

Czech Court Rejects Pirates, Backs Website Blocking Legislation

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The Constitutional Court of the Czech Republic has upheld controversial provisions on website blocking, dismissing the arguments of internet freedom campaigners.

The website blocking legislation, in force since January 1, 2017, was challenged by 21 senators from the upper house of the Czech parliament who called the provisions unconstitutional because of censorship concerns.

Still, in its **judgment published** on Wednesday, the Constitutional Court ruled: “[O]perators of illegal gambling cannot claim protection under constitutionally protected values, because it is an illegal activity that threatens many important interests of society, moreover, is often linked with serious criminal activities.”

The court conceded blocking was “probably the only effective (although not perfect) solution” in the fight against illegal gambling operators.

Jan Kozubek, Czech gambling law expert with Becker & Poliakoff attorneys, told GamblingCompliance: “The ruling of the Czech Constitutional Court can be considered as a major success not only for the Czech regulator but also for the operators that have already been operating or will be operating legally in the territory of the Czech Republic.”

The Ministry of Finance welcomed the ruling and stressed that the legislation had already proven effective due to its deterrent effect on illegal operators.

According to the ministry, out of 55 identified illegal operators, 48 have stopped activities in the Czech market.

Other stakeholders were more critical of the ruling. The Czech Pirate Party, which prepared the appeal to the Constitutional Court along with senators and major telco companies, slammed the judgment and accused the finance minister of working with a team “basically consisting of lobbyists from major selected Czech betting agencies and people with no IT knowledge”.

Meanwhile, administrative proceedings with a view to blacklisting websites have been launched against two further operators, JackpotCity and 1XBet, after **Lottoland** was the first to come under fire.

Jana Vydrova, a lawyer with Allen & Overy in Prague, told GamblingCompliance that it is still not clear how the measures will be implemented in practice.

She added that the judgment goes so far as to insist that even foreign internet providers are obliged to block websites blacklisted in the country.

“Once a company provides internet services in the area of Czech Republic, even if they are not a Czech company but for example provide services via satellite, they are also under the obligation to block the respective site,” Vydrova explained.

Another challenge for enforcement is the practice whereby operators use slight variations of their main website addresses to bypass blocking.

For example, the [Italian regulator’s blacklist](#) includes almost 100 URLs starting with “1xbet”, making any efforts to block all websites that could be associated with an unlicensed operator a tedious and time-consuming effort.

Ivan Bartoš, chairman of the Pirate Party, told GamblingCompliance: “The responsibility [of ISP providers] is basically unachievable and it would cost billions in order to block websites in the way intended by the law”.

He added that under constitutional law, an independent court should decide on blocking measures, and that decisions “that affect thousands of sites” now lie “completely with the ministry and its clerks”.

In other news, the Czech government notified a [draft decree](#) specifying technical standards to the European Commission on February 20, 2017.

The decree includes provisions on server rules and requirements, the protection and privacy of gaming and financial data, and requirements relating to the technical regulation of casino games. It will remain in a standstill at the commission until May 22, 2017.

Two further decrees providing details on data reporting requirements and technical parameters of the IT system have not been published yet.

Vydrova told GamblingCompliance that it was not clear when these drafts would be published but it could be assumed these were in a “very preliminary stage” due to the ministry being busy assessing licensing applications.

In addition, Vydrova said the ministry was currently working on some guidelines regarding the treatment of bonuses.

Two major Czech operators are expected to get a licence in the coming days.

Meanwhile, the Pirate Party warned it would not stop its resistance to the law. Bartoš said: “We will take other, maybe more Pirate steps, in order to show the government, how easily the law can be circumvented.”

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