

E-COMMERCE: ITS LEGAL IMPLICATION AND CONSEQUENCES IN SOCIETY

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BEST CITATION – SANDHYA P, E-COMMERCE: ITS LEGAL IMPLICATION AND CONSEQUENCES IN SOCIETY, INDIAN JOURNAL OF LEGAL REVIEW (IJLR), 5 (4) OF 2025, PG. 846-873, APIS – 3920 – 0001 & ISSN – 2583-2344.

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2022- DIGITAL PERSONAL DATA PROTECTION BILL

TABLE OF ABBREVIATION

1	&	And
1	AVS	Address verification Service
2	B2B	Business-to-Business

3	B2C	Business-to-Customer
4	BNPL	Buy Now Pay Later
5	C2B	Customer-to-Business
6	C2C	Customer-to-Customer
7	CAGR	Compound Annual Growth Rate
8	CCPA	Central Consumer Protection Authority
9	CVN	Card Verification Number
10	E-COMMERCE	Electronic Commerce
11	EU	European Union
12	GDPR	General Data Protection Regulation
13	GMV	Gross Merchandise Value
14	GSTIN	Goods & Service Tax Identification Number
15	HTTPS	Hypertext Transfer Protocol Secure
16	IBEF	India Brand Equity Foundation
	ibid	Ibidem
17	LPG	Liquefied Petroleum Gas
18	M-COMMERCE	Mobile Commerce
19	MNC	Multi-National Corporation
20	NCH	National Consumer Helpline
21	OLX	Online exchange
22	OSCOLA	Oxford University Standard for the Citation of Legal Authorities
23	OTP	One Time Password
24	OTT	Over The Top
25	P2P	Peer-to-Peer
26	PAN	Permanent Account Number
27	SEC	Section
28	SSL	Secure Sockets Layer
29	U/S	Under Section
30	UK	United Kingdom

INTRODUCTION

"If we knew what it was we were doing, it would not be called research, would it?"

–Albert Einstein

E-commerce is the purchasing & selling of various products over the internet. It is short for electronic commerce. It means any kind of operations or transaction done through internet; simply speaking it is the purchasing & selling of products & services through the help of internet. Although there isn't a single accepted definition of e-commerce as of yet, many intelligent prominent figures have provided their own definitions. Roger Clarke defines e-commerce as "the conduct of business including the exchange of goods and services via the use of communications and instruments based on communications." "E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, as well as between organizations and individuals." E-commerce emerged from the advancements of modernization and digitalization. Essentially, it represents traditional business practices in an online environment. It serves as an internet platform that facilitates the buying and selling of products and services. In today's fast-paced world, many people prefer convenient and efficient solutions, and e-commerce delivers just that. Thanks to electronic devices and the internet, this ease of living has become a reality. E-commerce is essentially the practice of retailing online. E-commerce offers a diverse range of features and services for consumers. Before exploring these offerings, it's essential to recognize the key attributes that contribute to its appeal and popularity. Since its beginnings, e-commerce has undergone substantial evolution, particularly in the 21st century, driven by rapid technological advancements that have fueled its growth.

Literature review

1. The book "Laws on E-commerce" by S.R. Sharma provides a thorough explanation of India's legislative and regulatory environment regulating internet commerce. It studies case law and court rulings and covers the Information Technology Act of 2000, the Consumer Protection Act of 2019, and the Competition Act of 2002. The book provides advice on how companies should abide by rules governing competition, consumer protection, and data privacy. The book's primary concentration on the Indian legal system restricts its applicability to enterprises operating in other countries, and its technical substance might be difficult for readers without a background in law. In general, the book is a helpful tool for companies doing business in the Indian e-commerce market.

2. "E-COMMERCE: An Indian Perspective", 4th ed. P.T. Joseph, 2012, is a detailed overview of the Indian e-commerce industry, including information about its background, legal

framework, business models, payment options, security, and effects on numerous sectors. The book offers insights into the problems specific to the Indian e-commerce business, such as poor internet penetration, many cultural and language variations, and a mostly cash-based economy. The book's 2008 release date may make some of the content out of date, and it may be too technical for readers without a background in e-commerce or technology. In general, the book is a useful tool for businesspeople and entrepreneurs wishing to join or grow in the Indian e-commerce sector.

3. "Law Relating to Computers Internet & E-Commerce" by Nandan Kamath is a useful handbook on the laws governing internet usage, e-commerce, and computer use in India. The book covers a broad variety of subjects, such as intellectual property rights, online contracts, data protection, and cybercrime. Readers with all levels of legal skill may access it since it includes case studies and actual legal conflicts

involving computers, the internet, and e-commerce. The book's shortcoming, meanwhile, could be that it was published in 2014 and might not reflect current legal changes. Overall, the book is a useful tool for legal experts, businesspeople, and entrepreneurs who want to comprehend the legal ramifications of computers, the internet, and e-commerce in India.

4. "The Economic and Social Impacts of E-Commerce" by Sam Lubbe and Johanna Maria van Heerden is a thorough investigation of the impact of e-commerce on the community and economy. The book gives readers statistical information, case studies, and insights on the difficulties traditional retail firms are having due to the expanding of the e-commerce sector. The writers also pay attention to the particular difficulties that South African e-commerce companies confront, such as restricted access to technology and digital infrastructure and cultural differences. The book is a valuable resource for academics, policymakers, and business professionals seeking to better understand the economic and social impacts of e-commerce, particularly in the South African context, even though it may be too technical for readers without a background in economics or business. A disadvantage of the present study is that the author concentrates on the South African setting of e-commerce.

5. The "E-commerce: Business, Technology, Society" book by Carol Guercio Traver and Kenneth C. Laudon provides a thorough manual for the world of e-commerce. The history of e-commerce, technology, business models, moral and regulatory concerns, international e-commerce, and new developments like mobile, social, and artificial intelligence in e-commerce are all covered. The book's strength is in its comprehensive approach, which gives readers insights into how society, business, and technology interact in the context of e-commerce. To assist readers

understand the tactics used by successful e-commerce enterprises, the writers also provide

case studies of successful and unsuccessful e-commerce businesses. For readers without a background in business or technology, the book can be overly technical, and its degree of detail might not provide a thorough grasp of any one subject.

6. "Consumer Protection Law and Procedure" by R.N.P. Chaudhary is a thorough book that offers an in-depth overview of the laws regulating consumer protection in India. It covers a variety of topics, including consumer rights, remedies, and complaint processes. It provides a thorough explanation of the 2019 Consumer Protection Act as well as other pertinent legislation including the 1930 Sale of Goods Act and the 1872 Indian Contract Act. The book places a strong emphasis on the need of adequate consumer protection legislation and the value of consumer knowledge in defending their rights. More real-world examples and case studies, however, might have been included to help readers better comprehend how consumer protection laws are put into practice in practical settings.

