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U.S. Firm Says Outsourcer Holding Its Data Hostage Offshore

In a lawsuit, The Buying Triangle says Infosys is holding its data hostage at an offshore location, exposed its customer data online, and stole its business plans. Infosys has countersued.

By Paul McDougall, [InformationWeek](#)

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A provider of spend management services says one of India's largest outsourcers is holding its data hostage at an offshore location and is refusing to return the information unless legal claims against it are dropped.

New York City-based The Buying Triangle also says that Infosys, through a subsidiary, exposed its customer data online and stole its business plans.

TBT hired Infosys BPO last year, when the unit was known as Progeon Ltd., to host, support, and maintain its P2P Smart spend management application. TBT customers access P2P Smart online to help analyze and reduce their purchasing costs.

The deal quickly went sour after TBT found that its customers were frequently unable to access P2P Smart because servers Infosys set up in Bangalore to host the application were frequently down, TBT alleges in a lawsuit it's filed against Infosys BPO.

"Between July 2006 and March 2007, there were approximately 15 different occasions in which the FTP server was unavailable," TBT charges in court papers filed in June in U.S. District Court for Southern New York.

To boot, TBT alleges Infosys BPO failed to properly secure customer information on the P2P Smart server. The result: TBT's customers were able to view each other's confidential data, TBT claims.

TBT says that when it tried to cancel its contract with Infosys BPO in April, the Indian service provider refused to release its data unless TBT promised not to pursue any legal claims. "Infosys would return neither TBT's intellectual property nor the confidential account data of TBT clients," TBT alleges in court papers.

TBT also alleges that on a site visit to Bangalore its employees discovered that Infosys was using confidential TBT marketing materials to pitch clients like CIBC, Alcoa, and British Petroleum on a spend management service that Infosys was contemplating. "It is clear that Infosys intends to enter the procurement space occupied by TBT, supplying a motive for its wrongful refusal to return TBT's trade secrets," TBT claims.

TBT is seeking unspecified damages in excess of \$600,000.

For its part, Infosys says TBT is making up false allegations against it in order to escape payment for services. "Infosys has fully performed under the agreement," the company says in a countersuit it filed last month against TBT.

Infosys claims it's owed more than \$40,000 in unpaid fees and is asking the court to award damages.