



INTERNATIONAL LAW
JOURNAL

**WHITE BLACK
LEGAL LAW
JOURNAL
ISSN: 2581-
8503**

Peer - Reviewed & Refereed Journal

The Law Journal strives to provide a platform for discussion of International as well as National Developments in the Field of Law.

WWW.WHITEBLACKLEGAL.CO.IN

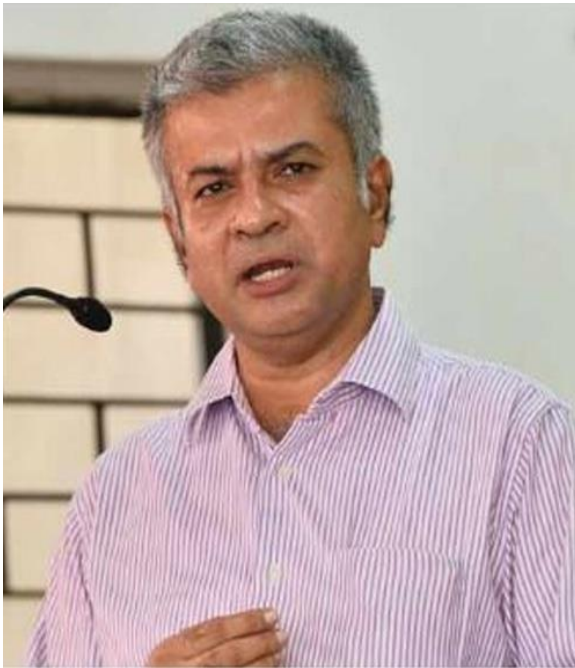
DISCLAIMER

No part of this publication may be reproduced or copied in any form by any means without prior written permission of Editor-in-chief of White Black Legal – The Law Journal. The Editorial Team of White Black Legal holds the copyright to all articles contributed to this publication. The views expressed in this publication are purely personal opinions of the authors and do not reflect the views of the Editorial Team of White Black Legal. Though all efforts are made to ensure the accuracy and correctness of the information published, White Black Legal shall not be responsible for any errors caused due to oversight or otherwise.

WHITE BLACK
LEGAL

EDITORIAL **TEAM**

Raju Narayana Swamy (IAS) Indian Administrative Service **officer**



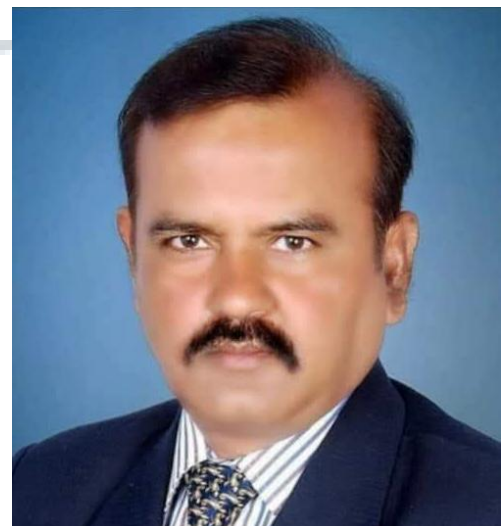
Dr. Raju Narayana Swamy popularly known as Kerala's Anti Corruption Crusader is the All India Topper of the 1991 batch of the IAS and is currently posted as Principal Secretary to the Government of Kerala . He has earned many accolades as he hit against the political-bureaucrat corruption nexus in India. Dr Swamy holds a B.Tech in Computer Science and Engineering from the IIT Madras and a Ph. D. in Cyber Law from Gujarat National Law University . He also has an LLM (Pro) (with specialization in IPR) as well as three PG Diplomas from the National Law University, Delhi- one in Urban Environmental Management and Law, another in Environmental Law and Policy and a third one in Tourism and Environmental Law. He also holds a post-graduate diploma in IPR from the National Law School, Bengaluru

and a professional diploma in Public Procurement from the World Bank.

diploma in Public

Dr. R. K. Upadhyay

Dr. R. K. Upadhyay is Registrar, University of Kota (Raj.), Dr Upadhyay obtained LLB , LLM degrees from Banaras Hindu University & Phd from university of Kota.He has succesfully completed UGC sponsored M.R.P for the work in the ares of the various prisoners reforms in the state of the Rajasthan.



Senior Editor

Dr. Neha Mishra



Dr. Neha Mishra is Associate Professor & Associate Dean (Scholarships) in Jindal Global Law School, OP Jindal Global University. She was awarded both her PhD degree and Associate Professor & Associate Dean M.A.; LL.B. (University of Delhi); LL.M.; Ph.D. (NLSIU, Bangalore) LLM from National Law School of India University, Bengaluru; she did her LL.B. from Faculty of Law, Delhi University as well as M.A. and B.A. from Hindu College and DCAC from DU respectively. Neha has been a Visiting Fellow, School of Social Work, Michigan State University, 2016 and invited speaker Panelist at Global Conference, Whitney R. Harris World Law Institute, Washington University in St.Louis, 2015.

