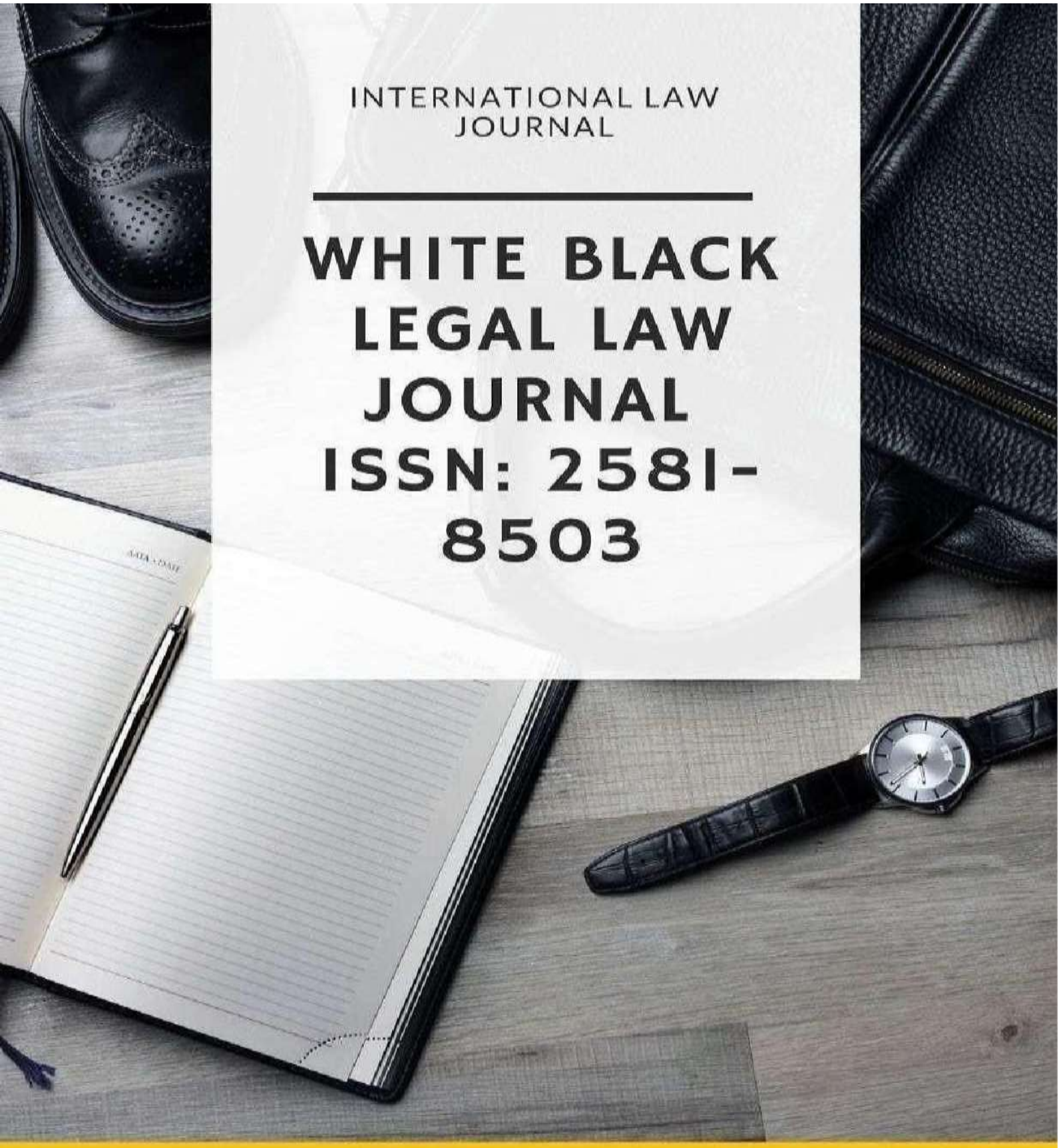

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THE TRAP OF CONTINUITY: A CRITICAL APPRAISAL OF SUBSCRIPTION MODELS, CLOUD-BASED SERVICE DEFICIENCIES, AND GRIEVANCE REDRESSAL MECHANISMS

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Abstract

Consumer transactions have been reconfigured by the architecture of the digital economy to shift the global marketplace away from a paradigm of outright ownership and towards a paradigm of continuous, conditional access. This research report is a comprehensive, critical analysis of this change, the legal and behavioural implications of this change, which are profound, the structural and contractual weaknesses inherent in cloud-based services, and the changing effectiveness of redressing grievances across various jurisdictions. This analysis is based on a comparative doctrinal approach and researching how dark patterns, manipulative user interface designs, abuse consumer autonomy by creating unavoidable subscription traps and obscuring the cancellation routes. Both the empirical and legal facts prove that cognitive biases are used against consumers and put them into endless payment loops that question the very principles of informed consent. At the same time, the mass exodus to cloud computing has ushered in a new age of digital serfdom, in which consumers have been pushed to the precarious role of a licensee. Within such a setting, people are systematically deprived of the traditional property rights and made extremely susceptible to one-sided alterations in terms of service, unexpected data loss, and unreasonable restriction of liability provisions in the standard form contracts.

