

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

Pronounced on: 19th May, 2015

+ **CS (OS) No. 1472/ 2013**

INDUSTRIA DE DISEÑO TEXTILE SA Plaintiff

Through Mr. Akhil Sibal, Advocate with
Mr. Sushant Singh, Advocate,
Mr. P.C. Arya, Advocate,
Mr. Nikhil Chawla, Advocate,
Mr. Tejinder Singh, Advocate,
Ms. Anisha Gupta, Advocate and
Ms. Parveen Arya, Advocate.

versus

ORIENTAL CUISINES PVT. LTD. AND ORS. Defendants

Through: Mr. N.K. Kaul, Senior Advocate with
Mr. M.S. Bharath, Advocate and
Ms. Prachi Agarwal, Advocate

**CORAM:
HON'BLE MR. JUSTICE G.P.MITTAL**

J U D G M E N T

G. P. MITTAL, J.

I.A. No. 11760/ 2013 (O. XXXIX Rules 1 and 2 CPC)

1. By virtue of this application under Order XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 (CPC), the Plaintiff (Applicant) seeks *ad interim* injunction restraining infringement of its trademark/trade name ZARA, passing off, dilution of its trademark/trade name and delivery up against the Defendants.

2. The case set up by the Plaintiff is that the Plaintiff is an internationally reputed company engaged in the manufacture, design, sale and distribution of fashion and related lifestyle products in various classes of International Classification of Goods and Services. In India, the Plaintiff carries out commercial operations through its associate company, Inditex Trent Retail India Private Limited, a joint venture between the Plaintiff and Trent Limited of well known Tata Group Company. It is the case of the Plaintiff that the Plaintiff coined, conceived and adopted ZARA as its trademark in 1975 and opened first ZARA shop 38 years ago in A Coruna, Spain. The domain name zara.com was registered by the Plaintiff on 29th May, 1997 and the same has since been in continuous use of the Plaintiff.

3. It is averred that ZARA stores are located in some of the most privileged and prominent locations in several major cities around the world including New York's 5th Avenue, Paris's Champs Elysees, London's Regent Street and Tokyo's Shiyuba Shopping Centre. The Plaintiff had 1763 ZARA stores, 171 ZARA KIDS stores and 364 ZARA HOME stores in over 86 countries. The products bearing Plaintiff's ZARA marks are manufactured in various countries including India, which are then exported to the Plaintiff at various locations. In India, garments and other articles bearing Plaintiff's

ZARA mark have been specially manufactured since 1986-87 by Plaintiff's Indian manufacturers.

4. The Plaintiff has been using its trademark ZARA and its derivatives like ZARA KIDS, ZARA HOME, ZARA FOR MUM, ZARA MAN, ZARA WOMAN or TEXTURES ZARA on a global scale. The Plaintiff had turnover of over 3310 million Euros in 2003 which has risen to 10,541 million Euros in the year 2012. In India, the total sales of ZARA products in the very first year of operation was ₹ 120 crores which rose to over ₹ 384 crores (annually) within two years *i.e.* in 2012.
5. It is averred that ZARA trademark is one of its most valuable assets and the same has featured in top 50 brands among 100 most valued trademarks in the world as per the Interbrand rankings, with a brand value exceeding US\$ 9.4 billion. The Plaintiff's mark has thus, become a well known mark within the meaning of Section 2 (1) (zg) of the Trade Marks Act, 1999 (the Act) and thus, the Plaintiff is entitled to protect its mark ZARA against identical or confusingly similar marks even in respect of goods and services which are not same or similar to the goods and services of the Plaintiff. It is averred that the Plaintiff has been vigilant in protecting its ZARA marks and

has been enforcing its trademark rights against all forms of infringement and dilution. In a number of oppositions filed by the Plaintiff against trade mark applications of various parties for the mark ZARA or other deceptively similar marks, the Applicants have abandoned their applications. It is pleaded that owing to extensive and continuous use of the mark in India since 1986-87 and opening of commercial outlets in the beginning of 2010, the Plaintiff's mark ZARA has acquired tremendous reputation in India.

6. It is averred that in or around April, 2005, the Plaintiff first came across Defendant no.1's trademark application no. 1195357 for ZARA TAPAS BAR in Class 16, advertised in Trade Mark Journal 1327 (Suppl.) dated 17th January, 2005 (which was made available to the public on 8th April, 2005). The Plaintiff filed opposition no. MAS-202722 against the said advertised mark which is pending before the Trade Mark Registry, Chennai. In the end of 2012 and beginning of 2013, the Plaintiff came across other trademark applications filed by Defendant no.1 for registration of ZARA TAPAS BAR which is in violation of the Plaintiff's right to the globally known registered trademark and brand name ZARA. The Plaintiff has filed opposition against all the trademark applications comprising the expression ZARA filed by Defendant no.1 which have not been advertised till the

date of filing of the suit. It is averred that in February, 2011, the Plaintiff's Indian trademark attorneys received a letter dated 24.02.2011 from Defendant no.1's trademark attorneys, proposing settlement and co-existence of the marks ZARA and ZARA TAPAS BAR. Defendant no.1's attorneys put forth undertakings on behalf of their clients pertaining to the mark ZARA TAPAS BAR as under:-

“(a) Not to claim any protection and use in Class 24 and 25 pertaining to textile and textile goods;

(b) to confine only to restaurant services and other allied and cognate goods and services in relation to hospitality and provision of foods and drinks falling under Clauses 16, 30, 32, 33 and 43; and

(c) to use it always in composite form.”

7. The terms of settlement in the form proposed by Defendant no.1 were not acceptable to the Plaintiff, the same were consequently rejected.
8. It is averred that the Defendants are using the Plaintiff's trademark and brand ZARA for their business with the generic extensions “TAPAS BAR” which is a type of dining concept, or “TAPAS” which is the name given to appetizers or snacks in Spanish cuisine. It is pleaded that the independent expression ZARA in isolation does not inherently provoke a Spanish feel, the expression has no meaning in Spanish language and is neither a popular nor a common name in

Spain. Thus, any Spanish association of the expression ZARA is solely attributable to the popularity and goodwill acquired by the Plaintiff worldwide, being a company originally of Spain. Thus, by use of the name ZARA TAPAS BAR by the Defendants, there is strong likelihood of unwarranted association between the Plaintiff and the Defendants in the minds of the existing and potential consumers. It is pleaded that adoption of the mark ZARA together with Spanish expression and concept TAPAS BAR by the Defendants is fraudulent and is solely to ride on the reputation and goodwill of the Plaintiff's brand name ZARA.