Ms. Sumiti Ahuja

Ms. Sumiti Ahuja, Assistant Professor, Faculty of Law, University of Delhi,

Ms. Sumiti Ahuja completed her LL.M. from the Indian Law Institute with specialization in Criminal Law and Corporate Law, and has over nine years of teaching experience. She has done her LL.B. from the Faculty of Law, University of Delhi. She is currently pursuing Ph.D. in the area of Forensics and Law. Prior to joining the teaching profession, she has worked as Research Assistant for projects funded by different agencies of Govt. of India. She has developed various audio-video teaching modules under UGC e-PG Pathshala programme in the area of Criminology, under the aegis of an MHRD Project. Her areas of interest are Criminal Law, Law of Evidence, Interpretation of Statutes, and Clinical Legal Education.



Dr. Navtika Singh Nautiyal

Dr. Navtika Singh Nautiyal presently working as an Assistant Professor in School of law, Forensic Justice and Policy studies at National Forensic Sciences University, Gandhinagar, Gujarat. She has 9 years of Teaching and Research Experience. She has completed her Philosophy of Doctorate in 'Intercountry adoption laws from Uttranchal University, Dehradun' and LLM from Indian Law Institute, New Delhi.



Dr. Rinu Saraswat

Associate Professor at School of Law, Apex University, Jaipur, M.A, LL.M, Ph.D,

Dr. Rinu have 5 yrs of teaching experience in renowned institutions like Jagannath University and Apex University. Participated in more than 20 national and international seminars and conferences and 5 workshops and training programmes.

Dr. Nitesh Saraswat

E.MBA, LL.M, Ph.D, PGDSAPM

Currently working as Assistant Professor at Law Centre II, Faculty of Law, University of Delhi. Dr. Nitesh have 14 years of Teaching, Administrative and research experience in Renowned Institutions like Amity University, Tata Institute of Social Sciences, Jai Narain Vyas University Jodhpur, Jagannath University and Nirma University.

More than 25 Publications in renowned National and International Journals and has authored a Text book on Cr.P.C and Juvenile Delinquency law.

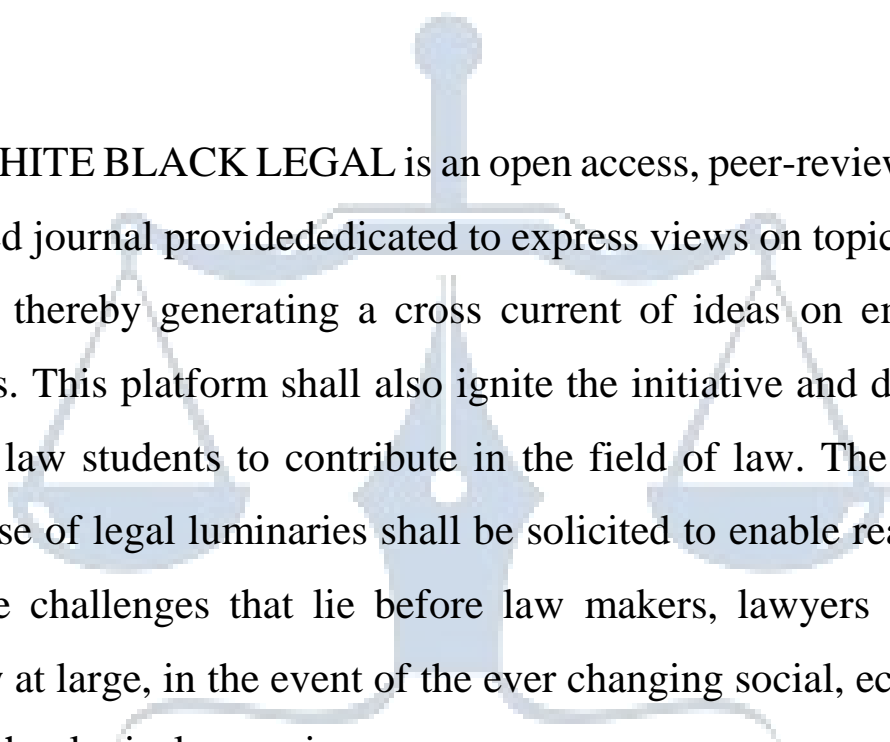


Subhrajit Chanda

BBA. LL.B. (Hons.) (Amity University, Rajasthan); LL. M. (UPES, Dehradun) (Nottingham Trent University, UK); Ph.D. Candidate (G.D. Goenka University)

Subhrajit did his LL.M. in Sports Law, from Nottingham Trent University of United Kingdoms, with international scholarship provided by university; he has also completed another LL.M. in Energy Law from University of Petroleum and Energy Studies, India. He did his B.B.A.LL.B. (Hons.) focussing on International Trade Law.