In addition, this report critically examines the jurisprudential meanings of deficiency in service within the contemporary consumer protection laws. It specifically focuses on the Consumer Protection Act, 2019 of India, but also draws paralleled analytical conclusions based on the

events in the European Union and the United States. The results show that the regulatory lag is high and, possibly, alarming. Although powerful such as the enforcement measures by the United States Federal Trade Commission and the guidelines of the Central Consumer Protection Authority in India have tried to fill in this growing divide, they often fail to do so when faced with advanced digital architectures and procedural law issues. Lastly, the analysis measures the systemic shift of traditional geographically confined judicial fora to Online Dispute Resolution platforms. It is finally determined that, in the absence of binding, cross-jurisdictional technological requirements, and the strong enforcement of strict liability on digital gatekeepers, the current legal solutions will be severely under-equipped.to break out of the trap of continuity.

Keywords

Digital Serfdom, Dark Patterns, Cloud Computing Liability, Online Dispute Resolution, Consumer Protection Act 2019, Subscription Traps.

I. Introduction

The contemporary business environment is no longer characterized by the unilateral exchange of money to physical commodities. Rather, it has been quietly yet entirely encircled by what can be referred to as the trap of continuity, a systemic shift to access-based forms of digital consumption in which the continuity of revenue streams, as opposed to physical possession of the consumer, is put in the ascendancy. This change is mostly due to the widespread use of subscription and cloud-based infrastructure. Although these models are said to provide unprecedented convenience, flexibility and scalability to the end-user, they are also associated with structural, systemic asymmetries of power between the global digital service providers and the individual consumers. Consumers are more and more bound to closed digital systems by extremely opaque contractual structures, and now are trapped in the maze of continual licensing agreements where individual agency is being continuously undermined.

The most pernicious form of this power imbalance is, perhaps, the use of dark patterns. These are carefully designed user interface designs, which manipulate psychological weaknesses, to influence consumers into making decisions that are totally against their real preferences. The most prevalent ones are deceiving users into signing up to recurring subscriptions and at the same time showing them mazes of challenges once they want to cancel. This is what is

informally known as the subscription trap and it compels a fundamental re-examination of the traditional contractual dogma, and more so the legal assumption of informed consent. Moreover, as our online existence is fully transferred to remote systems, the historical notion of personal ownership is being quickly replaced by end-user license agreements. Cloud service providers are entrusted by consumers with highly sensitive data, valuable digital assets, and other vital daily functions. However, they are often faced with extreme service failures like devastating data loss, or unauthorized intrusion of privacy, and yet the service providers are still safeguarded by grossly biased limitation of liability provisions.

In fact, the consequent legal vacuum requires strong, updated grievance redressal systems. The conventional judicial fora, with their geographical constraints, procedural delays, and prohibitive costs, are fundamentally ill-suited to the high volume, low-value character of digital disputes. As a result, a pressing need to evaluate the legal frameworks regulating such digital interactions is eminent. This report aims to deconstruct the anatomy of subscription traps, critically consider the liability paradigms of the insufficiencies of cloud-based services, and critically examine the validity of the digital grievance redressal systems in comparative jurisdictions.

A. Research Questions

i. How do manipulative digital architectures, specifically dark patterns and subscription traps, circumvent the established legal thresholds of informed consent and consumer autonomy across different jurisdictional frameworks?

ii. To what extent do standard form contracts and limitation of liability clauses in cloud-based services constitute unconscionable agreements that unfairly insulate providers from liability for service deficiencies and data loss?

iii. How effective are emerging Online Dispute Resolution platforms and modernized statutory grievance redressal mechanisms in mitigating the jurisdictional and procedural barriers inherent in cross-border digital consumer disputes?

B. Hypothesis

The transition toward access-based digital consumption has systematically eroded consumer autonomy and traditional property rights, creating a profound asymmetry of power in the digital marketplace. It is hypothesized that current statutory frameworks and traditional grievance redressal mechanisms are fundamentally ill-equipped to rectify this imbalance, necessitating

the immediate implementation of mandatory, cross-jurisdictional technological interventions and strict liability standards to effectively dismantle subscription traps and address cloud service deficiencies.

C. Research Objectives

i. To critically evaluate the behavioural and legal implications of deceptive user interfaces, specifically examining how dark patterns weaponize cognitive biases to sustain subscription traps and extract continuous revenue.

ii. To analyse the liability vacuum present within cloud-based services, rigorously scrutinizing the legal enforceability of exculpatory clauses and the broader socioeconomic shift toward digital serfdom.

iii. To comprehensively assess the efficacy of contemporary grievance redressal mechanisms, exploring the integration of Online Dispute Resolution as a viable, scalable alternative to traditional consumer courts for navigating the complexities of the modern digital marketplace.