7. "Consumerism and Legal Protection of Consumers: With a Critical and Explanatory Commentary and Latest Case Law" by Rifat Jan is a thorough study of India's legal system and its problems with consumer protection. The need of consumer education is discussed, along with current rules and regulations, the function of regulatory agencies and consumer courts. The book's examination of recent consumer protection case law, which offers a critical study of court judgements and their effects on consumer protection legislation, is one of its strong points. In order to provide readers the capacity to make informed decisions and hold firms responsible, the book emphasises the need of consumer awareness and education. In their scholarly article titled "Impact of E-commerce on the Indian Market: Social and Economic Implications" authors Shebazbano Salim Khan, S. N. Borhade, and Mainuddin S. Shaikh explore the profound implications of electronic commerce (e-commerce) as a key element of the current IT

revolution, with an emphasis on its significant impact on international trade and the Indian economy. In the study report, the tremendous effects of e-commerce on the economy and society as a whole are shown. The article emphasises the e-commerce industry's strong 30% yearly growth rate. Notably, eBay Inc., a shopping website, has had an astonishing 60% growth rate. The clients of the e-commerce business has increased to 2.5 million from 1 million since the past 4 years in India. Additionally, the piece highlights the sizeable imports made by Indian customers, highlighting well-liked sectors including home decor, branded and unbranded apparel, accessories, and technological goods.

Statement of Problem

By this research on 'E-commerce: Legal Implications & Consequences to the Society', the researcher seeks to address the socio-legal issues pertaining to e-commerce. Though the e-commerce has seen exponential growth, but with this, number of social and legal challenges has also risen. While e-commerce offers convenience and accessibility, it also raises various legal questions and concerns related to consumer protection and data privacy. To fully understand the issues and challenges associated with e-commerce, a detailed analysis is necessary. This research aims to identify the socio-legal challenges linked to e-commerce and explore potential solutions to address these issues, maximizing its benefits while minimizing negative consequences for consumers.

When discussing the legal and social problems in the e-commerce sector, consumers often fall victim to fraud and scams involving goods and services as well as data breaches. Common types of fraud include delivery scams, fake websites, phishing schemes, payment fraud, and fraudulent customer support.

Delivery scams involve scammers sending counterfeit or low-quality products, or failing to deliver anything at all. Fake websites mimic legitimate sites, offering products at lower

prices and misleading customers with claims like "payment on delivery not available." Payment fraud is prevalent, where scammers use stolen credit cards or false payment information to make unauthorized purchases, often employing sophisticated techniques to evade detection.

In fraudulent customer support schemes, scammers set up fake helplines to steal personal information or trick customers into paying for non-existent products, often making these lines appear legitimate. Phishing scams involve cybercriminals sending emails or messages that seem to come from trusted sources, prompting recipients to disclose personal information or click on links that may introduce malware to their devices without their knowledge.

Research questions

- What is the e-commerce?
- Whether the current legal framework is sufficient for regulating the e-commerce sector.
- What are the impacts of e-commerce to the society?
- How the negative aspects of e-commerce in society can be dealt with?

Objective of the paper

By this research on 'E-commerce: Legal Implications & Consequences to the Society', the researcher seeks to address the socio-legal issues pertaining to e-commerce. Though the e-commerce has seen exponential growth, but with this, number of social and legal challenges has also risen. While e-commerce provides convenience and accessibility, it also raises a range of legal questions and concerns around issues such as consumer protection & data privacy. In order to fully understand the issue and challenges of e-commerce a detailed analysis is needed. This research aims to identify the socio-legal challenge associated with e-commerce and explore ways to address such issues with their possible solutions so as to

maximize the potential of e-commerce and minimizing the negative consequence for the people.

Hypothesis of the research paper

Even with established laws and regulations, e-commerce businesses in India continue to struggle with addressing legal and social issues, highlighting the need for more comprehensive solutions. The legal implications and consequences of e-commerce in society can have both positive and negative impacts on society, be it economically, to consumers, to businesses. The benefits of e-commerce include increased convenience and accessibility, while the challenges include issues related to privacy, security, and fraud. Consumers may be hesitant to share personal information online, and businesses must ensure that they are complying with data protection laws.

Significance of the study

E-commerce transactions involve the online transaction of goods and services. Conducting a conceptual analysis of e-commerce can help understand the legal framework governing e-commerce, including laws related to data protection, consumer protection, and electronic signatures. This paper examines the rights and obligations of the various parties engaged in electronic commerce transactions. The research paper on E-commerce: Its legal implication and consequence to society can help understand the legal framework governing e-commerce and also the negative consequence it has on society and finally provide few recommendations and suggestion for bettering the e-commerce sector in India for the customers.

Research Methodology

The legal research approach is limited to Doctrinal Legal Research, Analytical and Descriptive Methodology. Primary and secondary sources of data have been used. Primary sources such as Legislations, official documents, reports have been referred to

relating to the topic of research. Secondary sources such as books, journals, articles, online database have been relied upon relating to the research topic. The citation style being adhered to in this paper is The Oxford University Standard for Citation of Legal Authorities (OSCOLA) 4th edition.

E-COMMERCE

Concept of E-Commerce

E-commerce refers to the commercial transactions involving the buying and selling of a diverse range of goods and services conducted through the internet. E-commerce, derived from the term electronic commerce, refers to the buying and selling of goods and services conducted over electronic systems, such as the internet. E-commerce refers to a broad range of operations and transactions conducted via the internet. In essence, it encompasses the buying and selling of goods and services facilitated by online platforms. Numerous esteemed individuals within the public sphere have offered their own interpretations of e-commerce. According to Roger Clarke, "electronic commerce is defined as the conduct of commerce in goods and services, with the assistance of telecommunication and telecommunication-based tools."

E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals. E-commerce stands for electronic commerce, is the concept that came into being with the help of modernization and digitalization. In another light, we can say e-commerce is the traditional form of business but in electronic space. E-commerce is the internet portal site which provides with the facilities of buying and selling of products or services. In today's world everyone would opt for easy and convenient way of living, and e-commerce proved just

that; with the use of the electronic gadgets and internet such easement in life has become a reality. E-commerce is nothing but the execution of retail business in the online space.

According to P.T. Joseph, he stated “e-commerce comprises core business processes of buying selling of goods, service and information over the internet”. According to IBM, who, in 1997 had defined the concept of e-commerce as “e-business can be the key in transforming business processes using internet technologies.” E-commerce is categories into – (i) B2B (business-to-business), (ii) B2C (business-to-consumer), (iii) C2C (consumer-to-consumer), and finally (iv) C2B (consumer-to-business).

According to the definition in Webster dictionary e-commerce is “commerce conducted via the internet”. E-commerce has come a long way since K. Vaitheeswaran introduced the first e-commerce website, called ‘fabmart.com’ in India in 1999. With now, the e-commerce having a global reach, one can buy or sell products to and from anywhere in the world.