ABOUT US



WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provided dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

ELECTRONIC CONTRACTS (E-CONTRACTS) AND LEGAL ENFORCEABILITY IN DIGITAL WORLD

AUTHORED BY - AJIT RAJU KAMBLE
& SHUBHAM BALASAHEB AUTE

Abstract

The rapid advancement of digital technology has revolutionized commercial transactions, leading to the widespread adoption of e-contracts or electronic contracts. E-contracts, formed through electronic means such as emails, websites, and digital platforms, have significantly streamlined business operation, reducing paper work and enhancing efficiency. However their legal enforceability presents unique challenges, including concerns about authentication, consent, jurisdiction, and compliance with existing legal framework. This paper explores the nature of the e-contracts, their classification, such as click-wrap, browse-wrap, shrink-wrap agreements, and the legal principles governing their enforceability. It examines various jurisdiction, including United States, European union, and India, have adapted their legal system to regulate digital contracts through laws like the Electronic Signatures in Global and National Commerce Act, (ESIGN Act), Uniform Electronic Transactions Act, (UETA), and the Information Technology Act, 2000. Key issues such as electronic signatures, electronic authentication methods, data privacy concerns and dispute resolution mechanism are also discussed. Furthermore the study concludes that while e-contracts offer numerous advantages and their enforceability depends on robust legal frameworks, technological safeguards, and international cooperation to address jurisdictional conflicts and ensure consumer protection in the digital era.

Key words: E-contracts, Agreements, Digital, enforceability, signatures, Information Technology

INTRODUCTION

In the digital world with recent technological development, there is an immense change in the standard living of people. Thus, communication is not anymore limited to geographical boundaries. Now, information is transferred much widely and quickly than ever before. Electronic commerce has made its way and many problems are solved through the use of e-commerce.

E-contracts are self-executing contracts with the terms of the agreement directly written into code. Facilitated by blockchain technology, these contracts are automate and enforce the execution of contractual clauses without the need of intermediaries. The decentralized and tamper-resistant nature of blockchain ensures trust and transparency in the execution of these contracts, offering a promising alternative to traditional agreements. Industries ranging from finance to real estate and supply chain management and many more areas have embraced E-contracts for their potential to streamline processes and reduce costs.¹

E-contracts is one of the divisions of e-business. It is similar to traditional business wherein goods and services are switched for a particular amount of consideration. The important factor involved is that the contract take place through digital mode of a communication. It provides an opportunity for sellers to reach the end of consumer directly without the involvement of the middlemen. However, the integration of E-contracts into mainstream business practice raises critical questions about their legal standing, enforceability, and the implication for existing regulatory frameworks. As these digital agreements become an integral part commercial transactions, understanding their legal implications becomes paramount to ensure a secure and reliable digital ecosystem.²

1. E-CONTRACTS

E-contracts or electronic contracts means are agreements formed electronically, where the parties express their mutual consent and intention to be bound by the terms and condition of the contract using electronic means, such as emails, websites or electronic signatures.³

E-contracts are such instruments which helps for most of the E-commerce related issues to get sorted. With the help of the e-contracts most of the problems concerning to the consumers as

¹ A. Antonopoulos, "Mastering Ethereum: Building E-Contracts and DApps" (O'Reilly Media, 2018).

² N. Szabo, "E-Contracts: Building Blocks for Digital Markets" (1996).

³ [E-Contracts, Types of E-contracts – Effective Laws](#)

well as to the business can be taken into consideration and after that formulation and implementation of the commercial contracts can be done within the scope of e-business. E-contracts includes terms and policies as to the contract which could be easily understandable to the individuals. It is also includes the composition of pattern for the supply of the products, statutory guidelines and recognition under the law, services related to the digital products as well as services available to both consumer as well as the business.⁴

U.S. legal definition, defines as E-contract is any kind of contract formed in the course of e-commerce by the interaction of two or more individuals using electronic means, such as e-mail, the interaction of an individual with an electronic agent, such as a computer program, or the interaction of at least two electronic agents that are programmed to recognize the existence of a contract. The Uniform Computer Information Transactions Act provides rules regarding the formation, governance, and basic terms of an e-contract. Traditional contract principles and remedies also apply to e-contracts. This is also known as electronic contract.⁵

2. TYPES OF E-CONTRACTS



⁴ Law relating to electronic contract – R.K.Singh

⁵ [E-Contract Law and Legal Definition | USLegal, Inc.](#)

There are several types of e-contracts based on their execution. Different types of businesses use different types of e-contracts. Some of the most important kinds of e-contracts are mentioned below:

2.1. Click Wrap Agreements:

This agreement is also known as a Click-Through Agreement as the user will use the services only when he clicks on the agreement and accepts all the terms and conditions. This type of agreement takes the consent of the user before he/she is using the services.⁶ This type of agreement is largely present all over the internet in software licenses or for using any website. This agreement provides the user the chance to go through the terms and policies of the agreement, and only if they agree and provide their consent, then only they can visit the website. The user has the option to reject, but once they reject the terms and conditions they will not be allowed to visit the website or use the services. Hence, once the user clicks I Agree, they become bound by the legal obligations.

2.2. Shrink Wrap Agreements:

This type of agreement is mainly used in the software industry. This agreement is attached to the software, so as soon as the person has purchased the software and opened it, he/she has agreed with them. The End User License Agreement (EULA) is also a Shrink Wrap Agreement. This type of agreement protects both the user and the manufacturer, it protects the user by providing him/her with all the necessary permission that is required to use the software.

