

ADMINISTRATIVE PANEL DECISION

Krispy Kreme Doughnut Corporation and HDN Development Corporation v.
Don Pedro Valequez
Case No. D2024-0516

1. The Parties

Complainants are Krispy Kreme Doughnut Corporation and HDN Development Corporation, United States of America (“United States”), represented by Kilpatrick Townsend & Stockton LLP, United States.

Respondent is Don Pedro Valequez, United States.

2. The Domain Name and Registrar

The disputed domain name <krispykremeincfranchising.com> is registered with OwnRegistrar, Inc. (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on February 2, 2024. On February 5, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On February 5, 2024, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent (WHOISSECURE) and contact information in the Complaint. The Center sent an email communication to Complainants on February 8, 2024, providing the registrant and contact information disclosed by the Registrar, and inviting Complainants to submit an amendment to the Complaint. Complainants filed an amended Complaint on February 8, 2024.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified Respondent of the Complaint, and the proceedings commenced on February 14, 2024. In accordance with the Rules, paragraph 5, the due date for Response was March 5, 2024. Respondent did not submit any response. Accordingly, the Center notified Respondent’s default on March 7, 2024.

The Center appointed Clark W. Lackert as the sole panelist in this matter on March 13, 2024. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

Complainants are international retailers of fresh sweet treats, including premium-quality doughnuts and related products. Founded in 1937, the KRISPY KREME brand is now an international brand with more than twelve hundred (1200) locations in more than thirty (30) countries around the world. KRISPY KREME products are made with Complainants' proprietary equipment and sold primarily through company-owned stores, domestic franchises, and international franchises. Complainants produce millions of doughnuts every day, and KRISPY KREME products and stores receive significant promotion, advertising, and press attention. Over the years, Complainants have spent significant sums in the advertising, marketing, and promotion of their products and services. In 2021 alone, Complainants spent over 39 million USD in the marketing of its KRISPY KREME products and services, resulting in total revenues of more than 1.384 billion USD for 2021.

Since 1998, Complainants have owned and used the domain name <krispykreme.com> to deliver information concerning Complainants and their products and services. Complainants use their domain name to provide (a) information regarding their products, retail stores, and history, (b) a vehicle through which those users can purchase clothing, toys and other merchandise bearing the KRISPY KREME mark, and (c) financial, employment and other information concerning Complainants.

Complainant HDN Development Corporation ("HDN") is a subsidiary of Krispy Kreme, Inc. HDN owns the KRISPY KREME mark, as well as other trademarks and service marks used in connection with Complainants' business operations. HDN owns more than four hundred (400) trademark and service mark registrations for the KRISPY KREME mark worldwide, including on the Principal Register of the United States Patent and Trademark Office (the earliest of which issued to registration in 1972), as well as on many trademark registries around the world. Complainants have registered their trademark KRISPY KREME in many jurisdictions, including in the United States, European Union, Canada, China, and Mexico as follows:

Jurisdiction	Registration Number	Registration Date
Canada	TMA569178	October 21, 2002
China	2010907	December 21, 2002
European Union	1298660	May 11, 2006
Mexico	737142	February 28, 2002
United States	938245	July 18, 1972
United States	967684	September 4, 1973

Respondent registered the disputed domain name on January 30, 2024, a date well after Complainants adopted, used, and registered the KRISPY KREME name and mark. The undisputed evidence introduced in the Complaint shows that Respondent has used the disputed domain name as part of a scheme to defraud unsuspecting individuals by promoting purported franchise opportunities to operate a KRISPY KREME store. Respondent has posted a website at the disputed domain name that purports to be an official website of Complainants by (i) prominently displaying the KRISPY KREME mark, (ii) using numerous photos of Complainants' KRISPY KREME stores, and (iii) including alleged information on how to become a franchisee of Complainants. As part of Respondent's scheme promoting alleged "franchise opportunities," Respondent poses as Complainants and provides interested individuals with communications that feature Complainants'

KRISPY KREME name and mark. Unsuspecting individuals who engage with Respondent about becoming a KRISPY KREME franchisee are misled into believing that they are dealing directly with Complainants since they receive communications from someone posing as the “Director of International Franchise Operations, Krispy Kreme Doughnuts, Inc” using the disputed domain name. Individuals interested in becoming a franchisee are asked to complete an application. The application, which looks like it comes from Complainants, requires the disclosure of much personal information from the applicant, including the submission of an applicant’s driver’s license or passport. The targeted individual is provided with various documents that clearly feature the KRISPY KREME mark and logo and which are made to appear to come from Complainants. These include a franchise approval document, a memorandum of understanding and an invoice for an up-front “refundable” franchise fee of 50,000 USD. The applicant is told that they need to execute the memorandum of understanding and make the required payment by a certain date before an initial meeting to discuss the franchising opportunity can take place.

