Contracting in the Cloud: Who Pays for a Data Breach?

The risk of a data breach cuts across industries and affects businesses large and small, causing some companies to migrate mission-critical data, including sensitive customer information, to third-party cloud providers, according to an article written by Sidley Austin lawyers Scott Nonaka and Kevin Rubino for Bloomberg Law.

“As data breaches have increased, so have the number of companies migrating mission-critical data to the cloud, including sensitive customer information,” **they write**. “These companies often turn to third-party cloud service providers to provide data hosting, software or infrastructure services. This trend is driven, in part, by the growing perception that cloud services are more secure than traditional information technology environments.”

They point out that data stored in the cloud faces many of the same threats as locally-stored data and, due to the growing amount of information in the cloud, it can be an attractive target for hackers.

Read the article.