9. It is stated that the Defendants' emphasis is on the use of the mark ZARA and the Defendants are misrepresenting to the public at large on social media like Facebook and Twitter by addressing themselves as ZARA, ZARA CHENNAI, ZARA CATHEDRAL, ZARA KOLAKTA, ZARA AIRPORT, *etc.* to induce the public to visit their establishment situated in Chennai and Kolkata. It is pleaded that the Defendants indiscriminating use of the mark ZARA is irreparably damaging the reputation and goodwill of the Plaintiff by tarnishing its most valuable ZARA mark. The Plaintiff thus, seeks the following injunctions:-

“(a) restraining Defendants by themselves, their partners, directors, employees, agents and others acting on their behalf from offering any type of services, manufacturing, marketing, selling and offering for sale, products and/or restaurant or hospitality services or any other allied and cognate products and/or services bearing the mark “ZARA”, “ZARA TAPAS BAR” and from using the mark ZARA as a trademark, trade name, corporate name, domain name or in any other manner whatsoever which may cause infringement of Plaintiff’s registered well known trademark ZARA;

(b) restraining Defendants by themselves, their partners, directors, employees, agents and others acting on their behalf from manufacturing, marketing, selling and offering for sale products, offering restaurant services or any allied or cognate products/services bearing the mark “ZARA”, “ZARA TAPAS BAR” and from using the mark ZARA as a trademark, trade name, domain name or in any other manner whatsoever which may cause confusion and likelihood of association amounting to passing off their goods and services as that of Plaintiffs;

(c) restraining Defendants by themselves, their partners, directors, employees, agents and others acting on their behalf from using the mark ZARA on the website more specifically on www.zaratapasbar.in or on other social media websites which may create an impression to the public at large that the said mark ZARA is the internationally recognized mark from Spain, which is seriously detrimental to the interest of Plaintiff and causes passing off on the Internet; and

(d) restraining Defendants by themselves, their partners, directors, employees, agents and others acting on their behalf from using the mark ZARA in relation to eating/dining establishment or bars/pubs or in any other way which causes dilution of Plaintiff’s registered and

well known trademark ZARA, which is seriously detrimental to its distinctive character and repute.”

10. The Defendants have contested the suit and the application by way of filing the written statement and reply to the injunction application.
11. The Defendants have taken preliminary objections that the Plaintiff has approached this Court with unclean hands. It has misrepresented and concealed significant information from the Court. It is averred that there are multiple parties in India and abroad co-existing with the use of mark ZARA or ZARA formative marks. The presence of multiple parties can be seen from the list of registrations granted to third parties using ZARA which came to be shown listed in the Registrar of Companies' search report. The Plaintiff's mark ZARA has itself been challenged in various jurisdictions including India and Plaintiff's home country EU which fact has not been disclosed by the Plaintiff. It is averred that the Plaintiff entered into India for the first time only in 2010. The Plaintiff has not shown any use or reputation or goodwill of its mark ZARA prior to 2002 in India or even in any part of the world, when the Defendants established their restaurant with the mark ZARA TAPAS BAR.
12. It is the case of the Defendants that Defendant no.1 is not using the mark ZARA *per se* but using the mark earlier adopted as ZARA

TAPAS BAR and later as ZARA, the Tapas Bar and Restaurant.

13. The Defendants have admitted that they wanted to settle the matter amicably with the Plaintiff by offering to confine Defendant no.1 only to their own core classes of activity within classes 30, 32 and 43, which remain unused by the Plaintiff. The Plaintiff, however, has a tendency to monopolise the mark which is actually used by multiple parties in India and abroad.
14. In para 7 of the preliminary objections, the Defendants have given the details and origin of the word ZARA and have denied that it is a coined or a conceived mark of the Plaintiff. It is the case of the Defendants that all the applications except the one in classes 25, 3 and 18 had been filed on proposed to be used basis by the Plaintiff at least two months after the date of application of the Defendants. It is contended that there is no evidence whatsoever of any goodwill and reputation of the Plaintiff's credit and Plaintiff's registration are totally irrelevant. In para 17 of the preliminary objections, the Defendants have given the details of the third party registration of the mark ZARA.
15. It is further averred that there is a major delay in filing of the suit by the Plaintiff which amounts to acquiescence by the Plaintiff to the

Defendants' use of the mark ZARA. The Plaintiff ought to have known the Defendants' use of the mark since the year 2002 as it had obtained a bar licence by this name in the year 2002. It has given certain advertisements as well since March 2003 onwards and the trademark application filed on 28.04.2003 was published on 17.01.2005. The Defendants have challenged the jurisdiction of the Court to entertain the suit as well and have thus, prayed for dismissal of the application as well as the suit.

16. It may be noted that by an *ex-parte ad interim* order dated 29.07.2013, the Defendants were restrained from using the mark ZARA as a trademark, trade name, corporate name, domain name or in any other manner whatsoever. Subsequently, on an application under Order XXXIX Rule 4 CPC by the Defendants, the injunction order was modified and the Defendants were permitted to use the composite trademark ZARA TABAS BAR only till further orders. Paras 32 to 34 of the order dated 25.04.2014 are extracted hereunder:-

“32. Hence, the ex parte order was passed keeping in view the averments made by the Plaintiff as elaborated in paras 21 and 22 of the plaint, namely that it was only in March 2013 that the Plaintiff received evidence which show that Defendant No.1 has started using the expression ZARA per se and not as part of ZARA TAPAS BAR i.e. in the form of composite label. Same is the

thrust of the averment in para 22 of the plaint. Factually this appears incorrect inasmuch as in its Affidavit filed on 14.01.2008 before the Trade Mark Registry of Mr. Antonio Abril Abadin there are categorical averments made by the Plaintiff that the Defendants are using the mark ZARA per se. As this averment was made in 2008, knowledge of use of this mark could not be attributed to be in March 2013 as averred in para 21 of the plaint.

33. In view of the incorrect facts stated in the plaint based on which ex parte order dated 29.07.2013 was passed in IA No.11760/2013, it would be in the fitness of things and in the interest of justice that the ex parte interim orders passed by this Court on 29.07.2013 are modified and the Defendants are permitted to use the composite trade mark ZARA TAPAS BAR only till further orders in IA No.11760/2013. Keeping in view the facts of this case, the Defendants will not use the mark ZARA per se. The Defendants will continue to be bound by the order dated 29.07.2013 pertaining to the use of the mark "ZARA" per se.

