



Resolution Institute

Administrative Panel Decision (single panellist)

Sara Lee Trademark Holdings Australasia LLC vs Kuipo Group Pty Ltd t/a <Sara Lee Online>

Disputed Domain Name: <www.saraleeonline.com.au>

Matter Number: auDRP_22_11

1. The Parties

The Complainant is Sara Lee Trademark Holdings Australasia LLC, of 400 South Jefferson Street, Chicago, IL 60607 USA.

The Respondent is Kuipo Group Pty Ltd t/a Sara Lee Online, of 5A Virginia Street, Guildford West, NSW 2161 Australia.

2. The Domain Name and Registrar

The disputed domain name <saraleeonline.com.au> is registered with Netregistry (now trading as "Webcentral").

3. Procedural History

Date	Process Stage
20/7/2022	Complainant: complaint filed with Resolution Institute, for action.
12/8/2022	RI: acknowledges receipt of complaint .
12/8/2022	RI: Complaint notified to Registrar.
17/8/2022	Registrar: acknowledges complaint and locks Domain Name
17/8/2022	RI: verifies complaint satisfies formal requirements of .au Dispute Resolution Policy (the "Policy"), and the Rules for .au Dispute Resolution Policy (the "Rules").

17/8/2022	RI: Complaint notified to auDA.
17/8/2022	RI: notifies dispute to Respondent + copies to Complainant and Registrar.
5/9/2022	Respondent: response to complaint sent to RI (email)
8/9/2022	RI: Statement of Independence & Impartiality sent to nominated panellist: Jon Kenfield.
9/9/2022	Panellist: Returns Statement of Independence & Impartiality to RI. RI: Notice of Appointment of single panellist to both parties. RI: Case files sent to panellist.
14/9/2022	Panellist: confirms appointment and documents received with parties.
19/9/2022	Decision published
23/9/2022	Decision due date.

4. Factual Background (per submissions)

4.1 Complainant (per submission)

The complainant in this administrative proceeding is Sara Lee Trademark Holdings Australasia LLC, a company incorporated under the laws of Delaware, USA ("Sara Lee"). The company is a global manufacturer and supplier of dessert products, including readymade cheesecakes, pies, puddings, baked goods and ice creams.

Sara Lee dessert products have been manufactured in Australia at the company's bakehouse in Lisarow, New South Wales, since 1971. In 1988, the Australian operation was selling 126 different products and producing 50,000 cheesecakes a day with 5 production lines running full time. Since 2013 SARA LEE branded goods in Australia have been manufactured and supplied by McCain Foods (Aust) Pty Ltd, which is Sara Lee's exclusive licensee.

The SARA LEE brand is a dominant player in the frozen desserts industry in Australia.

By way of example:

(a) The Lisarow facility remains Australia's biggest bakery and dessert facility and has a replacement value of more than \$160 million. Around 220 people are employed at the facility creating more than 200,000 cakes and pastries a day;

(b) In 2020, the SARA LEE brand reportedly controlled 53% of the Australian and New Zealand retail frozen desserts market.

In May 2022, IBIS World Report OD5097 on the Frozen Cake and Pastry Manufacturing in Australia, states:

- (a) *"staples in many Australian homes"*
- (b) *"Sara Lee Holdings Pty Ltd is expected to account for half of Australia's frozen dessert market (including its ice cream product range)."*
- (c) *"Sara Lee is an iconic brand...Sara Lee is Australia's second largest frozen desserts and pastry operator and the industry's third-largest player... The company derives approximately 80.0% of its revenue from retail sales".*

At the date of this Complaint, the official social media pages for the SARA LEE brand in Australia had:

- (a) 54,344 likes and 54,686 followers on Facebook; and
- (b) 2,179 followers on Instagram.

Letter of Demand: On 28 April 2022, Baker McKenzie wrote to Hanade Merhi of Kuipo Group re "Sara Lee Online – Supply of Products", noting that the existence of the website had just come to the attention of Sara Lee due to a complaint received from a consumer regarding Blueberry Muffins "infested with mould and maggots", allegedly as a consequence of their being supplied in a thawed; incorrectly labelled; inadequately stored, and poorly handled, state.

