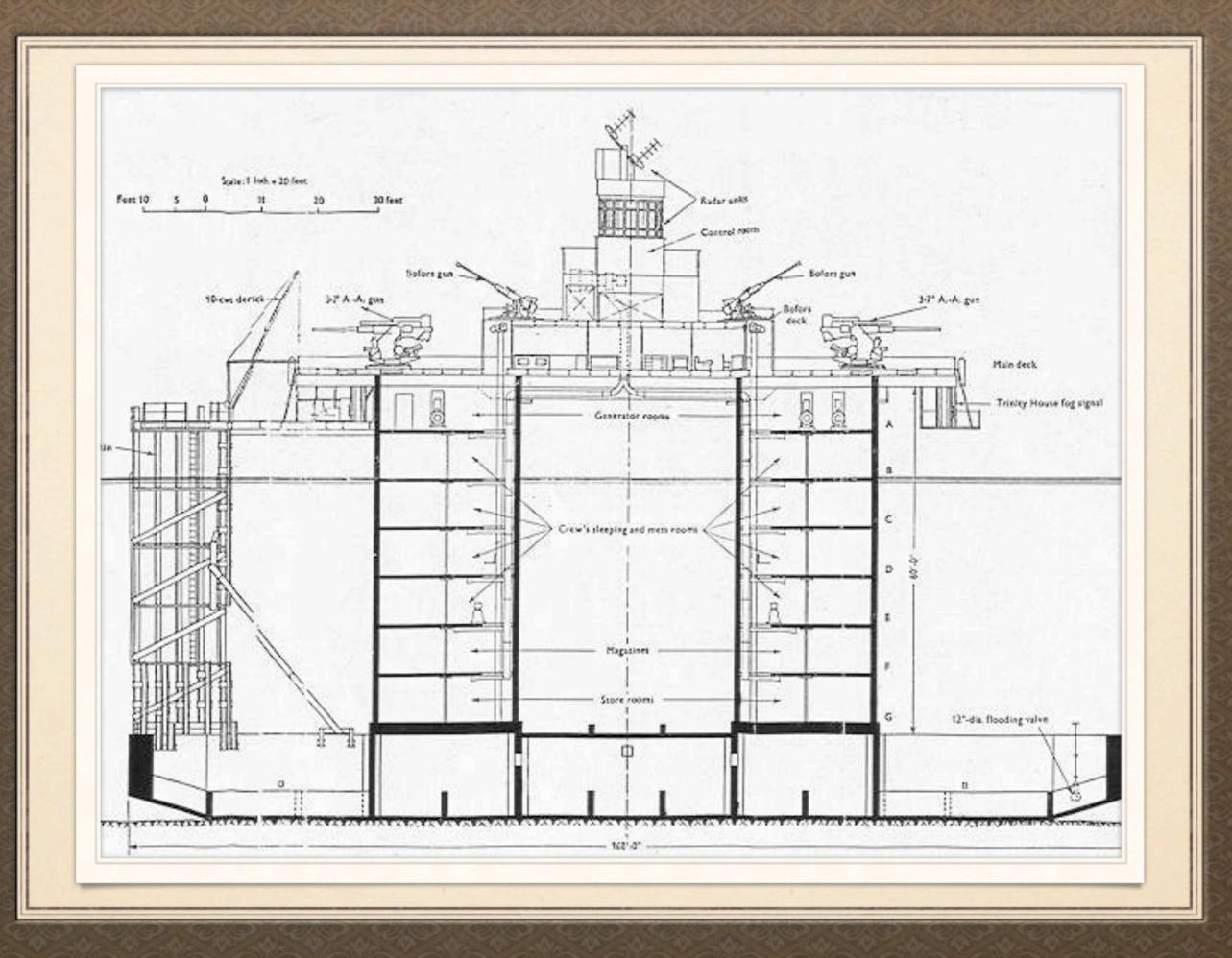
SEALAND, HAVENCO, AND THE RULE OF LAW

