



2026:DHC:5373



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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision: 6th July, 2026

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C.A.(COMM.IPD-TM) 52/2024, I.A. 33885/2024**INDUSTRIA DE DISEÑO TEXTIL, S.A.****.....Appellant****Through: Mr. Sushant Singh, Mr. Sourav
Pattanaik and Mr. Piyush Kumar, Advocates.****versus****REGISTRAR OF TRADE MARKS & ANR.****.....Respondents****Through: Mr. Arun Aggarwal and Mr. Pawan
Dubey, Advocates for R-2.****CORAM:****HON'BLE MS. JUSTICE JYOTI SINGH****JUDGEMENT****JYOTI SINGH, J.**

1. This appeal is filed on behalf of the Appellant under Section 91 of the Trade Marks Act, 1999 ('1999 Act') challenging order dated 08.02.2024 passed by Respondent No.1/Registrar of Trade Marks, whereby Respondent No.1 has dismissed the opposition application bearing no. 1188767 filed by the Appellant against the trademark ZORA registered in Class 24 under No.4310686.

2. To the extent relevant, case of the Appellant is that it is a world-renowned owner of trademark ZARA, which is one of the globally recognised brand name amongst a wide section of public, who aspire to buy fashion clothing as also variety of home products such as bed linen, table cloths etc. Appellant is an internationally reputed company incorporated under the Laws of Spain and established in 1963 and is a conglomerate of



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over 400 companies. In 1975, Appellant conceived and adopted the inherently distinctive trademark ZARA for a wide range of its products and the first ZARA store was opened in A Coruna (Spain). ZARA is a flagship brand of the Appellant and fastest growing chain of retail outlets with hundreds of ZARA and ZARA HOME stores.

3. It is stated that in 2009, Inditex Trent Retail Pvt. Ltd. ('Inditex Trent'), a joint venture between the Appellant's company and the Tata Group was formed for opening high-end stores for ZARA brand in India and the ZARA stores were first opened in 2010 in Mumbai and in Delhi. In 2011, Inditex opened 483 stores in 49 countries and in 2015, it opened new stores in 56 markets bringing total store count in that year to 7013 across 88 markets. In 2016, Inditex opened another 279 stores in 93 markets with 41 online platforms and as in 2019, Inditex was selling in 202 markets with stores in 96 of them and its own online platforms being 66. In 2020, despite global pandemic mandating closure of its stores or restricted trading hours, Inditex generated net sales of EURO 20.4 billion with increase of 77% in online sales to EURO 6.6 billion, making Inditex a global leader in online fashion. The Inditex Group had 132 million active mobile app users in 2020 and strong social media presence with 200 million followers across its 8 brands.

4. It is further stated that in India ZARA mark has been in use since 1986-1987 through contract manufacturers and as on the date of filing the appeal, ZARA had 21 stores in India. Appellant obtained registration of the mark ZARA in India in Class 25 in the year 1993; Classes 16, 24 and 26 in 2003; and Class 35 in 2008. Appellant also has registrations for goods such as head gear, sunglasses, jewellery, perfumes, home linen and textiles,



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carpets, footwear, travel bags, bags, gym wear etc., as detailed in the appeal. In *Industria De Diseno Textile S.A. v. Oriental Cuisines Pvt. Ltd. and Ors.*, 2015 SCC OnLine Del 9565, this Court held that ZARA is a well known mark under Section 2(1)(zg) of 1999 Act basis the overwhelming evidence of sales, advertising and reputation in India as also transborder reputation. Details of registrations of ZARA trademark in Classes 24 and 25 are as follows:-

Application / Registration No.	Application Date	Mark	Class	Status
594096	07/04/1993	ZARA	25	Registered
1207862	19/06/2003	ZARA	16	Registered
1238366	17/09/2003	ZARA HOME	03, 08, 20, 21, 24, 25, 35	Registered
1207865	19/06/2003	ZARA	26	Registered
1207891	19/06/2003	ZARA	24	Registered
1752528	10/11/2008	ZARA	35	Registered
3174674	02/02/2016	ZARA	9, 14, 18, 25, 26	Registered

5. It is stated that on 30.10.2019, Respondent No.2, trading as Aggarwal Bag House applied for registration of trademark ZORA claiming use since 03.06.2016 in relation to fabrics including plain, coated, laminated, impregnated and waterproof fabrics, all being goods included in Class 24, bearing application no. 4310686. The application was advertised by Respondent No.1 in Trade Marks Journal No. 2054 dated 30.05.2022, in which Appellant filed opposition. Both parties filed evidence as also written submissions and after hearing the parties, Respondent No.1 passed the impugned order dated 08.02.2024, rejecting Appellant's opposition and directing registration of ZORA mark and on 09.02.2024, Trade Marks Registry issued the registration certificate in favour of Respondent No.2.

6. Appellant challenges the impugned order on multiple grounds. Appearing on behalf of the Appellant, Mr. Sushant Singh, learned counsel



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argued that Respondent No.1 has wrongly rejected the opposition filed by the Appellant against registration of the impugned mark ZORA and has erroneously held that the rival marks ZARA and ZORA are phonetically dissimilar when considered as a whole on the ground that it is well settled that the first syllable/prefix of a mark is generally the most important one and in Appellant's mark, the first syllable is 'ZA', whereas in Respondent No. 2's mark the first syllable is 'ZO' and the sounds being 'a' and 'o', are different. Even on visual comparison, Respondent No.1 has rendered an incorrect finding that the marks are dissimilar owing to the fact that the prefixes 'ZA' and 'ZO' are different *albeit* the suffix is the same i.e. 'RA'. It was also observed that if the first two letters are in block letters there is no confusion or deception. In coming to this conclusion, Respondent No.1 has applied an erroneous test of dissecting the rival marks, contrary to the settled law of anti-dissection which means that rival marks have to be compared as a whole for determining their similarity or otherwise. **[Ref.: *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, 1959 SCC OnLine SC 11].** In ***Encore Electronics Ltd. v. Anchor Electronics & Electricals Pvt. Ltd.*, 2007 SCC OnLine Bom 147**, the Bombay High Court while determining similarity between the two marks ANCHOR and ENCORE, observed that it is the overall impression of the trademarks which is required to be seen and when compared as a whole, the two marks are phonetically, visually and structurally similar. It was also held that phonetic similarity constitutes an important index of whether a mark bears a deceptive or misleading similarity to another. The phonetic structure indicates how the rival marks ring in the ears. *Albeit* in the context of composite marks and/or marks comprising combination of words, Division Bench of this Court in *M/s.*



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South India Beverages Pvt. Ltd. v. General Mills Marketing & Anr., 2014 SCC OnLine Del 1953, evolved the anti-dissection law and emphasized that marks must be considered in their entirety as an indivisible whole rather than truncating or dissecting them into component parts and making comparison of the dissected parts of the rival marks.

