

# SELF-REGULATORY ODR IN CHINA'S e-COMMERCE MARKET: AN EXAMINATION OF ALIBABA'S TAOBAO PLATFORM AND CROWDSOURCED ODR

YANG LIN

Faculty of Law, University of Hong Kong

---

## Abstract

This article explores the evolution and application of online dispute resolution (ODR) within China's e-commerce landscape, focusing on the self-regulatory mechanisms employed by Alibaba's Taobao platform. It provides an overview of China's ODR development, analyses Taobao's crowdsourced jury system as a case study, and examines the platform's rulemaking and dispute resolution procedures. The analysis highlights Taobao's ability to resolve disputes efficiently while addressing important challenges, such as transparency, data privacy and legal accountability. The study emphasizes Taobao's role in shaping China's e-commerce governance, underlining the need for balance between innovation and consumer trust in a rapidly expanding digital marketplace.

**Keywords:** online dispute resolution (ODR); e-commerce; Taobao; self-regulation platform; consumer protection; crowdsourced jury.

---

## [A] INTRODUCTION

Over the past 20 years, online dispute resolution (ODR) in China has undergone remarkable growth, driven by the convergence of three important factors: the world's largest population of internet users; a booming e-commerce sector; and a legal tradition that prioritizes resolving disputes outside of court. This convergence of factors provides valuable insight into how ODR evolves and adapts within distinct cultural, economic and technological contexts.

The emergence of ODR marks a transformative evolution in dispute resolution that goes far beyond simply digitizing alternative dispute resolution (ADR) practices. While ADR arose primarily as an alternative to formal litigation, ODR represents a fundamental reimagining of how conflicts can be prevented, managed and resolved in an interconnected

world. The digital environment has enabled entirely new approaches to dispute resolution: automated negotiation systems that can handle thousands of cases simultaneously, crowdsourced decision-making that leverages collective wisdom, predictive analytics that help prevent disputes before they arise, and blockchain-based mechanisms that ensure automatic enforcement of agreements. These innovations address not only the volume and velocity of online disputes but also create new possibilities for achieving justice that would be impossible in traditional offline settings. Much as ADR expanded our conception of justice beyond adversarial courtroom proceedings, ODR is reshaping our understanding of what dispute resolution can be in the digital age.

This article explores one of China's most significant and innovative ODR systems: the dispute resolution platform developed by the e-commerce giant Alibaba for its Taobao (淘寶, literally, "search for treasure") marketplace. The Taobao platform provides valuable insights into the evolution of ODR principles and practices when applied on a massive scale, resolving millions of disputes each year. It also highlights how traditional Chinese preferences for extrajudicial dispute resolution can be effectively adapted to the online environment, leveraging advanced technological innovations. Specifically, it addresses the question: how does Taobao, China's largest C2C (consumer-to-consumer) e-commerce platform, establish and operate its own self-regulatory dispute resolution mechanism?

To answer this question, this article examines Taobao's operations, offering a case study of the self-regulatory approach in the context of the People's Republic of China (PRC), based on empirical work the author conducted in 2021. While Taobao's online dispute processing system effectively handles a high volume of cases, its practices warrant careful examination.

This analysis centres on Taobao's innovative crowdsourced jury system, a distinctive blend of traditional community-based dispute resolution and cutting-edge digital technology. The system prompts important questions regarding the role of public participation in ODR, the delicate balance between efficiency and fairness, and the potential of technology to democratize the dispute resolution process.

The article is divided into two substantive sections. Section B examines briefly the development of ODR in China, tracing its evolution from early government-sponsored initiatives to the emergence of platform-based private systems. This analysis situates Taobao's dispute resolution mechanism within China's broader legal culture, which has historically

favoured informal, community-based approaches to conflict resolution. Section C presents a detailed case study of Taobao's innovative ODR system, focusing particularly on its use of crowdsourced juries, probably transplanted from earlier efforts in this direction by eBay and others. This system represents a distinctive hybrid that combines traditional Chinese preferences for community-based dispute resolution with sophisticated digital technologies and contemporary e-commerce requirements. While Taobao's approach has proven remarkably successful in handling millions of disputes and fostering public participation in justice processes, it also highlights fundamental tensions in private ODR systems. These include balancing efficiency with procedural fairness, maintaining transparency while protecting user privacy, ensuring meaningful oversight without compromising platform autonomy, and building consumer trust in private justice systems. These challenges echo broader theoretical debates within ODR scholarship about the proper role of private entities in delivering justice, the legitimacy of platform-based dispute resolution, and the accountability of technological systems that increasingly shape access to justice in the digital age. This article primarily draws upon empirical research conducted by the author in 2021, forming the core of the regulatory discussion presented herein. It is important to acknowledge that certain provisions may have evolved in light of the rapid expansion and development of the e-commerce sector. However, despite these potential shifts, the discourse surrounding the formulation and structure of these rules and regulations retains its relevance and applicability.

Through its analysis of China's largest e-commerce platform, this study advances ODR scholarship in several key directions. First, it demonstrates how massive-scale ODR systems can effectively balance competing imperatives: the need for rapid, automated dispute-processing against demands for procedural fairness; the efficiencies of algorithmic decision-making against the nuanced judgement of human participants; and the autonomy of private platforms against broader public interest concerns. Secondly, the Taobao case reveals how ODR systems can successfully integrate local legal traditions—in this instance, China's preference for community-based dispute resolution—with innovative digital technologies. Finally, this article challenges assumptions about the universality of Western ODR models by showing how cultural context shapes both user expectations and system design. The findings suggest that the future of ODR lies not in a one-size-fits-all approach, but in thoughtfully adapted systems that reflect local legal cultures while leveraging the possibilities of digital technology. This has significant implications for the design and implementation of ODR systems globally,

particularly in emerging markets where e-commerce platforms are increasingly central to economic and social life.

## [B] DEVELOPMENT OF ODR IN CHINA

In formal terms, the history of ODR in the PRC began in 2004 with the creation of the China ODR Center by the China International Economic and Trade Arbitration Commission (CIETAC, a government-sponsored arbitration body). This platform was designed to provide services such as online arbitration, online notarization and legal assistance for dispute resolution. Although no longer in operation today, it was the country's first ODR provider. CIETAC is an especially prominent arbitration institution in the PRC, specializing in international trade and investment disputes. Since its establishment in 2000, CIETAC's Online Dispute Resolution Centre (also known as the CIETAC Domain Name Dispute Resolution Centre) has successfully resolved many domain name disputes (CIETAC 2015). In 2009, CIETAC introduced its Online Arbitration Rules, which outlined the procedures for online arbitration and mediation. Despite its success in settling domain name disputes, CIETAC's Online Arbitration Platform overall appears to have been infrequently utilized before the Covid-19 pandemic (Cietacodr.org nd). The advent of the Covid-19 pandemic has catalysed a significant metamorphosis in the extant commercial environment, propelled by rapid strides in technology. Consequently, the realm of arbitration is vigorously exploring efficacious strategies to leverage digital resources and remedies in addressing prevailing complexities and forecasting forthcoming requirements in dispute resolution (Lu 2024).

In early 2018, the Supreme People's Court of the PRC launched an online mediation platform, Tiaojie.court.gov.cn, offering nationwide online mediation services (People's Court Mediation Platform nd). By the end of 2020, the platform had handled 13.6 million mediation cases (Supreme People's Court of the People's Republic of China 2021). It is now the largest official mediation platform in China and serves as an ODR platform for over 56,000 mediation organizations, including more than 36,000 people's mediation (that is local community or local institutional) groups and nearly 5000 industry-specific mediation groups. Additionally, it serves as a forum for more than 460,000 mediators and 3504 courts across China (ibid).

In addition, various other institutions in China provide ODR services. The China Consumers Association (CCA) offers online negotiation through its CCA Conciliation and Supervision Platform (China Consumers

Association nd). Similarly, the Shenzhen EBS (E-business Better Service) Centre provides online mediation services (EBS ODR nd),<sup>1</sup> while China 315online facilitates online complaint services (China 315online nd). The Guangzhou Arbitration Commission offers online arbitration (Guangzhou Arbitration Committee Online Arbitration nd) and the Hong Kong International Arbitration Centre (HKIAC) has a longstanding history in resolving domain name disputes (HKIAC nd). But within China's diverse ODR framework, the system known as Taobao developed by Alibaba is especially important. Set up in 2012, Alibaba's shopping platform Taobao introduced a User Dispute Resolution Center, so as to handle customer complaints about poor products or copyright infringement as well as complaints from users who feel they have been unfairly penalized by the platform. Taobao is not only China's largest online e-commerce platform, but its dispute resolution experience also played a crucial role in the design and operation of China's first Internet Court, also based in Hangzhou in central China (Yang 2021). The company provides identity verification through Alipay, automatically providing the online retailer Taobao (as well as its business to consumer spin-off, called T-mall) transaction records as evidence, data encryption, storage and monitoring through Alibaba Cloud, enforcing judgments across its ecosystem and more. Alibaba is notably also a defendant in over half of the cases tried in the Hangzhou Court.

When looking at the trajectory of development of internet platforms offering ODR services, we can see a major shift in government policy. Initially, the platforms which emerged were closely tied to the state sector, and institutionally linked therefore also to the Chinese Communist Party. Gradually, however, the Government adopted a relatively hands-off approach to internet platforms, including those offering ODR services. This significant change was influenced by several strategic factors. First, companies such as Alibaba, Tencent and ByteDance were key drivers of substantial economic growth and innovation. The Government prioritized this rapid digital economic development over stringent regulation. Secondly, these firms were seen as assisting China's drive to gain global competitive advantages in sectors such as e-commerce, mobile payments and social media, establishing the PRC as a global tech leader. In addition, the major tech companies constructed essential digital infrastructure and services, efficiently managing tasks that might otherwise have required government resources, such as digital payment

---

<sup>1</sup> "EBS" refers to the Shenzhen Zhongxin e-Commerce Transaction Assurance Promotion Centre. This is a third-party service agency responsible for building a trustworthy e-Commerce transaction environment. The EBS ODR is an online dispute resolution platform launched by Shenzhen Zhongxin.

systems. Fourthly, these platforms played a pivotal role in modernizing and digitizing the Chinese economy swiftly, extending services to previously under-served populations. Finally, the platforms' data collection capabilities aligned with government interests, as companies could gather and analyse vast amounts of consumer and social data. Since 2021, the general trend has been towards more centralized regulation and less self-regulation, though platforms still maintain much autonomy in implementing specific measures to comply with broader regulatory frameworks. The PRC Government began enforcing stricter regulations on internet platforms, reducing their ability to self-regulate in areas like algorithms, data governance, gaming and content moderation. New rules demand transparency, explicit user consent and increased responsibility for monitoring content. Broadly speaking, however, the Taobao dispute resolution systems described in this article continue to operate in the manner described here.

## [C] TAOBAO'S INTERNAL ODR AND THE SELF-REGULATORY RULE-MAKING PROCESS

By the early 2020s, mainland China had developed numerous e-commerce platforms, with several dominant players controlling significant market shares. The Alibaba Group's platforms (Taobao and T-mall), along with JD.com and Pinduoduo, are the market leaders. The remaining market share is distributed among various platforms, including Suning, Gome, Vipshop, Yihaodian, Dangdang and Jumei (International Trade Administration 2021). These platforms are interesting in their own right. However, given the importance of the Alibaba Group's Taobao platform, and the availability of platform data, this article focuses on analysing Alibaba Group's Taobao system.

Launched in 2003, Taobao.com, owned by Alibaba Group, has since become China's largest C2C retail platform, dealing with numerous complaints and dominating the e-commerce market with 925 million active users by 2021 (Jiemian.com 2015). The rapid growth has presented new opportunities and challenges in digital economy governance. Initially, the Chinese Government did not impose direct regulation on the emerging e-commerce market, instead allowing for self-regulation by platforms like Taobao. As Liu and Weingast (2018) have highlighted, Chinese authorities have delegated legal responsibilities such as contract enforcement and dispute resolution to private entities, like Taobao, in order to manage areas where legal regulatory frameworks are weak.



In the PRC's e-commerce ecosystem, platforms such as Taobao act as intermediaries and not as direct transaction parties. Taobao facilitates transactions by connecting buyers with sellers, who use Alipay, a secured third-party payment platform, to enhance the safety of their transactions. Other enforcement tools include warnings, restriction of account operations, restriction of business operations, handling of non-compliant products or information (eg taking down products), deduction of store credits and closure of the store. Alipay holds funds until buyers confirm receipt and satisfaction with goods, enhancing trust in virtual dealings. Taobao also employs Alipay to manage and resolve disputes, using it to enforce rules and obligations. This system is generally thought to have minimized transaction risks and disputes, establishing Alipay as a crucial enforcement tool.<sup>2</sup> Some of the discussion below will address evolving legal challenges in this landscape.

