

# Law, ICT and business models

A pro-active approach

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## Agenda

- Examining technological vs legal entrepreneurs.
- Proactive legal entrepreneurial strategies for building new business models?
- Conclusion.

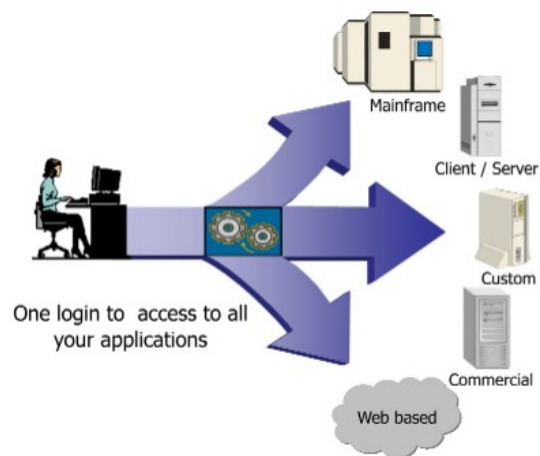


# Technological entrepreneurs

”Technological entrepreneurs start with technology and develop business models from technological possibility.”



## Case: Single Sign On



## Legal friction...

- Contractual infrastructures?
- Liability?
- Legal capacity?
- Failures and frauds?



## Some observations

- This is thought to be the most common kind of entrepreneur.
- Legal problems generally take a while to emerge - sometimes they never do – but when they do they can be fatal (Napster).
- Thus we say that "law stops entrepreneurs" – but is this true? Or are there entrepreneurs that use law pro-actively?



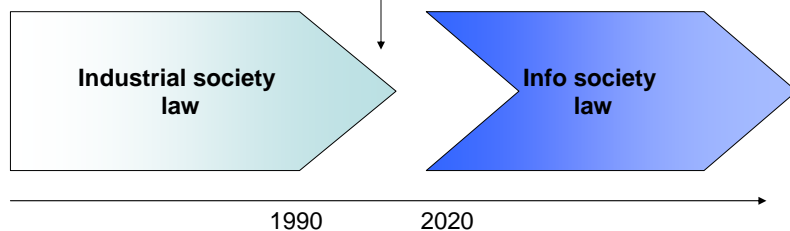
## Legal entrepreneurs

”Legal entrepreneurs start with the law and develop business models from interpretations of the law (legal possibility – proactive law!).”



## Legal entrepreneurs

Open legal entrepreneurial space!



## Question

”How can the gap between law and technology be used pro-actively for business development?”



## Partial answer:

- Direct models – what will be required by law?
- Negative models – what is not illegal?
- Support models – how can existing laws be supported?
- Transition models – what will be required in the move to an information society?
- Destructive models – what parts of law will not hold?



## Direct model

- Business development driven by changes in the law.
- Sketchy market need (pro-active adaptation to expected legal change).

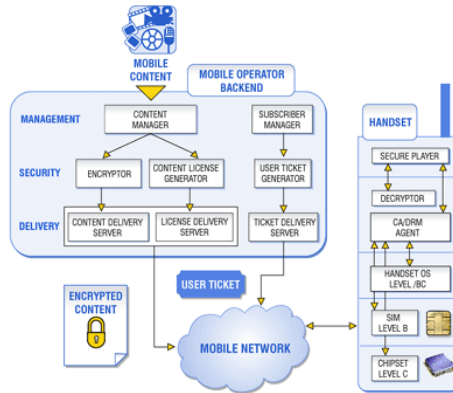


## Case: Dynamic Purchasing Systems

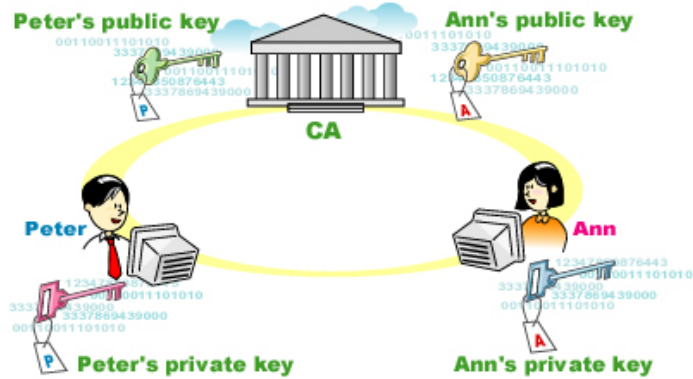
- " 5. A "**dynamic purchasing system**" is a completely electronic process for making commonly used purchases, the characteristics of which, as generally available on the market, meet the requirements of the contracting entity, which is limited in duration and open throughout its validity to any economic operator which satisfies the selection criteria and has submitted an indicative tender that complies with the specification.