34. It is however, clarified that the present modification of order dated 29.7.2013 is being made in view of the facts as narrated above and not on the merits of the matter. Nothing said herein would in any way affect the contentions of the parties on the merits of the matter while arguing IA No. 11760/2013 which application the Plaintiff is free to press and seek all orders and relief as permissible in law."

17. I have heard Mr. Akhil Sibal, Advocate assisted by Mr. Sushant Singh and Mr. Nikhil Chawla, Advocates and Mr. Neeraj Kishan Kaul, Senior Advocate assisted by Ms. Prachi Aggarwal, Advocate.

18. In order to decide this application, the following points fall for

consideration before this Court:-

- (i) Whether there is any deceptive similarity between mark ZARA of the Plaintiff and ZARA TAPAS BAR of the Defendants;
- (ii) Whether the adoption of the mark ZARA TAPAS BAR was dishonest or fraudulent or it is an honest adoption and Defendant no.1 is entitled to concurrent user of the mark;
- (iii) Whether the mark ZARA is used by many entities and has become *publici juris*;
- (iv) Whether there is a great delay in filing the suit and whether it amounts to acquiescence on the part of the Plaintiff;
- (v) Whether there is suppression/concealment of material facts so as to disentitle the Plaintiff to the discretionary relief of injunction; and
- (vi) Whether the Plaintiff's mark ZARA is a well known trademark and had trans-border reputation or in the alternative the Defendants are entitled to use the mark ZARA TAPAS BAR in relation to class 25 or for that matter hospitality restaurant business co-extensive with the Plaintiff.

**SIMILARITY DECEPTIVE OR OTHERWISE BETWEEN MARK
'ZARA' AND 'ZARA TAPAS BAR'**

19. The case of the Plaintiff is that the Defendants are using the mark ZARA *per se* as also as ZARA TAPAS BAR. The way the mark ZARA is being used by the Defendants, there is huge prominence of the word ZARA and it is sought to be conveyed as if the Defendants own the trademark ZARA and have relation with the Plaintiff.
20. On the other hand, the case of the Defendants is that they are not using the mark ZARA *per se*. They are merely using the mark ZARA TAPAS BAR or ZARA, the Tapas Bar and Restaurant in relation to goods and services different from those of the Plaintiff and thus, there is no similarity between the two marks.
21. Before answering the question posed, it shall be appropriate to refer to para 22 of the plaint and the written statement. In Para 22, the Plaintiff alleged that the Defendants were operating a website www.zaratapasbar.in wherein Defendant no.1 is trying to project itself as a retail outlet offering Spain-styled products and services under the name ZARA.
22. Images of few screen shots from the Facebook account of Defendant no.1 were extracted in Para 22 which are reproduced hereunder:-

Zara Tapas Bar
May 21 '13

You had a reason to celebrate and we shall make it a memory of a lifetime.

Don your celebration outfits and join us at the airport to celebrate Zara's 5th Birthday! We're treating you to free starters, cake and plenty of fun tonight!

Leave your birthday wishes for us in the comments 🎂

Get clicking at Zara!
Share your picture perfect moments with us.

Zara
The Tapas Bar & Restaurant

Zara airport turns 5

Zara
The Tapas Bar & Restaurant

Wednesday LADIES NIGHT!

Hey ladies! What are you doing this Wednesday?

- Catching up with your BFFs
- Being a total foodie
- Letting your hair down
- Drinking some smooth wine

Do all that and more over complimentary cocktail at ZARA, so don't forget to drop in.

Like Comment Share

Zara Tapas Bar
May 21 '13

Head out to Zara after work for some beers, burgers and foot tapping live music.

Zara Tapas Bar
May 10 '13

Zara Tapas Bar
June 7 '13

It's the day we celebrate our fellow hospitality peeps! Come by Zara tonight, and let us pamper you with fantastic music, tapas and free second rounds!

CLUB & HOTELIER NIGHT

BUY ONE DRINK & GET ONE FREE.
Now, every Monday at Zara, hoteliers and club members will be the ones giving the orders. For every round you order, the next round is on us.

Zara Tapas Bar
May 23 '13

The first Zara Tapas Bar was founded in Chernia. Since then, it's been a delectable and spirited journey.

Zara was founded by people passionate about food, drinks and life. Can you guess how long ago?

Zara Tapas Bar
May 17 '13

Mexican women and food have one thing in common. Can you tell us what?

Come to Zara and try the exclusive Mexican menu.

Zara Tapas Bar
June 5 '13

Party Night at Zara! How many DIs can you spot?

Scream and shout

Play Cinderella this Thursday

In fact you can slip on one as you don your glass shoes

All Stars Collection

Like Comment Share

23. In the first screenshot on the left side, only the word ZARA is readable before the words TAPAS BAR. Similarly at the bottom, only the word ZARA is prominent whereas the words the TAPAS BAR AND RESTAURANT are hardly readable. Similarly, in the second screenshot on the right top, again the word ZARA has been highlighted. In the middle screenshot, the Defendants advertise the complimentary cocktail in the words *“Do all that and more over complimentary cocktail at ZARA, so don’t forget to drop in.”*
24. On the second page (Page 31 of the Complaint) of the screenshot at the top, Defendant no.1 describes itself happening every Monday at ZARA, offering one drink free for one. It reads as *“Buy one drink & get one free. Now, every Monday at Zara...”* In the second middle and the bottom screen shots, again the restaurant is described as ZARA.
25. It is therefore, evident that wherever the Defendants have used TAPAS BAR along with ZARA or TAPAS BAR AND RESTAURANT or TAPAS, the Bar and Restaurant, the word ZARA is almost ten times bigger than the other words used in the advertisement/screenshots. At the same time, at so many other places, the words BAR AND RESTAURANT have not been used at all with the word ZARA and the word ZARA *per se* has been used. Thus,

there is no manner of doubt that there is deceptive similarity between the mark ZARA of the Plaintiff and the mark ZARA TAPAS BAR, the way it is being used by the Defendants.

