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

+ **C.A.(COMM.IPD-TM) 55/2024 & I.A. 34291/2024**

INDUSTRIA DE DISEÑO TEXTIL, S.AAppellant
Through: Mr. Sushant Singh and Mr. Sourav
Pattanaik, Advocates.

versus

REGISTRAR OF TRADE MARKS & ANR.Respondents
Through: Mr. Shashank Dixit, CGSC for R-1.
Mr. Neeraj Grover and Mr. Tushar Ranaut,
Advocates for R-2.

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

% **07.07.2026**

1. This appeal is filed on behalf of the Appellant under Section 91 of Trade Marks Act, 1999 ('1999 Act') laying a challenge to order dated 06.02.2024 passed by Respondent No.1, whereby opposition filed by the Appellant has been rejected and the application of Respondent No.2 for registration of the mark 'ZAIRA Fair Beauty' in Class 03 for cosmetics has been allowed.

2. To the extent necessary, case of the Appellant is that it is an internationally reputed company engaged in manufacture, designing, distribution and sale of fashion and related lifestyle products in several classes including Classes 03, 04, 08, 09 and 11. Appellant is a conglomerate of 400 companies with over 1,70,000 employees and is one of the largest fashion distribution groups in the world with annual net sales running into billions of Euros. Appellant conceived and adopted the inherently distinctive trademark in early 1970s and first ZARA store was opened in 1975 in A



Coruna, Spain. ZARA is the fastest growing chain of retail outlets with over 1670 stores and more than 440 ZARA HOME stores in 95 countries worldwide, located in some of the most privileged and prominent locations in major cities around the world. In India, ZARA mark has been in use since 1986-1987 through contract manufacturers. In 2009, Inditex Trent Retail Private Limited, a joint venture was formed between Appellant and TATA Group and ZARA's stores were opened in India in 2010 in both Delhi and Mumbai. Appellant has been using trademarks ZARA, ZARA KIDS, ZARA HOME and ZARA FOR MUM on a global scale and goods under the ZARA brand have achieved international recognition and are instantly associated with the Appellant and the mark and none else. Details of worldwide turnover figures of Appellant's products bearing ZARA marks for years 2003 to 2021 are as follows:-

YEARS	WORLDWIDE TURNOVER (IN ILLION EUROS)*
2003	3,310
2004	3,881
2005	4,596
2006	5,534
2007	6,264
2008	6,824
2009	7,077
2010	8,088
2011	8,938
2012	10,541
2013	11,255
2014	12,142
2015	14,294
2016	16,168
2017	16,620
2018	18,021
2019	19,564
2020	14,129
2021	19,586
*Data corresponding to year 2003: under the Local General Accepted Accounting Principles (local GAAP). Data from 2004 to 2008: under the International Financial Reporting Standards (IFRS)	

3. It is stated that Appellant has spent substantial amount towards manufacture of its products bearing ZARA marks in India from 2003 to



2018 as follows:-

YEARS	APPROXIMATE EXPENSES IN INDIA (in Euro)
2003	42,812,063
2004	31,844,239
2005	87,949,077
2006	55,935,283
2007	53,621,732
2008	56,500,382
2009	80,924,512
2010	112,206,104
2011	136,465,099
2012	147,583,290
2013	131,720,381
2014	129,104,312
2015	159,644,306
2016	221,366,969
2017	222,990,568
2018	116,877,249 *(Data up to 30.05.2018)

4. It is stated that in 2003, ZARA had expanded its portfolio to home, interiors, lifestyle products and related services under the trademark ZARA HOME and the mark has been used since September, 2003. ZARA has acquired tremendous reputation worldwide, including India and due to its long, continuous and extensive use as also the superior quality of the goods, this Court in ***Industria De Diseno Textil SA v. Oriental Cuisines Pvt. Ltd. & Ors., 2014 SCC OnLine Del 1570***, recognized that ZARA had tremendous transborder reputation and also acquired goodwill and distinctiveness in India owing to its goods being fabricated in India since 1980s through contract manufacturers and later when the stores opened in 2010 and basis this observation, Court enjoined the Defendant therein from operating a bar and a restaurant, despite the fact that it was an unrelated service.

