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Rights and Duties of Buyers and Sellers Online in Cyberspace

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ABSTRACT

The exponential growth of e-commerce has fundamentally reshaped the global marketplace, ushering in a new era of digital transactions that transcend traditional geographical and temporal boundaries. This revolutionary shift has created a myriad of opportunities for businesses to expand their reach and for consumers to access a vast array of products and services with unprecedented ease. However, this digital transformation has also introduced complex challenges that necessitate a careful examination of the rights and responsibilities of all parties involved in online commerce. This article focus deep into the intricate web of legal, ethical, and practical considerations that govern online transactions in the ever-evolving landscape of cyberspace. Furthermore, we explore how these laws interact with industry best practices and emerging technological trends to create a dynamic ecosystem of rights and duties for both buyers and sellers. Our study encompasses a wide range of topics crucial to the functioning of digital marketplaces. We examine the nuances of consumer rights in the digital age, including the right to accurate information, fair pricing, and robust data protection. On the seller side, we investigate the responsibilities of businesses in ensuring product quality, timely delivery, and secure transactions, while also exploring their rights to protect intellectual property and manage business risks. A key focus of our analysis is the role of clear communication in fostering trust and efficiency in online marketplaces. We focus into the importance of transparent terms and conditions, effective dispute resolution mechanisms, and the challenges of cross-border communication in global e-commerce.

Keywords: Right, Duties, Cyber world, Cyber space, Artificial Intelligence, Property.

I. INTRODUCTION

Electronic commerce, commonly known as e-commerce, represents a paradigm shift in how businesses and consumers interact in the marketplace³. At its core, e-commerce refers to the buying and selling of goods and services over electronic networks, primarily the internet⁴.

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³ What Is E-commerce? | Definition from TechTarget. TechTarget .
<https://www.techtarget.com/searchcio/definition/e-commerce>.

⁴ E-commerce Defined: Types, History, and Examples. Investopedia (2024).

However, this simple definition belies the complex and multifaceted nature of modern e-commerce ecosystems. The journey of e-commerce from a novel concept to a global economic powerhouse is a testament to the transformative power of technology in business. The roots of e-commerce can be traced back to the 1960s with the development of *Electronic Data Interchange (EDI)*⁵, which allowed businesses to exchange documents electronically⁶. However, it wasn't until the widespread adoption of the internet in the 1990s that e-commerce began to take shape as we know it today. The late 1990s saw an explosion of e-commerce startups, fueled by investor enthusiasm for the potential of the internet.⁷ This period, known as the dot-com boom, was followed by a significant market correction in the early 2000s⁸. Despite the setbacks, this era laid the groundwork for future e-commerce innovations. The advent of the internet has revolutionized the way we conduct business, giving rise to a vast and complex digital marketplace. As e-commerce continues to grow at an unprecedented rate, it becomes increasingly crucial to understand the rights and duties of both buyers and sellers in this virtual environment. This article aims to provide a comprehensive analysis of these rights and responsibilities, examining how they are shaped by technology, law, and evolving consumer expectations. The digital realm presents unique challenges and opportunities for commercial interactions. Unlike traditional brick-and-mortar stores, online transactions often occur across geographical and jurisdictional boundaries, involving parties who may never meet in person. This dynamic necessitates a robust framework of rights and duties to ensure fair, secure, and efficient commerce in cyberspace. In the following sections, we will explore the fundamental rights and duties of buyers and sellers, the legal foundations that support these principles, and the practical implications for participants in the digital marketplace.

II. RIGHTS AND DUTIES OF THE BUYER

One of the cornerstone rights of buyers in cyberspace is the right to clear, accurate, and comprehensive information about the products or services they intend to purchase⁹. This right is fundamental to making informed decisions and is protected by various consumer protection laws worldwide. Sellers are obligated to provide detailed and accurate descriptions of their

<https://www.investopedia.com/terms/e/ecommerce.asp>.

⁵ Electronic Data Interchange (EDI) is a technology that facilitates the automated exchange of business documents between organizations using standardized electronic formats. This process replaces traditional paper-based communication methods such as postal mail, fax, and email, allowing for faster and more efficient transactions.

⁶ Zwass, Vladimir. E-commerce. *Encyclopaedia Britannica* (2024). <https://www.britannica.com/money/e-commerce>.

