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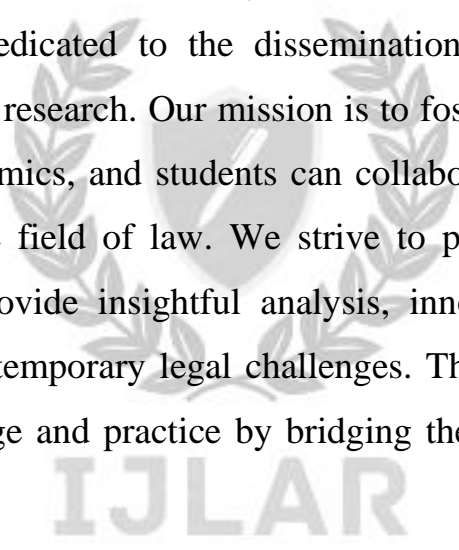
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## **Introduction**

Welcome to the Indian Journal of Legal Affairs and Research (IJLAR), a distinguished platform dedicated to the dissemination of comprehensive legal scholarship and academic research. Our mission is to foster an environment where legal professionals, academics, and students can collaborate and contribute to the evolving discourse in the field of law. We strive to publish high-quality, peer-reviewed articles that provide insightful analysis, innovative perspectives, and practical solutions to contemporary legal challenges. The IJAR is committed to advancing legal knowledge and practice by bridging the gap between theory and practice.

A large, faint watermark of the IJAR logo is centered on the page. It features a circular emblem with a laurel wreath and a central shield containing a scale of justice. Below the emblem, the letters 'IJLAR' are printed in a large, bold, sans-serif font.

## Preface

The Indian Journal of Legal Affairs and Research is a testament to our unwavering commitment to excellence in legal scholarship. This volume presents a curated selection of articles that reflect the diverse and dynamic nature of legal studies today. Our contributors, ranging from esteemed legal scholars to emerging academics, bring forward a rich tapestry of insights that address critical legal issues and offer novel contributions to the field. We are grateful to our editorial board, reviewers, and authors for their dedication and hard work, which have made this publication possible. It is our hope that this journal will serve as a valuable resource for researchers, practitioners, and policymakers, and will inspire further inquiry and debate within the legal community.

## **Description**

The Indian Journal of Legal Affairs and Research is an academic journal that publishes peer-reviewed articles on a wide range of legal topics. Each issue is designed to provide a platform for legal scholars, practitioners, and students to share their research findings, theoretical explorations, and practical insights. Our journal covers various branches of law, including but not limited to constitutional law, international law, criminal law, commercial law, human rights, and environmental law. We are dedicated to ensuring that the articles published in our journal adhere to the highest standards of academic rigor and contribute meaningfully to the understanding and development of legal theories and practices.

# **CONSUMER PROTECTION LAWS IN E-COMMERCE SECTOR**

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## **ABSTRACT:**

The E-commerce<sup>1</sup> industry is the force that no investor can afford to ignore. Keeping this in view empowering consumers through protection is the key to a thriving responsible economy. This paper aims to demonstrate the instrumentality of Consumer Protection laws in the E-Commerce sector which generally aims to safeguard consumers from unfair trade practices, fraud, anticounterfeiting, exploitation in the rapidly growing digital marketing and many more. Consumer Protection laws of the government also ensures and addresses issues regarding the misleading advertisements, defective product, delayed deliveries and data privacy concerns. Readers are also enlightened with the rights which they have as a Consumer in this classic Business economy. Consumer Protection laws establish accountability for digital merchants who work through E-Contracts and signatures and expect clear terms for returns, warrants and dispute resolution. As online shopping becomes increasingly prevalent Consumer Protection laws play a pivotal role in balancing innovation with fairness by fostering trust between businesses and consumers. Hence an attempt has been made out in this paper to widely discuss about the legal environment with regard to digitalized global market.

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<sup>1</sup>E-Commerce Definition:

<https://oxfordre.com/internationalstudies/display/10.1093/acrefore/9780190846626.001.0001/acrefore9780190846626-e-85> <https://en.wikipedia.org/wiki/E-commerce>

E-Commerce, Sec 2(7) of Consumer Protection Act, 2019

**KEYWORDS:**

Consumer Protection, E-Commerce, Business<sup>2</sup>, Legal Environment, Global Markets.