In the years following Apple Pay’s launch in 2014, Instagram Shopping was introduced in 2017. The arrival of Jio significantly lowered internet costs and improved accessibility, playing a crucial role in the growth of e-commerce in India. The introduction of 4G technology has further enhanced the Indian e-commerce landscape by expanding the customer base and increasing revenue.

E-commerce has made a significant impact on both the economy and society, attracting a large consumer audience from foreign companies entering the Indian market. Technological advancements and breakthroughs in artificial intelligence have also led to improved user interfaces and enhanced consumer experiences.

Each type of e-commerce has its own advantages and disadvantages. B2B e-commerce fosters direct engagement with customers, enables targeted sales promotions,

increases client loyalty, offers scalability, and allows for cost-effective distribution. B2C e-commerce provides benefits such as globalization, lower operational costs, consumer convenience, and effective information management. C2C e-commerce delivers lower prices, a wide range of options, quick service, and security. C2B e-commerce boosts automation, product development, brand visibility, and customer insights. P2P e-commerce facilitates file sharing, while m-commerce supports e-commerce transactions through mobile devices.

The development of e-commerce has highlighted its significance and practicality, notably during the COVID-19 epidemic and the ensuing lockdowns. In trying times, e-commerce has been a lifeline for many people, meeting their requirements and helping both consumers and companies. The industry has seen rapid expansion, lured new participants and provided what conventional retail often falls short of. Along with its clientele, e-commerce has grown in scope.

Evolution of E-commerce

Without the internet, e-commerce would not have been able to see the day light. Today e-commerce has come a long way and with each and every significant development, e-commerce is made more and more convenient to every user. It all started with the creation of the internet in the year 1983 by Tim Berners-Lee, without which, e-commerce and this modern time would have ceased to exist. The timeline of the evolution of e-commerce can be traced as under:

1969, it was Dr. John R. Glotz and Jerey Wilkins who introduced to the world the first ever e-commerce company, named as, CompuServe.

1979, a man named as Michael Aldrich invented e-shopping, i.e., electronic shopping, where people can buy products and service online itself.

1982 it was the Boston Computer Exchange, who introduced to the world the first ever e-

commerce platform.

1991 in India, the concept of e-commerce was first introduced. Though it was in the year 1999, which gave India its first e-commerce platform called Fabmart.com.

1992, Charles M. Stacks also contributed to the evolution of e-commerce by creating online bookstore called Book Stacks Unlimited.

1994, M. Andreessen and Jim Clark, created web browsing tool.

1995, even Jeff Bezos and Pierre Omidyar, introduced Amazon, and AuctionWeb later changed to e-bay).

2000, as a way to advertise the e-commerce companies, Google Adwords was created.

2005, Amazon introduced to the world with Amazon Prime, for catering with extra benefits for people who have amazon membership.

2011, Google launched another of its service called as Google wallet with the purpose of being a method of payment digitally. And with the aim of maximizing the products and services, the entire social media platform started with advertisement.

2014 and 2017 respectively, Apple launched Apple Pay as a mode of online payment and Instagram Shopping was introduced too.

Categories of E-Commerce

While talking about e-commerce, even in general sense, it has been categorised into many types, which were mentioned in the introduction portion of this paper, and now we shall see it in details.

1. **B2B:** B2B stands for Business-To-Business. As the name suggests, this model of e-commerce involves transactions between two businesses or companies. Specifically, when two businesses conduct transactions online, it is referred to as B2B. For instance, this can occur between a manufacturer and a wholesaler, or between a wholesaler and a retail seller. Another example is a transaction between a company supplying raw materials and another

company that manufactures those materials into finished goods. A notable example of this is how Apple sources components for its iPhones from various companies like Samsung, Intel, and Micron Technology. Some advantages of B2B e-commerce include time savings, minimal operational costs, and increased convenience for the parties involved.

2. **B2C:** This stands for Business-To-Consumer. Consumers are considered the end-users of products or services, and in this model, transactions occur between two parties: the business and the consumer. Here, a manufacturer or business engages directly with customers for the buying and selling of products or services. This differs significantly from the B2B model, as there is no intermediary involved; the transaction flows directly from the manufacturer to the customer, bypassing wholesalers and retailers.

3. **C2C:** It stands for Consumer-To-Consumer. Here the e-commerce transaction is done between two parties who are both consumers. The perfect example of this will be the e-commerce application called as OLX, e-bay, and also quicker.com; of course even when the commerce transaction is done between two consumers, one will be the seller and the other will be the buyer, and here even the buyer is a consumer and not a registered seller, he/she is just selling what he/she has brought. Few advantages of such is the cheaper cost of the product, the product does not go to waste but instead goes to consumer.

4. **C2B:** This stands for Consumer-To-Business. Here the consumer trades his/her services to the business organization. It may be a business or product idea or even his/her own invented product so that the business can mass produce it and sell it to the targeted consumers, and both of them may be profited.

Merits and Demerits of E-commerce

Since the rise of e-commerce, particularly during the recent lockdowns caused by the

COVID-19 pandemic, its significance has become increasingly clear. E-commerce helped make life more manageable during those challenging times, meeting the needs of the public. Both consumers and sellers benefited, leading to remarkable growth in the e-commerce sector. New players entered the market to fill gaps that traditional retail could not, and as the customer base expanded, so did the scale of e-commerce.

The advantages of e-commerce can be summarized as follows:

E-commerce allows for quick and easy order placement, making it a popular shopping method. Technology has simplified our lives, enabling us to order products or services with just a few taps. With the vast array of products and services available online, shopping has become incredibly convenient. The adage that saving time equates to saving money holds true; e-commerce enables us to shop from the comfort of our homes without any physical limitations.

1. **24*7 Availability for Customers:** When it comes to the availability of e-commerce for customers, it is clear that these platforms are accessible year-round, regardless of the time.

Customers can make purchases—whether products or services—at their convenience, whether late at night or early in the morning. One key component of its advantage is that it only takes few of our time to place an order, which helps us save our time so that even in our hectic schedule we will be able to avail such facilities as our own time.

2. **Comparison and reviewing:** Before purchasing any product or service, customers benefit from the ability to compare prices across different sellers on e-commerce sites, allowing them to find the best deals. In addition to price comparison, e-commerce platforms also provide customer reviews. These reviews serve as feedback on products and services, offering valuable insights to potential buyers and helping sellers understand customer satisfaction levels.

3. **Varieties and adequate information:** E-commerce provides us with detailed information about various products before making a purchase. These platforms are rich in information regarding product features, usage instructions, and policies for returns or replacements. This ensures that customers have all the necessary knowledge to make informed decisions.

4. **Lower cost:** By lower cost, what I mean to say is that, in one hand the customer can avail the same quality of product as a discounted rate and even cheaper than the original market rate. And in the other hand e-commerce has helped the seller lower their operational cost of marketing and bettering their service quality than the actual physical store. E-commerce has introduced itself to the people as a win-win solution to both sides.