The Taobao platform has created an institutionalized system of self-managed rules. This self-regulating management system consists of general provisions and specific rules for buyers and sellers, including transaction-specific regulations for second-hand sales and auctions. At the heart of the Taobao platform's self-regulating management system are the following normative provisions: the Taobao Platform Interactive Risk Information Management Rules 2021, the Taobao Marketplace Management and Violation Management Rules 2021 and the Taobao Platform Prohibitive Information Management Rules 2021. These rules are intended to ensure compliance and to address information publication and marketing violations and may be characterized by Sally Falk-Moore's concept as a "semi-autonomous field" (1973), given the manner in which Taobao generates and enforces rules within the platform. Taobao periodically updates its internal rules. The Taobao rules discussed in this article may have been updated or modified at the time of publication, with most changes typically involving only minor details.

The Taobao platform rules system comprises eight specific rule sets and occasional temporary announcements (ordinarily, issued with a rule as a result of special circumstances, such as epidemics or policy requirements). Overall, these form a structured hierarchy, similar to formal legislation. The Taobao Platform Rules General Provisions 2021 serve as the legal normative framework, with specific rules detailing implementation issues. When these provisions are insufficient, relevant

---

<sup>2</sup> Taobao Store Opening Specifications [淘寶店開店規範, *Taobao dian kaidian guifan*] require a real-name system for sellers to open a store online and require sellers to pay a deposit, the amount differing according to the degree of risk of violation of Taobao rules, within 180 days of opening. Details of these specifications can be found at [Taobao Store Opening Specifications](#).

agreements or rules are applied (Article 5, Taobao Platform Rules General Provisions 2021). Rule modifications require public notice and, for trading rules, a public comment process and departmental reporting.

An analysis of rules and their amendments carried out in 2021 suggests several conclusions. The author opted to systematically collect data on the public activities pertaining to the formulation and amendment of Taobao's regulations, specifically those carried out in 2021, employing a comprehensive textual analysis approach. In the subsequent years, the rules of Taobao were further revised, but they largely continued to follow similar patterned regularities.

Thus, first, the analysis found that 86% of public comment periods lasted just eight days. The brevity of this consultation process most likely primarily reflects the need for swift responses in the e-commerce sector, as well as the platform's capacity to self-regulate effectively. Secondly, regarding the content of revisions, we may note that changes to the rules that require extended consultation periods often pertain to sellers' core interests. These include modifications to rules on advertising prohibition (30 days), adjustments to the rules concerning the use of others' intellectual property rights (24 days), alterations to rules for posting unadmitted goods (19 days), changes to regulations on failure to ship goods within the agreed timeframe (15 days) and penalties for "providing false evidence" (12 days). This suggests that the Taobao platform exercises considerable caution when amending rules governing sellers' conduct, allocating more time to gather feedback and refine the proposed revisions. However, there is no evidence to suggest that the platform has discontinued proposed rule modifications due to opposition.

Thirdly, regarding the outcomes of the call for comments, out of the 135 revisions published after collecting feedback, 132 revisions were approved following a single public comment period. However, only a limited number of the important Taobao Platform Dispute Handling Rules 2012 and the Description Discrepancy Rules 2021<sup>3</sup> underwent revision. Moreover, Taobao has employed rather loose terminology in characterizing outcomes—there are frequent references to "most users support" and "most support". although specific numerical percentages of support are sometimes also provided, such as "0 members opposed", "76% in support" and "100% gave approval". Moreover, the platform does not disclose records of unsuccessful proposed rule revisions. This suggests that, if Taobao chooses to amend its rules, such changes are

<sup>3</sup> Taobao's Implementation Rules Regarding Description or Quality Non-Compliance [淘寶網關於描述或品質不符實施細則 *Taobao wang guanyu miaoshu huo pinzhi bufu, shishi xize*].



indeed implemented, often without modification. But we may question the extent to which the platform actually values critical feedback.

Fourthly, regarding the number of comments made in response to a Taobao call, in only 15 cases of modified rules was the exact amount of feedback received actually specified. For over a hundred other revisions, Taobao did not disclose specific figures. Among the 15 revisions with disclosed feedback, 13 pertain to comments on modifications to the Flying Pig Hotel Travel Platform, with five comments opposing proposed modifications identified in these results. And while food safety is a particularly important public health issue in the PRC, when the Taobao Platform distributed 2273 questionnaires some 10 years ago to sellers concerning an amendment to China's Food Safety Law 2021, Taobao failed to provide specific feedback or comments. Similarly, Taobao received 16,000 comments on its proposed Temporary Goods Removal Rule, but no detailed analysis of responses was provided. Thus, it would seem that the Taobao platform does not actively disclose detailed feedback results. This may be seen as a lack of transparency, and that, rather than benefiting users, feedback is a process which primarily serves to support the platform's operations, aligning with the company's interests.

From the above-mentioned observations about the number of regulations and the modification of rules, we can observe that there is a significant difference in liability between sellers, buyers and the platform. Sellers are subject to a far higher level of liability than buyers. For example, sellers are responsible for a number of requirements, such as sales, quality assurance, warranty and after-sales service. The buyer, on the other hand, is responsible only for paying for the purchase and confirming receipt of the goods. For its part, the Taobao platform is primarily responsible for storing and publishing information online during the transaction process. Taobao Platform, as a third party, enables and facilitates the transactions of its users but does not involve itself as a contractual party in users' transactions (Hong 2015). This neutral status requires Taobao Platform to clearly differentiate itself from other third-party providers or individual businesses operating on Taobao to avoid consumer confusion (Article 29, Administrative Measures for Online Trading 2014).<sup>4</sup> This can also be seen through Taobao's rules in its response to compliance legal requirements. For example, section 9 of the Taobao Consumer Protection Services Agreement 2021 states:

<sup>4</sup> "Article 29 of the Administrative Measures for Online Trading (Order No 60 of the State Administration for Industry and Commerce) [網絡交易辦法(國家工商行政管理總局令第60號, *Wongluo jiaoyi Banfa* [Guojia gongshang xingzheng guanli zongju ling di 60 hao]. Gov.cn, 26 January 2014.

You expressly understand and agree that you are the responsible party for the Consumer Protection Services and that Taobao and its affiliates will only provide you with technical support and services, and Taobao and its affiliates shall not be liable for the content of the Consumer Protection Services provided by you to buyers, except as provided by law.<sup>5</sup>

And Section 5 of the Taobao Terms of Use Agreement 2021 also indicates that:

Through the Site, Taobao provides an electronic web-based platform for transactions between buyers and suppliers of products and services. Taobao does not represent the seller nor the buyer in specific transactions and does not charge any commissions from completing any transactions.

As a result, Taobao does not control and is not liable to or responsible for the quality, safety, lawfulness or availability of the products or services offered for sale on the website or the ability of the suppliers to complete a sale or the ability of buyers to complete a purchase.<sup>6</sup> These terms constitute a contractual agreement between the Taobao platform and the user and this has been recognized in practice by the judiciary.

Taobao employs a comprehensive set of protocols and privacy policies, managing its platform through self-regulation and internal corporate governance. As a private e-commerce platform, it has developed internal dispute resolution mechanisms to comply with legal obligations, such as mediating consumer disputes as required by the 2014 Administrative Measures for Online Trading:

The operator of a third-party transaction platform shall establish a self-regulatory system for the settlement of consumer disputes and the protection of consumer rights. If a consumer purchases goods or accepts services within the platform and a consumer dispute occurs or his or her lawful rights and interests are harmed, the platform shall mediate if the consumer requires the platform to mediate; if the consumer seeks to defend his or her rights through other channels, the platform shall provide the consumer with the operator's authentic website registration information and actively assist the consumer in safeguarding his or her lawful rights and interests (Article 28).

Before the introduction of the PRC's Electronic Commerce Law in 2018, the Measures were one of the few guidelines for resolving disputes on e-commerce platforms, but nevertheless did help to ensure that Taobao had a legal responsibility to protect consumer rights.

<sup>5</sup> Taobao Consumer Protection Services Agreement 2021. [消費者保障服務協定: Xiaofeizhe baozhang fuwu xieding].

<sup>6</sup> Taobao Terms of Use Agreement 2021 [淘寶網使用協議, Taobao Wang shiyong xieyi].

It should be added that the 2018 Electronic Commerce Law substantially enhances the dispute resolution framework, as outlined in Chapter IV on e-commerce disputes. Article 58 encourages e-commerce platforms to implement guarantee mechanisms, such as security bonds, to support compensation systems. Article 59 requires these platforms to establish a complaint-reporting system. Article 60 details various dispute resolution methods, including negotiation, conciliation, mediation by authorized organizations, administrative complaints, arbitration and legal proceedings. Further, Article 61 requires e-commerce platforms to assist consumers in protecting their rights, while Article 62 obliges operators to provide information about original contracts and transaction records. Article 63 permits platforms to create ODR mechanisms for voluntary conflict resolution between parties. The system developed by the Taobao platform operates within this more general legal framework.

The text which follows discusses Taobao's self-regulatory guidelines, and then examines Taobao's specific procedures for managing disputes.

## Multi-tiered ODR in Taobao

Dispute system design (DSD) refers to the systematic process of creating effective dispute resolution mechanisms tailored to specific contexts and needs (Blomgren Amsler & Ors 2017). This process is particularly relevant in the context of Taobao, where understanding the nature and frequency of disputes—such as issues related to product descriptions or delivery delays—is essential. By emphasizing collaborative approaches that prioritize shared interests among disputants and engaging stakeholders in the design process, Taobao can create accessible and efficient ODR mechanisms that enhance user satisfaction and trust. The integration of DSD principles into Taobao's ODR processes allows for a nuanced understanding of user experiences while addressing common grievances effectively. Research indicates that successful ODR systems must be financially viable, technically feasible and desirable for users. Leveraging insights from DSD enables Taobao to accommodate the diverse perspectives of stakeholders—including buyers, sellers and platform operators—ensuring fairness and efficiency in dispute resolution. As highlighted by Colin Rule, applying DSD not only facilitates structured management of disputes but also contributes to a transparent e-commerce environment that fosters user engagement and trust in the platform (Rule 2012: 776). Since its establishment, Taobao has provided an online negotiation process in which sellers and buyers communicate directly to handle disputes in practice. The official regulatory framework of its internal dispute resolution mechanism dates back to January 2012 with

the release of the Taobao Platform Dispute Handling Rules.<sup>7</sup> These rules, as Taobao's basic ruleset for handling disputes, together with another Eleven Special Commodity Dispute Handling Rules (nd) for commodity dispute-handling and Four Special Transaction Dispute Handling Rules (nd) for handling transaction disputes, form the Taobao self-regulatory dispute resolution mechanism (includes the Taobao Consumer Protection Scheme: Taobao nd). These rules elaborate on the provisions for handling transaction disputes between buyers and sellers on the Taobao platform. The platform, as the intermediary that facilitates the transaction, typically responds to complaints filed by the disputing party in a passive manner. Under special circumstances, however, the Taobao platform will also take the initiative to intervene in a dispute before the complaint is initiated (Article 2 Taobao Platform Dispute Handling Rules).

Multi-tiered dispute resolution processes have in general become increasingly significant in consumer dispute resolution, with disputes being handled in various stages (Cortés 2015). "Mixed methods" or "hybrid" approaches are also prevalent in China, notably within the Taobao system, especially its Consumer Protection Scheme, which proceeds through several key stages (Taobao Consumer Protection Scheme: Taobao nd). Initially, when a disputant, either a buyer or seller, lodges a complaint with the platform, the dispute resolution process is initiated. The complainant must outline the cause of their dispute and provide supporting evidence, such as chat history, order details and screenshots, as well as requesting the platform to mediate as a neutral third party.

In standard online purchase scenarios, if buyers are unsatisfied with their goods, they have three main remedies: exchanging goods, returning goods for a refund, or receiving a refund without returning the goods. These options, offered by the Taobao platform, come with varying levels of dispute complexity and specific requirements for filing complaints. To simplify understanding, a flowchart (Figure 1) is provided to illustrate Taobao's dispute resolution mechanism under its consumer protection scheme.

As depicted in the flowchart, the initial step in resolving disputes is online negotiation between the involved parties via the Taobao app or webpage, or other communication methods like phone calls. Should negotiations fail, parties can seek Taobao's intervention. The platform's response to complaints unfolds in two stages. In the first stage, Taobao employs customer service staff to conduct online mediation, addressing both sides of the dispute. If this mediation is unsuccessful, Taobao

---

<sup>7</sup> These rules became effective on 1 January 2012 and were amended several times. The version discussed by the author in this article is the amendment from 27 July 2021.

