

Death of a data haven: cypherpunks, WikiLeaks, and the world's smallest nation

Rumors suggest that WikiLeaks might try to avoid government power by putting ...

James Grimmelmann - Mar 28, 2012 1:00 am UTC



Sealand in all its rusty splendor

Photograph by [Ryan Lackey](#)

A few weeks ago, Fox News [breathlessly reported](#) that the embattled WikiLeaks operation was looking to start [a new life under on the sea](#). WikiLeaks, the article speculated, might try to escape its legal troubles by putting its servers on [Sealand](#), a World War II anti-aircraft platform seven miles off the English coast in the North Sea, a place that calls itself an independent nation. It sounds perfect for WikiLeaks: a friendly, legally unassailable host with an anything-goes attitude.

But readers with a memory of the early 2000s might be wondering, "Didn't someone already try this? How did that work out?" Good questions. From 2000 to 2008, a company called HavenCo *did* indeed offer no-questions-asked colocation on Sealand—and it didn't end well.

HavenCo's failure—and make no mistake about it, HavenCo did fail—shows how hard it is to get out from under government's thumb. HavenCo built it, but no one came. For a host of reasons, ranging from its physical vulnerability to the fact that The Man doesn't care where you store your data if he can get his hands on you, Sealand was never able to offer the kind of immunity from law that digital rebels sought. And, paradoxically, by seeking to avoid government, HavenCo made itself exquisitely vulnerable to one government in particular: Sealand's. It found that out the hard way in 2003 when Sealand "nationalized" the company.

For the last two years, I've researched the history of Sealand and HavenCo. I used the [Wayback Machine](#) to reconstruct long-since-vanished webpages. I dug through microfilm of newspapers back to the 1960s. I pored over thousands of pages of documents, only recently unsealed, from the United Kingdom's [National Archives](#).

My findings have just been published in a new 80-page article in the *University of Illinois Law Review*, one called "[Sealand, HavenCo, and the Rule of Law](#)" (PDF). It tells the full—and very weird—story of how this micronation happened to be in the right place (the North Sea) at the right time (the late 1990s) to provide some cypherpunk entrepreneurs with the most impractical data center ever built. Here, I'll give the condensed version of the tale, hitting the important points in HavenCo's history and explaining what went wrong.

Cryptographers in paradise

The story starts on the Caribbean island of [Anguilla](#), at the [1998 Financial Cryptography](#) conference. The conference, dedicated to building secure online payment systems, drew hackers who believed in better living through crypto. One of them was an expatriate American, Sean Hastings, a cynical but cheerful libertarian with a healthy suspicion of any and all forms of authority. (His website sports the chipper slogan "Keep Calm and Carry" and features his PDF book *God Wants You Dead*.) The freedom-minded Hastings had moved to Anguilla to work on online gambling projects and explore the idea of starting a data haven.

A data haven is "[the information equivalent to a tax haven](#)," a country that helps you evade other countries' rules on what you can and can't do with your bits. (Think "Swiss banking" for data.) The best-known example comes from Neal Stephenson's 1999 best-seller *Cryptonomicon*, whose heroes go up against murderous warlords, rapacious venture capitalists, and epic authorial digressions in their quest to bring untraceable communications to the masses and get rich in the process.

The idea, and the term, come out of 1970s and 1980s debates over whether companies could get around pesky privacy protections by shipping their magnetic tape reels to a country with laxer privacy laws. What started off as a pejorative term flipped to a positive in the eyes of the [cypherpunks](#). They saw governmental restrictions on the free flow of information—privacy, copyright, sedition, drug-making instructions, or whatever—as grave threats to personal freedom. Cypherpunks hoped a borderless Internet, together with strong cryptography and a friendly data haven or two for their servers, would destroy the government's ability to snoop on and censor online speech. It would all lead to a new age of genuine liberty.

Hastings was a true believer. On Anguilla, he founded a data haven company named [IsleByte](#) and worked on open-source electronic currency software. But he was getting increasingly frustrated with Anguilla. He expected a "libertarian mecca," but the actual Anguilla sharply restricted both gambling and pornography. Worse, he was finding Anguilla's legal system frustrating to deal with, something between a bureaucratic nightmare and a straight-up shakedown.

