

DROHAN

MADELAINE DROHAN

OTTAWA

PUBLISHED JANUARY 22, 2000

UPDATED MARCH 23, 2018

If consumers are ever going to take to shopping on the Internet in the same way they do with traditional stores, they must have a means of redress if their purchases aren't up to scratch.

It was with this in mind that a group of Canadian high-tech companies announced plans this past week for a body that would be both a small-claims court and a better-business bureau of cyberspace.

The proposed body would issue a trustmark or seal of approval to shopping sites that met certain criteria on privacy and security. It would also provide a forum where disputes arising from e-commerce transactions could be resolved.

The cybercourt, as it was immediately dubbed by the Wall Street Journal, was one of a series of recommendations made in a report by the Canadian E-Business Opportunities Roundtable, co-chaired by Nortel Networks chief executive officer John Roth and David Pecault, managing director of the Boston Consulting Group (Canada). They are worried that Canadians, who lead the world in Internet use, are not spending enough of their on-line time shopping.

Why not, they speculated, use Canada's reputation as an honest broker to develop a Canadian trustmark and a panel of judges to give on-line shoppers the confidence to buy? While it would initially be aimed at Canadian e-commerce shoppers, it could eventually be expanded for use around the world.

It's an intriguing idea and an example of how groups are trying to grapple with the commercial and legal challenges thrown up by the Internet. In the borderless world of the Internet, whose laws apply? And how can these laws be enforced?

Academics, business groups, and multinational organizations like the World Trade Organization and the Organization for Economic Co-operation and Development in Paris are all trying to answer these questions. The OECD is co-sponsoring a conference on e-commerce dispute settlement in The Hague this June.

But here's the catch: As is so often the case with the Internet, the problem is not too few sites that address these questions, but too many. John Dryden, head of the information, computer and communications division at the OECD, has been tracking examples of on-line dispute settlement mechanisms. His list includes:

A site established by the World Intellectual Property Organization (www.arbiter.wipo.int/arbitration/online/index.html) which began as an attempt to resolve domain name registrations but has since been extended for other commercial disputes;

An experimental cybertribunal being developed at the University of Montreal, (<http://www.crdp.umontreal.ca>) to offer mediation, arbitration and a cybertribunal seal of approval;

A private initiative known as Cybersettle (<http://www.cybersettle.com>) which is used by insurance companies looking for a quick way to resolve disputes with claimants;

As well, at least several other sites offer various methods of dispute settlement over the Internet -- Cyber Arbitration by the Inter-Pacific Bar Association (www.neoteny.com/jito/law/jitoipba.html), Mediate-net (<http://www.mediate-net.org>) and iCourthouse (<http://www.icourthouse.com/main.taf>).

So the promoters of a Canadian dispute settlement site will not only have to develop one that is fast, reliable and efficient, they will also have to find a way to differentiate the Canadian site from all these others.

The roundtable has already thought about how their site can stick out from the rest of the crowd. The solution is sovereign backing from the Canadian government. They also plan to get the giants of e-commerce to recognize the cybercourt and trustmark. If consumers know that AOL or Microsoft, for example, have applied to the site for its seal of approval and use its dispute settlement mechanism, it will provide instant respectability.

Getting the backing of the giants may not be as difficult as it sounds. The Canadian involvement in this project grew out of the participation of BCE president Jean Monty in a group called the Global Business Dialogue on Electronic Commerce. The group, co-chaired by Steve Case of AOL and Gerald Levin of Time Warner, met last year in Paris to discuss the most pressing issues facing their business.

Mr. Monty talked about the issue of consumer trust and was then delegated by the group to find ways of bolstering it on-line. The work being done by BCE staff is being fed to this global group as well as to the Canadian roundtable.

If e-commerce is to live up to the expectations of these technology giants, the industry will have to work fast on developing consumer confidence. The ability to make purchases on-line has already shot far ahead of the methods of dispute settlement available. Many consumers are in the dark about what to do when their on-line purchases disappoint or fail to appear.

The Internet is not easily regulated, which puts the onus on companies rather than governments to do the necessary groundwork in the area of dispute settlement. They may not like the idea of handing consumers the tools with which to pursue them legally.

But they know e-commerce will not live up to its potential unless disappointed on-line shoppers can say with confidence: "I'll see you in cybercourt!" *Madelaine Drohan's e-mail address is mdrohan@globeandmail.ca*