

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY; Export Approved for Software To Aid Commerce on Internet

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Cybercash Inc., a leader in the emerging field of financial transactions on the Internet, announced today that the Commerce Department had approved the export of previously restricted data-encryption software.

The Cybercash encryption technology is intended to make it easy for shoppers to buy goods and services over the global Internet and to transmit credit card data and other sensitive financial information in a form that cannot easily be compromised by hackers, said Magdalena Yesil, vice president of on-line services for the company, which is based in Reston, Va.

Cybercash hopes its technology will be built into common Internet and on-line service software, and be used by international banks to allow consumers to make financial transactions by clicking a button on a computer screen. Several other Internet commerce companies, including First Virtual and Digicash, are proposing rival schemes.

The Cybercash system uses a type of strong encryption that had previously been restricted by the Government under the same rules that restrict the export of advanced weaponry. Because the encryption is effectively unbreakable, the Government wants to prevent its use by terrorists or spies. In the past, the Commerce Department had allowed the widespread export of only weaker encryption software, which many experts say is vulnerable to hackers, and thus unsuitable for Internet commerce.

"United States Government export-control policies have stood as an obstacle to Internet commerce, and the announcement suggests that the policy is changing," said Marc Rotenberg, director of the Electronic Privacy Information Center, a trade group in Washington.

The Cybercash system is similar to an encryption program approved previously for the transfer of financial data among international banks. The approval of such software for distribution to individual citizens of foreign countries, Ms. Yesil said, marks an advance in the prospects for widespread digital commerce.

But the Cybercash system permits the encryption of only small sections of a transaction message, not the entire message. The use of strong cryptography systems on "bulk" messaging remains tightly restricted by the Government.

Ms. Yesil said Internet users around the world would be able to download Cybercash's software beginning on Friday from the company's computer on the Internet's World Wide Web. The address is <http://www.cybercash.com>.

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