

LOCAL AND INTERNATIONAL LEGAL ISSUES

BUSINESS LICENSES

- Businesses require standard business licenses
- [Get a business license in Alberta](#)
- [Government of Canada Resources](#)

TAXES

- If your business is based in Canada then the standard business tax and record-keeping regulations apply

<https://www.canada.ca/en/services/taxes/income-tax/business-or-professional-income.html>

IMPORT/EXPORT RESTRICTIONS

Ecommerce businesses are just like any other import/export business

- Licenses needed
- Regulations & restrictions specify what can and cannot be imported or exported
- Customs fees and duties are involved
 - Need to decide how to pass these to consumer

TRADEMARK

Trademark infringements are common

- Microsoft vs. MikeRoweSoft was a legal dispute between Microsoft and a Canadian Grade 12 student named Mike Rowe over the domain name "MikeRoweSoft.com". Microsoft argued that their trademark had been infringed because the words sound the same as Microsoft. A settlement was eventually reached, with Rowe granting ownership of the domain to Microsoft in exchange for an Xbox and additional compensation.

Be careful. Things can go much worse than this.

COPYRIGHT ISSUES

Be aware of what issues your company might face. Here are some resources to help.

- [Digital Millennium Copyright Act \(DMCA\)](#) - US Copyright Law
- [Digital Rights Management \(DRM\)](#) - Hardware and software protections to prevent copying
- [Electronic Frontier Foundation](#) - Working to counteract excessive restrictions and controls
- [Canadian Copyright Law](#)

PATENTS

Patents protection inventions and software concepts.

- Patent Information

WARRANTIES/CUSTOMER SERVICE/DISPUTE RESOLUTION

- Policies should be explicitly and clearly explained on website
 - Possibly get user agreement to terms as part of sale
- Customer support
 - Product support information, specifications, manuals
 - Community forums
 - Online technical support, Call centers
 - Bug tracking
- Enable easy returns of defective products, repair/replace policy, local repair & warranty service
 - Shipping/courier company relationships
 - Vendor/Supplier relationships

SECURITY

- Since online sales involve financial transactions, security is the most important part of building an Ecommerce site
- Important lessons from Ecommerce history
 - Never store customers' credit cards on your site
 - Break-in and theft of credit cards becomes a major news story and causes serious legal problems
 - Security is constantly evolving and never guaranteed

THE FOUR CORNERSTONES OF SECURITY

- Authentication
 - Identity of sender and receiver
- Confidentiality
 - No third party can understand the message
- Non-repudiation
 - Sender cannot claim he or she did not send it afterwards
- Integrity
 - Message contents not altered

AUTHENTICATION

- User ID and password most common form of authentication
 - Passwords must be STRONG
 - 8 characters or longer
 - Consisting of:
 - Upper and lower case alphabetic characters
 - Numbers
 - Special characters
 - No dictionary words
- Other means of identification
 - Biometrics
 - Personal questions

