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"Property Rights in the Sharing Economy: Legal Problems posed by Online Platforms"

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ABSTRACT

The emergence and proliferation of online platforms have revolutionized conventional economic models, giving rise to the sharing economy. This paradigm shift has disrupted different sectors, providing novel opportunities for resource sharing and collaboration. However, the dynamic nature of the sharing economy has presented key legal challenges, mainly concerning property rights. The rapid increase in the sharing economy platforms has been both boon or curse worldwide. It is playing a role which is challenging the law and it creates a symbiotic relationship between the Law and the "Sharing Economy". The impact on the economy through various online platforms like Uber and Airbnb has been another advanced form of contributing towards a same goal i.e. the innovation, more feasibility and becoming dynamic regarding welfare for the country. The advanced economy despite the nature of being very much forward always comes as a barrier for the customary practices.

This study tried to explore the legal intricacies surrounding property rights within the sharing economy, focusing on the legal problems posed by online platforms. It begins by delineating the concept of the sharing economy and elucidating its key characteristics. Subsequently, it delves into the nuanced landscape of property rights, emphasizing the blurred lines between ownership and access prevalent in sharing economy platforms. One of the central legal dilemmas pertains to the classification of participants within these platforms—whether they are deemed consumers, suppliers, or intermediaries—and the corresponding rights and liabilities assigned to each category. Furthermore, the question of jurisdiction and applicable laws becomes paramount as these platforms operate across geographical boundaries, often leading to conflicts in legal frameworks and enforcement mechanisms.

The other significant challenge arises from the diverse array of assets shared through these platforms, ranging from tangible goods to digital services, each governed by distinct legal regulations. This necessitates a multifaceted approach to property rights, accommodating the complexities inherent in sharing economy transactions.

While the sharing economy presents immense opportunities for economic empowerment and resource optimization, its realization hinges upon overcoming the myriad legal challenges inherent in property rights within online platforms. By navigating these challenges adeptly, stakeholders can unlock the full potential of the sharing economy while upholding the principles of fairness, accountability, and legal compliance.

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INTRODUCTION

LEGAL PROBLEMS POSED BY ONLINE PLATFORMS RELATED TO PROPERTY RIGHTS IN THE SHARING ECONOMY

A Sharing Economy, which is restricted to those gratuitous transactions transferring some property rights rather than the ownership (whole bundle of rights) of the property. Couchsurfing appears as the most well-known example of this economy. The sharing economy operates in a regulatory landscape that is often outdated or not specifically tailored to accommodate its unique characteristics. This complexity can lead to legal ambiguities and challenges for online platforms regarding property rights. Online platforms often operate across multiple jurisdictions, each with its own set of laws and regulations governing property rights. Navigating these diverse legal landscapes can be challenging and may require tailored compliance strategies.

Sharing economy platforms frequently involve the exchange of intellectual property, such as user-generated content or proprietary algorithms. Protecting and managing these intellectual property rights poses legal challenges, including issues related to ownership, licensing, and infringement. Determining liability for property damage, accidents, or other harms that occur within the sharing economy can be complex. Online platforms must navigate legal frameworks to determine the appropriate allocation of liability between platform operators, users, and third parties.

Online platforms collect and process vast amounts of user data, raising concerns about privacy and security. Ensuring compliance with data protection laws and implementing robust data privacy measures is essential to protect user rights and mitigate legal risks. The terms of service agreements between sharing economy platforms and their users play a crucial role in defining property rights, liability, and dispute resolution mechanisms. Drafting clear and enforceable contracts that address these issues is essential to mitigate legal disputes.

Worker classification and labor rights are significant legal considerations for sharing economy platforms. Determining whether individuals are independent contractors or employees can have implications for property rights, wages, benefits, and liability.[1] Ensuring fair access to services and preventing discrimination is a legal imperative for sharing economy platforms. Implementing policies and procedures to address discrimination and promote inclusivity is essential to comply with anti-discrimination laws.

Dominant sharing economy platforms may face scrutiny under competition laws for anti-competitive behavior, such as market dominance or unfair practices. Compliance with competition regulations and addressing concerns related to market fairness is essential to

[1] <https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf> (Last Visited on 12 March 2024)

mitigate legal risks.[2] Tax compliance in the sharing economy can be complex due to the decentralized nature of transactions and varying tax regulations across jurisdictions. Online platforms must navigate tax laws related to income reporting, sales tax, and value-added tax to ensure compliance and mitigate legal risks.