ADOPTION OF THE MARK 'ZARA TAPAS BAR'

26. The Plaintiff urges that adoption of the mark ZARA TAPAS BAR is dishonest and fraudulent whereas the same is claimed to be honest adoption of the mark by the Defendants which is now being used for over a decade.
27. According to the Plaintiff, the Plaintiff coined, conceived and adopted ZARA as its trademark in 1975 and the first ZARA shop was opened 38 years ago in A Coruna, Spain. The domain name zara.com was registered by the Plaintiff on 29th May, 1997. It is not in dispute that the Plaintiff used ZARA initially in Spain and then it opened its stores in various countries. In the year 2003, when the Defendants claimed to have opened ZARA TAPAS BAR, the Plaintiff had already opened its stores in 44 countries and the Plaintiff was having annual turnover of over 3 billion Euros by that time.
28. Defendants on the other hand, have stated that the word ZARA is an Italian, Portuguese and Spanish variation of the English, French and German name *Sarah*. The relevant averments in this regard from para

7 of the written statement read as under:-

“7.....The word ZARA also has a meaning in common Hindi parlance connoting “some or little”. In Urdu, the word means dawn, morning and is a popular and common Muslim feminine name. From Arabic roots, its meaning is blossoming flower; splendor; dawn. In this context, the word ZARA can be used in the Arabic, English, and Hebrew languages to connote ‘zahrah’ for blossoming flower as ‘zahr’ meaning flower. The name is derived from the Arabic ‘zahrah’ (blossoming flower), but it has sometimes also been used as a form of Sarah. The Moorish influence in Spain perhaps evokes an association of Arabic terms with Spanish culture thereby making ZARA a popular Spanish name. Historically there is an undeniable link between Spanish culture and North African Islamic culture which unknowingly draws an association with a name like ZARA. A copy of the news report that appeared in Economic Times in August 2013 has been filed in the present proceedings that states that anyone tracing the historical links between these regions cannot also fail to see the connection between the Arabic, Mediterranean and the Tapas that may after all have come about in Southern Spain during its long Moorish period. Infact, the name ZARAGOZA is the name of a province in Northern Spain whose capital city is also called ZARAGOZA. Additionally, it is name of a place in Columbia, Mexico, El Salvador, Phillipines all of which are Hispanic countries. “Zorro” is also Spanish for “fox” and is also a popular fictional character which was created in 1919. The character has been featured in numerous books, films, television series, and other media. Zorro is the secret identity of Don Diego de la Vega, a California nobleman and master living in the Spanish colonial era. Therefore while ZARA TAPAS BAR provokes Spanish feel, it does not signify in

any respect an association with the retail and fashion business of the Plaintiffs. Internet extracts indicate that the word ZARA has various connotations in different languages and in different cultures. In Islam, the word ZARA refers to radiance or flower and has etymological origin from the Biblical name Sarah, the daughter of Abraham (also referred to in Islam as Ibrahim). The Biblical character Sara is cited as having been a very strong swarthy woman of Indian ancestry, being a patron of gypsies. Internet extracts of meanings of the word ZARA in different languages and cultures are being filed in the present proceedings....”

29. It is urged that Defendant no.1 adopted and used its mark in India in 2003 and acquired tremendous distinctiveness within a very short span of time.
30. It is urged by the learned counsel for the Plaintiff that the explanation given by the Defendants for adoption of the mark is an afterthought in as much as earlier while replying to a letter sent by the Plaintiff, the Defendants had stated that *“ZARA is a commonly used dictionary word in various languages especially Arabic, Urdu, Hebrew and Hindi to name a few. The word Zara denotes a blooming flower and is a widely used name for girls in many countries including the Arab world and east Europe”*.
31. It is contended that initially there was not even a whisper that the word ZARA is a Spanish word or a word of Spanish origin. The learned

counsel for the Plaintiff has also referred to the press article filed by the Defendants which says “*Thanks to Mahadevan, who came across the concept in Paris, Chennai has India’s first Tapas bar ZARA Tapas Bar (launched in March 2003)*”.

32. Thus, it is urged that the mark ZARA or ‘ZARA, the Tapas Bar’ is fraudulently adopted by Defendant no.1 to infringe the Plaintiff’s registered mark and to pass on and to make people believe that somehow the goods and services offered by the Defendants have some connection with the Plaintiff.
33. I have gone through the pleadings of the parties. It is too much to say that the word ZARA is a dictionary word or that the word ZARA was adopted by the Plaintiff from the name of the city ZARAGOZA. In the press article itself (relied upon by the Defendants), it has been stated that Defendant no.2 came across the concept in Paris. Admittedly, there were 40 ZARA stores in Paris by the year 2003. The word ZARA is neither generic nor descriptive nor a dictionary word (as far as Spain is concerned). The Defendants have not given any plausible explanation for adoption of the mark ZARA. Thus, in all probability, the mark ZARA TAPAS BAR was adopted by the Defendants from the mark ZARA of the Plaintiff. Stores by this name were already

opened in over 44 countries by the Plaintiff. In my view, it cannot be said to be an honest adoption entitling Defendant no.1 to its concurrent user. If the Defendants did not want to ride on the Plaintiff's reputation, they would have not used the word ZARA prominently in the words ZARA TAPAS BAR or ZARA, the Bar and Restaurant.

34. In this connection, a reference may be made to the judgment of this Court in *M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationery Products Co. & Anr.*, AIR 1999 Delhi 19. In the said case, the Plaintiffs were owner of registered trademark Nataraj. The Defendants also used the said trademark and got it registered with the same spelling of the word having identical dancing figure of Natraj. It was held that adoption of the mark was clearly fraudulent and in spite of the long delay, injunction was granted. Of course, in the instant case there is difference with regard to the goods and services offered by the Plaintiff and the Defendants, yet, as discussed earlier, the Defendants adopted the mark just to ride on the reputation of the globally established mark ZARA.

MARK ZARA USED BY MANY ENTITIES

35. It is urged by the learned senior counsel for the Defendants that the mark ZARA is used by many entities and has, therefore, become

publici juris. In support of his contention, the learned senior counsel for the Defendants refers to the case of *Hearst Communications, Inc. v. Dinesh Varyani & Anr.*, *ILR (2009) 4 Del. 799*. In the said case, the Plaintiff filed a suit for injunction and passing off of their magazine *Cosmopolitan* against Defendants publishing their magazine *Cosmowoman*. In the said case, it was held that the word *Cosmo* is a dictionary word and is also *publici juris*. A common English word cannot be made the basis for passing off action to claim monopoly rights unless right to exclusivity is established due to long and durable association of the word with the Plaintiff.