5. **Better operations:** with the lowering in their operational cost, the seller can focus their resources in different aspects such as, targeting a better range of customers, increasing the efficiency of the company, initiating different plans for the growth of their business.

6. **Merits to the society:** Due to the e-commerce, the customer does not have to go around the market place in search of the product he/she so desires or needs, the customer may just surf the e-commerce site looking for his appropriate product at the comfort of his space, reducing the customer's mobility.

E-commerce has expanded its services to the outskirts of towns and cities, making it accessible in any area with an internet connection. With a wide range of products and services available, e-commerce also offers various pricing options to cater to all socioeconomic classes. As with any aspect of life, there are both positive and negative elements that create balance. Similarly, in every field of study, merits and demerits coexist. Thus,

while my research highlights the advantages of e-commerce, it also acknowledges its drawbacks. Now I shall introduce the readers to the disadvantage of e-commerce:

1. Unavailability to trying: Though a customer can return or replace the item that he/she has ordered, but the experience of trying out the item first hand and knowing the quality of the product before buying is not available in e-commerce. While it's often suggested that customers should check reviews before purchasing, these reviews can be affected by various factors, including overall satisfaction and potential damage during shipping. Many customers, especially from older generations, prefer direct interaction with sellers, allowing them to assess the product, connect with the seller, and negotiate for a better price. E-commerce does not offer this personal experience to its customers.

2. Delivery time: In some metropolitan cities in India, like Bengaluru, Mumbai, Delhi there is a facilities called 'one day delivery', but in many other parts of the country, the customers have to wait a certain period of time before receiving the product they have ordered. Such delays, combined with the concern that the product might be damaged during transit, can lead customers to choose visiting a physical store over ordering online and waiting. Additionally, the urgency of needing a product often makes physical stores more appealing than e-commerce options.

3. Comparison and humane: There is a sense of satisfaction of buying a product only after we have touched it, personally compared the quality of the products in different store. Another disadvantage of e-commerce is the lack of human interaction. As social beings, we thrive on connection, and visiting a physical store allows us to engage with others and tap into our social nature—something e-commerce simply cannot provide.

4. Immediate solution: when such issue arises, every one of us wants an immediate solution without waiting too

long. Though the e-commerce does provide its customers with services to resolve the issue that we face, it does many a time deny or restrict or even limits such services, which in turns, frustrates the customers.

5. Technical issues: Technical issues such as cyber security is a issue worldwide, and with the advancement of technology, cyber security concerns has also risen, like that of fear of scammers, frauds while buying any product and services online through e-commerce, has made many of the customer aware and also afraid of using e-commerce for being scammed of their money and the product.

6. Internet connectivity: The main drawback of any e-commerce is that it depends on the internet connection. In this modern world, internet is the main component relating to everything online. If someone does not have internet connection, he/she won't be able to access e-commerce for products and services.

In conclusion, e-commerce refers to the process of buying and selling goods or services via the internet. With advancements in technology, it has evolved significantly, providing convenience and accessibility to customers worldwide. Experts have defined e-commerce as reliant on digital information processing technologies and electronic connections. This transformation has reshaped business operations and expanded markets beyond geographical limitations. E-commerce has enabled consumers to shop from home while allowing businesses to reach a broader audience. The rise of the internet and the development of online retail platforms have played a crucial role in the growth of e-commerce.

LEGAL IMPLICATIONS OF E-COMMERCE

The legal responsibilities of e-commerce platforms towards customers have significantly increased with the introduction of the Consumer Protection (E-Commerce) Rules 2020. While these new regulations are a commendable step toward safeguarding

consumer interests, several concerns and unanswered questions remain. These include issues regarding the effective application and enforcement of the rules, particularly for businesses operating internationally.

One key consideration is whether a violation of these guidelines constitutes an “unfair practice” under Section 94 of the Consumer Protection Act. Additionally, the question arises as to whether e-commerce platforms can be held liable for violations committed by sellers. To address some of these concerns, the Ministry introduced the Consumer Protection (E-Commerce) (Amendment) Rules, 2021, which require companies based outside India to appoint a nodal officer or a senior designated functionary residing in India to ensure compliance.

Despite these advancements, there are still areas that require clarification and improvement. The lack of a clear enforcement mechanism and an effective dispute resolution process raises concerns. Challenges also persist regarding product and service verification, customer privacy and data protection, and the authority of consumer protection agencies.

The Consumer Protection Act of 2019 established the Central Consumer Protection Authority (CCPA) to uphold consumer rights in various areas, including e-commerce, deceptive advertising, and product liability. The CCPA plays a vital role in addressing safety issues, taking legal action against misleading advertising, and protecting consumers from unethical business practices.

However, concerns regarding consumer protection, particularly in the realms of cybersecurity, privacy, and data protection, remain. The current Information Technology Act of 2000 does not adequately address these e-commerce-specific issues, leaving consumers vulnerable to unfair practices and lacking legal safeguards. The limited liability of intermediaries and general consumer ignorance further complicate these challenges.

To tackle these issues, the Digital Personal Data Protection Bill, 2022 aims to address data protection and privacy in India. This legislation emphasizes consent, precise data management, and individuals’ rights over their personal data. It also establishes the Indian Data Protection Board to handle complaints, address data breaches, and impose penalties, ultimately enhancing consumer confidence and the security of online transactions.

While the bill's provisions strengthen consumer data security in the e-commerce sector, compliance costs and restrictions on data transfers could impact pricing and global e-commerce trade. Nevertheless, the law's objectives focus on protecting personal data, improving privacy, and establishing a robust framework for data security in today's digital landscape.

Consumer Protection (e-Commerce) Rules, 2020

The Government enacted this rules i.e., Consumer Protection (e-Commerce) Rules 2020 “u/s 101 (1) (zg) of the Consumer Protection Act 2019”. These regulations lay out guidelines for the reach and applicability of laws in the e-commerce industry. The laws cover a range of e-commerce-related topics, including products & services which are purchased or sold through any digital networks, various e-commerce models, e-commerce retail, and practices of any trade which is unfair in all models of the e-commerce.

The 2020 e-commerce regulations are designed to control the operations of e-commerce businesses in India and guarantee consumer safety. Various words, including “Act”, “e-commerce entity”, “Grievance”, “GSTIN”, and others, are defined in the rules. For terms not defined in the regulations, compliance with the Consumer Protection Act of 2019 and the Information Technology Act of 2000 is necessary.

Rule 4 states that in order to be considered corporations, e-commerce businesses must

register under the Companies Act of 1956 or the Foreign Exchange Management Act of 1999. A senior designated functionary or nodal person who lives in India must also be appointed by them. These organizations must disclose their legal name, addresses for their headquarters and branches, information about their websites, contacts for customer service, and the identity of their grievance officer. For goods and services imported through their platform, they must additionally publish importer details.