2.3. Browse Wrap Agreements:

This type of agreement is imbedded in the websites, so by merely using the website the user is giving his/her assent to the agreement. This agreement is hidden in the website, and the users do not have the option to read these before entering the website. The continued use of the website by the user is the assent to this agreement. These can be found in some hyperlinks or the policies section of the website. These are updated by the website from time to time, and it is a practice that the user has accepted these terms.

2.4. Scroll Wrap Agreements:

As the name of the agreement suggests this agreement means that the user has to scroll the whole agreement then only he/she can visit the website or use the service. Scrolling the agreement is the consent of the user. If he/she does not scroll the agreement till the end, then he/she will not be able to use the services. In this type of agreement, the user

⁶ [The Origin of Click-Wrap: Software Shrink-Wrap Agreements](#)

has the option to reject the terms after scrolling and reading the terms of the use.⁷

2.5. Sign-in Wrap Agreements:

In this type agreement, the user signed up for a service, then only person will be allowed to use the service. The process of signing into an agreement can be different for different websites, but the reasons behind all are the same. It only lets the user use the services when they sign into the website using the different techniques that are present there.

3. E-SIGNATURES:

The Information Technology Act, 2000 recognizes the validity of Electronic Signatures in our country. The act specifies that Electronic Signature comes under the purview of Digital Signature. The scope of Digital Signature is very vast under the act, and obtaining a Digital Signature is a tough task. The Information Technology (Amendment) Act, 2008 substituted the term Digital Signature with Electronic Signature. Under the act, there are no specific rules for the use of Electronic Signatures. A person can put an electronic signature into an agreement by simply putting his/her name in the document electronically or by signing the document electronically using any online medium.

The act substituted the name to provide ease of business to various organizations. E-commerce is growing around the world, and Electronic Signatures have proved to be beneficial in such situations. The legal status of an Electronic Signature is equivalent to a normal signature. Various judgments are established around the world that an Electronic Signature cannot be held invalid based on its electronic form only.⁸

4. STAMPING OF E-CONTRACTS:

Under the Indian Stamp Act, 1899, the stamp duty is levied on 'instruments'. The term instrument includes all documents evidencing title or obligation, except bills of exchange, letters of credit, cheques, promissory notes, bill of lading, insurance policies, stock transfers, bonds, powers of attorney and receipts. Notes, that the term 'document' also includes any electronic record as defined in section 2(1)(t) of the Information Technology Act, 2000.⁹

In India stamping of electronic documents is done by printing the document on the stamp paper or by free stamping method or electronic stamping method by purchasing stamp duty receipt.

⁷ [Electronic Contracts: Meaning, Legal Validity and Kinds - GeeksforGeeks](#)

⁸ lawdocs.in/blog/e-contracts-and-digital-signatures

⁹ Indian Stamp Act, 1899

5. ESSENTIALS OF E-CONTRACTS

An e-contracts, like traditional contract, must fulfill certain legal requirements to be valid and enforceable. These essentials derived from the principles of the Indian contract Act, 1872 ensure the contract's legality and protect the interest of the parties involved. Below are the critical essential of e-contracts:

5.1 Offer And Acceptance:

A valid e-contract begins with a clear offer by one party and unambiguous acceptance by the other.

- **Offer:**

The terms of the offer must be definite and communicated electronically, often through emails, web forms, online agreements, or digital platforms.

- **Acceptance:**

Acceptance must be communicated explicitly (e.g., clicking 'I Agree') or implied through actions like downloading software after agreeing to terms.

5.2. Lawful consideration:

There must be an exchange of something valuable between the parties, termed as consideration. The consideration must be lawful, meaning it should not involve illegal activities or objectives. For instance, a buyer purchasing goods online pays money (consideration) to the seller in exchange for the product.

5.3. Competency of Parties:

The parties entering into the e-contract must be legally capable of doing so. They must be of sound mind, not minors, and not disqualified by law. For instance, a minor agreeing to a subscription service would render the e-contract voidable.¹⁰

5.4. Free Consent:

Consent of the parties must be free and not influenced by:

- **Coercion:** Use of force or threats.
- **Fraud:** Misrepresentation of facts.
- **Undue Influence:** Exploiting a position of power.
- **Mistake:** Misunderstanding or misinterpretation of terms.

If consent is obtained improperly, the e-contract may be deemed valid.

5.5. Lawful Object:

¹⁰ [E-Contract: Meaning, Essentials, Applications, and Law](#)

The purpose of the e-contract must not violate any law, public policy, or morality. For example, a contract for selling banned substances, even if created electronically, is void.

5.6. Certainty of terms:

The terms and condition in the e-contracts must be clear, precise, and certain. Ambiguity in terms can lead to disputes and may render the contract unenforceable.

5.7. Writing and Authentication:

E-contract are often in electronic form and are authenticated through electronic signatures or digital signatures.

- These signatures must comply with the Information technology Act, 2000, which provides legal recognition for electronic records and digital signatures.
- In certain cases, such as contracts related to property or wills, physical documentation may still be required.

