

UNIT - 4

Public Policy from legal issues to Privacy

* E-Commerce related legal incident :-

The main legal incidents are

- 1- Contractual issue in e-commerce.
- 2- Copyright infringement on the web.
- 3- Domain name copy.

* Ethical issues in e-commerce — There are many ethical issues related to e-commerce such as -

1. Channel conflict
2. Pricing conflict
3. Disintermediation and Reintermediation
4. Trust
5. Non-work related use of internet
6. Code of ethics
7. Privacy
8. Protecting intellectual property rights

1- Channel Conflict — Channel conflict refers to any situation in which the online marketing channel upset the traditional channel due to real damage from competition.

When any two member of a channel or two different channel fails to reach an agreement regarding selling practice and each feels that the other prevent it to reach its goal then the channel conflict arises.

2- Pricing conflict - Prices are need to be competitive on internet. Today's comparison which show the consumer check or verify the prices at many store for almost are daily needs product.

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3- Disintermediation and Reintermediation -

Intermediation is one of the most important e-commerce issue related to loss of job. The service provided by intermediaries are -

- (a) Matching and providing information
- (b) Value added services such as consulting

• Disintermediation - The first type of service that is matching and providing information can be fully automated and this service is likely to be in e-market place and portals that provide free services.

The phenomena by which intermediaries who provide mainly matching and providing information services are eliminated is called disintermediation.

• Reintermediation - The broker who provide value-added services is known as infomediation. This phenomena are not only surviving but may actually prosper. This phenomena is called reintermediation.

4- Trust - Trust is the psychological status of involved member who are willing to pursue further interaction to achieve a goal.

- 5- Non-work related use of internet — Employees are tempted to use e-mail and the web for non-work related purpose.
- 6- Code of ethics — Corporate codes of ethics express the formulation of rules and expected behaviour and action. The code should specify whether the company allows to setup their own webpage on the company intranet.
- 7- Privacy — Privacy is sometimes anomalous. The ~~we~~ wish to remain unnoticed or unidentified in the public field. When something is private to a person, it usually means there is something that is considered inherently special or personally sensitive. The degree to which private information is exposed therefore depends on how the public will receive the information which differ between place and time.
- 8- Protecting intellectual property rights — According to the world intellectual property organisation intellectual property refers to "creation of the mind that is invention, literacy and artistic works and symbols, name, image used in e-commerce."

• Types of Intellectual property —

There are three main types of intellectual property in e-commerce —

(a) Copyright

(c) Patent

(b) Trademark

- (a) **Copyright** — A copyright is an exclusive grant from the government that confirm on its owner an essentially exclusive right to :
 - (i) Reproduce a work
 - (ii) Distribute, perform or display it to the publically.

- (b) **Trademark** — A trademark is a symbol used by business to identify their goods and services. The symbol can be composed of words, number, shape or a combination of colour. Trademarks need to be registered in a country in order to be protected by law.

- (c) **Patent** — A patent is a document that grants the holder rights to an invention for a fixed number of years. Patents are not designed to protect artistic or literary creativity. Patents confirm monopoly rights to an idea for an invention.

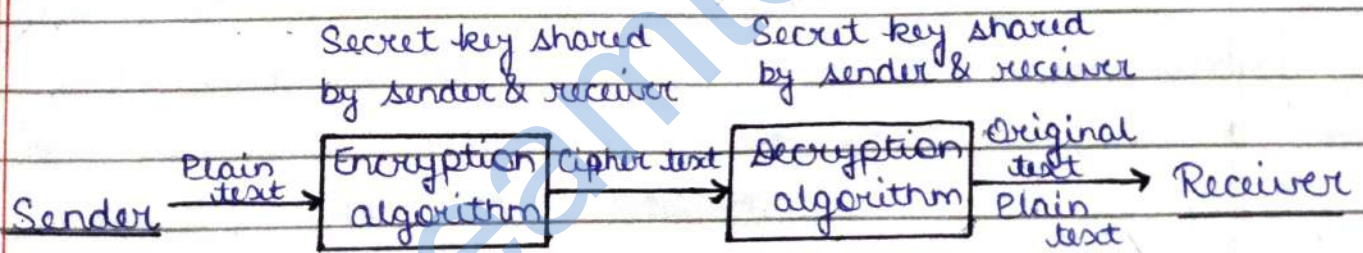
★ Legal issues in e-commerce :-

- 1. Free speech
- 2. Internet Indecency
- 3. Censorship
- 4. Taxation
- 5. Encryption Policy

1. Free speech— On the internet, people enjoy their right to free speech as never before they enter checked room, put-up posting on bulletin and offer their opinion from books.

• Types of Encryption Policy :-

(a) Symmetric key encryption -



2. Asymmetric key encryption