Intellectual Property Considerations for Sharing Economy Platforms

Intellectual property (IP) considerations are essential for sharing economy platforms operating online. Here are some key aspects to consider:

Trademark Protection: Sharing economy platforms should secure trademark protection for their brand names, logos, and other identifying marks. This helps prevent competitors from using similar marks that could cause confusion among consumers. Additionally, platforms should monitor and enforce their trademarks to prevent infringement by third parties.

Copyright Protection: Sharing economy platforms often develop software, websites, and content that may be protected by copyright law. Platforms should ensure they own the necessary rights to use and distribute this content and should take steps to prevent unauthorized copying or distribution. Platforms should also respect the copyrights of third parties, such as photographers or content creators whose work is shared on the platform.

Patent Protection: Some sharing economy platforms may develop proprietary technology or business methods that could be patented. Platforms should consider obtaining patents to protect their innovations from being copied or exploited by competitors. This can provide a competitive advantage and help secure the platform's market position.

Trade Secrets: Sharing economy platforms may have valuable trade secrets, such as algorithms, business processes, or customer data. Platforms should take measures to protect these trade secrets from unauthorized disclosure or use, such as implementing confidentiality agreements with employees and business partners and maintaining robust data security practices.

User-Generated Content: Many sharing economy platforms rely on user-generated content, such as reviews, ratings, and listings. Platforms should establish clear terms of service regarding ownership and use of this content to avoid disputes over intellectual property rights. Platforms should also implement mechanisms to address copyright infringement or other IP violations by users.[3]

Licensing and Permissions: Sharing economy platforms may need to obtain licenses or permissions to use third-party intellectual property, such as software libraries, APIs, or

[2] Kathuria et al, India's platform economy and emerging regulatory challenges, ICRIER, 2021
[3] Christopher Koopman, The Sharing Economy, and Consumer Protection Regulation, MERCATUS (2015)

Volume 32, May 2024 ISSN 2581-5504

content databases. Platforms should ensure they have the necessary rights to use this intellectual property and should comply with any licensing terms or restrictions.

IP Infringement Enforcement: Sharing economy platforms should have procedures in place to address intellectual property infringement by users or third parties. This may include implementing takedown procedures for infringing content, responding to cease-and-desist letters, and cooperating with intellectual property owners to resolve disputes.

International Considerations: Sharing economy platforms operating online should be aware of intellectual property laws and regulations in different jurisdictions. Intellectual property rights vary from country to country, and platforms may need to adapt their strategies accordingly to protect their IP assets globally.

By proactively addressing these intellectual property considerations, sharing economy platforms can protect their innovations, brand reputation, and competitive advantage in the online marketplace.

Data Privacy and Security Issues in the Sharing Economy

Data privacy and security are significant concerns in the sharing economy due to the collection and processing of personal information by sharing economy platforms. Here are some key issues:

Collection of Personal Data: Sharing economy platforms typically collect a wealth of personal data from users, including names, contact information, payment details, and location data. This data is often necessary to facilitate transactions and provide personalized services, but it also raises concerns about privacy and consent.

Data Breaches: Sharing economy platforms are attractive targets for cybercriminals due to the large volumes of sensitive personal and financial information they handle. Data breaches can result in unauthorized access to user data, leading to identity theft, financial fraud, and other malicious activities. Platforms must implement robust security measures to prevent data breaches and respond effectively if a breach occurs.

Third-Party Access: Sharing economy platforms may share user data with third-party service providers, partners, or affiliates for various purposes, such as payment processing, marketing, or analytics. However, this can increase the risk of unauthorized access or misuse of user data if adequate safeguards are not in place to protect data shared with third parties.

User Consent and Control: Users of sharing economy platforms may not always fully understand how their data is collected, used, and shared. Platforms should provide clear and transparent privacy policies that explain the types of data collected, the purposes for which it is used, and the rights users have regarding their data. Additionally, platforms should obtain explicit consent from users before collecting or processing their personal data and should offer users control over their privacy settings and data preferences.

Geolocation Data: Many sharing economy platforms rely on geolocation data to match users with nearby resources or services, such as ridesharing or accommodation listings. However, the collection and processing of geolocation data raise privacy concerns, particularly regarding the tracking of individuals' movements and the potential for location-based profiling. Platforms should implement safeguards to protect the privacy of users' geolocation data, such as anonymization or pseudonymization techniques.

