



**FORBRUKERRÅDET**

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# Unfair terms and conditions in cloud storage services

27<sup>th</sup> January 2015  
Department of Private Law  
University of Oslo

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# Rights in digital services

- **Challenge:** Consumers give away a lot of personal information and rights without knowing or thinking about consequences
- **Our work:** We analyze whether the terms of the most used digital services are fair:
  - Can they unilaterally change terms?
  - Delete your valuable images and documents without reason?
  - Do they treat your information securely?
  - Do they sell user information to third parties?
- **Which services:**
  - Social media and **online storage**
  - Mobile apps, online dating, e-books, other relevant services



Google™

facebook®



iCloud

## Cloud storage: A survey



- 40% of Norwegians use cloud storage (an increase from 29% in 2012)
- 46% of non-users **do not see a reason** to use cloud storage
- Non-users afraid of **losing control of their own data** (27%) and **personal information** (19%)
- The fact that consumer rights and privacy are **not subject to Norwegian law, and fear of losing data,** are the biggest **barriers to adoption**



## The study










- 7 services selected based on market share and unique features
- Purposely kept the study short as we did not want to replicate the length of the Terms and Conditions



# Content ownership and protection against data loss



	 Dropbox	 OneDrive	 iCloud	 Google Drive	 Jottacloud	 SPIDEROAK	 SugarSync
You retain ownership of uploaded content	✓	✓	✓	✓	✓	✓	✓
The service can not use your content for other purposes than storage	✓	✗	✓	✗	✓	✓	✓
Guarantees that your content is safe from data loss	✗	✗	✗	✗	✗	✗	✗

“Even if your phone goes for a swim, your stuff is always safe in Dropbox and can be restored in a snap.”


"iCloud helps give you peace of mind."

Dropbox: "Safe and secure"

"Protect your files with SkyDrive"

# Privacy








	 Dropbox	 OneDrive	 iCloud	 Google Drive	 Jottacloud	 SPIDEROAK	 SugarSync
You can delete your account	✓	✓	✓	✓	✓	✓	✓
Stored data is deleted after termination	?*	?*	?*	?*	✓	✓	✓
Informs you about law enforcement requests	✓	✗	✗	?**	✗	✓	✗
Will not look at the content of your files	✓	✗	✗	✗	✓	✓	?***

- Terms must clarify what their “right to review content” means
- Seen in relation to Google’s and Microsoft’s broad licenses makes this a much more serious issue

# Amendment of the terms, account termination



	 Dropbox	 OneDrive	 iCloud	 Google Drive	 Jottacloud	 SPIDEROAK	 SugarSync
Service can only terminate your account with valid reason	✗	✗	✗	✗	✓	✓	✗
Can only change the terms after giving you notice	?*	✓	✗	✓	?**	✓	✓
Terms are governed by Norwegian or EU law	✗	✓	✓	✗	✓	✗	✗

- Apple has unfair terms that must be changed
- Difficult to resolve a dispute with services not bound by European law

# Complaint regarding Apple iCloud's terms



forbrukerradet.no

Case handler:  
Finn Lützow-Holm Myrstad  
Email:  
finn.myrstad@forbrukerradet.no

Our date:  
13.05.2014

Our reference:  
14/2842 - 1

## Complaint regarding Apple iCloud's terms and conditions

The Norwegian Consumer Council ("the Consumer Council" hereafter") is hereby filing a complaint on iTunes Sarl, 31-33, rue Sainte Zithe, L-2763 Luxembourg ("Apple" hereafter) for breaches in the Norwegian Marketing Law and the Council Directive 93/13/EEC on unfair terms in consumer contracts. The complaint is based on the discrepancies between Norwegian Law and the standard terms and conditions applicable to the Apple iCloud service ("the Agreement" hereafter), as they are presented at: <http://www.apple.com/legal/internet-services/icloud/no/terms.html>.

The Consumer Council finds that the Agreement in several aspects is in breach of the law regarding control of marketing and standard agreements.

