

Federal Court



Cour fédérale

**Date: 20220203**

**Docket: T-771-21**

**Citation: 2022 FC 132**

**Ottawa, Ontario, February 3, 2022**

**PRESENT: Mr. Justice McHaffie**

**BETWEEN:**

**UBS GROUP AG**

**Plaintiff**

**and**

**MOHAMAD HASSAN YONES,  
ABDULRHMAN ALAYA, AND UNIFIED  
BUSINESS SOLUTIONS GROUP INC.**

**Defendants**

**JUDGMENT AND REASONS**

I. Overview

[1] UBS Group AG requests default judgment in this trademark infringement action. It seeks to enforce its trademark registrations for UBS, UBS & Design, and other UBS-formative marks against the personal and corporate defendants, who offer accounting and business advisory services in Vancouver. While UBS Group AG does not take issue with the name of the corporate

defendant, Unified Business Solutions Group Inc [Unified], it objects to the defendants' abbreviation of that name to UBS Group or UBS Group Inc, and to the UBS & Design logo Unified is using in association with their business.

[2] For the following reasons, I conclude Unified has infringed UBS Group AG's trademark rights. I will issue an injunction, require the delivery up of infringing material and the transfer of the domain name <ubsgroup.ca>, and award damages in the amount of \$12,000, plus costs in the amount of \$23,000. I conclude, however, that the evidence does not support a finding that the individual defendants are personally liable for these amounts, and that the circumstances are not appropriate for an award of punitive damages.

## II. Issues

[3] UBS Group AG's motion for default judgment raises the following issues:

- A. Are the defendants in default for failure to file a Statement of Defence?
- B. Has UBS Group AG established that the defendants have engaged in trademark infringement contrary to sections 19 and/or 20 of the *Trademarks Act*, RSC 1985, c T-13?
- C. If so, what remedies are appropriate?

III. Analysis

A. *The defendants are in default*

[4] Rule 210(1) of the *Federal Courts Rules*, SOR/98-106 provides that a plaintiff may bring a motion for judgment on the statement of claim where a defendant has not filed a statement of defence within the time provided in the *Rules* or other time fixed by an order of the Court.

[5] The affidavit of service filed by UBS Group AG establishes that the three defendants were served with the Statement of Claim on May 14, 2021. No Statement of Defence or other response has been filed by the defendants, although more than six months has passed since a Statement of Defence was due. No other time has been fixed by an order of the Court. I am therefore satisfied that the defendants are in default and UBS Group AG is entitled to bring this motion under Rule 210(1).

[6] It is not sufficient to simply establish default, however. As UBS Group AG recognizes, the allegations in its Statement of Claim are deemed denied, even though the defendants have not responded to the action: Rule 184. A plaintiff on a motion for default judgment must file evidence to establish not only the default but that the defendant is liable for the causes of action in the claim: Rule 210(3); *McInnes Natural Fertilizers Inc v Bio-Lawncare Services Inc*, 2004 FC 1027 at para 3; *Louis Vuitton Malletier SA v Yang*, 2007 FC 1179 at para 4.


B. *UBS Group AG has established trademark infringement*


[7] UBS Group AG's Statement of Claim asserts depreciation of goodwill under section 22 and passing off under both paragraphs 7(b) and 7(c) of the *Trademarks Act* in addition to their trademark infringement claims. However, on this motion for default judgment, UBS Group AG pursues only its claim for trademark infringement contrary to sections 19 and 20 of the *Trademarks Act*. It relies on a dozen UBS-formative trademark registrations for word and design marks, the ownership of which it has established. In my view, the four trademarks discussed below are the most relevant to the claims of UBS Group AG, and are determinative. I will therefore adopt the approach of Justice Rothstein in *Masterpiece* by confining my analysis to these trademarks: *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 61.

(1) UBS Group AG's registered trademarks

[8] The four primary registrations asserted by UBS Group AG consist of two registrations for the word mark UBS and two registrations for the same design mark. Each trademark is registered in association with a large number of goods and/or services, associated broadly with financial, banking, investment, and insurance related businesses. The following table shows the relevant marks, with the most relevant goods and/or services identified. For ease of readability, I have omitted ellipses throughout the list of relevant goods and/or services.

