* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Judgment Reserved on: 12.10.2026
% Judgment Delivered on: 06.11.2026

\# **CNR No. DLHC010448682019**

\+ **CS(COMM) 632/2019**

VOLTAS LIMITED .....Plaintiff

versus

M/S SHIV SHAKTI ENTERPRISES & ORS .....Defendants

Advocates who appeared in this case

For the Plaintiff : Mr. Jaskaran Singh, Mr. Shivansh Tiwari, Ms. Kruttika Vijay and Ms. Geetanjali Visvanathan, Advocates.

For Defendant Nos. 3 and 5 : None.

CORAM:
HON'BLE MR. JUSTICE TEJAS KARIA

JUDGMENT

TEJAS KARIA, J

I.A. 24279/2023

1. The present Application has been filed by the Plaintiff under Order XIII-A read with Section 151 of the Code of Civil Procedure, 1908 ("**CPC**"), seeking Summary Judgment against Defendant Nos. 1, 2, 3 and 5 in the present Suit.

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FACTUAL MATRIX

2. The Plaintiff is the registered proprietor of the Mark 'VOLTAS' ("**Plaintiff's Mark**") in various Classes including Class 11 for air-conditioners ("**ACs**"), ventilating plants, refrigerating, cold storage and quick freezing, installation of lighting, heating, steam generating, etc.

3. The Plaintiff instituted the present Suit seeking, *inter alia*, a decree of permanent injunction restraining Defendant Nos. 3 and 5 from manufacturing, advertising, offering for sale and selling ACs under the Plaintiff's Mark, and further sought rendition of accounts, delivery up, damages and costs.

4. This Court *vide* order dated 18.11.2019 granted an *ex-parte ad interim* injunction against Defendant Nos. 3 and 5 restraining Defendant Nos. 3 and 5 from using the Plaintiff's Mark or any other deceptively similar mark to the Plaintiff's Mark and further appointed a Local Commissioner ("**LC**") to visit the premises of Defendant Nos. 3 and 5 and seize the products including ACs, stickers, cartons, remote controls, pamphlets, leaflets or any written matter bearing the Plaintiff's Mark.

5. Pursuant to order dated 18.11.2019, the learned LC visited the premises of Defendant Nos. 3 and 5 on 23.11.2019 and seized one visiting card, two outdoor units of ACs, three boxes for outdoor units, one small box with a motor, eleven remotes, all bearing the Plaintiff's Mark.

6. This Court, *vide* order dated 29.08.2022, at the request of the Plaintiff deleted Defendant No. 4 from the array of Parties and further confirmed the *ex-parte ad interim* order dated 18.11.2019.

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7. *Vide* order dated 30.11.2023, this Court granted Defendant Nos. 3 and 5 the last opportunity to conclude the admission / denial of documents filed by the Plaintiff ("**Plaintiff's Documents**"), failing which the Plaintiff's Documents were to be deemed to have been admitted by Defendant Nos. 3 and 5.

8. On 12.01.2024, when the matter was listed before the learned Joint Registrar (Judicial) for admission / denial of the Plaintiff's Documents, Defendant Nos. 3 and 5 did not appear for carrying out admission / denial of the Plaintiff's Documents. Accordingly, in view of the order dated 30.11.2023, the admission / denial of Plaintiff's Documents was recorded as complete.

9. *Vide* order dated 10.02.2025, the Suit was decreed against Defendant Nos. 1 and 2. Thereafter, *vide* order dated 08.09.2025, recording no objection from Defendant Nos. 3 and 5 and there being no contest, a decree of permanent injunction was passed against the Defendant Nos. 3 and 5 in terms of Prayer clause Nos. (a), (b) and (c) of the Plaint.

10. Insofar as the relief of damages and legal costs was concerned, Defendant Nos. 3 and 5 *vide* order dated 08.09.2025 were directed to file their Value Added Tax ("**VAT**") returns and Goods and Services Tax ("**GST**") returns for the period from 01.11.2016 to 30.11.2019 within four weeks. The Plaintiff was also granted liberty to place on record its affidavit on legal costs ("**Affidavit**").

