HARNESSING TECHNOLOGY FOR JUSTICE: EXPLORING THE POTENTIAL OF ODR AS A NEW FRONTIER IN INDIA

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ABSTRACT

The evolution and progression in the field of Alternative Dispute Resolution have paved the way for Online Dispute Resolution to address disputes in the modern world. This paper aims to explore the progress and potential of the Online Dispute Resolution mechanism in India, including its challenges in addressing issues related to confidentiality, privacy, inadequate infrastructure, and awareness among stakeholders. Compared to the international context, it evaluates successful Online Dispute Resolution adoption models in countries such as the USA, the UK, and China, emphasising their relevance to the Indian landscape. The paper essentially underscores the need for a comprehensive legislative framework and other crucial aspects to fully realize Online Dispute Resolution's potential in reducing the burden on courts and expediting the dispute resolution process. It concludes with recommendations to address the key barriers and facilitate the development of an efficient Online Dispute Resolution mechanism in India.

Keywords: Online Dispute Resolution, Alternative Dispute Resolution, Technology, Justice, India.

Introduction

Online Dispute Resolution (hereinafter referred to as "ODR"), is a revolutionary change in the area of conflict resolution, which combines the principles of Alternative Dispute Resolution (hereinafter referred to as "ADR"), with the transformative power of technology. Using video conferencing, digital communication platforms, and automated workflows, ODR provides an efficient, cost-effective, and accessible way of resolving disputes without the need for physical interaction. It offers negotiation, mediation, and arbitration in a virtual environment with seamless communication and case management across geographical boundaries. The growing reliance on digital technologies in everyday life has caused ODR to emerge as the ideal solution for disputes arising in sectors such as e-commerce, consumer transactions, and commercial dealings. Various countries around the world, including the United States, China, and the European Union, have embraced ODR and integrated it into their judicial and administrative systems in order to make the processes of dispute resolution more efficient. In a country like India, where the justice system has to deal with millions of pending cases, ODR can revolutionize dispute resolution in terms of bringing down case backlogs and increasing access to justice. With its immense potential to integrate technology with conventional ADR methods, ODR marks a new epoch in justice dispensation and is tailor-made to answer the challenges of the fast-changing digital society.

Online Dispute Resolution-The new mode of Dispute Resolution

Throughout history, conflicts and clashes have been an unavoidable aspect of human interaction. Even before the establishment of courts societies dealt with these conflicts in their way. In ancient times, the elderly members of the clan used to facilitate communications and resolve disputes. However, the requirement for a more peaceful, unbiased, and systematic way of resolving conflicts has always been there. Despite the establishment of courts which offered a structured way of resolving clashes, had their limitations. The litigation is in itself costly, time-consuming, cumbersome and process-centric which rather than resolving the conflict, makes it more complex and this leads to the pendency of cases. It has created more pressure and burden on the court as well as the parties involved. According to reports that cited data from the National Judicial Data Grid and the Supreme Court, at present 3.9 crore cases are pending in the district and subordinate courts, 58.5 lakh cases in the various high courts, and

more than 69,000 cases in the Supreme Court. Therefore, all these have paved the way for the development of ADR mechanisms, or ways through which matters can be settled outside the court. The concept of ADR is a substitute for the traditional method of resolving disputes. Its growth and utilisation can be especially seen in the corporate world and due to the increasing saturation in the litigation sector and demand for improving ADR infrastructure around the world, it has reached a stage of unprecedented demand and popularity. However, the evolution and progression in the disciple law, along with the technological revolution has set the stage for the emergence of ODR, advancing the ADR process; and iterating the dynamic with the use of technology in the modern world. So essentially, ODR as a subset of ADR is the way of resolving disputes through the use of technology via digital platforms to facilitate and conduct the entire ADR process and leverage tools such as video conferencing, artificial intelligence, automated workflows, and online communication channels to facilitate negotiation, mediation, arbitration, and other forms of conflict resolution in a virtual environment.³ The ODR functions through the mechanics of an online platform, Virtual communication and electronic tools for efficient flow. It provides secure and encrypted communication channels, document-sharing facilities and case management tools to facilitate virtual communication through video conferencing, online chat, etc. and digital tools to ensure smooth communication among the parties and the neutral third party (mediator or arbitrator) despite the boundaries of geographical separation.

