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Comparative Analysis of Consumer Protection in Electronic Sales Contracts; A Comparative Study of Iranian Law and European Union Law

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ABSTRACT

The expansion of electronic commerce and the increasing growth of sales contracts in the digital space have exposed consumers to new vulnerabilities rooted in the inherent nature of the virtual environment, including information asymmetry, inability to physically inspect goods, ambiguity regarding the identity of the counterparty, and difficulty in enforcing rights in the digital sphere. These realities reveal the necessity of an efficient legal framework for the protection of the electronic consumer. The main issue of the present research is to determine to what extent the Iranian legal system, in comparison with the European Union, protects the consumer in electronic sales contracts, where the existing gaps are, and what solutions can be offered to address these deficiencies. This research has been conducted using a descriptive-analytical method and drawing upon library resources, legal documents, and judicial practice. The research findings indicate that although both systems recognize the principle of consumer protection and have provided similar instruments such as pre-contractual information obligations, the right of withdrawal, and the control of unfair terms, the depth, scope, and effectiveness of these instruments differ significantly. The Iranian legal system has performed relatively acceptably at the level of declaring rights, but suffers from serious weakness at the level of ensuring the enforcement of these rights. Three fundamental gaps the absence of a comprehensive personal data protection law, the lack of regulations governing the liability of intermediary platforms, and the absence of an efficient online dispute resolution mechanism constitute the most important weaknesses of the Iranian legal system in comparison with EU standards. Addressing these gaps through the enactment of a personal data protection law, updating the Electronic Commerce Law with a focus on strengthening enforcement guarantees, and establishing an online dispute resolution mechanism are proposed as legislative reform priorities.

Introduction

The expansion of information and communication technology in recent decades has completely transformed the face of global trade and provided a new platform for the conclusion of contracts. Electronic sales, as one of the most widely used examples of electronic commerce, today account for a significant portion of economic transactions worldwide.

In this context, the consumer, as the weaker party to the contractual relationship, is exposed to specific vulnerabilities rooted in the inherent nature of the virtual space, including information asymmetry between seller and buyer, the inability to physically inspect goods prior to purchase, ambiguity regarding the identity of the counterparty, and the difficulty of enforcing rights in the digital environment. These realities increasingly reveal the necessity of an efficient legal framework for the protection of the consumer in electronic sales contracts.

In this regard, various legal systems have adopted different approaches. The European Union, adopting a pioneering and coherent approach, has established a relatively comprehensive system of legal protections for the digital consumer through the adoption of numerous directives, including the Consumer Rights Directive (2011/83/EU), the E-Commerce Directive (2000/31/EC), and the General

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Data Protection Regulation (GDPR). In contrast, the Iranian legal system, despite the enactment of the Electronic Commerce Law in 2003 and the Consumer Protection Law in 2009, still faces serious legislative gaps and enforcement challenges that limit the effectiveness of these laws in providing real protection for the electronic consumer. A comparative study of these two legal systems can open clear horizons for the reform and evolution of Iranian law. The present research, aiming at a comparative analysis of consumer protection in electronic sales contracts in the Iranian and European Union legal systems, seeks to answer the fundamental questions of to what extent the Iranian legal system protects the electronic consumer in comparison with the European Union, where the existing gaps are, and what solutions can be offered to address these deficiencies. This research has been conducted using a descriptive-analytical method and drawing upon library resources, legal documents, and judicial practice, and endeavors, with a critical and constructive perspective, to identify the strengths and weaknesses of both systems while offering practical recommendations for enhancing the level of consumer protection in Iranian law.

