### Economics, Law & Ethics

Computer Science Tripos Part 1B

# UK Law and the Internet

Easter 2016

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These lecture notes were specially prepared for the Cambridge University Computer Science "Economics, Law & Ethics" course, Easter Term 2016.

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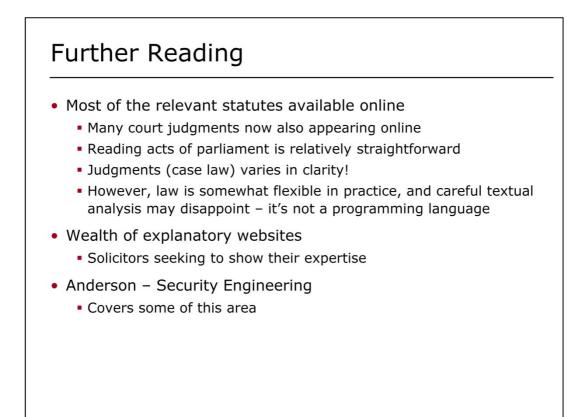
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### Outline

- IANAL! And this is UK law
- Computer Evidence
- Data Protection Act 1998
- General Data Protection Regulation (from Spring 2018)
- Computer Misuse Act 1990
- Electronic Communications Act 2000
- Regulation of Investigatory Powers Act 2000
- E-Commerce Regulations
- Privacy & Electronic Communications Regulations
- Data Retention

The slides give the broad outline of the lectures and the notes ensure that the details are properly recorded, lest they be skipped over on the day. However, it is at least arguable that it will be far more interesting to take notice of what I say off-the-cuff rather than relying on this document as an accurate rendition of what the lecture was really about!

Also, please note that "IANAL" (I am not a lawyer). Consult a professional if you wish to receive accurate advice about the law!

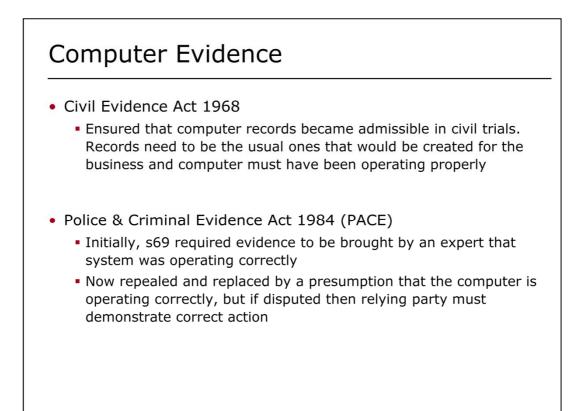


The text of all relevant UK statutes are published at:

http://www.legislation.gov.uk

On the website you will find most statutes – starting with five that predate Magna Carta – with complete coverage from 1988 onwards. Consolidated versions of statutes (albeit with some complex exceptions and limited application of the most recent changes) are also available, along with an indication as to which sections are currently in force.

The site also holds the text of statutory instruments, with partial coverage from 1948 and a complete set from 1987.



★ The 1968 Civil Evidence Act removed any possibility of computer evidence being labelled as "hearsay". It has since been amended by the Civil Evidence Act 1995, which clarified what a document was – to cover maps, plans, films and even computer databases. In general, authenticity is not an issue in civil trials because of the discovery process. But, if the correctness of the document is disputed then evidence of authenticity will be required.

\* PACE 1984 required (expert) evidence that a machine was working properly. This caused practical problems and some strange decisions for a while (as in *DPP* v *McKeown* where a faulty clock on a breathalyser caused considerable confusion in lower courts; in 1997 the House of Lords eventually decided it was irrelevant to the operation of the device.)

★ PACE s69 was repealed by the Youth Justice and Criminal Evidence Act 1999. No special conditions are now necessary for the production of "hearsay evidence" produced by a computer. In the absence of evidence to the contrary, the courts will presume that the system was working properly. If there is evidence to the contrary, then the party seeking to rely on the evidence will need to prove that it was working.