At the Financial Cryptography conference, Hastings amused and fascinated the other attendees with a data haven variant soon dubbed the "Toxic Barge Project". The idea was to buy a ship, fill the top of the hold with computer servers and the bottom with the nastiest toxic waste imaginable, then plant yourself in international waters near a major port and start offering co-location services. As Hastings explained, the toxic waste "forces the large military power to protect you from outside threats, while being very hesitant to attempt to board your vessel."

The barge idea went nowhere, but it marked Hastings as the go-to guy for out-of-the-box data haven schemes. After Hastings moved back to the United States, one of the other conference attendees, a gregarious and energetic MIT dropout named Ryan Lackey, crashed with him in early 1999. Lackey had his own geek and libertarian cred, along with a sense of adventure that would later take him to Iraq to perform IT work during the American occupation.

The two men started thinking seriously about where to place an actual, practical data haven. They looked at several Pacific islands and even contemplated building their own artificial island on the Cortes Bank, a hundred miles out into the Pacific from San Diego. But then, flipping through Erwin Strauss's cult classic *How to Start Your Own Country*, they found Sealand. Strauss described it as the most successful micronation of all time—and it looked like a perfect fit for their project.

A Sealand/HavenCo timeline

1942: Roughs Tower constructed off the coast of East Anglia.

1948: Roughs Tower abandoned by English government following World War II.

1966: Pirate radio entrepreneur Roy Bates occupies Roughs Tower.

1967: Bates declares an independent Principality of Sealand.

1968: Bates acquitted of British firearms charges, causing Britain to adopt policy of leaving him alone.

1978: German-led coup takes control of Sealand on August 10; Roy Bates retakes Sealand in dawn helicopter raid on August 15.

1987: Britain extends territorial waters to 12 miles, encompassing Sealand. Sealand claims its own 12-mile territorial waters.

1999: Sean Hastings and Ryan Lackey conceive of idea for HavenCo.

2000: HavenCo launches to massive press hoopla.

2002: HavenCo taken over by Sealand after commercial failure and mounting tensions.

2006: Sealand badly damaged in generator fire.

2008: HavenCo website goes offline.

2009: Sealand launches [Twitter account](#).



Helicopter approach to Sealand

Ryan Lackey

The Principality of Sealand

"Sealand" is a 120-foot by 50-foot deck on a pair of hollow concrete legs. It stands proudly a few dozen feet off the waves in the North Sea, [seven miles](#) off the English coast. It was built during World War II to provide anti-aircraft defense for the Thames Estuary and given the name "Roughs Tower." The platform and legs were mounted on a pontoon, which was towed into place, then flooded to create a stable base on the seabed.

After the war, Roughs Tower sat empty until the pirate radio bubble of the 1960s. Entrepreneurs trying to get around the BBC's broadcasting monopoly took to ships and offshore forts, setting up primitive radio stations staffed by adventuresome young music lovers who didn't mind bad food and harsh conditions. One such station, Radio Essex, was run by one of the world's great lovable rogues, Roy Bates. As one of his DJs, David Sinclair, would later put it, "Roy was a throwback. He should have been born in the time of the first Queen Elizabeth and sailed with Drake. ... [H]e was the kind of man who had creditors everywhere, but it never seemed to bother him."

Bates first set up shop on Knock John, one of Roughs Tower's sister platforms, by evicting the staff of another pirate station already onsite. But Knock John was inside the three-mile limit of English territorial waters, and the government successfully prosecuted Bates for unlicensed broadcasting in the fall of 1966.

Unfazed, Bates packed up his equipment and moved out to Roughs Tower on Christmas Day 1966. That it was already occupied by employees of Radio Caroline didn't slow him down. Roy Bates's crew, Sinclair explained, "had earned a fearsome reputation for skulduggery, as 'the hard bastards of the North Sea.'" They intimidated Radio Caroline into leaving.

Unfortunately, the penny-pinching Bates left his men alone on Roughs Tower with only three days worth of food—they lasted 17 days before calling a lifeboat to be evacuated. Radio Caroline moved back to the platform in April 1967, but foolishly entered into a joint operating agreement with Bates. Through a combination of subterfuge and force, Bates managed to replace all of the Caroline employees with his own men. He spent the next few months fighting off Radio Caroline boarding parties with an air rifle and petrol bombs. (The violence was hardly unusual: Adrian Johns's excellent [Death of a Pirate](#) tells the particularly memorable story of how one pirate broadcaster shot and killed another.)



