



E - Commerce Law

(Republic Act No. 8792)

Group 1:

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Prologue or Introduction

In this age of computers and IT (information technology), the medium of the internet and other electronic means of interchange are used worldwide for various undertakings – both commercial and noncommercial. This rapid development of information and communication technologies and the growing number of transactions accomplished through electronic means necessitated the passage of a law that would facilitate and regulate these electronic transactions – the Electronic Commerce Act.

What is E – Commerce?

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business.

What is E – Commerce Law ?

An Act Providing for the Recognition and Use of Electronic Commercial and Non-Commercial Transactions and Documents, Penalties for Unlawful Use Thereof and for Other Purposes” or the Electronic Commerce Act of 2000


History of E – Commerce Law in the Philippines

On July 14, 2000, President Joseph E. Estrada signed the law of R.A. 8792 or the E – Commerce Law of 2000. It is a landmark legislation in the history of the Philippines. Not only has this bill made the country a legitimate player in the global marketplace. The Philippine Internet community has played a major role in pushing for its passage. The law took effect last June 19, 2000. The Implementing Rules and Regulations (IRR) was digitally signed by Secretaries Manuel A. Roxas II (DTI) and Benjamin E. Diokno (DBM) and Governor Rafael B. Buenaventura (BSP) during the plenary session of the Global Information Infrastructure Commission's ("GIIC") Asia Regional Conference held in Makati City, Manila.

This Act is basically patterned from United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Commerce to maintain uniformity and harmony with the other member-states of the United Nations. Being global by nature, there is a need for international coordination and harmonization of the government policies affecting electronic commerce.

Salient Features of the Act

The salient features of the Act are:

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- It provides for the legal recognition of electronic documents or data messages;
 - It provides for the legal recognition of electronic signatures;
 - It provides for the legal recognition of electronic contracts;
 - It mandates all government agencies to, among others, transact government business and perform government functions using electronic data messages or electronic documents within two (2) years from the date of effectivity of the Act;
 - It mandates the government to install an electronic network to known as the RPWeb within two years (2) years from the date of effectivity of the Act; and
 - It penalizes the offenses of hacking and piracy.

Cybercrime Penalties under Electronic Commerce Act (Republic Act No. 8792)

Hacking or Cracking

Unauthorized access into or interference in a computer system/server or communication system data messages or electronic document, information and

Punished by a minimum fine of ₱100,000.00 and a maximum commensurate to the damage incurred and a mandatory imprisonment of six (6) months to three (3) years.

Piracy

Piracy through the use of telecommunication networks, such as the Internet, that infringes intellectual property rights is punishable.

Punished by a minimum fine of ₱100,000.00 and a maximum commensurate to the damage incurred and a mandatory imprisonment of six (6) months to three (3) years.

Other Penal Offenses.

Violations of the Consumer Act or Republic Act No. 7394 and other relevant or pertinent laws through transactions covered by or using electronic data messages or electronic documents

Shall be penalized with the same penalties as provided in those law

Other Violation of the Act

Other violations of the provisions of the Act.

Example:

Obligation of Confidentiality, Lawful access, among others.

Punished by a maximum fine of ₱1,000,000.00 or (6) years imprisonment.

The primary objective of the Act is to provide a secure legal framework and environment for electronic commerce. It seeks to protect the integrity of electronic documents and electronic signatures as well as its transmission and communication so as to build and ensure the trust and reliance of the public on electronic transactions.

Important Terms:

- ❖ Electronic data message - Information generated, sent, received or stored by electronic, optical or similar means, but not limited to, electronic data interchange (EDI), electronic mail, telegram, telex or telecopy.
- ❖ Electronic document - Information or the representation of information, data, figures, symbols or other modes of written expression, described or however represented, by which a right is established or an obligation extinguished, or by which a fact may be proved and affirmed, which is received, recorded, transmitted, stored, processed, retrieved or produced electronically.
- ❖ Electronic signature - Any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the electronic data message or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document.

Importance of RA 8792 or E – Commerce Law

The Philippine E-commerce law introduced the prevalence of information and communications technology. It covers legal recognition of electronic data messages, electronic documents, and electronic signatures. RA 8792 aims to facilitate domestic and international dealings, transactions, arrangements agreements, contracts and exchanges and storage of information through the utilization of electronic, optical and similar medium, mode, instrumentality and technology to recognize the authenticity and reliability of electronic documents related to such activities and to promote the universal use of electronic transaction in the government and general public (Sec. 3 of RA 8792). In view thereof, consumers and businessmen may transact and consummate contracts through legal electronic means provided in RA 8792.

Advantages and Disadvantages of E - Commerce

Advantages

- ❖ It promotes the universal use of electronic transaction.
- ❖ It supports and protects online businesses.
- ❖ It made life more efficient.
- ❖ Private personal data are secured.

Disadvantages

- ❖ IT Security Issues.
- ❖ Vulnerability to online scams, fraud and phishing.
- ❖ Poor law implementation.

Real life scenarios of E – Commerce

THE LOVE BUG virus was unleashed on May 4, 2000. It was simple, but devastatingly effective and highly contagious. Once infected, many of the user's files would be overwritten with copies of the virus, so that whenever the victim tried to open the files, they'd reinfect their system. The virus also tried to steal people's passwords. But the true genius lay in how it spread. Once infected, the victim's computer would send an email to everyone in their Microsoft Outlook contacts book. The emails read: "kindly check the attached love letter coming from me," and attached was a copy of the virus, disguised as a text file with the title "love-letter-for-you."

Question

- 1.) . It is punishable by law that by a minimum fine of ₱100,000.00?
- 2.) When did the e – commerce passed in the Philippines?
- 3.) What is UNCITRAL?
- 4.) Who signed the bill?
- 5.) _____ through the use of telecommunication networks, such as the Internet, that infringes intellectual property rights is punishable?

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Thank You!