Concepts and Theoretical Foundations

Electronic sales, in its simplest definition, refers to the conclusion of a sales contract through digital communication networks, particularly the internet, without the need for the physical presence of the parties in a single location [1]. This type of sale is a subset of electronic commerce and, in terms of legal nature, possesses the same essential elements of traditional sale, namely offer, acceptance, price, and subject matter, with the difference that these elements are manifested in a digital context [2]. In Imami jurisprudence, also, considering the generality of the evidence for the validity of sale and the rule (Fulfill your contracts), electronic sale is legitimate provided that the general conditions for the validity of a contract are met [3], although some jurists have raised serious considerations regarding the condition of the "subject matter being known" and the possibility of delivery in virtual space. From the perspective of positive law, electronic sales manifest in three main forms: the sale of material goods ordered through the internet and delivered physically, the sale of digital goods in which both the conclusion and execution of the contract take place in virtual space, and the sale of electronic services in which the subject matter of the contract is the provision of a service through the network [4]. This classification is important because the consumer protection system may differ significantly in each of these forms; for instance, the right of withdrawal from a contract in digital goods is subject to specific limitations that do not exist in material goods. Furthermore, the definition of the "consumer" in the electronic space is one of the challenging issues in electronic commerce law. In most legal systems, a consumer refers to a person who concludes a contract for purposes outside their commercial, business, or professional activity. In contrast, a "merchant" or "supplier" is a person who concludes a contract within the framework of their professional or commercial activity. This conceptual distinction is vital because special legal protections are essentially only granted to the consumer and not to merchants; therefore, the precise and clear definition of this concept directly affects the scope of legal protections.

Electronic contracts have specific structural characteristics that distinguish them from traditional contracts, and these characteristics give rise to consumer vulnerability. First, the non-physical nature of these contracts means that the consumer does not have the opportunity to physically inspect the goods prior to purchase and must inevitably decide based on the descriptions and images provided by the seller [5]. Second, electronic contracts are often concluded as standard or adhesion contracts, in which the terms and provisions are unilaterally determined by the supplier and the consumer merely adheres to them by clicking the "accept" button [5], without having a real opportunity to negotiate [6]. Third, the high speed of contract conclusion in the digital space deprives the consumer of the opportunity for reflection and careful examination.

The theory of "information asymmetry," first proposed by George Akerlof in his famous article "The Market for Lemons," is one of the most important theoretical foundations justifying consumer protection [7]. According to this theory, in many transactions, one party has more information than the other, and this information inequality can lead to market failure and loss for the weaker party. In electronic sales, this inequality is far more severe than in traditional sales, because the seller not only has more complete information about the goods but also possesses advanced tools such as targeting algorithms, consumer behavior analysis, and personalized marketing that can guide the consumer's decision-making in their favor. Legislative intervention to mandate information disclosure is precisely justified in response to this market failure. An electronic contract, like a traditional contract, is the result of offer and acceptance; however, due to the special nature of first-time contracts and the expression of intent in a virtual environment, and particularly given the need for consumers to have adequate protection in such a space, new rules have been incorporated into electronic commerce laws, the purpose of which is to ensure the consumer's full awareness prior to accepting the offer. The theory of "contractual equality" or "contractual balance" is another important theoretical foundation that justifies consumer protection [8]. This theory holds that contractual freedom only has real value when the parties have equal bargaining power. In electronic sales contracts, particularly in adhesion contracts with large e-commerce companies, this balance is severely disrupted. The consumer faces companies that possess economic power, legal expertise, and the ability to draft complex contracts, while the consumer lacks any of these capabilities. Therefore, legislative intervention to restore the lost balance is not only justifiable but necessary.

Alongside these two theories, the "trust theory" also plays an important role in justifying the protection of the electronic consumer. Electronic commerce is built on trust; the consumer must trust the seller's identity, the accuracy of the goods' descriptions, the security of payment, and the protection of their personal information. Whenever this trust is compromised, not only does the consumer suffer, but the entire e-commerce ecosystem is damaged. Therefore, consumer protection can be viewed not merely as the protection of an individual but as a mechanism for maintaining public trust in electronic commerce and, consequently, its sustainable development. Finally, it should be noted that the theoretical foundations of consumer protection in the digital age are evolving and being redefined with the emergence of new phenomena such as artificial intelligence, the platform economy, and smart contracts. Dynamic pricing algorithms, recommendation systems, and targeted advertising are new tools that can subtly influence consumer will and raise information inequality to an unprecedented level. These developments necessitate a reconsideration of traditional consumer protection theories and the design of new legal frameworks appropriate to the realities of the digital economy frameworks that safeguard both the individual rights of the consumer and the overall health of the digital market.

