

# Consumer Protection in E-commerce: Synthesis Review of Related Articles and Websites.

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## Abstract:

To have a complete and comprehensive understanding of the research subject and to form an integrated legal framework for it, I have sought comprehensively to cover the major written literature on the issue under consideration. I also benefitted from a wide range of research and academic studies pertaining to the same topic, although that literature did not specifically address the issue of consumer rights in electronic contracting in the Saudi e-commerce system. Rather, it addressed only the civil and criminal protection of the consumer in e-commerce. I have divided the reviewed literature into two sections according to the sources.

## Keywords:

*consumer, protection, Law, E-commerce.*

## A. Introduction

In the beginning I'll consists of a background and literature review, which is an overview and provides more detail about the current study that will assist the reader to fully understand the study.

## B. Articles

**1. In "Three Is Not a Crowd: Online Mediation-Arbitration in Business to Consumer Internet Disputes,"** Lavi examined the usefulness of online mediation and online arbitration in e-commerce disputes. The article provides a brief discussion on the increase in online disputes in relation to e-commerce transactions. Lavi points out that online dispute resolution has proven to provide an effective, fair and inexpensive method of solving e-commerce disputes. Therefore, the author proposes a new innovative process known as "online med-arb," short for online mediation-arbitration. Lavi examines the components of online med-arb, as well as an improved model based on the author's research and expertise. Lavi argues that this method of settling e-commerce disputes can limit the weaknesses inherent in current online dispute resolution methodologies, and can

also significantly lower the costs of online arbitration. This article takes a different approach to the topic of an online arbitration system and provides some alternative solutions.

**2. In "Facilitating Expansion of Cross-Border E-commerce - Developing a Global Online Dispute Resolution System,"** discusses the importance of implementing an online alternative dispute resolution system to resolve issues over e-commerce transactions. The article examines the current systems that exist to resolve e-commerce contract disputes. Furthermore, it focuses on the need for a global online system for these types of disputes. Del Duca et al. argue that an online dispute resolution system will help simplify and fast-track the process of resolving disputes involving electronic commercial transactions. This article will be useful because it discusses the importance of a global online system to simplify disputes; however, it does not discuss an arbitration system.

**3. In "The Legal Framework of the Electronic Arbitration Agreement,"** Al-Naimi's objective was to establish that electronic contracts must have a legal framework capable of dealing with modern technologies and have the flexibility to cope with new developments in this field. The study also emphasized that traditional dispute settlement methods in the case of electronic contracts may not be feasible because of their high costs and typical dispute over the law to be applied and the court competent to hear the dispute. The need for a new legal framework capable of dealing with these developments has become urgent for resolving disputes arising from electronic contracts.

**4. In "The legal Framework for The Contract Concluded Through Electronic Means of Communication. Study in Jordanian Legislation,"** Al-Sarayra discussed contracting through modern means of

electronic communication under Jordanian law following the issuance of the Electronic Transactions Law No. 85 in 2001. The study discussed the importance of such a law especially in an age when e-commerce has become an important aspect of daily life.

This study differs from my work in that I will focus on consumer protection in e-commerce.

**5. In “Transnational Consumer Law-Reality or Fiction?”** Reich advocated the implementation of a transnational commercial legal system to protect consumers who purchase goods across national borders. Reich points out that although most online businesses (at least those in the United States) have developed “soft-law” standards to protect consumers and to guarantee satisfaction, these alternatives do not replace the traditional state-bound laws that protect consumers. Finally, Reich discusses the importance of the judicial system in resolving disputes that cannot be resolved through ADR and other methods. This suggests a need for another type of system. Reich does not discuss the implementation of an online arbitration system, but he does suggest that a new system is needed.

**6. In “Contracting Computer. Study in Syrian and Jordanian Legislation,”** Al-Sarayra and Ratib define computer contracts. They also addressed the legitimacy of expressing the will of the parties in computer contracting under current Syrian and Jordanian civil law and under the Jordanian Electronic Transactions Law, in particular.