5.8. Intention to Create Legal Relations:

The parties must intend to enter into a legally binding agreement. For example, agreements made in a casual or social context, such as through social media, may not be legally enforceable unless intent is evident.

5.9. Compliance With Applicable Laws:

E-contracts must comply with the Information technology Act, 2000, which provides the legal framework for electronic records and signatures.¹¹

Section 10A of Information technology Act, recognizes contracts formed through electronic means.

5.10. Performance Possibility:

The terms of the e-contract must be physically and legally possible to perform. For example, an agreement to sell non-existent product is void due to impossibility of performance. These essentials ensure that e-contracts are legally enforceable and equitable for all parties. By adhering to these principles, e-contracts have become reliable and efficient tool for modern commerce and communication.

6. APPLICABILITY AND USAGES

E-contracts are applicable in various sectors which includes IT services, e-commerce, financial services, medical services, legal services and in any industry where the work system is online.

¹¹ [E-Contract: Meaning, Essentials, Applications, and Law](#)

E-contracts have become an integral part of modern commerce, technology and services. Their ease of use, cost efficiency and adaptability to digital platforms has made them indispensable across various industries. The applicability's of e-contracts are below:

a) E-Commerce Transactions:

E-contracts are the backbone of online shopping platforms and marketplaces. It helps in seamless buying and selling process, fostering global trade. Some of the examples are buyers accept terms and conditions through click-wrap agreements, online purchase invoices and delivery agreements.

b) Software Licensing and IT Services:

E-contracts regulate the licensing and use of software, apps and other IT services. It ensures compliance with intellectual property rights. The example of which are as through shrink wrap agreements the terms packaged with software, deemed accepted upon use, acceptance of terms before downloading software through click wrap agreements.¹²

c) Banking and Financial Services:

Financial institutions use e-contracts for providing services such as loans, credit cards and digital banking. It helps in quick processing and verification of agreements. Some of them are loan agreements signed electronically and terms of service for online banking apps.

d) Employment Agreements:

Organizations utilize e-contracts to formalize terms of employment, especially in remote work scenarios. It helps in convenient on boarding of employees from different locations. Some Examples are offer letters and employment contracts signed digitally, non-disclosure agreements.

e) Travel and Hospitality:

The travel industry leverages e-contracts for booking and service agreements. It enhances customer convenience and trust. Some of the examples are terms and conditions for hotel bookings or flight tickets, cancellation and refund policies accepted electronically.

f) Real Estate Transactions:

E-contracts simplify real estate dealings by enabling digital agreements for renting,

¹² <https://thelegalquotient.com/corporate-laws/indian-contract-act/e-contract-meaning-essentials-applications-and-legal-framework-in-india/5668/>

buying or selling properties. It eliminates the need for physical meetings, reducing time and cost. Some of the examples are online lease agreements, sale agreements executed through digital signatures.

g) Healthcare Services:

E-contracts facilitate patient consent and agreements between healthcare providers and insurers in digital health services. It helps in faster healthcare delivery and streamlined claims processing. Some of their examples are telemedicine agreements for online consultations, insurance claims processed electronically.

h) Media and Entertainment:

Streaming platforms and gaming services rely on e-contracts to establish terms of use and subscription agreements.¹³

It helps in scalable and user friendly agreements for millions of users. Some of these examples are subscription agreements for platforms like Netflix, Amazon Prime, and licensing agreements for digital content and games.

7. IMPORTANCE OF E-CONTRACT IN DIGITAL WORLD

In the rapidly developing digitalization world, everyone prefers to do day-to-day things digitally. The issue has gotten so bad since the global pandemic that e-contracts are virtually necessary for any digital work. E-contract takes no physical process to do and also has zero paperwork to complete and enforce. Some of the importances of the e-contracts are as follows:

a) Less time-consuming:

You risk being overburdened and missing important deadlines when managing several contracts in a single day. Furthermore, it can take a lot of time to design, print and distribute actual contracts to customers or stakeholders, which is something we typically do. Contract digitization is frequently combined with time-saving contract administration tools like Lexagle, which offer features like data analysis, contract search and retrieval.

b) Less expensive:

E-contracts offer several benefits, including eliminating paper and printing costs, reducing mailing and courier expenses, lowering storage and archiving costs, minimizing administrative costs and allowing faster transactions. They eliminate the

¹³ <https://thelegalquotient.com/corporate-laws/indian-contract-act/e-contract-meaning-essentials-applications-and-legal-framework-in-india/5668/>

need for physical paper, ink or printing equipment, reducing the costs of reprinting due to error or contract modifications. Digital contracts also offer more affordable and easily searchable storage options, reducing the need for extensive contract management teams. Additionally, digital contracts reduce errors and disputes, minimizing legal fees and ensuring compliance through secure audit trails.

c) Reduce risk of errors:

The benefits of using digital contracts, including automated templates, pre-filled data, digital signatures, error detection and validation features, version control,¹⁴ and standardized clauses. These features ensure consistency and eliminate mistakes in contract formatting, while digital signatures prevent unsigned or improperly signed contracts.