<b>Trademark</b>	<b>Reg. No.</b>	<b>Reg. Date</b>	<b>Goods/Services</b>
UBS	TMA632,419	09/02/2005	<u>Goods</u> : Printed publications, namely brochures, pamphlets, leaflets and flyers, all relating to financial, investment and insurance information;

			<p><u>Services:</u> <i>Insurance and financial affairs, namely underwriting, selling and consulting on insurance and fiscal matters, consulting in financial and banking matters; provision of financial information via computer systems; interactive electronic provision of financial and banking services via global computer networks; broker or agency services and/or consultancy services in connection with insurance [or] financial matters as well as with money dealings; consultancy services in the field of financial planning and financial management; services in the field of investment and risk management; asset management; preparation of tax-related advisory opinions and assessments; preparation of financial reports; evaluation of financial investments; consultancy services for all the above-listed services.</i></p>
UBS	TMA626,814	26/11/2004	<p><u>Services:</u> <i>Business management and organizational consulting services, business clerical services; asset management, namely management of investments according to a customer's individual requirements; drawing up expert tax opinions and tax estimates;</i></p>
 <p><i>[Description of mark: Three old-style keys intersect in a design to the left of the capital letters UBS. The keys each have a round bow, a narrow stem, and a bit with multiple wards. The keys cross</i></p>	TMA625,974	19/11/2004	<p><u>Services:</u> <i>Administration of employee pension plans; economic forecasting; business administration, namely, bookkeeping and auditing; accounting services; tax services, namely, tax preparation, assessment, and consultation; business management services; counseling in the organization and management of enterprises; billing analysis and price risk management consulting services; provision of the aforesaid services on-line from a global computer network; related consulting services;</i></p> <p><i>Providing commercial information, namely in the fields of insurance [and]</i></p>

<p><i>at a common point in the middle, with the three bows at the bottom and the three bits at the top, forming a six-pointed design.]</i></p>			<p><i>finance; computerized information services relating to insurance [and] finance; financial services, namely, risk management; financial planning; financial management; financial investigation services; financial portfolio management; financial guarantee and surety services; preparation of financial reports; financial research; financial valuation; financial commodity management services;</i></p>
<p> <b>UBS</b></p> <p><i>[Description of mark: The same logo as above.]</i></p>	TMA633,065	17/02/2005	<p><u>Services:</u> <i>Business management and organizational consulting services, business clerical services; corporate finance services, namely mergers, acquisitions, divestitures, and restructuring; asset management, namely management of investments according to a customer's individual requirements; drawing up experts tax opinions and tax estimates;</i></p>

[9] I will refer to the first two of these marks (TMA632,419 and TMA626,814) as the Registered UBS Word Marks and to the latter two (TMA625,974 and TMA633,065) as the Registered UBS Design Marks.

[10] Although UBS Group AG refers to their registered trademarks as a “family” of trademarks, it made no particular submissions on whether or how the existence of this family affects the scope of protection afforded. In the circumstances, I need not address this issue.

(2) The defendants’ impugned trademarks and trade names

[11] In light of the defendants’ failure to participate in these proceedings, the evidence of the defendants’ conduct is limited to that arising from UBS Group AG’s investigations. This consists

of screenshots from Unified's website; evidence of conversations with Hassan Younes and Abdulrhman Alaya; and an email sent to a private investigator by Mr. Younes, which attached a flyer describing the company's services. I note that UBS Group AG has named one of the individual defendants as Mohamad Hassan Yones based on information found on the Corporations Canada website, which identifies the directors of Unified as Mohamad Hassan Yones and Abdulrhman Alaya. However, both the signature block and email address on the email use the spelling Younes, suggesting that the Yones spelling in the corporate registry is a typographical error. Nothing turns on this, as I am satisfied in the circumstances that the defendant, while named as Mohamad Hassan Yones, is the same individual as the Hassan Younes who sent the email.

#### *Website*

[12] Unified's website appears at the domain name <ubsgroup.ca>. At the top and bottom of the home page, the following logo appears, which I will refer to as the Unified UBS Design Mark:



*[Description of picture: A hexagonal woven knot motif appears to the left of the capital letters UBS. Underneath the whole in smaller capital letters are the words Unified Business Solutions Group Inc.]*

[13] I note at this point a concern with how this mark was presented by UBS Group AG in its written representations. As can be seen above, the words UNIFIED BUSINESS SOLUTIONS

GROUP INC. appear at the bottom of the Unified UBS Design Mark. These words appear in every example of Unified's use of the mark and are part of the mark. Nonetheless, in presenting the trademarks for comparison by the Court, UBS Group AG reproduced the Unified UBS Design Mark without these words, apparently to heighten the perceived similarity of the mark to the Registered UBS Design Marks. Assessing the degree of resemblance between marks requires a consideration of the marks in their entirety and not simply pulling out points of similarity and ignoring points of difference. It is of little assistance to the Court to reproduce in submissions only part of a trademark in an effort to establish similarities.