5. Parties’ Contentions

A. Complainants

Complainants contend that they have satisfied each of the elements required under the Policy for a transfer of the disputed domain name.

Complainants assert that the KRISPY KREME name and mark is well-known and is an invaluable symbol of the long-standing goodwill and reputation enjoyed by Complainants. Since Complainants’ famous trademark is wholly incorporated into the disputed domain name, the disputed domain name is thus confusingly similar to their trademark. Moreover, the addition of the abbreviation “inc.” (for “incorporated”) and the common word “franchising” does not distinguish the disputed domain name and affirms the confusing similarity by suggesting that the disputed domain name is related to franchising opportunities offered by Complainants. Given Complainants’ longstanding use of the KRISPY KREME name and mark and the renown of Complainants’ KRISPY KREME products and services, the relevant consumers or businesses, on seeing the disputed domain name, will reasonably believe that it is related to Complainants.

Complainants allege that Respondent appears to have registered the disputed domain name after Complainants had initiated separate successful UDRP proceedings regarding registration and use of the domain names (i) KRISPYKREMEFRANCHISING.COM (*Krispy Kreme Doughnut Corporation and HDN Development Corporation v. Privacy Service Provided by Withheld for Privacy ehf / Saleh Bahjat*, WIPO Case No. [D2022-2376](#)), (ii) KRISPYKREMEINCFRANCHISE.COM (*Krispy Kreme Doughnut Corporation and HDN Development Corporation v. Privacy Service Provided by Withheld for Privacy EHF / Name Redacted*, WIPO Case No. [D2022-3023](#)), and KRISPYKREMEFRANCHISES.COM, (*Krispy Kreme Doughnut Corporation and HDN Development Corporation v. Name Redacted*, WIPO Case No. [D2023-3061](#)). In all three proceedings, the Panels found that the respondent had registered and used the domain names at issue in bad faith.

Complainants further contend that Respondent’s bad faith is also exhibited by the fact that Respondent registered the disputed domain name years after Complainants adopted and started using the KRISPY KREME name and mark and after Complainants filed multiple UDRP complaints against Respondent over the registration and use of domain names that use the KRISPY KREME mark with words such as “franchise” and “franchising” for the very same activities at issue in this proceeding. The fact that Respondent has again sought to pass itself off as Complainants by using Complainants’ KRISPY KREME name and mark and by impersonating Complainants makes it clear that Respondent has knowingly targeted Complainants. Respondent was, and is, fully aware of Complainants’ rights in its KRISPY KREME name and mark when Respondent registered the Domain Name, that consists of the exact KRISPY KREME mark, and then used such for purposes of a fraudulent scheme that has resulted in defrauding unsuspecting parties. Respondent is using, without authorization and in bad faith, the goodwill and reputation built by Complainants in its KRISPY KREME name and mark for Respondent’s own profit. See *Volvo Trademark Holding AB v. SC-RAD Inc.*, WIPO Case No. [D2003-0601](#) (holding bad faith registration was shown by registration of

VOLVOPOLSKA.COM where Complainant's reputation was likely to attract Internet users to registrant's website for commercial gain).

Complainants also argue that Respondent's bad faith is further established by the fact that Respondent has actively attempted to conceal his identity by using a privacy service and aliases and has attempted to pass itself off as Complainants by using Complainants' address on its website. The fact that Respondent has targeted Complainants is obvious from Respondent's bad faith conduct. Respondent has registered a domain name that incorporates Complainants' KRISPY KREME name and mark, in order to capitalize on the hard-earned and valuable goodwill associated with Complainants' marks.

B. Respondent

Respondent is in default and did not reply to Complainants' contentions.

6. Discussion and Findings

The Panelist has reviewed the Complaint, all supporting evidence, and the proceeding history as set forth in the record. The Panelist notes that no response has been filed in this proceeding and that the record supports a decision in Complainants' favor.

A. Consolidation of Complainants

The Complainants requested the Panel to hear the present dispute brought by two Complainants as a consolidated Complaint.