Error detection and validation features flag missing fields, incorrect entries, or inconsistencies, while version control and real time updates track contract revisions, reducing confusion over multiple versions. The use of audit trails and tracking allows business to easily track changes, reducing unauthorized changes.

d) Eco friendly and sustainable:

E-contracts offer several benefits including reducing paper consumption, lowering carbon footprint, minimizing waste, promoting energy efficient storage, promoting remote work and digital transactions, and enhancing corporate sustainability goals. Traditional contracts require multiple printed copies causing deforestation. Digital contract management eliminates the need for physical documents, reducing energy consumption. E-contracts also minimize waste production by storing them digitally, promoting zero paper policies.

e) Secure and Transparent:

E-contracts use encryption technologies like SSL and AES to protect data transmission, preventing unauthorized access, hacking and breaches. They also use digital signatures which are legally binding and verifiable, and biometric verification, OTP's and blockchain authentication for additional security. E-contracts platforms comply with laws like eIDAS, E-SIGN Act and UETA, with detailed logs of modifications, signatories and timestamps ensuring legal validity.¹⁵

¹⁴ Legal aspect of e-contract in India – P.M. Bakshi

¹⁵ Legal aspect of e-contract in India – P.M. Bakshi

8. LEGAL ENFORCEABILITY OF E-CONTRACT

India is transforming into a digital jungle with internet becoming part and parcel of our life. The growing trend of social media, online shopping, e-retailing has created a predicament for the law makers in protecting the users from fraud, misrepresentation, identity theft and other such challenges. The Information Technology Act of 2000 was implemented for the governance and providing legal sanctity to transactions undertaken through electronic means and also provide for authentication of digital signature, jurisdiction, penalties in case of breach, etc. Section 10-A of the said Act has recognized the validity of these e-contracts. It specifies that if an e- contract fulfils all the essentials as specified in Indian Contract Act of 1872 of a traditional contract i.e. valid offer and acceptance, capacities of the party, free consent, etc., it will be considered valid and is enforceable in the court of the country for any kind of breach when undertaken through any electronic means.

As in case of Trimex International FZE v. Vedanta Aluminium Ltd.¹⁶ India, the hon'ble Supreme Court recognized that the contract whose terms and conditions are discussed through e-mails between parties, though no formal contract was formed or signed is valid in the eyes of law. Understanding the legal consequences of E-contracts is crucial for their uptake and integration into current frameworks. Enforceability, a fundamental feature of traditional contracts, is an important factor. While E-contracts rely on code execution, the enforceability of the code's output in a court of law necessitates a careful analysis. E-contracts must adhere to established contract law standards, such as the desire to create legal contracts, offer and acceptance and term certainty. However, divergences between code execution and the human readable legal language may pose challenges in interpretation and enforcement.¹⁷

9. LEGAL PROVISION AS COMPARE TO OTHER COUNTRIES

9.1. USA

a) The United States Electronic Signature (ESIGN) Act:

The ESIGN Act makes it easier and faster to collect, track and manage signatures and approvals on agreements and documents by giving electronic signatures the same legal standing as handwritten signatures. An electronic sound, symbol or procedure that is logically connected to or attached to a

¹⁶ [Trimex International Fze Ltd.Dubai vs Vedanta Aluminium Limited,India on 22 January, 2010](#)

¹⁷ [Understanding E-Contracts in India: Types, Validity & Enforceability](#)

contract or other document that has been executed or accepted by a person with the intention of signing it is known as an electronic signature. The E-SIGN Act prohibits agreements that are completed electronically from being denied legal force, legality or enforceability based only on their electronic format and permits them to be used as evidence in court. Electronic signature workflows must contain five components in order to be enforceable under the E-SIGN Act: intent to sign, consent to conduct business electronically, opt-out clause, signed copies and record retention. To electronically sign an agreement, signers must demonstrate their purpose, which can be done by typing, clicking the accept button or using a mouse. Consent clauses need to demonstrate that the signer has the necessary technology. All signers should receive signed copies and the E-SIGN Act addresses record keeping obligations.¹⁸

b) Uniform Electronic Transactions Act:

The Uniform Law Commission introduced the Uniform Electronic Transactions Act in 1999, which makes electronic signatures legally enforceable as handwritten signatures. It contributed to the definition of electronic signatures, which up until that time were unfamiliar to courts. A transaction is an action involving business, commerce or government matters that involves two or more parties.

The Electronic Signatures in Global and National Commerce Act of 2000, which gave electronic signatures and records legal validity if all parties want to use and sign electronic documents, was also a precursor to the UETA. It declares that a signature on a contract or other record cannot be rejected or rendered invalid just because it is electronic. The UETA stipulate that a transaction must meet four major requirements to be considered legally valid under US law: each party intends to sign, each party gives consent to do business electronically, the system used to capture the transaction keeps an associated record proving use of an electronic signature, all parties have access to retain own copies of the documents.¹⁹

¹⁸ The United States Electronic Signature (E-SIGN) Act.