[14] Returning to Unified's website, the home page states under the heading "Our Solutions" that the company offers "support services for organizations of all sizes from independent owner operated businesses to large firms with hundreds of employees across a wide range of industries." Three boxes then refer to the company's "Accounting & Financial Reporting," "Bookkeeping & Controller Solutions," and "Forecasting, Budgeting & Cash Flow" services. Three testimonials from customers are then displayed, followed by a reference to the company as "UBS Group." Each of the links on the main page leads to an "Under Construction" page that again includes the logo above and a reference to the company as "UBS Group." Based on WHOIS results, it appears the domain name was registered in August 2020.

#### *Telephone conversations*

[15] A private investigator retained by UBS Group AG swore an affidavit describing communications with the defendants in July 2021. These included two telephone conversations with someone at the telephone number appearing on the above website. The first was a brief



exchange since the recipient of the call was driving, but they confirmed the investigator was “calling UBS Group.” On a follow up call, the individual referred to himself as Hassan “from UBS Group.” Given the email sent subsequently, I conclude this was Mr. Younes.

[16] Posing as a prospective customer, the investigator discussed bookkeeping services with Mr. Younes. This discussion covered details about the services, including providing and interpreting monthly financial statements. The investigator also discussed potential controller services that would include advice and consultancy, and Mr. Younes indicated that for larger companies they provided planning, financial planning, tax planning, forecasting, pension plans, payroll services, individual and corporate tax services, and franchising advice. The investigator requested a brochure or flyer, which Mr. Younes sent subsequently, as discussed below.

*Email and flyer*

[17] After the call, Mr. Younes sent the investigator an email referring to the conversation and attaching a flyer said to provide a “brief of our services.” The email bears the subject “UBS Group Inc.” and includes a signature block referring to Mr. Younes as a partner of Unified Business Solutions Group Inc.

[18] The flyer attached to the email is a one page document, with the top half in English and the bottom half in Arabic. The flyer includes the logo reproduced above. The English portion describes the services provided by “UBS Group Inc.” as including tax services; bookkeeping, accounting, and financial reporting; incorporation and business registration; assisting with government grants; and business planning and growth advisory services. A translation of the

Arabic portion of the flyer was not filed, although the format suggests it may be an Arabic translation of the English portion.

*Demand letter and follow up*

[19] The foregoing conversations took place well after UBS Group AG became aware of the defendants and sought to put them on notice of their concerns and their claim. In January 2021, UBS Group AG's counsel, Gowling WLG (Canada) LLP, wrote to Unified to the attention of the personal defendants. The letter identified UBS Group AG's trademarks, asserted its trademark rights, referred to the <ubsgroup.ca> domain name and the logo appearing on the website at that address, and requested that the use of infringing trademarks immediately cease.

[20] In March 2021, Gowling WLG sought to follow up on this letter by telephone. As set out in the affidavit of an associate from the firm, referring to a call they made when they were articling, they called a telephone number apparently associated with a different company of Mr. Alaya and spoke with him. They identified themselves as calling from Gowling WLG to follow up on the January letter on behalf of UBS Group AG. Mr. Alaya responded by saying that they were the UBS Group, and that if anyone else was using the name "UBS," they were using it without proper authorization.

[21] I note that both this evidence and the evidence regarding the contents of the <ubsgroup.ca> website come from employees of counsel for UBS Group AG, namely an associate lawyer and a legal administrative assistant, respectively. As a general rule, evidence should not come from members or employees of counsel's law firm on contentious matters, such

as trademark investigations, with limited exceptions: *Federal Courts Rules*, Rule 82; *Cross-Canada Auto Body Supply (Windsor) Ltd v Hyundai Auto Canada*, 2006 FCA 133 at paras 4–5. I am satisfied in this case that the evidence should be accepted. With respect to the telephone conversation, it is common for counsel to seek to speak to opposing parties to ascertain whether communications have been received and to obtain the party’s position. Such conversations do not, on their face, amount to factual investigations. The evidence of the associate in this case simply reports in an objective manner the contents of a brief conversation. With respect to the website, the legal assistant’s affidavit presents the contents of the website and the WHOIS information. Again, this is presented objectively and without opinion. While this is somewhat more investigative in nature, and would perhaps ideally have been presented from a non-member of the firm, I am satisfied in these circumstances that the evidence is sufficiently non-controversial that it can be fairly and appropriately received.