## 1. INTRODUCTION

The E-commerce landscape has reshaped the global marketplace, transforming how consumers access products and services. It offers unparalleled opportunities to both consumers and businesses. However the digital market place has also introduced new challenges and risks, especially regarding the security of online transaction. These concerns have led to the development and strengthening of consumer protection laws specifically tailored for e-commerce sector. These laws address various aspects such as misleading advertisements, unfair trade practices and the security of personal information. They also aim to bridge the gap between consumers and online sellers, encouraging safe and responsible online shopping. The importance of these laws has grown as a result of increase in the e-commerce platform, making them a critical area of focus for the study today. Effective regulation in this space not only enhances consumer confidence but also promote fair competition and innovation within the digital marketplace. So this paper deals with some of the consumer protection laws especially in the E-Commerce sector.

## 2. RESEARCH QUESTION

- a) How do consumer protection laws impact the accountability of e-commerce marketplaces for third party sellers?
- b) What are the legal obligations of e-commerce platforms to protect consumer data under laws like the GDPR and CCPA?

## 3. RESEARCH OBJECTIVE

- a) To explore the legal obligations of E-commerce platforms and ways to ensure marketplace accountability.
- b) To analyse the special legal requirements imposed by GDPR, CCPA and similar laws.
- c) To assess challenges in enforcement when platforms operate across multiple legal jurisdiction.

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<sup>2</sup> E-Commerce, Sec 2(19) of Consumer Protection Act, 2019.

#### 4. LITERATURE REVIEW

The E-Commerce sector is the industry which involves the buying and selling of goods and services online. It is also known as Electronic Commerce. With the dynamic changes that is happening in the society in our day to day needs, the tastes and preferences of the consumers are also changing. This mainly gave rise to ECommerce shopping. This kind of shopping enabled people to choose their products from “n” number of products across the world. As we all know a coin has two faces the Electronic shopping also has some dangers and precautions which are involved in it. To protect the interest of peoples, the Parliament of India has established some laws that would help and protect them from the danger. So the major objective of this research paper is to analyse the prevailing laws in E-Commerce sector, having a detailed analysis about the cross broader transactions, suggesting some future research areas in E-Commerce and also knowing the Emerging Trends. Also readers are enlightened about GDPR<sup>3</sup> and CCPA<sup>4</sup>. Different kinds of Rights and Duties of the Consumers are also discussed in detail. It also discusses about two major Acts namely The Consumer Protection Act<sup>5</sup> and The Information Technology Act<sup>6</sup> and their recent amendments. Some of the Major offenses and their penalties are also discussed. Apart from this at the end of the research some suggestions are also given where the Government can focus more and improve some aspects in these Acts for happy and safe Online Shopping.

#### 5. IMPORTANCE OF CONSUMER PROTECTION LAWS IN ECOMMERCE SECTOR

So according to the Business language or in the words of Business, A Consumer is a person or a group which consumes the goods and services that are produced in the economy for personal, social, family or household needs. They are the final users of the goods produced and are not directly involved in business activities. So to protect theses Consumers from misleading practices and as to safeguard the interest of these consumers the Indian Judicial System has created some Consumer Protection Laws. These laws not only protect the consumers from potential fraud,

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<sup>3</sup> <https://gdpr-info.eu/>

<sup>4</sup> Central Consumer Protection Authority, Sec 10 of Consumer Protection Act, 2019.

<sup>5</sup> The Consumer Protection Act, 2019.

<sup>6</sup> The Information Technology Act, 2020.

exploitation and privacy breaches but also foster trust, accountability and fairness in the digital marketplace.

#### A. BUILDING CONSUMER CONFIDENCE IN DIGITAL MARKETS :

One of the most significant barriers to shopping online is the lack of trust between the buyers and sellers solely through screens. Unlike the physical retail shops where the consumer gets the right to inspect the product thoroughly, have face to face communication with the vendor, etc E-Commerce platforms deter those kinds of potential rights to the buyers. Laws such as those mandating the honest product descriptions, clear refund policies and reliable customer support build consumer confidence and enables the customers to know that their rights are being protected thereby benefiting the entire digital economy.