The ODR mechanism is a cost-effective, efficient and less time-consuming alternative to resolving disputes which also acts as a linchpin in minimising the burden and pressure on the parties as well as the court.

ODR and its adoption in other countries

The ODR as an effective means of dispute resolution has been accepted as one viable way and it is also one of the better alternatives that have evolved through "trust", especially in cases related to Consumers, E-Commerce, Micro Small and Medium Enterprises (hereinafter

¹Supreme Court of India Judgment Information System, SUPREME COURT OF INDIA, https://scdg.sci.gov.in/scnjdg/ (last visited Jan. 12, 2025).

²Yong Hwan Choung & Saloni Kumari, *Legal Crisis and New Technology in Civil Courts: Urgent Need of Adopting Online Dispute Resolution in India*, JINDAL GLOBAL UNIV., https://research.jgu.edu.in/legal-crisis-and-new-technology-in-civil-courts-urgent-need-of-adopting-online-dispute-resolution-in-india/ (last visited Jan. 11, 2025).

³Jasmeet Makkar, *Online Dispute Resolution: A New Era for ADR in the Digital Age*, LAWFUL LEGAL, https://lawfullegal.in/online-dispute-resolution-a-new-era-for-adr-in-digital-age/ (last visited Jan. 11, 2025).

referred to as "MSMEs"), etc. This has led to the bifurcation of ODR in which globally the ODR has evolved at three stages namely the Private-Sector ODR model, the Government-Sector ODR model, and the Courts-controlled ODR platform.

ODR has been prevalent mostly in countries such as the United States of America, the United Kingdom, Indonesia, Mexico, Brazil, China, the European Union, etc. To eliminate the requirement of the physical presence of parties or witnesses in litigation in Indonesia under the Indonesian general rules of civil procedure the regulations have been framed that allow court proceedings to be conducted remotely which was an outcome of the decision of the Supreme Court of Indonesia.⁴ The legal sanctity of such mediation has been made equivalent to a physical hearing⁵ which is conducted through audio and visual communications between the parties that deviates from traditional court practice.

In countries such as the U.S.A. it has a success rate of 80% for the resolution of disputes through mediation and citizens in this country prefer this mode of dispute resolution because it's less time-consuming. Under this, the Mediators are trained by the Michigan Supreme Court through video conferencing, document sharing, and other means. In China, the Beijing and Hangzhou Internet Court conducts mediation to resolve disputes successfully stemming from cases involving Civil and Administrative disputes. In the first year itself, the Beijing Internet Court conducted online mediation for 29,728 cases and successfully mediated 23.9 percent of the disputes.

In government-run ODR platforms countries such as the EU have made the mark and resolved disputes arising out of consumer-related goods and its harmful effects. It has partnered with more than 750 ODR service providers to provide ODR services to consumers in Europe.⁸ Similarly East Asian Countries such as South Korea an made an act i.e. E-Commerce Mediation Committee (ECMC) that has introduced E-mediation and resolved disputes of E-

⁴Art. 130, para. 1, HIR § 24; Arts. 140-141, HIR; Arts. 166-167, RBg.

⁵Art. 5, Para 3 of Supreme Court Regulation No. 1/2016

⁶NITI Aayog, *Designing the Future of Dispute Resolution: The ODR Policy Plan for India*, at 30 (2023), https://www.niti.gov.in/sites/default/files/2023-03/Designing-The-Future-of-Dispute-Resolution-The-ODR-Policy-Plan-for-India.pdf (last visited Jan. 12, 2025).

⁷Guodong Du, *Beijing Internet Court's First Year at a Glance: Inside China's Internet Courts Series* – 05, CHINA JUSTICE OBSERVER (Oct. 19, 2019), https://www.chinajusticeobserver.com/a/beijing-internet-courts-first-year-at-a-glance (last visited Jan. 11, 2025).

⁸Supra note 6, at 21.

