

Internet Gambling: US fails to appeal WTO Ruling in favor of Antigua

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The tiny Caribbean nation of Antigua and Barbuda seeks compensation from the United States over its illegal restrictions on internet gambling sites based overseas. Antigua has asked other countries to join in seeking compensation from Washington for its failure to comply with global trade rules.

The United States decided against challenging Tuesday's adoption of the the WTO's internet gambling ruling in favor of Antigua because it says that its legal maneuver to remove itself from the 1994 GATS treaty effectively ends the case. Washington, acting like a spoiled little kid that did not get their way, announced the country would take an unprecedented legal step to change the international commitments it made as part of the 1994 GATS treaty regulating the trade in services among the 150 members of the WTO.

Antigua threatened to target American trademarks, copyrights and telecommunications companies after the WTO Tuesday formally adopted a landmark decision in March that the United States' continued restrictions on online gambling were illegal.

"Not only do we think that members should press claims for compensatory adjustments as a matter of economic self-interest, but we also believe it is important that the process is made as difficult as possible for the United States," Ambassador John Ashe of Antigua told the WTO's dispute settlement body Tuesday.

The internet gambling dispute between the United States and Antigua & Barbuda is one of the most complicated issues the WTO has ever handled and could soon spark a series of compensation negotiations between the United States and other trading powers such as the European Union, Brazil & India.

Brazil and India both said the United States was obliged by law to compensate Antigua if it wants to now redefine its services obligations. The European Union questioned how the new clarification of the U.S. ban on internet gambling would eliminate the discrimination that allows for U.S. companies providing offshore betting on horses and other services to remain in business.

"The American defense was predicated on their theory that Internet gambling was worse than gambling in bricks and mortar shops," said Mark Mendel, chief legal counsel for Antigua. "If they believed that, they would eliminate all remote gambling in America. They have not done that. It's just blatant trade protectionism."

The EU has stressed at every stage in the four-year dispute that it would act in support of its interests — a reference to the British-based companies that lost millions because of the restrictions in the United States.

Point-Spreads.com will continue to monitor the dispute between Antigua and Washington.