⁷ *Supra note 6*

⁸ *Ibid*

⁹ *Understanding Consumer Rights in E-commerce: A Comprehensive Guide*. Intertoons. <https://intertoons.com/understanding-consumer-rights-in-e-commerce-a-comprehensive-guide.html>.

products, including physical characteristics (size, color, materials), functionality and performance specifications, compatibility requirements (for digital products or electronics), origin and manufacturing details, and any limitations or known defects. This comprehensive information empowers buyers to make informed decisions and reduces the likelihood of post-purchase dissatisfaction. Buyers have the right to access and understand the terms under which they can use the product or service. This includes licensing agreements for digital products, usage restrictions or limitations, warranty information, and return and refund policies. Clear and accessible terms of use are essential for establishing a fair and transparent relationship between buyers and sellers. In an era of increasing data collection and analysis, buyers have the **right to know how their personal information will be used**¹⁰, stored, and protected. Privacy policies must clearly outline the types of data collected, the purpose of data collection, data storage and security measures, third-party data sharing practices, and user rights regarding their data¹¹. Transparency in privacy practices builds trust and allows consumers to make informed decisions about sharing their personal information. Transparency in pricing is crucial for maintaining consumer trust and compliance with consumer protection laws. Buyers have the right to be informed about all charges associated with their purchase, including taxes, shipping and handling fees, any recurring charges or subscriptions, and currency conversion rates for international purchases. Hidden fees or unexpected charges can lead to customer dissatisfaction and legal issues for sellers¹². Customers appreciate transparency in pricing. Being upfront about the costs of products and services, you build trust with your customers. Adding hidden charges can destroy that trust and make customers feel cheated¹³. **In the digital age, the right to privacy has taken on new dimensions**¹⁴. Buyers have the right to expect that their personal information will be protected and handled responsibly by online sellers and service providers.

Various laws and regulations have been enacted to protect consumer data, including the **General Data Protection Regulation (GDPR) in the European Union**¹⁵, the **California Consumer**

¹⁰ This right is encapsulated in the General Data Protection Regulation (GDPR), which mandates that organizations must inform individuals about the data being collected and how it will be used. Specifically, the GDPR emphasizes the right to be informed, which requires organizations to clearly communicate the purposes of data collection and processing, how long the data will be retained, and whether it will be shared with third parties. The GDPR: Consumer Rights for Your Personal Data. IT Governance Blog <https://www.itgovernance.eu/blog/en/the-gdpr-consumer-rights-for-your-personal-data>.

¹¹ Essential Data Storage Security Best Practices to Know. Solutions Review. <https://solutionsreview.com/data-storage/essential-data-storage-security-best-practices-to-know/>.

¹² Hidden Fees & Drip Pricing Class Action Lawsuits. The Lyon Firm . <https://www.thelyonfirm.com/class-action/hidden-fees/>.

¹³ Why Businesses Should Avoid the Hidden Costs of Hidden Charges. Melo Technology. <https://melo.ca/why-businesses-should-avoid-the-hidden-costs-of-hidden-charges/>.

¹⁴ Privacy as a Fundamental Right in the Digital Age. Office of the Privacy Commissioner of Canada (February 24, 2023). https://www.priv.gc.ca/en/opc-news/speeches/2023/sp-d_20230224/.

¹⁵ European Union Data Privacy and Protection. Trade.gov. <https://www.trade.gov/european-union-data-privacy->

Privacy Act (CCPA) in the United States¹⁶, and the **Personal Information Protection and Electronic Documents Act (PIPEDA) in Canada**¹⁷. These regulations establish guidelines for data collection, storage, and usage, empowering consumers with rights such as the right to access their personal data, the right to request deletion of their data, and the right to opt-out of data collection or sharing. To uphold the buyer's right to privacy, sellers must implement perfect and protected data security measures, obtain explicit consent for data collection and usage, provide clear mechanisms for users to control their data, and report data breaches promptly. These obligations ensure that consumer data is handled responsibly and that buyers have control over their personal information in the digital marketplace. While buyers have many rights in cyberspace, they also bear certain responsibilities. One crucial duty is to read and understand the terms and conditions before agreeing to them. This duty helps ensure that buyers are making informed decisions and are aware of their obligations in the transaction.