7. It was further argued that applying the settled law of comparison of rival marks as a whole, there is no doubt that on an overall impression the rival marks ZARA and ZORA are phonetically, visually and structurally similar. Respondent No.1, however, came to a conclusion otherwise by first dissecting the marks into 'ZA-RA' and 'ZO-RA' and then comparing 'ZA' and 'ZO' and finding the dissected syllables to be phonetically and visually dissimilar. The methodology of comparison adopted by Respondent No.1 cannot be countenanced in law. When seen as a whole both marks have four block letters 'ZARA' and 'ZORA' and to any person with average intelligence and imperfect recollection the rival marks will be visually and structurally similar and anyone who is familiar with the highly reputed ZARA brand will believe that the goods bearing the mark ZORA are either counterfeit or another variant from the house of ZARA. The only difference in the two marks is the vowel 'O', which is an insignificant distinction and does not dent the glaring similarities in the two marks, when judged on an overall impression. In ***Essco Sanitations v. Mascot Industries (India), 1982 SCC OnLine Del 110***, this Court found similarity in the marks ESSCO and OSSO and held that difference of the vowels 'O' and 'E' in the rival marks was not enough to make them dissimilar as the two vowels were most likely to be mispronounced. The Bombay High Court in ***Ajanta Pharma Limited v. I-Well Pharma and Others, 2021 SCC OnLine Bom 3219***, observed that



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the difference between the marks OLAPAT and OLPET is of one missing vowel and while pronouncing the mark, nobody will take that distinction into account. Similarly, in ***Sulphur Mills Limited v. Virendra Kumar Saini, MANU/MH/2215/2021***, Bombay High Court while comparing the marks FORTIS and FERTIS, observed that the two marks were undoubtedly visually, structurally and phonetically similar and simply replacing vowel ‘E’ with vowel ‘O’ will not lend a meaningful distinction. On the same yardstick, illustratively, in the case of ***Usha International Limited v. Sui Dhaaga Sewing Machines Limited, MANU/DEOR/139005/2024*** and ***Pfizer Products Inc. v. Renovision Exports Pvt. Ltd. and Another, 2024 SCC OnLine Del 3140***, the competing marks USHA and ASHA as also the marks VIAGRA and VIGOURA respectively, were held to be deceptively similar. In ***Pfizer (supra)***, while comparing the marks, Court emphasized on the structural similarity in VIAGRA and VIGOURA and observed that when both marks are compared, it is seen that they both comprise of three syllables, with ‘VI’ as a common prefix and ‘RA’ as a common suffix, producing a strikingly similar auditory impression and phonetic similarity could mislead consumers into believing that VIGOURA is either a variant of or associated with or endorsed by makers of VIAGRA, resulting in the mistaken impression amongst purchasers that the products in question have the same efficacy.

8. It was further argued that Respondent No.1 grossly erred in holding that the rival goods are dissimilar and trade channels and consumers are distinct and thus, there will be no likelihood of confusion and failed to appreciate that Appellant is a registered proprietor of trademark ZARA in Classes 24 and 25 and the goods mentioned in the application filed by



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Respondent No.2 i.e. *'fabric including plain, coated, laminated, impregnated and waterproof fabric, all being goods included in Class 24'*, are similar and/or allied and cognate and have a clear connection in the 'course of trade'. Trademark ZARA is used for selling wide range of products including home products under the its formative mark ZARA HOME. Brand exposure of ZARA is not confined to purchasers, who visit showrooms or buy online but extends to and includes manufacturers, traders, suppliers and middle men, who manufacture, deal and trade in various types of articles including clothing, textiles, belts, bags and home products like curtains, carpets, blankets, bed linen etc., which products are also sold under ZARA mark in showrooms internationally as also across India. It is wrongly noted by Respondent No.1 that the trade connection is different. The expression connection in the course of trade has been described in a book by Venkateswaran on Trademarks and Passing Off, 5th Edition, 2010, which reads: *"Connection in the course of trade – the expression 'connection in the course of trade' covers a wide range e.g. manufacturer, importer or vendor or wholesaler, middleman or retailer or a person who selects or handles commercially the goods in any other way.... As the goods pass on their way to the market through successive trade hands in the course of trade they may receive a succession of trademarks each indicative of the particular person's trade connections with the goods."* Respondent No.2 admittedly supplies polyester fabric to manufacturers of bags and textile dealers etc. Appellant is into sale of bags and home products involving fabrics and thus there is a complete overlap in the rival goods. Appellant's dealings are not confined to ultimate customers/purchasers under the mark ZARA but also extend to manufacturers, retailers, exporters, traders etc., of readymade



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garments, bags, stoles, belts, photo frames, blankets etc., as can be seen from the invoices placed on record and there is thus a connection in the course of trade in the two. Photographs placed on record evidence that Respondent No.2 sells polyester rolls and on the packaging, the mark ZORA is displayed prominently and there is every likelihood that the manufacturers and dealers will be confused into believing that the fabric comes from ZARA since it is into bags and home products involving the use of fabric and textiles and confusion will be more pronounced due to the immense reputation of the ZARA brand. To buttress this argument, reliance was placed on the judgement in ***Punjab Tractors Ltd. v. Pramod Kumar Garg, MANU/DE/0304/2000***, upheld by the Division Bench, wherein a trade connection was found in tractors and diesel oil engines.

9. Learned counsel argued that even assuming that the rival goods are not similar and have no trade connection, registration of the mark ZORA is in violation of Section 11(2) of 1999 Act, which proscribes registration of a mark, which is identical with or similar to an earlier trademark, if or to the extent the earlier trademark is a well-known mark in India and if the use of the later mark is without due cause and would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier mark and this provision applies where the goods are dissimilar. In ***Industria de Diseno (supra)***, this Court found that ZARA had acquired immense reputation internationally and in India such that it was entitled to protection as a well-known mark and hence, entitled to highest degree of protection even against dissimilar goods and restrained the Defendant in respect of restaurant and bar services. It was urged that to claim protection under Section 11(2) and oppose registration of an identical or similar mark, the earlier registered



