

Federal Court



Cour fédérale

Date: 20170623

Docket: T-1289-14

Citation: 2017 FC 619

Ottawa, Ontario, June 23, 2017

PRESENT: The Honourable Mr. Justice Manson

BETWEEN:

Wael Maged Badawy

**Plaintiff
(Defendant by Counterclaim)**

and

**Waldemar A. Igras
Waldemar A. Igras Professional
Corporation**

**Defendants
(Plaintiffs by Counterclaim)**

and

IFL Igras Family Law Ltd.

Defendant by Counterclaim

JUDGMENT AND REASONS

I. Introduction

[1] This is a motion for summary judgment, pursuant to Rules 213 to 215 of the *Federal Courts Rules*, SOR/98-106, wherein the defendants/plaintiffs by counterclaim move for an order dismissing the plaintiff's claim and granting the relief requested paragraphs 17(a), (b), (c), and (e) of the Amended Counterclaim.

II. Background

[2] The moving parties are Waldemar Igras ("Mr. Igras") and Waldemar A. Igras Professional Corporation ("Igras PC") (together, the "Applicants"). Mr. Igras is a lawyer and a member of the bar of Alberta, who has been practicing since March 20, 2006. He is the sole shareholder and director of Igras PC, which was incorporated on January 2, 2011. Mr. Igras practices in the area of family law.

[3] The respondents to the motion are Wael Maged Badawy ("Mr. Badawy" or the "Plaintiff"), who is the plaintiff in the underlying action, and IFL Igras Family Law Ltd. ("IFL Ltd."), the defendant by counterclaim (together, the "Respondents"). IFL Ltd. is a corporation incorporated by Mr. Badawy under the *Canada Business Corporations Act*, RSC 1985, c C-44.

[4] From 2011 to 2014, Mr. Igras was a partner with the Calgary law firm Richmond Chickloski Igras Moldowan LLP. In 2012, he was retained by Ghada Hamdy Nafie ("Ms.

Nafie”), Mr. Badawy’s now ex-wife, to commence a divorce and matrimonial property action (the “Divorce Action”) in the Alberta Court of Queen’s Bench (“ABQB”).

[5] In 2013, Mr. Badawy commenced various actions against Ms. Nafie, members of her family, and Mr. Igras in the Provincial Court of Alberta, which were later moved to the ABQB. On September 16, 2013, Mr. Badawy applied for a trademark of the name “Richmond Chickloski Igras Moldowan LLP”—the name of Mr. Igras’ the former firm—asserting use of that name in relation to computer related goods and consulting services, and asserting use of the name since January 1, 2001. The action against Mr. Igras (Action 1301-11325) was ordered discontinued by an Order of the Alberta Court of Appeal, dated April 14, 2015.

[6] In early 2014, Mr. Igras decided to commence practicing law as a sole practitioner using the tradename “Igras Family Law”. He purchased the internet domain names www.igrasfamilylaw.com and www.igrasfamilylaw.ca, and hired a graphic designer to create logos for “Igras Family Law”. On February 27, 2014, at a case management meeting in the Divorce Action, Mr. Igras informed the ABQB and Mr. Badawy of his pending move to his new practice. On March 13, 2014, Mr. Igras sent Mr. Badawy a letter on “Igras Family Law” branded stationary and Mr. Badawy responded confirming receipt.

[7] On March 20 and 21, 2014, Mr. Badawy registered the domain names www.igrasfamilylaw.net, www.igrasfamilylaw.info, and www.igrasfamilylaw.org. On April 22, 2014, Mr. Badawy applied to the Canadian Intellectual Property Office (Application No. 1673473, the “IFL Trademark Application”) to register the trademark IGRAS FAMILY LAW in

association with services described as “provide legal publication, web access and on-line service”, asserting use of the mark since 2001 (the “Proposed IFL Mark”). This application is currently being opposed by the Applicants.

[8] On April 24, 2014, Mr. Badawy incorporated IFL Ltd. Public records indicate that he is the sole director and shareholder of IFL Ltd.