Commerce and E-transaction by appointing mediators and conducting mediation online.⁹

The incorporation of ODR through the segment of private means of dispute resolution can also be seen in countries such as Australia, the United Arab Emirates, Canada, the U.S.A., and the U.K. which have made their mark. The Australian Disputes Centre resolves disputes between governments, individuals, and commercial entities in Australia. This is followed by companies such as PayPal¹¹, CyberSettle¹², and E-Bay¹³ in the U.S.A. which has resolved disputes in manifold manners ranging from E-Commerce, consumer Disputes, Family disputes, insurance disputes, real estate disputes, small claims disputes, and even disputes regarding domain names. These vast ranges of expeditious dispute-resolution mechanisms have proved to be beneficial because, in Countries such as Canada, the user satisfaction that has been reported is 70 percent¹⁴ which is evident from the statistics in such countries. Similarly, the Resolver, which is a private-sector ODR mechanism in the U.K., has provided services to about 1.8 million consumers between April 2018 and March 2019¹⁵ to effectively address their disputes.

Issues faced by other countries in the usage of ODR for dispute resolution

ODR is one of the efficient ways to resolve disputes through video conferencing, telecommunications, etc. but still, everything has two sides of the same coin because the ODR creates problems of privacy and confidentiality of the award that has to be rendered electronically. Furthermore, the terms and conditions of these companies are sometimes so one-sided that they prefer disclosing confidential information at the peril of the affected party. For example, in the case of Cisco-Webex, the privacy statement of the company expressly states that retaining and using personal data can be necessary to comply with the business

⁹Supra note 6, at 23.

¹⁰Australian Disputes Centre Homepage, https://disputescentre.com.au/ (Last visited Jan. 11, 2025).

¹¹University of Missouri Libraries, *Online Dispute Resolution: Companies Implementing ODR*, https://libraryguides.missouri.edu/c.php?g=557240&p=3832247 (Last visited Nov. 29, 2024).

¹²Jeremy Barnett & Philip Treleaven, *Algorithmic Dispute Resolution—The Automation of Professional Dispute Resolution Using AI and Blockchain Technologies*, 61 Comput. J. 399 (2018), https://academic.oup.com/comjnl/article/61/3/399/4608879 (last visited Jan. 11, 2025).

¹³Jeremy Barnett, Algorithmic Dispute Resolution—The Automation of Professional Dispute Resolution Using AI and Blockchain Technologies,

https://www.researchgate.net/publication/326177955 Algorithmic Dispute Resolution-

The Automation of Professional Dispute Resolution Using AI and Blockchain Technologies (last visited Jan. 10, 2025).

¹⁴About the Office, (PARLe), https://www.opc.gouv.qc.ca/en/opc/the-office/mission-mandates (last visited Jan. 10, 2025).

¹⁵Financial Year Statistics 2019, (Resolver), https://s3-eu-west-1.amazonaws.com/press-releases-upload/Finanical+Year+statistics+2019.pdf (last visited Jan. 11, 2025).

requirements, and legal obligations and to enforce their rights and agreements. ¹⁶ Online video conferencing platforms such as Zoom expressly state in their privacy statement that the content or information passed through their webinars can be collected and processed by them without the consent of their users. ¹⁷ It can be used by its employees and stakeholders to respond to lawsuits and infringe on the rights of its users for its market interest. In response to this, there was a case filed in the U.S. Northern District Court of Carolina in 2020 where the users made a complaint against Zoom for sharing their private information with third parties such as Google, Linked In, Facebook, etc. without their consent and it led it to instances of Zoombombing. However, the court in its judgment rejected the contention of the parties on the ground that "information" that was obtained by the third parties was not clarified before it. ¹⁸ The Cloud-storing services of companies such as Microsoft Cloud Storage, Dropbox, etc. also prioritize their rights and exploit the user's electronic records. Dropbox uses personal data for business purposes without permission from the users and it shares that personal information with other third parties for the protection of its rights and without the consent of third parties. Thus, the principle of confidentiality and even transparency remains at stake. ¹⁹

The E-Mail services providers such as Microsoft Outlook and G-Mail also subside the principles of confidentiality and transparency through their vested market interest which is a barrier to effective implementation of the award because firstly, Microsoft has control over the products, services, communications, etc which is evident from its privacy statement²⁰ secondly, Google also prioritizes its harms, safety, and rights which is evident from the privacy statements²¹ so this new mode of expeditious dispute resolution has its loopholes.