E-commerce businesses are required to establish a grievance redressal mechanism and are prohibited from engaging in unfair commercial practices. A grievance officer must address customer complaints within 48 hours and resolve them within a month. Customers cannot be charged cancellation fees for canceled orders unless the e-commerce company is at fault. They are also encouraged to register with the National Consumer Helpline provided by the Central Government.

Rule 5 focuses on the responsibilities of marketplace e-commerce platforms. They must ensure that all product and service information on their site is accurate and reflects their essential characteristics. Seller details, including business name, address, customer service contact information, and systems for ratings and feedback, must be clearly provided.

Additionally, clear instructions on return, exchange, refund, guarantee, warranty, shipping, payment options, and grievance procedures should be outlined.

Rule 6 details the responsibilities of vendors in the marketplace. Sellers are prohibited from misleading customers about the features or quality of their products, and unfair trade practices are not allowed. They must accept returns of defective goods or provide refunds for unsatisfactory services. Sellers must enter into contracts with the online retailer, appoint a grievance officer, and provide accurate information about their company, products, pricing, guarantees, and warranties.

Rule 7 pertains to inventory-based online retailers. They must provide clear and understandable information regarding exchanges, returns, refunds, guarantees, warranties, shipping, delivery, payment options, and grievance redressal. These retailers must accept returns or issue refunds for defective products and ensure that the goods and services sold are accurately represented and authentication

Rule 8 states that the Consumer Protection Act of 2019's provisions may be used if the e-commerce standards are broken. These regulations make sure that e-commerce companies operating in India follow consumer protection principles and uphold ethical and transparent business practices.

The rules relating to the consumer protection (e-commerce) rules 2020, have had impact both on consumers and as well as the sellers. The rules have been given separated rules from the consumer protection act 2019, to ensure that the consumers are provided with the protection from the scams and fraud of the e-commerce sector. By entrusting with the consumer protection (e-commerce) rule 2020, the government has protected the consumer through these rules but fails to redress with the drawbacks that such rules include in itself, few of such drawbacks are provided as under:

- a. No specific provision for dispute redressal mechanism: The rule also fails to provide for a proper dispute redressal mechanism. The rules provide for grievance officer for lodging the consumer's complaints and resolve it within one from the date of receipt of the complaint. While complaints filed with the grievance officer serve as a means of dispute resolution between customers and e-commerce entities, there is a pressing need for a clearly defined and designated dispute redressal mechanism. This would ensure a more efficient and effective process for resolving conflicts.
- b. Burden to consumer: The rule has put a significant burden on the consumer and trust on the e-commerce regarding the authenticity and

verification about the quality of the goods and services provided in the e-commerce platform. While e-commerce entities are responsible for providing detailed descriptions and information about their goods and services, there are instances where customers fall victim to scams, receiving counterfeit products that do not meet the standards of authentic items. This poses a significant challenge for many consumers, especially those who are not tech-savvy and have limited access to information. According to a recent report by Statista, India's digital population stands at only 692 million out of a total population of 1.41 billion, highlighting the extent of this issue.

c. Lack of data protection provision: the rule on e-commerce 2020 has not provided any provision for protecting the customer's data and privacy, which is a major concern in the e-commerce sector.

d. Role of the consumer protection authority: the rule does not provide for role and power of consumer protection authority such as the Central Consumer Protection Authority, National & States Consumer Dispute Redressal Commission, for protecting the interest of the consumers, its jurisdiction, which could be a hassle for the general public to refer to different legislation for protecting their own interest from the fraud and scams in the e-commerce sector.

e. Lack of clarity: the rule provides for both the duties as well as the liabilities of the e-commerce entity i.e., inventory e-commerce entities and marketplace e-commerce entity, but there is not explicit clarity as the rules act as a guideline for such entities which have to be followed and in violation of which are penalized according to the Consumer Protection Act 2019. Lack of clarity in defining liabilities and duties can lead to confusion. For instance, the rules regarding refund policies must align with RBI procedures, but the regulations do not clearly outline the grounds or processes for refunds. This ambiguity necessitates adherence to RBI rules, which can create uncertainty for both customers and e-commerce entities.

f. Lack of provision to counter: there are various products and services provided in the e-commerce entities, and the various products and service are provided by various brands. With such variety of brands, it is difficult to determine genuinely and authenticity of the goods and services. The rules fail to provide any form of counter measure against the duplicate and 'rip-off brand' which are being sold in the e-commerce entity.

While the legislation marks a positive move towards protecting consumer rights in the e-commerce sector, there remains room for improvement, particularly regarding its implementation. The recent amendment requiring foreign companies to appoint an Indian resident as a nodal officer is a commendable step towards ensuring compliance with the law and regulations.

Consumer Protection Act, 2019

On July 20, 2020, the Consumer Protection Act of 2019 went into force. With the addition of new regulations for direct selling, e-commerce, the creation of the Central Consumer Protection Authority (CCPA), strict standards for deceptive advertising, and strict standards for product responsibility; Changes to the Pecuniary Jurisdiction; Easier Resolution of Disputes Addition of "Unfair Trade Practice"; "Unfair Contract"; and "Mediation as an Alternative Dispute Resolution" clauses. This legislation safeguards six consumer rights: (i) the right to safety; (ii) the right to information; (iii) the right to make a choice; (iv) the right to be heard; (v) the right to a remedy; and (vi) the right to consumer awareness.

Different phrases that are not defined in the 2020 e-commerce standards are included in the Consumer Protection Act of 2019. E-commerce is defined in Section 2

(16) as the exchange of commodities or services, including digital items, over a digital or electronic network.

According to Section 2 (28) "an advertisement is considered misleading if it

(i) falsely describes a product or service, (ii) makes a false guarantee about the nature, substance, quantity, or quality of the product or service, or (iii) conveys an express or implied statement that, if made by the product's manufacturer, seller, or service provider, would be considered an unfair business practice."

The term "unfair trade practice" is defined in Section 2 (47) of the Act as "a trade practice that adopts any unfair method or unfair or deceptive practice for the purpose of promoting the sale, use, or supply of any goods or for the provision of any service."

According to Section 2(6), a written assertion made by a consumer seeking redress for a variety of concerns, including unfair contractual terms, unfair or restrictive trade practices, defects in goods, inadequate services, or the provision of hazardous goods or services, is referred to as a complaint. A written allegation that seeks to prove liability on the part of the product manufacturer, vendor, or service provider may also be included in a complaint.

Section 17 of the Consumer Protection Act states that any complaints relating to a violation of a consumer's rights, whether caused by unfair business practices, false or deceptive advertising, or any other reason, may be sent in writing or electronically to the appropriate authority, such as the District Collector, the Regional Commissioner, or the Central Authority.

