

Important Note: All of the following questions must be answered in English. Otherwise no grade will be given. (所有題目請以英文作答；中文作答不予計分)

Question 1 (50%)

Country A and Country B are WTO Members. Country A's economy highly relies on its advanced technology sector. The main driver of its economy is the internet of things (IoT) products. One of such products is Gambling Racing Bike (GRB) sold by a major company in Country A, GR Corp. GRB is an indoor exercise bike equipped with a screen and connected to the internet. Other than the internet connectivity and certain components necessary for the services provided through the bike, GRB is identical to a normal indoor exercise bike. GRB is unique in that its users can put bets to participate in virtual bike races through GRB's connected functionality. The online services are provided from the servers of GR Corp. located in Country A. Winning in virtual races will result in money prizes to be won by the users, while losing the races will lead to the loss of the bets. Proponents of the product praises the incentives and motivation it provides, which could lead to better fitness results, while the critics of the product argue that it is simply a type of gambling that should be prohibited. GRB does not provide any other type of services through its connected functionality. The gambling functions can be removed by the manufacturer through a restriction of its online services to certain geographical locations, which may be circumvented using VPNs by GRB's users. If the gambling function is removed, GRB could still be used as a normal indoor exercise bike. The price of GRB is similar to a normal indoor exercise bike. The revenue generated from the services is significant for GR Corp. It is apparent that the reasons for consumers to purchase GRB is its gambling functions.

In Country B, casinos are not allowed, but gambling in horse and bicycle racings are permitted. No other types of gambling are permitted in Country B. The government of Country B considers GRB as a tool that provides prohibited gambling activity and imposes a ban on the importation of GRB (Measure A). The government also separately imposes a ban on the online gambling services provided through GRB (Measure B). Country B does not prohibit the sales and importation of normal indoor exercise bikes.

It is undisputed that the only relevant part of Country B's Schedule of Specific Commitments to the GATS is provided under subsection 10.D. The subsector 10.D. of the Country B's Schedule provides the following commitment:

Sector or subsector	Limitations on market access	Limitations on national treatment
10. RECREATIONAL, CULTURAL, & SPORTING SERVICES
D. OTHER RECREATIONAL SERVICES	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section

Please analyze the consistency of the two measures adopted by Country B with the WTO law, in particular the GATT and the GATS.

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Question 2 (50%)

(1) The Appellate Body in *United States – Final Anti-Dumping Measures on Stainless Steel from Mexico* held that “...the legal interpretation embodied in adopted panel and Appellate Body reports becomes part and parcel of the acquis of the WTO dispute settlement system. Ensuring ‘security and predictability’ in the dispute settlement system, as contemplated in Article 3.2 of the DSU, implies that, absent cogent reasons, an adjudicatory body will resolve the same legal question in the same way in a subsequent case.” Please comment the issue as to whether/when a panel’s departure from a prior Appellate Body interpretation can be permissible. (30%)

(2) Please discuss the role and rules of arbitration in the WTO’s dispute settlement system. (20%)