\* The Munden miscarriage of justice shows that system design must allow for "hostile" inspection (see: http://www.five-ten-sg.com/risks/risks-18.25.txt)

# Data Protection Act 1998

- Overriding aim is to 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" (£35 or more) the Information Commissioner (unless exempt)
  - Exemptions exist for "private use", "basic business purposes" (but not CCTV) : see website for details
- Data Subjects have a right to see their data
  - Systems need to be designed for this right to be exercisable

★ The Data Protection Act 1998 is now fully in force. The text of the Act is online at http://www.legislation.gov.uk/ukpga/1998/29/contents and there is a wealth of advice on the Information Commissioner's site at:

### https://ico.org.uk/

\* Anyone processing personal data must comply with the eight enforceable principles of good practice. They say that data must be:

- fairly and lawfully processed;
- processed for limited purposes;
- adequate, relevant and not excessive;
- accurate;
- not kept longer than necessary;
- processed in accordance with the data subject's rights;
- secure;
- not transferred to countries without adequate protection.

Personal data covers both facts and opinions about the individual. It also includes information regarding the intentions of the data controller towards the individual, although in some limited circumstances exemptions will apply. With processing, the definition is far wider than in the 1984 Act. For example, it incorporates the concepts of 'obtaining', holding' and 'disclosing'.

★ Exemptions from notification are complex – see the website for details

**\star** Data Subjects may be charged (but not more than £10) for access to data. Many organisations will incur costs that are far higher than this

### Data Protection Act 1998

- Principle 7 is specially relevant
  - Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data
- The Information Commissioner advises that a risk-based approach should be taken in determining what measures are appropriate
  - Management and organisational measures are as important as technical ones
  - Pay attention to data over its entire lifetime

### ★ The Act has specific requirements with regard to Principle 7:

Schedule I, Part II:

s(9) Having regard to the state of technological development and the cost of implementing any measures, the measures must ensure a level of security appropriate to-

> (a) the harm that might result from such unauthorised or unlawful processing or accidental loss, destruction or damage as are mentioned in the seventh principle, and

> (b) the nature of the data to be protected.

s(10) The data controller must take reasonable steps to ensure the reliability of any employees of his who have access to the personal data.

# General Data Protection Regulation I

- Applies to EU firms
  - AND to others who process data people residing in the EU
- Existing 8 principles distilled down to 6
  - BUT essentially it's the same set of requirements
- Rules on consent have been tightened up
  - For each purpose must be freely given, specific, informed & unambiguous; can no longer use pre-ticked boxes or infer consent
- Must get permission from parents for children under 16 (or 13)
- Data subjects get new rights
  - Restriction of purpose
  - Data portability
  - "Right to be forgotten"
- Current English text of GDPR http://register.consilium.europa.eu/doc/ srv?l=EN&f=ST%205853%202012%20INIT

# General Data Protection Regulation II

- New systems must have data protection designed in
   AND you may have to do an impact assessment
- Notification replaced by requirement to keep internal records
- Data breaches must be reported to regulator within 72 hours
  PLUS a requirement to notify data subjects (if data is high risk)
- Fines can now be much bigger
- Firms must appoint a Data Protection Officer
  - Can be a contractor
  - Must be capable of advising on GDPR obligations
  - Must monitor compliance with GDPR
- Will come into force Spring 2018
  - A Regulation applies immediately to all EU member states
- ★ A useful discussion of the changes

http://www.lawgazette.co.uk/law/legal-updates/
new-eu-data-protection-regulation/5053436.fullarticle



- Various "hacking" activities in the 1980s were prosecuted under "forgery" or "criminal damage" legislation
  - Gold & Schifreen gained top-level access to Prestel's messaging service and, most famously, altered messages in the Duke of Edinburgh's mailbox. Originally found guilty and fined, the forgery convictions were overturned on appeal
- Failure of existing legislation to be effective led to specific legislation to cover "hacking", virus propagation etc

★ For a racy account of hacking in the 1980s see (especially Chapter 2 of) "Approaching Zero":

http://www.insecure.org/stf/approaching\_zero.txt

### Computer Misuse Act 1990

- Section 1
  - Unauthorised access to a program or data
  - Requires knowledge that it is unauthorised
  - Need not be a specific machine (or in the UK!)
- Section 2
  - As s1, but done with intent to commit another serious offence
  - Raises the stakes from 2 years to 5 years
     s1 was a mere 6 months, but amended in 2008
- Section 3
  - Unauthorised modification tariff is up to 10 years
  - Intended to make virus writing illegal
  - Amended 2008 to cover denial of service as well
  - Making/distributing hacking tools is (since 2008) illegal
- The Act can be found online at: http://www.legislation.gov.uk/ukpga/1990/18/contents

\* The tariff changes were widely welcomed. Though do note (see R. v. *Lennon*) that not everyone gets the maximum sentence!

