A brief history of the internet....
A brief history of the Internet

Time

Progress

1991
A brief history of the Internet

Tim Berners-Lee
Insuring technology risks presents unique challenges...

- Lack of legal precedent or case law
  - Direct contrast to “traditional professions”
  - Uncertain legal environment
  - Standard “negligence” based cover not enough
  - Potential for legal costs to spiral
A brief history of the Internet

Progress

Time

1991

1994

Worldwide web is born
A brief history of the Internet

Jeff Bezos
What liability for third party content?

- Amazon allows users to publish book reviews
- Schneider (an author) sued Amazon for defamation
- Amazon sought protection under Section 230 of CDA
- Trial court dismissed all claims against Amazon
- Implications for social networking sites
- Protection applies in the US only…..not Europe

Schneider v Amazon Inc (2001)
Insuring technology risks presents unique challenges...

- Lack of legal precedent or case law
- Old rules, new situations
  - The risks aren’t new, but the situations are
  - Hard to distinguish between a publisher and distributor
  - Many jurisdictions slow to catch-up
A brief history of the Internet

- 1991: Worldwide web is born
- 1994: Amazon starts selling online
- 1998: ""
Viacom v Google (2007)

YouTube’s entire business model illegal?

- Viacom owns various music and TV rights
- YouTube allows “users” to upload video content
- Viacom alleged their content viewed over 1.5bn times
- Viacom seeking over $1bn in damages for mass infringement
- YouTube seeking protection under DMCA (1998)
Insuring technology risks presents unique challenges…

- Lack of legal precedent or case law
- Old rules, new situations
- New business models create legal uncertainty
  - Many business models didn’t exist 10 years ago
  - Legal environment ill equipped to handle these models
  - Uncertainty leads to complex lawsuits
A brief history of the Internet

- **1991**: Worldwide web is born
- **1994**: Amazon starts selling online
- **1998**: Google launched
- **2006**: Progress

Time

Progress
A brief history of the Internet

Laser Pointer (Broken) - $14
French law versus US law and online auctions

- E-bay provides online auction software
- A number of the goods sold through E-bay are counterfeit
- LVMH filed a suit in France claiming E-bay did little to prevent this
- Same suit filed by Tiffany’s in the US
- French courts ordered E-bay to pay €40m damages
- US courts ruled in favour of E-bay
Insuring technology risks presents unique challenges...

- Lack of legal precedent or case law
- Old rules, new situations
- New business models create legal uncertainty
- Different countries, different rules
  - Internet transcends many jurisdictions
  - New legal issues, responded to very differently by different countries
  - Generally the jurisdiction where content is downloaded applies rather than where it is hosted
A brief history of the Internet

- Worldwide web is born in 1991
- Google launched in 1994
- Amazon starts selling online in 1998
- E-bay sued in 2006
- E-commerce continues to grow and evolve
- Continued development of the internet
- 2009 marks a significant milestone in the development of the internet and its impact on society
A brief history of the Internet

Ronnie Biggs
The world’s biggest bank heist?

- Heartland process payments on behalf of thousands of merchants across North America

- In Jan 09 Visa alerted them to a possible major security breach

- Identified a Trojan Horse that had been secretly stealing credit card details over a period of several months

- Over 100m details stolen, equating to a theft of over $5bn

- Multiple law suits ranging from banks and card companies to end consumer class action lawsuits
Insuring technology risks presents unique challenges...

- Lack of legal precedent or case law
- Old rules, new situations
- New business models create legal uncertainty
- Different countries, different rules
- Unprecedented speed and scale
  - Portability of data increasingly daily
  - Network connectivity exposes data worldwide, in milliseconds
  - Threats now global, not local
A brief history of the Internet

1991: Worldwide web is born
1994: Amazon starts selling online
1998: Google launched
2006: E-bay sued
2009: Heartland breached
Any questions?