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Google Urges US to Take Censorship Brawl to WTO



By Erika Morphy
E-Commerce Times
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A Senate subcommittee invited several major tech companies to its hearing on Internet freedom Tuesday, but Google was the only one to show up. Embroiled in a censorship dispute with China, Google is urging the U.S. government to take the matter to the WTO. Meanwhile, Sen. Dick Durbin said he'll

introduce a bill that would make it a crime for Internet companies to comply with other countries' human rights violations.

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The U.S. appears to be embarking on a new strategy for dealing with the restrictions China places on Internet companies, fueled in large part by [Google's](#) (Nasdaq: GOOG) recent dustup with the Chinese government over its censorship demands.

The company testified before the Senate Judiciary Committee's Subcommittee on Human Rights and the Law on Tuesday, urging the U.S. government to bring the censorship issue to the [World Trade Organization](#) for redress.

The U.S. Trade Representative reportedly is seriously considering the possibility of characterizing Internet censorship as a trade barrier.

Sen. Richard Durbin, D-Ill., chairman of the subcommittee, said at the hearing that he intends to introduce a bill that would penalize U.S. Internet companies that violate users' human rights in other countries.

Companies would have to take "reasonable steps" to protect people from persecution, he said, suggesting that both civil and criminal sanctions might be appropriate.

Political Pressures

China has is well known for pressuring Internet companies that operate in its market to comply with its demands -- sometimes with tragic results for the individuals who use their services.

Chinese national Wang Xiaoning was arrested, tortured and given a 10-year prison sentence by Chinese officials after [Yahoo](#) (Nasdaq: YHOO) handed over identifying information. Xiaoning had used a Yahoo account to anonymously post to the Web materials relating to the [Tiananmen Square massacre](#).

Xiaoning eventually sued Yahoo, which [argued in its defense](#) that it had no control over China's laws or the manner in which its government enforced them. The people prosecuted under those laws "assumed the risk of harm when they chose to use Yahoo China email and engage in activity they knew violated Chinese law," it said in legal documents filed at the time.

Depending on how severe the penalties were, Durbin's bill could very well keep Internet companies out of China completely, speculated Usha Haley, co-author of [The Chinese Tao of Business](#).

For companies like Yahoo and Google, in particular, operating in China would quickly turn into a losing proposition, Haley told the E-Commerce Times. "Advertising revenues from China are negligible. In fact, that is why Google was so willing to speak up against China's censorship policies -- it really has nothing to lose."

Google voiced its complaints against China's Internet restrictions in January, startling business and diplomatic communities with the news that its computers had been hacked -- most likely with the involvement of the Chinese government.

Furthermore, the company said, it was no longer willing to accommodate China's censorship requirements.

Status Quo

While some politicians voiced support of Google, the bottom line is that nothing has changed, Haley said. "Really, China is a country that just can't be shamed, no matter what it does or what people say about it."

That is why arguing its position before the WTO is a smart strategy for the U.S. to pursue, she said. The WTO is an institution China doesn't want to cross.

"China's policies are a restriction on the free flow of information, and the WTO does have policies against that," said Haley.

Thought the approaches are different, both a WTO complaint and legislation would have a similar impact -- namely, curbing China's use of the Internet to acquire and control as much strategic and political information as possible.

"China does see the Internet as a major frontier for its goals," commented Haley. "Not enough people seem to recognize that." 

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[Is Sony Playing a Dangerous Game With PS3 Customers?](#)

March 03, 2010



The recent outage that crippled PlayStation 3 consoles for millions of gamers didn't seem to faze Sony management very much. While frustrated players tried to figure out why their systems wouldn't work -- losing time, trophies and tempers -- Sony's response was lackadaisical. Sony apparently doesn't understand that we're now living in a social universe, and the balance of power between companies and customers has shifted.

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