Sealand, just off the English coast from Harwich
Google Maps

A new **broadcasting act**, passed in the summer of 1967, put an end to Roughs Tower's usefulness as a pirate radio base by sharply cracking down on the landlubbing advertisers and suppliers who kept the offshore stations going. But Roy Bates had an even grander scheme by this point: running his own country. On September 2, 1967, he declared that Roughs Tower was now the independent Principality of Sealand, and he named himself Prince.

If the British government had been worried about Roy Bates before, it was positively alarmed once he started hurling Molotov cocktails and calling himself Prince Roy. But every time the government came up with a scheme to oust him, Bates found a way to spin the story to make the bureaucrats look like bumbling bullies. He turned out to be a grandmaster of the preemptive press strike.

Customs tried to deny Bates permission to take his leaky boat out of port, arguing that it was unseaworthy. Bates got the *Times* of London to run a story saying his children were "marooned" on Sealand, and Customs backed down.

The government tried to buy him out, but Bates caught wind that a marine detachment was on standby to occupy the platform as soon as he left. "Commandos Set to Seize Fort," read the *Times* headline and the plan was dropped.

Bates even appears to have run one of his employees as a double agent, tricking the Ministry of Defense into making an ill-considered offer to take over the fort if the employee took it from Bates. "Ministry Planned to Seize Sea Fort," read the headline in the *Daily Telegraph*. The government had to submit to the embarrassment of Parliamentary questioning over the incident.

The government's last serious attempt to get rid of Bates involved bringing him up on firearms charges after his son Michael fired a pistol at a government vessel working on a nearby buoy. Bates was acquitted in October 1968 when the court ruled it lacked jurisdiction over firearms offenses committed on Roughs Tower. At this, the government gave up. An ad hoc committee in the Cabinet Office concluded:

Mr. Bates' continued occupation of the Tower was undesirable, because of the shooting incident and the possibility of further violence, and also because of the small but continuing threat that the Tower could be used for some illegal activity not at present foreseen. Nevertheless, he was

Five stranger-than-fiction Sealand facts

1. During the initial flooding, the pontoon filled unevenly with water, causing the tower to **list 30 degrees** to starboard—with 100 crewmen aboard.
2. The one ship to fly the Sealand flag was ultimately sold to MGM and **blown up** for a scene in the Tommy Lee Jones movie **Blown Away**.)
3. After failing to seize control of Sealand in 1978, Alexander Achenbach set up a **government-in-exile** that dabbles in perpetual motion

doing no actual harm, so far as was known, and the Ministry of Defense had no need of the Fort themselves. There were no pressing reasons for evicting Mr. Bates, certainly none that would justify the use of force or the passage of special legislation.

The next 30 years in Sealand history are one improbable scheme after another. Stamps and coins quickly turned into grandiose plans for offshore banking and tourism. By the mid-1970s, Sealand's associates were passing around a brochure showing how Sealand would be built out to include a hotel, a golf course, a tanker port, and even an airport. In the late 1980s, Sealand served as a flag of convenience for an American pirate broadcaster who lasted three days off of Long Island before the FCC shut him down. The Bateses optioned their story to a screenwriter, and although Emma Watson was at one point allegedly attached to the project, nothing came of it. Even a 2008 [Red Bull skateboarding video](#) was filmed on Sealand—watch for the board over the side at 2:49.

If this all sounds rather two-bit, it was. Whether or not Roy Bates spent a million pounds on Sealand, as he sometimes claims, the "[rusting heap of junk](#)" was no Monaco. For most of its history, Sealand has been the world's most impractical vacation home. The Bateses visit regularly and keep the place manned at all times, but they live ashore. HavenCo remains Sealand's one true brush with real money and real fame.

machines, UFOs, conspiracy theories, and revisionist history.

4. A generator on Sealand [caught fire](#) in 2006, requiring an RAF rescue helicopter to airlift the lone crewmember on board to the British mainland for medical treatment.

5. A [shadowy Spanish crime ring](#) produced thousands of "Sealand" passports in the late 1990s, including fake diplomatic credentials.