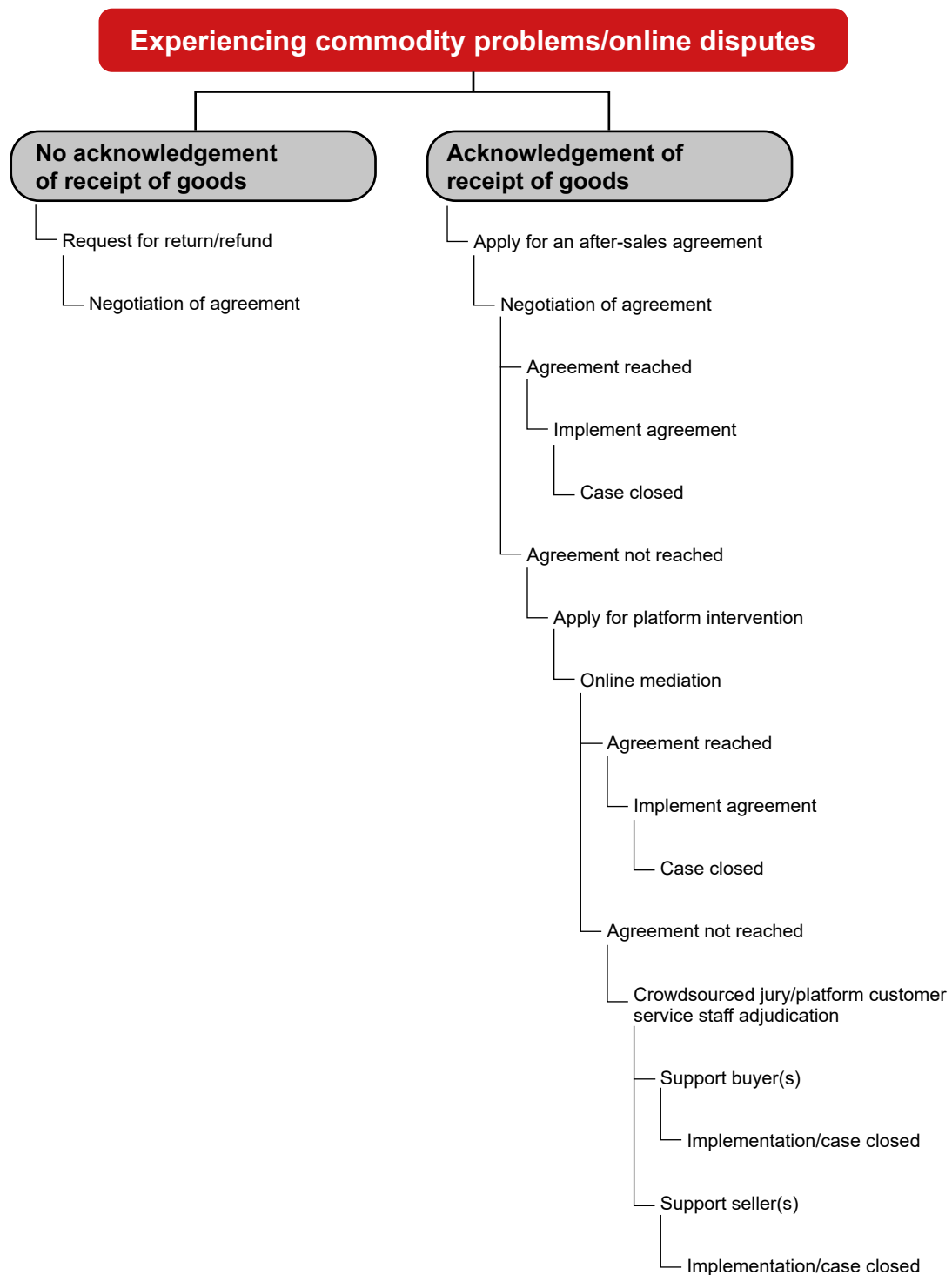


Figure 1: Dispute resolution flowchart under the Taobao Consumer Protection Scheme nd(c)

progresses to the second stage, using a crowdsourced jury mode (Public Review Dazhong Pingshen, 大眾評審) to vote on the successful claim (see Alibaba Public Jury nd).<sup>8</sup> For disputes stemming from technical issues involving the platform itself, customer service reviews and decides on the complaint. In cases where mediation fails, Taobao acts as a third-party adjudicator, with the crowdsourced jury making the final decision.

Between 2012 and the end of 2018, the “Dazhong Pingshen” crowdsourced online jury system on the Taobao platform managed over 15.87 million online disputes. Additionally, more than 6.36 million users registered as voluntary jurors, while 170 million users contributed to reviewing and making decisions on disputes. This is claimed by Taobao to have effectively resolved over 95% of the disputes, preventing them from becoming court cases (Public Review Mechanism 2019). Taobao's approach aligns with the dispute resolution initiative promoted by the United Nations Commission on International Trade Law (UNCITRAL). The UNCITRAL Working Group proposed a three-tiered ODR process, starting with negotiations and, if unsuccessful, followed by facilitated settlement proceedings with a neutral third-party mediator, and concluding with arbitration (Lederer 2018). Taobao has followed the design offered by UNCITRAL—in effect a legal transplant—and introduced and now operates its own private, self-regulated dispute resolution system, aiming to achieve prompt settlements between the disputing parties. Settlement agreements can then be enforced on the Taobao platform.

The Taobao Public Review Convention (Trial) 2021 has been in use on an experimental basis since 24 June 2013, and continues to serve as the experimental framework for resolving online disputes on the platform. According to Article 8 of the Convention, the Public Review Mechanism addresses three primary categories of case:

- (a) sellers' appeals against penalties imposed by the platform for rule violations;
- (b) disputes between buyers and sellers; and
- (c) various other cases, which are gradually being incorporated into the mechanism as it evolves.

The online jury process consists of four key stages. First, there is case assignment, where disputes are randomly allocated to jurors (Article 9). Secondly, there is evaluation, during which jurors review cases within

---

<sup>8</sup> It might be added here that the Public Review mechanism of Taobao platform changed after 2018—from being accessible and operable from the web it became a process only accessible and operable from the mobile device app. Taobao did not provide a clear official explanation of the reason for this change.





Figure 2: Taobao's Public Review Jury has more functions than does that of eBay (Screenshot of Taobao official (English translation by the author))

a given timeframe (Article 9). Thirdly, there is verdict, where jurors cast their votes (Article 10). Finally, there is execution, where the platform enforces the outcomes (Article 11). Importantly, no fees are charged at any stage of this decision-making process (Article 12).

In contrast to the somewhat similar but ultimately unsuccessful Community Court initiative trialled by eBay India from 2008 to 2011, Taobao's model (see Figure 2) has flourished and expanded to other platforms like Xianyu<sup>9</sup> and Xianghubao.<sup>10</sup> Analysing these two models side by side may shed light on why Taobao's approach succeeded where eBay's did not (see Table 1). Given the discontinuation of the eBay Community Court several years ago, the comparison relies on records from eBay's online forums and academic studies on the project, as has been noted by Colin Rule and Chittu Nagarajan in their work on the Community Court (2010).<sup>11</sup>

<sup>9</sup> Idle Fish, also known as Xianyu, is the largest secondhand goods trading platform in the People's Republic of China, allowing users to buy or sell used items. The term (闲) 'Xian' refers to idle time, while (鱼) 'Yu' refers to idle goods and space.

<sup>10</sup> Xianghubao, a critical illness mutual aid plan, was provided on the Alipay app, which is part of Alibaba Group. Members who joined and suffered a major illness (covering 99 major diseases, malignant tumors and specific rare diseases) could receive a maximum mutual aid fund of RMB300,000, with the costs shared among all members (Rules for Xianghubao 2021). It was launched on 16 October 2018 but ceased operations on 29 January 2022. See [website](#) for details.

<sup>11</sup> It might also be pointed out that eBay UK also experimented with a community court project to handle complaints on unfair negative feedback. This took place in 2007, a little earlier than the similar project conducted by eBay India between 2008 and 2011. However, eBay UK did not continue with its attempt, receiving many comments against it. See Dawson (2007).

Comparison	eBay Community Court	Taobao Public Review
Transparency	Not publicly available/inaccessible jury procedure rules	Publicly accessible jury procedure rules <sup>12</sup>
Neutrality	21 randomly selected juror-eligible members <sup>13</sup>	Before November 11, 2014: 31 randomly selected juror-eligible members <sup>14</sup> After November 11, 2014: 16 randomly selected juror-eligible members
Independence	No records of dealings with either party to the dispute	Specific provisions allow for juror recusal, and random anonymous juror selection <sup>15</sup>
Accessibility	Jurors by invitation only	Jurors open to members with qualification test
Effectiveness	No public official record released on the length of procedure <sup>16</sup>	48 hours to 168 hours <sup>17</sup>
Decision	Final and binding <sup>18</sup>	Final and binding <sup>19</sup>

*Table 1: Comparison between eBay and Taobao on crowdsourced online juries*

<sup>12</sup> As mentioned above, the Public Review mechanism of the Taobao platform changed after 2018 from being accessible and operable from the web to only being accessible and operable from the mobile device application. Most of the procedure rules can now be accessed through mobile device application rather than through the webpage.

<sup>13</sup> There were several qualification conditions for jurors set up by eBay, including: (1) members must have been registered on eBay for six months; (2) members must have participated in at least 10 transactions as a buyer or have 20 “feedback stars”; and (3) members’ own overall rating feedback must be 97%, together with at least one transaction as a buyer. See Chris Dawson (2008).

<sup>14</sup> The qualification conditions for jurors requested by Taobao changed in 2014 so as to become stricter. Before 11 November 2014, the conditions were “sellers or buyers who have been registered on Taobao for more than 90 days, real name authenticated by Alipay and have a good credit history can apply to become jurors”. Since 11 November 2014, the conditions are much tighter, and the number of users who are qualified has decreased. See Taobao (2014).

<sup>15</sup> It is technically possible also for the platform itself to automatically exclude members with records of direct transactions with disputants from participation in the case review.

<sup>16</sup> The community court project has ceased to operate, but the available evidence shows significant criticism of its operations made by past eBay users. These criticisms include an insufficiency of jurors to vote on the case causing the complaint to fail, or that there was a delay in processing the complaint, or that the outcome was biased in some way in favour of the buyer (eBay India Community nd(b)).

<sup>17</sup> The determination period of each case by jurors was changed from 48 hours to 168 hours, effective 20 March 2015. See Taobao (2014).

<sup>18</sup> If a majority (11) of (21) jurors agreed that the seller had received unjustified feedback, this feedback would be removed. No further appeal could be made. See Dawson (2008).

<sup>19</sup> If the number of jurors meets the requirements, a verdict is reached in favour of the party with more than 50% of panel jurors’ support. The verdict is deemed valid and is non-appealable. Otherwise, the verdict is considered to be invalid, and the case will then be handled by consumer service staff of the platform. See Taobao (2014).

First, the functional scope of the crowdsourced online juries employed by eBay and Taobao differs considerably. eBay's Community Court, as a crowdsourced online jury initiative, is specifically designed to address sellers' grievances concerning negative reviews. Conversely, Taobao's online jury encompasses a broader range of functions. It not only manages review-related complaints but also resolves consumer transaction disputes, engages in discussions and voting on platform rule revisions, and addresses merchant complaints regarding penalties.

Secondly, beyond variations in functional scope, the two platforms also differ in transparency, juror selection and efficiency. To gain a clearer understanding of these differences, one can refer to Table 1 for a direct comparison. Despite their differences, however, both platforms are grounded in the fundamental regulatory principles of ODR and feature a similarly designed crowdsourced online jury.

Thirdly, the variations in participant composition and incentive structures help to explain the differing outcomes observed between Taobao and eBay. The selection of jurors, or participant composition, is a crucial element of a crowdsourced ODR system (Gao 2018). In its initial phases, eBay's Community Court experienced low participation due to stringent juror eligibility requirements and an invitation-based system, resulting in a juror shortage and unresolved seller complaints (eBay India Community and(b)). Conversely, Taobao imposes fewer restrictions on juror eligibility, thereby expanding the pool of potential users. Moreover, Taobao actively encourages user participation in the juror system. Taobao offers four incentives: virtual medals, grade points, a record of contribution hours and a virtual certificate for passing the jury proficiency test (China.com 2017). Additionally, jurors who contribute significantly receive financial rewards and public recognition, fostering a sense of community and boosting participation (Gao 2018: 209). It is technically possible also for the platform itself to automatically exclude members with records of direct transactions with disputants from participation in the case review. Unlike eBay's Community Court, which operated only from October 2008 to 2011, Taobao's Public Review Mechanism has achieved remarkable popularity. Between 2013 and 2016, it registered 1.73 million users, with 920,000 actively participating in case reviews, casting 150 million votes and resolving 3.67 million disputes (Zjol.com 2016).