There have been various provisions that have been enacted internationally to tackle the gaps faced in ODR but they have been ineffective because of its lack of binding obligations on the

¹⁶Cisco, *Cisco Online Privacy Statement* (2024), https://www.cisco.com/c/enin/about/legal/privacy-full.html (last visited Jan. 11, 2025).

¹⁷Zoom, *Zoom Privacy Statement* (Last updated Mar. 17, 2024), https://zoom.us/privacy (Last visited Jan. 11, 2025).

¹⁸Order by Judge Lucy H. Koh Granting in Part and Denying in Part Motion to Dismiss, (lhklc2, COURT STAFF) (Filed on Mar. 11, 2021) 19–23.

¹⁹Maud Piers & Christian Aschauer, *Survey on the Present Use of ICT in International Arbitration, in Arbitration in the Digital Age* 15–24 (Cambridge Univ. Press 2018), https://doi.org/10.1017/9781108283670.003 (last visited Jan. 11, 2025).

²⁰Microsoft, *Microsoft Privacy Statement* (2024), https://www.microsoft.com/en-us/privacy (Last visited Jan.1, 2025)

²¹Google, *Privacy Policy* (effective Mar. 28, 2024), https://policies.google.com/privacy (last visited Jan. 11, 2025).

service providers.²² This has led to unclear definitions of terms and the scope of the arbitral proceedings with the exceptions laid out by those laws. Due to the wake of the COVID-19 pandemic, the increase in online hearing has led to the birth of new protocols and guidelines to control the havoc that can be created in virtual hearing which are related to protecting video conferences with passwords, removing the non-participants or unidentified participants from the video conferencing etc. However, these guidelines fail to highlight the risks to the providers of video conference platforms whose main task is to commercialize the exchange of confidential/private online hearings.²³ There have been various instances where the unethical use of the Internet by data giants can further decrease the sanctity of the Award passed electronically because of the unchanged rules or regulations or even no substantial control.²⁴ Further, this clubbed by the unawareness of the arbitrators and the parties, who don't have adequate understanding to avoid misuse of their data can also create problems.

The exigency of ODR and its adoption in India

ADR has been adopted in India through various provisions such as Section 89²⁵ of the Code of Civil Procedure (CPC) (1908), Section 74²⁶ of the Consumer Protection Act (CPA) (2019) to facilitate mediation for the consumers before approaching any consumer forum, Section 9²⁷ of the Family Courts provides for courts to assist the parties in resolving disputes through conciliation, etc. This has led to effective means to first undergo litigation and escape the clutches of court proceedings and take litigation as the last resort to resolve disputes.

The importance of ADR as an effective means to resolve disputes has been highlighted through various case laws such as the *Afcons Infrastructure Ltd*.²⁸ where the classification of arbitrable and non-arbitrable disputes has been done. This has led to the clarity in which civil cases are effectively resolved through the usage of ADR. The admissibility of ADR in India has been done effectively and is used to resolve disputes between large corporations where the issue of

²²E. Reymond-Eniaeva, *Towards a Uniform Approach to Confidentiality of International Commercial Arbitration* 29–113 (Springer 2019).

²³Nobumichi Teramura & Leon Trakman, *Confidentiality and Privacy of Arbitration in the Digital Era, 40 Arb. Int'l* 277 (2024), https://doi.org/10.1093/arbint/aiae017 (advance access published July 17, 2024) (last visited Jan. 10, 2025), at 295.

²⁴Supra note 6, at 298.

²⁵Code of Civil Procedure, No. 5, Acts of Parliament, 1908 (India),

https://www.indiacode.nic.in/bitstream/123456789/2191/1/A1908-05.pdf (Last visited Jan. 10, 2024).

²⁶Consumer Protection Act, No. 35, Acts of Parliament, 2019, § 74 (India).

²⁷Family Courts Act, No. 66, Acts of Parliament, 1984, § 9 (India).