According to Section 20 of the Consumer Protection Act 2019, "necessary orders may be passed when the Central Authority is satisfied that a consumer's right has been violated, including (a) the recalling of goods or withdrawal of services that are dangerous, hazardous, or unsafe; (b) the reimbursement of the prices of such goods or services to purchasers; and (c) the cessation of practices that are unfair and detrimental to con."

The Central Authority has the authority to order traders, manufacturers, endorsers, advertisers, or publishers to stop running any false or

misleading advertisements that are harmful to consumer interests or violate consumer rights, according to Section 21 of the Act [sec 21(1)]. In addition to giving instructions, the Central Authority has the authority to fine producers or endorsers of fraudulent or deceptive advertisements up to 10 lakh rupees. The maximum fine for successive offences is fifty lakh rupees [sec. 21(2)]. If an endorser is proven to have promoted a fraudulent or misleading commercial, the Central Authority has the authority to forbid the individual from providing public support or approval for any product or service for a duration of up to twelve months. The duration of the restriction period has the potential to be extended by a maximum of three years for successive offences [sec. 21(3)]. The Central Authority may impose a fine of up to ten lakh rupees on a person if they are discovered to have published or contributed to a deceptive advertisement [sec. 21(4)]. If endorsers have taken reasonable steps to confirm the veracity of the statements stated in the endorsed advertisement, they will not be penalized in certain situations [sec. 21(5)]. If a person can show that publishing the advertisement was a regular part of their business, they will not be subject to a fine [sec. 21(6)], unless they were already aware that the Central Authority had ordered them to retract or amend the advertisement. The population and area impacted, the frequency and length of the offence, the vulnerability of the affected individuals, and the money from sales as a result of the offence will all be taken into consideration when deciding the punishment [sec. 21(7)]. Before making a decision under this provision [sec. 21(8)], the Central Authority must give the relevant party a chance to be heard.

According to Section 88 of the Consumer Protection Act of 2019, if someone disobeys the order issued by the Central Authority pursuant to Sections 20 and 21 of the aforementioned Act, they may be penalized with up to six months in prison, a fine up to 20 lakh rupees, or both.

According to Section 89 of the Act, "any manufacturer or service provider who

intentionally helps create a false or misleading advertisement that is harmful to consumer interest faces up to two years in prison and a fine of up to ten lakh rupees. If the offence is committed again, the penalty could be up to five years in prison and/or a fine of up to fifty lakh rupees."

According to Section 90 of the Act, "those who manufacture, store, sell, distribute, or import any product that contains an adulterant, either directly or through a representative, shall be subject to legal repercussions based on the following factors:

(a) If the act does not harm the consumer, the offender may face up to six months in jail and a fine of up to one lakh rupees. (b) If the act results in non-violent injury to the customer, the penalty may include up to a year in jail and a fine of three lakh rupees.

(c) If the act results in injuries that cause the consumer great harm, the perpetrator may face up to seven years in prison and a fine of up to five lakh rupees.

(d) The criminal faces a period of imprisonment of at least seven years, which may be increased to life in prison, as well as a fine of at least ten lakh rupees [section 90(1)] if a consumer dies as a result of the contaminated goods. Crimes covered by paragraph

(1)'s clauses (c) and (d) are regarded as cognizable and non-bailable [sec 90(2)]. In addition to the punishments listed in subsection (1), the court has the power to suspend the person mentioned in that section's license for a maximum of two years in the event of a first conviction. The court has the authority to completely revoke the license for consecutive offences. It's vital to note that "adulterant" refers to any substance, including foreign objects, used to make a product dangerous for this section, while "grievous hurt" has the same definition as stated in Section 320 of the Indian Penal Code [sec 90(3)]."

"Individuals who manufacture, store, sell, distribute, or import any spurious goods, either

directly or through a representative, will face legal repercussions based on the following factors: (a) If the act results in injuries to the consumer that do not amount to grievous harm, the offender may face up to a year in prison and a fine of up to three lakh rupees. (b) If the act results in injuries that cause the consumer great harm, the punishment may include up to seven years in prison and a fine of up to five lakh rupees. (c) The criminal faces a period of imprisonment of at least seven years, which may be increased to life in prison, as well as a fine of at least ten lakh rupees [sec. 91(1)] if a consumer dies as a result of using such bogus goods. The offences covered by paragraphs (b) and (c) of subsection (1) are regarded as cognizable offences that cannot be released on bail [sec 91(2)]. In addition to the punishments listed in paragraph (1), the court has the power to suspend any license given to the person named in that section under the applicable legislation for a period of up to two years in the event of a first conviction. This power exists regardless of the sentence. The court may decide to completely revoke the license in the event of a second or subsequent conviction [section 91(3)]."

The Central Government is empowered to take the necessary actions under Section 92 of the Act to stop unfair business practices in e-commerce, safeguard consumer rights and interests, and prohibit direct selling.

The Central Consumer Protection Authority (CCPA), whose purpose is to promote, protect, and enforce the rights of consumers as a class, was established by the government on July 24, 2022 under Section 10 of the Consumer Protection Act 2019, with the intention of protecting consumers' rights. It will have the power to look into claims of consumer rights violations, submit complaints, take legal action, order the recall of potentially harmful goods and services, put an end to unfair corporate practices, and penalize marketers that engage in deceptive advertising strategies.

Section 18 gives the CCPA a variety of tasks and

authorities in relation to protecting the interests and rights of consumers. It is concisely summarized as follows:

- a. The commission has the authority to investigate complaints of consumer rights violations, unfair business practices, and complaints made or taken at the central government's initiative or on its own initiative.
- b. In the case of a prima facie breach of consumer rights, unfair business practices, or deceptive advertising that jeopardizes the public interest of consumers, the commission may direct the District Collector or Director General to conduct an investigation.
- c. The commission may summon the offender and order him to present the pertinent documentation after discovering evidence of the infractions.
- d. "Section 22 of the Consumer Protection Act of 2019 gives the Director General or the District Collector the ability to search, confiscate, and request permission to produce any documents or data."
- e. Any risky, hazardous, or unsafe goods or services may be recalled by the commission.
- f. The commission in charge of advertisements has the authority to order retailers, manufacturers, advertisers, and publishers to stop running any advertisements that mislead customers or are otherwise incorrect or even harmful. In some circumstances, the commission may issue fines of up to 10 lakh rupees.
- g. The commission may participate and offer assistance by filing grievances with the National Commission, State Commission, or District Commission established in accordance with the Act, taking part in their proceedings, recommending remedial actions, taking part in related research, promoting awareness, and advising consumers on safety precautions.
- h. The commission has the authority to forbid any false advertising of any products or services for a term of one to three years.

Ms. Nidhi Khare is the chief commissioner of the CCPA, and as of 26 July 2022, the CCPA has dealt with a variety of cases involving the protection of consumers' rights and has issued 129 notices in total, 71 of which were for false advertising, 49 for unfair business practices, and 9 for consumer rights violations. Such that the initial safety warnings are for helmets, cooking gas cylinders and pressure cookers, while the following warnings are for household items such as LPG gas burners for use in the home, immersion water heaters, sewing machines, etc.

