



WEB COPY



CS No.99 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 08.03.2024

CORAM

THE HONOURABLE MR. JUSTICE N.SATHISH KUMAR

C.S.No.99 of 2023

Springbord Systems Pvt.Ltd.

JVL Plaza IV Floor No.501,

Anna Salai, Teynampet,

Chennai-600 018

Represented by its Director,

Mr.P.G.Subramaniam.

: Plaintiff

Vs.

Mr.Usman Ali A

DCKAP Technologies,

L76, L Block, 21st Street,

Anna Nagar, Chennai-600 102.

: Defendant

Prayer: Suit filed under Order VII Rule 1 of Code of Civil Procedure read with

O.VI.R. 1 of Original Side Rules seeking for a judgment and decree:



i) For a declaration declaring that the contents of the plaintiff's CRM master data transmitted by the defendant on 06.04.2021 from the defendant's company issued email account usmanali.i.@springbord.com to the defendant's personal email account smilingusman.1986@gmail.com are plaintiff's trade secrets' as per Article 39 of the WTO TRIPS Agreement.

ii) For a declaration declaring that the defendant has committed breach of the Non-Disclosure Agreement dated 05.03.2020 entered into between the plaintiff and the defendant.

Iii) For a permanent injunction restraining the defendant, his legal heirs, servants, employers, employees, agents, partners, representatives, transferees and assigns, from directly or indirectly, using, assigning, transferring, monetizing, distributing, making available, selling, disclosing, emailing, uploading, downloading, posting, transmitting, or otherwise communicating to any person, the whole or any portion of the contents of the plaintiff's CRM master data transmitted by the defendant on 06.04.2021 from the defendant's company issued email account usmanali.i.@springbord.com to the defendant's personal email account smilingusman.1986@gmail.com, and

iv) For a declaration declaring that on account of transmission by the defendant of the plaintiff's CRM master data, on 06.04.2021, from the defendant's company issued email account usmanali.i.@springbord.com to the defendant's



CS No.99 of 2023

personal email account smilingusman.1986@gmail.com, the defendant is liable

to pay the plaintiff damages to the tune of Rs.1,04,56,109/- (Rupees One Crore Four Lakhs Fifty-Six Thousand One Hundred and Nine Only) along with further interest at 12 % p.a. from the date of filing of the above suit until realization, and

v) For a direction directing the defendant to pay the plaintiff damages to the tune of Rs.1,04,56,109/- (Rupees One Crore Four Lakhs Fifty-Six Thousand One Hundred and Nine Only) along with further interest at 12 % p.a. From the date of the above suit until realization and,

vi) For costs of the suit.

For Plaintiff : Mr.Davidson Devashish

For Defendant : Sole defendant set exparte on 08.11.2023

J U D G M E N T

The suit is filed seeking the following reliefs:

i) For a declaration declaring that the contents of the plaintiff's CRM master data transmitted by the defendant on 06.04.2021 from the defendant's company issued email account usmanali.i.@springbord.com to the defendant's personal



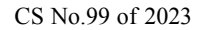
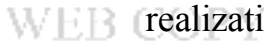
email account smilingusman.1986@gmail.com are plaintiff's trade secrets' as

per Article 39 of the WTO TRIPS Agreement.

ii) For a declaration declaring that the defendant has committed breach of the Non-Disclosure Agreement dated 05.03.2020 entered into between the plaintiff and the defendant.

Iii) For a permanent injunction restraining the defendant, his legal heirs, servants, employers, employees, agents, partners, representatives, transferees and assigns, from directly or indirectly, using, assigning, transferring, monetizing, distributing, making available, selling, disclosing, emailing, uploading, downloading, posting, transmitting, or otherwise communicating to any person, the whole or any portion of the contents of the plaintiff's CRM master data transmitted by the defendant on 06.04.2021 from the defendant's company issued email account usmanali.i.@springbord.com to the defendant's personal email account smilingusman.1986@gmail.com, and,

iv) For a declaration declaring that on account of transmission by the defendant of the plaintiff's CRM master data, on 06.04.2021, from the defendant's company issued email account usmanali.i.@springbord.com to the defendant's personal email account smilingusman.1986@gmail.com, the defendant is liable to pay the plaintiff damages to the tune of Rs.1,04,56,109/- (Rupees One Crore Four Lakhs Fifty-Six Thousand One Hundred and Nine Only) along with



v) For a direction directing the defendant to pay the plaintiff damages to the tune of Rs.1,04,56,109/- (Rupees One Crore Four Lakhs Fifty-Six Thousand One Hundred and Nine Only) along with further interest at 12 % p.a. from the date of the above suit until realization and,

v) For the cost of the suit

<https://www.mhc.tn.gov.in/judis>
Pg.No.5 of 17



company to negotiate, set up and conclude a deal so as to convert a lead entity into a client. The information and business development unit into the CRM portal are trade secrets of the plaintiff company having been developed by expending time, financial and labour resources of the plaintiff company for its generation and documentation. Such information is exclusive to the plaintiff company and it is not available in public domain and by virtue of their undisclosed nature, the plaintiff bear significant commercial value to the plaintiff and to any competitor of the plaintiff. In order to preserve the undisclosed nature of the information contained in the CRM portal, the same is subject to restrictive safeguards requiring login credentials for its access. Login credentials are issued only to persons who necessarily require such information for the furtherance of the business objectives of the plaintiff company. The information contained in the observations, comments, notes and remarks and in the business intelligence documented into the CRM portal qualify as 'trade secrets' in accordance with Article 39 of the WTO's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

3. On 27.01.2021, at the request of the defendant, one Mohan Gandhi, who is another employee at plaintiff company transferred plaintiff company's CRM portal master data comprising back up and updates as on 27.01.2021 in



zipped files, by way of an email to the defendant's company email account.