²⁸M/S Afcons Infrastructure Ltd. & Anr. v. M/S Cherian Varkey Constn Co. P. Ltd. & Ors., Civil Appeal No. 6000 of 2010, paras. 18–19 (India).

deciding the seat and venue of arbitration is done. However, there are various limitations especially related to the "seat", "venue' and the decentralization of the arbitration process in India because the accessibility of deciding the venue becomes a question, the choice of arbitrators, and the awareness of the whole procedure remain a central focal point. Therefore, in India, ODR is a viable, accessible, and cost-efficient way to resolve disputes between people as it will lead to the decentralization of Awards for its enforceability. The need for the adoption of ODR is also been highlighted by various Chief Justices of India through their lectures at various events. For example, recently the Former Chief Justice of India D.Y. Chandrachud in an event of stakeholders' meeting titled "Catalysing Online Dispute Resolution in India organised by NITI Aayog on June 6 2020²⁹ observed the utility of usage of ODR for dispute containment, avoidance and to increase the use of technology. Similarly, the usage of online means has been enumerated through various case laws such as the M/S Meters and Instruments Pvt. Ltd. v. Kanchan Mehta³⁰ where the Supreme Court has identified that complete reliance could be placed on technology tools to resolve disputes and recommended the resolution of simple cases like those concerning traffic challans and cheque bouncing through online mechanisms. This can also be witnessed in cases such as Shakti Bhog v. Kola Shipping³¹ and Trimex International v. Vedanta Aluminium Ltd. 32 Where the Supreme Court has mandated the usage of Online Arbitration as a viable means to resolve disputes electronically and the usage of email, and video conferencing as a mode of evidence that has legal validity.

The ODR has only developed at its nascent stage in India but it has been incorporated into various legislative frameworks to make it an alternative means for quick resolution of disputes. For example, the RBI's ODR policy³³ on digital payment has been mandated to resolve disputes concerning digital Payment transactions in India. The Ministry of Consumers Affairs has signed a Memorandum of Understanding with the National Law School of India University, Bengaluru for the Online Consumer Mediation Centre (OCMC) which aims to provide a state-of-the-art infrastructure for resolving consumer disputes both physically and virtually through online mediation.³⁴ Even in October 2017, the Ministry of MSME launched the

²⁹Supra note 6, at 57.

³⁰M/s Meters & Instruments Pvt. Ltd. v. Kanchan Mehta, 2017 (4) RCR (Criminal) 476 (India).

³¹Shakti Bhog v. Kola Shipping, (2009) 2 SCC 134 (India).

³²Trimex Int'l v. Vedanta Aluminium Ltd., (2010) 1 SCALE 574 (India).

³³Reserve Bank of India, *Online Dispute Resolution (ODR) System for Digital Payments*, https://www.rbi.org.in/commonperson/English/Scripts/Notification.aspx?Id=3194 (last visited Jan. 1, 2025).

³⁴Ashok R. Patil & Shree Krishna Bharadwaj, *A Stakeholder's Assessment of Feasibility of Online Mediations in India, 5 Int'l J. Consumer L. & Prac.*, art. 7 (2017), https://repository.nls.ac.in/ijclp/vol5/iss1/7 (last visited Jan. 1, 2025).

SAMADHAAN portal for E-filing and online settlement of disputes that can be resolved between public sector enterprises, Union ministries, and State governments.³⁵ The Department for Promotion of Industry and Internal Trade (DPIIT) in February 2019 released the Draft National E-Commerce Policy for filing electronic grievances including the resolution of compensation electronically for disputes arising from e-commerce.³⁶ This kind of Robust legislative preparedness has been efficient in resolving disputes electronically which can be seen from the efforts of various government ministries and departments which will increase the extent of ODR from its latent stage to a new alternative.

VI. Challenges regarding the implementation of ODR in India

Although the use of ODR is developing in India (at a nascent stage), important challenges remain that must be proactively addressed so that litigants and adjudicators can effectively adopt it. First of all, there is no specific legal framework designed specifically for ODR. So, the most crucial issue revolves around "trust" as people are still wary about the enforceability of awards granted through a relatively new dispute resolution mechanism. Also, they are accustomed to the traditional litigation and ADR mechanism and are therefore resistant to adopting the digital solution.³⁷ Other issues such as a law specifically designed for the ODR mechanism and existing legal frameworks are insufficient to address challenges such as data security and privacy concerns in the ODR process. Also, disputes related to the venue can further complicate decisions. Lack of infrastructure is also a major problem along with the absence of digital infrastructure including stable connection and access to necessary equipment that hampers the development of ODR. People, especially in rural areas are unaware of this process and those who are aware lack the technical expertise or skills for its implementation. Lawyers, arbitrators and court staff require proper training which remains insufficient and it's a major loophole in implementing ODR.