Rigid inflatable boat used to ferry people and supplies to Sealand

[Ryan Lackey](#)



The initial satellite Internet connection on Sealand

Ryan Lackey

The founding of HavenCo

Sealand was an inspired choice for the data haven project. Roy Bates's son, Michael, was running Sealand on a day-to-day basis as the Prince Regent by the 1990s. Michael inherited his father's distaste for authority and his fondness for swashbuckling antics. A professional fisherman, he was hardly a computer geek. But he recognized in Hastings and Lackey the same cheeky outlaw spirit that had brought his own family to Sealand and kept it there for decades. Hastings and his wife flew out to visit Sealand, and a mutual love-in quickly followed.

Like any good dot-com-trepreneurs, Hastings and Lackey incorporated. They called the new venture HavenCo, for "Haven Co-location." The pitch was simple. HavenCo would offer secure, anonymous hosting from Sealand. Microwave, fiber, and satellite links would provide fast and redundant bandwidth. Sealand's concrete legs would be kitted out with server racks and uninterruptible power supplies—and then, for additional security, flooded with nitrogen, so that only authorized techies wearing scuba gear would have physical access.

Who would host data there? HavenCo had plenty of ideas, including businesses looking to avoid pesky subpoenas, the Tibetan government-in-exile, anonymous currencies, and [porn](#). Only a few things were off limits: spam, child pornography, and hacking attempts directed at HavenCo itself.



Sealand's canned food pantry

Ryan Lackey

Well-known geeks [Avi Freedman](#) and [Joi Ito](#) came onboard as investors. [Sameer Parekh](#) was named chairman of the board. The company copied its bylaws from a do-it-yourself guide and drew up a detailed business plan with the kind of explosive growth assumptions everyone made during the dot-com boom: \$65 million in revenue by the end of three years and a half-billion-dollar IPO.

The new company promised customers "First World" infrastructure but with "Third World" regulations and taxes. Its slogan—"the free world just milliseconds away"—played up the cyberlibertarian idea that the Internet was about to make geography irrelevant.

The next thing to do was drum up publicity for the new venture. Here, too, the HavenCo-Sealand pairing was made in heaven. Roy and Michael Bates had been working the press brilliantly for years. Add charismatic geeks to Sealand's inherent romance and the story was irresistible. HavenCo parlayed its memorable business model into a *Wired* [cover story](#) by Simson Garfinkel. Even today, it remains one of the best pieces of tech journalism of all time. That was quickly followed by [dozens](#) of other newspaper and TV stories. The press queries came so fast and furious HavenCo barely had the time to respond to inquiries from potential customers.

As journalists covering HavenCo's launch recognized, security was absolutely central to its business model. It seemed likely that a data center hosting content too hot to put anywhere else was likely to attract some enemies. The press asked some probing questions about how HavenCo would protect its customers' data, both physically and virtually.

No problem, according to HavenCo. The redundant communications links would make it impossible for any one country to cut off access. The nitrogen-flooded server rooms would keep casual intruders out. Not that they'd have an easy time getting there in the first place. Sealand's main deck stands 24 feet off the surface of the waves. The only ways on are by helicopter, an [extraordinarily precarious ladder](#), or the hair-raising experience of being winched on board in a bosun's chair. Just to make sure, HavenCo planned to post round-the-clock guards packing machine guns. Even in the worst case, HavenCo would destroy the server rather than hand over the data—but if it did, the customer would receive a full refund.

Even better, Sealand had a demonstrated history of fighting off invaders. It started with the defense against Radio Caroline in 1967, and continued for years with Michael Bates's habit of taking the occasional shot across the bow of passing ships. That wasn't all. In 1978, Sealand defeated an honest-to-goodness armed coup orchestrated by its own minister for foreign affairs, Alexander Achenbach. After a five-day occupation, the Bateses retook the platform at shotgun-point.

The violence inherent in the system

Roy Bates has always been eager to find business partners. One of them, Alexander Achenbach, a former diamond dealer who seems to have been involved with an illegal diploma mill, drafted a constitution for Sealand, was named its minister for foreign affairs, and went around trying to persuade other nations to recognize Sealand. For reasons that are still unclear, he decided to oust Bates and install himself as head of state in 1978.