★ There have been convictions for "denial of service" – the person who attacked the University of Cambridge (plus Oxford & perhaps more significantly Kent Police) got a two year sentence (albeit for other wickedness as well).

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http://www.tcs.cam.ac.uk/news/0028180-cambridge-university
-website-hacker-pleads-guilty-to-nine-charges.html
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\* The Council of Europe Convention on Cybercrime has been signed and ratified by the UK:

http://conventions.coe.int/Treaty/en/Treaties/Html/185.htm The Convention requires the UK to make illegal "the production, sale, procurement for use, import, distribution or otherwise making available of" "hacking tools" or "passwords". However since these things are "dual use" the law should only make it illegal if you're doing it for bad reasons ("without right") and not for good, "such as for the authorised testing or protection of a computer system". Parliament settled on the need for "intent" for creating the tools (or just offering to create them) and likewise for "obtaining" (so the good guys have a defence because they have no intent to commit offences). However for distribution the wording is "likely to be used". The Director of Public Prosecutions has issued guidance on this:

http://www.cps.gov.uk/legal/a\_to\_c/computer\_misuse\_act\_1990

## Computer Misuse Act 1990

- Important to clearly indicate when access is not authorised
- Case law is chequered
  - Fines have often been small compared with damage caused
  - Only around 20 cases a year (but many charges under Fraud Act)
  - Bedworth got off on an "addiction" defence
  - Whitaker convicted (but conditional discharge) for not disclosing a time-lock that froze bespoke software when client was late in making payments
  - Pile convicted and received custodial sentence for writing viruses
  - "AMEX" case shows multi-level access can matter
  - Wimbledon case (Lennon): after an appeal it was found that "mail bombing" is a s3 offence – test of unauthorised becomes "if I were to ask, would they say 'yes'"
  - Cuthbert ("tsunami hacker") convicted of s1 offence for trying out
     ../../ URLs
- A typical warning, that could assist in CMA prosecutions, would be: This machine is the property of xxx Ltd. Only authorised users are entitled to connect to and/or log in to this computing system. If you are unsure whether you are authorised, then you are not and should disconnect immediately.
- Hutchings maintains a list of recent ecrime cases in the Cambridge Computer Crime database: https://www.cl.cam.ac.uk/~ah793/cccd.html

\* *R. v. Bedworth 1991* It was alleged that Bedworth and two others modified code at the Financial Times share index, and disrupted research work at a European Cancer foundation. Two pleaded guilty. Bedworth argued that he had developed an addiction to computer use, and as a result was unable to form the intent which has to be proven under the statute. The jury acquitted.

\* *R. v. Pile 1995* Christopher Pile (aka the 'Black Baron') got 18 months under CMA s3. Pile pleaded guilty to five charges of gaining unauthorised access to computers, five of making unauthorised modifications and one of inciting others to spread the viruses he had written. Pile has created "two vicious and very dangerous computer viruses named 'Pathogen' and 'Queeg'".

\* *R. v. Bow Street Magistrates Court and Allison: Ex Parte Government of the United States* 1999 Allison was to be extradited to the USA for accessing American Express information about credit cards (used to steal \$1million from ATMs). The House of Lords held that although Allison was authorised to access some information, he did not have authorisation to access the relevant information. This effectively overturned the decision in *R.v.Bignell 1997* where access to data on the Police National Computer (about who was parked outside an ex-wife's house) was held not to be unlawful, because the police officers involved were authorised to access the system (and an operator did the typing for them).

\* *R. v. Lennon* 2005 Lennon caused five million emails to be sent to an server, which was unable to cope with the load – a so-called "mail bomb". He was charged under s3(1). The defence argued that it was implicitly permitted to send email, and that there was no specific number at which permission ceased. The District Judge agreed, but the on appeal the court said "If he had asked if he might send the half million (*sic*) emails he did send, he would have got a quite different answer" and sent the case back for retrial. Lennon pleaded guilty and got a two month (electronically tagged) curfew.

★ For a discussion of the *Lennon* and *Cuthbert* cases (and to see the perils of not being frank with the police at interview) see http://pmsommer.com/CLCMA1205.pdf



- 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)

### ★ The Electronic Communications Act 2000 is online at:

http://www.legislation.gov.uk/ukpga/2000/7/contents

\* The voluntary licensing scheme in Part I was the last vestige of the "key escrow" proposals of the mid 1990s when the NSA (and others) tried to grab the world's keys to mitigate the effects of the use of encryption upon their snooping activities. This part of the Act fell under a "sunset clause" on May 25<sup>th</sup> 2005. Note that s14 is present to ensure that everyone understands that the old policies are dead.

