleged the company violated the Video Privacy Protection Act (VPPA) by allegedly failing to destroy personal information in a timely manner. The VPPA requires that video tape service providers must destroy personal information as soon as practicable, but no later than one year after collected. As part of the settlement, Blockbuster has agreed, *inter alia*, to pay attorneys' fees, to de-couple personal information from video viewing information upon users' request, and to amend its privacy policy to reflect that users can request to have their information deleted. Blockbuster had previously sought to have the suit dismissed on the grounds that the original entity – Blockbuster LLC – had engaged in the alleged acts and had since declared bankruptcy, while the named plaintiff was a new entity, Blockbuster, Inc. The settlement comes after a Seventh Circuit ruling in a similar case brought against Redbox, where that court held that there could be no private right of action under the VPPA if the only allegation is that personal information was improperly held.

TIP: Companies that sell video or rent video tapes – or related services – should review their data retention practices carefully. This is not the first time that class action lawsuits have been brought under this law, and it is likely that it will not be the last.

1 Min Read

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