CONFIDENTIALITY

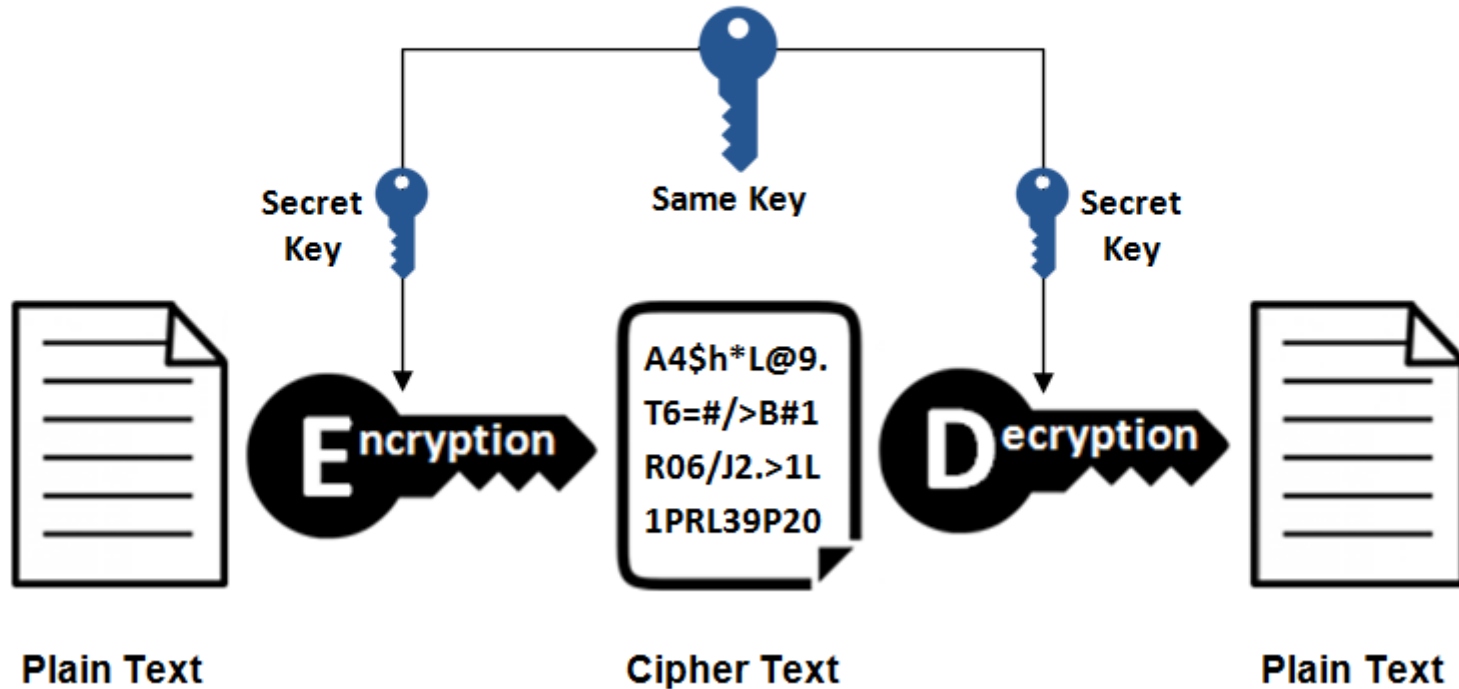
- 3 types of encryption approaches
 - symmetric key encryption
 - asymmetric key encryption
 - one-way hash functions

SYMMETRIC KEY ENCRYPTION

- Also called Secret Key Encryption
- Same key used to encrypt and decrypt data. The key is blended with the message in a particular way.
- Transfer of the key is an issue
 - Both the sender and receiver need the same key
 - Should be changed frequently to ensure no "leaks"
- Faster than asymmetric encryption
- Best for a limited number of users exchanging information

