



E-Commerce & Consumer Protection: A Study

Dr. Bhavsinh M. Dodiya

Assistant Professor Smt. B.V. Dhanak Arts,
Commerce, Science & Mgt. College,
Bagasara, Gujarat (India)

Abstract: *Rapid developments in Information Technology have led the new paradigm of Electronic Commerce (E-Commerce). Enterprises across the globe have either created or are in the progress of creating the E-Commerce front-ends to their traditional businesses. Few new products and services are innovated and marketed via Internet therefore creating global business opportunity to the tune of billions of rupees. E-commerce has made a philosophical impact on consumers. Customers can now buy online from their homes without ever having to leave. Due to this, it can also be seen that smaller businesses are winding up their business, or change to being online business. E-commerce has changed the scenario of retail, services, and other products that make our economy developed. Certainly, it will continue to affect how companies sell and market their products, as well as how people choose to make purchases for many years to come. This research paper reflects how far consumers are protected in recent E-Commerce trend.*

Keywords: *E-commerce, Information Technology, Economy.*

I. INTRODUCTION

Nowadays, the scenario of one to one marketing communication has changed to an advanced form of communication. Modern form of such communication mechanism is internet. It is the need of the society in every area of their life. They can perform roughly all their transaction through internet. One such vital transaction in the today's world is e-commerce. Such transaction creates e-contract between the sellers and the consumers. Today e-commerce is rising day by day all over the world and also in India & the problems in such business are also increasing. E-Commerce is often interpreted as being just Internet commerce. E-commerce is a term for any type of business, or commercial transaction that involves the transfer of information and between buyers and sellers via Internet. It includes a range of several types of businesses, from consumer based retail sites, through auction or music sites, to business exchanges trading goods and services between enterprises. It is recently one of the vital parameters of the Internet to emerge. E-Commerce allows consumers to electronically exchange goods and services without barriers of time or distance.

II. AIM OF THE STUDY

- ❖ To study how far E-Commerce has insured the rights of consumers
- ❖ To converse the various security related issues in E-Commerce.
- ❖ To attain the knowledge about various jurisdictional issues in E-Commerce.

III. RESEARCH METHODOLOGY

This research paper is chiefly based on the secondary data. The secondary data were collected from various published sources like books, journal, reports, internet etc.

IV. CONSUMER PROTECTION ISSUES

In view of recent business models in e-commerce, it is essential to keep in mind issues related to consumer protection. In India the Consumer Protection Act, 1986 governs the relationship between consumers and sellers. There is no separate consumer protection law that regulates online (E-commerce) transactions. Liability under the Consumer Protection Act arises when there is "deficit in service" or "defect in goods" or incident of "unfair trade practice". The Consumer Protection Act purposely excludes from its sphere the rendering of any service that is free of charge.

If an online seller is not charging the users, the Consumer Protection Act may not apply. If actual sales are taking place through e-commerce, the users will be considered 'consumers' under the Consumer Protection Act and its provision will apply to the sale of products by the online portals. Depending upon who is actually selling the goods or rendering services the liability may trigger. The distributor of goods also comes within the purview of the Consumer Protection Act. There is a special adjudicating forum



with appellate forums which is constituted under the Consumer Protection Act. Some of the various sanctions which may be imposed under the Consumer Protection Act are as follow:

- ❖ Removal of defects / deficiencies
- ❖ Replacement of goods
- ❖ Return of price paid;
- ❖ Pay compensation
- ❖ Discontinue the unfair trade practice or the restrictive trade practice

V. SECURITY ISSUES IN E-COMMERCE

Validation and Identification:

However, the Internet abolishes the need for physical contact, it does not do away with the fact that any form of contract or transaction would have to be authenticated and in certain instances recorded. Diverse authentication technologies have evolved over a period of time for authenticating documents and also to make sure the identity of the parties entering into e-commerce transactions. Additional in relation to an e-commerce business, processing payments forms an important part of the transaction and in this regard several payment systems to carry on an e-commerce business have also developed. Transactions via internet, mainly consumer-related transactions, often take place between parties who have no pre-existing relationship. This may increase concerns of the person's identity and authenticity with respect to issues of the person's capacity, authority and legality to enter the transactions.

Privacy of Users:

For an e-commerce portal, it is more or less difficult to complete any online transaction without collecting some form of personal information of the users such as details about their identity and financial information. Besides the collection of primary data from the users, e-commerce portals may also collect a variety of other indirect information such as users' personal options and preferences and patterns of search. Therefore, a vital consideration for every e-commerce portal is to maintain the privacy of its users.