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mark need not be a formally declared well-known mark and it suffices if the evidence establishes that the mark has acquired such a degree of reputation that it deserves to be protected beyond the goods it is registered for on the touchstone of factors laid down in Section 11(6) of 1999 Act and within the meaning of Section 2(1)(zg). In the entire order, there is no discussion either on Section 11(2) or on the well-known status of the ZARA mark, despite detailed submissions on this before Respondent No.1 including reference to the judgement in *Industria de Diseno (supra)*. Being an earlier well-known mark as envisaged under Section 11(2), ZARA cuts across classes and hence, ZORA could not be registered being a deceptively similar mark, even assuming the rival goods are dissimilar, as this will blur and dilute the distinctive character of the mark ZARA. In *DLF Limited v. Sohum Shoppe Limited & Ors., 2015 SCC OnLine Del 12565*, this Court held that use of the trademark SOHUEMPORIO by Defendants not only constitutes acts of misrepresentation but also leads to misappropriation of the goodwill and reputation that vests in the Plaintiff's trademark EMPORIO and the adoption of the impugned mark would inevitably lead to dilution of distinctiveness, brand equity, goodwill and reputation of the mark EMPORIO as also that the public is likely to make a connection between the goods and the businesses of the Defendants and the Plaintiff, which will cause injury to Plaintiff's reputation. In *Tata Sons Ltd. v. Manoj Dodia and Others, 2011 SCC OnLine Del 1520*, this Court emphasized on the doctrine of dilution, particularly, in respect of well-known trademarks, holding that dissimilarity of goods/services was irrelevant. Had Respondent No.1 entered into the exercise of examining the matter from the aspect of Section 11(2) and the well-known status of the mark ZARA, the mark ZORA would not have



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proceeded to registration.

10. Respondent No.1 has not appreciated that the mark ZORA has been dishonestly adopted by Respondent No.2 in 2016. Trademark ZARA has been internationally known since 1975 and in 2010, ZARA stores were opened in India, from which year the goodwill and reputation of the mark has steadily increased and was naturally well known to Respondent No.2 in 2016. The only reason for adopting a deceptively similar mark was to encash on the goodwill and reputation of the ZARA mark. This is also evident from the documents on record that sale of Respondent No.2's products suddenly increased from approximately Rs.2,45,75,777/- in 2016-2017 to about Rs.31,34,10,412/- in 2023, after adoption of the trademark ZORA. Respondent No.2 has been inconsistent in its explanation as to the meaning of word ZORA in the pleadings. In the counter statement before the Registrar, Respondent No.2 submitted that ZORA was a Hindu name commonly spoken in India meaning baby and in Hindu philosophy it meant dawn. In the written arguments filed on 29.01.2024, the position was shifted to contend that ZORA meant dawn in English. In any event, the very reluctance of Respondent No.2 to change the trademark for inner linings of the bags shows its intent to take unfair advantage of the mark ZARA and the adoption is in bad faith.

11. Learned counsel appearing for Respondent No.2 opposed the appeal and submitted that there is no legal infirmity in the impugned order and the opposition was rightly rejected. Appellant's claim that Respondent No.2 dishonestly adopted the mark ZORA lacks merit and is not substantiated by any evidence or material on record. The mark ZORA was adopted owing to its meaning 'dawn' in English language, which symbolizes a new beginning



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in the use of a polyester fabric 'Andaras' as an internal component of a bag, due to its durability, versatility, affordability and water resistance. This fabric was introduced by Respondent No.2 as a novel fabric for use by the bag manufacturers, who till then were using less durable fabrics. In fact, ZORA is neither a common term in the relevant sector nor directly references polyester fabric and is a valid trademark for registration with no impediment under Section 11 of 1999 Act. Respondent No.2 has heavily invested effort, money and resources and built a goodwill among manufacturers under the mark ZORA and it will be a travesty of justice if the mark is cancelled at the behest of the Appellant, which deals in completely different products with completely distinct trade channels and consumer base.

12. It was further argued that Appellant's claim that ZARA is inherently distinctive is false and incorrect. The word ZARA has a historical and cultural significance, being an italicized version of Zadar, a well known city in Croatia, whose name evolved overtime and was established by the 15th century. ZARA is also used as a name, particularly, in Arabic speaking countries, where it may mean a flower or blossom, derived from the Arabic word 'Zahrah'. There are several trademarks on the Register of Trade Marks, which begin with 'ZO' and 'ZA' prefix and hence, the mark is common to Register. Illustratively, marks such as ZORI, ZOR, ZORPIO, ZARSAA are registered marks. Appellant's claim for protection of the mark ZARA as a well-known mark is fallacious in the absence of a formal declaration, enabling the Appellant to obstruct registration of a mark in respect of dissimilar goods in same or different classes. Even otherwise, Appellant has been unable to show any evidence of actual confusion



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amongst public, as a fall out of the alleged well-known status. In fact, Appellant had opposed registration of the mark ZANA alleging similarities and asserting the well known status but the UK Trade Mark Registry rejected the opposition observing that there was no evidence of the impugned goods being of inferior quality and thus there was no serious risk, in the absence of lack of confusion, as to source of origin of the goods.

13. It was strenuously urged that Respondent No.1 has correctly noted and held that the marks ZARA and ZORA are phonetically and visually different inasmuch as 'ZA' and 'ZO' are structurally different and have different sounds while pronouncing, making them distinct and ruling out any possibility of confusion. This conclusion is supported by the judgment in *Diageo North America, Inc. & Anr v. Shiva Distilleries Ltd., 2007 SCC OnLine Del 936*, where Court found no similarity between SMIR and BRIS. In the case of *Subway IP LLC v. Infinity Food and Others, 2023 SCC OnLine Del 150*, Court found that the marks SUBWAY and SUBERB were phonetically distinct. In fact, in *Cadila Laboratories Ltd. & Another v. Dabur India Limited, 1997 SCC OnLine Del 360*, the mark ZEXATE was found to be dissimilar to the mark MEXARTER. In the celebrated judgment in *Nandhini Deluxe v. Karnataka Cooperative Milk Producers Federation Limited, (2018) 9 SCC 183*, the Supreme Court ruled that the marks as close as NANDINI and NANDHINI are dissimilar. Therefore, a mere assertion by the Appellant that ZORA and ZARA are similar and the difference in one vowel is insignificant does not further its case for cancellation of registration of the mark ZORA, without any further evidence of actual confusion and moreover, it cannot be overlooked that the rival goods are wholly different and distinct, being polyester lining for bags on one hand and bags and home



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products, on the other.

14. Elaborating on the dissimilarities in the competing goods, it was further urged that Appellant has predicated its case largely on the alleged fact that Respondent No.2 is into sale of bags, which is factually incorrect inasmuch as Respondent No.2 neither manufactures nor trades in or sells bags. Respondent No.2 only sells polyester fabric from a small shop in Sadar Bazar, a wholesale market and has no intent to enter into retail business. Appellant on the other hand sells a wide range of finest products from huge showrooms as also online and the consumer base as also the trade channels are completely distinct. There is virtually no chance of Appellant's customers purchasing the polyester fabric of Respondent No.2 from its small shop in Sadar Bazar and this stands fortified by Appellant's own claim that ZARA is a high-end brand with an elite clientele. There is also no violation of Section 11(2) as alleged by the Appellant for the reason that ZARA and ZORA are not similar and the consumer base is different and hence, there is no question of dilution of the distinctive character of the ZARA mark. In fact, Respondent No.2 has been using the mark ZORA since 2016 with registration in 2019 and there is no complaint placed on record by the Appellant showing confusion and resultant dilution and/or blurring of ZARA and importantly, till date Appellant has not filed any case against Respondent No.2, alleging passing off.

