
A LEGAL FRAMEWORK FOR TOMORROW: INSTITUTIONALIZING ODR IN JUSTICE DELIVERY

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ABSTRACT

The integration of Online Dispute Resolution (ODR) into legal frameworks marks a pivotal transformation in global justice delivery systems, especially within the context of India's evolving digital infrastructure. This paper examines the conceptual underpinnings, legislative support, and comparative jurisprudence surrounding ODR, tracing its emergence from conventional Alternative Dispute Resolution (ADR) mechanisms to digitally mediated platforms. It analyzes the technological, procedural, and regulatory facets that enable scalable, accessible, and cost-effective dispute resolution, drawing insights from jurisdictions such as Singapore, the United States, and the European Union. With emphasis on judicial precedents, sector-specific platforms, and blockchain-driven innovations like smart contracts, the study evaluates both the opportunities and limitations of mainstreaming ODR in India. The research concludes by recommending strategic reforms, including statutory clarity, digital literacy initiatives, and harmonized standards, to facilitate ODR's institutionalization and its potential to democratize access to justice in the digital era.

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INTRODUCTION

As digitization reshapes governance, the legal system too evolves, most notably through Online Dispute Resolution (ODR). Emerging from Alternative Dispute Resolution (ADR), ODR transforms informal negotiation into structured digital processes, enhancing access to justice. This paper examines how technology-enabled ODR improves efficiency, accessibility and procedural clarity, while evaluating its integration in India's civil justice system and comparing global practices.

Definition of ADR and ODR

Alternative Dispute Resolution (ADR) encompasses out-of-court mechanisms like arbitration, mediation, conciliation, negotiation and Lok Adalat, valued for flexibility, affordability and party autonomy. It promotes collaborative resolution and aligns with constitutional mandates under Articles 14, 21 and 39-A², supported by legislation such as the Arbitration and Conciliation Act, 1996 (hereinafter referred as "Arbitration Act") and the Legal Services Authorities Act, 1987³.

Online Dispute Resolution (ODR) refers to the use of digital technologies, such as video conferencing, electronic document exchange and AI driven platforms to resolve disputes outside the traditional courtroom setting. It facilitates remote, cost-effective resolution of consumer, commercial and cross-border disputes, increasingly integrated into judicial systems to reduce backlogs and widen access to justice. ODR is considered an extension of Alternative Dispute Resolution (ADR), adapted for the digital age⁴.

Relevance and evolution of ODR

ODR addressed growing caseloads and geographic barriers by enabling virtual participation. It aligns with Article 39-A's call for equal justice and legal aid. Virtual hearings, automated filings and quick resolutions make ODR ideal for small claims and consumer disputes, while its

² Constitution of India, 1950

³ Shreya Sinha, *Alternative Dispute Resolution (ADR) Mechanisms in India: An Overview*, ILE Journal, Vol. 3(1), 2024, pp. 94–104

⁴ Online Legal India, *Online Dispute Resolution in India: Mechanism, Benefits, and Legal Framework*, ONLINE LEGAL INDIA BLOG (2023), <https://www.onlinelegalindia.com/blogs/online-dispute-resolution-in-india>

jurisdiction-neutral design suits international commerce⁵.

COVID-19 accelerated judicial adoption of ODR, proving it a viable long-term model. Indian law supports it through Section 89 of CPC⁶, Section 5 of the IT Act⁷, and relevant provisions of the Arbitration Act⁸. Global platforms like eBay and PayPal resolve millions of cases annually; countries like Singapore, Canada and the Netherlands have mainstreamed ODR in courts⁹. Increasingly, ODR tools offer dispute prediction and early resolution, making it both reactive and proactive.