Regulatory Compliance: Sharing economy platforms must comply with data protection laws and regulations, such as the GDPR in Europe or the CCPA in the United States. These regulations impose requirements on how personal data is collected, processed, stored, and shared, as well as obligations to notify users of data breaches and obtain their consent for data processing activities.[4]

Data Retention and Deletion: Sharing economy platforms should establish policies for the retention and deletion of user data in compliance with legal requirements and best practices. Storing data for longer than necessary increases the risk of data breaches and unauthorized access, while deleting data prematurely may impede legitimate business operations or regulatory compliance efforts. Platforms should strike a balance between data retention for operational purposes and data minimization to reduce privacy risks.

Addressing these data privacy and security issues requires a comprehensive approach that encompasses technical, organizational, and legal measures. Sharing economy platforms must prioritize the protection of user data and build trust with their users by demonstrating a commitment to privacy and security. By implementing robust data protection practices and complying with relevant regulations, sharing economy platforms can mitigate privacy risks and safeguard the confidentiality, integrity, and availability of user data.

Employment and Labor Law Challenges for Sharing Economy Startups

Employment and labor law challenges for sharing economy startups stem from the unique nature of their business models, which often involve independent contractors rather than traditional employees. Here are some key challenges:

Worker Classification: One of the primary challenges is determining the classification of workers as either independent contractors or employees. Many sharing economy startups classify their workers as independent contractors to minimize costs associated with employee

[4] Davidson, Regulatory Challenges in the Sharing Economy, <https://www.americanbar.org/groups/government_public/publications/public_lawyer_articles/regulatory-challenges-in-the-sharing-economy/> (Last Visited on 12 March 2024)

benefits, taxes, and labor regulations. However, this classification has been the subject of legal disputes and regulatory scrutiny in various jurisdictions.

Labor Rights and Protections: Independent contractors in the sharing economy may not be entitled to the same rights and protections as employees under labor laws, such as minimum wage, overtime pay, unemployment benefits, workers' compensation, and protection against discrimination or harassment. This lack of protection can leave workers vulnerable to exploitation and economic insecurity.

Benefits and Social Protections: Independent contractors typically do not receive employer-provided benefits, such as health insurance, retirement plans, paid leave, or job security. Sharing economy startups may need to explore alternative ways to provide benefits and social protections to their workers, such as through voluntary benefits programs or partnerships with third-party providers.

Collective Bargaining and Unionization: Independent contractors in the sharing economy often lack collective bargaining rights and may face barriers to unionization due to their dispersed and transient nature. This makes it challenging for workers to organize and advocate for their rights collectively. Some jurisdictions have explored legislative changes to extend collective bargaining rights to independent contractors in the sharing economy.

Legal Liability: Sharing economy startups may face legal liability if their workers are misclassified as independent contractors and later claim employee status. This can result in lawsuits, fines, penalties, and reputational damage for startups found to have violated labor laws. Startups must carefully assess the employment status of their workers and ensure compliance with relevant regulations.

Regulatory Compliance: Sharing economy startups must navigate a complex and evolving regulatory landscape governing employment and labor practices. This includes compliance with federal, state, and local laws related to worker classification, wage and hour requirements, workplace safety, anti-discrimination, and other labor standards. Failure to comply with these regulations can lead to legal consequences and operational disruptions for startups.

Global Considerations: Sharing economy startups operating internationally face additional challenges related to compliance with labor laws and regulations in different jurisdictions. Employment laws vary significantly from country to country, and startups must adapt their practices to comply with local requirements while maintaining consistency and fairness across their operations.

Addressing these employment and labor law challenges requires sharing economy startups to engage in proactive risk management, legal compliance, and stakeholder engagement. Startups should seek legal counsel to navigate the complex regulatory landscape and implement policies and practices that prioritize fair treatment, worker rights, and compliance with labor laws. Collaboration with policymakers, labor unions, and other stakeholders is also essential to address broader issues related to employment and labor rights in the sharing economy. [5]

Competition Law Challenges in the Sharing Economy

Competition law challenges in the sharing economy have arisen due to the emergence of dominant platforms and the unique dynamics of peer-to-peer transactions. Here are some key challenges:

Market Dominance: Certain sharing economy platforms have achieved significant market dominance in their respective sectors, raising concerns about anti-competitive behavior and abuse of market power. Dominant platforms may engage in practices such as price-fixing, exclusivity agreements, or leveraging their market position to disadvantage competitors, which can harm consumer choice and innovation.