# Case: DRM



# Case: Certification Authorities



## Negative model

- Business development is driven by an "e-contrario" interpretation of the law.
- Often exploiting legal uncertainty proactively.

## Case: Online Alcohol Sales



The screenshot shows the Tullfritt website interface. At the top, there's a navigation bar with "Startsidan", "Sortiment", "Mitt konto", "Varukorg", and "Kassa". The main content area features a central banner for "Importera alkohol via Internet" with a welcome message. Below this, a featured product "Bacardi Limon" is displayed with a price of 11.90 EURO (equivalent to approximately 109 SEK). To the left, there's a sidebar with a "Sortiment" menu listing categories like Vin (36), Öl (14), Sprit (74), Cider (1), Blanddrycker (7), and Övrigt (1). Below the menu is a "Nyheter" section showing a bottle of Kemy Martin VSOP for 32.25EUR. At the bottom left, there's a search bar and a link to "Avancerad sökning". On the right side, there's a "Språk" dropdown set to "Svenska", a "Valutor" dropdown set to "Euro", and a "Varukorg" section showing "Inga varor...". Below that is a "Sist sålda" list with 8 items, including Marikstad 24x0.50 liter, Alaska Vodka Cool 0.7 liter, Jacob's Creek Shiraz Cabernet, Nonlands Gold Export 24x0.50 liter, Spandrup's Premium Gold 24x0.33 liter, Famous Grouse 1 liter, Grant's whiskey 1 liter, and Nonlands Gold.

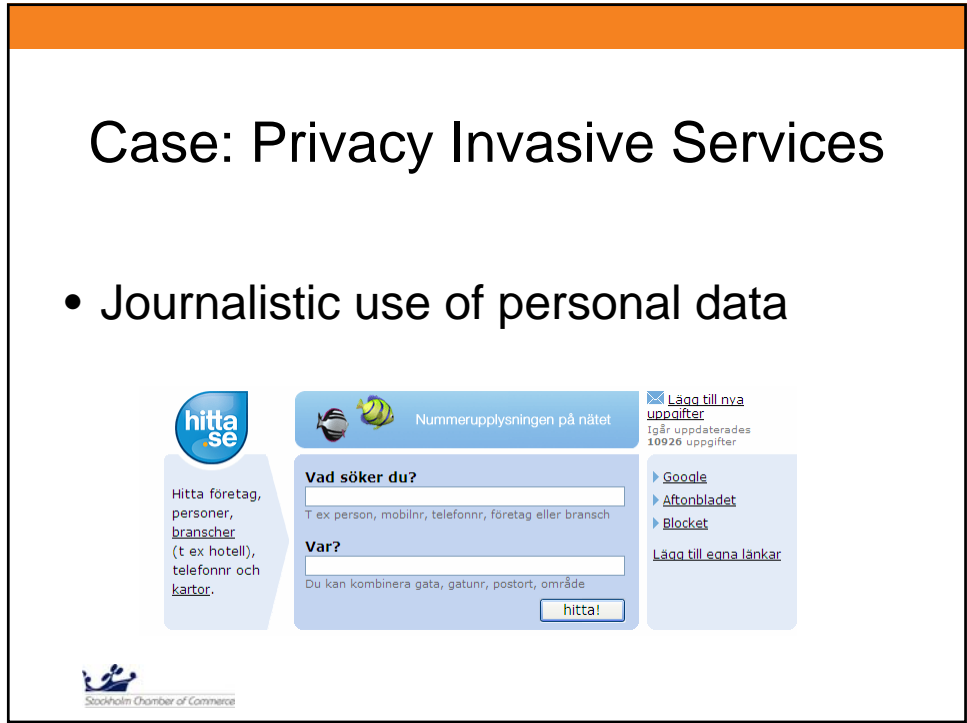


# Case: Online Gambling



# Case: Privacy Invasive Services

- Journalistic use of personal data



## Support models

- Business development is driven from a teleological interpretation of the law.
  - What is the law trying to accomplish?
- Often pro-actively enabling technology shifts by using contractual structures.