15. It was also argued that Appellant cannot claim monopoly on all goods not only in different classes but even in the same class for which the trademark ZARA is not registered. In *Vishnudas Trading as Vishnudas Kishendas v. Vazir Sultan Tobacco Co. Ltd., Hyderabad and Another, (1997) 4 SCC 201*, the Supreme Court categorically held that a proprietor of



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the trademark cannot enjoy monopoly over the entire class, specially, when he is not using the mark for those goods. The same position of law was reiterated by the Supreme Court in *Nandhini (supra)*. The judgments relied upon by the counsel for the Appellant are clearly distinguishable. The case of *Usha International (supra)*, was decided on different facts where the impugned marks ASHA and the logo as also the mark BUTTERFLY were held to be deceptively similar to Plaintiff's mark and were used in relation to identical goods i.e., sewing machine, which is not the case here. In *Industria de Diseno (supra)*, the rival marks were ZARA and ZARA TAPAS BAR and therefore, the infringement was clear, whereas in the present case Respondent No.2's mark is ZORA, which is wholly dissimilar to ZARA. The judgment in *Pfizer Products (supra)*, is inapplicable to the present case for two reasons, firstly, the rival marks VIAGRA and VIGOURA were deceptively similar and secondly, the case involved pharmaceutical products and that too for the same treatment and it is settled that in case of pharmaceutical products the tolerance to confusion must be very low.

16. Heard learned counsels for the parties and examined their rival submissions.

17. By this appeal, Appellant seeks quashing of impugned order dated 08.02.2024, whereby Respondent No.1 has dismissed the opposition filed by the Appellant and allowed the application of Respondent No.2 for registration of the mark ZORA in Class 24. Broadly understood, Appellant had opposed registration of the mark ZORA on the ground that its mark ZARA is inherently distinctive and was conceived and adopted by the Appellant as early as in 1970s and is registered in several classes including Class 24 and fulfils all parameters of being entitled to protection as a well-



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known mark under Section 2(1)(zg) of 1999 Act and hence, registration of ZORA, which is deceptively similar to ZARA, both visually and phonetically, is proscribed under Section 11(2) of 1999 Act as the use of ZORA will take unfair advantage of or be detrimental to the distinctive character or repute of ZARA, even assuming that Respondent No.2 seeks registration in respect of dissimilar goods, while strenuously contesting that the impugned goods are dissimilar. Respondent No.2, on the other hands, contests the appeal and the opposition on the ground that ZORA is not deceptively similar to ZARA and giving preference to prefixes 'ZO' and 'ZA', when the suffix 'RA' is common, there is neither any phonetic nor visual similarity. Respondent No.2 has also questioned the applicability of Section 11(2) on the ground that ZARA is not a declared well-known mark and hence, Appellant has no right to oppose registration of a mark in respect of dissimilar goods, which in the instant case are polyester lining fabric for bags. In fact, Respondent No.2 seriously opposed the stand of the Appellant that it manufactures and sells bags *per se* and has taken a position that it only supplies polyester lining fabric to manufacturers of bags.

18. Perusal of the impugned order passed by Respondent No.1, rejecting ZARA's opposition shows that the Registrar has returned a finding that the rival marks ZARA and ZORA are neither phonetically nor visually similar. In order to compare the marks, Respondent No.1 first observed that the two words must be taken and judged by their looks and by their sound and thereafter, proceeded to first compare them phonetically. To do so, the Registrar dissected the marks and compared 'ZO' and 'ZA' and concluded that in 'ZO', the emphasis is on the first syllable with a flowing and elongated 'o' sound while in 'ZA' it is on 'a' sound and thus they were



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phonetically dissimilar. For a visual comparison, Respondent No.1 observed that both the marks feature the suffix 'RA' and therefore, a comparison must be made between the prefixes 'ZO' and 'ZA' and if the two are compared in block letters, they are dissimilar and there is no likelihood of confusion or deception. Having so held, Respondent No.1 posed a question whether an average man, on seeing the two marks may get confused or deceived and answered the same by holding that the likelihood of the rival products being seen together in one place/counter was negligible as the trade channels and consumer base were totally different. Respondent No.2 is a manufacturer/wholesaler of raw laminated fabric at Sadar Bazaar, Delhi which is used in the inner lining of the bags by the manufacturers and sold in rolls (in meters) and hence, the consumers are bag manufacturers, whereas the Appellant sells end products and not raw products and its goods are available at its exclusive stores/websites only. Dealing with the argument of the Appellant that even if the goods are dissimilar, mark ZARA is liable to be protected under Section 11(2), since it is a well-known mark, Respondent No.1 rejected the same on the short ground that the rival marks were dissimilar, hence, similarity or dissimilarity of goods was immaterial. Argument of the Appellant that Respondent No.2 has dishonestly adopted the mark ZORA was not accepted for the same reason that the rival marks were different. Tangentially, Respondent No.1 also ventured into the English meaning of the mark ZORA which means 'dawn' and accepted the version of Respondent No.2 that adoption was in good faith as use of polyester fabric (Andaras), which is known for its versatility, durability and water resistance, was a new beginning in the making of bags. Respondent No.1 has also rightly held that Appellant had placed no evidence on record to show any



actual confusion among the public or the dishonest adoption by Respondent No.2.

19. Before proceeding to consider the rival contentions of the parties on merit, it is pertinent to look at the applicable provisions under the 1999 Act. Section 11 of 1999 Act deals with relative grounds for refusal of registration. Sub-Section (1) proscribes registration of the trademark if it is identical with an earlier trademark and there is similarity of goods or services covered by the trademark or where the trademark sought to be registered is similar to an earlier trademark and there is identity or similarity in goods/services covered by the trademark and there is likelihood of confusion on the part of the public including likelihood of association with the earlier trademark. Sub-Section (2) proscribes registration of a trademark if it is identical with or similar to an earlier trademark but the goods/services are dissimilar, if or to the extent the earlier trademark is a well-known trademark in India and use of the later mark without due cause, would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark. Therefore, the commonality in the two sub-Sections is identity/similarity with ‘earlier trademark’, which expression has been defined in Explanation (b) to the Section, but the difference is that (1) is confusion centric with similarity/identity of goods/services and (2) is based on distinctiveness and dilution/unfair advantage with goods/services being dissimilar. For ready reference, Explanation is as follows:-

“Explanation.—For the purposes of this section, earlier trade mark means—

(a) a registered trade mark or an application under section 18 bearing an earlier date of filing or an international registration referred to in section 36E or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the



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priorities claimed in respect of the trade marks;

(b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trade mark.”