Further, the defendant resigned from the services of the plaintiff company on 26.05.2021. Subsequent to the defendant resignation, the plaintiff had discovered that on 06.04.2021, the defendant had transmitted the aforementioned CRM master data as zipped files from his company email account to his personal email account. The said CRM master data contained observations, comments, notes, remarks and business-intelligence information particulars generated solely by the plaintiff in respect of at least 55,000 entities. The plaintiff has almost spent Rs.1,04,72,109/- for developing such software. Hence the suit.

4. Learned counsel for the plaintiff submits that the plaintiff company is a global data services provider and the defendant was employed in the plaintiff's company in the sales and development unit, which is tasked with the principal responsibility of identifying and generating new business opportunities for the plaintiff company. A list of names and contact information of target entities, leads and clients are documented into a web-based software portal of the Sales and Business Development known as the Customer Relationship Management portal (CRM Portal). In this CRM Portal sensitive business intelligence particulars such as notes of negotiation , contract price, contract terms, client's



specific information are also documented. Thus, the information and business intelligence, exclusively documented in the CRM Portal are trade secrets of the plaintiff company, in accordance with Article 39 of the WTO's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Subsequent to the defendant resignation, the plaintiff had discovered that on 06.04.2021, the defendant had transmitted the aforementioned CRM master data as zipped files from his company email account to his personal email account. The said CRM master data contained observations, comments, notes, remarks and business-intelligence information particulars generated solely by the plaintiff in respect of at least 55,000 entities. The plaintiff has almost spent Rs.1,04,72,109/- for developing such software. Hence, he seeks to decree the suit as prayed for.

5. The defendant remained ex parte.

6. Heard the learned counsel for the plaintiff and perused the materials available on record.

7. The plaintiff has examined its Director as PW1 and Exs.P1 to P36 were marked. PW1 in his evidence has narrated the manner in which the information is documented with regard to various entities by the Sales and



Development unit into the CRM Portal. His evidence also indicates that various employees have been engaged to develop the software and the information documented into the CRM Portal qualify as trade secret. His evidence indicate that the CRM portal and the data documented therein are the exclusive work of the plaintiff and such data is unavailable in the public domain. Even to co-operate such portal only a few of the staff of the plaintiff have been permitted to operate and for that purpose separate login ID has also been provided. This aspect has also been spoken by PW1. Ex.P36 is the non disclosure agreement dated 05.03.2020 executed by the defendant, which makes covenant not to disclose any trade secret of the plaintiff to others and Ex.P8 makes it clear that all the information of the company have been transferred to the defendant's company email on 27.01.2021 by one Mohan Gandhi. Thereafter, the defendant has transferred all the details to his personal email on 06.04.2021. This fact has been established not only from the evidence of PW1, but also from the records produced before the Court. All these documents have been filed under Section 65B of the Evidence Act. Considering the fact that the defendant has transferred the master data, which is a confidential record, contrary to the non disclosure agreement, it is apparent that he has committed breach of the non-disclosure agreement. Hence, the plaintiff is certainly entitled for the relief as prayed for, particularly the declaration and injunction. As far as damages is



CS No.99 of 2023

concerned, though it is the contention of the plaintiff that to develop the software, it spent around Rs.1,04,56,109/-and also filed salary slips of various employees, this Court is of the view that it is not the case of the plaintiff that after documentation, the defendant alone used that software and the plaintiff has never derived any benefit from that software. In such view of the matter, on the ground that salaries have been paid by the plaintiff pertaining to the Sales and Business Development unit, it cannot be said that the plaintiff is entitled to the damages, unless the loss of damage has been established. However, taking note of the fact that the defendant has transferred the data contrary to the Non-disclosure Agreement dated 05.03.2020 and committed breach, for such breach at least he is liable for payment of sum of Rs.5,00,000/- to the plaintiff. Hence the damages is restricted to Rs.5,00,000/- only. Defendant shall pay a sum of Rs.5,00,000/- alone towards damages. In respect of other reliefs, the suit is decreed as prayed for.