Achenbach invited Roy and Joan Bates to a meeting in Austria with a group of investors. It was a trick to get them off of Sealand while his lawyer, Gernot Pütz, together with a pair of Dutchmen, occupied it from a helicopter. Michael Bates had been left alone on Sealand and let them land. They repaid his kindness by locking him inside, holding him prisoner for a few days, then putting him on a passing fishing boat.

Roy Bates was never the kind of man to take anything lying down. He assembled a helicopter strike team of his own. They attacked at dawn on August 15, 1978, five days after the original invasion. A brief and tense standoff ended after Michael Bates accidentally discharged his shotgun, leading Pütz and the Dutchmen to surrender. Prince Roy now put the erstwhile invaders on trial, holding Pütz prisoner until he could pay a fine of 75,000 Deutschmarks (more than \$50,000).

The German government threw a diplomatic snit fit. They called the incident "in a way an act of piracy, committed on the high sea but still in front of British territory by British citizens." But the British government was now happy with their position: what happened on Sealand was not its problem. The whole affair only blew over with Pütz's release on September 28.

The story is slightly fishy. At one point during the hostage drama, the German embassy told

the press the whole affair was a publicity stunt. The Bateses would later retain Pütz as their own lawyer. But there is no conclusive evidence to establish that the coup was real or fake. The truth may well be somewhere in between.



The Sealand data center (later moved off the fort to London)

Ryan Lackey

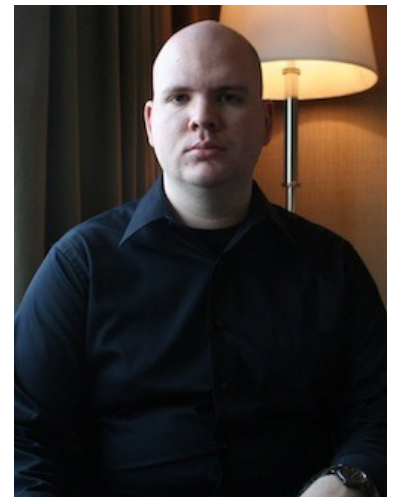
HavenCo falls apart

Despite all the big talk, HavenCo never came even close to success. It had at most a dozen customers. Other than the makers of an unauthorized accelerator for IBM's AS/400 minicomputers, most of the business came from online gambling. The huge racks of servers, the nitrogen, and the machine guns never even existed in the first place. The dot-com crash not only cut the bottom out from colocation pricing, but also took out HavenCo's fiber-optic link when the company providing it went bankrupt. That left the entire operation with a pokey 128Kbps satellite link, which staggered badly under denial-of-service attacks.

Sean Hastings left the company for undisclosed personal reasons in 2000. Relations between Lackey and the Bates family gradually deteriorated. Lackey could tell the Bateses and their advisors didn't share his cypherpunk enthusiasm and he decried their bumbling and self-dealing attempts to make technical decisions. But his own increasingly secretive ways—he started an anonymous remailer without telling anyone, for instance—undermined Sealand's trust in him. In a recent e-mail interview with Ars Technica's Nate Anderson, Michael Bates explained that Lackey "was out of control" and "became doctor evil in his lair."

The final straw came in May 2002, when Sealand's advisors decided against allowing HavenCo to host an unlicensed streaming-video service. (The [scheme](#), which involved buying DVDs and streaming video from them to one customer at a time, bears a striking resemblance to the recently-enjoined [Zediva](#).) Lackey saw it as exactly the sort of service HavenCo had been created to host, but the Sealanders decided that it risked undermining Sealand's relationship with the United Kingdom. A deal was negotiated, under which Lackey would be repaid the \$220,000 he had put into HavenCo and continue as a reseller of HavenCo services but turn over day-to-day operational control.

Lackey was barely off the platform when the deal broke down. In his view, HavenCo had been "nationalized" by Sealand. This locked him out, physically and virtually. The company even confiscated



Ryan Lackey

Ryan Lackey

his personal computers. The newly reorganized HavenCo issued a statement that Lackey was no longer an employee, and it adopted a new and much more restrictive acceptable use policy. The next five years were a sad study in decline. HavenCo no longer had real technical experts or the competitive advantage of being willing to host legally risky content. What it did have was an absurdly inefficient cost structure. Every single piece of equipment, drop of fuel, and scrap of food had to be brought in by boat or helicopter. By 2006, "Sealand" hosting was in a London data center. By 2008, even the HavenCo website was offline.