Barriers to Entry: The sharing economy can create barriers to entry for new competitors due to network effects, economies of scale, and platform lock-in effects. Dominant platforms may use their market power to erect barriers that prevent or deter new entrants from competing effectively, stifling competition and innovation in the market.

Regulatory Arbitrage: Sharing economy platforms may engage in regulatory arbitrage by exploiting regulatory loopholes or inconsistencies across jurisdictions to gain a competitive advantage. For example, platforms may operate in regions with lax regulations or regulatory enforcement, allowing them to undercut competitors who comply with stricter regulatory standards.

Data Advantage: Sharing economy platforms often collect vast amounts of data from users, which can confer a competitive advantage in terms of targeting, personalization, and market intelligence. Dominant platforms may use their data advantage to engage in anti-competitive practices, such as discriminating against competitors or manipulating search results to favor their own services.

Collaboration and Collusion: Sharing economy platforms may engage in collusion or anti-competitive agreements with competitors to fix prices, allocate markets, or restrict competition. Collusion among platform operators or between platforms and suppliers can harm consumer welfare by reducing choice, increasing prices, or stifling innovation.

Consumer Harm: Anti-competitive practices in the sharing economy can harm consumers by reducing competition, limiting choice, and increasing prices. Consumers may also be

[5] Christopher Koopman, The Sharing Economy, and Consumer Protection Regulation, MERCATUS (2015)

adversely affected by practices such as unfair terms and conditions, hidden fees, or poor quality of service resulting from reduced competition and market distortions.

Regulatory Response: Regulators are increasingly scrutinizing sharing economy platforms for potential anti-competitive behavior and taking enforcement actions to promote competition and consumer welfare. Regulatory interventions may include antitrust investigations, enforcement actions, fines, and regulatory reforms aimed at addressing competition law challenges in the sharing economy.

Addressing competition law challenges in the sharing economy requires a multi-faceted approach involving regulators, policymakers, industry stakeholders, and consumer advocacy groups. Proactive enforcement of competition laws, promoting market transparency, fostering innovation-friendly regulatory environments, and empowering consumers with information and choice are essential for promoting competition and ensuring the long-term sustainability of the sharing economy.[6]

Challenges for the traditional industries

Traditional industries in India face several challenges when it comes to adopting sharing platforms. While sharing economy models have gained momentum in sectors like transportation and accommodation, traditional industries such as manufacturing, agriculture, and retail encounter unique hurdles in leveraging these platforms. Here are some challenges they might face:

Regulatory Hurdles: Traditional industries often operate within stringent regulatory frameworks that may not be conducive to sharing economy models. Existing regulations might not accommodate shared ownership, liability, taxation, and other aspects inherent in sharing platforms.

Infrastructure Limitations: Many traditional industries in India operate in areas with inadequate infrastructure, including poor internet connectivity and logistics support, which are essential for participating in sharing platforms.

Trust and Reliability Concerns: Establishing trust between multiple parties involved in sharing platforms can be challenging, especially in industries where personal relationships and established networks play a significant role in business transactions.

Asset Utilization and Ownership: Traditional industries often own physical assets crucial for their operations. Convincing them to share these assets with others, rather than maintaining exclusive ownership, can be a barrier due to concerns over asset depreciation, misuse, and security.

[6] Erickson, Kristofer and Sorensen, Regulating the Sharing Economy. Internet Policy Review (2016)

Cultural and Behavioral Barriers: Traditional mindsets and resistance to change can impede the adoption of sharing platforms. Convincing stakeholders to embrace new business models and collaborative approaches may require significant cultural shifts.

Data Security and Privacy: Sharing platforms often rely on digital technologies and data sharing. Traditional industries, especially those dealing with sensitive information or proprietary processes, may have concerns about data security, privacy, and intellectual property protection.

Skill and Knowledge Gaps: Adopting sharing platforms may require new skill sets and knowledge about digital tools and platforms. Traditional industries may face challenges in upskilling their workforce to effectively utilize these technologies.

Fragmented Market and Competition: Some traditional industries in India operate in fragmented markets with numerous small-scale players. Coordinating among these players and overcoming competitive dynamics to collaborate on sharing platforms can be challenging.

Financial Viability: Traditional businesses may perceive the initial investment required for joining sharing platforms as prohibitive, especially if the returns are uncertain or if there's a risk of cannibalizing existing revenue streams.

Lack of Customization and Flexibility: Sharing platforms may not always offer the customization and flexibility needed to accommodate the diverse requirements of traditional industries, which often have specialized processes and workflows.