The background for filling the complaint is the study prepared by the Norwegian Consumer Council published 31st January 2014. The study was conducted as part of the Consumer Council's work to ensure good consumer rights in digital services. A survey conducted on behalf of the Consumer Council in November 2013 showed that more than 40% of the Norwegian population uses cloud storage services. The study also showed that consumers rarely read the terms and conditions, mainly because of their length and convoluted language and forms which hamper understanding. Of all the tested services compared in the Consumer Council's research, Apple iCloud's Agreement

Full text of the complaint available at  
<http://www.forbrukerradet.no/attachment/1175090/binary/29927>



# International press response

## Norway accuses Apple of breaching EU cons



- Voorpagina
- Net binnen
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- Indexamens
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- Sport
- Tech
- Achterklap
- Entertainment
- Opmerkelijk
- Wetenschap
- Gezondheid
- Lifestyle
- Auto
- NUfoto
- Datablog
- Redactieblog
- Weer
- Verkeer
- NU.nl-apps

Maandag 19 mei 2014. Het laatste nieuws het eerst

### Tech / Internet

Gepubliceerd: 14 mei 2014 16:10  
Laatste update: 14 mei 2014 16:56

## 'Apple iCloud schendt Europese wet'

Apple verschaft zichzelf het recht de v  
clouddienst iCloud te allen tijde aan te  
met de Noorse en Europese wet.

Gebruikers van iCl  
praktisch gezien g

Schlagzeilen | Themen: iPhone 5s iPhone 5c iOS 7 iPad 5 Mac Pro OS X Mavericks mehr...

## MacLife

HOME MAC IPHONE & IPOD IPAD PANORAMA APPSTORE TESTCENTER TIPS COMM

WUNSCH NACH MEHR ANWENDERFREUNDLICHKEIT

### iCloud: Verbraucherschützer beklagen verworrene Servicebedingungen

15.05.14 | 11:02 Uhr - von Martin Dirk Zimmer

Twittern 6 8+1 0 Gefällt mir 2

**Norwegens Verbraucherschutz wirft nach einer aktuellen Untersuchung Apples Lizenz-Vereinbarungen für die iCloud verworrene und unklare Form sowie unvernünftige und einseitige Bedingungen vor: „Cloud-Dienste setzen das Vertrauen des Anwenders voraus. Doch die derzeitigen Bedingungen untergraben es.“**

2013 sollen 40 Prozent aller norwegischen Konsumenten Cloud-Dienstleistungen in Anspruch genommen haben, deren Nutzungsbedingungen selten komplett gelesen oder gar verstanden wurden. Diese Erkenntnis war Anfang des Jahres 2014 Grund genug für den Verbraucherschutz, sieben der im Land tätigen Anbieter zu untersuchen. Erster Befund: Apples in über 8600 Worten gefasste Bedingungen seien besonders schwer verständlich.

Apples Lizenz-Vereinbarungen gewährten dem Anwender wenige Rechte, während Apple sich sehr viele, teilweise unzumutbare Rechte vorbehalte, heißt es weiter. Besonderen Anstoß nimmt der norwegische Verbraucherschutz jedoch daran, dass Apple sich das Recht einräume, die Bedingungen der iCloud-Dienste jederzeit ohne Inkennzeichnung der Anwender zu ändern. Dies verstöße gegen §22 des norwegischen Marketing Acts.

Finn Myrstad vom norwegischen Verbraucherschutz:

Wir sind überzeugt, dass alle Parteien besser bedient wären mit gegenüber dem Anwender freundlicheren Bedingungen. Apple bietet an, wertvolle Informationen für seine Anwender zu speichern, gibt sich selbst aber das Recht, die Bedingungen des Dienstes nach eigenem Belieben zu verändern. Als Konsumenten bleiben uns weder wirkliche Rechte noch Sicherheiten. Eine Benachrichtigung über Veränderungen wäre die Mindestvoraussetzung. Dass dies ohne Information des Anwenders geschehen kann ist inakzeptabel.

