

# The Generation and Resolution of Disputes in Online Shopping Contracts

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**Abstract:** Studying disputes over online shopping contracts is of great significance at the legal, social, and economic levels. By deeply analyzing the causes of disputes, we can reveal some vague areas and information asymmetry issues commonly found in e-commerce contracts, providing profound insights for the introduction of future regulations and preventing legal disputes before they occur. This helps to build a more fair and transparent legal framework, which effectively promotes the avoidance of contract disputes. At the same time, it can also promote the healthy development of the e-commerce industry.

**Keywords:** Online Shopping Contracts; Disputes; Resolve

## 1. Introduction

With the rapid development of e-commerce, online shopping has become an indispensable part of people's daily life. It has brought us many conveniences, subverted the previous consumption methods and business concepts, and also caused many problems[1]. From a legal perspective, the popularity of online shopping has also brought new legal challenges and impacts. The legal system has gradually responded to the needs of e-commerce, involving adjustments in areas such as contract law and consumer rights law. The formation, performance and dispute resolution of online shopping contracts are all subject to regulations. With the continuous development and growth of e-commerce, disputes and contradictions about online shopping contracts have become more and more diverse. It has become more important and urgent to resolve conflicts and disputes based on the law. Through the law, the terms of online shopping contracts are regulated and restricted, thereby safeguarding consumer rights, regulating merchant behavior, and protecting data privacy, playing an important role in regulating online

shopping[2].

In order to promote the healthy development of the online shopping industry, online shopping contracts are indispensable. They are important legal documents between merchants and consumers. However, due to the complexity of contract terms and information asymmetry, online shopping contract disputes are frequent. Resolving disputes over online shopping contract terms is a top priority for current laws[3]. This paper aims to deeply analyze the current status of disputes over online shopping contract terms, explore the strategies and ways to generate and resolve risks, and provide legal basis, legal channels and useful suggestions for resolving disputes over online shopping contract terms and promoting the healthy development of online shopping transactions.

## 2. The Particularity of Risks in Online Shopping Contracts

### 2.1 Formation and Special Elements of Online Shopping Contracts

Online shopping contracts are based on e-commerce and virtual networks. In order to ensure the legality, compliance and security of people's transactions, online shopping contracts are virtual online contracts signed by buyers and sellers. Their remoteness and virtuality determine that online shopping contracts are special and fundamental in the process from conclusion to performance to dispute resolution, which is different from traditional paper contracts[4].

#### (1) Differences in the stages of conclusion

First, the formal element. Traditional paper contracts are usually in written form, while online shopping contracts can be in electronic form. The law generally recognizes the validity of electronic contracts, but their form is relatively more flexible and may involve electronic authentication methods such as electronic signatures[5].

Second, information disclosure. In online

shopping contracts, merchants are obliged to provide sufficient and clear product information, including price, specifications, quality, etc. This is different from the written contract terms and standardized contracts required by traditional paper contracts. Online shopping pays more attention to the transparency of information.

Third, user agreement and privacy policy. Part of the online shopping contract usually includes user agreement and privacy policy, which are legal elements unique to online shopping. Users need to agree to these agreements before online shopping, including regulations on the handling of personal information.

### (2) Differences in the implementation stages

Payment methods and third-party payment platforms. In the performance of online shopping contracts, there are various payment methods, and third-party payment platforms are usually involved. The performance of traditional paper contracts may rely more on traditional monetary delivery methods. Goods distribution and delivery. The performance of online shopping contracts involves the distribution and delivery of goods, which is different from the possible face-to-face delivery, express delivery and other methods in traditional paper contracts. The law stipulates the time and method of delivery in online shopping, and also considers the risk transfer during the delivery process[6].

### (3) Differences in dispute resolution mechanisms

Disputes in online shopping contracts are usually resolved through online dispute resolution platforms, arbitration and other mechanisms. This is different from the court proceedings in traditional paper contracts, which focus more on resolving disputes online. At the same time, electronic evidence is also a unique product of online shopping contracts. The performance of online shopping contracts may involve a large amount of electronic interactions, so the preservation and recognition of electronic evidence has become an important legal consideration. Traditional paper contracts may focus more on written evidence. In general, there are some significant differences between online shopping contracts and traditional paper contracts in terms of form, information disclosure, performance methods and dispute resolution mechanisms[7]. The legal system is gradually adapting to and regulating this new contract model in the digital economy.

