

Amazon Seeks Protection under U.S. Law in Face of Lawsuit Alleging Profits from Illegal Casino Apps



Amazon.com (AMZN.O) has invoked a U.S. law that shields internet platforms from claims related to third-party content on their websites. The e-commerce giant contends that this legal provision should preclude a new consumer lawsuit accusing the company of benefiting from illicit casino-style apps.

Legal Maneuver: Amazon Requests Case Freeze Amidst Appeals Court Consideration

Amazon, in a filing on Thursday, urged a federal judge in Seattle to pause the consumers' case while the 9th U.S. Circuit Court of Appeals deliberates on whether similar lawsuits can proceed against other tech giants such as Alphabet's Google (GOOGL.O), Apple (AAPL.O), and Meta's Facebook (META.O). The appeals court is anticipated to address the casino app cases in April or May, with a decision expected by year-end, as communicated by Amazon's legal representatives from Perkins Coie to U.S. District Judge Robert Lasnik.

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Stakes and Precedent: Potential Damages and the Impact on Section 230

The lawsuits against Amazon and other tech companies could potentially involve hundreds of millions of dollars in alleged damages. The cases may set new legal precedents concerning the interpretation of Section 230 of the federal Communications Decency Act of 1996, which provides certain protections to tech companies hosting third-party content on their platforms.

Historical Context: Previous Rulings and Gambling Laws

In 2022, a California federal judge ruled that consumers could pursue claims against Google, Apple, and Facebook over their roles in processing payments for in-app transactions. The ongoing litigation centers around whether these tech platforms facilitated unlawful gambling enterprises, particularly in the context of free-to-play virtual casino apps. A prior 2018 9th Circuit ruling had already declared casino-style apps in violation of a Washington state gambling law.

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Amazon's Defense and the Plaintiff's Opposition

Amazon, facing a lawsuit filed in November, is accused of offering over 30 illegal casino apps in what the plaintiff describes as a "dangerous partnership" with virtual casinos. The named plaintiff, a Nevada resident, claims addiction to "illegal slots." Amazon's filing emphasized that advancing the case at this juncture "will likely impose hardship on everyone," asserting that the company will present additional arguments against the claims later. The plaintiff's law firm, Edelson, representing a prospective class of "tens of thousands of consumers," opposed the motion to put the case on hold.

Future Outlook: Awaiting the Appeals Court Decision

As the legal battle unfolds, the outcome of the 9th Circuit's decision, expected later this year, will undoubtedly shape the landscape for tech companies facing similar accusations and may further define the boundaries of Section 230 protections.

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