Inter alia, the letter notes: *'Our client has reviewed their records and has confirmed that you and/or your company are not authorised distributors or suppliers of Sara Lee Products. Our client does not permit the distribution and supply of Sara Lee Products by unauthorised third party traders.'*

Primarily as a consequence of this consumer complaint, the respondent was required to agree to the following undertakings, by 10th May 2022 (ie: within two weeks of receipt):

1. *to stop supplying Sara Lee Products on the basis that the manner in which you are handling the products results in significant food safety risks to consumers;*
2. *to permanently stop trading under the name "Sara Lee Online" and thereby associating your business with our client;*
3. *to immediately remove the Sara Lee Online Website and to deregister the www.saraleeonline.com.au Domain Name;*
4. *to remove all references the Sara Lee Marks from any other website or social media page that you operate;*
5. *to cancel your business name registration for "Sara Lee Online";*
6. *to disclose information regarding the source of the Sara Lee Products that you are selling; and*
7. *to deliver up all remaining stock of the Sara Lee Products in your possession.*

4.2 Respondent (per submission)

The Respondent is a small, Australian, family-owned business. It has operated as a convenience store, called The Grove, Australia, for over 15 years. The store was originally based in Woodpark, NSW, near the original Sara Lee Woodpark store.

When the original Sara Lee store closed, The Grove's proprietors perceived an opportunity to restructure their product line and their main customer offering - to concentrate on the (non-exclusive) re-sale of Sara Lee products. They invested heavily in high quality display and refrigeration units to maximise sales of Sara Lee products, which they have purchased from legitimate distributors and re-sold, with no consumer complaints, for many years.

In 2020, entirely due to the effects of Covid-19, the proprietors were forced to close their physical store and take their business 100% online, in order to survive, commercially. They continued to sell refrigerated products, including Sara Lee products, to existing and new clients through a new ecommerce website, created to support their new business direction.

The conversion of their business to this new format required relocation of freezers to a storage warehouse and the installation of a freezer into their delivery truck to ensure that all frozen products remained frozen *"until it was in the hands of our customers"*.

The domain name registered for the ecommerce business was <"saraleeonline.com.au">, which is the disputed domain name in this matter. The name alone does not drive any traffic to the website. That has been achieved solely by substantial spending on Google ads, social media, and newspaper advertising, amounting to thousands of dollars, on a monthly basis.

The business continues to operate as "The Grove Australia". The disputed domain name: <"saraleeonline.com.au"> is used "to trade". *(I understand this to mean: to attract customers to the website to ultimately transact with The Grove.*

The <saraleeonline> home page states: *"The Grove Australia are resellers of Sara Lee products providing online ordering & express deliveries on all products. Available nationwide at the best prices"*).

Response to Letter of Demand (undated, unsigned, attached to Claimant's submission):

(1) Sara Lee Online – Operating Business. TG operates as The Grove Australia and utilises the domain Sara Lee Online to trade. They do not sell products, or trade as "Sara Lee Online".

TG has operated for many years as The Grove Australia. In that capacity they purchase Sara Lee products from many Australian distributors and wholesalers.

BM state: *'Our client has reviewed their records and has confirmed that you and/or your company are not authorised distributors or suppliers of Sara Lee Products. Our client does not permit the distribution and supply of Sara Lee Products by unauthorised third party traders.'*

TG notes that they've purchased Sara Lee products from their own distributor for many years and don't believe they require any form of permission to resell products.

Panellist Note: No legal arguments have been provided to support the contention that Sara Lee can legally prevent anybody from re-selling their legitimately acquired products. I'm not aware of any specific power under Australian Law that allows food manufacturers to impose blanket resale restrictions on anybody else's activities.

- (2) **Food Safety Concerns.** TG refutes claims of impropriety on their part and allocates all blame for the complaint on an "idiotic" customer.

Panellist Note: I'm neither qualified, nor have I been asked to comment on the psychological competence of a third party consumer.

Both parties claim to have evidence in support of their contrary contentions. I have taken these arguments into account in my consideration of the "bad faith" issue, under the Rules.

5. Remedy Sought

The Complainant requests that the registration of the Disputed Domain Name be transferred to the Complainant.

6. Parties' Contentions

Under the Rules, the Complainant must succeed **on all three bases** of complaint:

- (A) The Disputed Domain Name is identical or confusingly similar to various marks in which the Complainant has prior exclusive rights and reputation; **and**
- (B) The Respondent does not have legitimate rights or interests in respect of the Disputed Domain Name; **and**
- (C) The Disputed Domain Name was registered, or has been subsequently used, in bad faith.