#### B. SAFEGUARDING CONSUMER DATA AND PRIVACY :

Consumer privacy refers to the protection, safeguarding and ethical handling of personal information of the individuals in the online platforms either knowingly or unknowingly. Personal data has now become the heart of the E-Commerce ecosystem. Safeguarding consumer data and privacy is the key priority for businesses to protect and build trust. However the collection and storage of information also present significant privacy risks, so without the consumer protection laws there can be huge mis-handlement in the personal data that is being shared to the third parties. Regulations such as the General Data Protection Regulation (GDPR) have set important standards for data privacy concerns and allows the consumers to control the data. These laws help to build the consumer trust and avoids the risks related to identity theft, data breaches and privacy violations in the E-Commerce platform<sup>7</sup>.

#### C. PROMOTING FAIR AND COMPETITIVE MARKETS TO ENHANCE CUSTOMER EXPERIENCE AND SATISFACTION:

Consumer protection laws also play a crucial role in fostering the healthy competition within the E-Commerce sector. By establishing proper standards for accountability, transparency and fair play, these laws prevent the monopolistic and deceptive trade tactics that could otherwise harm both consumers and businesses. In a regulated marketplace businesses compete each other based on quality, innovation and customer service rather

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<sup>7</sup> <https://www.impriindia.com/insights/consumer-protection-e-commerce-rules/>

than loopholes and unfair practices. This environment benefits the consumers to avail wide range of choices in products and also allows honest businesses which safeguards them from unethical operators. At the end the Consumer Protection laws in E-Commerce sector thrives on customer satisfaction and by prioritising the aspects of their operations.

Satisfied customers are more likely to recommend it to others, creating a cycle of trust and loyalty that is essential for long-term success in the competitive ECommerce landscape. In conclusion consumer protection laws are essential pillars that uphold the trust, fairness and security in the E-Commerce platform<sup>8</sup>. They address the critical challenges and ultimately benefit the entire E-commerce ecosystem, driving innovation, trust and growth for businesses and consumers alike.

## **6. CHALLENGES IN E-COMMERCE CONSUMER PROTECTION**

The Internet has raised a variety of legal issues since it first became widely used in the mid 1990s, mostly in the area of consumer rights and consumer protection. Legislations in favour of consumer protection and consumer rights in areas such as privacy cybersquatting and electronic signatures have been passed. These regulations are not the only attempts, since the internet is far changing and developing these new laws are certainly not the last in Internet regulation.

Consumer complaints are to be on rise each year. In may 2017, The National Consumer Protection helpline reported that E-Commerce received the highest number of complaints among the total complaints received in the Helpline. And the problems that arose in such calls were related to Non-Delivery of Product, delivery of defective product, delivery of wrong product, paid amount not refunded after cancellation, deficiency in services, wrong promises, over charged amount of refund, etc.

So apart from this E-Commerce consumer protection also faces so many challenges that impact both the buyers and sellers<sup>9</sup>. Some of the issues are

### **1. PRIVACY AND DATA SECURITY**

E-Commerce platforms collect vast amount of personal and financial data, from the consumers making them prime targets for cyber attacks and breaches which is also called

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<sup>8</sup><https://www.slideshare.net/slideshow/the-impact-of-the-consumer-protection-act-2019-on-ecommerce-pdf/267028498>

<sup>9</sup> <https://lawfullegal.in/the-rise-of-e-commerce-consumer-protection-challenges-in-india/>

the Data Breach. Also some platforms have inadequate or weak data protection protocols, which automatically leaves consumer's information vulnerable to theft or misuse.

## 2. LACK OF TRANSPARENCY

One of the major issue here is the Incomplete product Description which speaks about the Misleading product listings and incomplete or inaccurate description can misinform consumers. Also the issue of Hidden Fees and Charges where the ECommerce website adds unexpected charges either during the check out or in the product itself where it is unclear or difficult to detect upfront.

## 3. FRAUDS AND SCAMS

Some of the major and well known scams in the E-Commerce sector includes Fake Products, Phishing Scams, Identity Theft ect. Counterfeiting of goods and deceptive marketing can lead the consumers to purchase fake products or the products of low quality items that may not match the sellers claims. Phishing refers to the fraudulent websites or sent through email or SMS that can trick consumers for getting the sensitive information from them.

## 4. CROSS BORDER JURISDICTION ISSUES

These issues involve legal variability where different countries have different laws making it challenging when cross border purchases are involved. Also issues regarding import duties and customs processes can led to significant extra cost and delays when E-Commerce purchases are made outside the specific Jurisdiction.