The act of clicking "**I agree**" or proceeding with a purchase after being presented with terms and conditions is generally considered legally binding. This concept, known as "**clickwrap**"¹⁸ agreements, has been upheld in numerous court cases. Buyers should be aware that these actions can create enforceable contracts, even if they have not read the terms in detail. Despite the legal standing of these agreements, there are ongoing debates about their fairness and effectiveness. Common criticisms include the length and complexity of terms, the use of legal jargon, frequent updates to terms, and limited negotiation power for consumers. These factors can make it challenging for buyers to fully understand and engage with the terms they are agreeing to. To fulfill this duty responsibly, buyers should take time to read terms and conditions, seek clarification on unclear points, compare terms across different sellers, and keep records of agreed-upon terms. While it may be time-consuming, this practice can help buyers avoid unexpected obligations and protect their interests in online transactions. Many jurisdictions provide buyers with the right to withdraw from online contracts within a specified period, often referred to as a "**cooling-off period**." This right offers consumers protection against impulse purchases and allows them to inspect goods upon delivery¹⁹.

and-protection.

¹⁶ The CCPA, which took effect on January 1, 2020, grants California residents specific rights regarding their personal information i.e. Right to Know, Right to Delete, Right to Opt-Out.

¹⁷ The European Union (EU) General Data Protection Regulation (GDPR). University of Pittsburgh Human Research Protection Office . <https://www.hrpo.pitt.edu/european-union-eu-general-data-protection-regulation-gdpr>.

¹⁸ A clickwrap agreement (also known as a click-through agreement) is a type of online contract where users indicate their acceptance of terms and conditions by clicking a button or checking a box that states "I agree." This method of agreement has become prevalent in various digital contexts, such as software installations, online registrations, and e-commerce transactions.

¹⁹A cooling-off period is a designated timeframe following a purchase during which consumers can cancel the

This right is enshrined in various consumer protection laws, such as the EU Consumer Rights Directive, the UK Consumer Contracts Regulations, and the Australian Consumer Law²⁰. These regulations aim to provide a balance between consumer protection and fair business practices in e-commerce. While specific details vary by jurisdiction, common elements include a withdrawal period of 14 days for most goods, longer periods for certain types of contracts (e.g., timeshares), and exceptions for perishable goods, customized items, or digital content that has been accessed²¹. These provisions ensure that consumers have a reasonable opportunity to reconsider their purchases without undue penalty. To support this right, sellers must inform buyers of their right to withdraw, provide clear instructions for the cancellation process, and process refunds promptly upon cancellation. These obligations ensure that the right to withdraw is practical and accessible to consumers. Once a buyer has agreed to the terms of a contract, they have a duty to comply with those terms. This duty is fundamental to the functioning of e-commerce and helps maintain fairness in online transactions. Buyers must pay the agreed-upon price within the specified timeframe, use authorized payment methods, and ensure sufficient funds are available for the transaction. Failure to meet these obligations can result in additional fees, service interruptions, or legal action. Buyers must adhere to any usage restrictions, such as prohibitions on commercial use of personal licenses, limitations on the number of devices or users, and geographical restrictions on digital content. Respecting these restrictions is crucial for maintaining the integrity of licensing agreements and protecting the rights of content creators and service providers. Buyers should be aware of and respect any reasonable limitations on the seller's liability as outlined in the terms. While consumer protection laws may limit the extent to which sellers can restrict their liability, buyers should understand that certain risks may be allocated to them as part of the agreement.

When sellers fail to deliver as promised, buyers have the right to seek remedies. This right is essential for maintaining fairness in e-commerce and providing recourse when transactions do not go as planned. Common remedies include refunds for faulty or undelivered goods,

transaction and return goods for a full refund without needing to provide a reason. This right is particularly relevant for purchases made online, over the phone, or via mail order. <https://www.citizensadvice.org.uk/consumer/changed-your-mind/cancelling-a-service-youve-arranged/>. In the European Union, the cooling-off period typically lasts 14 days from the date the consumer takes ownership of the goods or from the day after entering into a contract for services. This is established under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 <https://www.legalo.co.uk/guides/cooling-off-period-cancel-contract-within-14-days/>. During this cooling-off period, consumers can cancel their order for any reason, which is designed to protect them from buyer's remorse. It is important to note that this right applies to consumers acting in a personal capacity, not for business purposes. <https://www.which.co.uk/consumer-rights/advice/what-s-a-cooling-off-period-and-how-do-i-use-it-to-cancel-an-order-avk4B3g0YAuH>

²⁰ *Supra Note 21*

²¹ *Ibid*

replacements for defective items, and compensation for damages caused by product failures. The specific remedies available may depend on the nature of the issue, the terms of the agreement, and applicable consumer protection laws. Buyers can pursue remedies through various channels, including direct negotiation with the seller, alternative dispute resolution mechanisms, small claims courts, consumer protection agencies, and class action lawsuits for widespread issues. The choice of avenue often depends on the value of the transaction, the complexity of the issue, and the buyer's location relative to the seller.