[9] At some point between April 22, 2014 and the present, the IFL Trademark Application was amended to describe the services associated with the trademark as electronic publishing of various types. The Plaintiff asserts that he is the creator of two publications bearing the title “Igras Family Law” with ISBN numbers 978,09938562-1-1 and 978-09938562-0-4, both claiming a publication date of September 9, 2009 (the “IFL Publications”). Information from the ISBN division of Library and Archives Canada shows that IFL Ltd. applied for the IFL Publications’ ISBN numbers on July 14, 2014. There is no evidence that these publications existed, prior to July 2014, save for the information provided by IFL Ltd. to Library and Archives Canada.

[10] On May 26, 2014, Mr. Badawy filed the Statement of Claim initiating the underlying action.

III. History at the Federal Court

[11] On September 19, 2014, the Applicants were granted leave to bring a motion to strike the Statement of Claim. This motion was dismissed by Justice Sandra Simpson, on November 10,

2014, who determined that, in the absence of an affidavit in support of the motion to strike, the evidence before the Court was insufficient to establish that the claim was frivolous, vexatious, or an abuse of process.

[12] On November 12, 2014, Mr. Badawy sought leave to file a third party claim against the Alberta Law Society and the Alberta Law Insurance Association, which was denied by Prothonotary Lafrenière (as he then was) by Order dated November 27, 2014. Mr. Badawy appealed this order and all of the previous orders of Prothonotary Lafrenière. The appeal was dismissed by Justice Mary Gleason of the Federal Court (as she then was), on January 20, 2015. Mr. Badawy appealed to the Federal Court of Appeal, which dismissed his appeal (*Badawy v Waldemar*, 2016 FCA 162). Leave for appeal to the Supreme Court of Canada was denied (*Wael Maged Badawy v Law Society of Alberta, et al*, 2016 CanLII 76791 (SCC)).

[13] On June 4, 2015, Mr. Badawy brought a motion to be allowed to represent IFL Ltd., which was dismissed on June 15, 2015. IFL Ltd. has not filed a Notice of Appointment of Solicitor, and is unrepresented in these proceedings.

[14] By Order dated November 7, 2016, the Applicants were granted leave to bring a motion for summary judgment to dismiss the underlying action and obtain the relief sought in paragraphs 17(a), (b), (c), and (e) of their Amended Counterclaim against the Respondents. Mr. Badawy countered with a motion to have Prothonotary Lafrenière recused from the file and a motion to appeal the Order dated November 7, 2016. On January 19, 2017, Madam Justice

Sylvie Roussel dismissed the appeal of the Order dated November 7, 2016. The motion for recusal was dismissed by Order dated February 2, 2017.

[15] Mr. Badawy appealed the Order of Justice Roussel to the Federal Court of Appeal, which has yet to hear the appeal.

IV. Issues

[16] The Applicants make this motion for summary judgment seeking:

- 1) the dismissal of the action against them;
- 2) judgment for the relief pled in paragraphs 17(a), (b), (c), and (e) of the Amended Counterclaim.

[17] Based on my analysis of the jurisdiction of the Federal Court, below, the issues to be determined in this hearing are:

- 1) whether Mr. Badawy's claim that the Applicants are liable for passing-off, in contravention of section 7(b) of the *Trade-marks Act*, is a genuine issue for trial; and
- 2) whether the Applicants' counterclaim that the Respondents are liable for passing-off, in contravention of section 7(b) of the *Trade-marks Act*, is a genuine issue for trial.

V. Conclusion

[18] Mr. Badawy's claim that the Applicants are liable for passing-off contrary to section 7(b) of the *Trade-marks Act* can properly be disposed of by way of summary judgment. There is simply no evidence before the Court that Mr. Badawy uses or has used IGRAS FAMILY LAW in association with either goods or services. As such, IGRAS FAMILY LAW is not a valid or enforceable unregistered trademark owned by Mr. Badawy, and the Statement of Claim should be dismissed.

[19] However, I am unable to determine the key issue in the Amended Counterclaim on a summary basis, because the facts necessary to resolve the question of whether the Respondents are liable for passing-off in contravention of section 7(b) of the *Trade-marks Act* are not clearly set out in the evidence. The relief request by the Applicants cannot thus be granted by summary judgment. Therefore, this issue will proceed to trial.

