Caribbean Nation Gets an International Go-Ahead to Break U.S. Copyright Laws

By ANNIE LOWREY

WASHINGTON — A long-simmering trade conflict between the United States and Antigua and Barbuda appears to be boiling over.

Antigua and Barbuda, which has a $1 billion economy, is planning on getting legal retribution from the United States’ $15 trillion economy over its refusal to let Americans gamble at online sites based in the Caribbean nation — perhaps by offering downloads of American intellectual property, like Hollywood films, network television shows or hit pop songs. On Monday, the World Trade Organization gave its go-ahead for Antigua and Barbuda’s tentative plan.

“The economy of Antigua and Barbuda has been devastated by the United States government’s long campaign to prevent American consumers from gambling,” Harold Lovell, Antigua’s finance minister, said in a statement. “These aggressive efforts to shut down the remote gaming industry in Antigua have resulted in the loss of thousands of good-paying jobs and seizure by the Americans of billions of dollars belonging to gaming operators and their customers.”

The conflict’s roots are a decade old. The World Trade Organization said that the United States had violated its trade agreements by preventing Americans from betting at sites based in Antigua and Barbuda. Because Washington is unwilling to make the betting legal, the countries have been locked in a dispute over what constitutes fair trade practices and fair compensation.

The online gambling industry was at one point the second-largest employer in the Caribbean country, its government has said, and economists estimated its worth at $3.4 billion. Gambling employment has dropped to fewer than 500 people from more than 4,000 as a result of the United States’ trade policy, it said.

On Monday, a dispute settlement body in Geneva gave Antigua and Barbuda the nod to, in essence, violate American intellectual property rights to make up its losses, calculated at $21 million a year.

It remains murky just how the Antigua and Barbuda government might go about watching suggested it might set up a site where viewers could pay a pittance to watch a television show with an American copyright. The United States might not be willing to stand idly by.
site down under international law.

“We are disappointed with Antigua and Barbuda’s decision to abandon constructive settlement discussions,” Nkenge Harmon, a spokeswoman for the United States trade representative, said in an e-mail. “As recently as Friday, our two countries held high-level discussions on possible settlement options that would have brought real benefits to Antigua’s businesses and people.”

The Obama administration said that the proposed plan might further hurt trade relations between the two countries.

“If Antigua does proceed with the unprecedented plan for its government to authorize the theft of intellectual property, it would only serve to hurt Antigua’s own interests,” Ms. Harmon said. “Government-authorized piracy would undermine chances for a settlement. It also would serve as a major impediment to foreign investment in the Antiguan economy, particularly in high-tech industries.”

Trade experts said that Antigua and Barbuda’s plan for retribution seemed designed to provoke American filmmakers and recording artists into pushing for Congress to allow foreign Internet gambling sites to serve American customers.

They also noted that it was the United States that had pushed for the unusual “cross-retaliation” mechanism at the W.T.O., where trade violations that hurt one industry could be countered with trade actions against a completely different industry.

“The irony is rich, rich, rich,” said Lori Wallach, the director of Global Trade Watch at Public Citizen, a Washington-based consumer advocacy group.

“The practical question is, Is there a majority in the House and Senate to vote to revoke the ban, and would Congress do it because the W.T.O. told them?” she said, saying it was unclear how the two countries would proceed.