Addressing these challenges will require a multi-faceted approach involving regulatory reforms, infrastructure development, capacity building, and cultural change initiatives to foster the adoption of sharing platforms in traditional industries in India.

Lessons Learned from Legal Battles Faced by Sharing Economy Startups

Legal battles faced by sharing economy startups have provided valuable lessons for both entrepreneurs and policymakers. Here are some key lessons learned from these experiences:

Importance of Regulatory Compliance: Sharing economy startups must prioritize compliance with existing regulations and anticipate potential legal challenges related to labor, taxation, consumer protection, and other areas. Proactively engaging with regulators and policymakers can help startups navigate complex regulatory landscapes and minimize legal risks.

Worker Classification Issues: The classification of workers as independent contractors versus employees is a contentious issue in the sharing economy. Startups must carefully

Volume 32, May 2024 ISSN 2581-5504

assess the employment status of their workers and ensure compliance with labor laws to avoid costly legal battles and reputational damage.

Need for Legal Innovation: Traditional legal frameworks may not adequately address the unique characteristics of sharing economy business models. Startups and policymakers alike must innovate and adapt legal and regulatory frameworks to accommodate the evolving nature of the sharing economy while protecting the rights and interests of all stakeholders.

Consumer Protection Concerns: Legal battles related to consumer protection highlight the importance of transparency, accountability, and dispute resolution mechanisms in the sharing economy. Startups must prioritize consumer rights and invest in robust customer service, quality control, and risk management practices to build trust and mitigate legal risks.[7]

Data Privacy and Security: Sharing economy startups must prioritize data privacy and security to protect user information from unauthorized access, misuse, and data breaches. Compliance with data protection laws and regulations is essential, and startups should implement robust cybersecurity measures and privacy-by-design principles to safeguard user data.

Collaboration with Stakeholders: Collaboration with regulators, policymakers, industry associations, and other stakeholders is critical for addressing legal challenges and shaping favorable regulatory environments for sharing economy startups. Open dialogue, engagement, and cooperation can help startups navigate legal complexities and advocate for regulatory reforms that support innovation and entrepreneurship.

Long-Term Perspective: Legal battles can be protracted, costly, and disruptive to business operations. Sharing economy startups must adopt a long-term perspective and invest in proactive risk management, legal compliance, and dispute resolution strategies to mitigate legal risks and protect their business interests over time.

Overall, the legal battles faced by sharing economy startups underscore the importance of proactive risk management, regulatory compliance, stakeholder engagement, and legal innovation in navigating the complex legal landscape of the sharing economy. By learning from past experiences and collaborating with stakeholders, startups can build resilient, legally compliant businesses that thrive in the evolving sharing economy ecosystem.

Sharing economy and legal challenges

The sharing economy, also known as the collaborative economy or peer-to-peer economy, refers to economic models in which individuals share resources, such as goods, services, or property, often facilitated by online platforms. While the sharing economy has brought about

[7] <https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf> (Last Visited on 12 March 2024)

many benefits, such as increased efficiency, access to underutilized resources, and economic opportunities for individuals, it also presents various legal challenges. Here are some of the key legal issues associated with the sharing economy:

Regulatory Compliance: One of the primary legal challenges facing the sharing economy is regulatory compliance. Traditional regulations may not adequately address the unique characteristics of sharing economy platforms and their participants. For example, local regulations related to zoning, taxation, safety standards, and licensing may not apply straightforwardly to activities such as short-term rentals, ridesharing, or peer-to-peer lending.

Labor and Employment Law: The classification of workers in the sharing economy is a contentious issue. Many sharing economy platforms classify their workers as independent contractors rather than employees, which can have significant implications for labor rights, benefits, and protections. This classification has led to legal disputes and regulatory scrutiny in various jurisdictions.

Consumer Protection: Ensuring consumer protection in the sharing economy presents challenges related to quality control, liability, and dispute resolution. Since sharing economy transactions often occur between individuals rather than traditional businesses, consumers may have fewer avenues for recourse in cases of fraud, misrepresentation, or dissatisfaction.

Taxation: Taxation in the sharing economy can be complex due to the decentralized and peer-to-peer nature of transactions. Questions arise regarding the taxation of income earned through sharing economy activities, as well as the collection of taxes by platform operators. Tax authorities are increasingly scrutinizing sharing economy transactions to ensure compliance with tax laws.