6.1 Complainant (per submission)

- (A) The Disputed Domain Name is identical or confusingly similar to, various marks in which the Complainant has prior exclusive rights and reputation. (Policy, Schedule A, para, 4(a)(i))**

The Disputed Domain Name is confusingly similar to the Registered Sara Lee Marks, all of which were registered and used prior to the Creation Date and in respect of which the Complainant had, as at the Creation Date, legal rights and an extensive reputation in Australia for the purposes of paragraph 4 of the Policy.

The dominant and distinctive element of the Disputed Domain Name consists of the SARA LEE trademark.

The word "online" in the Disputed Domain Name is entirely descriptive of the Respondent's business and the SARA LEE trademark remains a recognisable element of the Disputed Domain Name. The Disputed Domain Name is therefore confusingly similar to the marks in which the Complainant has prior rights.

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When a Disputed Domain Name incorporates the entirety of a trademark, or where a dominant feature of the relevant trademark is recognisable in the Disputed Domain Name, the Disputed Domain Name is to be considered confusingly similar to that mark.

6.2 Respondent (per submission)

Obtained the <saraleeonline.com.au> domain because it was available and was clearly aligned to our existing business. The vast majority of sales are of Sara Lee products.

Actively sought to avoid confusing customers by making reseller relationship clear through statements and visual representations on the Home Page, and through the prominent display of what were obviously non-Sara Lee products.

Created traffic to the disputed domain's website through paid advertising and social media. There was and would be no traffic there otherwise.

Many organisations use the Sara Lee logo and brand name to indicate that they sell, or handle, Sara Lee products (photos attached).

Nowhere on their literature or packaging does Sara Lee indicate that there's any form of restriction on use of their logo.

6.3 Considerations and Decision

The disputed domain name incorporates the whole of the Complainant's acknowledged trademark "Sara Lee", and adds the descriptive word "online", as part of a constructed, single word.

The first test under the Policy of whether a disputed domain name is "*identical or confusingly similar*" is designed to be an initial threshold test based on commonsense: is a reasonable internet user (ie: the sort of person likely to find themselves in the disputed domain's website as a consequence of their self-directed internet activities) likely to be confused as to the owner of said website by similarities between the domain they've arrived at, and the legitimate owner of "*various marks in which the Complainant has prior exclusive rights and reputation?*"

This is not a complicated legal concept about infringement of rights, it's rather a practical test of whether a reasonable person is likely to be confused into believing that something they've been presented with might reasonably be expected to create confusion in their minds as to who, or with what entity, they're actually dealing.

Finding: The reasonableness test says it's self-evident that the simple addition of the word "online" (or various other common descriptive words) does not significantly reduce the likelihood that an average consumer will be confused, and potentially misled, as to who, or with what entity, they're actually dealing, especially when the name used within the disputed domain name, is, literally, a "household name". This is one of the main reasons for having a system of marks – brand protection.

Decision: Accordingly, the Panel considers the disputed domain name confusingly similar to a mark in which the Complainant has rights pursuant to paragraph 4(a)(i) of the Policy.

(B) The Respondent has no legitimate rights or interest in respect of the Domain Name (Policy, Schedule A, para 4(a)(ii))

6.4 Complainant (per submission)

The Disputed Domain Name was registered long after the Complainant began making a lengthy series of mark registrations relating to Sara Lee.

The mere registration of a Domain Name does not establish any right or legitimate interest to it.

The Respondent's use of the Disputed Domain Name in connection with an offering of goods or services is not bona fide because, although the Respondent appears to be selling genuine SARA LEE branded goods:

- (a) The Respondent has never been licensed or permitted to use the Registered Sara Lee Marks, not have they been an authorised representative or distributor of the products;
- (d) The Respondent uses the Disputed Domain Name to offer for sale a range of goods that are not SARA LEE branded goods, including competitors' goods; and
- (e) Prior to 28 April 2022, the Website misleadingly suggested it was owned or authorised by the Complainant, or was an official site, when it was not.

