

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**FRIDAY, THE THIRD DAY OF JANUARY
TWO THOUSAND AND TWENTY FIVE**

PRESENT

**THE HON'BLE THE CHIEF JUSTICE ALOK ARADHE
AND
THE HON'BLE SRI JUSTICE J. SREENIVAS RAO**

COMMERCIAL COURT APPEAL No: 39 of 2024

Appeal Under Section 13(1) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 r/w under Section 37 (1)(c) of the Arbitration & Conciliation Act, 1996 aggrieved by the judgment and decree dated 14-08-2024 in COP.No.75 of 2023 on the file of the Court of the Additional Special Court in the Cadre of District Judge for Trial and Disposal of Commercial Disputes, City Civil Court, at Hyderabad.

Between:

Danieli India Limited, having its registered office at Technopolis, 5th Floor, 'B' Wing Block- BP, Plot No. - IV, Sector - V, Salt Lake, Kolkata - 700091. Rep. by its Company Secretary Mr. R. Achuthan

...Appellant

AND

Mishra Dhatu Nigam Limited, Government of India Enterprise Through its Managing Director P. O. Kanchanbagh, Hyderabad - 500058, Telangana, India.

...Respondent

Counsel for the Appellant: Sri S. Ram Babu

Counsel for the Respondent: Sri D. Raghavendar Rao

The Court delivered the following: JUDGMENT

THE HON'BLE THE CHIEF JUSTICE ALOK ARADHE
AND
THE HON'BLE SRI JUSTICE J.SREENIVAS RAO
COMMERICAL COURT APPEAL No. 39 OF 2024

JUDGMENT: *(Per the Hon'ble Sri Justice J. Sreenivas Rao)*

This appeal has been filed by the appellant invoking the provisions of Section 13(1) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 read with Section 37(1)(c) of the Arbitration and Conciliation Act, 1996 aggrieved by the order dated 14.08.2024 passed by the Additional Special Court in the Cadre of District Judge for trial and disposal of Commercial Disputes at Hyderabad (hereinafter referred as 'the Commercial Court') in COP No.75 of 2023 whereunder the petition filed by the appellant invoking the provisions of Section 9 of the Arbitration and Conciliation Act, 1996 (hereinafter referred as 'the Act') was dismissed.

2. Heard Sri S.Rambabu, learned counsel for the appellant and Sri D.Raghavendar Rao, learned counsel for the respondent, on admission.

3. **Brief facts of the case:**

3.1 Facts giving rise to filing of this writ appeal briefly stated are that on 28.04.2017 the appellant and respondent entered into

contracts bearing numbers MDN/PUR/CG/5870004 for Phase I and MDN/PUR/CG/5870005 for Phase II for setting up a Single Stand Reversing 4-HI Wide Plate Hot Rolling Mill for Rolling of Plates (Phase-I) and Sheae, Leveler, Roller Hearth Furnace, Roller Pressure Quench, Cooling Beds etc. and its Auxiliaries (Phase-II) at the premises of respondent at Hyderabad. On 08.05.2023 respondent floated the appellant's proprietary and confidential drawings, including drawings bearing numbers 8.827075.Z (Work Roll Assembly), 7.240753.S (Work Roll-2 Sheets) and 6.342163.C (Work Roll Operating Conditions Data Sheet) (hereinafter collectively referred to as "Work Roll Drawings") in the open market for procurement of work rolls and other associated parts in tender bearing No.MDN/PUR/58230007/ADVT/079/23-24. On 12.07.2023, the appellant informed the respondent of the illegal use and disclosure of proprietary and confidential information of the appellant, including the Work Roll Drawings, and breach of confidentiality and other contractual provisions by the respondent and reasserted its ownership in the intellectual property rights vested in the Work Roll Drawings and caused serious loss to the appellant. In spite of the same, the respondent has been disclosing the confidential information to the third parties.

3.2 At that juncture, the appellant filed COP No.75 of 2023 seeking for grant of injunction restraining the respondent, its

servants, agents and employees from any further disclosure or misuse or dissemination of proprietary and confidential information of the petitioner to any third party in any manner. The Commercial Court dismissed the above said application on 14.08.2024. Thus, the appellant filed the present appeal.

4. **Submissions of learned counsel for the appellant:**

4.1 Learned counsel for the appellant has submitted that as per the terms and conditions of the agreement, the respondent is not entitled to disclose the confidential drawings including Work Roll Drawings to third parties. However, contrary to the terms and conditions of the agreement, the respondent has been disclosing the same to third parties. In such circumstances, the Commercial Court ought to have granted injunction restraining the respondent from disclosing the confidential information including drawings to third parties.

5. **Submissions of learned counsel for the respondent:**

5.1 *Per contra*, learned counsel for the respondent submitted that as per clauses 17.10.4, 34.1 and 34.2 of General Conditions of Contract, the respondent is entitled to use the drawings and designs for operation and maintenance of the project and also the respondent is entitled to procure the spares and replacement of parts from any competent supplier/manufacturer in India or Abroad

by inviting tenders. The respondent is not disclosing the confidential drawings pertaining to the appellant to the third parties.

6. Learned counsel for the appellant by way of reply submitted that the appellant is entitled to use the drawings for limited purpose i.e., for operation and maintenance of the project and to procure the spare parts, replacement of parts from any competent supplier/manufacturer by inviting tenders and the appellant is not entitled to use the same to third parties.

Analysis:

7. We have considered the submissions made by the respective parties and perused the records. The specific claim of the appellant is that the respondent contrary to the terms and conditions of the agreement has been disclosing the confidential drawings and other confidential information to the third parties. The appellant filed COP No.75 of 2023 invoking the provisions of Section 9 of the Act seeking injunction restraining the respondent from sharing the proprietary and confidential information of the appellant through online platform or any other public forum. According to the learned counsel for the respondent, the respondent is utilizing the confidential drawings only for the purpose of maintenance of the project and also to procure the spares and replacement of the parts

by inviting tenders and not disclosing the confidential information of the appellant to any third parties.

8. In view of the above said submissions made by the learned counsel for the respondent, the impugned order passed by the Commercial Court is set aside and the respondent is permitted to use the confidential drawings including Work Roll Drawings only for the purpose of operation and maintenance of the project and for procuring spares and replacement of parts by inviting the tender and the respondent is not entitled to use the same for any other purpose. It is needless to say that the respondent is hereby restrained from sharing the confidential drawings of the appellant to any third parties other than the above said purpose.

9. With the above directions, Commercial Court Appeal is disposed of. There shall be no order as to costs.

Miscellaneous petitions, if any pending, shall stand closed.

Sd/- M. VIJAYA BHASKER
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Additional Special Court in the Cadre of District Judge for Trial and Disposal of Commercial Disputes at Hyderabad, City Civil Court. Hyderabad.
2. One CC to Sri S. Ram Babu, Advocate [OPUC]
3. One CC to Sri D. Raghavendar Rao, Advocate [OPUC]
4. Two CD Copies

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HIGH COURT

DATED:03/01/2025



JUDGMENT

COMCA.No.39 of 2024

**DISPOSING OF THE
COMMERCIAL COURT APPEAL**

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