5. It is stated that on 17.06.2010, Respondent No.2 applied for registration of the trademark 'ZAIRA Fair Beauty' for cosmetics in Class 03



bearing No.1981129, which was advertised in Trade Marks Journal No.1466-0 dated 10.01.2011, to which opposition was filed by the Appellant through Application No.780984 on 02.05.2011. Respondent No.2 filed counter statement and both parties filed evidence and were heard on 17.07.2023, whereafter they filed written submissions and judgments and on 06.02.2024, Respondent No.1 passed the impugned order rejecting the opposition filed by the Appellant and allowing the application of Respondent No.2 for registration of the mark 'ZAIRA Fair Beauty'. On 23.02.2024, Trade Marks Registry issued registration certificate in favour of Respondent No.2.

6. Learned counsel for the Appellant challenges the impugned order on multiple grounds. It is argued that the order suffers from many factual and legal infirmities, the most important one being a factual error in holding that the rival marks are label marks, contrary to the fact that ZARA, ZARA HOME and TEXTURES ZARA as also the mark 'ZAIRA Fair Beauty' of Respondent No.2, are word marks and resultantly, the analysis of similarity of the marks has gone wrong. Even assuming for the sake of argument that 'ZAIRA Fair Beauty' is a label mark, the impugned order is legally unsustainable as Respondent No.1 has overlooked the legal mandate of Section 11(1) of 1999 Act, whereby the Registrar was required to compare the applied mark 'ZAIRA Fair Beauty' with the earlier trademark ZARA to ascertain if there was identity/similarity in the marks as also identity/similarity in the goods/services covered by the said trademark, which was likely to lead to confusion on part of the public. **[Ref.: *United Biotech Pvt. Ltd. v. Orchid Chemicals & Pharmaceuticals Ltd. & Ors.*, 2012 SCC OnLine Del 2942 and *Sun Pharma Laboratories v. Finecure Pharmaceuticals Ltd. and Others*, 2023 SCC OnLine Del 4932].**



Respondent No.1 has glossed over the fact that ZARA is an earlier registered trademark and the applied mark ZAIRA is visually and phonetically deceptively similar to ZARA. Respondent No.2 applied for registration of 'ZAIRA Fair Beauty' in Class 03 for cosmetics and ZARA is already registered in Class 03 for "*Bleaching preparations and Other Substances for Laundry Use; Cleaning, Polishing, Scouring and Abrasive Preparations; Soaps; Perfumery, Essential Oils, Cosmetics, Hair Lotions, Dentifrices*" and thus the rival goods are also similar/identical.

7. It is argued that Respondent No.1 has applied wrong principles of law in comparing the rival marks. Comparison of the words ZARA and ZAIRA has been done by dissecting them into 'ZA' and 'RA' and then holding that the only common feature between the rival marks is the first two letters ZA and the last two letters RA of the first word of the impugned mark, despite observing in earlier part of the order that the Supreme Court in ***Corn Products Refining Co. v. Shangrila Food Products Ltd., 1959 SCC OnLine SC 11***, has held that the two marks must be seen as a 'whole' and not dissected into their component parts. When seen as a whole, the only difference is of the vowel 'I' and the first and the last syllable being common, there is overall phonetic similarity. Even visually, ZARA and ZAIRA are similar as the former has four letters while ZAIRA has five, of which four are the same and to any customer with average intelligence and imperfect recollection, the marks will confuse and difference of 'I' will be insignificant. In ***Glenmark Pharmaceuticals Ltd. v. Gleck Pharma (OPC) Pvt. Ltd. and Others, 2024 SCC OnLine Bom 1660***, the Bombay High Court held the marks in question to be similar based on the number of alphabets used in the marks.

8. It is further argued that it is settled that the dominant mark test is not



antithetical to the anti-dissection test and hence, even applying the dominant mark test, Respondent No.1 ought to have compared ZARA and ZAIRA since ZAIRA is the dominant part of the mark 'ZAIRA Fair Beauty'. Significantly, Respondent No.1 himself acknowledged in paragraph 8 of the impugned order that the prominent part of applied mark was ZAIRA and no one can claim right over the words 'Fair Beauty'. Applying the said test in consonance with the judgments of this Court in *M/s. South India Beverages Pvt. Ltd. v. General Mills Marketing Inc. & Anr, 2014 SCC OnLine Del 1953* and *Intel Corporation v. Maple Cybertech Informatics Pvt. Ltd and Ors., MANU/IC/0146/2020* and giving weightage to ZAIRA, there can be no doubt that ZARA and ZAIRA being phonetically, visually and structurally similar, the applied mark ought not to have proceeded to registration.