The Legal System of Consumer Protection in Electronic Commerce in Iran

The Iranian legal system in the field of electronic consumer protection is founded on two main pillars: the Electronic Commerce Law of 2003 and the Consumer Protection Law of 2009. The Electronic Commerce Law, as the first comprehensive legal document in this field, inspired by the UNCITRAL Model Law on Electronic Commerce, has established the general framework governing digital transactions. This law, in its Third Chapter under various rules Section One Exclusive Protections in the Context of Electronic Exchanges Chapter One Consumer Protection, has provided regulations regarding the supplier's information obligations, the consumer's right of withdrawal, and enforcement guarantees. The Consumer Protection Law, as a general law in this field, has recognized fundamental rights for the consumer, including the right to receive safe goods, the right to be informed of the price and specifications of goods, and the right to compensation. However, this law was primarily drafted with traditional commerce in mind and is not fully compatible with the requirements of electronic commerce.

One of the most important protections that Iran's Electronic Commerce Law has provided for the consumer is the pre-contractual information obligation. According to Articles 33 to 37 of this law, the supplier is obliged, prior to the conclusion of the contract, to provide the consumer with information such as their identity and address, complete specifications of the goods or services, price, delivery costs, payment terms and conditions, terms and duration of withdrawal from the transaction, as well as information regarding after-sales services, in an explicit and accessible manner [8]. This obligation, referred to in legal literature as the "disclosure obligation," is directly designed in response to the problem of information asymmetry. However, the enforcement guarantee of this obligation in Iranian law is not sufficiently clear and deterrent, and this gap severely reduces the practical effectiveness of this protection.

Regarding the right of withdrawal from the contract, Iran's Electronic Commerce Law, in Article 37, stipulates that the consumer has the right, without stating a reason and without incurring any penalty, to withdraw from the transaction within seven working days from the date of receipt of the goods or, in the case of services, from the date of contract conclusion. This right, which in European law is interpreted as the "right of withdrawal" or "cooling-off period," is one of the most important tools for protecting the electronic consumer. However, the seven-day period provided for in Iranian law appears short in comparison with international standards, and the law is silent or ambiguous regarding the exceptions to this right, the effects of its exercise, and the seller's obligation to refund the price, which in practice has led to numerous disputes.

Alongside these two main laws, there are other scattered regulations in the Iranian legal system that directly or indirectly affect electronic consumer protection. The Executive By-law of the Electronic Commerce Law, the resolutions of the Supreme Council of Cyberspace, the regulations of the Central Bank regarding electronic payments, and the directives of the Communications Regulatory Authority are among these regulations. Additionally, the Computer Crimes Law of 2009, by criminalizing computer fraud and other related crimes, has provided relative criminal protection for the electronic consumer. This legislative fragmentation itself is one of the fundamental challenges of the Iranian legal system, as there is no necessary coherence and coordination among these regulations, and the consumer, in order to enforce their rights, must navigate through numerous laws and authorities. The strengths of the Iranian legal system in this field should not be overlooked. The existence of an independent law for electronic commerce, the provision of institutions such as the Electronic Commerce Development Center and chambers of commerce for handling complaints, and the efforts made to establish electronic trust symbols (Namad) for online businesses are among the positive measures that have provided a basic infrastructure for consumer protection. The electronic trust symbol system, implemented by the Ministry of Industry, Mine and Trade, is an attempt to build trust in the electronic commerce space through identity verification and validation of online businesses, although this system also faces serious shortcomings in the areas of supervision and enforcement. Despite this, the Iranian legal system faces numerous fundamental gaps and challenges in protecting the electronic consumer. From a legislative perspective, the existing laws are relatively outdated and have not kept pace with rapid technological developments and the emergence of phenomena such as intermediary platforms, the sharing economy, and AI-based commerce. From an enforcement perspective, the weakness of supervisory institutions, the shortage of specialized courts, the high cost of litigation, and the absence of efficient online dispute resolution mechanisms make it difficult for consumers to access justice. From a cultural perspective, consumers' low awareness of their legal rights and their reluctance to pursue legal action mean that many violations of consumer rights remain unaddressed. This set of deficiencies indicates that the Iranian legal system still has a considerable distance to cover to reach international standards of electronic consumer protection and requires serious structural reforms.

