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Relief May Be On The Horizon For Business Websites Facing CIPA Lawsuits

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You may have heard about the recent flood of lawsuits under California's Invasion of Privacy Act (CIPA) that target any business with a website that uses common tools like cookies, chatbots, or pixels. These lawsuits allege that businesses are "wiretapping" visitors and that those common website tools are illegal "pen registers" or "trap-and-trace" devices as defined by CIPA.

But that might be about to change.

On May 19, 2025, California lawmakers took a key step toward stopping this wave of litigation and reiterating their intended statutory scheme for Internet privacy. Senate Bill 690, introduced by State Senator Anna Caballero, is working its way through the Legislature. The bill aims to make clear that CIPA—originally passed in the 1960s to prevent unauthorized phone tapping—was never meant to apply to how businesses use the Internet today.

SB 690 would carve out a specific exemption in CIPA for businesses that use online technologies for a "commercial business purpose," provided they comply with modern privacy laws like the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA). That means technologies like cookies, pixels, chat functions, and user analytics—standard tools for modern websites—would be protected from these lawsuits if used responsibly.

In short, if passed, SB 690 could put an end to what many see as opportunistic lawsuits targeting legitimate business practices.

Even more notable: the bill, in its current form, would apply retroactively to all pending cases as of January 1, 2026. That means it could potentially stop the ongoing CIPA cases that are already moving through the courts.

While SB 690 has been placed on the Appropriations Committee's "suspense file"—a temporary hold pending budget considerations—it could resurface as part of broader legislative negotiations later this year. At the recent hearing, the Civil Justice Association of California also voiced its support for the bill.

What This Means for Businesses

If your business has received a demand letter or been named in a lawsuit claiming your website violates CIPA, there may soon be relief. While this bill hasn't passed yet, its momentum signals a growing recognition in Sacramento that these lawsuits are out of step with how digital commerce works today.

At Musick Peeler, we have successfully defended businesses against CIPA claims and are closely tracking the progress of SB 690. If you're facing a CIPA-related legal challenge—or simply want to make sure your website is compliant—reach out to us.

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