9. The finding of Respondent No.1 that the suffix 'Fair Beauty' in the applied mark makes the said mark visually, conceptually and phonetically different from Appellant's marks ZARA, ZARA HOME and TEXTURES ZARA, is wholly incorrect and against the law. It is trite that after determining the essential/dominant feature between the competing marks, comparison has to be made between the essential features and not the descriptive features, which are added as suffixes or prefixes to the essential feature. [Ref.: *Ruston & Hornsby Ltd. v. Zamindara Engineering Co., 1969 SCC OnLine SC 329* and *Tata Sons Limited v. Hoop Anin & Ors, 2011 SCC OnLine Del 5431*]. Moreover, in *Laxmikant V. Patel v. Chetanbhai Shah and Another, 2001 SCC OnLine SC 1416*, the Supreme Court held that mere addition of suffix and/or a descriptive matter cannot take away from the overall similarity between two marks, wherever it exists. Seen in this light, whether one compares the marks in their entirety or



applies the dominant mark test, applied mark 'ZAIRA Fair Beauty' was not registrable owing to the proscription in Section 11(1) of 1999 Act.

10. It is further argued that Respondent No.1 completely overlooked the immense reputation of ZARA mark under Section 11(2) of 1999 Act in light of overwhelming evidence placed on record in the form of number of stores of ZARA in 49 countries in 2011 alone; rapid growth of the sales under the mark ZARA; extensive use of mark ZARA in India from 2010 and even prior thereto through contractors from 1980s, sales invoices and other commercial documents; articles in leading newspapers and renowned and widely circulated magazines etc.; list of registrations; several law suits, oppositions in many jurisdictions including India, which meets the threshold of a well known mark envisaged under the said provision, akin to the reputation required under Section 29(4) in the context of infringement. Appellant had also placed on record by way of written submissions, the judgment of this Court in ***Industria De (supra)***, where the Court judicially recognised the formidable reputation of the ZARA mark internationally and in India and restrained the Defendant engaged in a different business of restaurant and bar under the name ZARA TAPAS BAR.

11. It was argued that Respondent No.2 has no justified explanation for the dishonest adoption of the mark 'ZAIRA Fair Beauty' for cosmetics for which the ZARA mark is also registered. Documents on record indicate sales of products such as fashion clothing, scarfs as well as home décor items since 1996 till 2009 by various retailers, exporters and traders under the ZARA mark. Between 2008-2010, apart from physical sales and knowledge amongst the traders, retailers and relevant segment of public in trade, there was enough spill over of transborder reputation in India owing to continuous articles published in national dailies at least one year prior to the



launch of ZARA stores in India in 2010 in Delhi and Mumbai. Significantly, after the stores were opened, Respondent No.2, which was located in Bawana, proceeded to file the trademark application on 17.06.2010 with a false user claim from 04.01.2010 and therefore, the use of the applied mark is clearly after due knowledge of the trademark ZARA and is completely dishonest. The dishonesty is fortified by the fact that the ZARA store was opened in Saket Mall on 28.05.2010 and in less than a month, Respondent No.2 filed the application on 17.06.2010 in the same class for cosmetics.

12. It is submitted that *albeit* it is true that the Appellant introduced the cosmetics segment under the mark ZARA only in 2021 but Respondent No.1 overlooked the fact that ZARA was being used for perfumes from 1998 and any person, who is familiar with the ZARA brand owing to its enviable reputation, will be swayed by looking at 'ZAIRA Fair Beauty', in respect of cosmetics, into believing that it is yet another product of ZARA. Even this crucial point has not been taken into consideration by Respondent No.1 and the opposition has been rejected in haste. The reason given by Respondent No.1 that the trade channels and the target audience of the two marks are different inasmuch as the applicant is a retail seller and sells its products through general store while opponent trades through showroom and website, to conclude against the Appellant is flawed. With the consumer awareness and reputation of the ZARA brand, it is highly likely that any customer with imperfect recollection, who looks at the mark ZAIRA for cosmetics will believe that it is yet another variant of the products of ZARA, who is into fashion clothing, essential oils and perfumes for decades and the fact of retail store sale by Respondent No.2 will make no difference. For all these reasons, it is asserted that the impugned order rejecting the opposition be set aside and the matter be remanded for reconsideration of the



opposition filed by the Appellant.