The Legal System of Consumer Protection in the European Union

Over the past three decades, the European Union has established one of the most comprehensive and advanced legal systems for consumer protection in the world. This system is based on a multi-layered approach in which EU directives and regulations set a minimum or maximum framework, and member states are obliged to adapt their domestic laws to this framework. The fundamental philosophy of this system is based on the principle that the single internal market can only function properly when consumers have sufficient confidence to participate in cross-border transactions, and this confidence cannot be achieved except through strong and uniform legal protection [9]. Therefore, consumer protection in the European Union is viewed not merely as a social objective but as a precondition for achieving economic integration. The first and most important legal document in this field is the Consumer Rights Directive (2011/83/EU), which was adopted by the European Parliament and the Council in October 2011 and became effective from January 2014. This directive, which replaced two previous directives on distance contracts and off-premises contracts, adopted a full harmonization approach, meaning that member states cannot adopt provisions that are stricter or more lenient than those stipulated in the directive [10]. This approach was adopted with the aim of creating legal uniformity throughout the Union and removing obstacles to cross-border trade. Directive 2011/83/EU imposes extensive pre-contractual information obligations on the trader. According to Article 6 of this directive, the trader is obliged, prior to the contract becoming binding, to provide the consumer with information including their full identity and address, the main characteristics of the goods or services, the total price including taxes and ancillary costs, payment and delivery arrangements, the conditions for exercising the right of withdrawal, the duration of the contract, and the conditions for its termination, in a clear and comprehensible manner. The violation of these information obligations has specific legal consequences, including that additional costs not disclosed to the consumer cannot be claimed, and the withdrawal period is extended [11].

The right of withdrawal from the contract, or the "cooling-off period," is one of the most central protections provided for in Directive 2011/83/EU. According to Article 9 of this directive, the consumer has the right to withdraw from the contract within 14 calendar days without stating a reason and without incurring any costs other than the direct cost of returning the goods. If the trader has not provided the necessary information about the right of withdrawal, this period is extended to 12 months. After exercising the right of withdrawal, the trader is obliged to refund all payments received from the consumer within 14 days. This right, of course, has exceptions, including perishable goods, customized goods, digital content that has been supplied with the consumer's consent before the end of the withdrawal period, and services that have been fully performed with the consumer's explicit consent before the end of the withdrawal period [12].

The E-Commerce Directive (2000/31/EC), which was adopted before the Consumer Rights Directive, establishes the general framework governing information society services and constitutes an important complement to electronic consumer protection. This directive establishes the "country of origin" principle for service providers, meaning that the service provider is only subject to the regulations of the country in which they are established. Furthermore, this directive sets out requirements regarding commercial information transparency, electronic commercial communications, and the process of concluding an electronic contract, and obliges the service provider to provide the consumer with the technical means to identify and correct input errors prior to placing an order [13].

The General Data Protection Regulation (GDPR), which became effective from May 2018, covers another dimension of electronic consumer protection. In the digital economy, consumers' personal data have become a valuable commodity that e-commerce companies collect, process, and in some cases transfer to third parties. The GDPR, by granting rights such as the right of access to personal data, the right to rectification, the right to be forgotten, the right to restriction of processing, and the right to data portability, has significantly increased consumer control over their personal information. The enforcement guarantee of this regulation is also very strong; violations of the GDPR can result in fines of up to €20 million or 4% of the company's global annual turnover, whichever is higher [14].