D. Literature Review

Discussions about digital consumerism have been more and more, and justifiably so, concerned with the colossal collision of the long-held legal dogmas and the new technological structures. One of the most significant works in this fast-growing area is Owned: Property, Privacy, and the New Digital Serfdom by Joshua A.T. Fairfield [1](2017). Fairfield believes that with the introduction of cloud computing, smart devices, and digital subscriptions, a brutal reversion to a feudal system of ownership has become a reality. In this new age of digital serfdom, the intellectual property law and the law of contract have effectively replaced the law of personal property. This shift has turned consumers into licensees, who do not have the real, legally binding control over the digital goods and software they supposedly buy. Researchers such as Baumeister and Wangenheim have considered the active role of the sharing economy and cloud services in changing consumer preference not to own a tangible good but to simply use a service, which fundamentally transforms the legal expectations of product liability and consumer care.

[1] Joshua A.T. Fairfield, *Book Review: Owned: Property, Privacy, and the New Digital Serfdom*, 29 Wm. & Mary Bill Rts. J. (2020).

In behavioural economics and digital interface design, evidence on dark patterns has since grown exponentially since the term was first coined by user experience designer Harry Brignull, [2]and empirical legal scholars have led efforts to demonstrate the effectiveness of dark patterns, including in their work Shining a Light on Dark Patterns, 13 J. Legal Analysis 43 (2021), by Lior Strahilev Moreover, the European Union literature like the mapping of dark patterns as a whole under the Unfair Commercial Practices Directive focuses on the fact that the regulation of such manipulative designs is essentially a matter of safeguarding the basic human autonomy.[3]

The scholarly evaluation of grievance redressal in the digital era indicates a solid, cohesive agreement on the weakness of traditional litigation. Saptarshi Das, in Consumer Redress through Online Dispute Resolution (2019), offers an exceptionally comprehensive comparative analysis of ODR systems, making a convincing argument that information asymmetry and deep institutional obstacles in the context of the traditional court system make it outdated in the context of high-volume, low-value digital consumer disputes.

E. Research Methodology

The approach used in the entire report is essentially a mixed comparative one, which smoothly incorporates doctrinal, comparative, and analytical aspects in order to give a comprehensive picture of the topic. The comparative factor is particularly important, as it will compare the regulatory paradigms of three key international jurisdictions, namely, India, the United States, and the European Union. This extended geographic reach enables a very subtle comprehension of why and how radically different legal cultures strive to deal with the inherently borderless nature of digital consumer harm.

Data sources are a carefully compiled, comprehensive list of primary and secondary legal sources. Primary sources include conclusive statutory laws like the Consumer Protection Act, 2019, the Digital Personal Data Protection Act, 2023, the General Data Protection Regulation (GDPR) and the Digital Services Act, and the United States Restore Online Shoppers offer Confidence Act (ROSCA). The most important court cases and significant regulatory

[2] *Trapped By Design: How Dark Patterns Manipulate Your Choices—and the Regulators Fighting Back*, Berkeley Tech. L.J. Blog (Nov. 2025), https://btlj.org/2025/11/trapped-by-design-how-dark-patterns-manipulate-your-choices-and-the-regulators-fighting-back/.
[3] A. Mathur et al., *Regulating Dark Patterns*, arXiv (2023), https://arxiv.org/abs/2310.00340.

enforcement events, including the ones forcefully launched by the US Federal Trade Commission (FTC) and the Central Consumer Protection Authority (CCPA) in India, are the most important primary data points that anchor the analysis. The secondary sources include peer-reviewed academic journals that are registered in high-impact authoritative commentary on the law, white papers on global policy, and independent empirical findings by consumer advocacy groups such as the Transatlantic Consumer Dialogue (TACD) and the European Consumer Organisation (BEUC).[4] This solid combination of sources ensures that the ensuing analysis is both empirically grounded and doctrinally robust.

II. The Behavioural Economics of Subscription Traps and Dark Patterns

The online marketplace is highly dependent, nearly solely, on the user interface and user experience designs to dictate consumer behaviour. But once these well-crafted designs step over the fine line between acceptable persuasion and fraudulent coercion, they become dark patterns. The fact is, or more precisely, the legal fact is that consumers are systematically outwitted by the algorithmic structures whose functionality ruthlessly exploits the cognitive biases of the status quo, scarcity, and the sunk cost fallacy to achieve the result that disproportionately benefits the huge service provider at the direct cost of the consumer.

The subscription trap is, perhaps, the most widespread and the costliest occurrence of these dark patterns. This system is usually facilitated by an entirely frictionless one-click sign-up procedure, which is often falsely presented as a free trial, and later turns into a maze of a cancellation nightmare. The psychological effectiveness of subscription traps is the intentional creation of fatigue and frustration, which is called in the behavioural economics literature sludge or the roach motel design, when a contractual agreement is easy to get into but difficult to leave.

