



News

Edward Donohue Discusses Two Key Reasons Behind Surge in Lawsuits Filed Following Ransomware Attacks

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Hinshaw attorney Edward Donohue was extensively quoted in an article published by the *Claims and Litigation Management Alliance (CLM) Magazine*. The article reported on findings in a Comparitech survey that indicated almost one in five ransomware attacks led to a lawsuit in 2023. Of the 355 lawsuits filed, the majority involved data breach claims. The average case settlement was \$2.2 million.

Donohue said two main factors in consumer litigation have contributed to the increase in the frequency of lawsuits based on ransomware attacks:

1. "First, the frequency of incidents generally triggers self-reporting to an increasingly broader population of affected consumers." California and several other states now require self-reporting of ransomware attacks.
2. "Second, the success rate in pursuing such claims naturally impacts frequency. Again, trends are pro-consumer."

Donohue noted that evolving theories of liability have started to gain traction in courts, including a claim of false advertising over alleged misrepresentations about data security on the defendant's website. Given this, he said it was "unsurprising" that more than half of the lawsuits identified in the Comparitech survey resulted in a recovery.

[Read the full article.](#)

- "Report: Nearly One in Five Ransomware Attacks Leads to a Lawsuit" was published by *CLM Magazine* on May 8, 2024.

Attorneys

Edward F. Donohue III