

Shraddha Kulhari

Building-Blocks of a Data Protection Revolution

The Uneasy Case for Blockchain Technology
to Secure Privacy and Identity



Nomos

MIPLC

Munich
**Intellectual
Property**
Law Center

Augsburg
München
Washington DC



MAX-PLANCK-GESELLSCHAFT

UNI
Universität
Augsburg
University

TUM
TECHNISCHE
UNIVERSITÄT
MÜNCHEN

**THE GEORGE
WASHINGTON
UNIVERSITY**
WASHINGTON, DC

MIPLC Studies

Edited by

Prof. Dr. Christoph Ann, LL.M. (Duke Univ.)
TUM School of Management

Prof. Robert Brauneis
The George Washington University Law School

Prof. Dr. Josef Drexl, LL.M. (Berkeley)
Max Planck Institute for Innovation and Competition

Prof. Dr. Michael Kort
University of Augsburg

Prof. Dr. Thomas M.J. Möllers
University of Augsburg

Prof. Dr. Dres. h.c. Joseph Straus
Max Planck Institute for Innovation and Competition

Volume 35

Shraddha Kulhari

Building-Blocks of a Data Protection Revolution

The Uneasy Case for Blockchain Technology
to Secure Privacy and Identity



Nomos

MIPLC

Munich
**Intellectual
Property**
Law Center

Augsburg
München
Washington DC

The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available on the Internet at <http://dnb.d-nb.de>

a.t.: Munich, Master Thesis Munich Intellectual Property Law Center, 2017

ISBN 978-3-8487-5222-5 (Print)
978-3-8452-9402-5 (ePDF)

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library.

ISBN 978-3-8487-5222-5 (Print)
978-3-8452-9402-5 (ePDF)

Library of Congress Cataloging-in-Publication Data

Kulhari, Shraddha

Building-Blocks of a Data Protection Revolution

The Uneasy Case for Blockchain Technology to Secure Privacy and Identity

Shraddha Kulhari

62 p.

Includes bibliographic references.

ISBN 978-3-8487-5222-5 (Print)
978-3-8452-9402-5 (ePDF)

1st Edition 2018

© Nomos Verlagsgesellschaft, Baden-Baden, Germany 2018. Printed and bound in Germany.

This work is subject to copyright. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage or retrieval system, without prior permission in writing from the publishers. Under § 54 of the German Copyright Law where copies are made for other than private use a fee is payable to “Verwertungsgesellschaft Wort”, Munich.

No responsibility for loss caused to any individual or organization acting on or refraining from action as a result of the material in this publication can be accepted by Nomos or the author/editor(s).

Table of Contents

Abstract	7
Acronyms and Abbreviations	9
I. Introduction	11
II. The Midas touch of Blockchain: Leveraging it for Data Protection	15
A. Easing into the Blockchain enigma	15
B. Leveraging Blockchain Technology for Personal Data Protection	20
III. Data Protection, Privacy and Identity: A Complex Triad	23
A. The Contours of Right to Privacy and Right to Data Protection	23
B. Privacy and Identity: In the Shadow of Profiling	26
C. Identity Management: The Blockchain Way Forward	31
IV. Fitting the Blockchain Solution into the GDPR Puzzle	38
A. GDPR: A Technolog(ically) Neutral Law?	38
B. GDPR and Blockchain Technology: Possibilities and impossibilities	42
1. Accountability	42
2. Data Minimisation	44
3. Control	45
4. Right to be Forgotten	46
5. Right to Data Portability	48
6. Data Protection by Design	50

Table of Contents

V. Conclusion	53
List of Works Cited	57
Primary Sources	57
Secondary Sources	58

Abstract

The General Data Protection Regulation (GDPR) replaced the old and battered Data Protection Directive on 25 May 2018 after a long-drawn reform. The rapidly evolving technological landscape will test the ability of the GDPR to effectively achieve the goals of protecting personal data and free movement of data. This thesis proposes a technological supplement to achieve the goal of data protection as enshrined in the GDPR. The proposal comes in the form of digital identity management platforms built on blockchain technology. Such digital identity management platforms enhance the personal autonomy and control of individuals over their identities. This is important in light of heightened profiling activity. However, the very structure of blockchain poses some significant challenges in terms of compatibility with the GDPR. In light of these challenges, the claim of GDPR being a technologically neutral legislation is analysed. Further, the thesis attempts to assess compatibility issues of a blockchain based digital identity management solution on the parameters of data protection principles like accountability, data minimisation, control and data protection by design in conjunction with the right to be forgotten and right to data portability.

Acronyms and Abbreviations

AmI	Ambient Intelligence
Art	Article
CJEU	Court of Justice of the European Union
DIM	Digital Identity Management
DPD	Data Protection Directive 95/46/EC
ECHR	European Convention on Human Rights
ECtHR	European Court of Human Rights
ESOs	European Standardisation Organisations
EU	European Union
EUCFR	European Union Charter of Fundamental Rights
GB	Giga Byte
GDPR	General Data Protection Regulation (EU) 2016/679
IP	Internet Protocol
IoT	Internet of Things
MIT	Massachusetts Institute of Technology
TCP	Transmission Control Protocol
WEF	World Economic Forum