The CCPA now has the power to impose enforceable orders thanks to legislative action. According to the Act of 2019, the CCPA has the power to issue the following orders: (a) Goods or services may be recalled or discontinued; (b) Customers may be compensated; (c) Unfair practices may be discontinued; (d) Advertisements may be discontinued; (e) Penalties may be imposed for misleading advertisements; (f) Prohibitory orders may be issued against endorsers of misleading advertisements; and

(g) Publishers of misleading advertisements may be fined. The aforementioned instructions would necessitate a criminal penalty (such as a fine or a period of incarceration).

The CCPA must therefore adopt broad parameters for assessing the presence of a prima facie case because the Act does not specify how preliminary inquiries should be performed; the only instruction that can be given is to use the phrase "existence of a prima facie case." So, after receiving a complaint, the CCPA must assess the claims' suitability for investigation in light of the record and evidence at hand.

Information Technology Act, 2000

In an era where privacy and data security are paramount, the e-commerce industry in India has seen substantial growth, transforming the way businesses operate and consumers shop. The increasing dependence on digital platforms for online transactions and personal data

collection has made data security and cybersecurity critical.

E-commerce platforms gather vast amounts of customer information, including names, addresses, contact details, payment information, and purchasing behaviors. Laws such as the Digital Personal Data Protection Act of 2022 aim to ensure that this personal data is collected, processed, and stored securely. Compliance with these regulations not only safeguards consumer rights and privacy but also fosters trust in e-commerce platforms.

Due to the valuable customer data they possess, e-commerce companies are prime targets for cybercriminals. A data breach can lead to significant financial losses, reputational damage, and legal consequences. To mitigate these risks, businesses must implement robust cybersecurity measures, such as secure payment gateways, encryption, and firewalls.

E-commerce systems are also vulnerable to phishing attacks, fraudulent transactions, and other cybercrimes. As cybercriminals continually evolve their tactics, businesses need to stay updated on the latest cybersecurity practices. Employing fraud prevention tools like real-time transaction monitoring, fraud detection algorithms, and user authentication processes is essential for protecting both businesses and consumers from fraudulent activities.

To ensure effective management of personal data, India has enacted data protection legislation. By adhering to these laws, including the Digital Personal Data Protection Act, e-commerce companies can avoid fines and regulatory scrutiny. This commitment to consumer rights helps establish the company as a trustworthy player in the e-commerce market.

Data protection is crucial in India's e-commerce industry. By prioritizing the security and privacy of customer information, e-commerce businesses can enhance customer trust, prevent data breaches, ensure secure

transactions, combat fraud, maintain their reputations, and meet legal requirements. As the e-commerce sector continues to grow, investing in robust data protection practices and safeguards is increasingly vital for long-term success and sustainability.

The Information Technology Act 2000 came into force on the 17th of October 2000 and had been amended on 2008 by introducing Section 66A of the Information Technology (Amendment) Act 2008 which made sending offensive information via a computer or other electronic device a crime that is punished.

The aim or objective of the Act is:

- **Legal Status of E-commerce:** To provide e-commerce, which involves transactions via electronic data exchange and communication, with legal recognition.
- **Importance of Electronic Bookkeeping for Bankers:** Understanding why bankers should maintain their accounts electronically, as these records serve as crucial evidence and ensure accountability.
- **Recognition of Electronic Evidence:** The Information Technology Act has recognized electronic evidence in courts, amending various laws such as the Indian Penal Code and the Indian Evidence Act, thereby enhancing access to justice and making the legal system more dynamic.
- **e-Government Benefits:** Identifying documents submitted to the government highlights how e-Government initiatives have improved accessibility to resources while reducing corruption by eliminating middlemen.
- **Digi Locker Initiative:** The government's Digi Locker allows citizens to access essential documents like voter IDs, PAN cards, and driving licenses, demonstrating the acceptance of electronic data storage.
- **Data Storage Requirements for ISPs:** The government's mandate for internet service providers to retain data within India is another significant aspect of ensuring secure and

accessible electronic transactions.

Information Technology (Amendment) Act 2008, s 66A The provisions of the Information Technology Act which are related to the e-commerce sector are shared as under:

a. Section 43: By imposing severe penalties up to one crore, this clause protects against unauthorized access to the computer system. The same punishment applies to data extraction, copying, and downloading that is done without permission. The penalty for unauthorized introduction of is specified in Clause of this section.

b. Section 65: The source code for computers is provided in this section. Anyone who willfully conceals, destroys, alters, or forces someone to do so will be punished with up to two years in prison or a fine of two lakh rupees. In order to prevent the alteration of computer source documents, protection has been implemented.

c. Section 66: Under this section, security against hacking has been offered. This section defines hacking as any action that is taken with the intent to harm another person without their consent or with knowledge that such harm will be done, as well as any action that results in the loss, alteration, or degradation of information stored in computer resources. According to this clause, the hacker faces a three-year prison sentence, a fine of up to two lakh rupees, or both.

d. Section 72: "This provision offers defense against data privacy and confidentiality violations. According to this, anyone who has been given authority under the IT Act and related rules to secure access to any electronic record, book, register, correspondence, information document, or other material violates the law by disclosing it to another person and may be punished with up to two years in prison, a fine up to one lakh rupees, or both."

In the given case, the court has issued a directive to Telegram, referred to as Defendant

No. 1, to provide certain information without delay. This information includes the details of channels and devices that were involved in sharing the infringing content, as well as associated mobile numbers, IP addresses, and email addresses. The court has requested Telegram to disclose this information based on the list of channels provided along with the application. Furthermore, the court has asked Telegram to submit any additional lists of infringing channels within one week. Telegram is required to provide data related to these infringing channels, including information about the devices, servers, and networks used to create them. Additionally, details about the creators and operators, such as phone numbers, IP addresses, and email addresses, must be disclosed. Telegram is given a timeframe of two weeks to comply with this directive. To maintain confidentiality, the court has instructed that the aforementioned information should be submitted in a sealed cover. Once the court reviews this information, it will proceed to consider any necessary actions or further directions after hearing all involved parties.

Digital Personal Data Protection Bill, 2022

The legislation was designed to be relevant for the digital processing of personal data in India, encompassing situations where data is acquired through online or offline means and subsequently converted into a digital format. The bill expands its jurisdiction beyond India, covering cases where products, services, or profiles from Indian individuals are involved. Personal data processing is allowed only under legal provisions and requires explicit consent from the data subject. Data fiduciaries must ensure data accuracy, security, and deletion once its purpose is fulfilled.

Individuals are granted several rights, including access to information, the ability to seek redress and deletion, and to file grievances. Government agencies may receive exemptions from the bill's restrictions for reasons related to state security, public order, or crime prevention, as determined by the central government.