## Case: Payson Deposit Services



## Case: Online Confidence



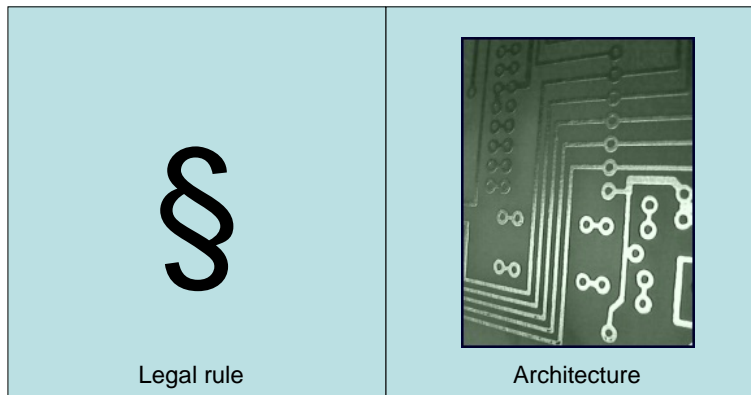
## Transition models

- Business development is driven by ex analogia interpretation of the law.
- Often aims to preserve existing functions described in law by pro-actively building them into architecture.

## Transition models

"Real World"

"Cyber space"



"Building law in"



## Case: ChamberSign and electronic procurement

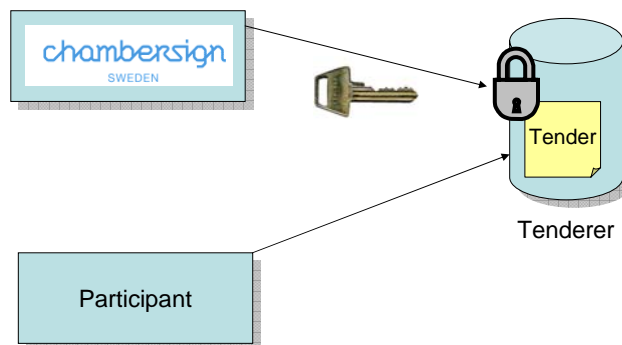
- *Legal rule:* " **20 §** Envelopes containing tenders are to be opened as soon as possible after the final date for receipt of tenders in the presence of at least two individuals appointed by the contracting entity. A written record of tenders shall be drawn up, and the accuracy of this record shall be confirmed by those participating in the opening. **Should a tenderer so request, an individual appointed by a Chamber of Commerce shall also be present**, the cost to be defrayed by the tenderer making the request. "



# Case: ChamberSign and electronic procurement



## ChamberSign model – (roughly)



"Presence pro-actively re-created by technology"

## Destructive models

- Directly opts for breaking the law by developing new business models.
- Often defeated in court, but widely used.
- Hope is to change the law or make money illegally.



## Case: Kazaa?

A screenshot of the Kazaa v3.0 website homepage. The page has a green and black color scheme. At the top, there is a navigation bar with the Kazaa logo, language options (Français, Deutsch, Italiano, Español, Korean, Portuguesa), and download statistics (Last Week: 621,951, Total: 389,392,921). Below the navigation bar, there is a large image of a woman's face with the text "Kazaa v3.0 FREE!" and "Search. Download. Share. And now CALL!". A prominent "Get it Now!" button is centered. Below the main image, there is a section titled "Using Kazaa Safely" with a link to "Click here." and a "NO SPYWARE" badge. At the bottom, there is a section titled "What you get with Kazaa" with four buttons: SEARCH, CONNECT, EASY, and SAFE.



## Case: Google?



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## Summary

- Five models of pro-active legal business development:
  - Direct (*literal*)
  - Negative (*e contrario*)
  - Support (*teleological*)
  - Transition (*ex analogia*)
  - Destructive (*breaking the law*)



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## Technological friction...

- Is it technically possible? (DRM)
- Is it technically standardized? (E-procurement)
- Is it technically secure?
- Is the technology affordable?



## Conclusion

Pro-active legal *and* technological entrepreneurship in concert creates powerful business models.  
Law is not necessarily a hindrance – sometimes it actually helps.

"Architectural entrepreneurs" are needed.





Thank You!

Presentation available at  
[www.myresearchnotes.net](http://www.myresearchnotes.net)