The Unfair Contract Terms Directive (93/13/EEC) also plays an important role in protecting the electronic consumer. This directive, which is one of the oldest EU consumer law instruments, stipulates that contractual terms which have not been individually negotiated, if, contrary to the requirement of good faith, they cause a significant imbalance in the parties' rights and obligations to the detriment of the consumer, shall be considered unfair and consequently non-binding. This directive holds particular significance in the context of electronic contracts, which are often concluded on the basis of standard terms unilaterally drafted by the trader. The Court of Justice of the European Union, through its extensive case law, has developed precise criteria for identifying unfair terms in electronic contracts [15].

The Digital Markets Act (DMA) and the Digital Services Act (DSA), both adopted in 2022, constitute the newest layers of the EU's protective system. The Digital Services Act, aiming to create a safer and more transparent online environment, imposes new obligations on large digital platforms, including the requirement for transparency regarding recommender algorithms, the prohibition of targeted advertising based on sensitive data, and the establishment of effective mechanisms for reporting illegal content. The Digital Markets Act, focusing on "gatekeepers" large platforms that control access to digital markets targets anti-competitive behaviors that indirectly harm consumers [16].

The Digital Content Directive (2019/770/EU), which became effective from January 2022, is a response to the legal gap concerning contracts for the supply of digital content and services. This directive, for the first time, establishes clear rules regarding the conformity of digital content with the contract, guarantees for non-conformity, and the consumer's right to receive necessary updates. The innovative aspect of this directive is that it explicitly covers contracts in which the consumer provides personal data to the trader instead of paying money, thereby recognizing personal data as contractual "consideration" for the first time [17].

The dispute resolution system in EU consumer law is also notably advanced. The Alternative Dispute Resolution Directive (2013/11/EU) and the Online Dispute Resolution Regulation (524/2013/EU) were adopted with the aim of providing consumers with easy, fast, and low-cost access to justice. The EU ODR platform enables consumers to lodge complaints online and resolve disputes with traders through trusted ADR entities, outside the formal litigation process. This mechanism is particularly important in cross-border disputes where the cost of formal litigation often exceeds the value of the dispute [18].

The enforcement of consumer protection regulations in the European Union is ensured through the Consumer Protection Cooperation Regulation (2017/2394/EU). This regulation establishes a network of national enforcement authorities across the Union that can cooperate in cases of cross-border violations of consumer rights. These authorities have broad powers, including access to information, conducting investigations, issuing interim measures, and imposing financial penalties. Furthermore, the Representative Actions Directive (2020/1828/EU), which became effective from June 2023, allows qualified consumer organizations to bring collective actions on behalf of a group of injured consumers, providing a powerful tool against widespread violations of consumer rights [19].

Overall, the EU legal system for electronic consumer protection is characterized by three prominent features that distinguish it from most other legal systems. First, comprehensiveness and coherence: this system covers almost all aspects of the consumer-trader relationship in electronic commerce, from the pre-contractual stage to post-performance. Second, dynamism and adaptability: the EU continuously updates its regulations in line with technological developments, and new instruments such as the Digital Services Act, the Digital Markets Act, and the Digital Content Directive demonstrate this proactive approach. Third, effective enforcement: the existence of independent supervisory authorities, strong enforcement guarantees, and efficient dispute resolution mechanisms make this system not merely a theoretical framework but a real protective shield for the consumer [20].

Comparative Analysis

The comparison of the Iranian and European Union legal systems in the field of electronic consumer protection provides a clear picture of the fundamental similarities and differences between the two systems. Both systems proceed from a common premise: the consumer is the weaker party in the contractual relationship and requires special legislative protection. This common foundation has led both systems to adopt similar instruments such as information obligations, the right of withdrawal, and the control of unfair terms. However, the depth, scope, and effectiveness of these instruments differ significantly between the two systems, rooted in the structural, historical, and economic differences of these legal systems. Understanding these differences is important not only from an academic perspective but also from a legal policy-making perspective.