## 2.2 Legal Particularities of Online Shopping Contracts

An online shopping contract refers to a contract that is generated, stored, transmitted and signed in electronic form. It is different from the conclusion, performance and dispute resolution methods of traditional paper contracts, which has resulted in a series of special dispute points. The means and methods of regulating all these activities must rely on the law to regulate online shopping contracts in a special way that intersects with traditional paper contracts, and to protect them because of their legal particularity[8].

Compared with traditional contracts, online shopping contracts have their own unique characteristics in terms of offer and acceptance. Due to their virtuality and non-face-to-face transaction characteristics, online shopping contracts are completed in a virtual environment. The buyer and seller do not reach an agreement through face-to-face communication, but communicate and trade through an online platform. This makes the expression of offer and acceptance different from traditional face-to-face transactions.

Different, so the uncertainty and dispute risks will also increase. In terms of contract terms, many online shopping platforms adopt standardized contract terms, which are usually formulated by the platform and provided to users[9]. Users need to accept these terms when registering and using platform services. Therefore, when users place orders to purchase goods, they have implicitly accepted the contract terms of the platform, which affects the formation of offers and promises. At the same time, online shopping platforms usually have automated ordering and payment systems, and users confirm orders and complete payments by clicking buttons or checking boxes. This automated process may affect users' full understanding and confirmation of contract terms, thereby affecting the effectiveness of promises and generating risks. In the actual online shopping process, sellers usually have more information and resources, while buyers are relatively at an information disadvantage. This may lead to insufficient understanding of contract terms by buyers when the contract is established, affecting the validity of promises and causing disputes. Electronic signatures and confirmations are important ways to confirm offers and promises[10]. Buyers usually confirm

orders by clicking confirmation buttons or entering payment passwords. This confirmation method is different from traditional written signatures, but is equally legally effective.

In the special disputes arising from online shopping, the invitation is an important factor in the dispute. In law, the contract invitation makes one party willing to make an offer to others by behavior, words or other means. In online shopping, there are some particularities in contract invitation and some behaviors that are easy to produce disputes by merchants, so it is also the most important link to produce disputes. In online shopping, merchants usually send invitations to consumers through information such as product description and price on the web page. In the process of selecting goods, adding to the shopping cart, filling in the order, etc., the consumer is actually accepting the invitation. Therefore, the display and operation of the web page also constitute a part of the contract offer, in this process, false product description, exaggerated verbal expression and or incorrect publicity behavior, are the important fuse of online shopping offer disputes today.

Some online shopping platforms adopt the mechanism of automatic order confirmation, that is, after the consumer places an order, the system will automatically send the information of order confirmation. This is also regarded as a form of contract invitation, indicating that the merchant has received the order from the consumer. Compared with the traditional paper contract, the time required for the establishment of the online shopping contract is greatly shortened, and the time left for consumers to think and react is also shortened. Merchants often send order confirmation, delivery notice and other information to consumers by email or text message at this time, which also forms part of the contract invitation. These notices often contain important information such as order details, price, delivery time, etc. Compared with the traditional paper-based contract signing and negotiating details in person or in book, the electronic notification method of online shopping contract has stronger uncertainty and the occurrence of wrong expression of intention, resulting in disputes[11].

In online shopping, the particularity of contract invitation is mainly reflected in the aspects of electronization, automation and real-time. The state recognizes these electronic offers through laws and regulations and ensures their legal

validity. However, in the process of gradually realizing online shopping contracts, more disputes will arise because they are different from traditional paper contracts in terms of virtuality, automaticity, particularity and uncertainty. Consumers need to carefully read the relevant information on the website when signing online shopping contracts. And before confirming the order to understand the conditions and terms, to avoid possible disputes.

## **2.3 Analysis of Dispute Points of Online Shopping Contract Terms**

### **(1) Dispute over privacy policy**

This mainly refers to the disputes generated by online shopping contracts under the influence of current algorithms, which exist in the aspects of personal information collection, data bias, data leakage and information security, and they are legal challenges to consumers' privacy.