[22] On the basis of the foregoing, I am satisfied that Unified offers various financial and business advisory services including tax services, bookkeeping, accounting, financial reporting, business planning, forecasting, and financial and business advisory and consulting services. It does so in association with the trade names Unified Business Solutions Group Inc, UBS Group Inc, and UBS Group, names under which the business is being “carried on”: *Trademarks Act*, s 2 (“trade name”). It also does so in association with the Unified UBS Design Mark reproduced at paragraph [12] above and the trademark UBS GROUP, each of which constitute a sign or combination of signs used for the purpose of distinguishing or so as to distinguish its services from those of others: *Trademarks Act*, s 2 (“trademark”).

[23] Contrary to UBS Group AG's submission, however, I do not find that Unified has used simply UBS by itself as a trademark or trade name. While Mr. Alaya said to the Gowling WLG associate that anyone else using the name UBS was using it without authorization, this reference in a conversation about the mark is not a trademark use: *Trademarks Act*, ss 2 ("use"), 4(2). None of the other evidence, including the website, email, or flyer, shows the use of UBS by itself.

(3) The defendants' trademarks and trade names are infringing

(a) *Principles and analytical framework*

[24] Section 19 of the *Trademarks Act* confers on the owner of a registered trademark the exclusive right to the use throughout Canada of the trademark in respect of the goods and services in the registration. The Federal Court of Appeal has recently confirmed that an infringement claim under section 19 is concerned with the defendant's use of a trademark that is identical to the registered trademark, not merely similar: *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 295 [*Hamdard Trust (FCA)*] at paras 20–22; *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2021 FC 602 at paras 35, 80–81.

[25] Section 20 is broader in scope. It captures a defendant's use of a trademark or trade name that is confusing in light of, but not necessarily identical to, the plaintiff's registered mark: *Hamdard Trust (FCA)* at para 20. Paragraph 20(1)(a) in particular provides that the right of the owner of a registered trademark to its exclusive use is deemed to be infringed by an unauthorized

person who “sells, distributes or advertises any goods or services in association with a confusing trademark or trade name.”

[26] A trademark or trade name is confusing with a registered trademark if use of both in the same area would be likely to lead to the inference that the goods or services associated with trademarks, or associated with the business using the trade name, are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class: *Trademarks Act*, ss 6(1), (2), (4).

[27] In determining whether trademarks are confusing, the Court has regard to all of the surrounding circumstances, including the particular circumstances identified in subsection 6(5) of the *Trademarks Act*, namely inherent or acquired distinctiveness; the length of time the trademarks have been in use; the nature of the goods, services, business, and trade; and the degree of resemblance between the trademarks. All factors must be considered, but the weight given to each will depend on the circumstances, with the degree of resemblance often having the greatest effect: *Masterpiece* at para 49; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 21. The test for confusion is applied as a matter of “first impression in the mind of a casual consumer somewhat in a hurry” at a time when they have “no more than an imperfect recollection” of the registered mark and without giving the matter “detailed consideration or scrutiny”: *Veuve Clicquot* at paras 18–20.

(b) *There is no section 19 infringement*

[28] As noted above, section 19 is concerned with a defendant's use of an identical, not merely similar, mark to the registered trademark: *Hamdard Trust (FCA)* at paras 20, 22. In the present case, UBS Group AG asserts the Registered UBS Word Marks consisting of the word UBS alone, as well as the Registered UBS Design Marks incorporating the three-key motif shown in paragraph [8] above. UBS Group AG also asserts other UBS-formative marks, but they each contain additional words such as SECURITIES, FINANCIAL SERVICES, or WEALTH MANAGEMENT, with or without the three-key motif. UBS Group AG does not have a registered trademark for the trademark UBS GROUP.

[29] None of UBS Group AG's trademark registrations are identical to the trademarks used by Unified. As noted above, there is no evidence showing Unified is using the trademark UBS by itself. Nor is there any evidence that Unified uses UBS combined with any of the words found in UBS Group AG's registered trademarks, or the three-key motif. There is therefore no evidence of use by Unified of a trademark identical to one of UBS Group AG's registered trademarks.

[30] I therefore conclude that UBS Group AG has not shown infringement under section 19 of the *Trademarks Act*.

(c) *Deemed infringement under section 20: confusion*

[31] I conclude that Unified's use of the UBS GROUP trademark and its Unified UBS Design Mark, as well as its use of the business names UBS Group and UBS Group Inc, would be likely

to lead to the inference that its services are performed by the same entity as those of UBS Group AG. They are therefore confusing with the UBS Group AG's registered trademarks and are deemed to infringe UBS Group AG's right to the exclusive use of those marks pursuant to section 20 of the *Trademarks Act*. I reach this conclusion based on the following assessment of the relevant factors set out in subsection 6(5) of the *Trademarks Act*.