11. Subsequently, *vide* order dated 18.03.2026, learned Counsel for Defendant No. 3, on instructions, submitted that pursuant to the show-cause

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notice for cancellation of registration dated 31.12.2025 ("**SCN**"), the GST registration of Defendant No. 5 had been suspended, as a result of which Defendant No. 3 was unable to access the GST and VAT portal. Considering the same, the directions contained in the order dated 08.09.2025 were put in abeyance, with liberty to the Plaintiff to take other remedies, if any, in this regard.

12. Thus, in view of the decree of permanent injunction already passed in favour of the Plaintiff and against Defendant Nos. 3 and 5 *vide* order dated 08.09.2025, the only question that remains for consideration in the present Application is the Plaintiff's entitlement to damages and legal costs against the Defendant Nos. 3 and 5.

SUBMISSIONS ON BEHALF OF THE PLAINTIFF

13. Learned Counsel for the Plaintiff has made the following submissions:

13.1 The Plaintiff is pressing the claim for damages and legal costs against Defendant Nos. 3 and 5 on the basis of the findings recorded by the LC in the report dated 03.12.2019 ("**LC Report**"), the documents recovered during the execution of the Local Commission and the investigation conducted by the Plaintiff.

13.2 The Plaintiff initially through an investigator purchased ACs from Defendant Nos. 1 and 2 who revealed that they themselves procure ACs from Defendant Nos. 3 and 5. The *modus operandi* of Defendant Nos. 3 and 5 involved assembling unbranded ACs and thereafter upon request of the customer affixing any mark thereon, including the Plaintiff's Mark ("**Counterfeit ACs**").

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13.3 The conduct of Defendant No. 3 and 5 was not confined to the sale of Counterfeit ACs but also involved representing themselves as the Plaintiff or its authorised service providers. Such conduct adversely affected the Plaintiff's goodwill and reputation, particularly since the Counterfeit ACs were found to be defective. The sale of Counterfeit ACs also posed risks to the safety of consumers and, therefore, warranted the award of exemplary damages.

13.4 The defence raised by Defendant Nos. 3 and 5 that there were dealing only in repairing and sale of scrapped / damaged electronic goods such as Acs, that the letterheads and visiting cards were from 2012 when Defendant Nos. 3 and 5 were authorised dealers of the Plaintiff, that the Defendant Nos. 3 and 5 never represented themselves to be the Plaintiff or its authorised distributor, and that there is no evidence of counterfeiting any products cannot be believed in view of the findings in the LC Report, coupled with the investigation carried out by the investigator hired by the Plaintiff. Defendant Nos. 3 and 5 had no real prospect of successfully defending their claim and therefore, they agreed to suffer a decree of permanent injunction in terms of prayer clauses (a), (b) and (c) of the Plaint *vide* order dated 08.09.2025.

13.5 The LC, during the execution of the Local Commission at the premises of Defendant Nos. 3 and 5, found two outdoor units of ACs, three boxes for outdoor units of ACs, one small box

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containing a motor, eleven remote controls and one visiting card, all bearing the Plaintiff's Mark.

13.6 A letter issued by one Shri Durga Enterprises to Defendant Nos. 3 and 5 ("**Letter**"), recovered during the execution of the Local Commission, also states that Shri Durga Enterprises had returned 63 ACs supplied by Defendant Nos. 3 and 5 on account of they being defective. The Letter demonstrates that Defendant Nos. 3 and 5 were supplying ACs to third parties. Although Defendant Nos. 3 and 5 have contended that they were dealing in old, defective and refurbished ACs, the documents recovered by the LC show that the said products were Counterfeit ACs and not repaired or refurbished products.