HOW IT WORKS

Symmetric Encryption

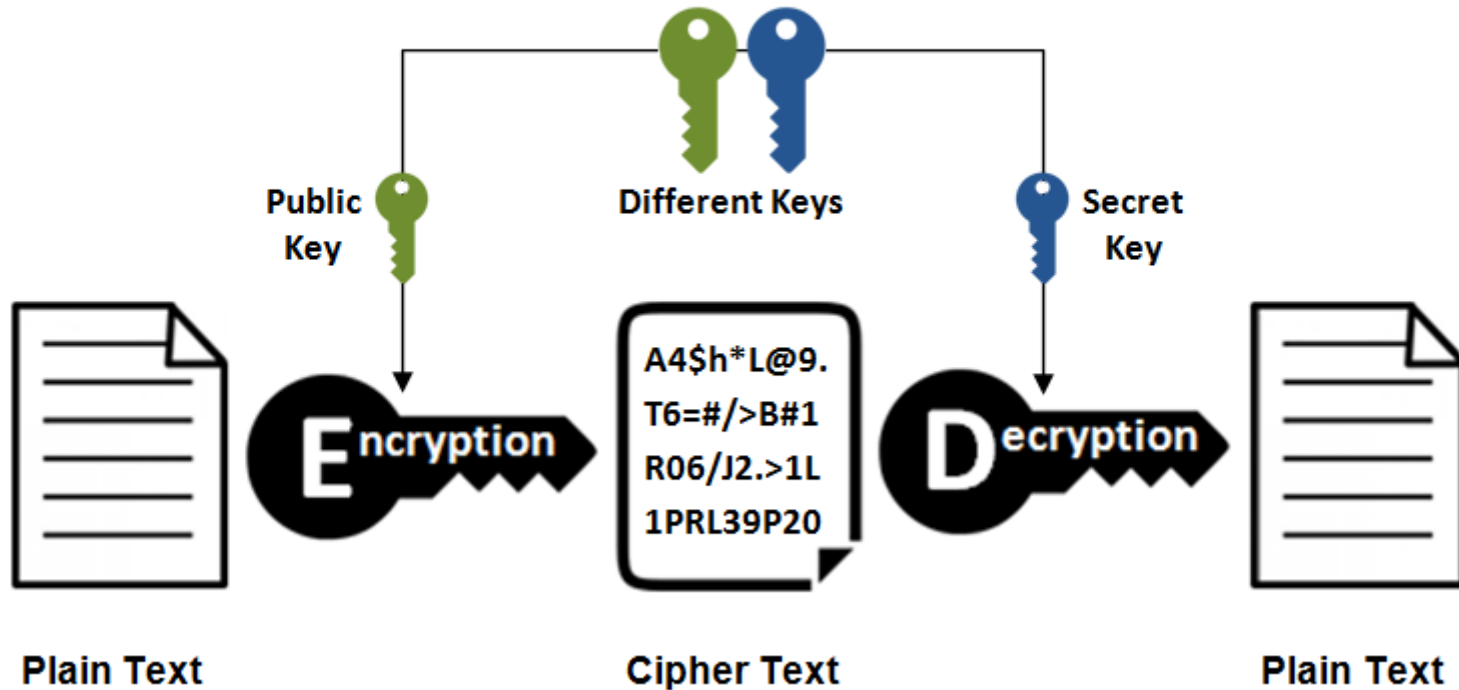


ASYMMETRIC KEY ENCRYPTION

- Also called Public Key Encryption
- 2 keys are needed:
 - Public key - known by everyone (generally used for encryption)
 - Private key - known only by the owner (generally used for decryption)
- Used a lot for APIs. Keeping the private key hidden and out of repositories is a MUST.

HOW IT WORKS

Asymmetric Encryption



TRUST

Trust is the foundation of Ecommerce

- Must trust the buyer and the seller
- If mutual trust is not implicit, both may trust a 3rd party (Certification Authority like Verisign)
- In Ecommerce, transaction security with encryption is established with SSL
- SSL provides confidentiality, integrity, authentication, and non-repudiation

MOBILE COMMERCE

MOBILE COMMERCE

- Wireless devices are steadily becoming more powerful and common
- Smartphones and tablets can access online shopping through web browsers and custom applications
- Numerous device configurations make design challenging
 - Different screen sizes, availability of wifi, memory, cameras

CAMERAS AND GPS

More possibilities available than ever before and we're only getting started.

- Barcode scanning
- Product search
- Local availability
- Localized recommendations/reviews

DEMOGRAPHICS

- In many countries, mobile devices are more common than computers
- In younger demographics, mobile devices are also very common

TYPES OF MOBILE PRODUCTS/SERVICES

- Tickets, boarding passes, vouchers, loyalty cards
- Delivery of content
 - Ringtones, music, movies, ebooks, etc.
 - Integration with electronic stores (iTunes, Android, Amazon, etc.)
- Location-based services
 - Use GPS or IP address location
- Information
 - newspapers, magazines, stock quotes, etc.
- Banking, storefront, brokers, auctions
- Mobile browsing instead of window shopping
- Catalogue purchases - Browse catalog and buy via phone
- Mobile marketing and advertising

MOBILE PAYMENTS

- Banks can link credit cards to cellphone SIM cards
- You can pay with your phone (Apple Pay) or some services apply payment to your phone bill
- Acts as a replacement for cash
- Having a mobile payment option is great for business

ACTIVITY: ASSIGNMENT 2

- Work in the same groups you worked in before.
- You are now building an eCommerce website for the business you presented this morning.
- Research which open source shopping carts are available, select which one to try out and install locally on your computer.
- Explore the management and customization options and make some changes to your cart.
- Assignment due tomorrow afternoon at 1:30pm. You will demonstrate your website then.

(More details in Assignment 2 on Brightspace)