[32] I note that the confusion analysis must be undertaken for each mark separately and not as a composite analysis: *Masterpiece* at paras 42–48. However, within this separate analysis, some of the subsection 6(5) factors may be the same for some or all of the trademarks and trade names: *Masterpiece* at para 45. That is so in this case with respect to the length of time the trademarks have been in use and, to a large degree, with respect to the nature of the services, business, and trade. A more individualized analysis is necessary with respect to other elements including the degree of resemblance.

#### *Degree of resemblance*

[33] I begin by considering Unified's trademark UBS GROUP and its trade names UBS Group and UBS Group Inc. For ease of reference, I will refer to these as the Unified UBS Word Marks, although they include both a trademark and trade names.

[34] I agree with UBS Group AG that the Unified UBS Word Marks bear a high degree of resemblance to the Registered UBS Word Marks. The "particularly striking or unique" aspect of each of the Unified UBS Word Marks is the letters UBS: *Masterpiece* at para 64. This constitutes the entirety of the Registered UBS Word Marks. Particularly in the corporate context, the

addition of the common and descriptive words “Group” and “Inc” is not particularly striking or unique, and provides only limited differentiation between the Unified UBS Word Marks and the Registered UBS Word Marks. For the same reasons, the Unified UBS Word Marks also bear strong resemblance to the lettered portion of the Registered UBS Design Marks. However, the additional design elements in the Registered UBS Design Marks and the additional words in the Unified UBS Word Marks each provide a degree of distinction, such that the overall impression is only that there is some resemblance between the Unified UBS Word Marks and the Registered UBS Design Marks.

[35] Turning to the Unified UBS Design Mark, I conclude there is a significant degree of resemblance between the Unified UBS Design Mark and the Registered UBS Design Marks. The particularly striking or unique elements of the Unified UBS Design Mark are (i) the hexagonal woven motif on the left of the design, and (ii) the letters UBS on the right of the design. These elements each bear a roughly equal status in the overall impression given by the mark. The words UNIFIED BUSINESS SOLUTIONS GROUP INC. appear at the bottom of the design in much smaller font. While they are part of the trademark to be considered, and provide an explanation of the UBS letters to the careful reader, they would not create much of an impression on the casual consumer somewhat in a hurry. Similarly, in the Registered UBS Design Marks (i) the three-key motif on the left of the design, and (ii) the letters UBS on the right of the design bear roughly equal status in the mark as striking or unique elements in the design.

[36] These elements are not to be considered in isolation in assessing the overall degree of resemblance of the marks. Nor is a “careful examination of competing marks or a side by side



comparison” to be undertaken: *Masterpiece* at para 40. Considering the designs as a whole through the eyes of the casual consumer, my assessment is that the differences between the motifs (woven pattern vs three keys; abstract vs representative) and their similarities (hexagonal overall shapes, interlocking patterns), combined with the similarities in overall design (motif to the left of and slightly taller than lettering) and the identical lettering (same letters, capitalized, in a serif font with a very similar appearance) yield a high degree of resemblance between the designs.

[37] Finally, comparing the Unified UBS Design Mark to the Registered UBS Word Marks, the UBS lettering element is the same as the whole of the Registered UBS Word Marks, but contains additional design elements that add points of distinction, including the corporate name appearing below. The result is that overall there is some resemblance between the Unified UBS Design Mark and the Registered UBS Word Marks.

[38] Overall, I find there to be a high degree of resemblance between the Unified UBS Word Marks and the Registered UBS Word Marks, and a high degree of resemblance between the Unified UBS Design Mark and the Registered UBS Design Marks. There is a lower degree of resemblance, but still some resemblance, between the Unified UBS Word Marks and the Registered UBS Design Marks, and between the Unified UBS Design Mark and the Registered UBS Word Marks.

*Distinctiveness*

[39] In my view, the Registered UBS Word Marks have little inherent distinctiveness. They consist of a three-letter acronym, originally adopted after the 1998 merger between the Union Bank of Switzerland and the Swiss Bank Corporation.