A prime example of this practice and its severe regulatory implications is the enforcement action taken in Federal Trade Commission v. Amazon.com, Inc. (W.D. Wash. 2023). In 2023, the FTC claimed that Amazon employed extremely coercive dark patterns to deceive millions

[4] *Digital Redressal: Government's e-Jagriti Portal Resolves Over 1.27 Lakh Cases; NRIs Benefit From Global Access*, Times of India (Mar. 29, 2026), https://timesofindia.indiatimes.com/business/india-business/digital-redressal-governments-e-jagriti-portal-resolves-over-1-27-lakh-cases-nris-benefit-from-global-access/articleshow/125362606.cms.

of consumers into signing on to automatically renewing Prime subscriptions[5]. The cancellation procedure, which the Amazon executives internally referred to as the Iliad Flow after the Greek epic of the same name, was purposely made convoluted. It was not made to be cancelled, but rather to actively discourage it with numerous confirmation screens, confusing warnings, and distracting alternative offers[6]. The resulting historic $2.5 billion settlement highlights the sheer amount of unjust enrichment created through such interference of the interface.

Equally, the FTC took a forceful move in 2024 against Adobe Inc. in the case of U*nited States v. Adobe, Inc.*, No. 3:24-cv-03630 (N.D. Cal. 2024), unveils the insidious concealment of the grossly material terms of the contract[7], Adobe duped unwitting consumers into an annual paid monthly subscription plan, literally burying the disclosure of an outrageous Early Termination Fee, equivalent to an astronomical 50 percent of the remaining contractual obligation.

The manipulative mechanisms of dark patterns are represented by a number of different categories, each of which has a devastating legal and consumer consequences. Consider the subscription trap or roach motel design. This strategy is combined with a totally hassle-free sign-up and intentionally cumbersome, multi-step cancelation policies. Not only does it impose unfair financial loss on the consumer, but it is also a flagrant breach of the informed consent and the accepted standards of unfair commercial practices. In close association with this is sneaking and hiding of the costs. In this case, platforms silently add other items to a cart or showcase compulsory fees, like an outrageous Early Termination Fees, only at the very last moment of checkout. This is contrary to the real economic value of the transaction in legal terms and is the direct opposite of the law of pricing transparency.

In addition, digital architectures often use the practice of confirm shaming, which is a strategy that involves the use of emotionally manipulative words to coerce users into service use. This design compromises rational decision making and actually capitalizes on underlying psychological vulnerabilities by presenting a decline option as an alternative of either, "No, I

[5] *FTC v. Amazon.com, Inc.*, Fed. Trade Comm'n (Mar. 29, 2026), https://www.ftc.gov/legal-library/browse/cases-proceedings/2123050-amazoncom-inc-rosca-ftc-v.
[6] Press Release, Fed. Trade Comm'n, FTC Takes Action Against Amazon for Enrolling Consumers in Amazon Prime Without Consent and Sabotaging Their Attempts to Cancel (June 21, 2023), https://www.ftc.gov/news-events/news/press-releases/2023/06/ftc-takes-action-against-amazon-enrolling-consumers-amazon-prime-without-consent-sabotaging-their.
[7] *United States v. Adobe, Inc.*, Fed. Trade Comm'n (Mar. 29, 2026), https://www.ftc.gov/legal-library/browse/cases-proceedings/222-3055-adobe-inc-us-v.

would rather remain completely unprotected. The other ubiquitous type is forced action, which merely forces a user to give up personal information or buy an additional service merely to accomplish their desired initial transaction. Strictly speaking, forced action is tantamount to undermining the principle of freely given consent, and it often leads to the breach of strong data privacy laws such as the European Union General Data Protection Regulation.

III. Cloud Computing, Digital Serfdom, and Liability Deficiencies

The omnipresent, apparently irreversible movement of consumer data and software applications to cloud-based services has created a silent property law crisis in the contemporary world. Legal scholar Joshua Fairfield vividly describes this phenomenon as the beginning of digital serfdom. In this new paradigm, the consumers are not buying software, media or storage per se, but simply licensing access to cloud-hosted platforms. This access but not ownership scheme deprives the consumer of the customary legal right to exclude others, to modify the asset, to keep the product permanently, and the ultimate, unyielding power is squarely in the possession of the cloud service provider.[8]

This systemic weakness is cruelly revealed when such apparently foolproof cloud services go down. Lack of features like enormous server crashes, disastrous loss of data, or the sudden, inexplicable end of user accounts often leave the consumer with no legal options as the terms of standard form cloud contracts are highly asymmetrical. Strictly speaking, these sweeping limitation of liability provisions, regularly incorporated into non-negotiable clickwrap agreements, legally put services squarely on an as is basis and aggressively disclaims liability even in cases of gross negligence. When discussing consumer law, a clause under contract is usually considered to be unfair when it generates an important, unreasonable imbalance of rights and obligations to the overwhelming disadvantage of the consumer.