Insurance and Liability: Determining liability and insurance coverage in the sharing economy can be challenging. Traditional insurance policies may not adequately cover activities such as short-term rentals or ridesharing, leading to gaps in coverage and potential disputes over liability in the event of accidents, property damage, or other incidents.

Data Privacy and Security: Sharing economy platforms often collect and process large amounts of personal data from users, raising concerns about data privacy and security. Ensuring compliance with data protection regulations, such as the GDPR in Europe or the CCPA in California, is essential to safeguarding user privacy and avoiding legal repercussions.

Antitrust and Competition Law: The rise of dominant sharing economy platforms has raised questions about competition and market power. Regulators may scrutinize sharing economy companies for anticompetitive behavior, such as price-fixing, collusion, or leveraging their platform dominance to exclude competitors.

Volume 32, May 2024 ISSN 2581-5504

Addressing these legal challenges requires collaboration between sharing economy platforms, regulators, policymakers, and other stakeholders to develop appropriate regulatory frameworks that balance innovation with consumer protection, labor rights, and other societal interests. As the sharing economy continues to evolve, it is likely that legal and regulatory frameworks will adapt to address these challenges and ensure the sustainable growth of this sector.[8]

Critical analysis

Platforms in the sharing economy mostly rely on user-generated content and trust to establish and preserve their reputation. These platforms provide accurate information, reliable reviews, and a secure user experience through content monitoring.

Reliable information and reviews: In the sharing economy, trust is largely based on user-generated evaluations and ratings. To ensure that consumers can make decisions based on accurate and trustworthy information, content moderation helps filter out spam, fraudulent reviews, and other misleading content.

Safety and trust: Exchanges between strangers are common on sharing economy platforms. By spotting and eliminating objectionable, damaging, or unsuitable information as well as keeping an eye out for any potential frauds or unlawful activity, content moderation plays a critical role in preserving user safety.

Preserving the reputation and brand image of the platform: The long-term viability of sharing economy businesses depends on a well-moderated platform that builds user credibility and confidence. By ensuring that user-generated material complies with the company's principles and policies, consistent content moderation contributes to the preservation of the platform's reputation and brand image.

And some of the most prosperous businesses are already benefiting from content moderation. We can all benefit from people who are doing it well, regardless of the size of your business.

Airbnb: The website verifies that user-generated content, reviews, and property listings are accurate using a sophisticated content moderation system. They also offer a reporting system for users to report any inappropriate behavior or content, along with rules on what kinds of content are permitted.

Uber: To protect drivers and passengers alike, the ride-sharing company employs content screening. They keep an eye on user evaluations and comments to see any possible risks to safety, improper conduct, or other problems. Additionally, Uber has a reporting mechanism

[8] Erickson, Kristofer and Sorensen, Regulating the Sharing Economy. Internet Policy Review (2016)

that enables customers to record infractions or events, assisting in the upkeep of a secure environment for all users.

TaskRabbit: Using this website, customers may find local service providers to complete a variety of chores. To ensure the accuracy of user profiles, ratings, and work descriptions, TaskRabbit uses content moderation. They also provide users with a reporting option to report any content that they believe violates their terms of service, as well as restrictions for the kinds of tasks that are permitted on the platform.

The sharing economy had little to no regulation prior to its rise in popularity. But as it expanded, legislators and well-established businesses started to pay attention. Compared to Airbnb and Uber, hotels and taxi firms believe they are subject to higher rules and pay additional taxes. Governments are tightening down because of the pressure politicians are under to regulate the sharing economy.

In San Francisco, hotel taxes and other regulations must now be paid by Airbnb hosts. The number of days that a house can be rented out on Airbnb is now limited in many European cities, including Paris, Amsterdam, and Reykjavik. Additionally, Uber and Lyft stopped functioning in Austin, Texas in May 2016 because of the city's mandate that drivers for ridesharing provide fingerprints.

Ridesharing drivers, who have engaged in labor disputes across the globe, are putting more legal pressure on the government. Instead of treating their drivers like workers, Uber and Lyft view them as contractors. These businesses can circumvent labor laws that mandate a minimum wage and other benefits thanks to this distinction. Drivers, however, are protesting in the hopes that Uber and Lyft would pay them more and offer better benefits.

Safety concerns

Above all, the foundation of the sharing economy is the client-host or driver relationship based on trust. Sadly, there are others who profit from this trust. Consumers have experienced assaults, threats, and harassment. Angry passengers have caused damage to drivers' cars. Inconsiderate guests have destroyed hosts' properties.