[40] However, the affidavit of Sarah Bevan, CEO of UBS Bank (Canada), a subsidiary of UBS Group AG, regarding the long-standing use of UBS trademarks in Canada supports a conclusion that they have at least a fair degree of acquired distinctiveness. This includes use on UBS Group AG's website, which has a Canadian home page directed to Canadian consumers, and four bricks and mortar locations in three Canadian cities. I note that UBS Group AG did not provide evidence of either revenues or advertising expenditures, citing commercial confidentiality. While this is an understandable commercial decision, it leaves the Court considerably less able to assess the degree to which Canadian exposure to the trademarks may have resulted in them acquiring distinctiveness or becoming known. Nor did UBS Group AG provide examples of advertising that might have assisted this analysis beyond the reference to their website, while its references to media recognition and awards are largely non-Canadian. Nonetheless, the evidence cited above, and in particular the presence of four physical locations bearing the UBS trademarks since 1998 persuades me the Registered UBS Word Marks have acquired a fair degree of distinctiveness.

[41] The Registered UBS Design Marks have greater inherent distinctiveness, incorporating a stylized three-key motif. They also benefit from the acquired distinctiveness described above.

[42] For similar reasons, the Unified UBS Word Marks have little inherent distinctiveness. In the absence of the defendants' participation, there is no evidence of any acquired distinctiveness. The Unified UBS Design Mark has greater inherent distinctiveness, but again no evidence of the degree to which it has become known.

[43] I conclude that the distinctiveness of the marks and the degree to which they have become known is a factor that favours a finding of confusion.

*Length of use*

[44] The Registered UBS Word Marks and the Registered UBS Design Marks were filed at various times between 1997 and 2003, but were all registered between late 2004 and early 2005. The uncontested evidence of Ms. Bevan is that the marks have been in use in Canada since 1998.

[45] The Unified trademarks and trade names, on the other hand, appear to only have been in use since about August 2020. This factor favours UBS Group AG.

*Nature of the services, business, and trade*

[46] The services registered in association with the Registered UBS Word Marks include consulting services in connection with financial matters, financial planning, and financial management, as well as preparation of tax-related assessments, business management consulting services, and business clerical services. Those registered in association with the Registered UBS Design Marks include economic forecasting, bookkeeping, tax preparation, assessment, and

consultation, business management services, financial planning and management, and related consulting services. In both cases, these services directly overlap with, and largely cover, those offered by Unified.

[47] In terms of the nature of the trade, it appears that Unified is not offering its services through a bricks and mortar retail location, unlike UBS Group AG. However, both appear to offer services through electronic communication. While financial services are an area where customers might be expected to consider their service provider with somewhat greater care, I consider that overall these factors favour a finding of confusion.

*Conclusion: first impression in the mind of a casual consumer somewhat in a hurry*

[48] Considering these factors together, and in particular the similarity in the resemblance of the marks, the length of use of UBS Group AG's registered trademarks and their associated acquired distinctiveness, and the overlap in the services offered, I conclude that the Unified UBS Word Marks and the Unified UBS Design Mark each infringe the Registered UBS Word Marks and the Registered UBS Design Marks. While the likelihood of confusion seems stronger when comparing the word marks with the word marks and the design marks with the design marks, given their resemblance, in light of the balance of other factors, I am satisfied that each of the registered marks is infringed by each of Unified's trademarks and trade names. Overall, I conclude that the first impression in the mind of the casual consumer would be that the services offered by Unified in association with its trademarks and trade names would be offered by the same entity that owns the registered marks, namely UBS Group AG.

C. *Remedies*

(1) Injunction and delivery up

[49] There is no indication that Unified has ceased using its infringing trademarks in response to the demands of UBS Group AG or that they will do so short of the Court issuing injunctive relief. An order will therefore issue enjoining the use of the trademark UBS GROUP and the Unified UBS Design Mark, and the trade names UBS Group and UBS Group Inc, as well as other trademarks consisting of or incorporating the trademark UBS.

[50] UBS Group AG asks that the defendants be enjoined from using its trademarks “as or in a trademark or trade name, or for any other purpose” [emphasis added]. While use of an infringing trademark or trade name as a trademark or trade name is prohibited by the *Trademarks Act*, use “for any other purpose,” assuming that has a comprehensible meaning, is not captured by the *Trademarks Act*. I will therefore not include this aspect of the requested injunction. UBS Group AG also asks for a particular provision requiring deletion of the infringing trademarks and trade names from social media accounts. In the absence of any evidence of any social media accounts, I do not think a separate order in this regard is justified, but in any event, any such use would be captured by the general injunction against further infringement.