20. There is no dispute between the parties that ZARA is a registered mark in India and its earliest registration dates back to 07.04.1993 in Class 25. ZARA was registered in Class 24 on 19.06.2003, which is the relevant class in the instant case. Therefore, going by the statutory prescription of Section 11(2), the first and foremost question that needs an answer is whether ZARA is an earlier well-known trademark and if the answer is in the affirmative then the second question that will arise for consideration will be whether ZARA and ZORA are deceptively similar so as to cancel the registration of the mark ZORA, even assuming the rival goods are dissimilar, which issue is also heavily contested.

21. Contention of Respondent No.2 on this aspect is that ZARA is not an earlier well-known trademark under Section 11(2), since it has not been so declared by any Court nor included in the list of well-known mark by the Registrar of Trade Marks, while Appellant contends that Section 11(2) does not envisage a formal declaration and if the proprietor of an earlier registered similar/identical mark can establish through cogent evidence that it has acquired substantial and extensive reputation, tested on the factors under 11(6) read with 2(1)(zg), the opposition will be valid against a similar/identical mark. Having given my careful consideration to the language of Section 11(2), I am of the view that the contention of Respondent No.2 only deserves to be rejected inasmuch as the provision does not require the earlier trademark to be a declared well-known mark either by the Court or by the Registrar. Section 11(2) provides that ‘mark is



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a well-known trade mark in India’ and not that the mark is a declared well-known mark and/or is included in the list of well-known marks by the Registrar, which means that the mark possesses the threshold requirements of Section 2(1)(zg) i.e., it has become well known to the substantial segment of the public in India, which uses the goods or receives services in relation to which the mark is used and is likely to be taken as indicating a connection in the course of trade and the factors to be considered for such assessment and determination are given in Section 11(6). This is evident from Explanation (b) to Section 11 which explains ‘earlier trademark’ as a mark which is registered on the date of the application for registration of the trademark in question and is ‘entitled to protection as a well-known trademark’. The word ‘entitled’ in Explanation (b) is not without significance inasmuch as ‘entitle’ as defined in Black’s Law Dictionary means ‘to grant a legal right to or qualify for’ and ‘entitlement’ means ‘an absolute right to a benefit’ and cannot be construed to mean ‘declared’. For ready reference, relevant sub-Sections of Section 11 are as follows:-

“11. Relative grounds for refusal of registration.—(1) Save as provided in section 12, a trade mark shall not be registered if, because of—

(a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or

(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(2) A trade mark which—

(a) is identical with or similar to an earlier trade mark; and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,

shall not be registered if or to the extent the earlier trade mark is a well-



known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

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(4) Nothing in this section shall prevent the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstances under section 12.

Explanation.—For the purposes of this section, earlier trade mark means—

(a) a registered trade mark or an application under section 18 bearing an earlier date of filing or an international registration referred to in section 36E or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trade marks;

(b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trade mark.

(5) A trade mark shall not be refused registration on the grounds specified in sub-sections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.”

22. Plain reading of Section 11(2) does not support the argument of requirement of prior declaration of the earlier trademark as a well-known mark. At the cost of repetition, the phrase in Section 11(2) carefully used by the legislature is ‘*mark is a well-known trade mark in India*’ and not ‘the mark is a declared well-known mark and/or included in the list of well-known marks by the Registrar’ and thus the Registrar is required to determine if tested on the factors under 11(6), the earlier mark has acquired immense and substantial reputation and is entitled to protection as a well-known mark so as to oppose cancellation of a similar/identical mark in respect of dissimilar goods. Thus, the enquiry under Section 11(2) is whether opponent’s mark is substantially well known amongst the relevant



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segment and enjoys immense and extensive reputation in India and not whether there is a prior formal declaration as a well-known mark. Had the legislature intended the earlier mark under Section 11(2) to be a declared well-known mark, the provision would have so stated expressly and in the absence of an express exposition to this effect, it is not open to the Court to substitute words in statutory provisions beyond what has been legislated.

23. The central theme of Section 11(2) is the well-known status and repute of the earlier registered mark and its protection so that the Register of Trade Marks does not include a later mark, which owing to its similarity/identity, takes unfair advantage of or is detrimental to the distinctive character or repute of the earlier mark. The right to oppose registration under 11(2) thus arises from the well-known nature of the earlier mark and is not dependant on its formal declaration as a well-known mark, in my considered view. The legislative intent is clear from the common thread that runs in sub-Section (5), which provides that a trademark shall not be refused registration on the grounds specified in sub-Sections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the 'earlier trademark' and does not require that the opponent should be a proprietor of a 'declared' well-known mark.

24. I am fortified in my view by the judgment of the Madras High Court in ***Lego Juris A/S v. Gurumukh Singh and Another, 2024 SCC OnLine Mad 4858***, where the Court was dealing with rectification petitions under Section 57 of 1999 Act and the Petitioner who was the registered proprietor of the mark LEGO sought removal of the mark LEGO adopted by Respondent No.1 for its confectionery products from the Register of Trade Marks. Be it noted that Petitioner's mark was declared as well-known



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trademark in foreign jurisdictions and Section 11(2) was invoked for cancellation of the registration. Respondent No.1 contended that its adoption of LEGO was *bona fide* and that its registration was in a class different from the class for which Petitioner's LEGO mark was registered and hence, the goods were wholly dissimilar. Objection was also taken that Petitioner's mark was not a declared well-known mark as contemplated under Section 11(6) read with Section 2(1)(zg) of 1999 Act, besides disputing the similarity in the rival marks. Madras High Court took the view that Explanation (b) to Section 11(4) clarifies that an earlier trademark would also include a trademark which was entitled to protection as well-known mark on the date of the application for registration by the rival party *de hors* the nature of goods and/or trade channels, meaning thereby that it is not mandatory to have a prior declaration under Section 11(2) for opposing registration of an identical or similar mark. Madras High Court observes that even though Petitioner's declaration was pending and as and when granted will be prospective but construing the provisions of Section 11(2), the LEGO mark of the Petitioner will be entitled to be protected against the identical mark of Respondent No.1, even though the goods were way different. This judgment, therefore, highlights that to seek protection under Section 11(2) and oppose the registration of an identical/similar mark, the earlier trademark must only satisfy the requirement of being a mark 'entitled' to protection as a well-known mark as provided under Section 2(1)(zg).