Several scholars have analysed the extent to which procedural fairness is found in platform ODR processes, arriving at similar conclusions: eBay (Herick & Dimov 2011) and Taobao's crowdsourced ODR systems (Gao 2018) provide a significant degree of fairness. Additionally, Taobao's Public

Review Mechanism functions not only as a dispute resolution tool but is also intended to contribute to the platform's self-regulatory management and rule-making processes. Public review jurors are engaged in online hearings which are held in order to consider possible amendments to Taobao's platform rules.

Taobao's dispute resolution mechanism, as suggested above, can be understood as a progression through several specific forms of ODR. Most disputes are initially handled via online negotiation. If unresolved, they proceed to online mediation and, finally, should mediation fail, to an online adjudication. This process resembles a funnel, where the majority of disputes are settled through negotiation, and then where that fails to resolve disagreement, mediation is used, followed by a public jury and, in a very small number of cases if necessary, platform intervention.

Dispute outcome implementation and enforcement occurs through three primary processes. First, the parties involved in the dispute are encouraged to resolve their differences themselves. Secondly, if a resolution is reached via a public jury and platform involvement, Alipay automatically allocates transaction funds to the winning party based on the verdict. If the buyer confirms receipt and the funds are released to the seller, the platform can also transfer the seller's deposit (held under the dispute resolution escrow program) to the winner (Taobao Escrow Program nd). The third method involves non-monetary penalties, such as point deductions and product takedowns, aimed at reducing the seller's competitiveness or limiting their store's commercial activity (Taobao.com 2021(a)).

The emergence of technology as a "fourth party" in dispute resolution signifies a transformative shift in how conflicts are managed, especially within ODR frameworks like Taobao's. These technological agents can perform multiple roles, from facilitating negotiations to rendering binding outcomes, thereby enhancing the efficiency and effectiveness of the dispute resolution process (Wing & Ors 2021). The integration of artificial intelligence and machine-learning into ODR systems not only streamlines communication and data analysis but also allows for more informed decision-making, ultimately improving user experience and trust in platforms such as Taobao (Fox & Ors 2015).

## Online disputes and legal challenges in the Taobao context

This section introduces a selection of common online dispute issues dealt with by the Taobao system and examines whether Taobao's self-regulatory mechanisms are equipped to address and resolve these evolving challenges effectively. In the past decade, beyond typical consumer shopping and service disputes, a range of unique issues has emerged within China's e-commerce landscape, and these are also noted.

The leakage of personal information in online shopping has become a significant concern. Vast amounts of personal data are collected for purposes often unknown to users, which may include selling this information for commercial or advertising reasons, or even for illegal activities like fraud and extortion. A relatively new method contributing to large-scale data leaks is called "seckilling" (秒杀 *miao sha*) (Sun & Dong 2013).<sup>20</sup> Seckilling involves listing high-priced items, such as Nike shoes, branded clothing, or digital devices like iPhones, at exceptionally low prices. Originating from a popular online game called Legends, where a warrior swiftly defeats enemies, the term describes the rapid sell-out of newly promoted goods in the online shopping world. Merchants use seckilling as a marketing tactic to sell expensive items at minimal prices within a limited specified timeframe, thereby hoping to attract new customers. For example, an expensive computer might be offered for just \$1, but only made available online for five seconds.

When thousands of buyers rush to order these products during a seckilling event, their personal information, including names, contact numbers and addresses, is collected by the seller. Often, these sellers cancel the orders or close their online stores without fulfilling the orders, sometimes only after a considerable delay. Although buyers ordinarily do receive full refunds, their personal information remains compromised, collected by sellers acting in bad faith. This practice leads to the illegal acquisition and often subsequent misuse of personal data. Due to the allure of the low prices offered, many consumers accept the risk of unfulfilled transactions and refunds, often unaware that their personal data has been leaked. This results in significant privacy breaches and risks, such as spam promotions and scams (Xinhuanet November 2019).

In addition, the growing prevalence of fake reviews has led to numerous adverse effects. These reviews mislead potential consumers,

<sup>20</sup> The term "秒 (*miao*)" denotes a unit of time, specifically a "second", whereas the verb "殺 (*sha*)" means "to kill". Consequently, "秒殺 (*miaosha*)" can be literally translated to mean a "one-second kill".



drive excessive consumption, create disputes and erode consumer trust. Online sellers often employ various tactics, such as paying for or giving away products, to garner positive reviews. This practice not only frequently violates platform terms of service but may also constitute unfair competition (Credit China 2017). As Chinese e-commerce rapidly expands into international markets, the incidence of fake reviews is also rising on overseas platforms (Deng & Qu 2021). Some scholars note that this malicious conduct extorts sellers and can lead to upward price distortions (Papanastasiou & Ors 2021: 16-17). In order to tackle fake reviews, one potential solution is decentralizing control by allowing sellers to remove reviews autonomously, subject to platform checks and penalties for unjust removals (Papanastasiou & Ors 2021: 23-24). A particularly severe consequence of fake reviewing is the potential for real-life harassment of buyers. When buyers express dissatisfaction through negative reviews, the evaluation scores of sellers' shops may decline. Instead of improving service and product quality, some sellers resort to sophisticated harassment tactics, such as sending anonymous messages and calls to critical buyers. For law enforcement, investigating such harassment is often time-consuming and costly. Without evidence of financial or significant loss, police typically lack grounds to pursue further investigation, forcing buyers to endure harassment, amend their feedback, or change their phone numbers.<sup>21</sup>

A third issue concerns the regulatory responsibility and joint liability of e-commerce platforms for products and services sold by third parties. In the PRC, the dispute resolution processes offered by e-commerce platforms are primarily outlined in the 2018 Electronic Commerce Law. As yet, however, there are limited provisions for determining legal liability where problems arise in these processes. In practice, numerous disputes have reached the courts, with Taobao frequently named as a defendant.

One notable case is *Huang Ziyang v Chen Xuerou and Taobao* (2016), in which an important issue facing the court was Taobao's lack of action when it was discovered that a vendor sold counterfeit goods (Sohu.com 2016). Also the plaintiff sought an award of triple damages as stipulated by the Consumer Protection Law: Article 55 of the 2013 Consumer Protection Law of the PRC provides that:

Unless otherwise prescribed by law, business operators that practice fraud in providing goods or services shall, on the demand of consumers, increase the compensation for their losses by an amount that is three times the payment made by the consumers for the goods

---

<sup>21</sup> Similar cases have been reported through newspapers and other media outlets: see People.com (2015) and Sina.com (2014).



purchased or services received, or in the amount of RMB 500 if the increased compensation is less than RMB 500.

In this instance, plaintiff Huang Ziyang purchased a Sony Z5 Model E5823 mobile phone from Chen Xuerou's online shop through the Taobao platform on 11 November 2015. After seeking verification of the provenance of the mobile phone, Huang discovered that the phone was counterfeit. The seller acknowledged the product's defects and agreed to a return and full refund, as requested by Huang on 26 November 2015 (China.com 2016).

On 17 December 2015, Huang Ziyang's complaint to the Taobao platform regarding the sale of counterfeit goods by sellers was dismissed by Taobao. As a result, Huang named Taobao as a joint defendant, contending that the platform should be held accountable for allowing the sale of fraudulent products and failing to support his complaint according to the Consumer Protection Law. The Haidian District People's Court in Beijing ruled against Huang in the initial trial, citing insufficient evidence to support his claim (*Huang Ziyang v Chen Xuerou and Taobao* 2016). Huang appealed, but in 2018, the Beijing People's Court affirmed the original verdict (*Huang Ziyang v Chen Xuerou and Taobao* 2018).

In a related case involving the same defendants, the Susong People's Court partially upheld the buyer's claims, acknowledging that the plaintiff did not return the phone and subsequently provided more comprehensive evidence. The court ruled in favour of the plaintiff's request for triple damages from the defendant, Chen Xuerou, but did not hold Taobao to be jointly or severally liable. In several similar cases, plaintiffs have requested that Taobao, as a joint defendant, disclose the actual information of specific sellers, including names, addresses and contact details, to affected buyers (*Wukai v Chen Xuerou and Taobao* 2015). However, the courts typically do not hold Taobao accountable and refrain from finding the platform liable for such consumer rights infringements, as I have discussed elsewhere (Lin 2021, especially Chapter 6: 223-280).

Although every online shop on Taobao must pay a fee as a financial guarantee for its commercial activities, it remains rare for Taobao to directly compensate buyers who receive fraudulent products. Issues often arise concerning triple damages, which, as noted above, require compensation of three times the product's value. Taobao finds itself in a dual role: as a third party in the dispute between buyer and seller and as a referee determining whether a product is fraudulent and if the seller owes triple punitive damages. This dual role often results in inaction, allowing fraudulent products to persist on the platform and causing further

consumer losses. Despite being absolved of liability by the courts, Taobao has taken steps to hold sellers accountable to maintain its reputation and recover its losses. Taobao commonly uses internal self-regulation to manage the marketplace. For example, its internal management and violation-handling guidelines categorize various forms of user misconduct and outline corresponding penalties (Taobao.com 2021(a)). Additionally, Taobao has actively pursued litigation to defend its legal rights, especially concerning its reputation, as seen in notable cases like *Taobao v Xu Wenqiang* (2017), which was selected by the Supreme People's Court for publication in its first batch of "typical cases involving the Internet".<sup>22</sup>

### Taobao dispute resolution model: online arbitration instead of mediation

The issues discussed above illustrate some of the most common issues on the Taobao platform. This raises the question: how is the existing system being utilized in order to address these problems? Taobao has established its own internal dispute resolution mechanism, encompassing the Taobao Service Agreement 2021, Taobao Dispute Resolution Regulation, and specific rules for both sellers and buyers. These regulations provide a comprehensive framework for resolving disputes on the platform.

According to the Taobao Service Agreement 2021, Taobao acts as an independent third party in the dispute resolution process, playing a role in "mediating" disputes. The agreement states:

#### Article 3, Taobao Platform Services

Clause 2: When trade disputes arise on the Taobao platform, either party may request mediation. Taobao, as an independent third party, has the authority to decide mediation outcomes, and both parties agree to accept Taobao's decision.

#### Article 5, Special Authorization

Clause 1: Users fully understand and irrevocably authorize Taobao, or a third party chosen by Taobao, to manage transactions and any resulting disputes. The decisions made by Taobao or the authorized third party are legally binding.

Furthermore, the Taobao Dispute Resolution Rules (2021) emphasize that once either party requests Taobao's intervention in a trade dispute, both parties authorize Taobao to function as an independent third party. Taobao will make decisions regarding financial compensation based on its principles of dispute-handling, and this authorization is irrevocable.

<sup>22</sup> The Supreme People's Court released the first batch of Internet-related "Typical Cases" on 16 August 2018. Note: this link may not be accessible from some locations.

The Taobao Dispute Resolution Rules for Sellers provide:

Trade disputes are common. In such events, sellers can negotiate with buyers, request Taobao's intervention, or seek legal remedies. If negotiation fails and other remedies are not pursued, either party can request Taobao's assistance, leading to an irrevocable authorization for Taobao to make decisions.

The Taobao Dispute Resolution Rules for Buyers provide:

Trade disputes frequently occur. Buyers can negotiate with sellers, request Taobao's intervention, or seek legal remedies. If negotiation fails and other remedies are not pursued, either party can request Taobao's assistance, leading to the same irrevocable authorization.

According to these rules, Taobao's consumer service staff are empowered to intervene in disputes. While the mediation style adopted in practice is evaluative rather than facilitative, in keeping with the general style of Chinese traditional mediation, Taobao has opted to employ a hybrid mediation–arbitration process as its internal mechanism to resolve transaction disputes that emerge on the platform. It would seem that the customer service of the Taobao platform plays the role of a proactive third-party intervenor or coordinator. When both parties cannot reach an agreement, the Taobao platform steps in as an authoritative adjudicator to determine the outcome. So, this is a sequential mixed process. If either party disagrees with the decision, they have the right to pursue a separate legal action, that is, to bring suit in a people's court.