36. The Plaintiff has filed a long list of cases where the Plaintiff's mark *ZARA* was protected in Hungary, European Union, Japan, Turkey, Czech Republic, Portugal, Uruguay, Spain and Colombia.
37. The Defendants on the other hand, relied on third party registrations comprising the word *ZARA*. It is very unfortunate that the words *HAZARA KEWDA, ZARATOR, LOZAR-A, etc.* are sought to be claimed similar to the word *ZARA* by the Defendants. The Defendants have given a list of 46 registrations alleged to be containing the mark *ZARA* which is misconceived. Falsity of the Defendants' claim can be demonstrated by extracting the alleged registered marks similar to

ZARA from para 17 of the written statement hereunder:-

| S.No. | Mark | Application No. | Class |
|--------------|---------------------------|------------------------|--------------|
| 1. | HAZARA KEWDA | 1206797 | 3 |
| 2. | ZARATOR | 773771 | 5 |
| 3. | LOZAR-A | 1062760 | 5 |
| 4. | ZARASA | 1140628 | 5 |
| 5. | BANZARA (DEVICE) | 1314899 | 5 |
| 6. | ZARAL (LABEL) | 1169367 | 6 |
| 7. | ZARAPKAR | 304719 | 7 |
| 8. | GUZARA | 345498 | 7 |
| 9. | ZARAN | 204352 | 9 |
| 10. | BANZARA | 754381 | 9 |
| 11. | NAZARA GAMES CLUB | 1849442 | 9 |
| 12. | ZARAF A | 1776312 | 9 |
| 13. | ZARA NACHKE DIKHA | 1716814(99) | 9 |
| 14. | ZERA | 1992391 | 9 |
| 15. | ZOLTA ZARANG | 1092887 | 11 |
| 16. | NAZARA | 253530 | 12 |
| 17. | AMIZARA | 1068031 | 14 |
| 18. | TIZARA | 669817 | 16 |
| 19. | BAZAR AAZ (LABEL) | 1283288 | 99 (16) |
| 20. | HAZARA FURNITURE HOUSE | 1498889 | 20 |

| | | | |
|-----|--|---------|----|
| 21. | GRAVIERA SUITING ANDAAZ ZARA HAT KE! WITH LABEL | 1455437 | 24 |
| 22. | ZIAARA | 266592 | 24 |
| 23. | ZIAARA | 276062 | 24 |
| 24. | ZOHRA | 411088 | 24 |
| 25. | BANZARA | 523791 | 25 |
| 26. | BANZARA | 558544 | 25 |
| 27. | AZZARA (LABEL) | 1043189 | 25 |
| 28. | GRAVIERA SUJITING ANDAAZ ZARA HAT KE! WITH LABEL | 1455441 | 25 |
| 29. | SILLOL HAZARAS | 302197 | 29 |
| 30. | ZARASA | 530122 | 29 |
| 31. | NAZARANA | 519818 | 30 |
| 32. | NAZARANA | 522130 | 30 |
| 33. | ZARA SI CHAI ASRA DIKHAYE (DEVICE) | 1005147 | 30 |
| 34. | ZARANA | 1100347 | 30 |
| 35. | PASTAZARA (DEVICE OF LADY) | 1314745 | 30 |
| 36. | NAZARANA | 930397 | 30 |
| 37. | ALCAZAR A20 VODKA (LABEL) | 1314104 | 33 |
| 38. | VEER ZARA | 1365576 | 34 |

| | | | |
|-----|-----------------------------------|---------|--------|
| 39. | NAZARAT MANZAR | 1692528 | 35 |
| 40. | BAZAR AAZ (LABEL) | 1283288 | 99(41) |
| 41. | BANZARA LABEL, DEVICE | 1314038 | 42 |
| 42. | PASTA ZARA WITH DEVICE | 1314729 | 42 |
| 43. | ZARALIAH Herbal Extracts (DEVICE) | 1394532 | 42 |
| 44. | NAZARA (LABEL) | 1408569 | 42 |
| 45. | ZARA HATKE (LABEL) | 1577349 | 42 |
| 46. | NAZARANI EXPRESS | 1601564 | 42 |

38. In the case of *Pankaj Goel v. Dabur India Limited*, (2008) 38 PTC 49 (Del.) DB, it was held that the Plaintiff is not expected to sue all types of infringers who may not be affecting his business. So-called concurrent use, if any, cannot be a ground to refuse interim injunction.
39. The Defendants have failed to show that the mark ZARA is used by a large number of persons, yet even if it is used by any other person, it will not disentitle the Plaintiff to seek relief against the Defendants if it is otherwise entitled to the same.

DELAY AND ACQUIESCENCE

40. It is urged by the learned senior counsel for the Defendants that the Defendants entered into Restaurant and Bar business in India several years before the Plaintiff even contemplated entering into the Indian

market. There were various news papers, articles, advertisements and widespread write-ups in the press from March, 2003. The Defendants obtained a bar licence in the name of ZARA TAPAS BAR in the year 2002. Defendant no.1's first trademark application under no. 1195357 was published in Journal No. 1327 (Suppl. III) dated 17.01.2005. On 19.12.2007, Defendant no.1 filed its Affidavit in support of its application and the Plaintiff also filed an opposition to the registration. It is thus, contended by the learned senior counsel for the Defendants that the Plaintiff chose to wait for 8½ years from 17.01.2005 to 29.07.2013 to file the instant suit. On account of long delay, there is acquiescence on the part of the Plaintiff. The Plaintiff is, therefore, disentitled to the relief of *ad interim* injunction. In support of his contention, the learned counsel for the Defendants have referred to the reports in *Honda Motor Company Ltd. v. Kewal Bros. & Anr.*, (2002), 25 PTC 763 (Cal.) and *Hearst Communications, Inc. v. Dinesh Varyani & Anr.*, ILR (2009) 4 Del. 799.

41. It is not in dispute that as soon as Defendant no.1's first trademark application was published by the Trade Mark Journal, Chennai in the year 2007, the Plaintiff filed an opposition to the registration. It is also borne out from the record that in the Affidavit dated 14.01.2008 of Mr. Antonio Abril Abadin, there was an admission of the Defendants

doing restaurant business in the name of ZARA TAPAS BAR. At the same time, simply because the Defendants obtained a bar licence in the name of ZARA TAPAS BAR in the year 2002 or that they started their restaurant and hospitality business in the year 2003, the Plaintiff's knowledge cannot be attributed to that date. Admittedly, the instant suit was filed in the year 2013. The parties were in correspondence for amicable resolution of the dispute with regard to use of the name ZARA since at least February, 2011. In my view, once the Plaintiff had filed opposition to the Defendants' application for registration, this delay of three years will neither amount to acquiescence nor this delay will disentitle the Plaintiff to the relief of *ad interim* injunction if it is able to make out a case on merits.