\* Electronic signatures were probably effective (certainly in England & Wales) before this Act was passed. However, there's now no doubt that courts can look at them and weigh them as evidence.

★ The Government decided against a global approach to amending legislation (i.e. anywhere it says "writing" then email would be OK) but is instead tackling topics one at a time. Perhaps the most visible change so far is the option to take delivery of company annual reports by email. A project by HM Land Registry for electronic conveyancing of land was abandoned in 2011 – since users were unconvinced it could be made secure.

Directive 1999/93/EC of 13 December 1999 on a Community framework for electronic signatures: http://eur-lex.europa.eu/LexUriServ/ LexUriServ.do?uri=OJ:L:2000:013:0012:0020:EN:PDF Transposed, very literally, into UK Law (rather late) as Statutory Instrument 2002 No 318

http://www.legislation.gov.uk/uksi/2002/318/contents/made

### **RIP Act 2000** • Part I, Chapter I interception Replaced IOCA 1985 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 Investigatory Powers Bill currently going through Parliament • Exact changes TBA!

- The Regulation of Investigatory Powers Act 2000 can be found online at; http://www.legislation.gov.uk/ukpga/2000/23/contents
- A history of interception in the UK (from 1663 onwards) can be found at: http://www.nationalarchives.gov.uk/ERORecords/HO/ 421/2/oicd/ioca.pdf

\* The judgement of the European Court of Human Rights in *Malone* made legislation necessary and the Interception of Communications Act 1985 (IOCA) was the result. The 1997 *Halford* decision (relating to interception on private networks) showed that the law needed revision.

\* Access to communications data was previously done using the exemptions provided by s28 of DPA 1984 (s29 in DPA 1998).

★ Surveillance, bugging and the use of informers needed to be formally regulated so that these activities did not infringe Article 8 of the European Convention on Human Rights ("right to privacy").

★ The Government proposed numerous policies through the late 1990s which were intended to address the problems caused by the use of encryption by criminals. Eventually compulsory "key escrow" was dropped and we have ended up with the requirement to "put into an intelligible form" along with some GAK (Government Access to Keys).

### RIP Act 2000 – Interception

- Tapping a telephone (or copying an email) is "interception". It must be authorised by a warrant signed by the Secretary of State
  - SoS means the home secretary (or similar). Power can only be delegated very temporarily
  - Product is not (currently) admissible in court
  - GCHQ can scan international communications for "factors"
- Some sensible exceptions exist
  - Delivered data
  - Permission from BOTH sender and receiver
  - Stored data that can be accessed by production order
  - Techies running a network
  - "Lawful business practice"

 $\bigstar$  s2(2) ...a person intercepts a communication in the course of its transmission by means of a telecommunication system if, and only if, he-

- (a) so modifies or interferes with the system, or its operation,
- (b) so monitors transmissions made by means of the system, or
- (c) so monitors transmissions made by wireless telegraphy to or from apparatus comprised in the system,

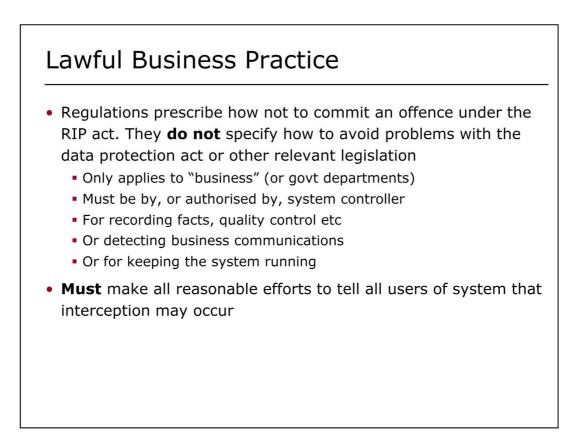
as to make some or all of the contents of the communication available, while being transmitted, to a person other than the sender or intended recipient of the communication.

★ Note that once the data has reached its destination then it's no longer interception. However, storage so that the recipient can collect it or have access to it doesn't count as the destination. So it's interception to look at maildrops or undelivered SMS messages (or as journalists discovered, voice mails).