In einigen Monaten sollen die Ergebnisse der Untersuchung einer Experten-Gruppe der EU-Kommission für Cloud-Dienst-Verträge vorgelegt werden.

## GIGAOM EVENTS RESEARCH JOBS

### APPLE CLEANTECH CLOUD DATA EUROPE

## Apple accused of breaking Norwegian law with iCloud terms and conditions

by David Meyer MAY. 14, 2014 - 6:02 AM PDT

11 Comments

Norway's Consumer Council has taken issue with Apple's terms and conditions for iCloud storage. Following a review of various providers' terms (including those of Google and Dropbox), the council has referred the firm to the Norwegian Consumer Ombudsman – it says Apple's "convoluted and unclear" 8,600-word terms for the service give the company the right to change those terms without notifying customers, and this is unacceptable under consumer rights law. "Receiving notice when terms change should be a bare minimum requirement," said Finn Myrstad, the council's digital chief.

ZDNet

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Microsoft Cloud

Store your data in the cloud

## Apple's 'convoluted and unclear' iCloud agreements break Norwegian law, says watchdog

as filed a complaint about iCloud 8,600 word EULA.

May 14, 2014 -- 11:46 GMT (04:46 PDT)

a complaint over the terms and conditions of Apple's violation of several articles of Norwegian law governing

the Norwegian consumer ombudsman, comes from a cloud storage providers operating in the Norwegian earlier this year. The study was carried out as a part the terms under which digital services are offered to

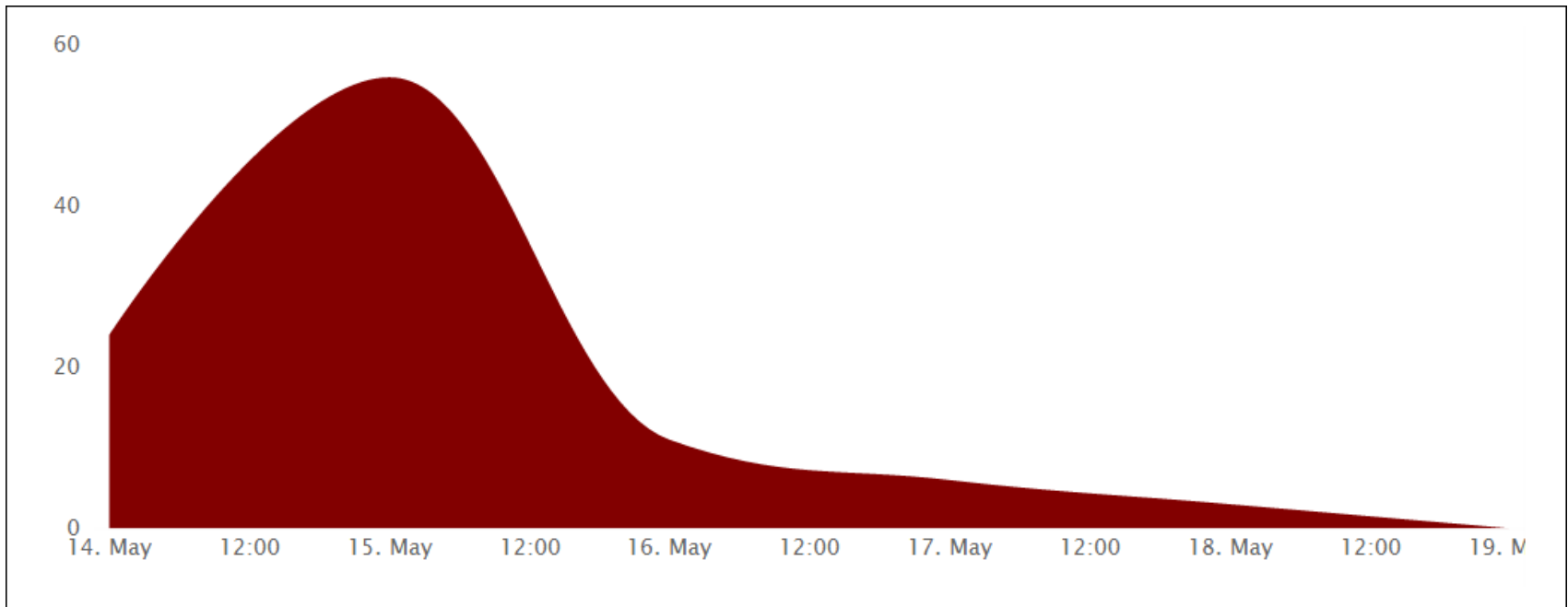
a separate survey conducted for the Consumer Norwegian consumers use cloud services. At the same being looking at the terms and conditions they're ing agreements are long and hard to understand