What went wrong

Despite all of HavenCo's worst-case planning and bring-it-on rhetoric, the nations of the world never had to lift a finger to topple it. It failed of its own accord. In hindsight, it's hard to identify just one cause; HavenCo had so many problems, its failure was overdetermined.

As a starting point, HavenCo's only serious advantage was its liberal acceptable use policy. Seven miles out into the North Sea is a terrible place to put a data center. HavenCo was never going to be able to compete with the big boys in the colocation business who can choose between cheap real estate and being right next to interconnection points. So it needed to be able to offer its customers security advantages that outweighed its high costs. Unfortunately, it couldn't.

Most importantly, Sealand almost certainly isn't an independent nation, notwithstanding Roy Bates's claims to the contrary. The 1968 decision acquitting him on firearms charges was hardly a ringing endorsement of Sealand's claims. Instead, it had much more to do with England's byzantine legal system, which at the time was chock-full of medieval holdovers. The court made clear that Parliament could have set up the English legal system in a way that gave the county courts jurisdiction over Roughs Tower, it just hadn't actually done so. In 1987, when the United Kingdom extended its territorial waters from three up to 12 miles, it did just that.

In fact, Alexander Achenbach, the German pretender, accidentally precipitated a court ruling that Sealand isn't a real country. When he was still in Sealand's good graces, he attempted to renounce his German citizenship on the grounds that he was now a citizen of Sealand. In May 1978, a German court **denied** the request in a ruling that explicitly considered—and rejected—the idea that Sealand is an independent country.



The Sealand coat of arms
[Wikimedia Commons](#)

Even if Sealand were "officially" its own country, independence isn't worth much without allies. Any nation with warplanes—no, make that any nation with an inflatable boat and an outboard motor—could blow the place up. The only thing stopping it would be the United Kingdom's displeasure at explosions in its territorial waters. Any protection offered by Sealand's larger neighbor, however, would presumably come with enough strings attached to raise the question of why the servers should be on Sealand rather than onshore. The United Kingdom has been leaving the Bateses alone since 1968 mostly because they're such clever chaps that ousting them would be more embarrassment than it's worth.

HavenCo's collapse also shows a truly deep irony in its business model. By putting itself outside of other countries' legal systems, it put itself completely at Sealand's mercy. In hindsight, Ryan Lackey explained, "While I could sue HavenCo and/or directors for breach of contract, etc., ... it would presumably lead to a negative resolution of the Sealand sovereignty issue." Sealand is a toy nation with a toy legal system, not a stable business environment. Prince Roy and Prince Regent Michael might be fun to raise a glass with, but they don't inspire the kind of confidence an independent judiciary would. On Sealand, Sean Hastings and Ryan Lackey unwittingly recreated everything that drove them out of Anguilla in the first place.

HavenCo's heirs

Sealand isn't going to save WikiLeaks any more than putting the site's servers in a **former nuclear bunker** would. The legal system figured out a long time ago that throwing the account owner in jail works just as well as seizing the server. Unless Julian Assange is willing to move to Sealand for the rest of his life, he'll be somewhere the long arm of some country's law can reach. The corollary is that if WikiLeaks thrives, it will be because some country—one the rest of the world respects more than Sealand—decides it sees nothing seriously wrong with what WikiLeaks has done.