However, in practice this principle is extremely hard to enforce on monolithic, transnational cloud service providers. These very practices, such as the imposition of unilateral changes in terms without any prior warning, and the enforcement of binding arbitration in foreign jurisdictions, have been publicly identified by the European Commission Expert Group on Cloud Computing Contracts as completely incompatible with the Unfair Contract Terms Directive, and have in effect established an insurmountable financial barrier to justice in the

[8] J. Grimmelmann, *Developing a Digital Property Law Regime*, Cornell L. Rev. (2026).

domestic contexts of many states [9]. When a cloud provider changes its proprietary algorithm unilaterally or inadvertently loses gigabytes of personal consumer data, the consumer, who is already bound by the invisible links of digital serfdom, will find that their legal rights have been counter-neutralized by contract much earlier than they even used the service in question.[10]

IV. Deficiencies in Service: Judicial Interpretations under the Consumer Protection Act, 2019

The confluence of digital service failures and consumer protection law has proactively compelled judiciaries all over the world to make changes to the past statutes so that they can fit the new technological reality. In India, the long-awaited adoption of the Consumer Protection Act, 2019, has greatly broadened the legislative horizon to explicitly and intentionally encompass e-commerce and digital services, covering any defect, failure, or inadequacy in the quality, nature or manner of performance of a service.[11]

The Indian consumer commissions have been progressively using this broad definition to address digital and cloud-based anomalies. One of the most controversial, highly litigated areas of conflict is, however, the legal definition of a protected consumer and a commercial entity. The Supreme Court of India in the landmark case of *Poly Medicure v. Brillio Technologies*, affirmed the rejection of a consumer complaint over a very flawed software product license. The Court justified that since the purchase was made by a corporate body with an underlying commercial purpose, the corporate body was squarely out of the broad protective benefits of Section 2(7) of the Consumer Protection Act, 2019, and so it was left to the company to deal with catastrophic cloud service failures at lengthy and costly civil litigation instead of being provided expedited access to consumer courts.

On the other hand, with individual retail consumers, the Indian courts have taken a very protective, consumer-friendly position. In scenarios of e-commerce delivery failures or extremely misleading online product listing, giant sites such as Amazon have actively asserted safe harbor privileges under Section 79 of the Information Technology Act, 2000, arguing

[9] Expert Group on Cloud Computing Contracts, Eur. Comm'n (2026), https://ec.europa.eu/justice/contract/files/expert_groups/unfair_contract_terms_en.pdf.
[10] S. J. Shackelford, *Cloud Computing, Clickwrap Agreements, and Limitation on Liability Clauses: A Perfect Storm?*, 11 Duke L. & Tech. Rev. (2012).
[11] *Analysis on Deficiency of Services Under Consumer Protection Act, 2019*, iPleaders Blog (Mar. 29, 2026), https://blog.ipleaders.in/analysis-deficiency-services-consumer-protection-act-2019/.

vehemently that they are only neutral intermediaries. In cases where platforms actively use in-house fulfilment services, the courts have often found in the past that a direct liability of deficiency in service is established by active involvement in logistics and transaction management, a case that was notably decided in 2011 by the Supreme Court in the case of Vodafone Idea Cellular Ltd[12], which expressly denied corporate claims that the sector-specific regulations somehow superseded the applicability of the Consumer Protection Act.

This judicial trend of protection is in sharp, interesting contrast to the treatment of the traditional professional services in the courts. For instance, in May 2024, the Supreme Court in *Bar of Indian Lawyers v. D.K. Gandhi PS National Institute of Communicable Diseases*, Civil Appeal No. 2646 of 2009, categorically excluded advocates from any liability for deficiency in service under the Consumer Protection Act, citing the unique, sui generis nature of the legal profession[13]. This dichotomy raises profound, yet-to-be-answered questions for the future of digital law: as AI-driven digital services increasingly mimic highly specialized professional advice such as algorithmic financial planning or advanced telehealth diagnostics hosted via the cloud will the courts grant them the broad immunity of traditional professionals, or will they hold them strictly liable as commercial digital service providers?[14]

A review of recent judicial pronouncements shows precisely how courts are proactively delineating the boundaries of digital consumer law, in particular as far as deficiency in service is concerned. The legal question of the day in the landmark case of *Poly Medicure v. Brillio Technologies* was on whether the Consumer Protection Act, 2019, applied to software licenses obtained by corporate entities. The court of law upheld that software purchased on a commercial basis expressly excludes the consumer protections on the purchaser of the software, which drastically restricts any redress available in cases of B2B cloud infrastructure failures. On the other hand, in a landmark case dealing with Vodafone Idea Cellular Ltd., the Supreme Court of India dealt with the jurisdiction of consumer courts in the case of highly regulated digital and telecom network services. The Court reiterated firmly that industry-based

[12] *Amazon Delivery Issues: Legal Rights & Cases*, SupremeToday AI (Mar. 29, 2026), https://supremetoday.ai/search/amazon-delivery-issues:-legal-rights-&-cases.
[13] *Advocates No Longer Liable Under Consumer Protection Laws for Alleged Deficiency in Services*, Cyril Amarchand Mangaldas Blog (May 2024), https://disputeresolution.cyrilamarchandblogs.com/2024/05/advocates-no-longer-liable-under-consumer-protection-laws-for-alleged-deficiency-in-services/.
[14] *Addressing Product and Service Liability Concerns in Artificial Intelligence: An Indian Perspective*, L. Sch. Pol'y Rev. (Feb. 12, 2025), https://lawschoolpolicyreview.com/2025/02/12/addressing-product-and-service-liability-concerns-in-artificial-intelligence-an-indian-perspective/.

telecom laws merely do not displace the parallel jurisdiction of consumer courts to claims of deficiency in service.