VI. Preliminary Matter – Federal Court Jurisdiction

[20] Both Mr. Badawy and the Applicants make claims and/or request relief that are not within the Federal Court’s jurisdiction. While neither party has brought a motion to strike any of the causes of action for lack of Federal Court jurisdiction, the Court must nonetheless undertake an analysis of whether it has the jurisdiction to adjudicate the issues (*Chavali v Canada*, 2001 FCT 268, *aff’d* 2002 FCA 209).

[21] The Federal Court’s jurisdiction is only in part governed by the *Federal Courts Act*, RSC 1985, c F-7. In *Windsor (City) v Canadian Transit Co*, 2016 SCC 54 at paragraph 33 [*City of Windsor*], the Supreme Court of Canada undertook a review of the Federal Court’s jurisdiction:

The Federal Court, by contrast [to the provincial superior courts recognized by s. 96], has only the jurisdiction it has been conferred by statute. It is a statutory court, created under the constitutional authority of s. 101, without inherent jurisdiction. While the Federal Court plays a critical role in our judicial system, its jurisdiction is not constitutionally protected in the same way as that of a s. 96 court. It can act only within the constitutional boundaries of s. 101 and the confines of its statutory powers. As this Court noted in *Roberts v Canada*, “[b]ecause the Federal Court is without any inherent jurisdiction such as that existing in provincial superior courts, the language of the [Federal Court Act] is completely determinative of the scope of the Court’s jurisdiction.

[citations omitted]

[22] A statutory grant of jurisdiction is necessary, but not sufficient, for the Federal Court to exercise jurisdiction over a given issue. Since Parliament established the Federal Court pursuant to its competence, under section 101 of the *Constitution Act, 1867*, to establish “additional Courts for the better Administration of the Laws of Canada”, the role of the Federal Court is constitutionally limited to administering “the Laws of Canada”, which in this context means federal law (*City of Windsor*, above, at para 34). The test for whether the Federal Court has jurisdiction to hear an issue was laid out in *ITO—International Terminal Operators Ltd v Miida Electronics Inc*, [1986] 1 SCR 752 (the “ITO-test”):

- 1) There must be a statutory grant of jurisdiction by the federal Parliament.
- 2) There must be an existing body of federal law which is essential to the disposition of the case and which nourishes the statutory grant of jurisdiction.
- 3) The law on which the case is based must be “a law of Canada” as the phrase is used in section 101 of the *Constitution Act, 1867*.

(1) Mr. Badawy

[23] The relevant portions of the Statement of Claim are as follows:

8. The DEFENDANT knew, or ought to have known that the PLAINTIFF owns the trade-marks “IGRAS FAMILY LAW” and the corporation “IFL IGRAS FAMILY LAW ltd”.

9. The DEFENDANT is using IFL IGFAS FAMILY LAW and IGRAS FAMILY LAW without authorization, license or registration to sell service (*sic*) in Canada.

10. The DEFENDANTS’ conduct is without care, and with disregard to the rights of the PLAINTIFF under Canada Business Corporations Act and Trade-marks Act.

11. The PLAINTIFF therefore claim (*sic*) the following relief:

- a. Pecuniary damages;
- b. Exemplary and punitive damages;
- c. A Court ORDER to restrain the DEFENDANT of marketing, selling or offering service using IGRAS

FAMILY LAW or any variation, without license or permission form (*sic*) the PLAINTIFF;

d. A Court ORDER to remove the association of the DEFENDANTS to IGRAS FAMILY LAW or IFL IGRAS FAMILY LAW in all directories, marketing tools and public records at the cost of the DEFENDANT within 10 days of the Court ORDER;

e. Transfer all mark (*sic*), or website or accounts that has (*sic*) been created by the DEFENDANT for IGRAS FAMILY LAW or IFL IGRAS FAMILY to the PLAINTIFF at the DEFENDANT (*sic*) cost within 10 days of the Court ORDER;

g. (*sic*) Costs; and

h. Such further and other relief as the PLAINTIFF may advice (*sic*) and this Honourable Court may allow.

[formatting original]

[24] The IFL Trademark Application is currently being opposed by the Applicants. As such, at the time of this hearing, Mr. Badawy does not have any statutory trademark rights relating to a registered trademark. Mr. Badawy potentially only has rights in an unregistered trademark for IGRAS FAMILY LAW (the “IFL Mark”).