The test outlined in the UDRP decision *Oki Data Americas, Inc. v ASD Inc. D 2001-0903* (the Oki Data Principles) should be applied in this case whereby a reseller or distributor can only be found to be making a bona fide offering of goods and services, and have a legitimate right to register a domain name that incorporates a trademark, **if all** the following requirements are met:

- (a) The Respondent must actually be offering the goods sold under the trademark **and**,
- (b) The Respondent must use the site to sell only goods which bear the trademark **and**,
- (c) The site must accurately disclose a registrant's relationship with a trademark owner - it may not, for example, falsely suggest that it is the trademark owner, or that the site is the official site, if in fact it is only one of many sales agents and,
- (d) The Respondent must not try to corner the market in all domains, thus depriving the trademark owner of reflecting its own name in a domain name.

Here, the Respondent fails to meet the requirements (b) and (c).

6.5 Respondent (per submission)

The domain is used to re-sell Sara Lee products in good faith.

- (a) TG made it clear who we are, and what our relationship is to Sara Lee.
- (b) TG only re-sell genuine Sara Lee items. Our site offers over 160 products, of which 152 are genuine Sara Lee products, purchased from reputable wholesalers.

- (c) TG tax invoices clearly show customers who they are transacting with.
- (d) Domain Name Dispute: DAU2011-0002, describes a similar scenario relating to GM Holden vs holdendiscounts.com.au. In that case the claim was denied.

6.6 Considerations and Decision

Paragraph 4(c) of the auDRP states that a respondent will be taken to have demonstrated their possession of rights to and legitimate interests in a domain name where (rephrased):

- (i) Before any notice has been received of the existence of a dispute, they can demonstrate bona fide use of, or demonstrable preparations for the use of, the disputed domain name or,
- (ii) The respondent individual, business, or other organisation has been commonly known by the domain name, even if they have acquired no trademark or service mark rights; or
- (iii) They are making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the name, trademark or service mark at issue.
- (iv) I comment on the application of the Oki Data principles and the Holden matter, below.

Findings re Rights and Legitimate Interests.

On the documents the Respondent:

- (i) Appears to have been making use of the disputed domain to help leverage their own business on the back of the Complainant's well-known marks. This constitutes opportunistic exploitation, rather than appropriate use of rights or legitimate interests in the marks, even though the vast majority of products sold were Sara Lee products.
- (ii) TG was not previously known by the domain name prior to its registration and use.
- (iii) We have already concluded that an average (new) consumer (as distinct from a long-term, existing customer of the business) is likely to be confused, and potentially misled, as to who, or with what entity they're actually dealing with, in the process of transacting through the Respondent's website, under the disputed domain name.
- (iv) Re Oki Data Principles: (b) it is acknowledged that the disputed domain was not used solely to sell the mark owner's goods and, (c) whether or not there was adequate disclosure of the relationship between the mark holder and TG as a reseller, it is confirmed that the mark was used to help sell non-mark products. This lack of total exclusivity re product sales fails the Oki test – marking this as an exercise in opportunism, rather than legitimate use of a mark in which the Complainant has invested substantial funds and goodwill, over many years, on a global basis.
- (v) Re: *GM Holden Ltd v. Publishing Australia Pty Ltd* Case No. DAU2011-0002 (<holdendiscounts.com.au>: in that case the Panel acknowledged that a reseller can have rights and legitimate interests (ie: bona fide rights) in a domain name provided it

complies with all 4 requirements of the Oki Data principles. Since the present Respondent fails to satisfy the “exclusive products” test, that case is hereby distinguished, and its conclusion is not adopted here.

- (vi) There is no indication the Respondent had any intent to try to corner the market in the disputed domain name, nor is there any indication of malicious or negative intent towards the Complainant in its use of the disputed domain name.

Decision: The Panel concludes that the Respondent’s actions were driven by opportunism, rather than by having legal “Rights and Legitimate Interests” in the marks.

Lack of mala fides (bad faith) does not constitute positive bona fides. Accordingly, the Panel concludes that the Respondent has no “rights or legitimate interests” in said marks.

(C) The Disputed Domain Name was registered, or has been subsequently used, in bad faith (Schedule A. Paragraph 4 (b)).

Complainant (per submission)

Paragraph 4(b) of the Policy includes the following criteria as evidence of bad faith registration and/or use of a domain name:

“... (iii) [the Respondent has] registered the domain name primarily for the purpose of disrupting the business or activities of another person; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to a website or other online location, by creating a likelihood of confusion with the complainant’s name or mark as to the source, sponsorship, affiliation, or endorsement of that website or location of a product or service on that website or location.”

