SEALAND AND HAVENCO:
A NEW INTERPRETATION

JAMES GRIMMELMANN
BITS WITHOUT BORDERS
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I. HISTORY
GDV Virtual Chakra - Herrn Johannes Seiger; Alter: 68 Jahre

Ergebnisse VOR der Einwirkung des Vrilstabes

Normalisierter energetischer Wert der Chakras

Physisch-emotionale Unbalance

Anzeige der numerischen Diagrammdaten für:
Seiger Johannes W. F. - 15.05.2009 14:23:55 - GDV-Aufnahmen ohne Filter

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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 were a myth; bandwidth was 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
II. INTERPRETATION
TWO RELATED QUESTIONS

❖ What was HavenCo’s relationship to law?
  ❖ National law
  ❖ International law
  ❖ Sealand law

❖ Why did HavenCo fail?
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

✧ 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 to face the issue squarely rejected them

✧ HavenCo’s theory of government was minimalist:

✧ One person suffices for a state

✧ A passport stamp constitutes diplomatic recognition
INTERLUDE

- HavenCo rejects essentially all forms of national law
- But is completely dependent on international law
- These two positions can be reconciled, if
  - Law is an autonomous system of binding rules
  - Human, political institutions are normatively irrelevant
- This is a thin vision of the rule of law
SEALAND LAW

- In the end, Sealand nationalized HavenCo
  - HavenCo couldn’t object without undermining itself
- Sealand is a rule-of-law failure
  - An absolute monarch surrounded by courtiers
  - Frequent but irregular state violence
  - No professional judiciary, independent press, parties, etc.
HavenCo got exactly what it wanted in Sealand:

- A minimal state, shielded by international law from interference, 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
III. IMPLICATION
CAN DATA ESCAPE LEVIATHAN?

✧ Neal Stephenson’s *Cryptonomicon* gets it more right
  
  ✧ Kinakuta is large, old, and oil-rich

✧ For cyberlibertarians, the physical body is an embarrassment
  
  ✧ HavenCo’s territoriality was theoretically anomalous

✧ The pure vision imagines wholly online societies

✧ But there is a problem ...
PURELY ONLINE STATES?

- E.g., virtual worlds present a double problematic:
  - Leviathan threatens to control them from without
  - Leviathan reappears inside, in the form of the game gods
- We can solve either, but never both at the same time
  - Some form of law is inevitable for online spaces
- The Internet needs its Madisons
QUESTIONS?