The establishment of the Data Protection Board of India aims to address non-compliance with the bill's standards. Personal data refers to information that can identify or contact an individual. Organizations collect this data to deliver services, understand user preferences, and tailor advertisements. While processing personal data can benefit law enforcement, it must be managed carefully to protect individuals' fundamental right to privacy. Unchecked processing poses risks to this right.

Currently, India lacks a specific data protection legislation, relying instead on the provisions of the Information Technology Act for governing personal data. As technology continues to evolve and the need for robust personal data protection grows, the IT Act of 2000 has proven inadequate to address these challenges. This situation highlights the urgent necessity for a dedicated act or framework specifically focused on data protection and security.

It was due to which a committee of experts were formed in 2017 for data protection, which was headed by Justice B.N. Srikrishna. By the year 2018, the said committee submitted its report and the Personal Data Protection bill, 2019 was introduced in the Lok Sabha in December 2019. Unfortunately, the bill was reverted back and after which a joint parliamentary committee was formed entrusting with the formulation of the Bill, which was then named the Digital Personal Data Protection Bill, 2022, which was completed and presented the report in December 2021, but it was again withdrawn from the Parliament in August 2022. Then after, the Ministry of Electronics and Information Technology released to the public for their valuable feedback.

The Digital Personal Data Protection bill, 2022, though has been withdrawn; still hold a good amount of information for this current research as it can be useful in having an insight for the data protection of consumer in e-commerce sector. Keeping this in mind, the Digital Personal Data Protection Bill, 2022 has been summarized briefly as under:

1. Applicability: The Bill applies to personal data processed in India, covering two main categories: (i) data acquired online and (ii) offline data that has been digitized. It also extends to processing activities conducted outside India if they aim to create profiles of individuals in India for commercial purposes. "Personal data" refers to any information that can identify an individual or is linked to their identity. The term "processing" encompasses a range of automated actions or operations performed on digitally stored personal data, including collection, retention, use, and dissemination.

2. Consent: The utilization of personal information is restricted to lawful purposes, contingent upon the consent of the data subject. Prior notification should be provided prior to requesting approval. The notification ought to include comprehensive information regarding the specific personal data that will be gathered, as well as the intended purpose for which it will be processed. The possibility of revoking consent is always present. Consent shall be considered as granted in instances where processing is deemed necessary for any of the subsequent rationales:

(i) compliance with a legal obligation, (ii) provision of a service or benefit on behalf of the State, (iii) addressing a medical emergency, (iv) pursuit of employment opportunities, or (v) fulfilment of specific public interest objectives such as information security, fraud prevention, or national security. In the case of individuals who are under the age of 18, it is necessary for their legal guardian to provide consent on their behalf.

3. Rights and obligations of the data principal: The individual whose data is undergoing processing, referred to as the "data principal", possesses certain entitlements, including: (i) the right to receive information pertaining to the processing of their data; (ii) the right to have their personal data erased; (iii) the right to designate a representative to act on

their behalf in the event of death or incapacity; and (iv) the right to seek resolution for any grievances. Data principals are bound by certain obligations. Individuals are prohibited from engaging in the following actions:

(i) submitting a complaint that is fabricated or lacks justification; (ii) providing false information; (iii) withholding information; or (iv) assuming the identity of another individual in certain circumstances. The prescribed penalty for violating legal statutes entails a monetary sanction of a maximum of Rs 10,000.

4. **Data fiduciary obligations:** The entity responsible for determining the objective and approach of data processing, commonly known as the data fiduciary, is obligated to fulfil the following requirements: (i) employ reasonable measures to ensure the accuracy and comprehensiveness of the data; (ii) implement reasonable security measures to prevent any breaches and promptly inform the Data Protection Board of India and affected individuals in the event of such an occurrence; and (iii) cease retaining personal data once the intended purpose has been accomplished and retention is no longer legally or commercially necessary. The imposition of storage limits will be exempted in cases where government entities are responsible for the processing activities.

5. **Transmit of personal data outside of India:** It is essential for the federal government to notify any countries that may receive personal data from a data fiduciary. The specified terms and conditions will apply to these transfer processes.

Conclusion

E-commerce has fundamentally transformed the way people shop and conduct business in the twenty-first century. Its wide-ranging features and services, accessible from anywhere at any time via the internet, have attracted significant interest. Technological advancements have propelled e-commerce growth, enabling users to easily access a diverse

array of products and services at competitive prices. The ability to customize products, switch between consumer and seller roles, and benefit from lower prices without compromising quality makes e-commerce particularly appealing.

In India, e-commerce has reshaped social interactions, business practices, and access to goods and services. While it has provided numerous benefits, such as convenience, increased market access for small businesses, job creation, and empowerment of rural areas, it has also posed challenges. These include the impact on traditional retail, the rise of counterfeit goods, and the digital divide.

To maximize the benefits of e-commerce and address its challenges, effective legislation, consumer protection measures, and sustainable practices are essential. As the e-commerce sector continues to evolve, both consumers and retailers must stay informed, adapt to new security protocols, and prioritize fraud prevention. Online businesses can mitigate risks and create a secure environment by implementing measures such as identity verification, card authentication, and fraud detection analytics.

Consumers, too, must exercise caution and adhere to best practices when shopping online. Reporting suspicious activity is crucial for enhancing overall security and preventing e-commerce fraud. By combining awareness, technological advancements, and collaborative efforts, it is possible to navigate the e-commerce landscape, enjoy its advantages, and minimize the risks associated with fraudulent activities.

Suggestion

It's critical to find a balance and promote offline social contacts as the globe embraces internet commerce more and more. Even while technology makes convenience possible, it is also important to promote interpersonal interaction and community involvement. Highlighting the crucial actions that e-commerce platforms ought to take to

encourage social interaction, improve consumer experiences, strengthen security measures, support regional crafts and culture, close the digital divide, give priority to privacy and data protection, and encourage environmentally friendly behavior.

Maintaining a feeling of community in the digital age requires finding strategies to promote offline social interaction. E-commerce platforms may help to advertise events that encourage community contact, such neighborhood get-togethers, fairs, and markets where people can meet in person. It is possible to develop a feeling of community and interpersonal relationships by providing possibilities for offline participation.

The user experience may also be improved by e-commerce platforms by streamlining refund and return processes. Building confidence may be accomplished through streamlining the procedure, giving clear instructions, expedited refunds, and timely customer assistance. E-commerce platforms may show their dedication to client happiness by emphasizing easy returns and refunds. E-commerce platforms may encourage sustainable practices, boost security protocols, assist regional craftsmen, close the digital divide, establish meaningful community connections, and foster user experiences by putting these measures into place. Building a thriving and ethical e-commerce ecosystem requires balancing the advantages of technology with offline involvement and social responsibility. E-commerce platforms must first create strong data protection policies that specify precise rules, processes, and security precautions for handling personal data.

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