What makes this judicial terrain all the more interesting is that the Supreme Court has just ruled in the case of *Bar of Indian Lawyers v. D.K. Gandhi* that considered the relevance of deficiency in service claims to legal professionals. The Court clearly relieved advocates of liability under the Consumer Protection Act, on the basis of the wholly sui generis character of the legal profession. This particular exemption sets a very complicated legal precedent of the future of digital consumer law. With the emerging artificial intelligence professional services and cloud-based algorithms gradually handling some of the most traditional professional tasks, this decision begs some deep questions about whether such autonomous systems could in the future demand - or be given - similar protection against strict consumer liability.

V. The Intersection of Data Privacy and Consumer Law in Digital Markets

It is fundamentally impossible to critically analyse subscription models and dark patterns without explicitly addressing the fact that they are inseparably intertwined with data privacy. Manipulative digital interfaces are not just an extraction of financial capital; they are engineered to extract large amounts of data capital. Dark patterns, like the forced action or interface interference, are smooth ways of coercing users to give up large amounts of personal data, which in a way is disguised as something that is absolutely essential in the delivery of the service, actually nullifying the basic legal concept of freely given consent.[15]

In the European Union, the critical convergence of consumer protection and privacy law is well underway and highly structured. The European Data Protection Board has directly and emphatically declared that misleading design patterns that undermine transparency or otherwise maliciously exploit user consent are direct, actionable infractions of the General Data Protection Regulation.[16]

The regulatory ecosystem of India is at this tricky crossroad after the historic enactment of the

[15] *Dark Patterns in Exit Architecture: Legal Implications of Manipulative Subscription Cancellation Flows*, NUALS L.J. Blog (June 19, 2025), https://nualslawjournal.com/2025/06/19/dark-patterns-in-exit-architecture-legal-implications-of-manipulative-subscription-cancellation-flows/.
[16] *India's CCPA Guidelines on Dark Patterns: Welcome Signal, but Law Is Still Soft*, IAPP (Mar. 29, 2026), https://iapp.org/news/a/india-s-ccpa-guidelines-on-dark-patterns-welcome-signal-but-law-is-still-soft.

Digital Personal Data Protection Act, 2023[17], that imposes a small strict set of requirements on the consent of consumers: it has to be free, specific, informed, and unconditional. As a result, the dark patterns that deceive users into agreeing to broad, invasive data tracking policies, which is an activity that is rampant in cloud-based applications, are not only unfair trade practices under the CCPA consumer rule, but also constitute serious and actionable statutory breaches of the DPDP Act. Although the new law will impose formal appointment of Data Protection Officers and the creation of internal redressal mechanisms by Data Fiduciaries, the wide exemption of state instrumentalities and the extremely complicated escalation framework to the Data Protection Board, the true, ground-level accessibility of justice by the average digital consumer is of great concern.[18]

Moreover, such privacy risks are dismal due to the inherently cross-border nature of cloud computing. An example of this is the US CLOUD Act, which allows US law enforcement agencies to extract private data that is held by US-based cloud providers worldwide, generating serious legal tension with the principles of data sovereignty enshrined in the EU GDPR and in recently enacted data localization policies of India, which are entirely beyond the legal jurisdiction of the consumer.

VI. Efficacy of Digital Grievance Redressal Mechanisms: A Comparative Analysis

The very essence, the very basis of consumer protection is utterly empty when the very mechanisms of grievance redressal are unavailable to people. The conventional judicial machine is defined by excessive geographical rigidity, a procedural archaism, and enormous, overwhelming pendency- elements which are fundamentally incompatible with the fast-paced digital economy. In a case where a consumer is deprived of fifty dollars through an unlawful auto-renewal, the costs of litigation of seeking redress in a conventional physical court is enormous in comparison with the recovery, creating a huge, systemic, chilling effect to consumer rights litigation.

In a bid to close this divide desperately, world jurisdictions are resolving to Online Dispute

[17] *DPDPA 2023 vs. GDPR: A Comparative Analysis of India's & EU's Data Privacy Laws*, Law & Tech. Ir. (Mar. 29, 2026), https://lawandtech.ie/dpdpa-2023-vs-gdpr-a-comparative-analysis-of-indias-eus-data-privacy-laws/.
[18] *Top 10 Operational Impacts of India's DPDPA – Individual Rights*, IAPP (Mar. 29, 2026), https://iapp.org/resources/article/operational-impacts-of-indias-dpdpa-part2.