Each claim will be investigated by the company when these things happen. Uber and Lyft will prevent a driver from using the app while they are the subject of a criminal investigation if they are a driver.

Drivers must submit to a background check that searches their driving and criminal backgrounds to work for Uber or Lyft. Critics counter that these tests are easily circumvented and lack thoroughness. For example, fingerprints are not needed for these background checks, and the last seven years are not examined. Although it acknowledges that its background checks on hosts aren't exhaustive, Airbnb nevertheless does them.

A lot of people are curious about whether Uber and Airbnb are safer than traditional hotels or cabs. Nevertheless, no trustworthy statistics are available currently to indicate if using the sharing economy is riskier than booking a hotel room or hailing a traditional cab.

Way forward

Rather than relying solely on friends, individuals are using specialized websites or applications to rent or borrow items from strangers, such as a hotel to stay in while traveling or a bike. This not only saves money for consumers but also benefits the environment by reducing the need for constant production of new goods.

For sharing economy businesses to preserve trust, security, and a satisfying user experience, content moderation is essential. By keeping an eye on user-generated content and putting in place explicit policies and reporting procedures, platforms can successfully reduce hazards. They preserve their reputation and promote a vibrant user community by doing this.

In Uber India Systems vs. CCI[9]

The SCI has dismissed an appeal] filed by Uber against an order of the erstwhile COMPAT wherein the COMPAT had ordered an investigation into allegations of abuse of dominance against Uber in the region of NCR. The Court has observed that on the facts of the case, it would be very difficult to say that there is no prima facie case under Section 26(1) as to infringement of Section 4 of the Competition Act, 2002 against Uber.

Proceedings before the CCI

The information[10] was filed by Meru claiming that Uber was taking part in savage evaluating by offering colossal limits, notwithstanding the generally diminished duties to clients and irrational high motivators to drivers to keep them appended to its organization. The Commission depicted the significant market to be the 'market for radio taxi administrations in Delhi' considering its recently concluded cases on radio taxi administrations. The witness had depended on a TechSci report to lay out strength of Uber on the lookout. The Commission saw that the TechSci report was not dependable as the Uber bunch was not evaluated during the assortment of information and that another exploration report with opposite outcome was gotten by the Commission for another situation.

The Commission saw that there existed fierce opposition, in some measure among Ola and Uber, as to radio taxi industry in Delhi. The Commission additionally saw that the fluctuating pieces of the pie of various contenders showed that the radio taxi administration market in Delhi was cutthroat in nature and that Uber was not standing firm on a prevailing footing in

[9] Uber India Systems Pvt. Ltd v Competition Commission of India, Civil Appeal No. 641 of 2017
[10] Meru Travel Solutions Private Limited (MTSPL) v Uber India Systems Pvt. Ltd., Case No. 96 of 2015

Volume 32, May 2024 ISSN 2581-5504

the significant market. The Commission consequently shut the case in S.26(2) of the Competition Act, 2002.

Proceedings before the COMPAT

The COMPAT further thought that the TechSci Report had made specific factual detailing which had not been tested in that frame of mind by the respondents besides by raising questions about the believability of the report. Since the target of Section 26(1) is to figure out an at first sight view, the data alongside material and facts made accessible ought to have been enough for the Commission to plan an assessment. Further, the fact that two reports with opposite results were being alluded might have been a valid justification for the Commission to arrange an examination to arrive at a choice on a matter which has achieved huge premium in the Indian commercial center. The COMPAT in this way guided the DG to lead an examination concerning the claims contained in the data recorded by the Meru and submit report to the Commission inside the period endorsed under the Act.

Orders of the Indian Supreme Court

Uber recorded an allure under the steady gaze of the Hon'ble Supreme Court of India against the request for the COMPAT. The Hon'ble Court saw that there was compelling reason need to disrupt the examination as it would be extremely challenging to express that there was no by all appearances case. Dependence was put on the explanation in the data wherein it was expressed that Uber was losing Rs.204 per trip in regard of each outing made by the vehicles of the armada proprietors, which had neither rhyme nor reason other than highlighting Uber's expectation to wipe out competition on the lookout.

The Hon'ble Court saw that 'Prevailing position' as characterized in Clarification (a) of Section 4 alludes to a place of solidarity, delighted in by an undertaking, in the important market, which.

- empowers it to work autonomously of the serious powers winning; or
- is something that would influence its rivals or the significant market in support of its.

