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Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

Legal Aspects of Business

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Recapitulate

Module 5

- Consumer Protection Act, 1986
 - Introduction
 - Consumer protection council
- Intellectual Property Rights Act
 - Introduction
 - Patents
 - Copyright and Trademarks

Information Technology Act, 2000

Cyber Law

- Cyber law refers to communication and automatic control systems. Thus cyber law may be classified as Communications Law and Information Technology Law.
- The former regulates telecommunications and broadcasting, including radio, television, telephony and cable.
- The latter regulates transactions relating to computers and internet.
- For tackling some of the unique problems in the case of cybernetics and the smooth flow of e-commerce, laws are to be made, which results in establishing

Information Technology Act, 2000

Information Technology Act, 2000

Introduction

- Businesses and consumers are increasingly using computers to create, transmit and store information in the electronic form instead of traditional paper documents. Information stored in the electronic form has many advantages, like cheaper, easier, able to retrieve and speedier to communicate.
- At the same time Law of Evidence is traditionally based upon paper-based records and oral testimony. Electronic commerce eliminates the need for paper-based transactions.
- Hence to facilitate e-commerce, the need for legal changes has become an urgent necessity, leads to establishment of Information Technology Act, 2000.

Information Technology Act, 2000

Need for IT Act, 2000

This act aims at;

- Providing the legal infrastructure for e-commerce in India. The Cyber Laws have a major impact on e-business and the new economy of India. The Act says that an acceptance of contract expressed by electronic means of communication shall have legal validity and enforceability.

Need for Cyber Law

- With the arrival of internet, many new complex issues came up which could not be interpreted using existing laws and thus necessitated the enactment of the cyber laws.
- Most of the business operating today are using internet and as it is important to give some legal recognition to electronic transactions
- The growth of cyber crime and cyber terrorism in the form of virus, worm attack, hacking, email spoofing and email bombing had to be checked and made punishable
- The existing laws did not have provisions to check the growth of obscene publications over the internet.
- Cyber laws are required to provide a safe and secure environment to individuals and business processes. There should be legal provisions to punish illegal encroachment by cyber criminals shall be punishable

Information Technology Act, 2000

Provisions of the act are listed below;

- Any subscriber may **authenticate an electronic record** by affixing his digital signature
- Any e-document is as **valid** as paper document
- The act also states that the controller of certifying authorities shall govern the activities of **certifying authorities** and also lay down the standards and conditions as to the various forms and content of digital signature certificates. (The act has nominated such authorities)
- The act **identifies various offences** including tampering with computer source documents, publishing of information which is obscene in electronic form, hacking creating and spreading viruses, sending threats or rumours thru e-media, abetting (helping) such activities, credit card related offences etc.
- The **guidelines for awarding penalties** for various offences have been prescribed under the act cyber regulations appellate tribunal shall be an appellate body where appeals against the orders passed by adjudicating officers shall be preferred.
- Offences shall be **investigated** only by a police officer not below the rank of the **deputy superintendent of police**.

Information Technology Act, 2000

The I.T Act, 2000 does not apply to the following

- a. A Negotiable Instrument Act 1881.(Amended in IT Act 2008)
- b. A Power of attorney as defined in section 1-A of Powers of Attorney Act 1882.
- c. A Trust as defined in section 3 of The Indian Trusts Act 1882.
- d. A will as defined in clause (h) of the Indian Succession Act 1925.ix
- e. For agreements in the form of contracts with respect to sale of fixed assets or property.
- f. Any kind of document or transactions as stated in the official gazette.

Review Questions

1. Cyber law and Information Technology law are one and the same. **True or False**
2. The objectives of the Information Technology Act, is /are
 - a. Increasingly using computers to create, transmit and store information in the electronic form
 - b. Electronic means of communication shall have legal validity and enforceability
 - c. The existing laws did not have provisions to check the growth of obscene publications over the internet
 - d. All of the above
3. Cyber crimes can be investigated by any policeman. **True or False**

Answer

1. Cyber law and Information Technology law are one and the same.

Answer: False

2. The objectives of the Information Technology Act, is /are

Answer: d. All of the above

3. Cyber crimes can be investigated by any policeman.

Answer: False

Thank You