[25] In *Asbjorn Horgard A/S v Gibbs/Nortac Industries Ltd*, [1987] FCJ No 245 (CA) at paragraph 27, the Federal Court of Appeal noted that Parliament, by sections 1 to 11 of the *Trade-marks Act*, RSC 1985, c T-13, has prescribed a regime concerning what constitutes a trademark and the adoption thereof, whether registered or not. Thus, Mr. Badawy may have an actionable right under sections 1 to 11 of the *Trade-marks Act*. The adjudication of these rights is within the Federal Court’s jurisdictional competence.

[26] Mr. Badawy also alleges that the Applicants are infringing upon rights created under the *Canadian Business Corporations Act*. Despite the fact that the *Canadian Business Corporations Act* is legislation enacted by the federal Parliament, the definition of the term “court” in section 2(1) suggests that the Federal Court does not have general jurisdiction over actions arising therefrom:

court means

- (a) in the Province of Newfoundland and Labrador, the Trial Division of the Supreme Court of the Province,
- (a.1) in the Province of Ontario, the Superior Court of Justice,
- (b) in the Provinces of Nova Scotia, British Columbia and Prince Edward Island, the Supreme Court of the Province,
- (c) in the Provinces of Manitoba, Saskatchewan, Alberta and New Brunswick, the Court of Queen’s Bench for the Province,
- (d) in the Province of Quebec, the Superior Court of the Province, and
- (e) the Supreme Court of Yukon, the Supreme Court of the Northwest Territories and the Nunavut Court of Justice; (tribunal)

court of appeal means the court to which an appeal lies from an order of a court;

[27] Mr. Badawy has not argued that there is a specific section of the *Canada Business Corporations Act*, or any other act, that would support finding that there exists a specific statutory grant of jurisdiction over a claim that “the DEFENDANTS’ conduct is without care, and with disregard to the rights of the PLAINTIFF under Canada Business Corporations Act (sic)...”. Therefore, I find that the *ITO*-test is not met with regards to Mr. Badawy’s claims

regarding rights under the *Canada Business Corporations Act*. This claim will be struck from the Statement of Claim.

(2) The Applicants

[28] The relevant portions of the Amended Counterclaim are as follows:

17. The Plaintiffs by counterclaim claims against the Defendant by counterclaim Wael Maged Badawy as follows:

(a) A declaration that the Defendant by counterclaim Wael Maged Badawy has:

- i. Incorporated the Plaintiffs by counterclaim's name, Igras Family Law and use the family name Igras without their consent;
- ii. Used "Igras Family Law" in a manner that has harmed and depreciated the value, goodwill and reputation attaching to the Plaintiff by counterclaim's name and legal practice;
- iii. Diverted attention from the Plaintiff by counterclaim's legal services in such a way as to cause or be likely to cause confusion to members of the public contrary to law;
- iv. Passed-off that he is an active member of the Law Society, or lawfully entitled to practice law in contravention of the *Legal Profession Act*, RSA 2000, c L-8;
- v. Incorporated "IFL IGRAS FAMILY LAW LTD." in contravention of the *Canada Business Corporations Act*, RSC 1985, c C-44;
- vi. Incorporated IFL IGRAS FAMILY LAW LTD. for the sole purpose of causing harm to the Plaintiffs by counterclaim.

(b) An interim, interlocutory and permanent injunction restraining the Defendants by counterclaim:

- i. Diverting public attention away from the Plaintiffs by counterclaim's family law business in a way as to cause or be likely to cause confusion

regarding the nature of the Defendant's legal services;

ii. Using "Igras Family Law", or any portion thereof in a manner likely to harm the Plaintiffs by counterclaim's reputation, business, practice of law, or have the effect of the (*sic*) depreciating the value of the goodwill attaching thereto;

iii. Passing off their services, wares and business as that of the Plaintiffs by counterclaim;

iv. Using "Igras Family Law" and its various derivatives online; and

v. Commencing any further proceeding against the Plaintiffs by counterclaim without leave of the Court.