¹⁹ [Understanding the Uniform Electronic Transactions Act](#)

9.2. United Kingdom

a) **Electronic Communications Act, 2000:**

The legal validity of electronic signatures and their validation is establishment in section 7 of the said Act.

It guarantees that an electronic contract can be authenticated using an electronic signature, so establishing its legal enforceability. According to this clause, a contract cannot be deemed void just because it was made electronically. Contracts, electronic documents and signatures are all admissible as evidence in court under Sections 7 (1) and (2). This implies that, as long as they satisfy security and authentication standards, e-contracts can be utilized as official documentation in court.²⁰

b) **UK eIDAS Regulations (Electronic Identification and Trust Services for Electronic Transactions Regulations) 2019:**

UK eIDAS is the UK's version of the EU's Electronic Identification, Authentication and Trust Services regulations, which essentially provides a legal framework for using electronic signatures, seals, timestamps and other trust services within the UK, ensuring their validity and reliability in digital transactions, essentially mirroring the EU eIDAS rules but adapted for the UK market after Brexit which allows it for the verification of identities and document authenticity in electronic communications. An electronic signature is defined in Article 3 of UK eIDAS which encompasses a broad variety of actions, from the straightforward application of text or a digital image to more complex high tech techniques that satisfy particular requirements outlined in UK eIDAS for advanced or qualified electronic signatures. In court, electronic signatures can be used as evidence. Advanced electronic signatures satisfy the additional specifications outlined in Article 26 of the UK eIDAS. They must be able to identify any changes made to the data after it has been signed electronically and must be uniquely linked to the signer.²¹

9.3. India

a) **Indian Contract Act, 1872:**

²⁰ Electronic Communications Act, 2000

²¹ [The Complete Guide to eIDAS - E-Sign](#)

In the said Act the e-contract term is nowhere mentioned but the validity of e-contract has been defined under the Section 10 of the Indian Contract Act, 1872 which provides that all agreements are considered contracts if they are made with the free consent of legally competent parties, for a legitimate purpose and for a lawful consideration and if they are not specifically deemed void by the provisions of the Act. If all the above mentioned essentials are present in an agreement then that agreements will be term as a valid contract.²²

b) Information Technology Act, 2000:

Under Section 10A of the Information Technology Act, 2000 the contract cannot be unenforceable on the ground that the formation, communication and acceptance of the contract are in electronic form or electronic means. Thus, this gives validation to the electronic contracts which are made through electronic forms. Section 2(r) of the Information Technology Act, 2000 given the definition of the electronic form which states as electronic form means any information sent, generated, received or stored in media, computer memory, magnetic, microfilm, optical, computer generated micro fiche, or similar device. Hence, any e-contract does contain above given electronic forms then that e-contract will be held valid under the Information Technology Act, 2000.²³

c) Indian Evidence Act, 1872:

Under Section 3 of the said Act the term evidence has given an inclusive meaning which states as all documents including electronic records produced for the inspection of the court being termed as documentary evidence. Section 65B of the Indian Evidence Act, 1872 states that any information in an electronic record printed on a paper or stored or recorded or copied in optical or magnetic media produced by a computer shall be deemed a document. Section 65B also states that such a document can be admissible as evidence in any proceedings without additional proof of the original. Section 67A of said Act is pertinent in respect of the loan and financing documents wherein, apart from secure electronic signature, proof of the electronic signature of the subscriber needs to be proved which may be done through testimony of the

²² Indian Contract Act, 1872

²³ Information Technology Act, 2000

subscriber himself. So, the above mentioned sections validate e-contracts legally.²⁴

d) Indian Stamp Act, 1899:

The above stated Act does not specifically address electronic records or stamp duty payable on their execution. The term instrument refers to any document that holds any right or liability. The states like Maharashtra, Rajasthan and Gujarat have amended the term instrument to include electronic records and made terms like sign and signature wider to include signing and execution of an electronic record. Other states like Karnataka, Uttarakhand and Uttar Pradesh have only amended the term instrument to include electronic records. By concluding this, the Indian Stamp Act, 1899 does not provide for stamping of electronic documents or e-contracts. Thus, state laws may levy differential stamp duty if a document is executed in another state with lower stamp duty but brought into the former state.

Some state laws also prescribe that even photocopies and electronic records of documents brought into the state will attract differential stamp duty. It is recommended that parties calculate the stamp duties payable in the relevant states and stamp the e-contract with the highest stamp duty.²⁵

10. CASE LAW

Bhagwandas Goverdhadas Kedia Vs M/S. Girdharilal Parshottamdas and Co. 1966 AIR 543

The Supreme Court has ruled that making an offer at a location where it has already been accepted elsewhere does not constitute a basis for action for breach of contract or damages. The court ruled that a contract is often created by an acceptance, and the law considers external manifestations as adequate as the indication or demonstration of the communication. The trial court correctly believed that part of the cause of action originated in Ahmedabad, where the offer was accepted by the plaintiff over the phone. The Supreme Court has determined that the site where the offerer receives notification of acceptance is where the contract is deemed to have been formed. Justice Hidayatullah provided the dissenting opinion in the case.²⁶