## 5. DELIVERY AND LOGISTIC CHALLENGES

The two major concerns with this issue is the Delayed Shipments where shipping delays and unreliable services can lead to negative consumer experiences which leads to disputes and the other concern with this issue is the Lost or Damaged Items where items get lost or damaged in transit, and consumers always struggle to get timely responses or compensation.

So these are some challenges faced in E-Commerce sector and to address these challenges we require both stricter legislations and better self-regulations from people's side as well to ensure a safer and more transparent environment for consumers.

## 7. KEY CONSUMER PROTECTION LEGISLATIONS

The Government understood the need to protect consumers from unscrupulous suppliers, and several laws have been made for this purpose. We have the Indian Contract Act<sup>10</sup>, the Sale of Goods Act<sup>11</sup>, the Dangerous Drugs Act<sup>12</sup>, the Agricultural Produce (Grading and Marketing) Act<sup>13</sup>, the Indian Standards Institution (Certification Marks) Act, the Prevention of Food Adulteration Act, the Standards of Weights and Measures Act, etc. which to some extent protect consumer interests. However, these laws require the consumer to initiate action by way of a civil suit involving lengthy legal process which is very expensive and time consuming. The Consumer Protection Act, 1986 was enacted to provide a simpler and quicker access to redressal of consumer grievances. The Act for the first time introduced the concept of ‘consumer’<sup>14</sup> and conferred express additional rights on him. It is interesting to note that the Act doesn’t seek to protect every consumer within the literal meaning of the term. The protection is meant for the person who fits in the definition of ‘consumer’ given by the Act. The answer is the Act has provided a machinery whereby consumers can file their complaints which will be entertained by the Consumer Forums with special powers so that action can be taken against erring suppliers and the possible compensation may be awarded to consumer for the hardships he has undergone. No court fee is required to be paid to these forums and there is no need to engage a lawyer to present the case. The Consumer Protection Bill, 2019 was introduced in Lok Sabha by the Minister of Consumer Affairs, Food and Public Distribution, Mr. Ram Vilas Paswan on July 8, 2019. The Bill replaces the Consumer Protection Act, 1986. Key features of the Bill include, Definition of consumers, Rights of consumers: Six consumer rights<sup>15</sup> have been defined in the Bill, including the right to : (i) be protected against marketing of goods and services which are hazardous to life and property ; (ii) be informed of the quality, quantity, potency, purity, standard and price of goods or services ; (iii) be assured of access to a variety of goods or services at competitive prices ; and (iv) seek redressal against unfair or restrictive trade practices. Central Consumer Protection Authority: The central government will set up a Central

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<sup>10</sup> Indian Contract Act, 1872.

<sup>11</sup> Sale of Goods Act, 1930.

<sup>12</sup> The Dangerous Drugs Act, 1930.

<sup>13</sup> The Agriculture (Grading & Marketing) Act, 1937.

<sup>14</sup> Sec 2(7) of Consumer Protection Act, 2019.

<sup>15</sup> <https://prsindia.org/billtrack/the-consumer-protection-bill-2019>

Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers. It will regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements. The CCPA will have an investigation wing, headed by a Director General, which may conduct inquiry or investigation into such violations. It carries out the following functions : (i) inquiring into violations of consumer rights, investigating and launching prosecution at the appropriate forum ; (ii) passing orders to recall goods or withdraw services that are hazardous, reimbursement of the price paid, and discontinuation of the unfair trade practices, as defined in the Bill ; (iii) issuing directions to the concerned trader / manufacturer / endorser / advertiser / publisher to either discontinue a false or misleading advertisement, or modify it ; (iv) imposing penalties, and ; (v) issuing safety notices to consumers against unsafe goods and services. Penalties for misleading advertisements: The CCPA may impose a penalty on a manufacturer or an endorser of up to Rs 10 lakh and imprisonment for up to two years for a false or misleading advertisement. In case of a subsequent offence, the fine may extend to Rs 50 lakh and imprisonment of up to five years.