First, the collection and use of personal data is the main cause of consumer privacy infringement. In this process, it is usually necessary to collect the personal information of the consumer, such as name, address, telephone number, email address, etc. The law requires businesses to follow the principles of transparency, legality and legitimacy when collecting and using personal information, and must obtain the consent of consumers. Therefore, the privacy policy and personal information protection clause in the online shopping contract should clearly specify how merchants collect, use and protect consumers' personal information, as well as consumers' rights and choices. Any illegal collection of personal information, abuse of personal information, and use of information without consumers' consent will inevitably violate the law, and will cause disputes if it causes improper consequences[12].

Second, another point of contention involved in online shopping contracts is the security of consumers' personal information. Merchants are required to take reasonable technical and organizational measures to prevent disclosure, alteration, loss, or unauthorized access to personal information. This will involve measures on encryption technology, access control, network security and more. The online shopping contract may involve cooperation with third parties or the sharing of consumers' personal information, such as logistics companies, payment agencies, marketing partners, etc. In this case, the merchant needs to clearly inform the

consumer and obtain the express consent of the consumer, and also need to ensure that the third party also comply with the relevant laws and regulations on the protection of personal information, if the sharing of data without the consent of the consumer or the sharing of data leads to the disclosure of user information and losses, will inevitably lead to disputes. In the process, if merchants transfer consumers' personal information to other countries or regions, there may be legal issues related to cross-border data transfer. Some countries and regions have specific regulations and requirements that require merchants to ensure appropriate data protection measures when conducting cross-border data transfers, such as signing data processing agreements or obtaining approval from relevant authorities, and cannot transmit data without the constraint of contracts or agreements.

Third, there is a risk of abuse and disclosure of consumers' personal information in online shopping contracts, which may lead to personal information being illegally obtained or used for improper purposes, such as spam marketing and identity theft. Businesses need to take the necessary measures to prevent and deal with such risks, minimize disputes, and clearly stipulate in the contract the liability for losses caused by the disclosure of personal information.

The legal challenges related to consumer privacy in online shopping contracts mainly include the collection and use of personal information, information security, third-party data sharing, cross-border data transmission, and data abuse and disclosure. Businesses need to clearly specify the relevant policies and measures for the protection of personal information in the contract, and fulfill the relevant obligations in accordance with the law to protect the privacy rights and interests of consumers.

#### (2) Legal disputes over limitation of liability

The limitation of liability clause in the online shopping contract is a common legal clause in the contract, which is usually used to limit the scope of the seller's liability to the buyer under certain circumstances. However, such limitation of liability must comply with the provisions of the law, otherwise it may be deemed improper, illegal or unfair and cause disputes. Therefore, the limitation of liability clause in the online shopping contract may involve various legal issues.

In some countries and regions, the law may stipulate that certain terms of the contract are

improper. Improper provisions may include overly stringent limits on liability, especially for consumers. If the limitation of liability is found to be improper, the court may rule that the provision is invalid, thereby preventing the seller from being completely exempt from liability in a particular situation. A limitation of liability clause may also be deemed invalid by law if it is fraudulent or misleading. For example, if the seller intentionally conceals defects in the product and provides for an exemption from those defects in the limitation of liability clause, this may be considered fraud. In addition, unfair business practices are prohibited by the existence of the Fair Trading Act or such regulations. If the limitation of liability is considered to be contrary to the Fair Trading Act, it may result in the invalidity of this provision. For example, some countries may provide that certain contractual provisions are mandatory and cannot be excluded or limited. For example, the protection of the rights and interests of consumers may include mandatory provisions that cannot be excluded by the seller through limitation of liability clauses.

#### (3) Legal disputes caused by the ambiguity of the provisions

First, vague contract terms may lead to uncertainty about the performance of the obligations of the parties. For example, the contract may not clearly specify the delivery time, quality standards of goods, scope of services and other specific content, resulting in differences between the two parties in the process of performance. Disputes arising from the failure to accurately state the right of interpretation in the contract. Vague contract terms may give rise to disputes over the interpretation of the contract. When there is ambiguity between the two parties about the meaning of the terms, there may be a dispute over the interpretation of the contract, especially when there are multiple interpretation possibilities of the contract terms.

Second, disputes arising from the unclear definition of responsibility, vague contract terms may lead to disputes in the definition of responsibility. For example, if the limitation of liability or the exclusion clause in the contract is ambiguous, it may lead to disputes, and the parties may disagree on the scope of liability and how to assume liability.

