

## International Issues II

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Session 29  
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## Cyberspace vs. Real Space

- Issue discussed briefly earlier
  - Cyberspace is an artificial place
    - In which real transactions and interactions happen
  - What law covers on-line transactions
    - Law governing user?
    - Law governing corporation offering service?
    - Law governing physical location of server?
    - Some new "cyberspace" law?
  - Major variations in international law, e.g.
    - Copyright
    - Obscenity
    - Gambling

## Laws: Domestic US

- Internet taxation is one issue
  - Taxing of Internet services
    - Congress has prohibited
  - Taxation of e-commerce purchases
    - States cannot force collection
- Variation in many other areas
  - Sale of wine and liquor
  - Gambling, etc.

## Laws: International

- Huge variation
- In some areas, Internet can do little but match buyer and seller. Risks remain from customs.
  - Arms deals
  - Cuban cigars
  - Canadian prescription medication
- In other areas, entire transaction can be online
  - Sex shows (Amsterdam)
  - Circulation of banned or pirated material
  - Gambling

## Online Gambling

- Very well suited to Internet
  - Games can be played in web browser
  - Credit cards ensure payment
- Online games popular
  - Casino type games of chance
  - Poker
- Also unregulated betting on sports events
  - Off track betting limited in the US

## Berlind Reading

- Profiles US expats operating sports betting in Costa Rica
  - Where gambling is legal and business welcome
  - Good infrastructure, English speaking workers
- Extension of existing bookmaker practice
  - Odds set by knowledge, and supply/demand
  - Long term odds favor the bookmaker
  - College and pro US sports
- Are laws being broken?
  - Not in Costa Rica
  - Federal Government uses "wire" laws
    - Operators face prison terms on return to US

## Foreign Governments

- Many governments impose strict limitations on press and political coverage
  - Saudi Arabia
  - China
- Increasingly using Internet
  - But in censored form
  - Filters on all traffic routed into country
    - Block access to non-approved website
    - Monitor traffic
  - Proving quite effective

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## Great Firewall of China

- Net is widely used in China
  - Seen as key to economic development
- But huge effort to limit available content
  - Limit access to Google and AltaVista
  - Block political websites (19,000 as of Feb 2003)
    - Amnesty International
    - Anything to do with criticism of China
  - Firms with Chinese presence agree to self censor
    - E.g. Yahoo's Chinese subsidiary
  - Cisco and Nortel offer products and consulting to improve it
- Efforts to fight
  - Mirror sites for blocked websites
  - Proxy servers to relay material
  - Peer to peer redistribution of material

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## Sealand

- See Garfinkel reading
- Legal status unclear
  - Outside British territorial waters at time independence was claimed (1967)
- Very few inhabitants
  - Strong on symbols
    - Passports
    - Marriage Certificates
    - Coins and stamps



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## Data Havens

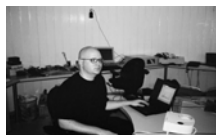
- Server located beyond reach of international law
  - Happy to host criminal or illegal activities
  - Swiss Bank of the computing world
    - No disclosure of data to any legal or government authority
- Concept actually comes from science fiction
  - Particularly Bruce Sterling, Islands in the Net (1988)
- In 2000 HavenCo tries to make a reality
  - Sealand as first location
  - Peak of the Internet boom
  - In conjunction with "21 year-old MIT dropout"

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## Fate of Sealand

- HavenCo website still claims to be "fully operational"
  - Open to anything but spam and child porn
  - Services from own server to file backup space
- Ryan Lackey has left
  - He says company doomed
    - Problems with net connection
    - Handful of customers
    - Complaints of tampering from "royal family"



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## Longer Term Questions

- Can governments successfully regulate cyberspace
  - Trends suggest they can
    - Effective tools to filter content entering countries
    - US gov't can target citizens involved with services
      - Users
      - Providers (if have interests in US)
      - Payment mechanisms (Visa, PayPal, etc)
  - There are technological alternatives
    - Not clear whether will ever be widely used
    - Countries may block or discourage adoption

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