The study also discussed legal problems resulting from the use of computers in contracting and presented some proposals to fill the shortcomings of the Syrian and Jordanian legislation.

This study is similar to my current study on the legal problems facing e-contracting. My current study differs with regard to the degree of consumer protection in the Saudi e-commerce system.

**7. In “Electronic Arbitration,”** Al-Kahwaji discussed the definition of electronic arbitration and then considered its advantages and ways in which it is applied. He also talked about fees paid for arbitration and about the problems and obstacles facing electronic arbitration. However, he did not address ways in which e-governance provisions are implemented, nor how they are documented. He did not address international agreements, such as the New York Convention.

This is different from my current study, in which I will mention some international agreements and treaties related to electronic arbitration.

**8. In “The Tax Challenges of Arab Electronic Commerce and the Possibility of Developing it,”** Zayood, Al-Amin and Bahgat talked about e-commerce being conducted through the Internet as one of the most important features of the 21st century around the world, as we move further into the era of the global network economy. Thus, there will likely be a range of increasing risks surrounding the future of e-commerce. This research attempts to identify ways in which e-commerce transactions and their resultant profits are handled in terms of taxation, in particular, and how these transactions will be valued. The study also adopts a descriptive analytical approach by shedding light on the theoretical aspects of the subject of e-commerce. It also relies on analysing the results of a statistical sample survey on e-commerce. The study concluded that many legal and administrative problems impact e-commerce.

This study focuses on economic aspects of e-commerce, including tax revenues, while my study focuses on consumer protection.

**9. In “Some Legal Aspects of the Electronic Data Message and its Use as a Proof For Authentication - Comparative Study,”** Abu-Helou considered some legal problems arising from establishing the validity of an electronic contract.

This study is different from my study, which will focus on consumer protection in the Saudi e-commerce system.

**10. In “Making an Electronic Contract,”** Mahasnah talked about the definition of e-commerce and the concept of the contract under the Jordanian Electronic Transactions Law. She also discussed how it is applied in practice.

This study differs from my current study, in which I will talk about the extent of consumer protection under the Saudi e-commerce law.

**11. In “Electronically-Mediated Dispute Resolution and E-commerce,”** Nadler discussed the importance of using electronically-mediated resources as a means to settle disputes over commercial transactions. The author notes that there is a specific need for electronic mediation methods since the nature of online commercial transactions makes it difficult to pursue other methods. As a means to protect consumers who make purchases online, Nadler discusses eBay as an important case study in providing both consumers and business owners an online platform for negotiation over transactional disputes. Although the article provides useful content pertaining to

eBay and early case studies in e-commerce disputes and mediation, it was written in 2001, so it is necessary to use this article as a supplement to more current research.

**12. In “E-commerce, E-disputes, and E-dispute Resolution: in the Shadow of eBay Law,”** Katsh examined the usefulness of alternative dispute resolution in electronic commercial disputes. The research aimed to determine if mediation provides an appropriate and satisfactory resolution method for e-disputes since mediation allows for the avoidance of difficult questions of jurisdiction. Katsh et al. also offer some recommendations for providing solutions to e-commerce disputes, including methods of employing email, video conferencing and other telecommunications. The article is useful for my research due to its focus on e-dispute resolution in terms of e-commerce transactions. However, the article was written in 1999, so there are some current updates concerning electronic commercial transactions that must be taken into account, which is why I have included several books concerning legal updates in this literature review.

**13. In “Dimensions and Areas of Consumer Protection From a Consumer Perspective,”** Al-Lahhah and Sahbel determined the extent to which the Egyptian consumer enjoys protection, and they identified the causes that lead to poor consumer protection in general and identified areas and dimensions of protection that must be priorities with respect to the consumer. The survey sample comprised 384 consumers, and the survey questionnaire was distributed to consumers living in the Menoufia governorate in the Arab Republic of Egypt.

