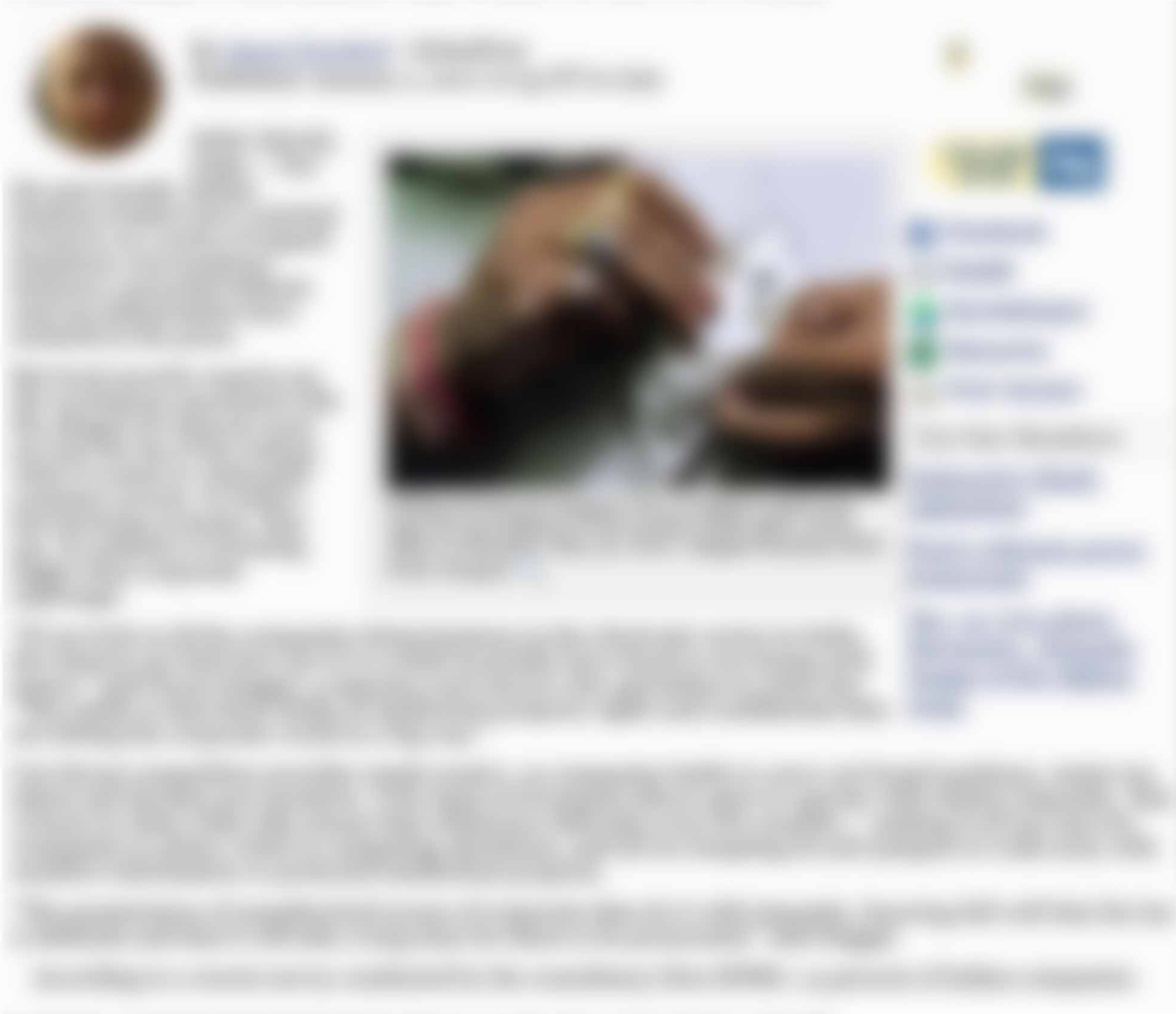


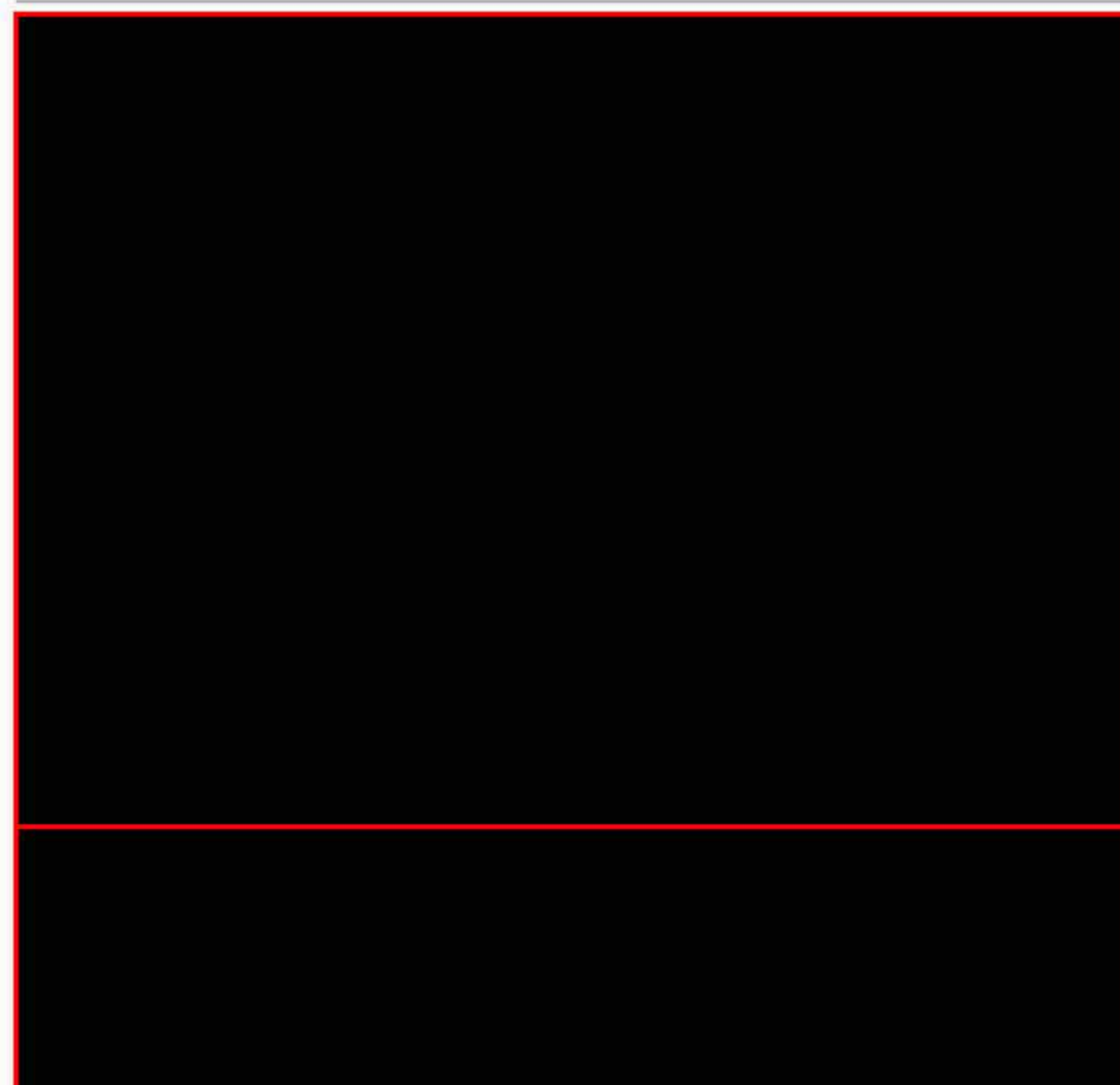
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Industrial espionage booming in corporate India

Insiders say government phone taps are just the tip of the iceberg.



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In another case, one of the country's foremost motorcycle and scooter manufacturers lost the design and specifications for an upcoming model to a competitor through a spy planted with the contractor that was running the company cafeteria.

"They planted a guy ... who knew a little about IT and could become friendly with people, and then when the office was closed he would access employees' computers and get the information out," said Ravi Kapur of ACE Detectives, the private investigator hired to plug the leak.

Part of the problem is that Indian laws governing these areas are weak and ambiguous. India has no specific data protection law, so the theft of sensitive information like marketing strategies or employee salaries — which is not governed by intellectual property laws — throws up a host of legal questions.

And while the unauthorized downloading or copying of computer files is illegal, the civil and criminal penalties are minor compared with the sums at stake for corporations. A criminal booked for data theft under the Information Technology Act, for instance, faces a maximum three-year term in prison and a maximum fine of around \$10,000, and the most a victim can seek in civil damage is about \$1 million — which the Thermax-Purolite settlement reveals as a pittance.

"It's extremely lax," said Kapur. "People don't generally get caught. Then, even if this guy gets caught, they're not after this guy [who took the information] — they're after the competitors. Now, to ensure that the whole chain gets into the loop is not the easiest of tasks."

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