42. In *Honda Motor Company Ltd. v. Kewal Bros. & Anr.*, (2002) 25 PTC 763 (Cal.) relied upon on behalf of the Defendants, there was a delay of 28 years in taking action and there was no evidence on trans-border reputation in the year 1970 when the mark was adopted. Thus, the injunction was refused on the ground of delay of 28 years as also on the plea that the adoption of the mark by the Defendants was *bona fide*.

43. Similarly, in *Hearst Communications, Inc. v. Dinesh Varyani & Anr.*,

ILR (2009) 4 Del. 799, there was not only a delay of four years in taking action by the Plaintiff, but there was also no evidence of trans-border reputation. In the instant case, I have already held that adoption of the mark ZARA with the words TAPAS BAR by the Defendants was not *bona fide* but was fraudulent.

44. In *N.R. Dongre & Ors. v. Whirlpool Corp. & Anr.*, AIR 1995 Delhi 300 which was upheld by the Supreme Court in (1996) 5 SCC 714, it was held that delay without prejudice is not a good defence. Mere delay does not amount to acquiescence. In the absence of satisfactory explanation given by the Appellant for adopting the mark Whirlpool (although it was registered by the Appellant in India under this name), the order of injunction granted in favour of the Plaintiff was upheld.
45. In *Midas Hygiene Industries (Pvt.) Ltd. v. Sudhir Bhatia and Ors.*, (2004) 3 SCC 90; *M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationery Products Co. & Anr.*, AIR 1999 Del. 19; *Alfred Dunhill Ltd. v. Kartar Singh Makkar & Ors.*, (1999) II AD (Del) 789 and in *Chanel Ltd. v. Sunder Chemicals Agarbati Works (Pvt.) Ltd. and Anr.*, (2003) 26 PTC 52 (Del.), it was held that mere delay which is not coupled with acquiescence is of no consequence and injunction cannot be refused merely on the ground of delay.

46. Thus, the Plaintiff cannot be denied the relief of interim injunction if it is otherwise entitled to the same.

SUPPRESSION/CONCEALMENT OF MATERIAL FACTS

47. It is urged by the learned senior counsel for the Defendants that the Plaintiff's averment about its knowledge of Defendant no.1 carrying on business in the name of ZARA TAPAS BAR only on the basis of the letter dated 25.02.2011 is contradictory to the averments made in the Affidavit dated 14.01.2008 of Mr. Antonio Abril Abadin. It is urged that part disclosure of the proceedings without relevant details tantamounts to material suppression and concealment disentitling the Plaintiff to the discretionary relief of interim or permanent injunction.

48. I have already discussed this argument while dealing with the question of delay and acquiescence. It may be noted that a party seeking *ex-parte ad interim* injunction is expected to make full disclosure but when the matter is heard on merits, both the parties are before the Court. The mis-statement of some facts unless it is *mala fide* will not disentitle the Plaintiff to the relief of injunction.

49. It is true that statement with regard to the Defendants' activities coming to the notice of the Plaintiff for the first time in 2011 is not correct but at the same time, there is a mention of an Affidavit being

filed in opposition to the Defendant's application for registration in the year 2008.

50. I have already held above that delay of a few years in filing the suit is not very material in the circumstances of this case. I think that the Plaintiff's statement that it came to know about the Defendants' activities sometime in the year 2011 cannot be said to be a statement to *non-suit* the Plaintiff. I have considered the judgments in *S.P. Chengalvaraya Naidu v. Jagannath (Dead) by LRs. and Ors.*, (1994) 1 SCC 1; *Satish Khosla v. M/s. Eli Lilly Ranbaxy Ltd. & Anr.*, 71 (1998) DLT 1; *Kishore Samrite v. State of U.P. and Ors.*, (2013) 2 SCC 398; *The Gillette Company and Ors. v. A.K. Stationery and Ors.*, Suit No.2732 of 1999 decided on 03.08.2001; *Warner Bros. Entertainment Inc. v. Harinder Kohli & Ors. (DHC)*, CS (OS) No. 1607 of 2008 decided on 22.09.2008; *Smithkline Beecham Consumer Healthcare GMBH and Ors. v. GD Rathore and Ors.*, (2002) 25 PTC 243 (Delhi); *Godrej Sara Lee Ltd. v. Reckitt Benckiser (I) Ltd.* (2006) 32 PTC 307 (Del.); *Rubaljit Singh v. M/s. Kanz Overseas and Anr. (DHC)*, CS (OS) No. 213/2009 decided on 20.11.2009; *Eveready Industries India Ltd. v. Sanjay Chadha & Anr.*, (2011) 45 PTC 22 (Del.) and *Toyota Jidosha Kabushiki Kaisha v. Deepak Mangal & Ors. (DHC)*, CS (OS) No. 2490/2009 decided on 19.03.2010 relied upon by the learned

senior counsel for the Defendants. The same are not applicable to the facts of the instant case.

WHETHER ZARA HAS TRANS-BORDER REPUTATION

51. On the basis of the averments made in the plaint and the documents placed on record, it is *prima facie* established that the mark ZARA was adopted by the Plaintiff in the year 1975; that the domain name zara.com was registered by the Plaintiff in the year 1997; that the Plaintiff had opened stores in over 44 countries by the year 2003 and had annual turnover of 3 billion Euros by the year 2003 when the Defendants claimed to have opened a Bar and Restaurant under the name of ZARA TAPAS BAR. It is also established that by the year 2013, the Plaintiff had 1763 ZARA stores, 171 ZARA KIDS stores and 364 ZARA HOME STORES. It is also established that the Plaintiff got registered the mark ZARA (word) on proposed to be used basis in India in Class 25 in the year 1993.
52. It is urged by the learned senior counsel for the Defendants that since the Defendants have *prima facie* established opening of Tapas Bar and Restaurant with the name of ZARA TAPAS BAR in the year 2003, Plaintiff's ZARA's reputation and goodwill on the date of filing of the suit is irrelevant and its trans-border reputation as on the date of

adoption of the name ZARA TAPAS BAR by the Defendants in the year 2003 will be required to be proved by Plaintiff.