In the initial stages of a dispute, the seller and buyer might engage in online negotiation to find a resolution. Negotiating styles, as elsewhere in the world, vary widely among individuals. Given China's cultural emphasis on consensual decision-making, many parties pursue what has been characterized as a problem-solving approach, emphasizing the importance of cooperation, shared interests, understanding values objectively, and using non-confrontational communication to persuade parties to reach a mutual agreement. But China also has its fair share of competitive negotiators who tend to focus on maximizing their returns in the current conflict, employing tactics like threats or confrontation to achieve their objectives. Gifford (1985) suggests that mismatched negotiation styles—such as competitive versus collaborative—can create misunderstandings and escalate conflicts. Palmer and Roberts further note that communication styles and emotional expressions significantly influence negotiation dynamics. When negotiators fail to adapt to each other's styles, frustration can arise, hindering progress towards a negotiated outcome (Palmer & Roberts 2020: 139-146). In addition to mismatches of style, which tend to limit the effectiveness of negotiation,

there are a number of factors that can influence the outcome of these negotiations, including power imbalances, cultural differences, gender, values and perceptions, sometimes causing negotiations to fail. Perhaps unsurprisingly, then, it remains common for parties to fail to reach an online agreement. When this occurs, they may choose to seek assistance from Taobao's customer service, which acts as an internal complaint mechanism which aims to resolve disputes.

When Taobao customer service staff become involved in a dispute at the invitation of the parties, the process transforms from simple negotiation into a combined mediation–arbitration procedure. Initially, customer service may encourage further communication between the parties to see if they can reach a mutually agreeable solution. If this encouragement does not succeed, a Taobao representative will instruct the parties to submit their claims through the website, including supporting evidence such as chat histories, parcel-tracking details, photos of the received items and original webpage descriptions. Taobao will then make a decision based on the evidence presented. This decision is binding on both parties, so that it is in effect more online arbitration than it is mediation.

Online arbitration, often referred to as cyber-arbitration, cyberspace arbitration, or arbitration through online methods, is an evolving field. Notable contributions to its understanding include works by Lanier (2000), Lynch (2003) and Hörnle (2003). This arbitration approach is exemplified in the Taobao Service Agreement 2021 and Taobao Dispute Resolution Regulations. Specifically, chapter 6 of the latter outlines the application conditions, Taobao's role, the burden of proof and the execution methods. However, these rules do not address the important issue of privacy protection. According to Taobao's "malicious harassment" policy, complaints must be filed within 15 days after transaction feedback (Taobao 2021(b)). Beyond this period, consumers may not involve Taobao directly and must resort to the Taobao customer service for complaints. Without concrete evidence or a police investigation, Taobao may not take action against a seller. If Taobao supports a complaint against a seller, the seller's online shop credit is penalized by 12 points, serving as a warning but not necessarily significantly impacting their online trading.

Even if Taobao deducts 48 points from a seller's online shop credit—potentially leading to the closure of their shop—the seller can evade this penalty by opening a new shop on the platform. These sanctions imposed by Taobao are thus not binding and primarily function as warnings against future misconduct. Furthermore, Taobao does not disclose the seller's information to victims. Such information, however, is necessary if the

police are to initiate a case against a deviant seller, making it a considerable challenge for consumers attempting to involve law enforcement. Taobao requires that the police provide case records before releasing the seller's information to the affected buyer, creating a paradox within the process. One potential solution is to enhance the credit score system through self-regulation. For example, better integrating the Sesame Credit score could address this issue by factoring in these harassing actions as elements impacting credit scores.<sup>23</sup> This approach would strengthen user management and increase consumer trust in the platform through an internal regulation and dispute resolution mechanism (Xu 2010: 266).

Moreover, misconduct such as seller harassment of dissatisfied buyers should not only be documented on the Taobao platform but also reported to the police when it constitutes unlawful conduct or a crime. Groups like “professional bad reviewers” (*zhiye chaping shi*, 職業差評師), who are paid to conduct fake transactions and leave negative reviews, should also be tracked and penalized to protect sellers' rights and maintain market stability (Procuratorate Daily 2013). By leveraging big data analytics, IT platforms can more effectively monitor and identify malicious reviewers, helping to address the issue of harmful reviews. These technical strategies will be instrumental in mitigating the impact of malicious reviews.

When comparing ODR systems found in jurisdictions elsewhere in the world to those of Taobao, eBay may be said to provide a useful comparator. As pointed out by Katsh (2005) eBay's dispute resolution provider, SquareTrade, organizes its process into several phases. Initially, the parties engage in e-negotiation. If needed, they can request a mediator, at which point a dedicated webpage is set up for communication with the mediator. Interactions facilitated by the mediator remain confidential. After gathering all pertinent information, the mediator proposes a non-binding resolution. Notably, SquareTrade utilizes web platforms instead of email for the communications between the parties, including the mediator. It has been observed that on eBay, those who settle their disputes tend to spend more money than those who won at the adjudication. This suggests that ODR, and in particular settlement, increases users' loyalty to the marketplace (Rule 2012: 776). In contrast, Taobao's internal dispute

---

<sup>23</sup> Zhima Credit (芝麻信用), also known as Sesame Credit, is a credit-scoring and loyalty program developed by Ant Group, a subsidiary of Alibaba Group. Launched in 2015, it compiles credit scores using data from Alibaba's services, particularly Alipay. The scoring system ranges from 350 to 950 and evaluates users based on five dimensions: credit history; fulfillment capacity; personal characteristics; behaviour and preferences; and interpersonal relationships. Although it provides various benefits such as deposit-free rentals and easier loan access, Zhima Credit operates independently from China's national social credit system. See its official [website](#).

resolution approach appears to be much more actively managed by its staff, and results in outcomes that are binding for both parties.

The original development of ODR was primarily driven by the need to address conflicts arising from internet-based transactions and activities (Katsh & Rifkin 2001: 93). Taobao's ODR system represents one example of a platform-operated internal dispute resolution mechanism, and within China it has functioned as a model that has been adopted by various other e-commerce enterprises. In Beijing, there is a documented case in which staff from a major e-commerce platform collaborated with local industry and commerce bureau officials in a scheme to address consumer complaints. However, this type of cooperation between platforms and regulatory authorities is rare, and requires careful examination and regulation to prevent conflicts of interest where platforms effectively serve as both participants and adjudicators in dispute resolution processes (Xinhua News 2015).

ODR processes operate in terms of several fundamental principles. Foremost among these is accessibility—the system must be readily available and reliable for all parties seeking to resolve conflicts. Transparency is equally crucial, requiring that procedural information be both accessible and comprehensible to all stakeholders. The institutional framework responsible for dispute resolution must maintain strict standards of impartiality, neutrality and independence. Furthermore, the procedural framework must ensure equitable treatment in both domestic and cross-border disputes. These foundational principles broadly speaking are manifested in the Taobao dispute resolution infrastructure, which has played, and continues to play, a vital role in fostering the sustainable development of online commerce. The section which follows presents a detailed analysis of Taobao's implementation of crowdsourced dispute resolution, with particular emphasis on its public participation mechanisms.



## Alibaba's online jury: a Chinese model of public participation in crowdsourced ODR processes

### ***The Xianyu Online Jury System***

This section examines how the platform called “Idle Fish” (*Xianyu*, 閑魚)—hereafter referred to as Xianyu—manages ODR within the context of the emerging “sharing economy”.<sup>24</sup> Specifically, it explores the implementation and operation of the “Xianyu Online Jury System” (*Xianyu Xiaofating*, 閑魚小法庭, literally “Xianyu small courts”) as a process for crowdsourced public participation in resolving disputes.

Xianyu, part of the Alibaba Group, is China's largest used-goods marketplace. First launched in July 2014, by the end of 2020, it had registered over 300 million users (He 2016; Li 2021). The platform fosters a C2C second-hand trading community characterized by decentralization, where users can act as both buyers and sellers. With its vast user base, Xianyu has evolved beyond buying and selling second-hand goods. It now offers a range of online and offline services, including a free goods marketplace, housekeeping, rental, errand and recycling services, thus transforming it into a “super app” (Chou 2019). The Xianyu app is integrated with Alibaba's e-commerce platform, allowing users to easily access their Taobao purchase history for reselling purposes. Additionally, Xianyu employs Alibaba's Sesame Credit system to assess user credit ratings, enhancing transaction trust. Users can link and share their Sesame Credit scores with others, and trade selectively based on credit filters. For payments, Xianyu uses Alipay, Alibaba Group's third-party online payment platform.

Although Xianyu is basically a second-hand trading platform—it was referred to initially as “Taobao Second-Hand”—it has implemented self-regulation and management processes, aiming thereby to enhance, in particular, transaction standardization. Initially launched in 2012 as a subsidiary of the Taobao platform in its first year, it adopted the Taobao Second-hand Market Management Rules, which were renamed the Xianyu Management Rules on 16 January 2015. These rules apply to all Xianyu users and transactions. To facilitate dispute resolution, Xianyu introduced an online jury mechanism in 2016. If any given content is not covered by Xianyu's rules, Taobao's dispute-handling rules are applied.

<sup>24</sup> According to the Chinese Government, the concept of sharing economy is defined as “an economic model where resource providers share resources with users through a platform”. The “transaction only involves the time-sharing use rights of the traded resources, not their ownership”. See “[Sharing Economy—Guiding Principles and Fundamental Framework](#)”, 12 October 2022. See also Xiao & Ors (2019).

Xianyu's official service staff is sourced from Taobao's customer service centre.

The Xianyu online jury system is generally considered within China to provide an effective ODR process. As provided for in Xianyu's official rules, this platform allows users to vote on user violations and disputes. It invites 17 users with a minimum of 650 Sesame credits, a credit-scoring and loyalty program developed by Ant Group,<sup>25</sup> to decide on the winning party in a dispute, based on evidence and materials presented by disputants, within 24 hours of accepting the invitation. Data from 2018 reveals that approximately 5 million of the 200 million Xianyu users meet these criteria (*Beijing Evening News* 2018). This suggests that there are a sufficient number of eligible online jurors, preventing understaffing issues similar to those experienced by the eBay Community Court, which led to its eventual failure.

Both parties involved in the dispute file their case on the Xianyu platform, submitting evidence within a 72-hour period. The platform then randomly selects 17 Xianyu users with a Sesame credit score of 650 or higher to serve as a jury. These jurors are unaware of each other's identities and cannot communicate with one another. However, they can view the aggregated voting results in real time once they have cast their votes. The 17 jurors review the specific case and its related evidence and then cast their votes to determine that outcome. The party that receives a majority, with nine or more votes, is deemed the winner. Based on the jury's decision, the Xianyu platform will support the successful party.

In the Xianyu online jury system, members do not engage in group discussions before voting. Rather, each juror casts their vote independently and may subsequently share their thoughts in the discussion notes. The system allows jurors to have the freedom to express their opinions in the discussion notes.

A search on China Judgments Online (裁判文書網, *Caipan wenshu wang*) up to mid-2021 yielded 35 public judgments containing the keywords "Xianyu online jury".<sup>26</sup> After examining these cases, several conclusions emerge. First, when the Taobao (Xianyu) platform operator or the online jury handles mediation or decision-making for disputes submitted by platform members, neither the customer service team nor the online jury

---

<sup>25</sup> See Zhima Credit (n 23 above)

<sup>26</sup> China Judgments Online is an official online platform established by the Supreme People's Court of China in 2013. It serves as a comprehensive database of court judgments from various levels of the Chinese judiciary, allowing users to access and search through millions of legal decisions. See its official [website](#).

of the Taobao (Xianyu) platform consist of professionals. They are limited to assessing the evidence provided by disputants using the knowledge accessible to ordinary individuals.<sup>27</sup> These limitations are explicitly mentioned in the Platform Service Agreement 2021. Further, the Taobao Platform Service Agreement and the Xianyu User Service Agreement 2021 both explicitly state that “mediation by Taobao is not conducted by professionals, and Taobao is not responsible for the dispute’s outcome unless it acts intentionally or negligently during mediation”. This clause is intended to protect the online transaction service provider, acting as an independent third party, in assisting the parties to resolve conflicts and disputes on the platform. Therefore, Taobao’s customer service or public mediation review should not be held to overly demanding standards of care or professional expertise. It should also be pointed out that the Hangzhou Internet Court has affirmed this point in numerous cases.<sup>28</sup>

Secondly, regarding the validity of the dispute resolution guidelines set by the Taobao (Xianyu) platform, users are obligated to adhere to these terms and accept the platform’s dispute resolution process as outlined in the agreement. Typically, courts respect these platform-formulated agreements and do not support claims against them by disputing parties (*Liu Hao v Taobao* 2019).