13.7 The invoices recovered by the learned LC ("**Invoices**") show that Defendant No. 3 had sold 42 indoor units and 42 outdoor units of ACs for an amount of ₹4,59,375/-, disclose the sale of inverter ACs for ₹2,38,281.25/- and the renting of ACs for ₹87,000/-. By the quotations and correspondence issued on letterheads bearing the Plaintiff's Mark, Defendant Nos. 3 and 5 were representing themselves as the Plaintiff or its authorised service providers, despite having no authority to use the Plaintiff's Mark.

13.8 Despite the last opportunity granted *vide* order dated 30.11.2023, Defendant Nos. 3 and 5 failed to file their affidavit of admission and denial of the Plaintiff's documents. Accordingly, *vide* order dated 12.01.2024, the Plaintiff's documents were deemed to have been admitted.

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13.9 Defendant Nos. 3 and 5 have also failed to produce their VAT and GST returns for the period from 01.11.2016 to 30.11.2019 as directed *vide* order dated 08.09.2025. In the absence of the VAT and GST returns and other financial records of Defendant Nos. 3 and 5, the Plaintiff has quantified its claim for damages on the basis of the documents recovered by the learned LC and the investigation conducted by the Plaintiff.

13.10 The Invoices and other documents recovered during the execution of the Local Commission represent only a limited portion of the transactions undertaken by Defendant Nos. 3 and 5. Reliance was placed on ***Aero Club v. Sahara Belts***, 2023 SCC OnLine Del 7466 to submit that as the LC Report has not been challenged by any of the defendants, the LC Report can be read in evidence in terms of Order XXVI Rule 10(2) of CPC.

13.11 Reliance was placed on Rule 20 of the Intellectual Property Rights Division Rules, 2022 ("**IPD Rules**"), to submit that a party seeking damages or an account of profits is required to provide a reasonable estimate of the amount claimed, supported by the foundational facts, accounts, statements and other evidence available on record and that the Plaintiff has furnished such an estimate on the basis of the documents recovered by the LC. Since the Defendant Nos. 1 and 3 had been carrying on their business by representing themselves as the Plaintiff or its authorised service providers, the Plaintiff is entitled to claim damages in respect of the revenue generated through such activities.

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13.12 The Defendant Nos. 3 and 5 were previously authorised dealers of the Plaintiff and were, therefore, fully aware that they could not use the Plaintiff's Mark without authorisation. The continued use of the Plaintiff's Mark by Defendant Nos. 3 and 5, including on ACs, Invoices, quotations and letterheads bearing the Plaintiff's Mark, constituted deliberate and calculated infringement of the Plaintiff's rights in the Plaintiff's Mark. Therefore, the conduct of Defendant Nos. 3 and 5 fell within the category of deliberate and calculated infringement contemplated in ***Koninklijke Philips N.V. & Anr. v. Amazestore & Ors.***, 2019 SCC OnLine Del 8198, entitling the Plaintiff to costs and aggravated damages.

13.13 Reliance was placed on ***Aero Club*** (*supra*), to submit that where the manufacture and sale of counterfeit products are established, the Court may award damages having regard to the nature and extent of infringement and the material available on record and on ***H-D U.S.A., L.L.C. v. Vijaypal Dhyal, Owner/Proprietor of Red Rose Industries***, 2025 SCC OnLine Del 2336, wherein damages were awarded by adopting a rough and ready calculation.

13.14 The Counterfeit ACs sold and offered for sale by Defendant Nos. 3 and 5, posed significant health and safety risks to consumers. The Counterfeit ACs were likely to have compromised electrical components, increasing the risk of electrical fires, blasts, short circuits, and electric shocks. Additionally, the Counterfeit ACs may also have had impaired functionality, resulting in inadequate cooling, increased energy consumption, and potential exposure to

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Signing Date:06.11.2026 18:04:20

refrigerant leaks. Therefore, the sale of Counterfeit ACs under the guise of Counterfeit ACs accruing directly from the Plaintiff, is not only misleading but also dangerously irresponsible. The actions of Defendant Nos. 3 and 5, thus, irreparably harmed the Plaintiff's goodwill and reputation. This Court in ***Johnson & Johnson v. Pritamdas Arora T/A Medserve***, (2025) 1 HCC (Del) 489, awarded exemplary damages amounting to ₹1 Crore on account of the defendants' deliberate, conscious and wilful infringement of plaintiff's rights through sale of counterfeit medicines therein. Owing to the gravity of infringement and the associated risks and consequences, the Plaintiff is also entitled to such exemplary damages, as per the discretion of this Court.