Third, there may be disputes in the protection of consumer rights and interests of vague terms. In online shopping contracts, consumers are often in a relatively weak position. If there is ambiguity in

contract terms, it may damage the legitimate rights and interests of consumers. As a result, consumers may pursue legal avenues to defend their rights, such as claiming that the terms of the contract are invalid or requesting that the contract be amended to protect their rights. The vagueness of contract terms may also cause the contract to be inconsistent with relevant laws and regulations. In some jurisdictions, the law may stipulate that the terms of the contract must be clear, unambiguous, and must not violate the mandatory provisions of the law. If the terms of the contract are vague, it may cause the contract to be invalid or violate the law.

(4) Unfair contract terms cause legal disputes

Unfair online shopping contract terms are also a major contributor to disputes. That is, unfairness caused by information asymmetry. If there is information asymmetry in the contract terms, that is, the seller has more information and the consumer is not enough to understand the contract content, which may lead to the invalidation of the contract. In this case, consumers may claim that information is not equal, and disputes may revolve around information transparency.

If the exclusion clause in the contract is too broad or unreasonable, it may be found to be unfair, that is, the imposition of unreasonable exclusion of liability. For example, clauses that unduly limit the seller's liability may lead to disputes, especially when there are problems with the quality of the goods, delivery time, etc. In addition, there is no doubt that unilateral modification of the contract will inevitably lead to legal disputes, which may arise if the seller is allowed to unilaterally modify the contents of the contract without informing the consumer. In some jurisdictions, the right to unilaterally modify a contract may be restricted by law, especially without prior notice and without the consent of the consumer.

A breach clause in a contract may be deemed unfair if it is too harsh or unreasonable. For example, excessive penalties for consumer defaults can lead to legal disputes. Unfair standard clauses usually refer to clauses in the contract that favor one party (usually the seller) or weaken the rights and interests of consumers, deny the rights and interests of consumers, illegally seek benefits for themselves, and will certainly cause legal disputes between the buyer and the seller.

### 3. Legal Provisions and Basis for Resolving Disputes

The resolution of online contract disputes usually depends on the legal system of a country or region. Only with mature and complete laws and legal systems can legal disputes have laws to follow and evidence to rely on. Only laws can protect online shopping contracts and the most solid backing for the e-commerce market. They are also the legal provisions and basis for resolving disputes in China. The resolution of online contract disputes involves multiple legal fields and regulations, and their legal provisions and basis mainly depend on the legal systems and relevant regulations of each country. Globally, the rapid development of e-commerce has triggered a series of online contract disputes, which may involve multiple legal fields such as contract law, e-commerce law, intellectual property law, and consumer protection law.

The first legal basis for resolving disputes over online contracts is the Contract Law. A contract is a legal agreement that establishes and confirms the rights and obligations of the parties. As a special form of contract, the Contract Law has made provisions for the establishment, performance, and interpretation of online contracts. The basic principles of the Contract Law, such as the principle of free will, the principle of equality, and the principle of good faith, play an important guiding role in the conclusion and performance of online contracts. The Contract Law stipulates that when a dispute arises due to one party to an online contract failing to perform its contractual obligations or performing them improperly, it shall bear the remedies in terms of liability for breach of contract and compensation for damages. Second, the E-Commerce Law is also an important legal basis for resolving disputes over online contracts. With the rise of e-commerce, countries have enacted e-commerce laws and regulations to adapt to the development of the digital age. These laws and regulations generally stipulate the validity of electronic contracts, the legal effect of electronic signatures, the security requirements of online transactions, etc., and provide a legal basis for the legitimacy of online contracts. The application of e-commerce law helps to clarify the legal status of contracts in the digital environment, and also provides a legal framework for the resolution of online contract disputes. Intellectual property law also plays a key role in online contract disputes. Online

contracts often involve issues such as the licensing and transfer of intellectual property rights, such as copyright, patents, and trademarks of software and works. In the contract, when the intellectual property rights of the parties are clearly stipulated, their rights and obligations are protected by intellectual property law. If the performance of the contract involves infringement of the intellectual property rights of others, intellectual property law will provide the right holder with a means to protect his rights and help him resolve online contract disputes. In addition, consumer protection law is also one of the legal bases for resolving online contract disputes. In online transactions, there may be information asymmetry between buyers and sellers, and consumers may be in a relatively weak position. In order to protect the rights and interests of consumers, countries have enacted a series of consumer protection laws and regulations, stipulating the principle of fair trade in online contracts and the punishment provisions for false advertising. When consumers encounter problems in online contracts, the Consumer Protection Law will provide them with corresponding legal support. In addition, the Cybersecurity Law also has a certain influence in resolving disputes over online contracts. With the rapid development of network technology, the performance of online contracts may involve issues such as information leakage and network attacks. Cybersecurity laws often stipulate the responsibilities and obligations of network operators and clarify the standards and requirements for network security. When online contracts cause disputes due to network security issues, relevant network security regulations will provide a legal basis for dispute resolution.