13. Learned counsel for Respondent No.2 opposes the appeal and defends the impugned order. It is asserted that the mark 'ZAIRA Fair Beauty' is a composite mark and was coined and adopted by Respondent No.2 in January, 2010 and application for registration was filed on 17.06.2010 in respect of cosmetics in Class 03. ZAIRA is a dictionary word, which refers to a variety of a flower and is also a popular name and hence, the adoption was honest. This position was brought forth by Respondent No.2 during the opposition proceedings and extracts from the dictionary were filed with the evidence affidavit under Rule 46.

14. It is further argued that Respondent No.2 is a subsisting registered proprietor of another mark ZAIRA Neem and Lime (label) under No.1981130 in Class 03, which was not opposed when advertised and stands registered from June, 2010, with actual date of registration being 05.08.2016 and has been renewed upto 2030. This is a special circumstance which goes in favour of Respondent No.2 for registration of the mark 'ZAIRA Fair Beauty'. In any event, there is no similarity between ZARA and ZAIRA on an overall comparison of the marks. The marks are phonetically, visually and structurally dissimilar and moreover, the goods under the two marks are completely different since Appellant deals in clothing, footwear and bags in Classes 25 and 18 as also luxury items while Respondent No.2's business is restricted to cosmetics and hence, one of the main ingredients of Section 11(1) is not satisfied. **[Ref.: *Manu Garg and Ratan Behari Agrawal v. Registrar of Trade Marks*, 2023 SCC OnLine Del 581; *RSPL Health Private Limited v. Reckitt and Colman (Overseas) Hygiene Home Limited and Another*, 2023 SCC OnLine Del 5154; and *PhonePe Private Limited v. EZY Services and Another*, 2021 SCC OnLine Del 2635].** Further, the trade



channels are completely different inasmuch as Appellant sells its luxury goods through its own dedicated stores or on its website while Respondent No.2 is a small retailer and sells its goods through general stores or small retail counters and significantly, there is huge difference in the prices of the goods and even the target audience have no overlap as those consumers, who buy ZARA goods are discerning and will clearly know the difference between the rival goods and this fact has rightly weighed with Respondent No.1 in rejecting the opposition.

15. It is argued that application for registration of marks ZARA and/or ZARA HOME and TEXTURES ZARA was on ‘proposed to be used’ basis in Class 03 with no reputation with regard to the marks thereunder, including cosmetics in India and for this reason, there was no reference to the registration of ZARA in Class 03 in the notice of opposition and for the first time, this point was brought forth at the evidence stage. Even otherwise, Appellant cannot enjoy monopoly over the entire Class 03, when it was not using the ZARA marks for cosmetics prior to 2021 in terms of law laid down by the Supreme Court in ***Nandhini Deluxe v. Karnataka Cooperative Milk Producers Federation Limited, 2018 SCC OnLine SC 741.***

16. It is also urged that for the purposes of Section 11(1), the marks have to be compared as a whole and cannot be dissected into parts and when compared in entirety, ZARA/ZARA HOME/TEXTURES ZARA display no similarity with ‘ZAIRA Fair Beauty’. [Ref.: ***Cadila Health Care Ltd v. Cadila Pharmaceuticals Ltd, 2001 SCC OnLine SC 578; Sun Pharma Laboratories Ltd v. Lupin Ltd. & Anr, 2018 SCC OnLine Del 7310; and Koprana Chemical Co. Ltd. v. Sigma Laboratories, 1993 SCC OnLine Bom 461***]. As to the claim of the Appellant that ZARA has acquired a well-known status and is entitled to oppose a similar/identical mark even for



dissimilar goods, it is urged that the mark 'ZAIRA Fair Beauty' was adopted and registered in 2010 and the judicial recognition that ZARA has immense transborder and domestic reputation cannot apply retrospectively and therefore, Class 25 registrations of ZARA cannot be of any avail to the Appellant.

17. Heard learned counsels for the parties.

18. By this appeal, Appellant raises a challenge to order dated 06.02.2024 passed by Respondent No.1, whereby its opposition against registration of the mark 'ZAIRA Fair Beauty' has been rejected. To begin with, Appellant rightly flags a grave factual error in the impugned order inasmuch as Respondent No.1 has compared the two marks as label marks, whereas ZARA is a word mark. Respondent No.1 has also erred in applying the correct test to determine similarity between the marks ZARA and 'ZAIRA Fair Beauty'. It is settled that for determining deceptive similarity/identity between two rival marks, they have to be compared in entirety and seen as a whole without dissecting or truncating them. In fact, Respondent No.1 rightly observed in the earlier part of the order that marks ZARA and 'ZAIRA Fair Beauty' must be compared as a whole, however, despite this the words ZARA and ZAIRA were dissected and their component 'ZA' and 'RA' were compared and following this path, Respondent No.1 held that the only commonality being the first syllable and the last syllable, the two marks were visually and phonetically dissimilar. Clearly, this was a wrong test for comparison. Appellant contends that the marks should have been seen as a whole and the only difference being in the vowel 'I', to any person with average intelligence and imperfect recollection, the difference would have been insignificant to distinguish the mark. Respondent No.1 has erred on this aspect.



