I. SEALAND
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?
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”
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
QUESTIONS?