In the area of pre-contractual information obligations, both systems recognize the principle of information disclosure, but the scope and precision of this obligation differ. Iran's Electronic Commerce Law, in Articles 33 to 37, sets out a list of information to be disclosed prior to the contract, but this list is more incomplete and ambiguous compared to Article 6 of Directive 2011/83/EU. The European directive not only provides a more comprehensive list of mandatory information but also stipulates detailed formal requirements for the manner in which this information is presented, including that the information must be provided in plain and intelligible language, prominently, and before the contract becomes binding [10]. Iranian law does not have such detailed formal requirements, and this gap in practice allows traders to circumvent the spirit of the law by presenting information in complex or difficult-to-read formats.

Another important difference in the area of information disclosure concerns the legal consequences of breaching this obligation. In EU law, the breach of information obligations has specific and automatic consequences; for example, if the trader has not provided the necessary information about the right of withdrawal, the withdrawal period is automatically extended from 14 to 12 months, and additional costs not disclosed to the consumer cannot be claimed [11]. In Iranian law, the legislator has not provided for such automatic and clear consequences, and the consumer must go through the difficult path of general litigation to claim compensation for damages arising from the breach of information obligations, which in practice eliminates the necessary deterrence.

Regarding the right of withdrawal from the contract, both systems recognize this right, but there are significant differences in the details. The first and most obvious difference is the duration of this right: 7 working days in Iranian law versus 14 calendar days in EU law. This difference is not merely quantitative; the use of "working days" in Iranian law versus "calendar days" in EU law can in practice create a significant difference, as weekends are excluded from the calculation. The second important difference concerns the effects of exercising the right of withdrawal. The European directive explicitly stipulates that after the right of withdrawal is exercised, the trader is obliged to refund all payments received within 14 days, and the consumer is also obliged to return the goods within 14 days. In Iranian law, these effects are not clearly regulated. The exceptions to the right of withdrawal also differ between the two systems. Directive 2011/83/EU sets out a specific and limited list of exceptions in Article 16, including perishable goods, customized goods, newspapers and magazines, accommodation and transport services with specified dates, and digital content supplied with the consumer's explicit consent before the end of the withdrawal period [10]. In Iranian law, the Electronic Commerce Law is silent on this matter, and this gap has allowed traders, by including unilateral contractual terms, to arbitrarily expand the scope of exceptions and render the right of withdrawal practically meaningless. This situation is a clear example of how legislative silence can operate to the detriment of the consumer.

In the area of controlling unfair contractual terms, the difference between the two systems is very significant. The EU's Unfair Contract Terms Directive (93/13/EEC) provides a general criterion for unfairness based on two elements: breach of the requirement of good faith and causing a significant imbalance in the parties' rights and obligations to the detriment of the consumer. In addition, the directive provides a "grey list" of terms that are presumed to be unfair. The Court of Justice of the European Union, through its extensive case law, including in important cases such as Océano Grupo Editorial and Aziz, has developed precise criteria for identifying unfair terms [15]. In Iranian law, although the Civil Code recognizes the principle of the binding force of contracts and freedom of will, there is no specific and effective mechanism for controlling unfair terms in electronic contracts, and courts are obliged to resort to general principles of contract law, which are insufficient for this purpose.

Consumer personal data protection is one of the areas where the gap between the two systems is deepest. The EU's General Data Protection Regulation, by establishing a comprehensive and uniform framework for personal data protection, provides consumers with extensive rights regarding their data. These rights include the right of access, the right to rectification, the right to be forgotten, the right to restriction of processing, the right to object, and the right to data portability [14]. In contrast, Iranian law lacks a comprehensive and independent law on personal data protection, and the electronic consumer does not enjoy adequate legal protection in this area. Although the Personal Data Protection Bill has been in the legislative process for years, it has not yet been enacted, and this gap is one of the most serious weaknesses of the Iranian legal system in comparison with international standards.

