Chapter XIX
Spam, Spim, and Illegal Advertisement

Dionysios V. Politis
Aristotle University of Thessaloniki, Greece

Konstantinos P. Theodoridis
Centre of International & European Economic Law, Greece

ABSTRACT

Economists and regulators, along with the Internet community as a whole, are involved in confronting illegal promotional strategies that may deregulate the advertising sector. Apart from the quantitative research (ex ante and ex post) on policy changes, spam and illegal advertisement are actions that target after all the average Internet user, factually challenging the peer-to-peer nature of the Internet. Alarming is also the projection of this situation to mobile telephony, the so called spim. Having reached record levels the last couple of years, the phenomenon of unsolicited commercial communication raised consciousness that the Internet was endangered by an erosive threat similar to the uncontrollable, massive, free circulation of MP3s that devastated the musical industry some years ago. Recent combined advances in the software industry and in the legal front have reduced the phenomenon. The technical, social, financial and legal parameters of this issue are examined in this article, under the prism of networked economies.

INTRODUCTION

A significant problem of our times, accelerated by the advances in technology, is the plethora of commercial Internet messages usually referred to as *spam*, while the equivalent in classic television emission is the frequent and uncontrollable advertisement. Advertisement, perceived as an expression and factor of the economy, is legitimate and desirable. However, abusive advertising practices can cause much damage, such as: invasion in to our private communication space, homogenisation of morals and customs leading to globalized overconsumption, and damage so much in the recipients as in the legal advertisers and suppliers of communication services due to deregulation.

Variations and cloning of spam and advertisement include *spim*, distributed instant messaging using bulk *short messaging services (SMSs)* over mobile telephone networks or the Web, wireless attacks and penetration, targeted unsolicited online harassment, and others.

Until now the rule was that anyone can send a message to anyone else with impunity, unless the content runs foul of some content-regulating law. The new initiatives seek to promote ways to restrict excessive electronic publicity so that the recipient or consumer is protected and the interests of good commercial communication are safeguarded.

DEFINITIONS AND PROVISIONS

Spam is usually defined as "unsolicited bulk e-mail." This is generally done for financial reasons, but the motive for spamming may be social or political. Unsolicited means that the recipient has not granted verifiable permission for the message to be sent. Bulk means that the message is sent as part of a larger collection of messages, all having mostly identical content (Cheng, 2004).

Rough estimates conclude that e-mails like "buy this product" or "participate in this campaign" are more than 60% of what is the normal daily load (Doyle, 2004). Generally, the longer an e-mail address has been in use, the more spam it will receive. Moreover, any e-mail address listed on a Web site or mentioned in newsgroups postings will be spammed disproportionally. Mailing lists are also a good target (Loia, 2004).

Recent figures show a dramatic increase in spam trafficking (Jung, 2004). Although not easily verifiable,[1] they are indicative of the extent:

- Spam trafficking has increased the last few years about 1,000% in comparison to what it was in 2002.
- The average user now gets six spams per day, or over 2,000 per year. Of these, 24% of spam accounts were for scams and fraud, 23% were for product advertising, 14-19% were for pornography (91% of users find these the most annoying), 11% were for health remedies, and 1% were for politics.
- Up to 8% of Internet users have purchased spam promoted goods and services.
- Up to 28% of Internet users have replied to spam mail at some stage.
- Costs of spamming are so low that even a few replies in a million make the spammers' efforts profitable.

The evolution of the phenomenon is presented in Figure 1.

Although spam is readily conceived, confusion reigns over its phenotype (Robinson, 2003). More than two-thirds of e-mail account holders think that they can decipher an e-mail message when they see it, while 9% have to open the message to ascertain the infringement. The extent of intrusion is also variably conceived: 70% of e-mailers believe that spam has made being online "unpleasant or annoying," 27% think spam is a "big problem" for them. However, 14% think its impact is negligible (Fetterly, 2004; Grimes, 2004).

Spam has a serious impact on lost productivity. Hours spent deleting unwanted e-mail, reporting spam senders, or researching companies that send spam are lost.[2]

A variation of spam is *spim*. It is defined as unsolicited commercial messaging produced via an *instant messaging* (IM) system. It disperses messages to a predetermined set of screen names, which are generated randomly or are harvested off the Internet. Marketers have never seen a medium they did not want to exploit. So spam has evolved to IM yielding spim. It has been around a few years, but only in the past few months has it become a disruption.

Spam as a social phenomenon arising from an online social situation that technology created. First, it costs no more to send a million e-mail messages than to send one. Second, hits are a percentage of transmis-