13.15 In the present case, taking into account the limited evidence as collated by the learned LC, Defendant Nos. 3 and 5 have made the following illegal profits:

S. No.	Particulars	Illegal Profits
1.	Sale of ACs Indoor and Outdoor Unit of ACs	INR 4,59,375
2.	Sale of Invertor ACs	INR 2,38,281.25
3.	Renting of ACs on Voltas Letter Head	INR 87,000
4.	Sale of Defective ACs which were returned, which amounts to loss of reputation for Plaintiff	Exemplary Punitive damages as per discretion of court.
5.	Providing quotation on Voltas Letter heads and hence, passing off themselves as VOLTAS/authorised dealers of Voltas	Exemplary Punitive damages as per discretion of court.

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Signing Date:06.11.2026 18:04:20

6.	Exemplary damages on account of gravity of infringement.	Exemplary Punitive damages as per discretion of court.
	Total	**INR 7,84,656.25/- + Legal Costs of INR 8,80,282/- + Exemplary Punitive Damages**

13.16 Therefore, the Plaintiff seeks from Defendant Nos. 3 and 5 legal costs of ₹8,80,282/- as per the Affidavit and damages as per Rule 20 of the IPD Rules, taking into account the lost profits suffered by the Plaintiff, profits earned by Defendant Nos. 3 and 5, quantum of income which the Plaintiff may have earned through royalties / license fees, had the use of the Plaintiff's Mark been duly authorised, the duration of infringement, degree of intention / neglect underlying the infringement and conduct of Defendant No. 3 and 5 to mitigate the damages being incurred by the Plaintiff.

SUBMISSIONS ON BEHALF OF THE DEFENDANT Nos. 3 and 5

14. *Vide* Reply filed to the present Application, Defendant Nos. 3 and 5 have submitted as under:

14.1. The documents placed on record by the Plaintiff do not indicate the sale of Counterfeit Products by Defendant Nos. 3 and 5. The learned LC has also not found any Counterfeit Product at the premises of Defendant Nos. 3 and 5 and that all the products found at the premises of the Defendant were original product.

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14.2. The Letter whereby 63 units of ACs are returned being defective, does not in any manner indicate that Defendant Nos. 3 and 5 sold the Counterfeit Products. As Defendant Nos. 3 and 5 deal in scrapped / damaged electronic goods and the return of old and defective ACs bearing the Plaintiff's Mark does not attribute that Defendant Nos. 3 and 5 were dealing in the Counterfeit Products.

14.3. Defendant Nos. 3 and 5 were engaged in dealing with scrapped and damaged products, including products sold as scrap by Original Equipment Manufacturers ("**OEMs**"), distributors and authorised service centres. Such products, including damaged and mismatched products, were sold at lower prices with limited profit margins. The indoor and outdoor units of ACs sold to one Satish Enterprises on 04.04.2018 were procured from various OEMs and distributors and were sold and invoiced separately in the same manner in which they were received.

14.4. The visiting card bearing the Plaintiff's Mark was only intended to indicate that Defendant Nos. 3 and 5 were dealing in products of various companies, including the Plaintiff. Defendant Nos. 3 and 5 were an authorised service centre of the Plaintiff until 2012, during which period certain letterheads bearing the Plaintiff's Mark were printed. However, Defendant Nos. 3 and 5 had never represented themselves as the Plaintiff or its authorised user or distributor.