25. The above position also finds support from Rule 43 of the 2017 Rules, which in respect of a Notice of Opposition or on an earlier right on which the opposition is based and provides that "*where the opposition is based on*



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an earlier trade mark which is alleged to be a well-known trade mark within the meaning of sub-section 2 of section 11[...]”. The language of this Rule is also a pointer to and furthers the interpretation that opposition under Section 11(2) is not conditioned by declaration of a mark as a well-known and the registered proprietor of the earlier mark has only to satisfy through evidence that it fulfills all parameters under Sections 11(6) and (7) read 2(1)(zg) and is entitled to protection as a well-known mark. Any other interpretation would render the Explanation (b) and Section 11(5) as also the corresponding Rule, otiose. Legislature in its wisdom deliberately chose not to use the term “declared” since before the amendment to the Trade Marks Rules in 2017, whereby Rule 124 was introduced, the only way to seek a declaration of well-known trade mark was perhaps to engage in adversarial proceedings, such as law suits for infringement, passing off, cancellation, opposition, etc. Additionally, even in the definition of well-known trademark, legislature has consciously used the words “a mark which has become so to the substantial segment of the public”, which only means a substantial segment of the public that patronizes the product/service associated with the earlier trademark. The whole objective of the protection extended to a well-known mark is to ensure that a mark, which is similar/identical, does not dilute its reputation and the character. Furthermore, legislature has consciously used two distinct terms, i.e. “well-known” trademark in Section 11 (2) and “determined to be well known” in Section 11 (8). The golden rule of interpretation stipulates that words and phrases in a statute must be given their ordinary meaning. Therefore, the contention of Respondent No.2 that in the absence of a formal declaration of the mark ZARA, opposition by the Appellant was misconceived, is rejected



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and it is held that there is no statutory prescription under Section 11(2) that the proprietor of an earlier mark must first obtain a declaration of ‘well-known trademark’ status before invoking the provision in opposition proceedings. Section 11(2) merely requires that the earlier mark is well-known in India and the Registrar is empowered to determine whether the mark is well-known by considering factors under 11(6) and (7), including duration and extent of use, extent of promotion, recognition among relevant public, registrations and record of enforcement etc. by looking into evidence led by the opponent.

26. Appellant had extensively averred before Respondent No.1 and also placed overwhelming evidence in the form of supporting documents reflecting that it is an internationally reputed company engaged in manufacture, design, sale and distribution of fashion and related lifestyle and home products in several classes including Classes 24 and 25. Appellant is a conglomerate of over 400 companies with 1,70,000 employees and one of the largest fashion distribution groups in the world. Appellant sells its goods on a global scale in 215 markets through online platforms and has over 6,423 stores in 95 markets under several brands, the leading one being ZARA. Inditex Trent opened its first ZARA store in 2010 in Delhi and Mumbai. In 2011, Inditex opened 483 stores in 49 countries followed by new stores in 56 markets in 2015. As in 2019, Inditex was selling in 202 markets with 96 physical stores and 66 online platforms and in India, ZARA had 21 stores on the date of filing this appeal. It is brought forth by the Appellant that the expenses incurred by Inditex towards manufacturing of Appellant’s products bearing the ZARA marks in India steadily increased from Euro 42,812,063 in 2003 and in the year 2018 alone they were to the



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tune of Euros 116,877,249 upto 30.05.2018. In *Industria de Diseno (supra)*, Court has held that host of documents on record show that ZARA is a well known mark and had transborder reputation even as in 2003, when the rival party therein had started its bar and restaurant. It is also observed in the judgment that while the first ZARA store was opened in India in 2010 but the documents showed that Appellant was getting fabrication done from various exporters in India even prior thereto and this fact is also brought forth in the present appeal categorically stating that ZARA has been in use since 1986-87 through its contract manufacturers. Having recognized the well-known status of the ZARA mark, the Court restrained the Defendants from carrying on their business of bar and restaurant under the name ZARA TAPAS BAR even though the hotel and hospitality business was completely unrelated to the goods of ZARA. This plethora of evidence has been completely overlooked by Respondent No.1.

27. Respondent No.2 filed the application for registration of ZORA on 03.10.2019 with user claim from 03.06.2016 and it needs no gainsaying that even in 2016, ZARA had achieved the status of a well-known mark owing to its immense reputation evidenced through its extensive sales, expenses etc. and more importantly, this fact is judicially recognised by this Court in *Industria de Diseno (supra)*. Therefore, in my view, from the documents indicating a large retail network and online presence in India; extensive sales turnover; substantial expenses incurred and extensive advertising; diversified portfolio of products such as bags, apparel, headwear, footwear, accessories as also transborder reputation, Appellant has proved the strength of the mark ZARA and it satisfies all factors under Section 11(6) of 1999 Act read with Section 2(1)(zg), having achieved public and customer



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recognition. Therefore, *de hors* the formal declaration of the mark ZORA as a well-known mark, it cannot be denied that ZARA is entitled to protection as a well-known mark under Section 11(2) read with Explanation (b) and thus entitled to file opposition against registration of the mark ZORA.

28. Coming to next question as to whether rival marks are deceptively similar, I am of the view that even on this score, Respondent No.1 has seriously erred and applied a wrong test to compare ZARA and ZORA. It is trite that in deciding the similarity between two rival marks, they have to be seen as a whole and in this context, I may refer to the judgment of the Supreme Court in ***Corn Products (supra)***, relevant paragraph of which is as under:-

“18. We think that the view taken by Desai, J., is right. It is well known that the question whether the two marks are likely to give rise to confusion or not is a question of first impression. It is for the court to decide that question. English cases proceeding on the English way of pronouncing an English word by Englishmen, which it may be stated is not always the same, may not be of much assistance in our country in deciding questions of phonetic similarity. It cannot be overlooked that the word is an English word which to the mass of the Indian people is a foreign word. It is well recognised that in deciding a question of similarity between two marks, the marks have to be considered as a whole. So considered, we are inclined to agree with Desai, J., that the marks with which this case is concerned are similar. Apart from the syllable “co” in the appellant's mark, the two marks are identical. That syllable is not in our opinion such as would enable the buyers in our country to distinguish the one mark from the other.”

29. The Division Bench of the Bombay High Court in ***Encore Electronics (supra)***, while comparing the marks ANCHOR and ENCORE observed that the overall impression conveyed by a mark as a whole has to be assessed in evaluating whether the mark of the Defendant is deceptively similar to that of the Plaintiff. It was also held that phonetic similarity constitutes an important index of whether a mark bears a deceptive or misleading



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similarity to another as the phonetic structure indicates how the rival marks ring in the ears. On this touchstone, it was observed that phonetic similarity between ANCHOR and ENCORE was striking when seen as a whole. Division Bench of this Court in *M/s. South India Beverages (supra)*, emphasized on the anti-dissection rule *albeit* in the context of composite marks. Contrary to the settled legal proposition, Respondent No.1 dissected ZARA and ZORA and compared the dissected parts of the marks i.e., ‘ZA’ and ‘ZO’ instead of looking at the marks on an overall impression and concluded that they were phonetically and visually dissimilar, which is completely untenable in law.