19. Impugned order further shows that having dissected the words ZARA and ZAIRA in the earlier part of the order and then comparing the truncated parts, Respondent No.1 proceeded to hold in the later part of the order that no one can claim monopoly on the words 'Fair Beauty' and despite this observation, concluded that the suffix 'Fair Beauty' was enough to distinguish the mark of Respondent No.2. It is trite that dominant mark test is not antithetical to the anti-dissection test, as held by this Court in *M/s South India Beverages (supra)* and therefore, it is legally permissible to identify a dominant part of the mark and compare it with the dominant part of the rival mark. However, what is not permissible is comparing the dominant part of the earlier mark with the non-essential and descriptive part of the later mark and Respondent No.1 has done exactly this. ZAIRA is the dominant and essential part of the mark 'ZAIRA Fair Beauty' and therefore, Respondent No.1 ought to have compared the marks ZARA and ZAIRA to determine deceptively similar between them, but instead Respondent No.1 has focussed his attention on the non-essential and generic part i.e. 'Fair Beauty'. Owing to a wrong test of comparison, the conclusion has been otherwise.

20. The next error in the impugned order is that Respondent No.1 has not even considered the argument of the Appellant that it has built immense reputation in the mark ZARA and was entitled to oppose the registration of the mark 'ZAIRA Fair Beauty' under Section 11(2) of the 1999 Act. Appellant placed on record several documents evidencing the large number of stores opened to sell ZARA products internationally and in India, articles in leading newspapers and popular magazines, sales invoices and other commercial documents, list of registrations, details of legal actions taken to protect statutory common law rights in the mark ZARA and importantly, the



judgment dated 19.05.2015 in *Industria De (supra)*, wherein this Court judicially recognized the well known reputation of the ZARA mark, both globally and in India. This included the observation that the user of ZARA mark in India dated back to 1980s through its contract manufacturers, immense transborder reputation spilling into India and the opening of the stores in 2010 in Mumbai and Delhi as also the revenues and expenses. However, there is not a whisper in the order dealing with this argument and/or the judgment wherein the Defendant engaged in the services of bar and restaurant was restrained.

21. The focus of Respondent No.1 was entirely on the trade channels and targeted audience and keeping this in the backdrop, it was concluded that the retail sales channels being different and customers buying ZARA products being discerning, there was no scope of confusion. Respondent No.1 has based this conclusion primarily keeping in the backdrop that the rival goods under the two marks were different but in doing so, Respondent No.1 has not taken into account contention of the Appellant that the mark ZARA is registered in Class 03, which includes perfumes, essential oil and cosmetics and Respondent No.2 had applied for registration of its mark for cosmetics in Class 03. On this issue, Appellant raised two-fold arguments. Firstly, that mark ZARA is registered in Class 03 for essential oils, perfumes and cosmetics and was using the mark ZARA for perfumes since 1998 and hence, any person knowing the repute of the mark would believe the range of cosmetics to be from the house of ZARA and more often than not, the trade channels will be common as also that there is a connection in the course of trade in perfumes and cosmetics as also fashion clothing, in which the mark ZARA has built a reputation over decades. The second argument is that ZARA has launched cosmetics in 2021 and it is only natural that parties



expand their business in connected segments. As rightly flagged by the Appellant, even this argument has not been dealt in the impugned order.

22. For all the aforesaid reasons, I am of the view that the matter deserves reconsideration. Accordingly, without expressing any opinion on the merits, the appeal is allowed and Respondent No.1 is directed to reconsider the opposition filed by the Appellant in accordance with law. Needless to state, Respondent No.1 shall grant opportunity of hearing to the Appellant and Respondent No.2 after taking into consideration the documents and written submissions filed on record. The decision shall be taken within four months from today and it is made clear that the decision will be taken without being influenced by the observations in this order or the impugned order.

23. Appeal is allowed and disposed of, setting aside the impugned order dated 06.02.2024. Pending application also stands disposed of.

JYOTI SINGH, J

JULY 7, 2026/RW