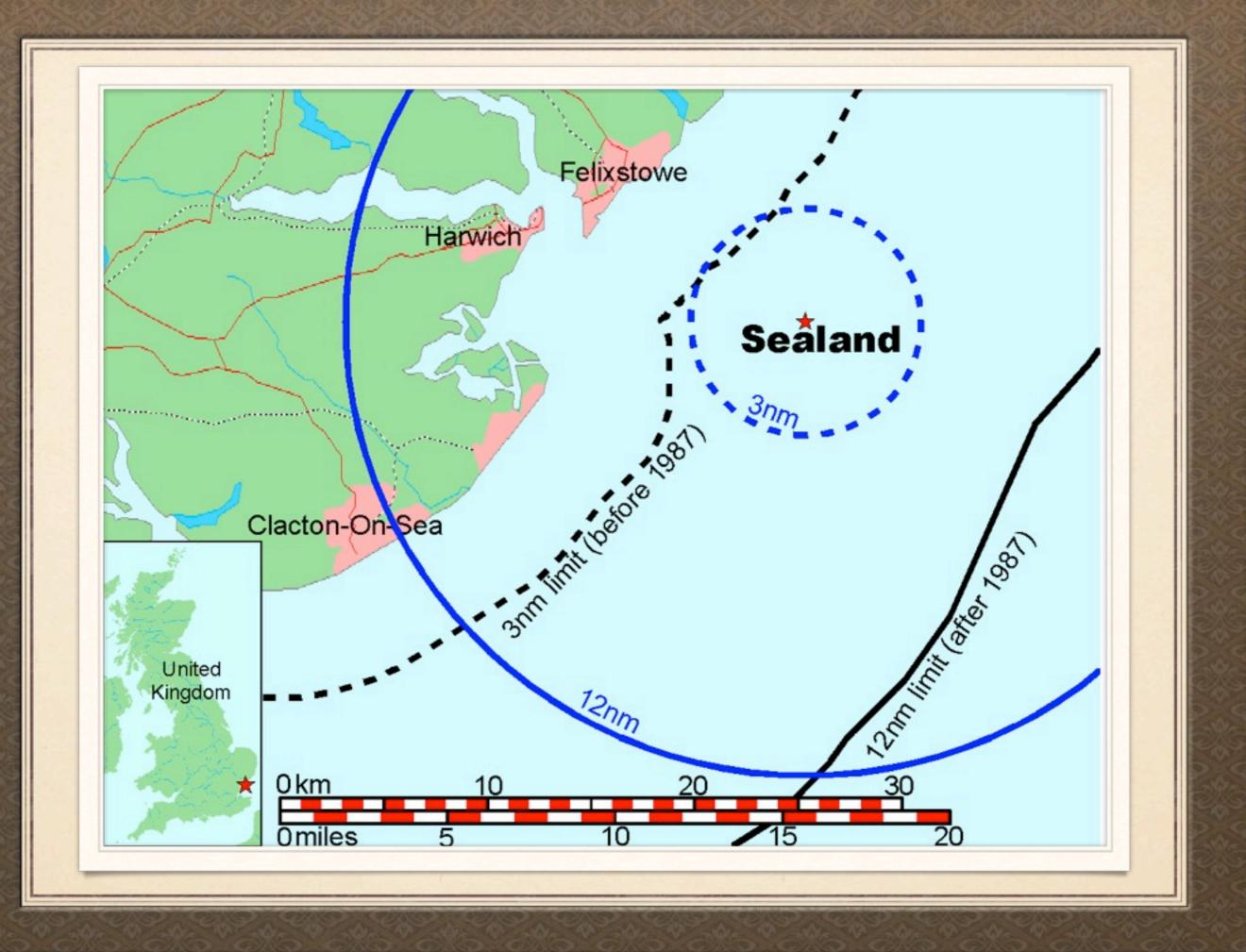
JAMES GRIMMELMANN Fordham Law School April 14, 2011