53. In *Smithkline Beecham Consumer Healthcare GMBH & Ors. v. GD Rathore & Ors.*, (2002) 25 PTC 243 (Delhi) which related to the infringement and passing off of design of toothbrushes, it was held that in the absence of any goodwill or reputation, it cannot be presumed that there is any cross-border reputation. It was held that mere publication in dental journals is not efficient evidence of reputation as such journals only provide information to a specific class of people.
54. Similarly, in *Sakalain Meghjee v. B.M. House (India) Ltd.*, (2002) 24 PTC 207 (Delhi), it was held by the Delhi High Court that in the absence of any reliable and credible evidence, it cannot be said that the Plaintiff has acquired any trans-border goodwill or reputation in India.
55. Also, in *Hearst Communications, Inc. v. Dinesh Varyani & Anr.*, ILR (2009) 4 Del. 799, the Delhi High Court held that injunction should be granted only when reputation is established in India or there is evidence of trans-border reputation. To the same effect are the observations of the Delhi High Court in *Allianz Aktiengesells Chافت*

Holding v. Allianz Capital and Management Services Limited, (2002)
24PTC 177 (Del.).

56. The Plaintiff has placed on record host of documents to show that ZARA was a well known mark and had trans-border reputation. I shall confine myself to such documents upto the year 2003 and prior thereto as reputation and goodwill post 2003 may not be of much consequence as the Defendants are *prima facie* shown to have started their ZARA TAPAS BAR AND RESTAURANT in the year 2003.

57. There is an article ‘ZARA, a Spanish Success Story’ of June 15, 2001 by CNN.com Europe/Business. It states that ZARA is possibly the most innovative and devastating retailer in the world. It talks about ZARA’s least expenses on advertisement. It talks about the shoppers’ addiction to ZARA brand being aware of the new stocks coming up every week and the customers also having direct input into what the shops sell as their feedback is sent back to the designers too. The portion regarding the Plaintiff’s being free from advertisements reads as:-

“No advertising

The other trend-bucking aspect of the company’s business model is its approach to advertising.

Fashion retails spend on average 3.5% of revenue on

advertising their products, while Zara's parent company Inditex spends just 0.3%.

Have you ever seen a Zara commercial on a billboard or on TV?

The company's founder, Amancio Ortega, believes advertising is a pointless distraction. Once when a famous Spanish actress asked to do a photo shoot in one of his shops, Ortega said no and scolded the newly appointed executive who suggested it would be good for the firm. "You haven't got the idea yet have you," he said.

The company believes that its shop windows, the contents of which are also decided in La Coruna, are all the advertising it needs."

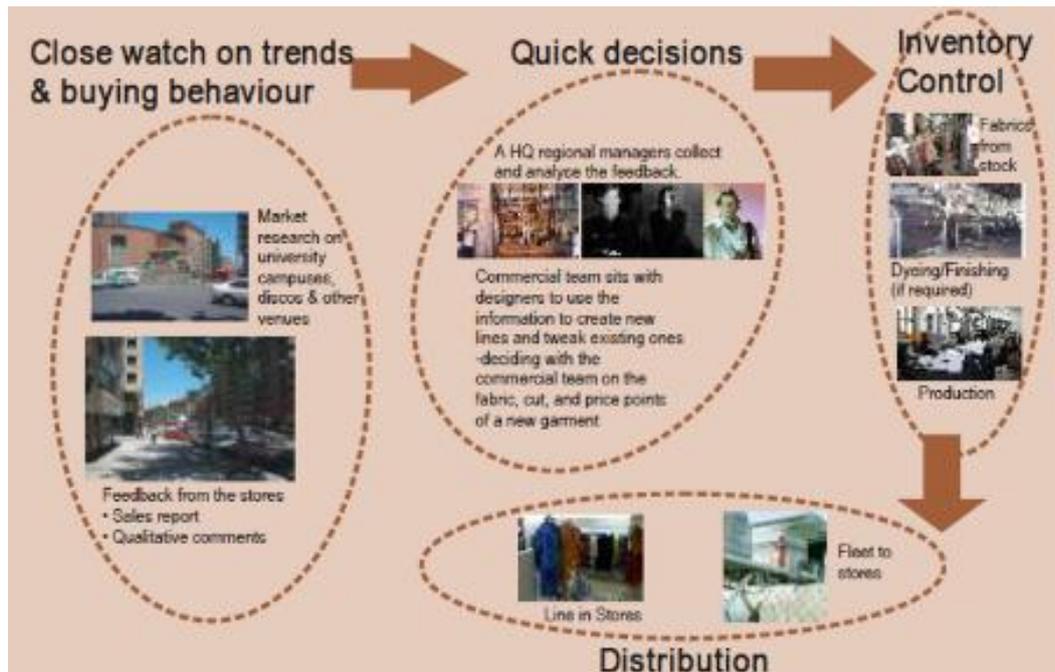
58. There is an article 'The reign of Spain' dated 28.10.2002 in *The Guardian* on the site www.theguardian.com. The article says, "*Zara doesn't advertise its clothes – it doesn't have to. Word of mouth alone has made its Spanish owner a billionaire.*"
59. The article highlights that although the people are not aware of the ZARA headquarters but everyone knows that brand. It further highlighted that in the year 2002, ZARA had reached 44th country, *i.e.* Russia. Two of its paragraphs read as :-

"Many in the industry couldn't tell you where Zara has its headquarters (Arteixo-La Coruna is hardly fashion central, after all), though everyone knows the brand. There are no press offices outside Spain, and even the communications department in Arteixo does anything

but. The company doesn't lend clothing samples for editorial fashion shoots. It does no advertising (marketing accounts for 0.4% to Zara's total spend).

Yesterday, Zara HQ revealed that it had secured its first premises in Russia – the 44th country to get a taste of its cut-price chic. Two weeks ago, Zara's largest European store – a 3,000 sq m temple to consumption – opened on the corner of Oxford Street and Bond Street, its location rather conveniently summing up Zara's knack for offering high-style clothes at high-street prices. In typical Ortega fashion, until it opened on Friday morning, the building was completely concealed beneath hoardings with no indication of who was about to launch themselves into the Oxford Street melee. Rumours abounded. By the time the store was ready, the Zara faithful had spread the word.”

