

ECommerce
Computer Science Tripos Part II

**International Perspectives
on Internet Legislation**

19th May 2009
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Outline

- Data Protection Act 1998
 - US Privacy Laws
- Government access to data
 - Regulation of Investigatory Powers Act 2000
 - US PATRIOT Act 2001
 - Privacy & Electronic Communications Regulations
 - Data Retention
- E-Commerce Regulations
 - Deep Linking and other web-page issues
 - Phishing, Gambling and International Policing

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Further Reading

- Most of the relevant statutes available online
 - many court judgments now also appearing online
 - reading acts of parliament is relatively straightforward (judgments vary in clarity!)
 - however, law is somewhat flexible in practice, and careful textual analysis may disappoint
- Wealth of explanatory websites
 - often solicitors (and expert witnesses) seeking to show their expertise
- IANAL! (although I am sometimes an expert)

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Data Protection Act 1998

- Overriding aim is protect the interests of (and avoid risks to) the Data Subject
 - differs from US “privacy protection” landscape
- Data processing must comply with the eight principles (as interpreted by the regulator)
- All data controllers must “notify” (E35) the Information Commissioner (unless exempt)
 - exemptions for “private use”, “basic business purposes” (but not CCTV) : see website for details
- Data Subjects have a right to see their data

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US Privacy

- US approach is sector specific (and often driven by specific cases) For example:
 - privacy of mail (1782, 1825, 1877)
 - privacy of telegrams (state laws in the 1880s)
 - privacy of Census (1919)
 - Bank Secrecy Act 1970 (requires records kept!)
 - Privacy Act 1974 (regulates the Government)
 - Cable Communications Policy Act 1984 (viewing data)
 - Video Privacy Protection Act 1988 (purchase/rentals)
 - Telephone Consumer Protection Act 1991 (DNC in 2003)
 - Driver’s Privacy Protection Act 1994 (license data)

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HIPAA

- US Federal Law (Health Insurance Portability and Accountability Act 1996)
- Sets standards for privacy and security
 - Personal Health Information (medical & financial) must be disclosed to individual upon request, and when required by law or for treatment, payments etc (but info must be minimized where appropriate)
 - all disclosures must be recorded
 - must record, eg, that patients to be called at work
 - security implies admin, physical & technical safeguards
- Requires use of a universal (10digit) identifier

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Sarbanes-Oxley

- US Federal Law (Public Company Accounting Reform and Investor Protection Act of 2002)
 - introduced after Enron/WorldCom/etc scandals
- Public companies have to evaluate and disclose the effectiveness of their internal controls as they relate to financial reporting
- Auditors required to understand & evaluate the company controls
- Companies now have to pay much more attention to data retention and data retrieval

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Security Breach Disclosure

- California State Law SB1386 (2002) updated by AB1950 (2004)
 - must protect personal data
 - if disclosed then must tell individuals involved
- Now taken up by over 30 states & talk of a Federal Law (for harmonisation)
 - early on had a dramatic impact, now (100 million disclosures later) becoming part of the landscape
 - no central reporting (so hard to track numbers)
 - some disclosures look like junk mail!

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RIP Act 2000

- Part I, Chapter I interception
 - replaced IOCA; Exceptions for “Lawful Business Practice”
- Part I, Chapter II communications data
 - replaced informal scheme under DPA 1984, 1998
- Part II surveillance & informers
 - necessary for HRA 1998 compliance
- Part III encryption
 - end of a long road, starting with “key escrow”
- Part IV oversight etc
 - sets up tribunal & Interception Commissioner

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Electronic Communications Act 2000

- Part II – electronic signatures
 - electronic signatures “shall be admissible in evidence”
 - creates power to modify legislation for the purposes of authorising or facilitating the use of electronic communications or electronic storage
 - not as relevant, in practice, as people in the “dot com bubble” thought it would be. Most systems continue to use contract law to bind people to commitments.
- Remaining parts of EU Electronic Signature Directive were implemented as SI 318(2002)

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RIP Act 2000 – Encryption

- Basic requirement is to “put this material into an intelligible form”
 - can be applied to messages or to stored data
 - you can supply the key instead
 - if you claim to have lost or forgotten the key or password, prosecution must prove otherwise
- Keys can be demanded
 - notice must be signed by Chief Constable
 - notice can only be served at top level of company
 - reasoning must be reported to commissioner
- Specific “tipping off” provisions may apply

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PATRIOT Act

- Federal Law passed after 9/11 (strictly, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001)
 - huge range of provisions, such as roving wiretaps, access to business records without court order, removal of restrictions on domestic activity, removes many checks & balances generally, permits more information sharing, permits access to “content” in hacking cases...
- Re-authorized in PATRIOT II (2006)