I. SEALAND





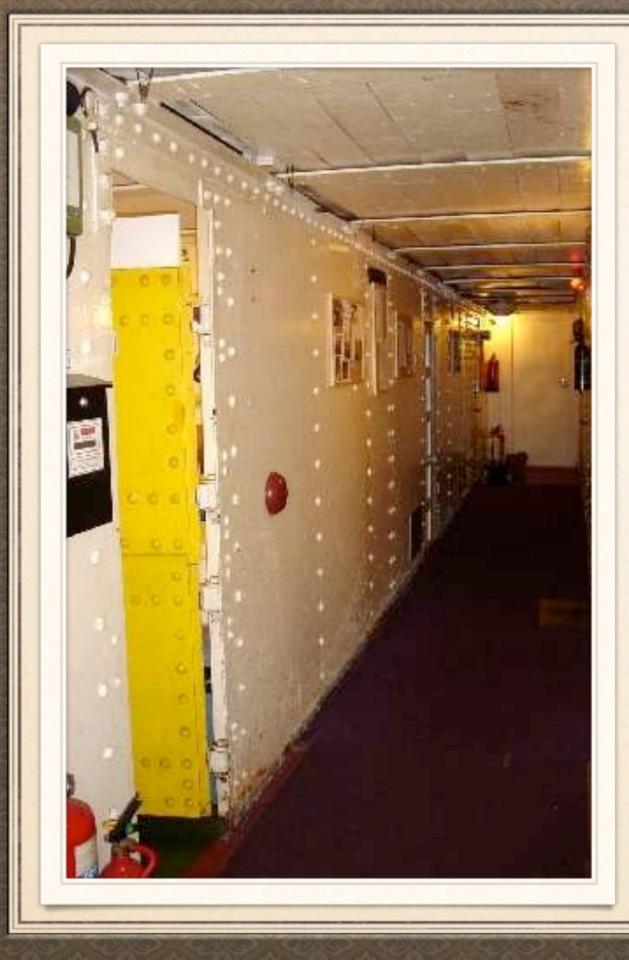




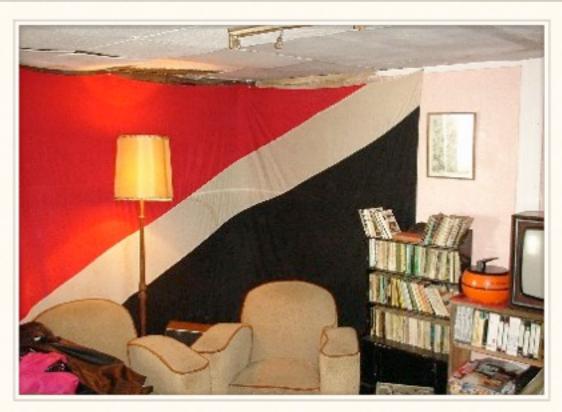


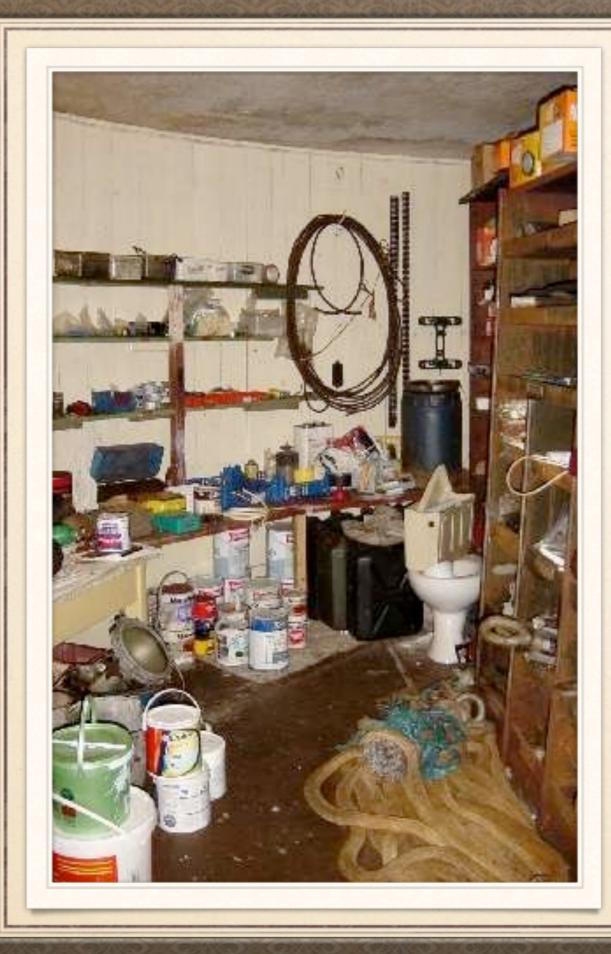




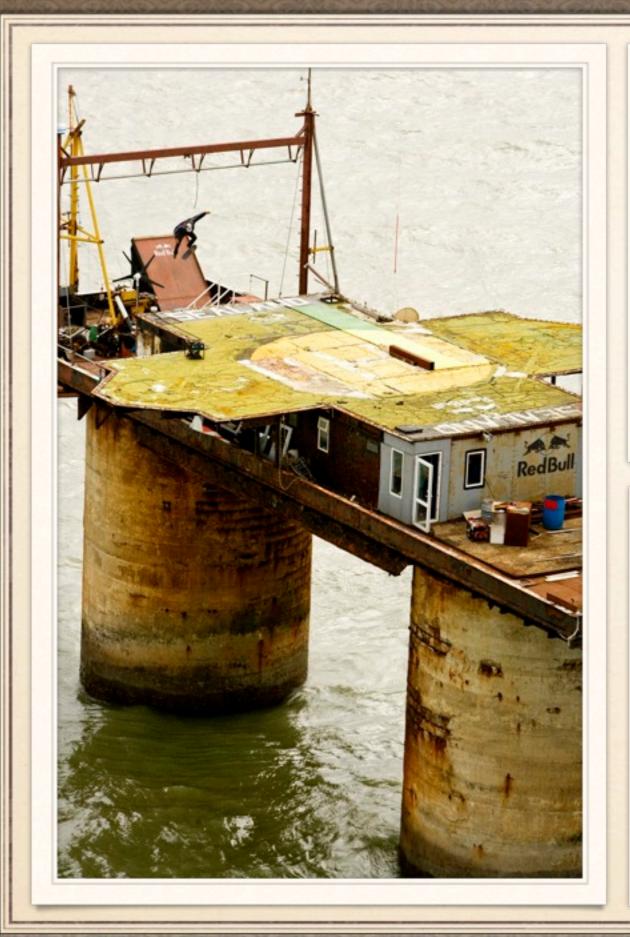


































ANDREW PHILLIP CUNANAN

UNLAWFUL FLIGHT TO AVOID PROSECUTION -SECOND DEGREE MURDER

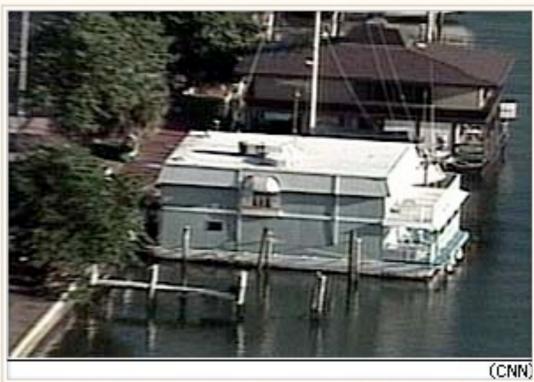
Alles: ANDREW PHILLIP DE SILVA





Photo taken about 4/97

Date of Birth: AUGUST 31, 1969 Race WHITE Sex: MALE Height 5'9"-5'10" Weight: 160-180 LBS Erns: BROWN



II. HAVENCO





HAVENCO: THE RISE

- Data haven subject only to (minimal) Sealand law
 - Strong crypto-libertarian bona fides
 - First-world infrastructure, third-world regulation
 - Legal sovereignty, redundant links, physical security
- Launches in 2000 with a Wired cover story



HAVENCO: THE FALL

Never more than a dozen customers, mostly gambling

- The huge server racks are a myth; bandwidth is low
- Relationship with Sealand deteriorates
 - Sealand advisors have low tolerance for copyright risks
- Transition to Sealand control at first amicable, then not
- "Under new management" HavenCo gradually peters out

III. RULE OF LAW

TWO RELATED QUESTIONS

What was HavenCo's relationship to law?

National law

International law

Sealand law

Why did HavenCo fail?

NATIONAL LAW (SELF-GOVERNANCE)

HavenCo existed to undermine national laws and policies

- Its business model was extreme regulatory arbitrage:
 "Our customers don't want to break the law; they want a different set of laws they can comply with."
- But arguably, there wasn't much demand for its product:
 - Offshoring data doesn't suffice for real-world businesses
 - And true scofflaws don't need the veneer of legitimacy

INTERNATIONAL LAW (FORMAL LEGALITY)

- HavenCo was a reseller of Sealand's sovereignty
 - Clients may pragmatically have concluded that Sealand's claims to independence were unlikely to stand up
 - The one court that squarely faced the issue rejected them
- Sealand's theory of statehood is highly formalist:
 - One person suffices for a "population"
 - A passport stamp constitutes de facto "recognition"

SEALAND LAW (RESTRAINT ON GOVERNMENT)

- In the end, Sealand nationalized HavenCo
 - HavenCo couldn't object without undermining itself
- Sealand's legal system is thin to nonexistent
 - An absolute monarch surrounded by courtiers
 - Frequent but irregular state violence
 - No professional judiciary, independent press, parties, etc.

ON THE RULE OF LAW

HavenCo got exactly what it wanted in Sealand:

- A minimal state, supposedly shielded by international law, but with no domestic legal system of its own
- Sealand "law" was as thin and formalistic as it could be
- But this thin version of the rule of law doesn't work
- Laws don't protect people; people (using law) protect people

EPILOGUE





