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# Ethical and Legal Issues in Electronic Commerce

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### Abstract

Electronic Commerce presents a world of approaches for doing business, purchasing without leaving the home and reaching global markets. It improves business processes but electronic commerce does have some issues too. Business ethics are the principles and morale values that guide behavior in the world of business. Business ethics describes what is right and what is wrong in the business world. It involves applying ethical standards to business decisions, operations and behaviors to ensure transparency, integrity, fairness and respect for all stakeholders. Ethics helps to build trust and loyalty, enhances brand reputation, reduces legal risks and encourages long term business sustainability. Legal issues refers to the laws and regulations that govern online business practices. Violation of these laws can result in lawsuits, fines or business shutdown. It involves consumer protection laws, Intellectual property laws, data protection and privacy laws, contract and E Signature validity, taxation and E-Commerce, cybercrimes and jurisdiction and cross border trade. Legal compliance in electronic commerce is critical for building trust, avoiding penalties and ensuring ethical digital trade. Business and customers must be aware about both national and international legal frameworks. Amazon, Facebook, Myntra, Ajio, Meesho, Flipkart etc.. are the best examples for the online businesses.

**Keywords:** E-commerce, Business Ethics, Legal Ethics, Internet, Electronic Business, Security.

### Introduction

The online advertising offers a solid platform for electronic commerce to explode. Electronic commerce has the ability to provide secure shopping transactions coupled with validation of credit card transactions and instant verification. Electronic commerce is about doing business leveraging the technology. The technological innovation is followed by continuous incorporation of ethical standards into law.

### Research Methodology

The study focuses on study of second hand data collected from various books, publications from websites and national and international journals on various aspects of electronic commerce.

### Objectives of the study

1. To study the concept of Electronic Commerce.
2. To study the concept of Business Ethics.
3. To study the Ethical issues involved in Electronic commerce.
4. To study the legal issues involved in Electronic commerce.

### Meaning of Electronic Commerce

Electronic commerce refers to the buying and selling of products and services over the internet. It includes all types of online transactions, business, individuals and government.

### Features

1. Online product catalogs and digital transactions.
2. 24/7 availability.
3. Global reach.
4. Secure payment systems.
5. Order tracking and customer service.

### Concept of Business Ethics

Business ethics is the application of ethical principles and standards to business behaviors. It explains what is right and what is wrong in the business context and helps to act accordingly to promote integrity, responsibility and fairness among all stakeholders.

### Importance

1. Builds trust and reputation.
2. Encourages long term success.

3. Reduces legal risks.
4. Employee's morals.
5. Increases customer loyalty.

### Ethical Issues in electronic Commerce

1. **Web spoofing:** Web spoofing is a malicious cyber practice where a fake website is created to mimic a legitimate one in order to deceive users. It is commonly used for stealing sensitive information.
2. **Cyber Squatting:** Cyber Squatting is unethical practice of registering trafficking in or wing a domain name with the intent of profiting from someone else's trademark or brand name. Cyber squatter registers a domain name similar to a well-known business or individual & then tries to sell it at a high price.
3. **Privacy Invasion:** Privacy invasion refers to unauthorized access, use collection or sharing of individual's personal information without their consent such as unauthorized data collection, selling personal data tracking & profiling etc.
4. **Online Piracy:** Online piracy refers to the unauthorized copying, distribution or sale of copy righted digital products such as music books, movies, software fashion items etc. through online platforms.
5. **Email Spamming:** Email spamming refers to sending large volumes of irrelevant marketing emails to consumers often without in consent. such as fake offers, misleading subject lines, over frequent emails etc.

### Legal Issues in electronic Commerce

1. **Fraud on the Internet:** Fraud on the internet is an deceptive or criminal activity carried out online with the intention of scamming individuals, institutions or business for personal or financial gains. Ex: phishing identity theft, auction fraud etc.
2. **Copy right:** Copyright infringement is a serious legal issue it occurs when someone uses a copyrighted work such as music, software, videos without the consent of the copyright owner or legal justification.
3. **Domain Names:** Registering a domain name that is identical or confusingly similar to a registered trademark may constitute trademark infringement. Example: Registering a domain like nike-sneakers-sale.com could infringe on Nike's trademark.

### Conclusion

Businesses are especially concerned with avoiding or breaking the criminal law in one's work related activity. Avoiding action that may result in civil law suits against the company and avoid actions that are bad for the company's image, since they can involve loss of money and companies reputation. All aspects of your business are affected by ethics. It affects first and foremost on the company's brand. Successful adoption of ethical principles into business can lead to improve company's brand in the eyes of the society.

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