

Delhi High Court Protects 'Battery Smart' Trademark; Recognises Exclusive Ownership of Movable Assets Post-Termination



The Delhi High Court has granted an ex parte ad-interim injunction in favour of *Upgrid Solutions Pvt. Ltd.*, holding that once a commercial arrangement for operating electric vehicle swap stations is terminated, the operator retains no right or claim over the company's movable proprietary assets, including its lithium-ion batteries, chargers, or branding. The order, passed by Justice Tejas Karia, reinforces that continued use of a registered trademark and company assets after termination amounts to trademark infringement, contractual breach, and misrepresentation under Indian law.

Court's Reasoning

The Court observed that *Upgrid Solutions*, operating under the registered trademark "*Battery Smart*", had made out a strong prima facie case for protection of its intellectual property and assets. Proceeding under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, Justice Tejas Karia held that despite termination of the Swap Station Service Agreement, the operators continued using the company's batteries and displaying its mark at unapproved locations, misleading consumers into believing they remained authorised partners. Such conduct, the Court held, violated both the contractual terms and the plaintiff's statutory rights under Section 29 of the Trade Marks Act, 1999, which prohibits unauthorized use likely to cause confusion or imply false association. The Court emphasized that upon termination, all proprietary equipment and brand rights revert exclusively to the owner, and continued use constitutes infringement and passing off. Referring to Clause 14 of the agreement, it noted that the operators' failure to

return the company's property also amounted to deliberate misrepresentation of an ongoing association.

Enforcement and Superdari

To secure compliance with the injunction granted under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, the Court appointed local commissioners under Order XL Rule 1 CPC to inspect the sites, document materials bearing the *Battery Smart* mark, and ensure recovery of the company's property. The order specifically directed that all batteries, chargers, and other materials containing the trademark be handed over to Upgrid's authorised representatives on *superdari*—acknowledging the company's ownership while avoiding any coercive seizure.

The commissioners were also empowered to prepare detailed inventories, examine business ledgers, invoices, and digital records, and to seek police assistance if access to premises was denied, ensuring effective implementation of the injunction. The Court further directed that the exercise be carried out peacefully and without disruption to the defendants' business operations, underscoring a balance between enforcement and procedural fairness.

Legal Significance

The decision is a significant judicial affirmation of enforceable rights over movable business assets deployed under service or franchise models. By aligning contractual obligations with trademark protection, the Court clarified that proprietary infrastructure such as batteries and chargers remains the owner's property even when placed with partners and must be returned upon termination. The ruling strengthens legal certainty for India's EV and Battery-as-a-Service (BaaS) sector, assuring that proprietary assets and brand identity enjoy strong judicial protection and that courts are willing to grant swift, effective relief to safeguard business integrity in technology-driven industries.