Thirdly, the decision of the Xianyu online jury is not only respected by the platform but also is given significant weight in legal judgments. In the case of *Wu Yancong v Zhang Jiemin*, the Huazhou People’s Court characterized the Xianyu jury’s decision as indicative of online consumer conduct and attitudes. The judge held that the jury’s ruling accurately reflected the trading habits and attitudes of online consumers and accordingly rendered a verdict supportive of the jury’s decision (*Wu Yancong v Zhang Jiemin* 2019).

The Xianyu platform is primarily used for buying and selling second-hand goods. These transactions usually occur between strangers, with the items being traded often priced on the lower end. Xianyu’s online jury mechanism resolves more than half of the platform’s disputes, handling thousands each day (*Beijing Evening News* 2018). This initiative

<sup>27</sup> That is more fully: “Their assessment is limited to using knowledge accessible to ordinary people for examining the evidence provided by the disputing parties [他們的評估僅限於利用普通人可獲得的知識來審視爭議方提供的證據, *Tamen de pinggu jin xian yu liyong putong ren ke huode de zhishi lai shenshi zhengyi fang suo tigong de zhengju*].”

<sup>28</sup> Other judgments with similar outcomes include: *Yan Zhongyan v Taobao* (2019), *He Lingwei v Taobao* (2019), *Lu Weizhong v Taobao* (2019), *Han Lei v Taobao* (2019), *Zhang Yunzhen v Taobao* (2019), *Jiang Min v Taobao* (2019), *Zhou Xinan v Taobao* (2020), *Jiang Chao v Taobao* (2019), *Wang Lingyu v Taobao* (2019).

effectively addresses the issue of lax oversight by market regulators, a problem rooted in the cost-benefit analysis of enforcement (Guo 2018).

The mechanism employed by Xianyu is not without its limitations. In practice, disputants have raised concerns about jurors who fail to thoroughly review the evidence before hastily casting their votes. Additionally, the random selection of jurors may result in individuals lacking the necessary expertise to competently evaluate certain disputes (Guo 2018). As a result, some jurors may rely on subjective notions of morality and fairness rather than an informed assessment of the evidence and the applicable law.<sup>29</sup> In order to address these issues, it has been suggested that the platform consider incorporating professional third-party evaluation or appraisal agencies to determine liability in disputes between transaction parties. Alternatively, intermediary mediation services could be introduced to facilitate resolution (Guo 2019). These recommendations are partially explored in the discussion below of Xianghubao's ODR mechanism, which integrates expert reports and the active participation of a large pool of online jurors.

### ***Xianghubao health protection service online jury***

Beyond public involvement via the Xianyu and Taobao platforms, as noted above, Alibaba has employed similar crowdsourced ODR processes for other services, such as Xianghubao. This community-driven health protection service actively engaged the public in handling and resolving insurance claims disputes, allowing public participation in the ODR process. However, since 29 January 2022 Xianghubao has no longer been in operation as its activities have been considered inconsistent with the tightened policy internet of the Chinese Government. Nevertheless, it has played an important role in China's ODR development and so is considered below.

Xianghubao was a mutual aid health initiative by Ant Financial, part of the Alibaba Group. Accessible for free to Alipay members under 60 with a Sesame score of 650 or higher, this service functioned as a collective fund. Members contribute equally to payouts of up to 300,000 Yuan RMB for critical illnesses, with no premiums or upfront costs. Covering 100 major illnesses, including malignant tumours, the programme's low cost (usually less than 1 Yuan RMB per participant monthly) attracted over 50 million users in just six months after its launch on 16 October 2018 (Wang 2019). Data from Ant Financial Services reveals that 31% of

---

<sup>29</sup> A continuing feature of other forms of mediation in the PRC today. See, for example, Zhou (2023).

Xianghubao's 50 million members hailed from rural areas and counties, while 47% were migrant workers. Of the 24 members who received aid, half were from low-tier cities and rural regions, predominantly children and migrant workers, with the youngest recipient being two years old (Economic Reference News 2019). By February 2020, this blockchain-based claims-sharing mechanism had provided basic health plans to its 104 million participants through Alipay (Lee 2020).

This mutual aid platform was designed for participants to collectively pool their resources through small contributions, enabling access to medical assistance when needed. Similar to insurance payouts, the pooled funds were allocated to members based on their medical claims (Stiefelmaier 2019). One advantage of this programme was that, as the membership grew, individual payments decreased. Additionally, the programme's operational costs were kept low, being fully online and operable via mobile devices.

Crowdsourced ODR was implemented for Xianghubao claim disputes. Members could engage in decision-making to determine case outcomes through the Online Jury Panel. Additionally, blockchain technology was utilized to protect evidential information from tampering.

If Xianghubao members disagreed with a review decision during the insurance claim process, they could present the eligible claim to the community for consideration. The community would then engage in discussions, vote and make a ruling on the case.

According to Xianghubao's rules, members who satisfy the following criteria were eligible to serve as jurors:

- ◇ be at least 18 years old and possess full civil capacity;
- ◇ successfully pass the qualification certification test;
- ◇ have not engaged in intentional deceit or fraud;
- ◇ have not harmed the interests of Xianghubao members;
- ◇ have not previously received a permanent ban from serving as a juror;
- ◇ commit to adhering to the above requirements (Alipay nd).

Xianghubao did not impose a high hurdle for juror eligibility, resulting in a substantial number of qualified jurors—more than half a million according to some estimates. This was evident in the practical operation of the online jury.

The internal dispute resolution process for Xianghubao members may be characterized, on the basis of the published rules (Alipay nd), as follows.

First, if an applicant disagreed with the initial outcome of a medical aid claim, they could initiate a jury petition. Case materials, including claims, details, evidence and the investigator's report, were organized and stored using blockchain technology, a decentralized and distributed digital ledger that records transactions across multiple computers in a secure, transparent and tamper-resistant manner, for review by other members. Secondly, when a case was advertised, other Xianghubao members were randomly selected to discuss and vote on the review of issues, including any compensation .

Thirdly, during the voting period, jurors were required to cast their votes and provide any comments they may have wished to make within 24 hours. Fourthly, at least 1000 votes were required to validate the result of a jury vote. If more than 50% of votes favour the applicant's request, the claim was deemed "in favour of the applicant's request". Otherwise, it was concluded as "not in favour of the applicant's request", and the platform upheld the original review. Finally, for cases where the outcome was "supporting the applicant's request" programme members collectively covered the aid fund once the case was publicized. If the outcome was "not supporting the applicant's request", the platform supported the original decision.

Xianghubao advanced this online jury system in several respects following its introduction, building upon the experiences of Taobao's public review and Xianyu's online jury in four principal areas. First, it established more stringent criteria for juror qualifications. Prospective jurors had to successfully answer six randomly selected questions on jury rules, crafted by the platform. Members could attempt the exam three times a month, and only those who answered all questions correctly could become jurors. Additionally, the platform enforced juror recusal, prohibited jurors with direct interests in a case from voting, and imposed specific conduct requirements to ensure fairness and integrity.

Secondly, when cases were presented to the online jury, they came with an investigator's statement of opinion—typically this would state the basis of the initial decision by the platform not to agree with the claim—and a basic description of the disputed illness issue. This advice aimed to enhance jurors' understanding of the case, which was important given the complexity and high volume of disputes (especially if compared to those handled on the Taobao and Xianyu platforms), necessitating very careful consideration.



Thirdly, Xianghubao developed an extensive online jury for its cases, often comprising 100,000 or more participants, who participated in reviewing and voting over a limited period.

Fourthly, the information on disputed cases was better presented, with greater openness and transparency. During the review, case details and evidence were shared with the jury, with the applicant's personal information encrypted. Voting records and outcomes were disclosed to members, and basic case details were displayed, such as the age of the patient (with encrypted personal information), treatment location, illness, mutual aid amount, claim of rights, reason for the claim and benefit outcomes, excluding evidentiary materials. Within 30 days of jury deliberation, Alipay members were allowed access to the basic content of the case, excluding evidence (Alipay nd).

An analysis of preliminary data from the released report and judicial documents sourced from China Judgments Online suggests that Xianghubao's online jury mechanism was highly effective in preventing and resolving disputes. By 5 March 2021, the platform had provided mutual aid funds to over 68,000 members (Caijing.com 2021). In contrast, the author found only 28 judicial documents related to Xianghubao on China Judgments Online, all of which were civil rulings. In these rulings, the courts consistently confirmed that the Xianghubao agreement falls under the jurisdiction of the Hangzhou Xihu District People's Court. However, there is a lack of publicly available decisions issued by the Xihu District People's Court concerning Xianghubao, so firm conclusions on outcomes are not possible.

## [D] REFLECTIONS

An inevitable reality of having large numbers of users and high transaction volumes is the emergence of disputes. However, Taobao's internal dispute resolution mechanism, established through self-regulatory management, is apparently highly effective in resolving most of the disputes that come before it. The Taobao process may also be said to contribute to maintaining order in transactions and generally within China enjoys significant consumer trust and recognition. This has contributed to a strong business reputation for Taobao within China. As Sun Jungong, Vice President of Alibaba Group, notes:

The Dazhong Pingshen mechanism transcends the simple buyer-seller relationship by engaging users in business activities not just as consumers or merchants, but as keepers of order within the online

community, fostering user participation and enhancing network self-governance (Xinhuanet January 2019).

Crowdsourced ODR under a self-regulatory framework, exemplified by Taobao and other Alibaba affiliates like Xianyu and Xianghubao, offers substantial benefits and serves as a valuable model for ODR development. It fulfils four key functions as advocated by Cortés (2015): conflict prevention, online negotiation, case management, and monitoring and enforcement. This approach can be seen as an advancement of an informal online justice system or out-of-court settlement, as described by Roberts and Palmer (2007). Such systems are typically “non-bureaucratic”, “avoid official law”, “resolve disputes through means other than public application of published law”, “rely on common-sense rules” and “promote harmony between parties and within local communities” (Moscati 2015: 38).

The Taobao experience suggests that a settlement mechanism based on corporate self-regulation can efficiently handle numerous small claims disputes. This approach to dispute resolution has not only gained widespread recognition and been referenced during legislative drafting (Chinacourt 2015) but also has influenced judicial practice through establishing and operating online litigation in China (Chinacourt 2017). Taobao has set a benchmark for other platforms in China and significantly influenced the legislative process of the Electronic Commerce Law. Currently, this self-regulatory system functions as an effective method for preventing and resolving disputes, and as an occasional participant in the system myself I feel that there is a significant degree of trust amongst the ordinary public in the system Taobao has created.

By having users voluntarily participate in the online jury case review process, the platform effectively reduces customer service costs, along with the time and effort required by staff to manage each case. The requirement for random juror selection—a Sesame credit score of 650 or above—significantly lowers the platform's cost of screening jurors while ensuring a sufficient degree of randomness, according to one Xianyu online jury designer (*Beijing Evening News* 2018). This ODR mechanism also helps to reduce the judiciary's burden of handling numerous small-claims civil disputes (Shen 2015). In 2014, Taobao resolved over 7.1 million disputes through ODR, with more than 730,000 settled via the online jury system (Fei nd). The impact of Taobao's ODR in resolving disputes in China has been and continues to be very significant.

In addition, the formation of juries and the enlistment of volunteer jurors broaden the social networks within similar groups. Users who acknowledge the terms of dispute resolution and the jury system's provisions, and

voluntarily agree to the charter, may apply to become jurors. This approach provides the e-commerce platform with a significantly larger pool of dispute resolution service providers. As this group comprises individuals from various ages, professions and backgrounds, it is relatively open and diverse. The intentional randomness in juror selection encourages this outcome.

The online jury system, moreover, offers a valuable opportunity for the general public to engage in dispute resolution. It serves as a significant means for individuals to participate in settling disputes online. By voluntarily joining a pool of users who review cases according to established terms and rules, internet users can assess evidence submitted by both parties and determine the outcomes. This process not only reinforces the platform's guidelines but also fosters the development of social capital—reciprocity, trust, loyalty and authority—within e-commerce platforms.

Third, the jury system offers a trustworthy mechanism for resolving disputes between parties. Unlike relying solely on an e-commerce platform's customer service for resolution, a jury review provides a more transparent and engaging experience. This approach not only enhances the clarity of the process but also may encourage mutual trust between sellers and consumers, strengthening confidence in the dispute resolution system.

Additionally, it is important to highlight that this model is both reusable and replicable. Volunteers acting as jurors may come across disputes during their regular online activities and can utilize the jury system to submit evidence supporting their claims. Even if they are not familiar with the jurors, their personal experience with jury decisions fosters trust in the jury's capability to resolve disputes effectively.