In the area of electronic payment security, both systems have made efforts to protect consumers, but their approaches differ. In the European Union, the Payment Services Directive (PSD2-

2015/2366/EU) has established a comprehensive framework for electronic payment security and has mandated Strong Customer Authentication (SCA). This directive also clearly defines the liability of the payment service provider for unauthorized transactions and protects consumers against payment fraud [13]. In Iran, the Central Bank has issued regulations concerning electronic payment security, but these regulations lack the necessary coherence and comprehensiveness, and liability for unauthorized transactions has not been clearly defined.

Dispute resolution mechanisms constitute another area of fundamental difference between the two systems. The European Union, by establishing the ODR platform and requiring member states to establish trusted ADR entities in all economic sectors, has significantly facilitated consumer access to justice. These mechanisms enable consumers to resolve their disputes online, quickly, at low cost, and without the need for a lawyer. In Iran, although there are authorities such as the Organization for the Protection of Consumers and Producers and chambers of commerce for handling consumer complaints, these authorities lack the necessary efficiency, expertise, and resources, and there is no efficient online dispute resolution mechanism in the country. This situation forces the Iranian consumer to resort to the lengthy and costly path of formal litigation to enforce their rights.

Regarding consumer protection against misleading advertising and unfair marketing practices, the European Union has established a comprehensive framework through the Unfair Commercial Practices Directive (2005/29/EC). This directive prohibits misleading and aggressive commercial practices and provides a list of 31 commercial practices that are considered unfair in all circumstances [11]. In Iranian law, the Guild System Law and some other scattered regulations have addressed the issue of misleading advertising, but these regulations lack the necessary comprehensiveness and coherence, and there are serious gaps, particularly regarding digital advertising and algorithm-based marketing. The emergence of phenomena such as influencer marketing and hidden advertising on social networks has further revealed this gap.

One important area of commonality between the two systems is attention to the issue of quality assurance of goods and services. Both systems have provided rules regarding the warranty against hidden defects and producer liability. In Iranian law, the jurisprudential rules of the option of defect (khiyār-e 'ayb) and the provisions concerning liability for eviction (ḍamān-e darak) in the Civil Code provide a basis for consumer protection against defective goods. In the European Union, the Sale of Goods Directive (2019/771/EU), which became effective from January 2022, has updated the criteria for the conformity of goods with the contract and established specific enforcement guarantees for the consumer, including the right to repair, replacement, price reduction, or contract termination. However, the adaptation of these rules to the specific characteristics of electronic commerce in Iranian law has not been sufficiently carried out.

In the area of consumer protection against intermediary platforms, the difference between the two systems is very pronounced. The platform economy is a phenomenon in which platforms such as Digikala, Snapp, or Amazon act as intermediaries between sellers and consumers, raising new questions about the platform's liability towards the consumer. The European Union, through the Digital Services Act (DSA) and the case law of the Court of Justice, has established a relatively clear framework for platform liability. In Iranian law, there are no specific regulations regarding the liability of intermediary platforms, and courts face a serious legal gap in this regard. This gap, given the rapid growth of the platform economy in Iran, has significant practical implications for consumers.

From the perspective of the overall approach to consumer protection, there is an important difference between the two systems. The European Union has adopted a preventive and proactive approach, seeking to protect the consumer before harm occurs through precise regulation and continuous supervision. In contrast, the Iranian legal system primarily adopts a reactive approach, with consumer protection being mostly carried out through litigation after harm has occurred. This difference in approach has important practical consequences; in a preventive system, many harms never occur, whereas in a reactive system, the consumer must first suffer harm and then attempt to seek compensation. This difference in approach is rooted in deeper differences in the philosophy of regulation and the role of the state in the economy, which cannot be easily resolved.

Finally, an important common challenge faced by both systems is the difficulty of adapting to rapid technological developments. Artificial intelligence, the Internet of Things, blockchain, and smart contracts are phenomena that challenge both legal systems. The European Union took an important step in this direction by adopting the Artificial Intelligence Act (AI Act) in 2024, but even this advanced system is not yet keeping pace with the speed of technological change. In Iran, this challenge is far more serious, as the legal system has still not properly caught up with the technological developments of the previous generation. This reality demonstrates that reforming Iran's legal system in this area requires not only the amendment of existing laws but also the design of a flexible and forward-looking regulatory approach capable of keeping pace with the speed of technological change.