III. RIGHTS AND DUTIES OF THE SELLER

Sellers have the right to enforce the terms of their contracts, provided these terms are lawful and properly disclosed. This right allows sellers to protect their interests and maintain consistent policies across their customer base. Many online transactions rely on standard form contracts, also known as "*boilerplate*"²² agreements. Sellers have the right to use these contracts to streamline the transaction process, ensure consistency across multiple sales, and manage legal risks effectively. However, the use of standard contracts must be balanced with the duty to ensure terms are fair and clearly communicated. Sellers can enforce their terms through various means, including account suspensions or terminations, withholding of services, and legal action for breach of contract. These mechanisms help sellers protect their interests and maintain the integrity of their business operations. *The right to enforce terms is not absolute.* Terms may be deemed unenforceable if they are unconscionable or grossly unfair, in violation of consumer protection laws, hidden or not properly disclosed, or against public policy. Sellers must ensure their terms and enforcement practices align with legal requirements and ethical business standards. Sellers have an obligation to ensure that all terms and conditions are clear, accessible, and understandable to the buyer. This duty is crucial for maintaining transparency and fairness in e-commerce transactions. To meet this duty, sellers should use plain language in their terms and conditions, provide summaries of key points, highlight important terms or changes, and make terms easily accessible before purchase. These practices help ensure that buyers can make informed decisions and understand their rights and obligations. Failure to properly disclose terms can lead to terms being deemed unenforceable in court, regulatory fines and penalties, and damage to reputation and loss of customer trust. Proper disclosure is not just a legal requirement but also a key factor in building and maintaining customer relationships. Sellers can improve term disclosure by using layered approaches to present information, incorporating

²² Boilerplate agreements refer to standardized clauses or language included in contracts that are routinely used across various legal documents. These agreements streamline the process of contract creation by providing pre-written terms that can be reused with minimal modification.

interactive elements to explain complex terms, regularly reviewing and updating terms for clarity, and providing multiple language options for international customers. These practices enhance transparency and help sellers meet their legal and ethical obligations. In an era of increasing cyber threats and data breaches, sellers have a critical duty to protect the personal information of their customers. This duty is not only a legal requirement but also essential for maintaining customer trust and protecting individuals from harm. Sellers must adhere to various data protection laws, such as GDPR in the European Union, CCPA in California, PIPEDA in Canada, and Australian Privacy Principles.²³ These regulations set standards for data collection, storage, usage, and disclosure, and grant specific rights to individuals regarding their personal information.

To fulfill this duty, sellers must implement robust cybersecurity measures, limit data collection to necessary information, provide clear privacy policies, obtain explicit consent for data usage, respond promptly to data access and deletion requests, and report data breaches to authorities and affected individuals. These responsibilities help ensure that customer data is handled securely and responsibly. Sellers should adopt a *principle of data minimization*²⁴, collecting and retaining only the information necessary for the transaction and any legally required record-keeping. This approach reduces the risk of data breaches and aligns with privacy best practices and regulatory requirements. Sellers have the fundamental right to receive payment for their goods or services as agreed in the contract. This right is essential for the viability of e-commerce businesses and the functioning of online marketplaces. Sellers can set payment terms, including acceptable payment methods, due dates for payment, and late payment fees or interest charges. Clear communication of these terms helps prevent misunderstandings and ensures smooth transactions. If buyers fail to pay, sellers may suspend or terminate services, engage in debt collection activities, or pursue legal action to recover payments. However, these actions must be taken in accordance with applicable laws and regulations governing debt collection and consumer protection. While sellers have the right to enforce payment, they must balance this with maintaining positive customer relationships and complying with consumer protection laws. Flexible payment options, clear communication, and fair dispute resolution processes can help sellers protect their interests while fostering customer loyalty. Sellers are obligated to deliver goods or services as described and within the agreed timeframe. This duty is fundamental to the trust-based nature of e-commerce and is critical for customer satisfaction

²³ Supra Note 21

²⁴ Data minimization refers to the practice of collecting and retaining only the personal data that is necessary for the intended purpose of the transaction or service. This principle is integral to various data protection regulations, including the General Data Protection Regulation (GDPR) in the European Union.

and legal compliance. Sellers must ensure that their product descriptions are accurate and not misleading, detailed enough for buyers to make informed decisions, and updated regularly to reflect any changes. Misrepresentation of products can lead to legal issues and damage to the seller's reputation. Sellers should provide realistic delivery estimates, communicate any delays promptly, and offer tracking information where possible. Clear communication about shipping and delivery helps manage customer expectations and reduces disputes. To meet this duty, sellers should implement quality control processes, customer feedback mechanisms, and clear return and refund policies. These measures help ensure that products meet customer expectations and provide recourse when issues arise.