This reciprocal relationship can be extended to any user willing to engage with the ODR mechanism. Providing various incentives for volunteers to offer their services enhances public motivation to participate, thereby strengthening the credibility and sense of belonging for specific users, and also democratic legitimacy for ODR. This results in a virtuous cycle of dispute resolution participation. According to Zheng, reciprocity relies on the premise of the possibility of "repeated encounters" (engaging in transactions or bilateral/multilateral actions). The formation and expansion of a reputation, characterized by "good cooperation" and "high quality", lead to increased trust and potential cooperation with groups, including strangers (Zheng 2015: 47-50). In this sense, the crowdsourced online jury model, which involves volunteers in the adjudication process,

facilitates public participation in dispute resolution and promotes the resolution of disputes through public involvement.

The Taobao case provides an example that suggests Chinese e-commerce platforms, through their historical business practices, have independently initiated self-regulation to manage the market, gradually establishing a comprehensive set of rules, including dispute resolution mechanisms. The “integration of platform self-governance with diversified community participation” (平臺自治與多元化全民共同治理, *pingtai zizhi yu duoyuanhua quanmin gongtong zhili*) is a policy which has the potential to serve as a model for the future advancement of ODR more generally.

Creating an effective, convenient and transparent platform for releasing factual industry information is crucial for preventing the public, including merchants and consumers, from being misled by various awards and activities. This approach promotes mutual trust in business and is a common discussion topic in everyday life, in China and elsewhere. In the internet era, where online disputes are increasingly prevalent, enhancing mutual trust is vital for resolving conflicts. The author hopes to explore possible methods to bolster trust in ODR mechanisms, which hopefully will enhance both dispute prevention and resolution, in a future essay.

The Taobao platform's ODR system represents a significant innovation in dispute resolution for e-commerce, demonstrating both notable achievements and areas requiring further development. First, Taobao's crowdsourced ODR system has proven remarkably efficient at scale, successfully resolving millions of disputes while maintaining user engagement. The platform's ability to handle high volumes of cases quickly and at low cost represents a significant advance in access to justice for e-commerce participants in China. The integration of public participation through the jury system has not only distributed the workload but also has enhanced community involvement in governance. However, this efficiency comes with important trade-offs. The system's emphasis on speed and scale can sometimes result in superficial review of evidence by jurors. The random selection of jurors, while democratic, may not always ensure adequate expertise for complex cases. Additionally, the platform's limited transparency regarding rule modifications and feedback incorporation raises questions about accountability. In addition, Taobao's model demonstrates the potential of private platforms to develop effective self-regulatory mechanisms. The platform has created a comprehensive framework of rules and procedures that generally appears to maintain order and trust in transactions. The system's adoption by other platforms like Xianyu and Xianghubao suggests its broader applicability.

Yet, this self-regulatory approach also presents challenges. The platform's dual role as both facilitator and adjudicator of disputes creates potential conflicts of interest. The lack of external oversight and limited appeal mechanisms may leave some users vulnerable to unfair outcomes. In addition, the platform's reluctance to share detailed information about rule-making processes and dispute outcomes limits public scrutiny. Finally, Taobao's ODR system reflects and reinforces Chinese cultural preferences for extrajudicial dispute resolution while incorporating technological innovation. The emphasis on mediation and community participation aligns with traditional dispute resolution practices, while the use of digital tools and crowdsourcing represents a modern evolution of these principles.

Reforms that might strengthen the system include a number of possible changes. These include: enhanced transparency in rule-making processes and dispute outcomes; greater integration of professional expertise for complex cases while maintaining public participation; stronger mechanisms for protecting user privacy and preventing harassment; clearer frameworks for platform accountability and external oversight; and more effective integration with formal legal institutions when needed.

The Taobao experience in China suggests that platform-based ODR systems can effectively manage large-scale dispute resolution while promoting community participation. However, their success depends on carefully balancing efficiency with fairness, automation with human judgement, and self-regulation with accountability. As e-commerce continues to grow globally, these lessons from Taobao's experience offer insights for developing effective ODR systems that serve both commercial and social justice objectives.

### **About the author**

**Dr Yang LIN** holds an LLB from Shantou University with distinction and an LLM from SOAS, University of London. He gained his PhD in Law at the University of Hong Kong.<sup>30</sup> Dr Lin's research primarily focuses on issues in e-commerce and consumer protection, dispute resolution, and internet governance. He also has broad interests in Chinese law and comparative law. Currently, he serves as a research officer at the University of Hong Kong's Faculty of Law.

Email: [linyhku@hku.hk](mailto:linyhku@hku.hk).

---

<sup>30</sup> The author expresses his gratitude thanks to Professor Zhao Yun, Professor Fu Hualing and Professor Michael Palmer for their advice and support during his doctoral and postdoctoral studies.

## References

- Alibaba Public Jury [大眾評審, *Dazhong Pingshen*]. [Pan.taobao.com](http://Pan.taobao.com), nd.
- Alipay. "Rules for Xianghubao[相互寶規則, *Xianghubao Guize*]." [Alipay.com](http://Alipay.com), nd.
- Beijing Evening News* [*Beijing Wanbao*, 北京晚报]. "Xianyu App Enabled 'Small Claim Court' to Deal with Sales Disputes: 17 Users as 'Judges' [*Xianyu app qiyong 'xiao fatian' chuli maimai jiufen 17 ming yonghu dang 'faguan,' 閑魚app啓用"小法庭"處理買賣糾紛 17名用戶當"法官*]." [akefoto.cn](http://akefoto.cn), 29 November 2018.
- Blomgren Amsler, Lisa & Ors. "Dispute System Design and Bias in Dispute Resolution." *SMU Law Review* 70(2017): 913-941.
- Caijing.com. "The 2020 Annual Report of Xianghubao [*Xianghubao fabu 2020 nian jingying baogao*, 相互寶發布2020年經營報告]." [Caijing.com](http://Caijing.com), 5 March 2021.
- China 315online [*Zhongguo Zhiliang Wanli Xing*, 中國質量萬裡行]. nd.
- China Consumers Association. "Conciliation and Supervision Platform [*Zhongguo xiaofeizhe xiehui tousu tiaojie pingtai*, 中國消費者協會投訴調解平台]." nd (entry discontinued).
- China.com. "Taobao Buyer Sued for Triple Compensation for Fake Goods [*Xiaofeizhe cheng mai dao jiahuo su taobao wang san bei peichang*, 消費者稱買到假貨訴淘寶網三倍賠償]." [China.com](http://China.com), 4 May 2016.
- China.com. "Taobao Public Review Juror Lin Qian [*Taobao da zhong ping shen yuan Lin Qian*, 淘寶大眾評審員林謙]." [China.com.cn](http://China.com.cn), 2 September 2017.
- Chinacourt.org. "Draft E-Commerce Law is Expected to be Completed Within the Year: Third-Party Platform 26 Rules may be Included [*Dianshang fa caoan you wang niannei wancheng xieli fangtan pingtai guize huo naru*, 電商法草案有望年內完成 協力廠商平臺規則或納入]." [Chinacourt.org](http://Chinacourt.org), 26 August 2015.
- Chinacourt.org. "From Online Dispute Resolution to Internet Courts [*Cong xianshang zhengyi jie jue dao hulianwang fayuan*, 從線上爭議解決到互聯網法院]." [Chinacourt.org](http://Chinacourt.org), 11 November 2017.
- Chou, Christine. "Idle Fish Launches New Site for Brand-Certified Stores." [Alizila.com](http://Alizila.com), 4 January 2019.



- CIETAC. “The ‘Online Dispute Resolution on the Internet-Plus Era’ Conference successfully hosted in Beijing.” *CIETAC.org* 18 June 2015.
- Cietacodr.org. “[The Webpage of] China International Economic and Trade Abitration Commission Online Arbitration System [*Zhongguo guoji jingji maoyi zhongcai weiyuanhui wangshang zhongcai xitong*, 中國國際經濟貿易仲裁委員會網上仲裁系統].” Cietacodr.org, nd.
- Cortés, Pablo. “A New Regulatory Framework for Extra-judicial Consumer Redress.” *Legal Studies* 35(1) (2015): 114–141.
- Credit China. “Improve the Legal Provisions to Create a Fair Competitive Environment for E-Commerce [*Wanshan falü tiaokuan, yingzao gongzheng dianshang jingzheng huanjing*, 完善法律條款，營造公正電商競爭環境].” 15 November 2017.
- Dawson, Chris. “eBay Community Court: The End of Retaliatory Negatives?” *Tamebay.com*, 30 October 2007. (Note: this link may not be accessible from some locations.)
- Dawson, Chris. “eBay India Launch Community Court for Feedback.” *Tamebay.com*, 14 October 2008. (Note: this link may not be accessible from some locations.)
- Deng, Iris & Tracy Qu. “Fate of ‘Made in China, Sold on Amazon’ Products in Doubt as Fake Review Crackdown Continues.” *SCMP.com* 25 May 2021.
- eBay India Community. “eBay Court not Working out Well after its Change to Community Court.” *eBay Community* nd(a).
- eBay India Community. “Negative Feedback from Buyers without Contacting Sellers.” *eBay Community* nd(b).
- eBay India Community. “Useless Community Court.” *eBay Community* nd(c).
- EBS ODR [“e維權”一站式糾紛解決服務平臺, *e weiquan yizhanshi jiufen jie jue fuwu pingtai*]. (Note: this link may not be accessible from some locations.)
- Economic Reference News. “The Giant Flocked to the Online Mutually Support Industry [*Paomaquandi jutou fengyong wanglu huzhu yetai*, 跑馬圈地 巨頭蜂擁網路互助業態].” *Xinhuanet.com* 16 May 2019.
- Falk-Moore, Sally. “Law and Social Change: The Semi-Autonomous Social Field as an Appropriate Subject of Study.” *Law and Society Review* 7(4) (1973): 719-746.

Fei, Long. "Change of Dispute Resolution Model in the Era of Big Data [大數據資料時代糾紛解決模式之變革]." 2 November 2016 (entry discontinued but a similar article is available [here](#)).

Fei, Lu. "Overview of Dispute Resolution in the Digital Environment in China." *Jus Mundi Arbitration Review (JMAR)* 1(1) (2024): 138-150.

Fox, Jesse & Ors. "Avatars versus Agents: A Meta-Analysis Quantifying the Effect of Agency on Social Influence." *Human-Computer Interaction* 30(5) (2015): 401-432.

Gao, Wei. "Let the Collective Intelligence Shine Through: Crowdsourced Online Dispute Resolution from a Chinese Perspective." *Peking University Law Review* 6(2) (2018): 290-292.

Gifford, G Donald. "Context-Based Theory of Strategy Selection in Legal Negotiation." *Ohio State Law Journal* 46(1) (1985): 48-57.

[Guangzhou Arbitration Committee Online Arbitration](#). nd. (Note: this link may not be accessible from some locations.)

Guo, Jing. "[From the Case of Xianyu Online Jury to Review the Innovation of Online Shopping Dispute Resolution Mechanism](#)" [Cong "Xian Yú Xiǎo Fǎ Tíng" kàn wǎng gòu jiū fēn jiě jué jī zhì chuàng xīn" 閑魚小法庭" 看網購糾紛解決機制創新]. *Youth.cn* 20 June 2018.

Guo, Rongrong. "[Buyers and Sellers Have Been Cheated, How to Avoid the Online Second-Hand Transactions Mistakes](#) [Mǎi jiā mǎi jiā dōu bèi piàn guo ruhe duo guo wangluo ershou jiaoyi na xie keng 買家賣家都被騙過 如何躲過網路二手交易那些坑?]. *JCRB.com* 11 July 2019.

He, Huifeng. "[Alibaba to Spend US\\$15 Million on Digital Flea Market as China Looks to Second-Hand Sales](#)." *SCMP.com* 29 March 2016.

Herik, Jaap van den & Daniel V Dimov. "[Can the eBay's Community Review Forum Fairly Resolve Disputes?](#)" *Proceedings of the 23rd Benelux Conference on Artificial Intelligence* 4 (2011): 263-272.

Hong, Xue. "Regulation of e-Commerce Intermediaries: An International Perspective." In *Trade Development through Harmonization of Commercial Law*, edited by Joyce Williams, 366-367. Wellington: New Zealand Association for Comparative Law, 2015.

[Hong Kong International Arbitration Centre \(HKIAC\)](#).

Hörnle, Julia. "Online Dispute Resolution: The Emperor's New Clothes?" *International Review of Law, Computers and Technology* 17(1) (2003): 27-37.