[51] Unified will also be required to deliver up or destroy any materials in its possession that infringe upon the Registered UBS Word Marks or the Registered UBS Design Marks, including any advertising or other promotional material. As the website appearing at <ubsgroup.ca> appears to be a primary means by which the infringing services are being promoted, and the

second-level domain name itself consists of the infringing trade name and trademark UBS GROUP, the delivery up order will require transfer of ownership of the <ubsgroup.ca> domain name: *Michaels v Michaels Stores Procurement Company, Inc*, 2016 FCA 88 at para 8. As the current ownership of the name as between the defendants is unclear given the privacy restrictions in the WHOIS database and the defendants' refusal to appear in defence of this action, this order will be directed at each of the defendants.

(2) Damages

[52] UBS Group AG relies on the jurisprudence of this Court regarding trademark infringement damages, including fixed estimates of damages on default judgment: *Pick v 1180475 Alberta Ltd (Queen of Tarts)*, 2011 FC 1008 at paras 48–53; *Oakley, Inc v Doe*, 2000 CanLII 15963 (FC) at paras 7–10; *Ragdoll Productions (UK) Ltd v Doe*, 2002 FCT 918 at paras 40–43; *Teavana Corporation v Teayama Inc*, 2014 FC 372 at para 41; *Decommodification LLC v Burn BC Arts Cooperative*, 2015 FC 42 at para 14; *Maxwell Realty Inc v Omax Realty Ltd*, 2016 FC 1122 at paras 27–28. UBS Group AG points in particular to the \$10,000 damages award in *Pick*, which like this case was a default judgment matter that did not involve counterfeit goods and which the defendant was a small retail operation. It notes that the same \$10,000 amount was granted in *Teavana*, *Decommodification*, and *Maxwell Realty*. Accounting for inflation since the date of those decisions, which UBS Group AG calculates as bringing the figure to \$11,208, it seeks an award in the amount of \$12,000.

[53] It can be difficult for a plaintiff to establish damages where a defendant has failed to appear in response to an action. Neither the plaintiff nor the Court has any direct information

regarding the scope of the defendant's business, the amount of their sales, or the number of their customers. Defendants should not, as a rule, benefit from the refusal to provide information that comes with a failure to appear. Nonetheless, even on default judgment, a damages award remains a best estimate based on available evidence of the actual harm to the plaintiff's business, reputation, and goodwill arising from the trademark infringement.

[54] In the present case, Unified has apparently been using the infringing trademarks and trade names for about a year and a half. It appears to use the trademarks and trade names in its business communications, website, and promotional materials. Judging by the testimonials, it seems to have a certain customer base, but the evidence suggests it does not have a bricks and mortar storefront and remains a fairly modest operation. Nonetheless, the use of infringing trademarks and trade names, particularly in the same geographic area as one of UBS Group AG's physical locations, provides evidence of at least some harm to the goodwill in the Registered UBS Word Marks and the Registered UBS Design Marks. Given these factors, I agree with UBS Group AG that the comparison to *Pick* and similar cases, which lie toward the lower end of damages awards by this Court, is appropriate: *Biofert Manufacturing Inc v Agrisol Manufacturing Inc*, 2020 FC 379 at Annex B. I accept UBS Group AG's claim for damages in the amount of \$12,000 as a reasonable estimate of harm to the goodwill and reputation associated with its trademarks.

(3) Punitive damages

[55] UBS Group AG also seeks punitive damages in the amount of \$25,000. It points to the existence of the infringement, the apparent indifference to the fact that the use of the marks

would constitute infringement, the continued infringement in the face of notice and demand, and the lack of response to this action, as factors justifying punitive damages.

[56] As UBS Group AG argues, punitive damages are awarded where a party's conduct has been "malicious, oppressive and high-handed," representing a "marked departure from ordinary standards of decent behaviour": *Whiten v Pilot Insurance Co*, 2002 SCC 18 at para 36. They serve the objectives of retribution, deterrence, and denunciation in circumstances where other remedies are inadequate to achieve these objectives: *Whiten* at para 94. In the intellectual property context, such damages are awarded where compensatory damages would amount to nothing more than a "licence fee" to earn profit through the outrageous disregard of the rights of others: *Whiten* at paras 72, 124; *Louis Vuitton Malletier SA v Singga Enterprises (Canada) Inc*, 2011 FC 776 at paras 165, 170.

[57] UBS Group AG points to *TFI Foods*, a case in which I concluded that a defaulting defendant was liable for \$35,000 in punitive damages: *TFI Foods Ltd v Every Green International Inc*, 2021 FC 241 at paras 68–74. However, in that case, the defendant, in addition to ignoring demand letters and failing to respond to proceedings in this Court, made clearly and deliberately false statements and, significantly, did not comply with or respond to an interlocutory injunction issued by the Court: *TFI Foods* at paras 69, 74.