(c) An Order directing the Defendants by counterclaim to:

i. Cause to be removed from the internet the website domain names, www.igrasfamilylaw.net, www.igrasfamilylaw.info, and www.igrasfamilylaw.org;

ii. Abstain from registering any corporation for the purposes of diverting or interfering with the Plaintiffs by counterclaim's family law business;

iii. [~~struck out in the Amended Counterclaim~~]

iv. Striking the trade name "Igras Family Law" from the registration (*sic*) of the *Trade-marks Act*;

v. Deliver up to the Plaintiffs by counterclaim on oath all literature, media, or any other materials in their possession or control which offend in any way against any Order or Orders as requested above; and (*sic*)

...

(e) An order directing the Defendant by counterclaim IFL Igras Family Law Ltd. to change its name to one not including the names "Waldemar" or "Igras" or an Order that the Director revoke that name and assign a name to the corporation, until its name is changed pursuant to section 173 of the *Canada Business Corporations Act*;

...

[29] Similar to the case of Mr. Badawy, the Applicants do not have a registered trademark and, therefore, only have unregistered trademark rights, which may form the basis for a claim under section 7 of the *Trade-marks Act*. This issue is properly within the jurisdiction of the Federal Court.

[30] As discussed above, absent a specific statutory grant of jurisdiction to the Federal Court, the Federal Court does not have jurisdiction over causes of action arising from contravention of the *Canada Business Corporations Act*. As the Applicants also did not assert that there existed such a statutory grant of jurisdiction, I find that the *ITO*-test is not met in respect of any rights allegedly arising from the *Canada Business Corporations Act*. Therefore, these claims will be struck from the Amended Counterclaim.

[31] Regarding the relief requested in paragraph 17(c)(iv) of the Amended Counterclaim, the Federal Court should not make a ruling regarding a trademark application prior to a decision by the Registrar of Trademarks, regarding the application (section 37) and the opposition (section 38) (*Copperhead Brewing Co v John Labatt*, [1995] FCJ No 668 at paras 19 to 22 [*Copperhead*]). During the application period, a party has the statutory right to oppose the registration of the trademark, under section 38; however, an opponent has no causes of action regarding the application, within the jurisdiction of the Federal Court, until the application is addressed by the Registrar of Trademarks at first instance (*Copperhead*, above). As such, paragraph 17(c)(iv) will be struck from the Amended Counterclaim.

[32] Finally, the Federal Court does not have the jurisdiction to make declarations regarding contravention of the *Legal Profession Act*, RSA 2000, c L-8, as it is an act enacted by the Alberta Legislature and, therefore, not a “law of Canada”. As such, this claim will also be struck from the Amended Counterclaim.

(3) Conclusion Federal Court Jurisdiction

[33] Based upon the analysis above, the Federal Court only has the jurisdiction to determine the claims that are grounded in the *Trade-marks Act*. All claims that are not arising from the *Trade-marks Act* will be struck as being outside of the Federal Court’s jurisdiction. Further, the claim for depreciation of goodwill, under section 22 of the *Trade-marks Act*, relates to registered trademark rights only; since neither Party has a registered trademark this claim will also be struck.

[34] Therefore, the only issue that is appropriately before this Court in the Statement of Claim is whether the Applicants passed-off their business as Mr. Badawy’s, in contravention of section 7(b) of the *Trade-marks Act*. Further, the only issue in the Amended Counterclaim that is properly before this Court is whether the Respondents passed-off IFL Ltd. as the Applicants’ legal business, in contravention of section 7(b) of the *Trade-marks Act*.

VII. Analysis

[35] In a motion for summary judgment, the Court shall proceed by way of summary judgment, or may proceed by way of summary trial, if the requirements of Rule 215 of the *Federal Courts Rules* are met:

(1) If on a motion for summary judgment the Court is satisfied that there is no genuine issue for trial with respect to a claim or defence, the Court shall grant summary judgment accordingly.

215 (1) Si, par suite d'une requête en jugement sommaire, la Cour est convaincue qu'il n'existe pas de véritable question litigieuse quant à une déclaration ou à une défense, elle rend un jugement sommaire en conséquence.

(2) If the Court is satisfied that the only genuine issue is

(2) Si la Cour est convaincue que la seule véritable question litigieuse est :

(a) the amount to which the moving party is entitled, the Court may order a trial of that issue or grant summary judgment with a reference under rule 153 to determine the amount; or

a) la somme à laquelle le requérant a droit, elle peut ordonner l'instruction de cette question ou rendre un jugement sommaire assorti d'un renvoi pour détermination de la somme conformément à la règle 153;

(b) a question of law, the Court may determine the question and grant summary judgment accordingly.

b) un point de droit, elle peut statuer sur celui-ci et rendre un jugement sommaire en conséquence.