The study achieved several results, the most important of which were:

- a. Consumers have sufficient awareness of consumer protection.
- b. 94.7% of the respondents were ready to join associations to protect consumers. This high percentage is a strong indicator of their conviction regarding the importance of protecting consumers.
3. 92.6% of the respondents indicated that there was insufficient protection of consumer rights, which reflected the weak role played by consumer protection organizations. The study also indicated that the respondents were not satisfied with the quality standards set by the government, which they considered to be insufficient to achieve an appropriate level of quality for the goods and services provided to the consumer.

**14. In “The Impact of Consumer Awareness on The Preference of Quality and Consumer Protection and The Role of Government in it,”** Al-Malah and Zaghloul aimed to measure the extent to which consumer awareness affects consumer protection and the role of government in achieving that protection. The researchers used data about the characteristics of consumers in the Shoubra Al-Khima region in Egypt, and they applied a descriptive statistical analysis method for their data analysis. The results demonstrated that there is a relationship between educational level, level of income, quality preference and consumer protection. The results also indicated that there is no relationship between social status and consumer awareness.

### C. Conferences and Internet Websites

**1. In “Implementation of The Rule of Arbitration and its Regulations,”** Mamdouh dealt with the implementation of the electronic arbitration rule in accordance with the Egyptian Arbitration Law No: 1994/27, the Civil and Commercial Procedures Law and the provisions of some arbitration organizations.

However, Mamdouh did not address the problems and obstacles to implementing electronic arbitration. The study did not refer to international agreements, such as the New York Convention. My study, in contrast, focuses on consumer protection.

**2. In “Arbitration in E-commerce Contracts,”** Fares discussed the concept of arbitration, its terms and procedures, but he did not include consideration of mechanisms for implementing arbitration, its characteristics, the competent authorities, the conditions and mechanisms for enforcement, reasons for non-implementation of decisions, or mechanisms for implementing an arbitration ruling.

In my current study, I will explain the characteristics of arbitration, competent authorities for implementing arbitral awards, and the law to be applied in case of conflict requiring resort to the judicial system.

**3. In “Journalism Treatment of The Issue of Consumer Protection of Egypt. Analytical Overview,”** Abdel-Aziz aimed to ascertain public opinion on consumer protection issues in Egypt, including an emphasis on its effectiveness in safeguarding consumers and protecting them, controlling markets, and ensuring safety in all commercial transactions. The study also sought to identify differences between the newspapers in dealing with the issue of consumer protection, to identify

the main issues related to consumer protection, and to identify the sub-issues presented by the newspapers in this regard through an analytical study of the content of articles published in newspapers. The study achieved several results, the most prominent of which are the following. The consumer protection culture of the modern era has not reached maturity in the Egyptian public, and the roles and tasks of the consumer protection system and the various provisions of the law related to protecting consumers are still not completely clear to the public.

The study showed that the image of the consumer protection system in the newspapers studied was positive and that the orientation and editorial policies of those media outlets reflected on the role of the executive bodies in the government and in monitoring the framework of consumer protection. The study recommended the establishment of governmental associations or institutions to initiate awareness campaigns for consumers.

**4. In “*Electronic Arbitration.*”** Abdel-Hakam dealt with the system and mechanisms of arbitration and talked about arbitration procedures, problems and obstacles. However, this study did not address the implementation of e-governance provisions, documentation or review of relevant international agreements. My study will focus more on the subject of consumer protection and e-governance, which was not the subject of Abdel-Hakam’s study.

**5. In “*Electronic Arbitration in Electronic Transactions Disputes.*”** Abu-Izza dealt with disputes in relation to electronic commercial arbitration and explained its characteristics, procedures and advantages. However, this work did not address the implementation of electronic judgments, nor did it include consideration of problems and obstacles. Further, it made no reference to relevant international agreements. In contrast, my case studies will be more focused on the subject of consumer protection and on the law to be applied when an electronic contract is disputed.

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