Resolution. ODR takes advantage of digital communication, systematic mediation, and algorithmic evaluation to settle the dispute completely outside the physical courtroom. Contrastingly, the official ODR site in the European Union is an apparently successful, yet inflexibly implemented, digital platform to resolve cross-border e-commerce conflicts, which has been a highly successful, well-researched, and widely studied platform, despite being undermined by the absence of mandatory participation by traders and generally low consumer awareness, rendering it a highly leveraged tool to create reputational risk and forcefully incentivize corporate compliance.

The successful introduction of the e-Jagriti portal in early 2024 evidences the ambitious foray into digital redressal by India. As a single digital system serving as an online complaint platform, online hearings, and easy document upload, e-Jagriti is a deliberate response to the key problem of the digital divide in India in terms of digital inclusion. According to official reports, there is high systemic efficacy, with an impressive 1,27,058 cases being disposed of digitally by late 2025, including notably making Non-Resident Indians able to navigate the entire justice system all remotely.

Nevertheless, in spite of these unquestionable technological advances, the Indian ODR system needs more institutional development. In addition, India does not have a very unified statutory framework, which would provide unquestionable legal finality to ODR settlements comparable to formal, binding arbitration awards, which is wholly dependent on the voluntary cooperation of gigantic e-commerce actors. To realize the real, transformative promise of ODR, regulators need to take decisive action to move beyond encouraging voluntary adoption to obligating integration. Since the Open Network to Digital Commerce is rapidly taking root in India, it will be of the essence of the network to directly integrate standardized, algorithmically aided ODR protocols into the transactional architecture of the network so that digital dispute resolution can grow in a symmetrically proportional relationship to digital commerce.

VII. Regulatory Reforms and the Future of Digital Fairness

The regulatory environment of digital continuity is rapidly changing in a volatile way. Regulators are gradually becoming conscious that conventional notice-and-consent models cannot be relied upon to fight the psychological savvy of contemporary dark pattern. In the United States, a radical regulatory move was undertaken by the Federal Trade Commission

promulgating the broad Click-to-Cancel rule in late 2024. This was a rule which sought to unambiguously require cancelling a digital subscription to be as easy, and require the same number of clicks, as initiating it[19]. It further required that sellers not misrepresent any material facts when they were using negative option marketing.[20]

However, this aggressive regulatory posture was spectacularly upended in July 2025 when the U.S. Court of Appeals for the Eighth Circuit, in *Custom Communications, Inc. v. Federal Trade Commission*, completely vacated the rule on strict procedural grounds. The appellate court ruled that the FTC failed to conduct a legally mandated preliminary regulatory analysis under the Administrative Procedures Act for rules having an annual economic impact exceeding $100 million, exposing the severe vulnerability of federal administrative rulemaking to concerted corporate legal challenges[21]. Consequently, US enforcement has frustratingly reverted to a heavy reliance on the older ROSCA statute and a highly complex, fragmented patchwork of stringent state laws, such as the California Automatic Renewal Law and Minnesota's strict prohibitions on unsolicited save tactics during the cancellation process.

To understand the judicial resistance to these manipulative architectures in the European Union, one must examine the landmark ruling of the Court of Justice of the European Union (CJEU) in *Verein für Konsumenteninformation v Sofatutor GmbH (2023). Addressing* the pervasive issue of 'free trials' that automatically convert into binding, paid subscription loops, the CJEU fundamentally reinforced consumer autonomy. The Court ruled that consumers must be guaranteed a renewed right of withdrawal if the platform fails to provide clear, transparent, and comprehensible information regarding the conversion costs at the exact moment of initial sign-up. By statutorily bridging the gap between the initial free access and the subsequent financial entrapment, the Sofatutor judgment establishes a formidable jurisprudential shield against deceptive continuity models, ensuring that opaque auto-renewals cannot legally bypass the consumer's fundamental right to informed consent.

[19] Press Release, Fed. Trade Comm'n, Federal Trade Commission Announces Final "Click-to-Cancel" Rule Making It Easier for Consumers to End Recurring Subscriptions and Memberships (Oct. 2024), https://www.ftc.gov/news-events/news/press-releases/2024/10/federal-trade-commission-announces-final-click-cancel-rule-making-it-easier-consumers-end-recurring.

[20] *Client Alert: FTC Issues Final "Click-to-Cancel" Rule, Imposing New Requirements for Negative Option Programs*, Munger, Tolles & Olson LLP (Mar. 29, 2026), https://www.mto.com/news/client-alert-ftc-issues-final-click-to-cancel-rule-imposing-new-requirements-for-negative-option-programs/.

[21] *FTC's Proposed "Click-to-Cancel" Rule Struck Down by Eighth Circuit*, UB Greensfelder (Mar. 29, 2026), https://www.ubglaw.com/news-and-media/ftcs-proposed-click-to-cancel-rule-struck-down-by-eighth-circuit.

On this side of the Atlantic, the European Union is actively advancing the Digital Fairness Act, a legislative project that is specifically aimed at combating the asymmetries of online subscriptions and dark patterns [22]. The DFA will force very large online platforms to turn off auto-renewals by default, a radical re-evaluation of the opt-out status quo.