\* Interception is lawful if both the sender and recipient has given permission  $s_3(1)$ ; or,  $s_3(2)$ , if the recipient has and the police have a Part II warrant (this is the "tap the kidnapper's call" scenario).

\* Techies working for the communications service provider can lawfully intercept [s3(3)] if what they're doing is required for the provision or operation of the service. This means that filtering for viruses is lawful, as is sniffing network traffic for diagnostic purposes.

\* In *R v Stanford & Liddell 2005* an email server was configured so that emails to the CEO of Redbus were copied to where the defendants could read them. The judge ruled that "right to control" does not mean has right of access or operation (passwords) but needed the right to authorise or forbid the interception. The defendants then changed their plea to guilty and received fines and suspended sentences.



\* Statutory Instrument 2000 No. 2699 : The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000

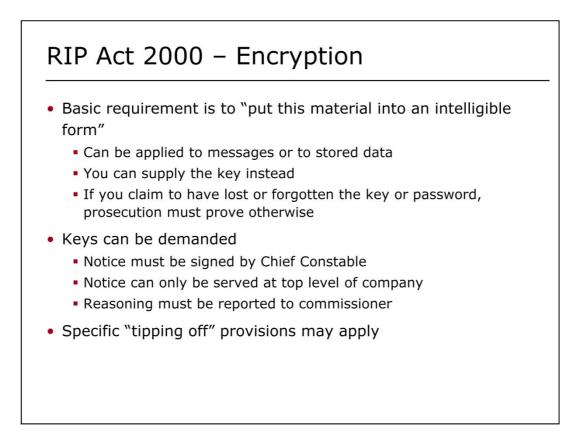
http://www.legislation.gov.uk/uksi/2000/2699/contents/made

★ The Information Commissioner has a Code of Practice on employer/employee issues regarding data protection and monitoring. It also covers "lawful business practice" in Part 3:

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https://ico.org.uk/media/for-
organisations/documents/1064/the_employment_practices_code.pdf
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and there are links to other employer-relevant documents at:

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https://ico.org.uk/for-organisations/guide-to-data-
protection/employment/
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★ Part III finally came into force in October 2007. It has been retrospectively applied to data that was seized before it came into force.

★ Details about the notice that is served are given in s49. You get a reasonable time to comply and access to your keys. You can provide the key instead of the data – which might be a sensible thing to do where a message is being sought and the "session key" can be provided. If you only have a partial key then you must hand that over, or if you don't have the key but know where it can be located then you must report where it can be found

★ In "special circumstances" you can be required to hand over a key. The notice has to be signed by a Chief Constable (or customs/military/security services equivalent) and the circumstances must be reported to the Chief Surveillance Commissioner (or in some cases the Intelligence Services Commissioner). If such a notice is served on someone for a key that "belongs to the company" then it has to be served at board level.

These safeguards were added as the RIP Bill went through Parliament because there was considerable concern expressed by industry that the UK would not be a safe place to keep encryption keys and industry might move systems abroad to meet a perceived "GAK" threat.

# **Feedometric 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 **Feedometric 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 **Feedometric Directive also provides key immunities for ISPs**Hosting, Caching, Mere Conduit

 The Consumer Protection (Distance Selling) Regulations. SI 2000 No 2334. http://www.legislation.gov.uk/uksi/2000/2334/contents/madeApplies to
 Internet, Phone, Mail Order, Fax even television selling. Enforced by Trading Standards.
 Ensures that consumer knows who they are dealing with and what the terms are.
 Straightforward to comply with, but you do need to design compliance into your systems. There is useful set of bullet points at:

https://www.gov.uk/online-and-distance-selling-for-businesses

The Electronic Commerce (EC Directive) Regulations SI 2002 No 2013 http://www.legislation.hmso.gov.uk/si/si2002/20022013.htm These regulations apply if you sell goods by email or website (or run an ISP!).

★ The Rome Convention (1980) – revised as Rome II from 2007 – addresses which country's law applies. B2B contract will say, otherwise it will be the law where the damage occurs. However, for product liability, if the product is not marketed into a particular country (eg: website in local language, pricing in appropriate currency) then country of purchase is relevant.