Conclusion

The present research has demonstrated that both the Iranian and European Union legal systems proceed from a common premise: the consumer in the digital space requires special protection. However, this shared foundation is the only point where the two systems converge. What the comparative analysis of these two systems reveals is a structural gap that cannot be remedied simply by amending a few legal provisions. The root of this gap must be sought in the difference in regulatory philosophy: the European Union considers consumer protection a precondition for the realization of the single market and economic integration, and therefore pursues it with great seriousness, whereas in the Iranian legal system, this protection is more declaratory than executive, and its practical guarantees have not been sufficiently developed. A careful comparison of the protective mechanisms in the two systems reveals a recurring pattern: Iranian law has performed relatively acceptably at the level of declaring rights but suffers from serious weakness at the level of ensuring the enforcement of these rights. The right of withdrawal from a contract is provided for in Iran's Electronic Commerce Law, but its duration is shorter than international standards, its effects are ambiguous, and its exceptions are not clearly defined. The pre-contractual information obligation exists, but no automatic and deterrent consequences for its violation have been provided. This situation indicates that the Iranian legislator has stopped at the first stage of legislation and has not reached the second stage, namely the design of efficient enforcement mechanisms. In contrast, the European system has shown that the real value of a right lies not in its declaration but in its enforceability.

One of the most important findings of this research is the identification of three fundamental gaps in the Iranian legal system, each of which alone can disrupt the effectiveness of the entire protective system. First, the absence of a comprehensive personal data protection law, which in an era where data has become the most valuable asset of the digital economy, leaves the Iranian consumer defenseless against the collection, processing, and misuse of their personal information. Second, the lack of regulations governing the liability of intermediary platforms, which, given the rapid growth of the platform economy in Iran, has increasingly practical consequences for consumers every day. Third, the absence of an efficient online dispute resolution mechanism, which causes the cost of enforcing rights for the consumer to often exceed the value of the dispute, resulting in many violations of consumer rights remaining unaddressed. Addressing these three gaps should be the first priority of legislative reform.

The European Union's experience offers valuable lessons for the Iranian legal system, but benchmarking must be done intelligently and in accordance with local realities. One of the most important of these lessons is the importance of legislative coherence; instead of scattered and inconsistent laws, the European Union has created a system of integrated and complementary regulations covering every aspect of the consumer-trader relationship. Another lesson is the importance of legislative dynamism; the European Union continuously updates its regulations in line with technological developments, and this forward-looking approach distinguishes it from static legal systems. For Iran, this means that amending existing laws is not sufficient; what is needed is the design of a flexible regulatory framework capable of keeping pace with technological change without the need for frequent legal amendments. In this regard, the use of tools such as principles-based regulation rather than rules-based regulation can be helpful.

Finally, it must be emphasized that reforming the legal system for electronic consumer protection in Iran is not a choice but a necessity—a necessity justifiable both from the perspective of the individual rights of consumers and from the perspective of the development of the country's digital economy. Electronic commerce can only reach its true potential when consumers have confidence in it, and this confidence can only be achieved through genuine and effective legal protection. This research proposes that the Iranian legislator, adopting a comprehensive approach, should pursue three immediate priorities in the first step: the enactment of a personal data protection law, the amendment and updating of the Electronic Commerce Law with a focus on strengthening enforcement guarantees, and the establishment of an efficient online dispute resolution mechanism. In the second step, the formulation of regulations governing digital platforms and the AI economy should be placed on the agenda. This path is difficult, but the experience of the European Union shows that it is possible to traverse, and its outcomes will be beneficial for the consumer, the trader, and the entire digital economy of the country.

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Authors' Contributions

All authors contributed to data analysis, drafting, and revising of the paper and agreed to be responsible for all the aspects of this work.

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