Consumer Disputes Redressal Commission: Consumer Disputes Redressal Commissions (CDRCs)<sup>16</sup> will be set up at the district, state, and national levels. A consumer can file a complaint with CDRCs in relation to: (i) unfair or restrictive trade practices; (ii) defective goods or ; (iii) overcharging or deceptive charging ; and (iv) the offering of goods or services for sale which may be hazardous to life and safety. Complaints against an unfair contract can be filed with only the State and National Appeals from a District CDRC will be heard by the State CDRC. Appeals from the State CDRC will be heard by the National CDRC. Final appeal will lie before the Supreme Court.

## **8. INFORMATION TECHNOLOGY ACT AND ITS AMENDMENT**

The Information Technology Act, 2000 is India's primary law to regulate Electronic Commerce, Cybercrime and Digital Transactions. This Act was enacted by Government of India to provide legal recognition for transactions carried out by electronic means and to address issues related to cybercrime and electronic commerce.

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<sup>16</sup> <https://ncdrc.nic.in/> & <http://www.scdrc.tn.gov.in/>.

**OBJECTIVES:**

The major objectives of IT Act, 2000<sup>17</sup> is to Address issues related to cybercrime, prescribe penalties and punishments for the offenses ; Provide legal recognition to the electronic records, signatures and transactions ; Promote the growth of ECommerce and electronic transactions ; Establish a framework for secure electronic records and also Set up authorities such as the Controller of Certifying Authorities (CCA) to regulate digital certifications and electronic communications.

**MAJOR AMENDMENTS:**

The IT (Amendment) Act 2008 is the new and existing Act the is currently prevailing in India. The amendment has brought some major changes in the Act.

Some of the significant changes includes,

**Section 66A** where a person is punished if He/She sends offensive messages through communication services. This provision was mainly intended to protect women from cyber crimes such as vulgar mobile phone messages. The amendment of IT Act has also brought some changes in Data Breach and Privacy which included provisions for privacy protection and penalties for Data breaches. **Section 43A**, **Section 66E** and **Section 72** are the provisions under which Data Breach under online concerns in dealt. IT Amendment Act, 2008 also introduced some guidelines for intermediaries like ISPs and social media platforms. It has also come up with a new provision of **Section 66F** which deals with Cyber Terrorism.

**KEY OFFENSES AND PENALTIES:**

IT Act has some key offenses which are always tied up with penalties which a person is mandated to undergo if He/She commits such offense. Some of the key offenses and their penalties includes, **Hacking** which is given in **Section 66** of IT Act and the penalty for hacking is upto *3 years of imprisonment and/or a fine upto 5 Lakhs*. Next is the **Identity Theft** which is given in **Section 66C** of IT Act and the penalty for Identity Theft is upto *3 years of imprisonment and/or fine upto 1 Lakh*. **Publishing Obscene Material** which is given in **Section 67** of IT Act and the penalty is *imprisonment upto 5 years and/or fine upto 10 Lakhs*.

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<sup>17</sup> <https://www.meity.gov.in/content/information-technology-act-2000>

Therefore it is clear from these information's that IT Act has been and is still playing a pivotal role in India's Digital Transformation by ensuring a robust legal framework for cyberspace while addressing modern technological challenges.

## **9. RECENT TRENDS IN E-COMMERCE CONSUMER PROTECTION**

E-Commerce has become a bustling business in India today<sup>18</sup>. It is the cutting edge in all areas of business today. As early as 2014, Internet and Mobile Association of India (IAMAI) had come up with a report that IMAI has estimated that nearly 1 Million large and small retailers make use of online marketplaces to reach out to their customers. These online retailers represent a wide variety of categories including electronics, books, apparel, accessories, footwear, jewellery etc.

The need to ensure basic rights to consumer welfare has long been recognized by legislations worldwide and so with India. United Nations Guidelines on Consumer Protection (UNGCP), India enacted the Consumer Protection Act in 1986, which is re-amended as Consumer Protection Act 2019 (now) to protect consumer rights and interests. To solve the disputes that arise relating to the rights of the consumer the judicial system applies the Consumer Protection Act, 2019 mostly under provisions of "Deficiency in Services" under sec 2(1)(g) of the CPA and "Unfair Trade Practices" under sec 2(1)(r) of CPA, 1986.