In international disputes, the enforceability of awards or settlements offered through ODR can be questioned due to a lack of clear guidelines and delayed enforcement of ODR outcomes undermines the efficiency of the mechanism and further becomes a factor in the delay of the

³⁵Supra note 6, at 47.

³⁶Department for Promotion of Industry and Internal Trade, *Draft National E-Commerce Policy* (2019), https://dipp.gov.in/draft-national-ecommerce-policy (last visited Jan. 11, 2025).

³⁷Aditi Singh, Nirat Bhatnagar, Siddhant Dammani, Charles Hobbs & Nehal Sarda, *Accelerating the Adoption of ODR in India Could Transform How Disputes Are Resolved in an Overburdened System*, https://dalberg.com/ourideas/accelerating-the-adoption-of-odr-in-india-could-transform-how-disputes-are-resolved-in-an-overburdened-system/ (last visited Jan. 11, 2025).

delivery of justice.³⁸ Other than these mechanisms it should be user-friendly so that they can be accessed and used without problems and diversity of language is also a barrier in the efficient implementation of ODR which can be tackled if ODR systems are developed in multiple Indian languages to ensure accessibility across diverse linguistic groups. The platforms should also be made accessible to persons with disabilities, using aiding technologies like text-to-speech and screen readers. Blockchain technologies should also be utilised to authenticate digital evidence and maintain tamper-proof records.

VII. Implementation of the procedural framework of ODR in India

For efficient implementation of the ODR mechanism in India, it is necessary to address domestic as well as challenges faced by other countries. First is the formulation of comprehensive data protection legal frameworks (for eg. GDPR³⁹ adopted by the EU can act as an aid), to ensure data privacy and mitigate data violations by applications such as Zoom, Dropbox etc. Regular security audits should be conducted to maintain the veracity of the process and all ODR communications should be well end-to-end encrypted to prevent unauthorised access.

Secondly, it is necessary to certify mediators and arbitrators through recognized training programs, for instance by taking examples from the Michigan Supreme Court's training for mediators in the U.S.A.⁴⁰ and a national protocol should be developed for ODR platforms in India to ensure consistency in their functioning.

Thirdly, the terms of service for ODR mechanisms should be fair and must prevent "dark patterns" that can exploit the sanctity of the award rendered Cybersecurity measures should also be developed to tackle online threats during the dispute resolution processes.

Lastly, integration of the ODR mechanism with the e-court system will help streamline the transition between online and offline processes as well as help in the efficient enforceability of the ODR process.

³⁸Shweta Singh, *The Rise of Online Dispute Resolution (ODR) in India*, https://juriscentre.com/2024/02/14/the-rise-of-online-dispute-resolution-odr-in-india/ (last visited Jan. 11, 2025).

³⁹General Data Protection Regulation (GDPR), https://gdpr-info.eu/ (last visited Jan. 12, 2025).

⁴⁰ Supra note 6, at 30.

VIII. Conclusion

Online Dispute Resolution (ODR) is more than an extension of Alternative Dispute Resolution (ADR); it represents a paradigm shift in the administration of justice, reconciling the principles of conflict resolution with the exigencies of an increasingly digitized society. By fusing traditional dispute resolution methodologies with leading-edge technological tools, ODR emerges as a sophisticated, efficient, and accessible mechanism to resolve disputes in areas from consumer grievances to international commercial conflicts.

India's foray into ODR, though at an embryonic stage, has the potential to redefine its justice delivery ecosystem. Government initiatives such as the SAMADHAAN portal and RBI's ODR policies, coupled with collaborations with academic institutions, are a surefire sign that this effort is moving from concept design to full incorporation into the justice framework. Countries like the USA, China, and the European Union have led the way and already demonstrated its effectiveness in quickening dispute resolution and improving stakeholder satisfaction globally.

At a time when globalization and digitalization are redefining the way humans interact with each other, ODR is the lighthouse showing the way forward, offering a system that is scalable, cost-effective, and geographically unbounded. This is no mere augmentation of extant systems but a necessary evolution toward a more adaptive, inclusive, and technologically robust architecture of dispensing justice. Fully embracing ODR could set the stage for most countries to develop a fair and futuristic judicial system.