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Privacy & Electronic Communications

- Implementing EU Directive 2002/58/EC
- Replaces existing Directive (& UK Regulations)
- Rules on phone directories, location info etc
- Bans unsolicited marketing email to natural persons – but not to legal persons
 - but see your ISP's "acceptable use policy"
- Controls on the use of "cookies"
 - transparency: so should avoid, or provide a choice
 - or if essential, then tell people what you're doing

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Data Retention

- European Directive passed in 2005 (in record time, following attacks in Madrid & London)
- Done under 1st pillar (internal market) rather than 3rd pillar (police/judicial co operation)
- Wording of Directive makes little technical sense – and is therefore being implemented haphazardly and inconsistently.
- UK transposed this in April 2009
 - only applies to you if Home Office sends you a notice
 - notices supposed to be sent to all (public) CSPs

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E-Commerce Law

- Distance Selling Regulations (2000)
 - remote seller must identify themselves
 - details of contract must be delivered (email is OK)
 - right to cancel (unless service already delivered)
 - contract VOID if conditions not met
- E-Commerce Directive (2002)
 - restates much of the above
 - online selling and advertising is subject to UK law if you are established in the UK – whoever you sell to
 - significant complexities if selling to foreign consumers if you specifically marketed to them

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Politics & Terrorism

- Mainstream politics is now following the extremists onto the web
 - especially Obama (but Howard Dean did it first)
- Many issues arise on content
 - defamation, incitement, anti-terror laws
- Raising money raises lots of issues for parties:
 - need to know identity if amount over £200
 - need to report if over £5000 (or even £1000)
 - need to identify “permissible donors”
 - raising money for terrorism forbidden (!)

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Deep Linking

- Pointing at specific pages on another website rather than the top level.
- Courts ruling against this when “passing off”
 - 1996 Shetland Times v Shetland News (UK) settled
 - 1997 TicketMaster v Microsoft (US) settled
 - 2000 TicketMaster v tickets.com (US) allowed [since clear]
 - 2006 naukri.com v bixee.com (India) injunction
 - 2006 HOME v OFiR (Denmark) allowed [not a database]
 - 2006 SFX motor sports v supercrosslive (Texas) injunction
 - 2007 Copiepresse Press v Google (Belgium) forbidden

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Framing, Inlining & Linking

- Inlining isn’t being permitted
 - Kelly v Ariba (US) : thumbnails of Kelly’s photos in Ariba’s search engine were “fair use” but full-size “inlined” copies were not
 - and don’t do your own design of a Dilbert page!
- Linking is much less of a problem
 - even from disparaging site (US) Ford Motor Co case
 - but linking to bad things generally bad
- In general, framing causes problems
 - Hard Rock Café v Morton (US) “single visual presentation”
 - Washington Post v Total News (US) settled

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Brand Names

- Significant protection for brands in domain names
 - mikerowsoft.com settled, microsuck.com survived...
- Using other people's brand names in meta-tags doesn't usually survive legal challenge
- Many US rulings on "adwords" now occurring; if you just buy keyword then OK, but problems if use trademarks in ad copy, or on landing page
- Germany, UK, Austria following US line, France is not. Netherlands have gone with US, but sent a number of questions to the ECJ for a final answer

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Phishing

- Sites clearly illegal (branded to look identical to real banks)
- Fraud Act 2006 ensures they can be illegal even if not yet operating
- Should you be concerned about what you are being asked to do, Fraud Act (& Serious Crime Bill) worth checking for a range of shiny new offences involving the creation of tools for fraud and offences of helping criminals...

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International Policing

- Foreign police priorities differ (as do laws)
 - specialist advice is essential
- Police do not usually operate across borders
 - Interpol mainly a fax distribution centre
 - although we now have European Arrest Warrant
- Problem for searches of remote/cloud systems
 - once police become aware must use MLAT
 - MLAT allows the diplomats to consider the issues
 - but it often makes glaciers look quick
- Gambling, non-banks &c => no US holidays!

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Review

- Important to understand difference between European Data Protection & US privacy
 - however, much common ground and ideas like security breach notification gaining traction
- Governments now grok computers and the Internet and are getting into data retention, traffic analysis &c in a major way
- Much still to be finally settled on the web
- Being a backroom boffin in serious crime is not as safe as it once was

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Ignorance of the law excuses no man; not that all men know the law; but because 'tis an excuse every man will plead, and no man can tell how to confute him.

John Selden (1584-1654)

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