30. In this context, I may first allude to the judgment in *Corn Products (supra)*, where the Supreme Court held that the marks GLUCOVITA and GLUVITA were similar and likely to cause confusion or deception in the mind of a person with average intelligence and imperfect recollection and negated the contention that syllable ‘CO’ in the Appellant’s mark was an emphatic characteristic which was not likely to be slurred over. The test of phonetic similarity was accepted by the Supreme Court in *Amritdhara Pharmacy v. Satya Deo Gupta, 1962 SCC OnLine SC 13*, as also subsequently, in *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories, 1964 SCC OnLine SC 14*. In *Cadila Health (supra)*, the Supreme Court held that principle of phonetic similarity cannot be jettisoned even when the manner in which competing word is written is different. Following these judgments in *Encore Electronics (supra)*, the Bombay High Court examining the marks ANCHOR and ENCORE and held that Court must have realistic consciousness of the fact that the marks are used in Indian market and it is a consumer in India whose observation



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and assessment must guide the decision making. The manner in which rival marks would be ordinarily pronounced and the manner in which they would be written in Indian languages would be an important indicator of deceptive similarity. It was held that the learned Single Judge has rightly observed that the marks contain an overwhelming emphasis on letters 'ENCOR' and the fact that the mark of the Plaintiff begins with an 'A' while the mark of the Defendant begins with 'E' would make little difference to the manner in which the rival marks are pronounced. In *Inter Ikea Systems BV v. Annanya Gautam and Another*, 2018 SCC OnLine Del 11665, this Court held that phonetic and visual similarities are disjunctive and as long as either test is satisfied, similarity stands established. Referring to several judgments on the issue and examining the rival marks IKEA and IKAH, the Court held that they were phonetically and visually similar. In *Mex Switchgears Pvt. Ltd. v. Max Switchgears Pvt. Ltd.*, 2014 SCC OnLine Del 854, this Court reiterated that overall impression of the mark in the minds of general public has to be considered by the Court and not by merely comparing the dissimilarities in the two marks and concluded that the two rival marks MEX and MAX are phonetically, visually and structurally similar.

31. In *Ciba Ltd. Basle Switzerland v. M. Ramalingam and S. Subramaniam trading in the name of South Indian Manufacturing Co., Madura and Another*, 1957 SCC OnLine Bom 45, Bombay High Court held that resemblance between CIBA and CIBOL, both visual and phonetical, becomes marked and pronounced if one attaches greater importance to the first syllable. In *Essco Sanitations (supra)*, it was observed that vowels 'o' and 'e' are most likely to be mispronounced while comparing the marks ESSCO and OSSO and the marks were too close



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phonetically, visually and similarity in idea. The two letters ‘SS’ and the last letter ‘O’ are common in the two marks and there is no manifest difference in the two, selecting the letter ‘C’ from ESSCO and substituting the first letter ‘O’ in place of ‘E’. Ordinary customers, who are likely to purchase the goods are not expected to carry in their heads the miniscule details and very seldom a purchaser will have the two marks actually before him at the time of purchase and very often will only have a general recollection of what the nature of the trademark is. In *Ajanta Pharma (supra)*, the competing marks were OLPET and OLOPAT and the Court held that the distinction between the two is of one missing vowel, which is used by the Plaintiff and substitution of another vowel i.e., capital ‘A’ for a capital ‘E’ and in terms of pronunciation, nobody is going to make this distinction between the two marks and two are likely to be confused in common speech. Even visually, the marks are far too similar and there is no reason for Defendants to have adopted the mark OLPET so close to OLOPAT. In *Sulphur Mills (supra)*, the Bombay High Court was dealing with the marks FORTIS and FERTIS and found them to be visually, structurally and phonetically similar and held that the difference in vowel ‘e’ and vowel ‘o’ will not lend meaningful distinction.

32. Applying the aforesaid judgments to the instant case, I will now examine the two rival marks ZARA and ZORA. Both are word marks and contain four letters and are written in capital letters. Coming to the phonetic aspect, ZARA is pronounced as ZA-RA and ZORA is pronounced as ZO-RA. While pronouncing the marks, both end with the sound ‘RA’ and have the same rhythm and while there is a difference in the vowel sound of ‘a’ and ‘o’ but to an average man with imperfect recollection, the overall sound



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in the ears will be almost alike. Hence, the two words are phonetically deceptively similar. On visual similarity, both have four letters and the first letters are 'Z' and both end with 'RA' which means that they have the same consonant structure Z-R-A and the only change is in the vowel. Therefore, Respondent No.1 has completely erred in coming to a conclusion that there is no similarity in the two competing marks and this singular conclusion has weighed with the Registrar to negate all other contentions of the Appellant that ZARA being a well known mark is entitled to protection even against dissimilar goods and/or that Respondent No.2 adopted the mark ZORA dishonestly.

33. Coming to the aspect of dissimilarity of competing goods, which is one of the main planks of the argument of Respondent No.2, this aspect in fact becomes irrelevant in the context of Section 11(2), which provides protection to the earlier well known mark even against dissimilar goods as held by the Madras High Court in *Lego Juris (supra)*. This issue also came up before this Court in *Sanjay Chadha and Another v. Union of India and Another, 2022 SCC OnLine Del 509*, in a writ petition considering a challenge to an order passed by IPAB, whereby rectification/cancellation petitions were allowed resulting in removal of registered trademarks EVEREADY. Petitioners were engaged in the business of manufacturing and marketing hand tools under the trademark/label EVEREADY while the Respondent was in the business of *inter alia* dry cell batteries, flash lights, CFLs and GSLs. Court upheld the order of IPAB and held that the two competing marks were identical and in terms of Section 11(2) it did not matter whether the competing trademarks were in respect of similar goods or not and IPAB had rightly concluded that the mark in question can be



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protected even in relation to dissimilar goods *albeit* the Court found that the competing goods were allied and cognate. The Court further observed that the only test to be applied was whether the earlier trademark was a well-known trademark and whether the use of the later mark would be detrimental to the distinctive character or repute of the earlier trademark and the answer to both the questions in the said case was in the affirmative and therefore, the Respondent would be entitled to benefit of Section 11 of 1999 Act. In fact, in the said case, the Court also found that the adoption of the identical mark by the Petitioners was dishonest and without any reason. This judgment was upheld upto the Supreme Court. This contention is therefore rejected. Since Section 11(2) grants protection to a well-known mark even *qua* dissimilar goods, this Court need not delve into the extensive arguments of the parties regarding the similarity or dissimilarity of goods.

34. While it may not be necessary to go into the aspect of similarity in rival goods but for the sake of record, it would suffice to note that even this argument of Respondent No.2 cannot be accepted. Both ZARA and ZORA are registered in Class 24, which covers textiles and fabrics. ZARA is associated with clothing and fashion goods as also bags and the brand exposure includes interaction and purchases from manufacturers, traders and suppliers who in turn deal with various kinds of articles including clothing, textiles, bags and therefore, it cannot be said that polyester fabric lining for bags is a wholly unrelated activity and there is certainly a connection in the course of trade and in this context, learned counsel for the Appellant rightly relied on the judgement in *Punjab Tractors Ltd. (supra,)* where the Court found a trade connection between tractors and diesel oil engines.