So the recent trend in E-Commerce is towards enhancing security, transparency and consumer empowerment. With increasing concerns over data security there has been global push towards the stronger data privacy regulations. Legislations like General Data Protection Regulation (GDPR) in Europe and California Consumer Protection Act (CCPA) in the United States have set new standards for data handling and protection in E-Commerce. These regulations wanted the E-Commerce sector to obtain clear consent from users before collecting data, to inform them of how their data will be securely used. To combat fraud in E-Commerce, platforms are leveraging Artificial Intelligence and Machine Learning i.e AI & ML to detect suspicious transactions and prevent Identity theft enhancing overall transaction security. Consumer rights has also been strengthened with Online Dispute Resolution (ORD) platforms which facilitates all kinds of dispute and provides customers with more accessible redress options. Cross Border protections are also improving as international collaborations work towards harmonized consumer rights,

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<sup>18</sup> <https://www.netsuite.com/portal/resource/articles/ecommerce/ecommerce-trends.shtml>

giving consumers more control over consumer fees and delivery timelines. Consumer Education has become central, with awareness campaigns informing users about their rights, potential risks and the growing demand for responsibly sourced products. Together these trends are shaping a safer and more transparent online shopping and ensuring E-Commerce growth continues responsibly.

## 10. KEY CONSUMER RIGHTS IN E-COMMERCE SECTOR

The Consumer rights<sup>19</sup> in the E-Commerce sector focus on ensuring that online shopping is safe, transparent and fair for consumers. The 8 basic rights of the consumers are : (i) Right to Information ; (ii) Right to Privacy and data Protection ; (iii) Right to Transparency ; (iv) Right to safety and quality ; (v) Right to Cancel and Refund ; (vi) Right to Fair Advertising and Marketing ; (vii) Right to Dispute Resolution and (viii) Right to Consumer Education.

- i. Right to Information – Consumers must be entitled to each and every information regarding the product, services, prices and terms of sale. This includes details on product specifications, warranties and shipping charges as well as returns and exchanges. All the information regarding the seller must also be provided to the consumer despite being the fact of confidential information. So information about sellers identity, location, contact details must be accessible to consumers to establish trust and accountability.
- ii. Right to Privacy and Data Protection – It ensures whether the consumers personal information is collected, stored, and used securely. Consumers are entitled to the protection of their personal data.. This includes transparency on how data is collected, stored and used as well as adherence to data protection laws like the GDPR in Europe.
- iii. Right to Fair Pricing and No Hidden Charges – Transparency helps consumers to understand the full cost of the product avoiding unexpected charges. Hidden fees added at checkout are prohibited in many jurisdictions. Prices should be displayed clearly, and all costs associated with the purchases like taxes, handling fees and shipping) must be disclosed upfront.

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<sup>19</sup> Rules and Rights of Consumers –  
<https://www.impriindia.com/insights/consumer-protection-e-commerce-rules/>  
<https://www.indiacode.nic.in/handle/123456789/15256>  
<https://consumeraffairs.nic.in/sites/default/files/file-uploads/latestnews/FAQ.pdf>

- iv. Right to Quality and Safety – If a product is defective, unsafe or does not match its description, consumers generally have the right to a replacement or refund options in E-Commerce platforms. So products and services sold online must meet certain safety standards and quality standards.
- v. Right to Refund and Return – In many regions consumers are granted a “cooling-off” period of 14 days for any kind of refund or return policies, except in cases where a good is a perishable or customized good. Clear return policies must be provided so that refunds and returns can be processed within reasonable time.
- vi. Right to Protection Against Deceptive Marketing – This protection extends to preventing tactics like “bait and switch” or advertising that obscures critical product limitation.
- vii. Right to Redress and Dispute Resolution – Consumers have the right to an effective and efficient process for resolving disputed with sellers. This ensures that consumers have support if they come up with any kind of issues with their products or if there are issues with refund or exchanges
- viii. Right to Consumer Education – Consumers are entitled to knowledge about their rights in all kind of issues related to E-Commerce shopping . ECommerce platforms are encouraged to offer resources or guidance to help make informed decisions and shop safely.

So these are the 8 essential rights that the consumer at any region is free to avail at any time and at any circumstances.