CONCEPTUAL FRAMEWORK

Emergence of ODR as a digital counterpart

ODR emerged in the 1990s alongside the rise of e-commerce, providing a digital solution to transactional disputes. It evolved through three phases. The first involved academic research and pioneering efforts such as eBay's 1999 online mediation pilot, which rapidly scaled to resolve millions of disputes. The second phase saw a boom in ODR startups, with platforms like Cybersettle and Smartsettle introducing innovative models like blind bidding, although many others lacked sustainability. The third phase marked widespread institutional adoption—governments integrated ODR to streamline justice delivery, as seen in New York City, the European Union, Brazil, and the UK. These platforms cemented ODR's legitimacy for consumer and civil redress. In India, while sporadic ODR initiatives existed previously, substantive growth and recognition have only accelerated in recent years, bolstered by COVID-era innovations like e-Lok Adalats.¹⁰

Comparative analysis between ADR and ODR

While ADR and ODR share common goals of dispute resolution outside formal courts, they

⁵ Shivani Verma, *The Scope and Relevance of ODR*, JUSTACT BLOG (2023), <https://justact.co.in/blog/the-scope-and-relevance-of-ODR>

⁶ Civil Procedure Code, 1908 (Act No. 5 of 1908)

⁷ Information Technology Act, 2000 (Act No. 21 of 2000)

⁸ National Center for Technology and Dispute Resolution & International Council for Online Dispute Resolution, *ODR Standards* (2022), https://odr.info/wp-content/uploads/2022/05/NCTDR_and_ICODR_ODR_Standards_2022-1.pdf

⁹ Dhatri Singh & Dr. Kalpana Devi, *Online Dispute Resolution (ODR): A Paradigm Shift in Access to Justice*, IJFMR (2025), <https://www.ijfmr.com/papers/2025/2/40938.pdf>

¹⁰ NITI Aayog, *Designing the Future of Dispute Resolution: The ODR Policy Plan for India* (Mar. 2023), <https://www.niti.gov.in/sites/default/files/2023-03/Designing-The-Future-of-Dispute-Resolution-The-ODR-Policy-Plan-for-India.pdf>

differ in delivery and utility. ADR requires in-person interaction, making it suitable for complex disputes where human nuance is vital. ODR, on the other hand, operates digitally and allows asynchronous, low-cost resolution of mass or tech-driven claims. ADR faces infrastructure constraints while ODR grapples with digital literacy and enforceability challenges. Judicial interpretations have validated both: *Salem Advocates Bar Association v. Union of India*¹¹ and *BALCO*¹² upheld ADR frameworks, while *Trimex International FZE Ltd. v. Vedanta Aluminium Ltd.*¹³ and the operational success of e-Lok Adalats affirmed ODR's digital legitimacy. Internationally, cases like *Churchill v. Merthyr Tydfil County Borough Council*¹⁴ show growing judicial endorsement for ODR processes even absent party consent. Strategically, ADR remains crucial for high-stakes or sensitive matters, while ODR has become essential for scalable and efficient resolution of routine or lower-value disputes. Together, ADR and ODR serve as complementary pillars in modern justice delivery.

LEGAL RECOGNITION AND FRAMEWORK

National Legislation Governing ODR¹⁵

India does not have dedicated legislation for Online Dispute Resolution (ODR), but existing legal provisions implicitly support its use. Section 89 and Order X Rule 1A of the Code of Civil Procedure, 1908 promote Alternative Dispute Resolution (ADR), encompassing digital processes. The Arbitration and Conciliation (Amendment) Act, 2015 further empowers arbitral tribunals to incorporate conciliation or mediation and grants parties flexibility in choosing dispute resolution methods—including ODR.

Several private and public agencies, such as ODR India, Yesetle, Myshikayat, Presolv360, and the Online Consumer Mediation Centre, actively offer ODR services. Government-backed platforms like the National Internet Exchange of India apply ODR for domain name disputes, indicating institutional validation.