# Complaint regarding Apple iCloud's terms

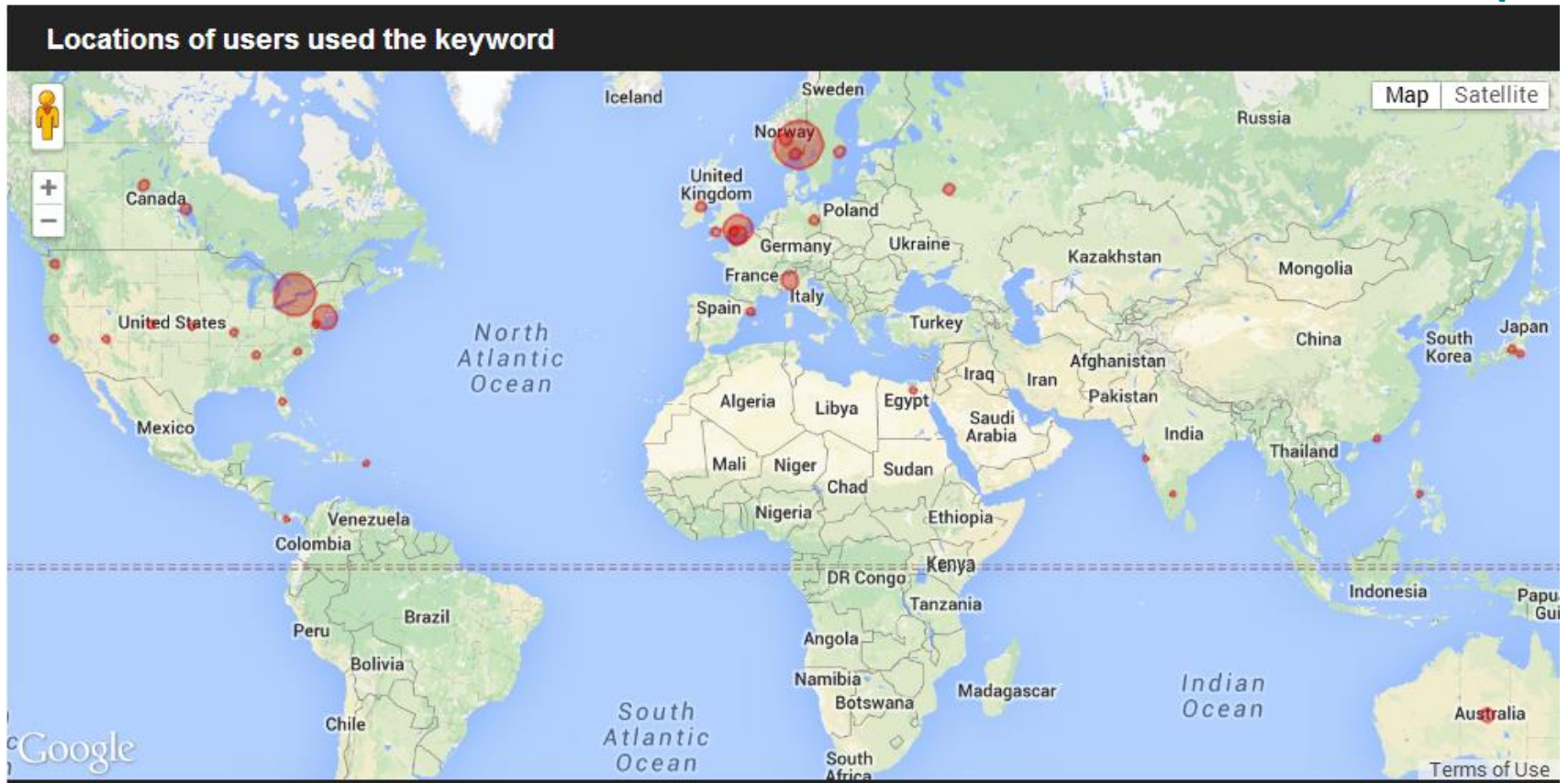


**iCloud News+** @iCloud\_News - 2h

Norwegian Consumer Council files complaint over **Apple**'s ...  
[macdailynews.com/2014/05/14/nor...](http://macdailynews.com/2014/05/14/nor...)



# Complaint regarding Apple iCloud's terms



# Response by Apple



20 May 2014

Re: Response to Complaint 14/2842-1

Norwegian Consumer Ombudsman:

consumers' experience. As such, we have already intended to amend the Agreement to reflect that a user is only bound by new terms and conditions once they have been put on notice of and accepted such new terms and conditions. This will reflect the

breach of Norwegian Marketing Law and the Council Directive 93/13/EEC. We firmly believe that our users should have fair rights and clear notice of the terms and conditions to which they agree, and regularly take on board feedback to optimise consumers' experience. As such, we have already intended to amend the Agreement to reflect that a user is only bound by new terms and conditions once they have been

We trust this addresses the articulated concern in the Complaint. If you have any questions, we are happy to work with you or the Consumer Council directly, if necessary.

we trust this addresses the articulated concern in the Complaint. If you have any questions, we are happy to work with you or the Consumer Council directly, if necessary.