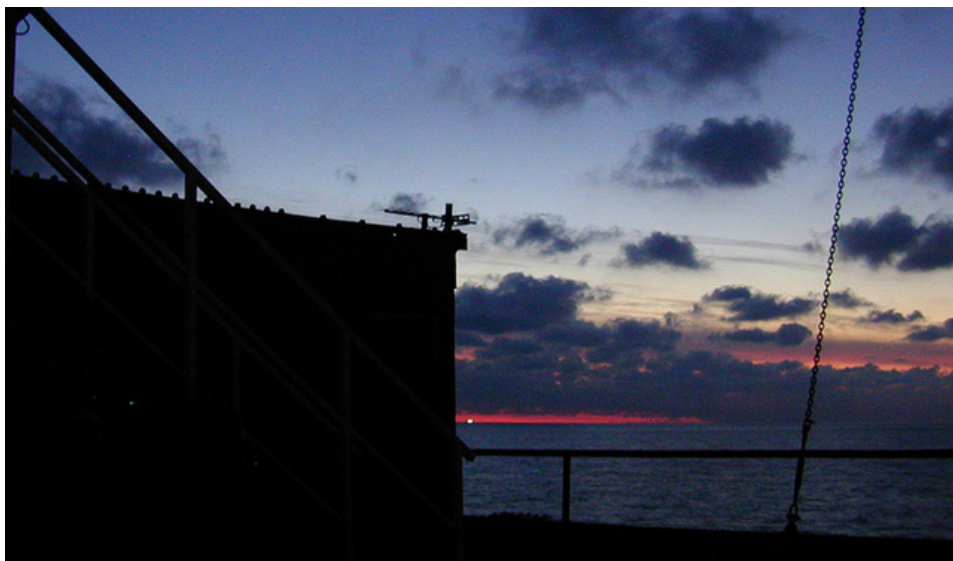
The same goes for everyone else who's muttered about moving to Sealand. With monotonous regularity, someone proposes putting outlaw data there and asks for money to make it happen. In 2001, a Canadian college student tried to raise \$15,000 to put an OpenNap server on Sealand. In 2007, the Pirate Bay started passing the hat for a "buy Sealand" fund. It took in \$20,000—roughly one ten-thousandth of the estimated price. But Sealand alone isn't going to gain them much.

Take one of HavenCo's classic lines of business: porn. Why would someone wanting to send vanilla pornography into Saudi Arabia need to bother with Sealand? That stuff's legal in the United States. The only content that couldn't be hosted *somewhere* else would be content that's

illegal *everywhere*—meaning the nations of the world would find it quite easy to gang up on Sealand, or be willing to look the other way while someone knocked it into the sea.

Governments have powerful virtual tools as well. In the last decade, China has proven that national Internet filtering can be made to work, if not perfectly, than at least reasonably well. Other repressive regimes have been paying attention. SOPA and PIPA's proposed Internet filtering regime showed many in the United States would be willing to go there, too. Discrete data havens are going to have recognizable IP addresses, and as soon as a government sets up a blacklist, you can bet those addresses will go on it. Indeed, the very pressure for SOPA-style blocking shows why data havens as such have been a sideshow to the real fights over Internet policy. Copyright owners have discovered, to their horror, there are plenty of foreign sites hosting the kind of rips and wares that might get you shut down within the United States. Who needs Sealand when you've got Spain?

That's the deal with the Anti-Counterfeiting Trade Agreement (ACTA) and other trade agreements, too. These put diplomatic and political pressure on other governments to make their IP enforcement systems more beholden to United States copyright owners. The very fact this is still an ongoing battle shows that plenty of countries will still host material the United States government disapproves. In a sense, the state of free speech on the Internet has never gotten bad enough to make HavenCo necessary.



Sunset falls on Sealand

Ryan Lackey

Learning from HavenCo

HavenCo was always an awkward way station on the road to the real cypherpunk vision: perfect, anonymous cryptography in the hands of the masses. It doesn't matter where the bits are stored if no one can tell what they are. HavenCo's founders understood this. Sealand was just a temporary stopgap until the good crypto was up and running. [Tor](#) and [PGP](#) have done far more for free speech than Sealand has, albeit with less nautical flair.

HavenCo's trouble also underscores the dangers of treating "law" as though it were "code." HavenCo thought it had found the perfect legal loophole: a country with the legal right to ignore other countries' laws. But this legal [Gödel sentence](#) didn't work because, in the real world, if a country's laws aren't catching the people they're intended to catch, the country can just change its laws. As [Cindy Cohn](#) of the Electronic Frontier Foundation likes to say, "You can't hack the law."

Legal systems are like Soylent Green: they're made out of people. If you want to protect civil liberties using law, you need to get people on your side who share your vision of what law stands for. That's why the [SOPA protests](#) were so effective. They converted an argument about justice into real-world political power.

One more story from pirate radio history illustrates the paradox at the heart of HavenCo. In the summer of 1967, the pirate radio ship *Laissez Faire* radioed a distress call. Two factions on board were fighting. There were threats of murder. The authorities did nothing, explaining that the pirates "had deliberately placed themselves outside the reach of the law." Touché.

HavenCo couldn't live with law, and it couldn't live without it.

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