The Court additionally saw that assuming a misfortune is made for trips made, Clarification (a)(ii) would at first sight be attracted while this would positively influence the litigant's rivals in the litigant's approval or the significant market in support of its.

Based on the previously mentioned perceptions, the Hon'ble Court excused the requests expressing that there was no requirement for it to slow down the request made by the COMPAT.

Selden v. Airbnb Inc[11] This case involves the arbitrability of discrimination claims brought against Airbnb, an online home rental platform. When Gregory Selden signed up for Airbnb, he was presented with a sign-in wrap—a webpage that informs the user he is agreeing to certain terms by signing up. Airbnb's Terms of Service included a clause requiring that all disputes be resolved by arbitration. The district court held that Selden agreed to those Terms of Service by signing up for Airbnb and so compelled arbitration of his claims. The arbitrator ruled in favor of Airbnb and the district court refused to vacate the arbitration award. On appeal, Selden argues that he did not agree to arbitrate because Airbnb's sign-up screen failed to put him on notice of the arbitration clause in its Terms of Service and regardless, that his discrimination claims were not arbitrable. He also maintains the arbitrator committed misconduct by failing to provide for sufficient discovery and by refusing to consider his expert report.

Therefore, to ensure that the aggregators comply with the law, that there is an integrity of their process and operation, and that there is a safety of the passengers, the Central Government issued an advisory to the State Government to frame the Aggregator Rules. Thus, the Aggregator Rules have been framed in public interest and for the public good. Hence, the Aggregator Rules are not only intra vires the Act but are also in public interest. Thus, they are constitutionally valid.

CONCLUSION AND SUGGESTIONS

CONCLUSION

In conclusion, property rights in the sharing economy present a complex web of legal challenges for online platforms like Uber and Airbnb. These challenges revolve around issues such as regulatory compliance, liability and insurance, intellectual property rights, and contractual agreements.

Navigating these legal hurdles requires proactive measures and collaboration among stakeholders, including platform operators, users, regulators, and legal experts. By addressing these challenges effectively, online platforms can foster trust, transparency, and accountability within their communities while promoting innovation and economic growth in the sharing economy ecosystem.

Ultimately, the evolution of property rights in the sharing economy will continue to be shaped by advancements in technology, changes in consumer behavior, and regulatory developments. Finding the right balance between promoting innovation and protecting the rights and interests of all stakeholders is essential to ensure the long-term sustainability and success of the sharing economy in the digital age.

[11] Selden v. Airbnb Inc (2021) No. 19-7168

1. Regulatory Compliance:

Uber: Uber faces regulatory challenges related to licensing, safety standards, and labor regulations. Many cities and jurisdictions have imposed regulations on ride-sharing services, requiring Uber to navigate a complex legal landscape to ensure compliance.

Airbnb: Similarly, Airbnb grapples with regulatory issues such as zoning regulations, housing laws, and tax compliance. Some cities have implemented restrictions or regulations on short-term rentals, creating legal hurdles for Airbnb hosts and operators.

2. Liability and Insurance:

Uber: Uber's business model raises questions about liability and insurance coverage in case of accidents, injuries, or property damage involving drivers and passengers. Determining the extent of Uber's liability and ensuring adequate insurance coverage for drivers and passengers can be challenging.

Airbnb: Airbnb hosts may face liability issues related to property damage, personal injury, or violations of local laws by guests. Clarifying liability and insurance coverage for hosts and guests, particularly in the context of short-term rentals, is crucial to address potential legal disputes.

3. Contractual Agreements:

Uber: Uber's relationship with drivers is governed by contractual agreements that define the terms of engagement, including payment terms, liability, and dispute resolution mechanisms. Ensuring the enforceability and fairness of these contracts, particularly in the context of independent contractor arrangements, is vital.

Airbnb: Similarly, Airbnb hosts and guests enter into contractual agreements that outline the terms of their accommodation arrangements, including pricing, cancellation policies, and house rules. Clarifying the rights and responsibilities of hosts and guests in these agreements is essential to mitigate legal risks and disputes.

In conclusion, while online platforms like Uber and Airbnb have revolutionized the sharing economy and created new opportunities for resource sharing and collaboration, they also face significant legal challenges related to property rights. Addressing these legal problems requires proactive efforts to ensure regulatory compliance, clarify liability and insurance coverage, protect intellectual property rights, and establish fair and enforceable contractual agreements. By navigating these legal challenges effectively, online platforms can foster trust, transparency, and accountability within their communities while promoting innovation and economic growth in the sharing economy ecosystem