## **11. CASE LAWS RELATED TO CONSUMER PROTECTION IN ECOMMERCE SECTOR**

- Cartier International Ag & Others VS Gaurav Bhatia & Ors.<sup>20</sup>

### **FACTS AND JUDGEMENT:**

The plaintiff's, including Cartier International AG, alleged that defendants operated E-commerce websites – namely [www.digaaz.com](http://www.digaaz.com) , [www.watchcartz.com](http://www.watchcartz.com) and [www.luxecart.com](http://www.luxecart.com) offering counterfeit products bearing trademarks of various luxury brands, including those of plaintiff's. Investigations revealed that these counterfeit goods

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<sup>20</sup> Cartier International Ag & Others VS Gaurav Bhatia & Ors - 2016, CS(OS) No.1317/2014, <https://indiankanoon.org/doc/86715466/>

were sold at heavily discounted prices, misleading consumers about the authenticity of the products. Despite cease and desist notices to the defendant's company he continued the infringing activities which caused significant damage to the plaintiff's reputation and goodwill. The defendant deliberately stayed away from the court proceedings and did not provide accounts of their illegal profits.

The Delhi High Court granted a permanent injunction restraining the defendants from manufacturing, selling and advertising goods bearing the plaintiff's trademark or any similar marks. Additionally the court awarded punitive damages of 1Crore (10Million in Indian Rupees) to the plaintiff, making it THE HIGHEST DAMAGES AWARDED in Indian Intellectual property cases at that time.

- Amazon Seller Services Pvt. Ltd VS Medicare Ltd. & ors.<sup>21</sup>

#### FACTS AND JUDGEMENT:

E-Commerce platforms selling products of Direct Selling Entities (DSEs) without their consent. Direct Selling Entities like Medicare, Amway and Oriflame operate through networks of independent distributors, selling products directly to consumers without fixed retail locations. These companies contended that E-Commerce platforms like Amazon and other websites were selling their products without authorization which violated their distribution agreements and intellectual property rights. So to protect their rights these companies sought an injunction to prevent such sales.

The Delhi High Court's judgement permits E-Commerce platforms to sell products of Direct Selling Entities without obtaining their consent, provided the products are lawfully acquired. The court emphasized that the guidelines provided by DSEs are advisory and that principle trademark exhaustion allows for resale of genuine products. Additionally the E-Commerce platforms retain intermediary status and safe harbour protections under the Information Technology Act, even when offering value added services.

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<sup>21</sup> Amazon Seller Services Pvt. Ltd VS Medicare Ltd. & ors - AIRONLINE 2020 DEL 169  
<https://indiankanoon.org/doc/43335747/>

- Levi Strauss & Co VS Imperial Online Services Private Limited & Ors.<sup>22</sup>

#### FACTS AND JUDGEMENTS:

The plaintiff alleged that the defendants were manufacturing and selling denim jeans featuring a stitching pattern identical to or closely resembling Levi's registered "Arcuate Stitching Design" thereby infringing upon their trademark rights. Despite previously acknowledging Levi's rights and providing an undertaking to cease the use of the infringing design, the defendants continued their unauthorized activities prompting Levi Strauss & Co. to initiate legal proceeding.

The Delhi High Court issued a permanent injunction restraining the defendants from manufacturing, marketing and selling any products bearing the "Arcuate Stitching Design" as a well known trademark under Indian Law.

## **12. RECOMMENDATIONS FOR STRENGTHENING CONSUMER PROTECTION LAWS**

The factors to build the consumer confidence and fair-trade practices in E-Commerce are as follows

- a. To ensure best network connections with high speed and reliability facilities.
- b. To ensure the safe delivery of goods to the consumers and also to provide hassle-free after sale services to all its customers.
- c. To ensure easy accessibility of dispute resolution mechanism so that it might be helpful for the illiterates and poor people.

## **13. CONCLUSION**

In conclusion the research on Consumer protection laws in E-Commerce sector underscores the importance of adaptive legal frameworks that protect consumers in the rapidly evolving digital marketplace. This study highlights that effective consumer protection laws must address these challenges by enforcing transparency, ensuring data security, and providing accessible recourse mechanism. It is evident that while existing laws have made strides in safeguarding consumers,

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<sup>22</sup> Levi Strauss & Co VS Imperial Online Services Private Limited & Ors, 2022  
<https://indiankanoon.org/doc/39436124/>

ongoing reform is essential to keep pace with new technological advancements and business models. Ultimately this research paper reinforces that effective consumer protection laws not only safeguard consumer rights but also contribute to a sustainable, trustworthy, and thriving E-Commerce ecosystem. Continued proactive measures and adaptability are crucial as E-Commerce continues to reshape global consumer behaviour.

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