ANALYSIS AND FINDINGS

15. This Court, *vide* order dated 08.09.2025, has already passed a decree of permanent injunction in favour of the Plaintiff and against Defendant

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Nos. 3 and 5 in terms of Prayer clause Nos. (a), (b) and (c) of the Plaint. Therefore, the only issue which remains for consideration in the present Application is whether the Plaintiff is entitled to damages and legal costs against Defendant Nos. 3 and 5 and, if so, the quantum thereof.

16. In the present case, the Plaintiff has placed reliance upon the LC Report, the Invoices and other documents recovered during the execution of the Local Commission to substantiate its claim for damages. It is submitted on behalf of the Plaintiff that Defendant Nos. 3 and 5 were the erstwhile service centre of the Plaintiff until 2012, and that despite termination of the agreement, Defendant Nos. 3 and 5 continued to mislead consumers by falsely representing themselves as an authorised service centre of the Plaintiff.

17. The LC Report records that two outdoor units and three boxes for outdoor units of ACs, one box containing a motor, eleven remote controls and a visiting card, all bearing the Plaintiff's Mark were found at the premises of Defendant Nos. 3 and 5. The quotation dated 27.06.2018 for sale of 500 LED TV 32 at the rate of ₹7000 each, amounting to ₹35,00,000/- shows that Defendant Nos. 3 and 5 were using the Plaintiff's Mark in connection with their business activities, even after 2012.

18. It is also relevant that *vide* order dated 30.11.2023, Defendant Nos. 3 and 5 were granted the last opportunity to conclude the admission / denial of the Plaintiff's Documents, failing which the Plaintiff's Documents were to be deemed to have been admitted. As Defendant Nos. 3 and 5 did not appear before the learned Joint Registrar on 12.01.2024 for carrying out admission /

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denial of the Plaintiff's Documents, the admission / denial of the Plaintiff's Documents was recorded as complete.

19. Learned Counsel for the Plaintiff submitted that Defendant Nos. 3 and 5 had previously operated as an authorised service centre of the Plaintiff and that the agreement governing such association was terminated in 2012. It was contended that any transaction undertaken by Defendant Nos. 3 and 5 in respect of products bearing the Plaintiff's Mark subsequent to the termination of the said agreement constituted unauthorised use of the Plaintiff's Mark. Consequently, the profits derived from such transactions constituted profits earned through infringement of the Plaintiff's Mark, resulting in a corresponding loss of profits to the Plaintiff.

20. The Plaintiff has quantified its claim for damages at ₹7,84,656.25/- on the basis of the Invoices recovered by the LC. However, the aggregate value of the transactions reflected in the Invoices cannot, by itself, be equated with the profits earned by Defendant Nos. 3 and 5. Defendant Nos. 3 and 5 have contended that they dealt in old, defective and scrapped ACs. The Plaintiff has not placed on record any computation of the profits earned by Defendant Nos. 3 and 5 after accounting for the costs of procurement, repair or refurbishment of such ACs, including their scrap value, nor any computation of the loss suffered by the Plaintiff on account of the aforesaid transactions. Accordingly, the entire sum of ₹7,84,656.25/- cannot be awarded as damages solely on the ground that the Invoices reflect transactions of that value.

21. Defendant Nos. 3 and 5 were previously associated with the Plaintiff as an authorised service centre and were, therefore, aware of the Plaintiff's

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Signing Date:06.11.2026 18:04:20

rights in the Plaintiff's Mark. Notwithstanding the termination of the said arrangement, they continued to use the Plaintiff's Mark on quotations and correspondence relating to their business activities. Such continued and unauthorised use clearly demonstrates their intention to represent themselves as an authorised service centre of the Plaintiff and to derive benefit from the goodwill and reputation associated with the Plaintiff's Mark. In these circumstances, the use of the Plaintiff's Mark by Defendant Nos. 3 and 5 cannot be regarded as innocent.

