

Response

The United Nations Convention on Contracts for the International Sale of Goods (CISG) is the primary legislation and uniform code adopted by 94 countries to oversee international contracts for the sale of goods. It aims to offer certainty for commercial exchanges and decreasing costs. The CISG is meant to be the core trade law for international trade in all countries regardless of their legal tradition or economic development (United Nations, n.d.). At the same time, there is Cyberlaw, which is any law governing the Internet and Internet-related technologies. There are some universal principles, but each country is developing their own e-commerce frameworks to govern this type of online trade.

In a business of a hair company selling hair and wigs, the product is a simple consumer product. It will likely not fall under any restrictions, but local laws apply when shipping from the country and when the product enters a country by going through customs. Most of the major developed and developing countries have ratified the CISG, so it automatically becomes the law overseeing transnational contracts for the sale of goods. Notably, CISG only applies to sales between businesses, not business-to-consumer. The International Chamber of Commerce (ICC) has created shorthand trade terms (INCOTERMS) that assign risk among parties and determine which party is responsible during various stages of shipping. Furthermore, every agreement of sale should have a dispute resolution agreement that establishes how disputes will be addressed and what law will govern arbitration or court proceedings (“The law of international trade,” n.d.). Any questions not covered by CISG can be governed by UNIDROIT Principles of International Commercial Contracts that specify which national law will govern disputes.

Generally, ‘good faith’ still holds under international agreements and sales. Both parties are expected to act according to terms of contract of sale and, in cases of irregular situations, demonstrate good faith in negotiations. All the legal frameworks listed above

imply good faith in international transactions. Intellectual property (IP) transactions are typically governed by a completely different set of laws focused on IP protection and distribution that varies from physical goods. IP requires complex processes of patenting and copyrighting it in the respective individual markets to ensure protection.

For small businesses, selling through online platforms such as Amazon and eBay is safer, particularly for international shipments. These platforms typically have protection measures for both buyers and sellers so that if there is an issue, the company covers the damages. Marketing directly has some limitations as there are no inherent protections. Particularly, if one is a smaller seller, in case there is a dispute with an international transaction, one would likely have to sue the buyer on their home jurisdiction since the product shipments of hair products are not large enough to warrant international court disputes. Domestic courts in the buyer's jurisdictions are more likely to be biased towards the defendant and difficult to navigate. Essentially, a small or medium-sized business is not likely to possess the resources necessary to pursue legal action abroad (Page, 2021). Thus, while direct marketing offers the benefits of not paying percentage sales fees and other fees related to listings on major platforms, it also does not guarantee protections. Meanwhile, Amazon and eBay have mechanisms of both ensuring payment for each transaction and protecting both parties.

U.S. law applies to businesses that are located or operate in the U.S., including web-based enterprises. However, when operating ecommerce, one needs to comply with the laws of the jurisdiction where its customers are. Being physically not present in a jurisdiction does not prevent one from being sued there, causing significant legal issues, or limiting future operations there. For international ecommerce, one is expected to provide clear and precise information regarding one's business, involved costs, refund policies, accurate marketing

practices, and fair information collection (“Electronic commerce,” 2000). There are no major international laws protecting or enforcing the sellers.

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