Protection of Data:

India has in the year 2011 notified rules under Section 43A of the IT Act titled "Reasonable practices and procedures and sensitive personal data or information Rules, 2011" which provide a framework for the protection of data in India the rule is known as "Data Protection Rules".

VI. ISSUES RELATED TO JURISDICTIONAL

Jurisdiction is the practical authority to interpret and apply the law, or to govern and legislate. It is granted to a formally constituted legal body, such as a court. In general it refers to "A government's general power to exercise authority over people and objects within its territory". Same situation with regards to court's jurisdiction also, it is the geographical location within which the judiciaries have the authority to adjudicate the disputes or problem. Contrary, cyberspace jurisdiction the situation differs from physical world. The term "cyber jurisdiction" normally includes the system operators or users power to frame rules and enforce them in an "apparent virtual community" interacting in cyberspace, or virtual space in the cyber world which is perceived as a place on the Internet and is independent from the normal government regulations.

In this practical world the cyber jurisdiction can be exercised. With the emergence of internet a market place has developed in the virtual globe. The users of any computer connected via internet can access to the website and enter into business contract anywhere across the world. Such a contract is called e-commerce (e-contract). The e-contract is entered in the e-commerce. It means that all the elements of valid contract are there in e-commerce. The existed of offer from one side and acceptance from the other side is there in a business transactions via internet. All the obligations in e-commerce need not be in only electronic form, there may be a situation where one party may perform their obligation in a physical form. It is not so important, the only thing is important is the conclusion of contracts is to be done through an online medium only.

The main difficulty and problem about the internet jurisdiction is the presence of multiple parties in several parts of the world who have a virtual nexus with each other. The question arises in such cases that if one party wants to sue the other, then where can one sue? The municipal laws traditionally require two areas, the place where the defendant resides, and where the cause of action arises. Though, in the era of internet, both these are difficult to establish with any assurance. Additionally to this a situation of conflict of laws among nations may also arise. For instance, some websites may be obscene in India but legal in UK. They can be viewed in India by assessing the websites and may amount to an offence under the Indian Law, but they are not illegal in UK where these sites are hosted. How can these situations be handled is a serious concern.

In decisive the personal jurisdiction of a court over an overseas defendant is to be applicable or not, the 'minimum contracts' rule is to be followed in US courts. This rule was developed in US by US Supreme Court in the leading judgment of International



Shoe Co. v Washington. This minimum contract test allows for the jurisdiction over a non-resident when such contract exists between the defendant and the Forum State such that “maintenance of the suit does not offend ‘traditional notions of fair play and substantial justice. This Courts minimum contracts test for definite jurisdiction abandons more formalistic tests that spotlight on a defendant presence within a state in favour of a more flexible inquiry into whether a defendants contracts with the forum made it reasonable, in the context of the US federal system of government, to require it to defend the suit in that state.

VII. POSITION OF INDIA

As far as the position of India is concerned, related to the internet disputes, the jurisdiction is hypothetically matches with United States ‘minimum contact’. The jurisdiction aspect of the courts in civil matter is governed by, the Code of Civil Procedure Code, 1908. Territorial jurisdiction in India granted by the Code of Civil Procedure Code, 1908 on the basis of place of residence of the defendant and on the other hand, the place where the cause of action arises. The cause of action can also arise at various places. The places can be domestic places and also international places. Section 20 of the Code of Civil Procedure Code, 1908 deals with the situation where cause of action arises in more than one place. This section through interpretation applies to transnational issues as well as private international law.

VIII. CONCLUSION

E-Commerce is not just about using network based technologies to conduct business. It is about moving organisations to fully electronic environment through change in their work procedures, reengineering their business processes, integrating them with their business partners beyond their traditional boundaries. Electronic Commerce has brought about a veritable revolution in the way businesses are conducted. There is a paradigm shift from paper based transactions to fully electronic organizations. Networking and messaging over networks is the key to the new scenario in which there is globalisation of organizations, and of markets. Information and Communication Technology (ICT) has wrought a new industrial revolution. It is the Internet which has helped realize globalization of markets seamlessly. A business connected to the Internet is immediately global in reach and connectivity with no additional cost. One third of all the business transactions conducted electronically will be done through commerce on the Internet.

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