- International Trade Administration. “[China—Ecommerce](#).” *International Trade Administration* 3 February 2021.
- Jiemian.com. “[Those tragic Cases Caused by Bad Reviews](#) [*Chaping yinfade naxie can'an*, 差評引發的那些慘案].” *Jiemian.com* 28 August 2015.
- Jiemian.com. “[Ali's Global Annual Active Users Break 1 Billion](#) [*Ali quanqiu niandu huoyue yonghu shu po shi yi, GMV chao ba wan yi yuan chuang xingao*, 阿裏全球年度活躍用戶數破10億, GMV超8萬億元創新高].” *Jiemian.com* 13 May 2021.
- Katsh, Ethan. “Online Dispute Resolution.” In *The Handbook of Dispute Resolution*, edited by Michael L Moffitt & Robert C Bordone, 425–437. San Francisco: Jossey-Bass, 2005.
- Katsh, Ethan & Janet Rifkin. *Online Dispute Resolution: Resolving Conflicts in Cyberspace*. San Francisco: Jossey-Bass, 2001.
- Lanier, Tiffany J. “Where on Earth Does Cyber-Arbitration Occur: International Review of Arbitral Awards Rendered Online.” *ILSA Journal of International and Comparative Law* 7(1) (2000): article 1, 1-14.
- Lederer, Nadine. “[The UNCITRAL Technical Notes on Online Dispute Resolution – Paper Tiger or Game Changer?](#)” *Kluwerarbitration.com* 11 January 2018.
- Lee, Georgina. “Insurance Service Providers Rely on Blockchain to Fast Track Claims Payout amid Coronavirus Outbreak.” *SCMP.com* 9 February 2020.
- Li, Cecilia. “[Secondhand Trading Takes off in China as Apps such as Alibaba's Xianyu Make Recycling Easier](#).” *Alizila.com* 8 July 2021.
- Lin, Yang. “[Self-Regulation in the Development of Online Dispute Resolution: The Case of China](#).” PhD Thesis, Faculty of Law, University of Hong Kong, 2019.
- Lin, Yang. “[China's Three Internet Courts](#).” *Amicus Curiae* S2, 2(3) (2021): 531-538.
- Liu, Lizhi & Barry R Weingast. “Taobao, Federalism, and the Emergence of Law, Chinese Style.” *Minnesota Law Review* 102(4) (2018): 1563-1590.
- Lu, Fei. “[Overview of Dispute Resolution in the Digital Environment in China](#).” *Jus Mundi Arbitration Review* 1(1) (2024): 138-150.

- Lynch, Katherine L. *The Forces of Economic Globalization: Challenges to the Regime of International Commercial Arbitration*. New York: Kluwer Law International, 2003.
- Moscatti, Maria Federica. *The Role of Transitional Justice and Access to Justice in Conflict Resolution and Democratic Advancement*. London: Democratic Progress Institute, 2015.
- Palmer, Michael & Simon Roberts. "ADR." In *Encyclopedia of Law and Society: American and Global Experiences*, edited by David S Clarke, 421–426. Thousand Oaks/London/New Delhi: Sage, 2007.
- Papanastasiou, Yiangos, S Alex Yang & Angela Huyue Zhang. "Improving Dispute Resolution in Two-Sided Platforms: The Case of Review Blackmail." University of Hong Kong Faculty of Law Research Paper No 2020/043 (2021): 16-17.
- People.com.cn. "[Zhangzhou Woman Harassed by Harassing Phone Calls for Bad Reviews of Taobao Sellers](#)." *People.com.cn* 10 July 2015 (entry discontinued, but see *Minnan Daily* [*Minnan Ribao*, 闽南日报]. "[Negative Review on Taobao Led to Hundreds of Harassing Phone Calls. A Buyer in Zhangzhou Sighed, 'I've Got Myself Into Trouble'](#) [*Taobao chaping relai baitong saorao dianhua, zhangzhou maijia gantan tanshangle*, 淘寶差評惹來百通騷擾電話 漳州買家感歎攤上了]." *Minnan Daily* 10 July 2015).
- People's Court Mediation Platform. "[Mediation Platform of the People's Court](#) [人民法院調解平臺, Renmin Fayuan Tiaojie Pingtai]." *Tiaojie.court.gov.cn* nd.
- Procuratorate Daily*. "[Be Cautious: Fake Reviews May Lead to Criminal Charges](#)." 11 November 2013.
- [Public Review Mechanism for Innovative Internet Dispute Determination](#) [*Dazhong pingshen jizhi chuangxin hulianwang jiufen panding*, 大眾評審機制創新互聯網糾紛判定]." *ce.cn* 8 January 2019.
- Rule, Colin. "Quantifying the Economic Benefits of Effective Redress: Large e-Commerce Data Sets and the Cost-Benefit Case for Investing in Dispute Resolution." *University of Arkansas at Little Rock Law Review* 34(4) 2012: 767-777.
- Rule, Colin & Chittu Nagarajan. "The Wisdom of Crowds: The eBay Community Court and the Future of Online Dispute Resolution." *ACResolution* (2010): 4–7.

- Shen, Xinwang. “Taobao’s Dispute Resolution Experience and its Judicial Reference Value [*Taobao wang de jiufen jiejie jingyan ji qi sifa jiejian jiazhi*, 淘寶網的糾紛解決經驗及其司法借鑒價值].” *Sina.com* 19 December 2015.
- Sina.com. “No Access to Complain on Taobao Seller’s Harassment [*Zao taobao maijia eyi saorao, maijia que taosu wumen*, 遭淘寶賣家惡意騷擾, 賣家卻投訴無門].” *Sina.com* 31 October 2014.
- Sohu.com. “Man Scammed in Online Purchase of Hong Kong Version of Sony Z5: Sues Taobao for Compensation [男子網購港版索尼Z5被騙: 起訴淘寶索賠, *nanzi wanggou gangban suoni Z5 beipian qisu taobao suopei*].” *Sohu.com* 25 April 2016.
- Stiefelmaier, Austin. “China’s Mutual Aid Platforms.” *Business today.org* 30 April 2019.
- Sun, Qiru & Zhijun Dong. “Taobao One-Dollar Seckilling Suspected to Leak Personal Privacy Buyers Query Regulatory Ineffectiveness [*Taobao yi yuan miaosha yi xielou geren yinsi, maijia zhiyi jianguan buli*, 淘寶一元秒殺疑泄露個人隱私, 買家質疑監管不力].” *People.com.cn* 10 January 2013.
- Supreme People’s Court of the People’s Republic of China. “Live Media Interview Series on the Work Report of the SPC, Session 3 [*Zuigao renmin fayuan gongzuo bao gaojie duxilie meiti zhi bo fangtan disanchang*, 最高人民法院工作報告解讀系列 媒體直播訪談第三場].” *Court.gov.cn* 9 March 2021. (Note: this link may not be accessible from some locations.)
- Taobao. “Taobao Consumer Protection Scheme [*Xiaofeizhe baozhangjihua*, 消費者保障計畫].” *Hk.taobao.com* nd(c).
- Taobao. “Taobao Popular Review Convention (for Trial) Revision Public Notice [淘寶網大眾評審公約(試行), *Taobao wang dazhong ping shen gongyue (shi xing)*]. 11 November 2014.
- Taobao Escrow Program [淘寶保證金計畫, *Taobao baozheng jihua*]. Taobao.com nd.
- Taobao.com. “Taobao Marketplace Management and Violation Handling Specifications.” 2021(a).
- Taobao.com. “Taobao’s Policy on Malignant Harassment [*Taobao dui eyi sao rao xingwei de gui zhi*, 淘寶對惡意騷擾行為的規制].” 2021(b).
- Wang, Butao. “Xianghubao is Drawing Attention for Getting 50 Million Users Within 6 Months.” *EqualOcean.com* 16 April 2019.



- Wing, Leah & Ors. "Designing Ethical Online Dispute Resolution Systems: The Rise of the Fourth Party." *Negotiation Journal* 37(1) (2021): 49-64.
- Xiao, B & Ors. "The Sharing Economy: Promises and Challenges." *Internet Research* 29(5) (2019): 993-995.
- Xinhua News. "Jingdong [京東] work in Bureau of Industry and Commerce." *Xinhuanet.com* 14 October 2015.
- Xinhuanet. "Online Fengqiao Experience Report Released: Technology-Enabled Governance, Dispute Resolution Online [網路新楓橋經驗報告發布: 技術賦能治理 糾紛線上化解]." *Xinhuanet.com* 8 January 2019.
- Xinhuanet. "Refuse to Go into the Pit! The Double Eleven of These Traps to Guard against the Good [Jujue ru "keng" fang fan hao "shuang shi yi" de zhe xie "xian jing, 拒絕入"坑" 防範好" 雙十一 "的這些" 陷阱]." 8 November 2019.
- Xu, Junke. "Development of ODR in China." *Uniform Commercial Code Law Journal* 42(3) (2010): 266-286.
- Zheng, Yefu. *Theory of Trust [Xinren de Lilun 信任的理論]*. Beijing: CITIC Press Group [中信集團出版社, *Zhongxin Jituan Chubanshe*], 2015.
- Zhou, Ling. *Access to Justice for the Chinese Consumer: Handling Consumer Disputes in Contemporary China*. Oxford: Hart Publishing, 2020.
- Zhou, Ling. "Thinking about Consumer Mediation in China: Some Examples from Shenzhen." In *Comparative and Transnational Dispute Resolution*, edited by Shahla Ali. London: Routledge, 2023.
- Zjol.com. "Alibaba Ecosystem Internet Volunteers Research Report 2016." *Zjol.com*, 10 October 2016.

## Legislation, Regulations and Rules

Administrative Measures for Online Trading 2014

CIETAC Online Arbitration Rules 2009

Consumer Protection Law of the PRC 2013

Electronic Commerce Law of the PRC 2018

Eleven Special Commodity Dispute Handling Rules [十一類 淘寶平台特殊商品/交易處理規則, *Taobao pingtai teshu shangpin jiaoyi zhengyi chuli guize*] nd



Food Safety Law of the PRC 2021

[Four Special Transaction Dispute Handling Rules](#) nd [四類 淘寶平台特殊商品/交易處理規則, *Taobao pingtai teshu shangpin/jiaoyi zhengyi chuli guize*].

Rules for Xianghubao 2021

[Taobao Consumer Protection Services Agreement 2021](#)

Taobao Description Discrepancy Rules 2021

Taobao Dispute Resolution Rules (for Buyers) 2021

Taobao Dispute Resolution Rules (for Sellers) 2021

Taobao Marketplace Management and Violation Management Rules 2021

Taobao Platform Dispute Handling Rules 2012 [淘寶平臺爭議處理規則, *Taobao pingtai zhengyi chuli guize*]

Taobao Platform Interactive Risk Information Management Rules 2021

Taobao Platform Prohibitive Information Management Rules 2021

Taobao Platform Rules General Provisions 2021

Taobao Platform Service Agreement 2021

Taobao Policy on Malignant Harassment 2021

Taobao Public Review Convention (Trial) 2021

Taobao Rules 2021

Taobao Service Agreement 2021

[Taobao Store Opening Specifications 2021](#)

[Taobao Terms of Use Agreement 2021](#)

Xianyu Management Rules 2015

Xianyu User Service Agreement 2021

## Cases

*Han Lei v Taobao* (2019) Zhe 0192 Minchu No 8905

*He Lingwei v Taobao* (2019) Zhe 0192 Minchu No 9150

*Huang Ziyang v Chen Xuerou and Taobao* (2016) Jing 0108 Minchu No 10777

- Huang Ziyang v Chen Xuerou and Taobao* (2018) Jing 01 Minzhong No 1418
- Jiang Chao v Taobao* (2019) Zhe 0192 Minchu No 3516
- Jiang Min v Taobao* (2019) Zhe 0192 Minchu No 9021
- Liu Hao v Taobao* (2019) Zhe 0192 Minchu No 8262
- Lu Weizhong v Taobao* (2019) Zhe 0192 Minchu No 929
- Taobao v Xu Wenqiang* (2017) Hu 01 Minzhong No 13085
- Wang Lingyu v Taobao* (2019) Zhe 0192 Minchu No 8750
- Wu Yancong v Zhang Jiemin* 2019
- Wukai v Chen Xuerou and Taobao* (2015) Song Min yi chu zi No 02150
- Yan Zhongyan v Taobao* (2019) Zhe 0192 Minchu No 2557
- Zhang Yunzhen v Taobao* (2019) Zhe 0192 Minchu No 6182
- Zhou Xinan v Taobao* (2020) Zhe 0192 Minchu No 1878