(3) If the Court is satisfied that there is a genuine issue of fact or law for trial with respect to a claim or a defence, the Court may

(3) Si la Cour est convaincue qu'il existe une véritable question de fait ou de droit litigieuse à l'égard d'une déclaration ou d'une défense, elle peut :

(a) nevertheless determine that issue by way of summary trial and make any order necessary for the conduct of the summary trial; or

a) néanmoins trancher cette question par voie de procès sommaire et rendre toute ordonnance nécessaire pour le déroulement de ce procès;

(b) dismiss the motion in whole or in part and order that the action, or the issues in the action not disposed of by summary judgment, proceed to trial or that the action be conducted as a specially managed proceeding.

b) rejeter la requête en tout ou en partie et ordonner que l'action ou toute question litigieuse non tranchée par jugement sommaire soit instruite ou que l'action se poursuive à titre d'instance à gestion spéciale.

[36] In *Hryniak v Mauldin*, 2014 SCC 7 [*Hryniak*], the Supreme Court of Canada held that “summary judgment motions must be granted whenever there is no genuine issue requiring a trial”, a situation that will occur when the process “(1) allows the judge to make the necessary finding of fact, (2) allows the judge to apply the law to the facts, and (3) is a proportionate, more expeditious and less expensive means at achieve a just result” (*Hryniak*, above, at paras 47, 49).

[37] In *Teva Canada Ltd v Wyeth LLC*, 2011 FC 1169 [*Teva*], affirmed in 2012 FCA 141, the Court held that summary judgment was warranted where:

- 1) the issues are well defined and their resolution will allow the action, or what remains of it, to proceed more quickly or be resolved;
- 2) the facts necessary to resolve the issues are clearly set out in the evidence, the evidence is not controversial, and there are no issues as to credibility; and
- 3) the questions of law can be dealt with as easily as they would be after a full trial.

[38] When determining whether there is “no genuine issue to be tried”, the Court is entitled to assume that the parties have put their best foot forward and it is not sufficient for a responding party to say that more and better evidence will, or may, be available at trial (*The Rude Native Inc v Tyrone T Resto Lounge*, 2010 FC 1278). An applicant, who applies for summary judgment, bears the evidentiary burden of proving its cause of action on a balance of probabilities. The respondent must then present by way of affidavit, or other evidence, specific facts showing that there is a genuine issue for trial (*Collins v Canada*, 2015 FCA 281). The respondent’s burden is an evidentiary burden only (*TPG Technology Consulting Ltd v Canada*, 2013 FCA 183).

A. *Is Mr. Badawy's claim of passing-off a genuine issue for trial?*

[39] Section 7(b) of the *Trade-marks Act* states:

7 No person shall

...

(b) direct public attention to his goods, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his goods, services or business and the goods, services or business of another;

...

7 Nul ne peut :

...

b) appeler l'attention du public sur ses produits, ses services ou son entreprise de manière à causer ou à vraisemblablement causer de la confusion au Canada, lorsqu'il a commencé à y appeler ainsi l'attention, entre ses produits, ses services ou son entreprise et ceux d'un autre;

...

[40] In *Kirkbi AG v Ritvik Holdings Inc*, 2003 FCA 297 at paragraph 37, affirmed 2005 SCC 65 [*Kirkbi*], the Federal Court of Appeal held that “in order to use paragraph 7(b) a person must prove that they have a valid and enforceable trade-mark, whether registered or unregistered”. As discussed above, Mr. Badawy does not have a valid registered trademark. Therefore, he must show that he has a valid and enforceable unregistered trademark, the trademark has goodwill or reputation, the public is being deceived due to a misrepresentation, and there is actual or potential damage to Mr. Badawy (*Kirkbi*, above, at para 66; *Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 [*Ciba-Geigy*]).