¹¹ AIR 2005 SC 3353

¹² (2012) 9 SCC 552

¹³ (2010) 3 SCC 1

¹⁴ [2023] EWCA Civ 1416

¹⁵ Pallavi Modi, *Online Dispute Resolution: The Future of Dispute Resolution in India*, Mapping ADR, O.P. Jindal Global Univ., <https://jgu.edu.in/mappingADR/online-dispute-resolution-the-future-of-dispute-resolution-in-india/>

International Models and Conventions¹⁶

UNCITRAL has recognized the importance of ODR in cross-border e-commerce and initiated efforts to formulate ODR procedural frameworks. Its Working Group has developed "Procedural Rules for Online Dispute Resolution for Cross-border Electronic Commerce Transactions" and released Technical Notes in 2017, outlining foundational principles for ODR implementation globally.

Judicial Attitudes Toward Technology-Mediated Dispute Resolution

Indian courts have affirmed the legitimacy of digital proceedings. The Information Technology Act, 2002 and the Indian Evidence Act, 1872 establish the admissibility of electronic evidence. In *State of Maharashtra v. Dr. Praful B. Desai*¹⁷, the Supreme Court upheld video conferencing for recording testimony. Similarly, in *Grid Corporation of Orissa Ltd v. AES Corporation*¹⁸, the Court emphasized that physical presence is not mandatory if remote consultation is legally or contractually sufficient. The Supreme Court reaffirmed the legal validity of electronic agreements in *Shakti Bhog v. Kola Shipping*¹⁹. Judicial precedents such as *Kross Television India Pvt. Ltd. & Anr. v. Vikhyat Chitra Production & Ors*²⁰, further support digital service and video testimony. These rulings substantiate judicial support for technology-enabled dispute resolution.

ADVANTAGES AND LIMITATIONS

Efficiency, accessibility, cost-effectiveness

Online Dispute Resolution (ODR) reduces the financial strain associated with traditional litigation by eliminating travel, venue costs, and, in some cases, legal representation. It also shortens dispute durations, curbing legal fees and improving accessibility. Beyond direct savings, ODR alleviates economic setbacks tied to prolonged litigation, such as reduced productivity, diminished well-being, and lower investor confidence, factors that cumulatively

¹⁶ Id.

¹⁷ (2003) 4 SCC 601

¹⁸ (2002) 7 SCC 736

¹⁹ AIR 2009 SC 12

²⁰ 2017 SCC Online Bom 1433

hinder growth²¹.

India's judiciary faces significant delays, with district court cases in many states lingering unresolved for over five years due to frequent adjournments, staffing shortages, and procedural complexities²². ODR offers a scalable alternative by enabling asynchronous participation and documents-only processes, minimizing logistical hurdles and physical presence. This is particularly effective in cross-border disputes and consumer sectors like e-commerce, where centralized and tech-driven resolution mechanisms improve efficiency and access to justice²³.

Digital divide, privacy concerns, enforceability concerns

Effective Online Dispute Resolution (ODR) requires not just infrastructure but widespread digital literacy, which varies across India. Despite 743 million internet subscribers, rural penetration remains low at 32.24%, with over 27,000 villages still lacking mobile coverage²⁴. Expanding connectivity and promoting digital literacy through initiatives like PMGDISHA are essential for inclusive ODR adoption²⁵.

Legal ambiguity persists regarding the enforceability of ODR outcomes, especially for privately initiated mediations. While as the decision in *Afcons Infrastructure Ltd v Cherian Varkey Construction*²⁶ court-referred mediation settlements are enforceable under Section 21 of the Legal Services Authorities Act, 1987, independently reached agreements are treated as private contracts, requiring litigation for enforcement.