22. Rule 20 of the IPD Rules enumerates the factors to be taken into account in determining the quantum of damages, including the loss of profits suffered by the injured party; the profits earned by the infringing party; the income that the injured party could have earned by way of royalties or licence fees; the duration of the infringement; the degree of intention or neglect underlying the infringement; and the conduct of the infringing party in mitigating the damages suffered by the injured party.

23. Having regard to the material recovered by the LC, including the quotations and correspondence bearing the Plaintiff's Mark, the continued use of the Plaintiff's Mark by Defendant Nos. 3 and 5 after 2012, and their prior association with the Plaintiff, this Court is of the view that the Plaintiff is entitled to damages.

24. Although the precise quantum of profits earned by Defendant Nos. 3 and 5 or the loss suffered by the Plaintiff cannot be ascertained from the material on record, the value of the transactions reflected in the Invoices, the duration of the unauthorised use of the Plaintiff's Mark and the degree of intention underlying the infringement are relevant considerations under Rule

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20 of the IPD Rules. Upon consideration of these factors, this Court deems it appropriate to award damages of ₹5,00,000/- to the Plaintiff.

25. Insofar as the Plaintiff's reliance on ***Johnson & Johnson*** (*supra*) in support of its claim for exemplary damages is concerned, the said judgment pertained to the sale of counterfeit surgical devices found to be non-sterile and contaminated, as well as expired surgical devices repackaged with falsified expiry dates.

26. In the present case, Defendant Nos. 3 and 5 have contended that the documents filed by the Plaintiff do not establish that they sold Counterfeit Products and no Counterfeit Products were found at their premises as all the products found there were original since they deal in scrapped and damaged electronic goods, and the return of old and defective ACs bearing the Plaintiff's Mark does not establish that they dealt in Counterfeit Products. Accordingly, no case is made out for exemplary damages against Defendant Nos. 3 and 5.

27. The Plaintiff has further claimed legal costs of ₹8,80,282/- and, in support thereof, has filed the Affidavit together with invoices relating to advocates' professional fees, expenses incurred towards investigation and procurement of ACs, Court Fees, fees paid to the LC and other expenses incurred in connection with the present Suit.

28. The Plaintiff has incurred ₹2,07,500/- towards Court Fees and ₹1,00,000/- towards fees paid to the LC. The present Suit was initially instituted against five defendants. Defendant No. 4 was subsequently deleted from the array of Parties *vide* order dated 29.08.2022, and the Suit has already been decreed against Defendant Nos. 1 and 2, who had procured the

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Signing Date:06.11.2026 18:04:20

Counterfeit ACs from Defendant Nos. 3 and 5. The learned LC was appointed to visit the premises of Defendant Nos. 3 and 5 only and consequently, the expenses incurred towards the Local Commission are directly attributable to Defendant Nos. 3 and 5.

29. Having regard to the nature of the proceedings and the relief granted to the Plaintiff, this Court deems it appropriate to award costs of ₹5,07,500/- to the Plaintiff comprising ₹2,07,500/- towards Court Fees and ₹1,00,000/- towards fees paid to the learned LC and ₹2,00,000/- towards the reasonable fees that the Plaintiff has incurred towards its Counsel's professional fees to be payable by Defendant Nos. 3 and 5.

30. Accordingly, the present Application is disposed of with the aforesaid directions.

CS(COMM) 632/2019

31. Further to the order dated 08.09.2025 whereby a decree of permanent injunction has been passed against Defendant Nos. 3 and 5 in terms of Prayer clause Nos. (a), (b) and (c) of the Plaint, in view of the above order passed in I.A. 24279/2023, Defendant Nos. 3 and 5 are jointly and severally liable to pay ₹5,00,000/- towards damages and ₹5,07,500/- towards legal costs to the Plaintiff within four weeks from the passing of this Order.

32. Let the Decree sheet be drawn up accordingly.

33. The Suit along with all pending Applications, if any, stand finally disposed of.

TEJAS KARIA, J

NOVEMBER 6, 2026
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