

By Darius Tahir

07/29/2016 02:47 PM EDT

Updated 07/29/2016 04:20 PM EDT

By a 3-0 vote, the Federal Trade Commission today [overturned](#) an administrative law [judge's ruling](#) that FTC was wrong to penalize Georgia-based lab company LabMD over the accidental publication of patient data on the Internet.

The case dates to 2006, when cybersecurity firm Tiversa detected the data, leaked when a LabMD employee installed peer-to-peer network Limewire on his computer. Tiversa tried to sell its remedial cyber services to LabMD, which turned the company down. Tiversa then alerted the FTC, which investigated the matter. However, LabMD attempted to head off penalties by going through the courts.

That strategy paid off when an administrative judge found that the FTC's penalties were premised on harm that couldn't be proven. In its [opinion](#) today, which instated penalties, the Commission said the judge had erred, and that LabMD's security practices were far below reasonable cybersecurity standards.

LabMD was ordered to alert affected consumers, establish an information security program, and engage independent assessments of its cybersecurity practices. The company has 60 days to file a petition for review with the U.S. Court of Appeals.