Best regards,

A handwritten signature in blue ink, appearing to be 'S', is located below the 'Best regards,' text.



# Privacy: 2014 review

	 Dropbox	 OneDrive	 iCloud	 Google Drive	 Jottacloud	 SPIDEROAK	 SugarSync
You can delete your account	✓	✓	✓	✓	✓	✓	✓
Stored data is deleted after termination	?*	?*	?*	?*	✓	✓	✓
Informs you about law enforcement requests	✓	✗	✗	?**	✗	✓	✗
Will not look at the content of your files	✓	✗	✗	✗	✓	✓	?***

## Privacy: 2015 review

	 Dropbox	 OneDrive	 iCloud	 Google Drive	 Jottacloud	 SPIDEROAK	 SugarSync
You can delete your account	✓	✓	✓	✓	✓	✓	✓
Stored data is deleted after termination	?*	?*	?*	?*	✓	✓	✓
Informs you about law enforcement requests	✓	✓	✓	?**	✓	✓	✗
Will not look at the content of your files	✓	✓	✗	✗	✓	✓	?***

*Please note: final assessment not concluded  
Results to be confirmed*

# Development of the iCloud Complaint



## PRESENTED

- BEUC
- Ministry of Consumer Affairs
- Norwegian Parliament
- Data protection authorities
- EU commission (workgroup)

## PRESENTED

- BEUC
- EU commission
  - DG SANCO
  - DG JUST
  - DG CONNECT

STUDY OF TERMS  
& CONDITIONS

COMPLAINT  
ICLOUD

CONSIDERATION BY  
CONSUMER  
OMBUDSMAN

- NATIONAL PRESS
- SOCIAL MEDIA

- NATIONAL PRESS
- INTERNATIONAL PRESS
- SOCIAL MEDIA