The shift to digital dispute resolution raises privacy concerns including impersonation, data breaches, and evidence tampering. To ensure integrity, ODR platforms must implement robust security measures such as encrypted transmissions and digital signatures, fostering trust and

²¹ Joseph W. Goodman, 'The Pros and Cons of Online Dispute Resolution: An Assessment of Cyber-Mediation Websites' (2003) 2 Duke Law & Technology Review, <https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1073&context=dltr>

²² Subrat Das and others, 'India Justice Report: Ranking States on Police, Judiciary, Prisons and Legal Aid' (Tata Trust, 2019), <https://www.tatatrusts.org/upload/pdf/overall-report-single.pdf>

²³ Dushyant Mahadik, 'Analysis of Causes for Pendency in High Courts and Subordinate Courts in Maharashtra' (Administrative Staff College of India, 2018), <https://doj.gov.in/sites/default/files/ASCI%20Final%20Report%20Page%20641%20to%20822.pdf>

²⁴ Telecom Regulatory Authority of India, 'The Indian Telecom Services Performance Indicators January – March 2020' (17 September 2020)

²⁵ PMGDISHA, 'Objective' (Ministry of Electronics and Information Technology, Government of India)

²⁶ (2010) 8 SCC 24

scalability across diverse disputes.²⁷

GLOBAL PERSPECTIVES

In the United States, ODR has grown through private innovation and judicial partnerships, with states like Michigan and Utah adopting platforms such as Modria and Matterhorn for resolving small claims and traffic issues²⁸. While organizations like the ABA and ICODR have set ethical standards, fragmented implementation across jurisdictions and digital literacy gaps remain challenges.

The European Union employs a centralized, consumer-focused ODR framework via Regulation No. 524/2013, requiring online traders to guide consumers to the EU's multilingual dispute resolution portal. Despite its structured approach, limited awareness and procedural hurdles impede widespread usage²⁹.

Singapore exemplifies government-led ODR integration. Platforms like CJTS handle civil disputes efficiently, complemented by SIMC and LawNet to enhance digital access. Singapore's leadership in establishing the Singapore Convention on Mediation reflects its global commitment to enforceable online settlements, supported by strong infrastructure and digital readiness.³⁰

FUTURE TRAJECTORY AND RECOMMENDATIONS³¹

The NITI Aayog report recommends integrating Online Dispute Resolution (ODR) into India's legal framework through targeted amendments to key laws like the Arbitration and Conciliation Act, Consumer Protection Act, Commercial Courts Act, and Companies Act. It proposes recognizing digital platforms and smart contract-based mediation, establishing accreditation standards for ODR service providers, and ensuring ethical, secure practices. The report also advocates integrating ODR into court infrastructure, promoting adoption by government

²⁷ Esther van der Heuvel, 'Online Dispute Resolution as a Solution to Cross Border e-Disputes' (2000) OECD, <https://www.oecd.org/internet/consumer/1878940.pdf>

²⁸ 'Welcome to the New Mexico Courts Online Dispute Resolution Center' (New Mexico Courts), <https://newmexicocourtsdmd.modria.com/#home>

²⁹ European Union Regulation (EU) No 524/2013 of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Regulation on consumer ODR) [2013] OJ L165/1

³⁰ Community Justice and Claims Tribunal (State Courts of Singapore), <https://www.Statecourts.gov.sg/CJTS#!/index1>

³¹ Supra Note 9

bodies, and developing multilingual, interoperable platforms using AI and blockchain. It emphasizes phased implementation, professional training, and public awareness to mainstream ODR and expand equitable access to justice.

CONCLUSION

India's integration of Online Dispute Resolution (ODR) signals a transformative shift in resolving conflicts digitally. By harnessing blockchain, encrypted communication, and AI, ODR addresses inefficiencies in traditional litigation such as reducing delays, costs, and accessibility barriers. Its cross-sector adaptability strengthens its role as a mainstream alternative. Yet, effective adoption demands legislative clarity, regulatory oversight, digital literacy, and inclusive infrastructure. Global models from the U.S., EU, and Singapore underscore the need for hybrid, context-sensitive strategies. India's policy momentum, especially via NITI Aayog, lays a foundation to institutionalize ODR as a scalable, enforceable, and democratized justice mechanism.