²⁴ Indian Evidence Act, 1872

²⁵ Indian Stamp Act, 1899

²⁶ [Bhagwandas Govardhan Das Kedia v. Girdharilal Parshottamdas & Co. - The Legal Quorum](#)

CONCLUSION

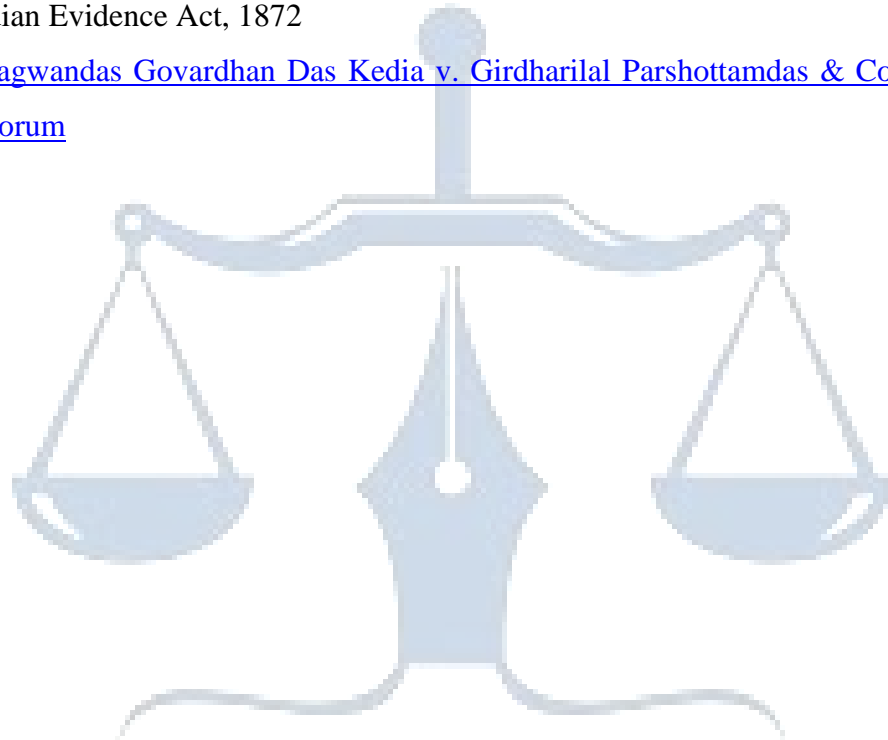
In today's digital world, e-contracts have become an integral part of business operations and personal transactions due to the rise of online commerce and the increasing reliance on technology. E-contracts offer several advantages, such as convenience, speed, cost-effectiveness, and accessibility. They eliminate the need for physical paperwork, allowing individuals and businesses to enter into agreements from anywhere at any time. One of the main benefits of e-contracts is their ability to streamline the contract process.

Parties can draft, modify, sign agreements instantaneously, reducing delays that would otherwise arise from traditional methods like postal mail, face-to-face meetings. E-contracts are easily stored and retrieved, reducing the risk of losing important documents. However, challenges persist, including jurisdictional conflicts, cybersecurity risks, authentication issues, and potential fraud. To strengthen the enforceability of e-contracts, business and individuals must adopt robust security measures, use reliable digital signature technologies, and comply with evolving legal standards. As technology evolves, legal frameworks will need continuous updates to address emerging risks and ensure fair and enforceable digital transactions.

BIBLIOGRAPHY

1. A. Antonopoulos, "Mastering Ethereum: Building E-Contracts and DApps" (O'Reilly Media, 2018).
2. N. Szabo, "E-Contracts: Building Blocks for Digital Markets" (1996).
3. Law relating to electronic contract – R.K.Singh
4. Law relating to electronic contract in India – Dr. S.K. Verma
5. [E-Contract Law and Legal Definition | USLegal, Inc.](#)
6. [The Origin of Click-Wrap: Software Shrink-Wrap Agreements](#)
7. [Electronic Contracts: Meaning, Legal Validity and Kinds - GeeksforGeeks](#)
8. lawdocs.in/blog/e-contracts-and-digital-signatures
9. Information Technology Act, 2000
10. Information Technology (Amendment) Act, 2008
11. Indian Stamp Act, 1899
12. [E-Contract: Meaning, Essentials, Applications, and Law](#)
13. Indian Contract Act, 1872

14. <https://thelegalquotient.com/corporate-laws/indian-contract-act/e-contract-meaning-essentials-applications-and-legal-framework-in-india/5668/>
15. Legal aspect of e-contract in India – P.M. Bakshi
16. [Understanding E-Contracts in India: Types, Validity & Enforceability](#)
17. The United States Electronic Signature (ESIGN) Act.
18. [Understanding the Uniform Electronic Transactions Act](#)
19. Electronic Communications Act, 2000
20. [The Complete Guide to eIDAS - E-Sign](#)
21. Indian Evidence Act, 1872
22. [Bhagwandas Govardhan Das Kedia v. Girdharilal Parshottamdas & Co. - The Legal Quorum](#)



WHITE BLACK
LEGAL