[41] A trademark, as defined by section 2 of the *Trade-marks Act* is:

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him

a) marque employée par une personne pour distinguer, ou de façon à distinguer, les produits fabriqués, vendus, donnés à bail ou loués ou les services loués ou exécutés, par elle, des produits fabriqués, vendus,

from those manufactured, sold, leased, hired or performed by others,

(b) a certification mark,

(c) a distinguishing guise, or

(d) a proposed trade-mark.

donnés à bail ou loués ou des services loués ou exécutés, par d'autres;

b) marque de certification;

c) signe distinctif;

d) marque de commerce projetée.

[42] Although Mr. Badawy argues that he owns the IFL Mark and that it is a valid and enforceable trademark, Mr. Badawy must demonstrate that he has used the IFL Mark for the purpose of distinguishing his goods and services from those of others. What is deemed to be use is found in section 4 of the *Trade-marks Act*:

4 (1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(3) A trade-mark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

(3) Une marque de commerce mise au Canada sur des produits ou sur les emballages qui les contiennent est réputée, quand ces produits sont exportés du Canada, être employée dans ce pays en liaison avec ces produits.

[43] Mr. Badawy alleges that he has both goods and services in association with the IFL Mark: the IFL Publications and electronic publishing of various types, respectively. He also claims that he has used the IFL Mark for negotiation, mediation, and arbitration activities since 2001 and in 2009, with a focus on Islamic Family Law.

[44] As the Applicants note, there is no evidence before the Court that the IFL Publications existed before 2014. Further, there is no evidence aside from bald statements in an affidavit sworn by Mr. Badawy on January 3, 2017 (the “Badawy Affidavit”) that Mr. Badawy ever used the IFL Mark in association with electronic publishing, or negotiation, mediation, and arbitration activities in Canada. Further, there is no evidence to support Mr. Badawy’s claim that the trademark was used or made known in Canada as early as 2001. The evidence shows that, contrary to his allegations of use, Mr. Badawy began his activities regarding the IFL Mark subsequent to February 27, 2014, when Mr. Igras informed Mr. Badawy and the ABQB that he was becoming a sole practitioner, who would be practicing under the tradename “Igras Family Law”.

[45] Mr. Badawy was not cross-examined on his affidavit; however, I find that the Badawy Affidavit contravenes Rule 80(1) of the *Federal Courts Rules* and lacks any semblance of valid or credible evidence. *Teva*, above, states that summary judgment is appropriate in situations where there are no credibility issues. However, this is not a case where Mr. Badawy’s credibility needs to be assessed. It is clear from the Badawy Affidavit, from statements made in Mr. Badawy’s memorandum of fact and law, the hearing, and from Mr. Badawy’s history with this Court, that Mr. Badawy has no basis for asserting any unregistered, valid trademark rights in

IGRAS FAMILY LAW that could in any way result in a finding of infringement by the Applicants' (the defendants in the underlying action) legitimate use of "Igras Family Law" for their law practice.

[46] Moreover, although Mr. Badawy's burden in a motion for summary judgement is an evidentiary burden only, given that Mr. Badawy was required to put his best foot forward, I find that the evidence adduced in the Badawy Affidavit is wholly deficient and does not meet his evidentiary burden which would warrant proceeding to trial. In my opinion, proceeding to trial would not be in the interests of justice, given that I can make the necessary findings of facts and law, based upon the written record, to conclude that his action has no prospect of success

[47] Based upon the evidence presented in the Badawy Affidavit, the affidavit of Mr. Igras, sworn on December 8, 2016, and the cross-examination therein, I find that, on a balance of probabilities, Mr. Badawy did not use the IFL Mark in association with goods or services as alleged. This is determinative of Mr. Badawy's claim of passing-off against the Applicants.

B. *Is the issue of passing-off, raised in the Amended Counterclaim, a genuine issue for trial?*

[48] The Applicants also do not have a registered trademark. Therefore, to succeed under section 7(b) of the *Trade-marks Act*, they must show that they have a valid and enforceable unregistered trademark, the trademark has goodwill or reputation, the public is being deceived due to a misrepresentation, and there is actual or potential damage (*Kirkbi*, above, at para 66; *Ciba-Geigy*, above).

[49] Based on the materials filed, I find that the Applicants have submitted evidence that is sufficient for me to determine that they have a valid unregistered trademark for IGRAS FAMILY LAW in association with legal services (the “IGRAS Law Mark”).