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http://europa.eu/legislation_summaries/justice_freedom_security/
     judicial_cooperation_in_civil_matters/l16027_en.htm
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★ The Brussels Regulation (and Brussels Convention and Lugano Convention !) address which court it will be heard in. Similar rules as above:

http://europa.eu/legislation\_summaries/justice\_freedom\_security/ judicial\_cooperation\_in\_civil\_matters/133054\_en.htm

# Privacy & Electronic Communications

- Implementing EU Directive 2002/58/EC
- Replaces previous Directive (& corresponding UK Regulations)
- Rules on phone directories, location info etc
- Bans unsolicited marketing email ("spam") to natural persons; but not to legal persons)
  - BUT see your ISP's "acceptable use policy"
- Controls on the use of "cookies" now superseded by 2010 legislation (ICO has issued detailed guidance):
  - Must give "clear and comprehensive" information
  - AND must have consent (devil in the details here) ...
  - .... unless cookies are "strictly necessary" (read as "essential") for provision of an information society service that has been requested
- EU "Directive on Privacy and Electronic Communications" http://eur-lex.europa.eu/LexUriServ/ LexUriServ.do?uri=OJ:L:2002:201:0037:0047:EN:PDF

★ UK implementation in "The Privacy and Electronic Communications (EC Directive) Regulations 2003"

http://www.legislation.gov.uk/uksi/2003/2426/contents/made

★ Unsolicited marketing communications subject to "soft opt-in" rules; viz: OK if person has given their permission (not really unsolicited then!) and also OK if person has purchased (or negotiated for the purchase) of something with the SAME company AND the email (or SMS) is promoting a "similar" product or service. Note that most ISP contracts will apply a more rigorous interpretation of what is acceptable behaviour:

https://www.linx.net/good/bcpindex.html

- ★ ICO is taking the view that cookies may be used without permission:
  - to make shopping carts work;
  - · for security purposes eg on banking websites;
  - $\cdot\,$  to assist in load balancing systems.

But that you need permission

- for first and third party advertising cookies;
- $\cdot$  for analytics;
- $\cdot$  for personalisation.

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https://ico.org.uk/media/for-organisations/documents/1545/
cookies_guidance.pdf
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## Data Retention Regulations

- EU Data Retention Directive
  - Passed in just 6 months after Madrid & London bombings
  - Transposed into UK Law by Statutory Instruments
  - Communication service providers must keep data for a year
  - Directive says it applies to all public CSPs
  - Parliament says it applies to CSPs that have been told by the Secretary of State that it applies to them – and the SoS is bound to serve such a notice on all public CSPs
  - In practice only applies to the largest ISPs (so saving money)
- Now struck down by the Court of Justice of the European Union
- UK passed Data Retention and Investigatory Powers Act 2014
  - Reinstates the data retention regime
  - Also amends RIPA (extends definitions, applies overseas)
- Investigatory Powers Bill currently going through Parliament

★ EU Directive "on the retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public communications networks"

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http://eur-lex.europa.eu/LexUriServ/
LexUriServ.do?uri=OJ:L:2006:105:0054:0063:EN:PDF
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★ The EU Directive was transposed for telcos in Oct 2007, and for ISPs as well in April 2009, by means of Statutory Instrument 2009 No. 859: The Data Retention (EC Directive) Regulations 2009

http://www.legislation.gov.uk/uksi/2009/859/contents/made

See s10(1) for the "it only applies to you if we tell you so" rule.

★ In April 2014 the Court of Justice of the European Union declared the Directive invalid.

http://curia.europa.eu/jcms/upload/docs/application/ pdf/2014-04/cp140054en.pdf

★ DRIP Act 2014 can be found at:

http://www.legislation.gov.uk/ukpga/2014/27/contents/enacted

### Lots of other Legislation !

- Lots more E-Commerce stuff
  - Sale of Goods
  - Contract law
  - Unfair Terms
  - Unsolicited faxes
  - etc etc etc
- Lots of rules for adult content
  - Indecent images of children possession (+ making etc) is illegal
  - Extreme pornography possession (+ making etc) is illegal
  - Obscene Publications Act webmaster of foreign site was convicted
- Lots of other specialist issues
  - Selling age-restricted goods (& TV watersheds)
  - Fund-raising for political parties

### Review

- Computer evidence is admissible in court
- Electronic signatures are admissible in court
- Hacking is illegal!
- Interception is illegal
  - though there are sensible exceptions, provided you jump through the appropriate hoops
- Serving cookies inappropriately can get you into trouble
- Unlawful file sharing may affect your connectivity (& wallet)
- E-Commerce is simple within one country
- Understanding the basics of what the law means and requires does not require you to study to become a lawyer!

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)