In assessing whether a complaint filed by multiple complainants may be brought against a single respondent, panels look at whether (i) the complainants have a specific common grievance against the respondent, or the respondent has engaged in common conduct that has affected the complainants in a similar fashion, and (ii) it would be equitable and procedurally efficient to permit the consolidation. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, ("[WIPO Overview 3.0](#)"), section 4.11.1.

The Complainants assert they are related corporate entities and have a common legal interest sufficient to justify consolidation.

The Panel notes that Krispy Kreme Doughnut Corporation and HDN Development Corporation are both ultimately wholly owned subsidiaries of Krispy Kreme, Inc., their parent company. Both Complainants have relevant trademark rights in KRISPY KREME. Therefore, the Complainants have a specific common grievance against the Respondent. Moreover, the Respondent will not suffer any prejudice, and consolidation will not affect the Respondent's rights in response to the Complaint.

Taking into account the above the Panel rules in favor of consolidation and grants the request to consolidate.

B. Identical or Confusingly Similar

It is well accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between the Complainants' trademark and the disputed domain name. [WIPO Overview 3.0](#), section 1.7.

Complainants have shown rights in respect of a trademark or service mark for the purposes of the Policy. [WIPO Overview 3.0](#), section 1.2.1.

The entirety of the mark KRISPY KREME is reproduced within the disputed domain name, together with the words “inc” (a common abbreviation of “incorporated”) and “franchising” with the generic Top-Level Domain “.com”. Accordingly, the disputed domain name is confusingly similar to the mark for the purposes of the Policy. [WIPO Overview 3.0](#), section 1.7.

The Panel finds the first element of the Policy has been established.

C. Rights or Legitimate Interests

Paragraph 4(c) of the Policy provides a list of circumstances in which the Respondent may demonstrate rights or legitimate interests in a disputed domain name.

Although the overall burden of proof in UDRP proceedings is on the Complainants, panels have recognized that proving a respondent lacks rights or legitimate interests in a domain name may result in the difficult task of “proving a negative”, requiring information that is often primarily within the knowledge or control of the respondent. As such, where Complainants make out a prima facie case that the respondent lacks rights or legitimate interests, the burden of production on this element shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name (although the burden of proof always remains on the Complainants). If the respondent fails to come forward with such relevant evidence, the Complainants are deemed to have satisfied the second element. [WIPO Overview 3.0](#), section 2.1.

Having reviewed the available record, the Panel finds Complainants have established a prima facie case that Respondent lacks rights or legitimate interests in the disputed domain name. Respondent has not rebutted Complainants’ prima facie showing and has not come forward with any relevant evidence demonstrating rights or legitimate interests in the disputed domain name such as those enumerated in the Policy or otherwise.

Panels have held that the use of a domain name for illegal activity – here, falsely passing off as a legitimate website of Complainants including using images from Complainants’ websites, and used to falsely solicit and pursue possible franchisees for Complainants’ franchise, can never confer rights or legitimate interests on a respondent. [WIPO Overview 3.0](#), section 2.13.1.

The Panel finds the second element of the Policy has been established.

D. Registered and Used in Bad Faith

The Panel notes that, for the purposes of paragraph 4(a)(iii) of the Policy, paragraph 4(b) of the Policy establishes circumstances, in particular, but without limitation, that, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith.

Paragraph 4(b) of the Policy sets out a list of non-exhaustive circumstances that may indicate that a domain name was registered and used in bad faith, but other circumstances may be relevant in assessing whether a respondent’s registration and use of a domain name is in bad faith. [WIPO Overview 3.0](#), section 3.2.1. In the present case, the Panel notes that Respondent has used in its entirety Complainants’ famous trademark coupled with the terms “inc” and “franchising” in an effort to divert web traffic from Complainants in violation of Policy 4(b)(iv).

Panels have held that the use of a domain name for illegal activity, here Respondent falsely passing itself off as a legitimate website of Complainants including using images from Complainants’ websites, and used to falsely solicit and pursue possible franchisees for Complainants’ franchise, also constitutes bad faith. [WIPO Overview 3.0](#), section 3.4. This illegal activity included creating a false pirated website and false email communications with potential customers.

Having reviewed the record, the Panel finds Respondent's registration and use of the disputed domain name constitutes bad faith under the Policy.

The Panel finds that Complainants have established the third element of the Policy.

7. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain name <krispykremeincfranchising.com> be transferred to Complainants.

/Clark W. Lackert/

Clark W. Lackert

Sole Panelist

Date: March 27, 2024