[50] However, to demonstrate that they have goodwill or a reputation in the IGRAS Law Mark, the Applicants must satisfy the burden of proving that the IGRAS Law Mark is known in the market as indicative of the source of the Applicants’ legal services (*Kirkbi* at 67; *Ciba-Geigy*). Although the Applicants have produced evidence showing that they represented one client, Ms. Nafie, in association with the IGRAS Law Mark, they have not adduced any other evidence going to the existence of goodwill or positive association between their logo for Igras Family Law or the IGRAS Law Mark and their legal services. Similarly, they have not adduced evidence showing that the Respondents’ misrepresentations have created confusion in the public. Thus, I can neither make the necessary findings of fact nor apply those facts to the relevant law, such that a decision in favour of the Applicants on summary judgment is appropriate.

VIII. Arguments regarding bad faith

[51] The Applicants make numerous arguments regarding the registerability of the Proposed IFL Mark by Mr. Badawy. Since the Parties are in the midst of an opposition proceeding, it is premature for the Court to assess the merits of these arguments. However, I feel that it is appropriate to comment on the Applicants’ arguments that Mr. Badawy’s trademark application was made in bad faith.

[52] Bad faith relates to section 30(i) of the *Trade-marks Act*, which requires that an applicant, for registration of a trademark, provide in the application a statement that the applicant is satisfied that applicant is entitled to use the trademark in Canada:

30 An applicant for the registration of a trade-mark shall file with the Registrar an application containing

...

(i) a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the goods or services described in the application.

30 Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant :

...

i) une déclaration portant que le requérant est

convaincu qu'il a droit d'employer la marque de commerce au Canada en liaison avec les produits ou services décrits dans la demande.

[53] Justice Roger Hughes, in *Chamberlain Group, Inc v Lynx Industries Inc*, 2010 FC 1287 at paragraph 53 [*Lynx*], opined that, in a situation where the trademark applicant is merely attempting to appropriate a mark that it knows belongs to another, section 30(i) may impose a duty of good faith on the applicant. However, he noted that if the proposed trademark is not confusing with another trademark, no amount of bad faith can make it confusing; and if the proposed trademark is confusing with another trademark, good or bad faith is irrelevant (*Lynx*, above, at para 53).

[54] The opponent bears the initial evidentiary burden of proof as to whether the applicant could have been satisfied as to its entitlement to use the trademark at the material date, which is the date of filing of the application (*Lynx* at para 54; *Procter & Gamble Inc v Colgate-Palmolive*

Canada Inc, 2010 FC 231 at para 32 [*Colgate*]). The test for whether an opponent has satisfied its evidentiary burden is a subjective test, not an objective test (*Colgate*, above, at para 31).

[55] In *Colgate* at paragraph 33, the Court noted that opponents succeed based on a section 30(i) ground only in exceptional cases. As the issue of section 30(i) of the *Trade-marks Act* is not in issue before me, I do not comment on whether this is one of those exceptional cases where an opposition should succeed based upon a finding of bad faith.

[56] However, I am satisfied that the Applicants have adduced sufficient evidence to show that Mr. Badawy subjectively knew or should have known, at the relevant date, that he was not entitled to use the Proposed IFL Mark in association with legal services in Canada.

IX. Costs

[57] Although the Applicants did not win on all issues, they were successful on the main issue. Therefore, costs for this motion are to be paid by the Respondents to the Applicants, assessed at Column III of Tariff B.

JUDGMENT in T-1289-14

THIS COURT'S JUDGMENT is that:

- 1) The motion for summary judgment is granted and the Statement of Claim is dismissed, without leave to amend;
- 2) The motion for summary judgment granting the relief requested in paragraphs 17(a), (b), (c), and (e) of the Amended Counterclaim is denied.
- 3) Costs are to be paid by the Respondents to the Applicants, assessed at Column III of Tariff B.

"Michael D. Manson"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1289-14

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ET AL

PLACE OF HEARING: CALGARY, ALBERTA

DATE OF HEARING: JUNE 15, 2017

JUDGMENT AND REASONS: MANSON J.

DATED: JUNE 23, 2017

APPEARANCES:

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OWN HIS OWN BEHALF

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