Sellers often include clauses in their contracts that limit their liability for certain types of losses. While this right helps sellers manage risks, it must be balanced with consumer protection laws and fairness considerations. Typical limitations include caps on damages, exclusions for consequential losses, and disclaimers of implied warranties. These limitations help sellers manage their exposure to potential losses and legal claims. Liability limitations must be reasonable and not unconscionable, clearly communicated to buyers, and in compliance with consumer protection laws. Courts may invalidate overly broad or unfair liability limitations, particularly in consumer contracts. While sellers have the right to protect themselves from excessive liability, they must balance this with their duty of care to customers and their obligation to provide safe, quality products. Reasonable liability limitations, combined with strong quality control and customer service practices, can help achieve this balance.

IV. CHALLENGES AND FUTURE DIRECTIONS

As e-commerce increasingly transcends national boundaries, new challenges arise in areas such as jurisdictional issues in dispute resolution, harmonization of consumer protection laws, and currency exchange and international payment systems. These challenges require innovative legal and technological solutions to ensure fair and efficient cross-border trade. The rise of new technologies presents both opportunities and challenges for e-commerce. Smart contracts and blockchain technology offer potential for more secure and efficient transactions. Artificial intelligence is transforming customer service and dispute resolution processes. Augmented and virtual reality are creating new ways to present products and enhance the online shopping experience. As these technologies evolve, so too must the legal and ethical frameworks governing their use in e-commerce. Ongoing concerns in data privacy and security include balancing personalization with privacy, combating increasingly sophisticated cyber threats, and adapting to evolving data protection regulations. As data becomes increasingly valuable and

vulnerable, sellers must invest in robust security measures and transparent data practices to maintain consumer trust and comply with regulatory requirements.

The growth of online marketplaces and sharing economy platforms raises questions about the responsibilities of platform providers, the rights of gig economy workers, and consumer protections in peer-to-peer transactions. These new business models blur traditional distinctions between buyers and sellers, creating complex legal and ethical considerations. As environmental concerns gain prominence, there is increasing pressure on e-commerce businesses to adopt sustainable practices. This includes reducing packaging waste, optimizing shipping routes to minimize carbon emissions, and offering eco-friendly product options. Balancing sustainability with consumer expectations for fast and cheap delivery presents both challenges and opportunities for innovation in the e-commerce sector. Ensuring that e-commerce platforms and digital products are accessible to users with disabilities is becoming both a legal requirement and an ethical imperative. This involves designing websites and apps that can be navigated by screen readers, providing alternative text for images, and ensuring that all users can complete transactions regardless of their physical abilities. As e-commerce grows, so do the sophistication and frequency of cyber-attacks and fraud attempts. Sellers must continually update their security measures to protect both their own systems and their customers' data. This ongoing arms race between security professionals and malicious actors will shape the future of e-commerce technology and practices.

V. CONCLUSION

The rights and duties of buyers and sellers in e-commerce form a complex ecosystem that continues to evolve with technological advancements and changing consumer expectations. As e-commerce becomes increasingly integral to global trade, it is crucial for all participants to understand their roles, responsibilities, and entitlements. Buyers must exercise their rights to information and privacy while fulfilling their duties to understand and comply with agreed terms. Sellers, in turn, must balance their rights to enforce contracts and limit liability with their obligations to provide accurate information, deliver quality products, and protect customer data. The future of e-commerce will likely see further refinements in legal frameworks, technological solutions for enhancing trust and security, and innovative approaches to balancing the interests of all parties involved. As we navigate this dynamic landscape, ongoing dialogue between consumers, businesses, policymakers, and technologists will be essential in shaping a fair, efficient, and trustworthy digital marketplace. Understanding and respecting the rights and duties outlined in this article, both buyers and sellers can contribute to a more transparent,

secure, and equitable online commerce environment. As the digital economy continues to grow and transform, these principles will serve as a foundation for building trust, fostering innovation, and ensuring the long-term sustainability of e-commerce in the global marketplace.
