



B.Com Honours

Semester II

Calicut University

E-Business Strategies

Course Code: COM2MN110 • Module 4 Notes

1. Legal, Privacy, and Security Issues in E-Business

As e-business grows, protecting transactions from cyber threats, safeguarding consumer privacy, and maintaining legal compliance are critical challenges. This final module covers web security basics (firewalls, encryption), legal issues, highlights of the Indian Information Technology (IT) Act, 2000, and data privacy regulations.

Web Security Basics: Firewalls and Transaction Security

Firewalls & Network Security

Firewalls monitor and filter incoming and outgoing network traffic based on pre-defined security rules, blocking hackers and malware from accessing corporate servers.

Transaction Security & Encryption

- **SSL/TLS Encryption:** Encrypts data transmitted between the customer's browser and the server, protecting passwords and credit card details.
- **Digital Signatures:** Cryptographic keys that guarantee the authenticity and integrity of digital messages/documents, preventing tampering.

The Indian e-Commerce Scenario & IT Act, 2000

The ****Information Technology (IT) Act, 2000**** is the primary law in India regulating e-commerce and cybercrime:

- **Legal Recognition:** Gives legal validity to electronic records, digital contracts, and digital signatures.
- **Cyber Offences:** Establishes penalties for hacking, publishing obscene material, and identity theft.
- **Exemptions for Intermediaries:** Protects platforms like Amazon or eBay (Intermediaries) from liability for third-party user content, provided they comply with due diligence rules.

Legal, Privacy, and Ethical Issues in E-Commerce

Issue Category	Description & Impact	Regulatory Compliance Requirements
Data Privacy	Corporate tracking, cookie collection, and potential leakage of user details.	Requires explicit user consent and secure databases (complying with DPDP Act, India).
Intellectual Property (IP)	Copyright infringement, trademark theft, and counterfeit sales on online platforms.	Strict compliance with copyright laws and trademark registries.
Jurisdictional Conflict	Difficulty determining which court has jurisdiction in borderless online disputes.	Explicitly stating the governing law and jurisdiction in Term sheets.

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