8. In view of the above, the suit is partly decreed. No costs. Consequently, OA.No.535 of 2023 is closed.

08.03.2024

mrn



CS No.99 of 2023

List of witnesses on the Plaintiff's side :-

WEB COPY

PW-1 – Mr.P.G.Subramaniam

List of Exhibits marked on the Plaintiff's side:-

- Ex.P-1 - Printout of the certificate of incorporation dated 19.03.2016 along with 65B certificate.
- Ex.P-2 - Original board resolution dated 18.07.2022.
- Ex.P-3 - Printout of the letter sent by the plaintiff to the defendant dated 20.02.2020 along with 65B certificate.
- Ex.P-4 - Printout of the employee identify card of the defendant along with 65B certificate.
- Ex.P-5 - Printout of the re designation letter dated 01.12.2020 along with 65B Certificate
- Ex.P-6 - Printout of the email dated 20.02.2021 along with 65B Certificate.
- Ex.P-7 - Printout of the screen shots of plaintiff's CRM portal along with 65 B Certificate.
- Ex.P-8 - Printout of the screen shots of CRM master data along with 65B certificate



- Ex.P-9 - Office copy of the notice sent by the plaintiff to the defendant dated 30.11.2021.
- Ex.P-10 - Printout of the email along with attachment files dated 30.12.2021 along with 65B Certificate
- Ex.P-11 - Printout of the salary slip of Mr.Karthikeyan for the period from January, 2018 to May, 2020 along with 65 B Certificate
- Ex.P-12 - Printout of the salary slip of Mr.Ramkumar for the period from November, 2019 to November, 2020 along with 65 B Certificate.
- Ex.P-13 - Printout of the salary slip of Mr.Alex Robin for the period from January, 2018 to May, 2020 along with 65 B Certificate.
- Ex.P-14 - Printout of the salary slip of Prem Kumar for the period from January, 2018 to June, 2018 along with 65 B Certificate
- Ex.P-15 - Printout of the salary slip of Mr.Sounder for the period from January, 2018 to March, 2018 along with 65 B certificate
- Ex.P-16 - Printout of the salary slip of Mr.Karthik for the period from January, 2018 to March, 2018 along with 65 B Certificate
- Ex.P-17 - Printout of the salary slip of Mr.Ramkumar Ramanajothi



WEB COPY



CS No.99 of 2023

for the period from May, 2018 to July, 2018 along with
65 B Certificate.

- Ex.P-18 - Printout of the salary slip of Mr.Vipin Jenraj for the period from May, 2018 to September, 2018 along with 65 B Certificate
- Ex.P-19 - Printout of the salary slip of Ms.Lakshmi Priya for the period from April, 2018 to November, 2019 along with 65 B Certificate
- Ex.P-20 - Printout of the salary slip of Ms.Lakshmi Priya for the period from April, 2018 to November, 2019 along with 65 B Certificate.
- Ex.P-21 - Printout of the salary slip of Mr.Rajesh for the period from April, 2018 to November, 2019 along with 65 B Certificate
- Ex.P-22 - Printout of the salary slip of Mr.Gilin K Joy for the period from April, 2018 to March, 2020 along with 65 B Certificate
- Ex.P-23 - Printout of the salary slip of Mr.Renjith Pillai for the period from October, 2018 to November, 2019 along with 65 B Certificate
- Ex.P-24 - Printout of the salary slip of Mr.Kivakar for the period from September, 2018 to March, 2020 along with 65 B Certificate
- Ex.P-25 - Printout of the salary slip of Mr.Ananthan for the



WEB COPY



CS No.99 of 2023

- period from January, 2019 to January, 20 21 along with
65 B Certificate
- Ex.P-26 - Printout of the salary slip of Mr.Ramachandran for the
period from December, 2019 to May, 2020 along with
65 B Certificate
- Ex.P-27 - Printout of the salary slip of Mr.Nimalan for the
period from February, 2020 to January, 2021 along with
65 B Certificate
- Ex.P-28 - Printout of the salary slip of Mr.Mohan Gandhi for the
period from December, 2018 to January, 2021 along with
65 B Certificate
- Ex.P-29 - Printout of the salary slip of Mr.Sathish Kumar for the
period from June, 2020 to January, 2021 along with
65 B Certificate.
- Ex.P-30 - Printout of the salary slip of Mr.Yamuna for the
period from December, 2020 to January, 2021 along with
65 B Certificate.
- Ex.P-31 - Printout of the salary slip of Mr.Mohan Gandhi for the
period from December, 2018 to January, 2021 along with
65 B Certificate
- Ex.P-32 - Printout of the salary slip of Mr.Vigneswar for the
period from December, 2018 to January, 2021 along with
65 B Certificate.



WEB COPY



CS No.99 of 2023

- Ex.P-33 - Printout of the salary slip of Mr.Nazar for the period from September, 2020 to January, 2021 along with 65 B Certificate.
- Ex.P-34 - Printout of the password policy of the plaintiff company along with 65 B Certificate.
- Ex.P-35 - Printout of the TRIPS agreement along with 65B Certificate
- Ex.P-36 - Original Non-Disclosure Agreement dated 05.03.2020.

08.03.2024



WEB COPY



CS No.99 of 2023

N.SATHISH KUMAR, J

mrn

C.S.No.99 of 2023



WEB COPY

08.03.2024



CS No.99 of 2023