Internationally, the United Nations Convention on Contracts for the International Sale of Goods (CISG) may also apply to cross-border online contracts. CISG is an international convention involving international trade that provides a set of uniform legal rules for the conclusion and performance of contracts. When online contracts span multiple countries, CISG provides an international legal basis for resolving contract disputes.

#### **4. Legal Channels for Resolving Disputes**

With the rapid development of e-commerce, online shopping has become an indispensable part of people's daily life. However, the ensuing online shopping contract disputes have further

highlighted the problem in this regard. Seeking a reasonable and fair solution has become an indispensable issue when consumers have contract disputes with e-commerce platforms or sellers. In the legal system, in order to effectively resolve online shopping contract disputes, the parties can choose from a variety of methods. These legal channels include mediation, negotiation, arbitration, court litigation, online arbitration platforms, consumer protection agencies, lawyers' letters, legal consultation, etc. In-depth discussion of the characteristics, advantages and disadvantages and applicable circumstances of these legal channels is carried out in order to better choose appropriate solutions, thereby providing the parties with a comprehensive understanding, in order to better protect consumer rights and resolve online shopping contract disputes.

First, mediation and negotiation are very common and flexible legal ways to resolve disputes in online shopping contracts. Mediation is generally presided over by professional mediators, while negotiation is a direct negotiation between the parties. Both methods emphasize the attitude of direct dialogue and cooperation to solve problems in order to reach a solution that satisfies both parties. The advantages of mediation and negotiation are that they can quickly resolve disputes and have a positive effect on business relationships, and the cost is relatively low. However, for some more complex legal issues, the effectiveness of the above two methods may be limited, so when the nature of the dispute is more serious or the two parties cannot reach a consensus on the disputed issues.

Second, arbitration is a relatively quick, efficient and low-cost solution to online shopping contract disputes. It also has its place. Arbitration awards are made according to legal provisions and the agreement reached by the parties. Arbitration is usually conducted by independent arbitrators or arbitration institutions. The flexibility of this method makes it applicable to various disputes. However, the disadvantage of arbitration is that in some cases it may be limited by the nature of the dispute and the wishes of the disputing parties, although it has a shorter cycle and lower costs than traditional court litigation. The execution of arbitration awards sometimes encounters troubles of one kind or another.

Finally, for those disputes that are more complicated and the parties cannot reach an

agreement, court litigation is applied as a formal and regular legal procedure. Through court litigation, the judge can make a fair judgment on the parties in dispute. The court litigation procedure is relatively rigorous, so the legitimate rights and interests of the parties are protected. However, the disadvantages of court litigation are that the litigation cycle is long, the cost is high, and it may cause damage to the buyer-seller relationship. Therefore, when other methods cannot be resolved, it is usually regarded as a "last resort" and adopted.

## 5. Conclusion

The study of online shopping contract disputes has far-reaching value at the legal, social and economic levels. In-depth research on the causes of disputes reveals the ambiguity and information asymmetry in e-commerce contracts, and provides insights for preventing legal disputes and formulating future regulations. This helps to build a more fair and transparent legal framework, thereby effectively preventing the occurrence of contract disputes. By understanding disputes and their cases, we can identify the clauses in the contract that are prone to cause disputes, provide empirical support for the refinement of regulations, and lay the foundation for building a rule of law e-commerce environment.

The research on the generation and resolution of disputes in online shopping contracts is conducive to the improvement and progress of the legal system, promoting the healthy development of the e-commerce market, safeguarding the rights and interests of merchants and consumers, and providing useful theoretical support for building a fair, transparent and stable e-commerce ecosystem. In terms of economy, law and society, it provides strong theoretical support for the future development of e-commerce and the continuous improvement of the legal system, and provides a practical reference and interpretation for buyers and sellers to conduct online transactions fairly and reasonably, and to prevent and resolve disputes in online shopping contracts.

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