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KARNATAKA HIGH COURT ON DATA THEFT

A. Introduction

The High Court of Karnataka (“HC”), on July 12, 2023, in the case of *Naveen Kumar R v. State of Karnataka*,¹ observed that data thieving has become a serious issue.

B. Brief Facts

1. Naveen Kumar R and Shruthi B. S. (together, the “**Ex-Employees**”) were former employees of EOX Vantage (“**EOX**”).
2. Following their exit, EOX initiated certain investigations that revealed that the Ex-Employees had stolen data from EOX and are now working for a competitor company, where they are using said data.
3. EOX alleged that the Ex-Employees violated their non-disclosure agreements and taken away sensitive data of its clients. Following this, EOX initiated certain civil proceedings seeking temporary injunctions against the Ex-Employees.
4. EOX had also initiated criminal complaints against the Ex-Employees.
5. The HC, though the matter was listed for orders, had taken it up for its final disposal.
6. The Ex-Employees’ counsel argued before the HC that there is no material to allege the offences punishable under sections 408 (*Criminal breach of trust by clerk or servant*), 504 (*Intentional insult with intent to provoke breach of the peace*), 506 (*Punishment for criminal intimidation*) of the Indian Penal Code, 1860, or even under Section 66 (*Computer related offences*) or 66C (*Punishment for identity theft*) of the Information Technology Act, 2000. It was further argued that the allegation of thieving of client data is unfounded as the data is available in the public domain as it can be accessed on LinkedIn.

C. Order

The HC:

1. Noted that “*The allegation against the petitioners is that they have been thieving all the data belonging to the clients of [EOX] and using it for the purpose of development of business of the rival Company and have therefore, violated the non-disclosure agreement of [EOX], which would become an offence as alleged for the aforesaid offences.*”
2. Observed that “*Data thieving has become a menace in these digital days and will have to be nipped.*”
3. Stated that since certain facts are in dispute, the HC does not find merit to intervene at this stage.

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¹ *Naveen Kumar R and Anr. v State of Karnataka* (12.07.2023): CRL.P No. 3173 of 2023.