35. Respondent No.1 has committed yet another glaring error in the



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impugned order by denying the claim of the Appellant on the ground that there is no evidence of actual confusion amongst public on record. In my view, the enquiry of confusion was a misplaced enquiry and has no place in examination for registration/opposition under Section 11(2), which by its plain reading restricts the enquiry to whether the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark and which is why protection is granted against dissimilar goods. The test of likelihood of confusion is a test under Section 11(1) and not Section 11(2) and clearly the emphasis in Section 11(2) shifts from ‘consumer confusion’ to protection of the reputation and distinctiveness of a well-known mark and its dilution. In **DLF Limited (supra)**, this Court held as follows:-

“24. The impugned use of the trademark SOHUMEMPORIO by the defendants not only constitutes acts of misrepresentation, but also leads to misappropriation of the goodwill and reputation that vest in the plaintiff's trademark EMPORIO. It is an attempt by the defendants to derive benefit from the said goodwill and induce the customers to identify the mall of the defendants with that of the plaintiff and enjoy the reputation and goodwill of EMPORIO unlawfully. The adoption and use of the trademark SOHUMEMPORIO would inevitably lead to dilution of the distinctiveness, brand equity, goodwill, and reputation of the plaintiff's trademark EMPORIO.

25. From the material placed on the record, it is clear that that the use of the impugned trademark EMPORIO with the prefix SOHUM by the defendants result in blurring. The theory of “dilution by blurring” is that if one small user can blur the sharp focus of a famous mark to uniquely signify one source, then another will do so. There will come a point when significant injury is caused by the cumulative effect, not just by one user. If the customers or prospective customers seek the trademark EMPORIO with the prefix SOHUM having no connection with the plaintiff, a situation would arise where the unique and distinctive significance of the trade mark EMPORIO to identify and distinguish the plaintiff's merchandise will be diluted and weakened. Thus, the use by the defendants of the trademark SOHUMEMPORIO is absolutely illegal and is detrimental to the rights of the plaintiff. The trademark EMPORIO is exclusively associated with the plaintiff and the use thereof by the defendants and their colourable



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imitation would result in diminution and whittling away of the value of the plaintiff's trademark EMPORIO. The public is also likely to make a connection between the goods and business of the defendants and that of the plaintiff. This would result in "dilution by blurring" causing irreparable prejudice, damage and injury to the plaintiff."

36. In **Tata Sons (supra)**, this Court held that the doctrine of dilution, which has recently gained momentous, particularly in respect of well-known trademarks emphasises that use of a well-known mark even in respect of dissimilar goods/services, though may not cause confusion amongst the consumers as to the source of goods/services but may cause damage to the reputation which the well-known trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods/services. ZARA mark had acquired an extensive and enviable reputation well before Respondent No.2 applied for registration of ZORA in 2016 and in fact, ZARA had an expansive portfolio of a wide range of products and was recognized as well-known by this Court in 2015. Respondent No.2 had no honest reason or cause to adopt a deceptively similar name ZORA, save and except, to take unfair advantage of ZARA for its polyester fabric by riding on the coattails of the said mark. In fact, Appellant has placed on record documents to show that since the adoption of the mark ZORA, the sales of Respondent No.2 suddenly rose from Rs.2,45,75,777/- in the financial year 2016-2017 to Rs.31,34,10,412/- upto 02.03.2023. The primary function of a trademark is to establish connection in the course of trade, which is not merely confined to an ultimate purchaser. In the instant case, use of the trademark ZORA will cause detriment to the distinctive character and repute of the mark ZARA and will also obstruct and adversely affect the trade connection built by ZARA amongst its traders, dealers, middleman, manufacturer and retailers in respect of same or similar fabric or textiles. Appellant has brought on



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record documents to show that Respondent No.2 is not only dealing in polyester fabric for bags but is also supplying polyester based rolls to its customers which includes textile dealers etc., who sell textile pieces in their shops. The mark ZORA has been displayed prominently on the packaging of the rolls and it cannot be figured out whether they are used for inner lining of bags or clothing items and it is clear that more often than not the customers will be misled into believing that Respondent No.2 supplies these rolls on behalf of ZARA or has some connection with the brand which will result in dilution of the brand as also the distinctive character of the mark.

37. The judgments relied upon by Respondent No.2 do not help in furthering its case. In *Vishnudas Trading (supra)*, the Supreme Court held that proprietor of a trademark cannot enjoy monopoly over the entire class, specially when he is not using it for certain goods in that class. The proposition cannot be debated or disputed. However, the facts of the case were completely different inasmuch as the mark in question was CHARMINAR and was a commonly known word, being the name of a monument and the dispute concerned use of the mark in relation to tobacco products. In the present case, the mark ZARA is entitled to protection as a well-known mark under Section 11(2) and can oppose a similar/identical mark for dissimilar goods. The judgment in *Vishnudas Trading (supra)*, prevented trafficking in trademarks by proprietors who have no intent to use them, which is not the case here and statutory regime under Section 11(2) prohibits adoption of a well-known trademark in a manner which takes unfair advantage of or is detrimental to its distinctive character or reputation. The same legal proposition arises from the judgment in *Nandhini Deluxe (supra)*, i.e., a proprietor cannot enjoy monopoly over the entire class. Mark



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Nandhini was not a well known trademark and was found to have a common and mythological connotation with a Hindu deity and the Supreme Court in the context of the facts in that case held that since the competing businesses operated in separate commercial fields, use of the marks did not disturb the existing market position of the party. The judgment in *Cadila Healthcare (supra)*, concerned the competing marks FALCITAB and FALCIGO for pharmaceutical preparations. The judgment essentially laid down the principle that competing marks must be seen as a whole, which in fact supports the Appellant in this case. Secondly, the dispute focussed on consumer confusion in pharmaceutical products while the enquiry under Section 11(2) is dilution and detriment to the distinctive character and repute of the trademark and shifts from consumer confusion in Section 11(1).

38. For all the aforesaid reasons, Appellant has been able to make out a case that rejection of its opposition by Respondent No.1 and direction to register the trademark ZORA is legally flawed and warrants interference. Accordingly, the impugned order dated 08.02.2024 is quashed and set aside, cancelling the registration of the mark ZORA under registration No.4310686 in Class 24. Respondent No.1 is directed to remove the entry from the Register of Trade Marks and rectify the same for the sake of purity of the Register, within two months from today.

39. Appeal stands allowed and disposed of in the aforesaid terms along with pending application.

JYOTI SINGH, J.

JULY 06, 2026/YA