60. Then, there are two articles by an Indian Devangshu Dutta by the name 'Retail @ the Speed of Fashion' on the site www.thirdeyesight.in in the years 2002 and 2003. They talk about ZARA keeping up with fashion, its profit, control and production. Four critical information-related areas which the author concluded were given in a chart as under:-



“Close watch on trends and buying behaviour \implies Quick decisions \implies Inventory Control \implies Distribution.”

61. The article gave a timeline since 1975 when ZARA began its activity with the opening of a store in A Coruna (Spain) to 2001, when Inditex went public and was listed on the Spanish Stock market. The article gave the timeline as under:-

“Timeline

1975

ZARA begins its activity with the opening in A Coruna (Spain) of its first store, although the origins of the Group date back to 1963, the year in which Amancio Ortega Gaona, Chairman and founder, begins his business activity.

1976

GOASM is founded by the owner of the ZARA stores and continues with the opening of the first stores in Spain.

1985

The creation of INDITEX as head of the corporate group.

1988

The opening of the first ZARA store outside Spain occurs in December, 1988 in Oporto (Portugal).

1989-1990

The United States and France are the next markets in which the Group begins its activity with the opening of outlets in New York (1989) and Paris (1990).

1991

The birth of the PULL&BEAR chain and the purchase of 65 per cent of the MASSIMO DUTTI Group.

1992-1994

INDITEX continues to open new international markets: Mexico in 1992, Greece in 1993 and Belgium and Sweden in 1994.

1995

INDITEX acquires the whole of the share capital of MASSIMO DUTTI. This year also sees the opening of the first store of the Group in Malta and in the following year in Cyprus.

1997

Norway and Israel join the list of countries in which INDITEX is present.

1998

The BERSHKA chain, targeting the younger female

market, commences its activity in a year which also sees the opening of stores in new countries; Argentina, Japan, United Kingdom, Venezuela, Lebanon, United Arab Emirates, Kuwait and Turkey.

1999

The acquisition of STRADIVARIUS makes it the fifth chain of the Group and stores are also opened in new countries; the Netherlands, Germany, Poland, Saudi Arabia, Bahrain, Canada, Brazil, Chile and Uruguay.

2000

The opening of stores in four new countries takes place in 2000: Austria, Denmark, Qatar and Andorra. INDITEX installs its headquarters in a new building located in Arteixo (A Coruna, Spain).

2001

On 23rd May 2001 Inditex goes public and is listed on the Spanish Stock Market. During this year the group begins its activity in the following markets: Puerto Rico, Jordan, Ireland, Iceland, Luxemburg, Czech Republic and Italy.

Source: Company's Website."

62. In *N.R. Dongre & Ors. v. Whirlpool Corp. & Anr.*, AIR 1995 Delhi 300, a Division Bench of this Court held that awareness of a trademark in respect of goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge and awareness reaches even shores of those countries where the goods are not available. In para 15, the Division Bench held as under:-

“15. The knowledge and awareness of a trade mark in respect of the goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge. & awareness of the same reaches even the shores of those countries where the goods have not been marketed. When a product is launched and hits the market in one country, the cognizance of the same is also taken by the people in other countries almost at the same time by getting acquainted with it through advertisements in newspapers, magazines, television, video films, cinema etc. even though there may not be availability of the product in those countries because of import restrictions or other factors. In today's world it cannot be said that a product and the trade mark under which it is sold abroad, does not have a reputation or goodwill in countries where it is not available. The knowledge and awareness of it and its critical evaluation & appraisal travels beyond the confines of the, geographical area in which it is sold. This has been made possible by development of communication systems which transmit & disseminate the information as soon as it is sent or beamed from one place to another. Satellite Television is a major contributor of the information explosion. Dissemination of knowledge of a trade mark in respect of a product through advertisement in media amounts to use of the trade mark whether or not the advertisement is coupled with the actual existence of the product in the market.”

63. In *Milmet Oftho Industries & Ors. v. Allergan Inc.*, (2004) 12 SCC

624, it was held as under:-

8.....It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide

reputation. Thus, if a mark in respect of a drug is associated with the respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However, one note of caution must be expressed. Multinational corporations, which have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian company by not permitting it to sell a product in India, if the Indian company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be, who is first in the market.

9. In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench had relied upon material which prima facie shows that the Respondents' product was advertised before the Appellants entered the field. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so, then no fault can be found with the conclusion drawn by the Division Bench."

64. In the instant case, although there was no ZARA store in India opened prior to 2010 but the mark ZARA (word) was registered in Class 25 since 1993. The Plaintiff has placed on record a number of documents to show that it was getting the fabrication done from various exporters in India. Some of the documents, particularly at pages 219, 259, 260, 262, 263 and 266 of the Plaintiff Documents reveal that the clothes with mark ZARA were being got fabricated in India by Inditex.

65. We are living in the 21st century. At least since the beginning of this century, there is widespread dissemination of information through the internet and television. ZARA was catering to the middle class and higher middle class. Consumers in India cannot be unaware of the Plaintiff's company and its product.
66. To sum up, the Defendants' adoption of the mark ZARA TAPAS BAR and ZARA, the Restaurant and Bar has been found to be adopted dishonestly and fraudulently. The explanation as to the manner of adoption of the name and that it has a dictionary meaning is found to be not convincing. The mark ZARA (word) is being used prominently with very small words "TAPAS BAR" which indicates the Defendants' intention to ride on the Plaintiff's reputation as ZARA was a well known mark even in the year 2003 having its presence in over 44 countries and annual turnover of 3 million Euros. Thus, the Plaintiff, in my considered opinion, has a good *prima facie* case entitling it to protection of the mark even in relation to dissimilar goods and services. The balance of convenience also lies in favour of the Plaintiff in view of the fact that the mark was not only well known worldwide but was also registered in India in Class 25 in the year 1993.

67. All the more, the Plaintiff filed an Affidavit in opposition to the Defendants' application for registration immediately on publication of the application. I am satisfied that the Plaintiff shall suffer irreparable loss and injury in case its mark is not protected and the Defendants are permitted to carry on their business with the name ZARA TAPAS BAR or ZARA, the Tapas Bar and Restaurant even in relation to the hotel and hospitality business. Accordingly, I grant *ad interim* injunction in terms of prayer clauses (a) to (d) of the application for injunction, which have been earlier extracted in para 9 of this order.

68. The application is allowed in above terms.

CS (OS) No. 1472/ 2013

69. List before the Joint Registrar for admission/denial of documents on 6th July, 2015.

(G.P. MITTAL)
JUDGE

MAY 19, 2015

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