The regulatory direction of India, in the meantime, is precariously between soft law (advisory) and hard law (enforcement). The CCPA's 2023 Guidelines for Prevention and Regulation of Dark Patterns explicitly identify and ban 13 specific dark patterns, including basket sneaking, false urgency, and subscription traps[23]. Yet, the CCPA's subsequent 2025 Advisory, which merely urged e-commerce platforms to conduct internal self-audits and provide voluntary self-declarations of compliance, highlights a deeply concerning reliance on corporate goodwill[24]. Legal scholars forcefully argue that while the guidelines technically derive binding force from Section 18 of the Consumer Protection Act, 2019, the utter absence of specific, codified financial penalties for dark pattern violations severely dilutes their deterrent effect. If regulatory bodies do not transition from issuing polite advisories to levying severe, revenue-impacting fines, the trap of continuity will remain a highly profitable business model for digital conglomerates.

VIII. Findings and Suggestions

The digital marketplace, which is squarely supported on subscription economics and which is highly centralized, cloud computing, has created a radical, perhaps irreversible change in the consumer landscape. This critical juridical assessment shows that the trap of continuity systematically, algorithmically, disadvantages consumers. The rigorous analysis gives a number of important results:

i. Weaponization of Interface Design: Dark patterns are not simply aggressive marketing strategies, but very deceptive online architectures that utterly undermine the legal principle of informed consent. Although efforts to regulate such as the India CCPA Guidelines (2023) or targeted enforcement efforts by the US FTC are signs of a regulatory awakening around the world, the high use of soft-law guidance in India and

[22] *Digital Fairness Act (DFA) | Updates*, Digit. Fairness Act (Mar. 29, 2026), https://www.digital-fairness-act.com/.
[23] *Dark Patterns in the Spotlight as CCPA Pushes for Platform Accountability*, SpicyIP (June 2025), https://spicyip.com/2025/06/dark-patterns-in-the-spotlight-as-ccpa-pushes-for-platform-accountability.html.
[24] *Decoding the CCPA's Dark Patterns Advisory: Binding Guidelines or Just Soft Law?*, L. Sch. Pol'y Rev. (July 11, 2025), https://lawschoolpolicyreview.com/2025/07/11/decoding-the-ccpas-dark-patterns-advisory-binding-guidelines-or-just-soft-law/.

the procedural vulnerability of administrative rulemaking in the US (as exemplified by the 8th Circuit vacatur) severely constrain their ability to deter.

ii. The Reality of Digital Serfdom: Cloud-based service contracts are very effective tools of unilateral corporate control, entirely denuding consumers of centuries-old ownership rights. The omnipresent and unquestioning deployment of highly biased limitation of liability and as-is provisions in non-negotiable clickwrap agreements neatly absolves cloud providers of any financial liability in data loss and catastrophic service failures, both of which are almost entirely legally unconscionable.

iii. Poor Traditional Redressal: Traditional consumer courts are pathetically under fitted to deal with the speed and cross-border nature of digital disputes in modern times. Online Dispute Resolution systems, such as the e-Jagriti in India, are important and admirable technological advancement but they are in dire need of increased statutory support to make the results of the system beyond challenging.

Legal and Policy Reform Suggestions:

i. Codification of Interface Standards: Jurisdictions, especially India, need to now turn dark pattern principles into enforceable statutory rules as a form of soft law. Regulatory authorities ought to use a strict liability standard concerning some, well-documented, manipulative designs (e.g., concealed Early Termination Fees and Roach Motel cancellation flows), and automatic, heavy monetary fines, without regard to proving individual consumer harm.

ii. Rebalancing Cloud Contracts: Current consumer protection law needs to be immediately revised to reflect the special character of cloud computing. Laws must automatically rescind blanket liability waivers of catastrophic data loss or extended service failures in B2C cloud agreements, and legally acknowledge digital access as a vital contemporary utility. In addition, compulsory data portability rights need to be highly fortified in order to avoid anticompetitive vendor lock-in.

iii. Mandatory ODR Integration: Governments all over the world ought to direct all significant e-commerce and digital service platforms to be directly connected to centralized and state-accepted ODR networks. Agreements achieved through a platform such as the e-Jagriti in India must automatically become statutory and binding legal decrees, which would help immensely in decongesting the physical district consumer commissions.

iv. Privacy and Consumer Law harmonization: Agencies regulating data privacy (e.g. in India, the Data Protection Board) and consumer protection (e.g. the CCPA) should promptly develop formal, inter-agency coordination models. A dark pattern, which compels not authorized data exchange, must immediately provoke simultaneous and extremely efficient enforcement measures based on privacy and consumer protection laws.

Through such structural legal changes, international regulatory frameworks will finally manage to break down the exploitative structures of the digital economy, and forcefully reestablish the balance of power and save the contemporary consumer the unavoidable trap of continuity.

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xi. *United States v. Adobe, Inc.*, No. 3:24-cv-03630 (N.D. Cal. 2024).

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