The disputed domain name was created and registered recently, many years after the Sara Lee marks were registered.

The disputed domain name was primarily chosen to leverage Sara Lee’s established reputation. Per Annexure 15, the Respondent acknowledges that *“[the Respondent] depend and rely on traffic from this domain as we have spent thousands of dollars in marketing to attract customers to our domain.”*

Use of the disputed name disrupts Sara Lee’s business by attracting “users, consumers, and businesses to the website, by creating a likelihood of confusion re its affiliation.

The Respondent has never been a licenced user of the marks.

The website represents to consumers that it is an authorised representative of the Complainant. This constitutes misleading and deceptive conduct under Australian Consumer Law.

The Complainant received a consumer complaint regarding Sara Lee products because they were under the false impression the Respondent was connected to the Complainant.

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The Respondent's rejection of responsibility for the issues raised in the consumer complaint indicate bad faith, for purposes of 4(b) of the policy.

Respondent (per submission)

We have not tried to leverage any of Sara Lee's reputation, and all traffic attracted to the website has come through expenditure on Google, social media, and newspaper advertising. The Sara Lee name has not helped to drive any traffic to our business.

Disclosures and product placements on the home page of the website make it clear to all users that we are not part of Sara Lee. Current disclosures on the home page specifically state that TG is just a reseller of the Complainant's goods.

Many other resellers and businesses use the Sara Lee name on signage etc. to assist their businesses. Sara Lee does not require anybody to be licensed to use their logo. There's nothing on their literature or packaging suggesting Sara Lee's marks can't be used to help sell their products.

Existing clients know we are not Sara Lee and we take measures to ensure that online customers don't get confused (see home page).

The one customer complaint was from a vexatious and idiotic "Karen" type of person. There's no legitimacy to her complaint, which we tried to resolve amicably, to protect our brand and the Complainant's brand.

Reference to Re: *GM Holden Ltd v. Publishing Australia Pty Ltd* Case No. DAU2011-0002 (<holdendiscounts.com.au>).

"The Complainant is cornering the market .. trying to monopolise and dictate the market with their weight of being global."

Findings re Registration or Use of the Disputed Domain Name in Bad Faith

The bad faith issue was also raised under the previous cause [B], with reference to the Policy, and Oki Data Principles.

The Panel concluded (above) that the Respondent was opportunistic in leveraging the Complainant's marks, primarily because it was being used to help sell products that were not produced by the Complainant (ie: it failed the exclusivity test under Oki Data principles).

Although there's no suggestion of bad faith, this factor alone destroys that argument that the mark was used in good faith.

The Respondent argues strongly that their strenuous efforts, and considerable expenditures on marketing, demonstrate that the Sara Lee mark had no intrinsic value within that marketing, in driving business to the website. In the Panel's opinion, that denies standard marketing and branding practices based on the belief that marketing and branding work together to persuade consumers to make purchases.

The only possible remaining defence available to the Respondent hinges on their efforts to avoid confusion by clearly disclosing that they were not associated with the Complainant in

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such a way as to prevent reasonable consumers from being confused about their status or affiliation. This goes to the question of disclosure on the face of the disputed domain name's website: <saraleeonline.com.au>.

Annexure 11 of the Complainant's submissions purport to demonstrate the Home Page of the <saraleeonline.com.au> website as at 22 June 2022, and Annexure 12 shows copies relating to an earlier period, before the consumer complaint was brought to the Respondent's attention.

Clearly, the Respondent responded promptly to remove all overt inferences suggesting it was related to, or authorised by, Sara Lee. They replaced logos and presented clear disclosures for that specific purpose. This indicates bona fide intentions and objectives.

Decision: Ultimately, the Panel is persuaded to follow the Oki Data principles to conclude that the registration of the disputed domain name lacks bona fides, due to the lack of exclusive sales. There is no escape from the logic that the prominent use of a household trademark would have assisted sales of unrelated products, thereby making the registration opportunistic, and therefore not bona fide, even if there were no mala fides involved.

7. Decision

For all the foregoing reasons, the Complaint is accepted and approved.

The disputed domain name <saraleeonline.com.au> is required to be transferred from the Respondent to the Complainant.

A handwritten signature in red ink that reads "Jon Kenfield". The signature is stylized with a large, sweeping flourish at the end.

Jon Kenfield (single Panellist)

Published: 19th September 2022