[58] In the present case, Unified has adopted infringing trademarks and trade names. The defendants have also failed to respond to UBS Group AG's assertions of its rights both in its correspondence and in this action. While this is not commendable conduct, I cannot conclude it



amounts to a “marked departure from ordinary standards of decent behaviour”: *Whiten* at para 36. In my view, engaging in infringement and failing to respond to demands to stop infringing, even when backed by litigation, does not justify in itself a finding of punitive damages. Were it otherwise, punitive damages might become the norm on default judgment in infringement cases, which would be contrary to the principle that they are “very much the exception rather than the rule”: *Whiten* at para 94.

[59] There will therefore be no award of punitive damages.

(4) Personal liability

[60] UBS Group AG asks that the remedies it seeks, including both injunctive and monetary relief, be granted against both Unified and the individual defendants, Mr. Younes and Mr. Alaya, who are listed in the corporate registry as the two directors of Unified. It argues that Mr. Younes and Mr. Alaya’s conduct meets the description set out in *Mentmore* of “deliberate, wilful and knowing pursuit of a course of conduct that was likely to constitute infringement or reflected an indifference to the risk of it”: *Mentmore Manufacturing Co Ltd et al v National Merchandising Manufacturing Co Inc et al*, 1978 CanLII 2017, 89 DLR (3d) 195 (FCA) at pp 204–205.

[61] I note that in *Mentmore*, the Federal Court of Appeal used this language to describe “circumstances from which it is reasonable to conclude that the purpose of the director or officer was not the direction of the manufacturing and selling activity of the company in the ordinary course of his relationship to it”: *Mentmore* at p 204. The Court of Appeal underscored that they were attempting to balance the principle that an incorporated company is separate and distinct

from its shareholders, directors, and officers, and the principle that everyone should answer for their tortious acts: *Mentmore* at p 202.

[62] In the present case, UBS Group AG points to the role of Mr. Younes and Mr. Ayala as directors of Unified, the existence of infringement, and the continued infringement after the company and the individuals were on notice of its claim. It also asks the Court to infer that the telephone number of the company is Mr. Younes' personal telephone, but the grounds it relies on—that Mr. Younes answered the phone both times it was called—do not themselves support this inference.

[63] In my view, there are insufficient circumstances to conclude that the purpose of Mr. Younes or Mr. Alaya was not the direction of the company in the ordinary course of their relationship to it or, conversely, that they acted so as to make the infringement their own rather than that of the company: *Mentmore* at p 203. I am therefore not prepared to award damages against them for Unified's infringement of UBS Group AG's trademarks.

[64] I note that Mr. Younes and Mr. Alaya will be effectively subject to the injunction issued against Unified, which will contain the usual language enjoining both the company and its directors and officers. In addition, as indicated above, in light of the absence of information regarding the ownership of the domain name and the avoidance of any technical issues in that regard, I will extend to the individual defendants the order requiring transfer of the domain name.

(5) Costs

[65] UBS Group AG requests its full costs of these proceedings, in the inclusive amount of \$27,733.61. I agree that as the successful party, and having been put to the commencement and completion of this action by the defendants' failure to respond to their correspondence or the litigation, it is entitled to its costs.

[66] UBS Group AG filed a bill of costs setting out its costs at the middle of Column III or the upper end of Column V. The bill of costs also includes a column for solicitor-client costs, but this presents a single figure without further information or breakdown. While I accept the evidence of Gowling WLG's legal assistant and the assertion of counsel as to the amount of costs incurred, claims for costs, particularly substantial or elevated claims, require greater detail to allow the Court to assess the reasonableness of the amounts claimed, even in a context such as a motion for default judgment.

[67] I have considered the nature and extent of the evidence and arguments filed by UBS Group AG, the need to bring the matter to hearing given the lack of response from the defendants, and the Rule 400 factors including the result, the apparent amounts at stake, the importance of the issue to UBS Group AG, and the amount of work involved: *Federal Courts Rules*, Rule 400(3). I conclude an award of \$23,000 in costs is justified in the current circumstances.

**JUDGMENT IN T-771-21**

**THIS COURT'S JUDGMENT is that**

1. The Court declares that the defendant, Unified Business Solutions Group Inc, has infringed and is deemed to infringe the plaintiff, UBS Group AG's exclusive rights in Canadian registered trademarks TMA632,419; TMA626,814; TMA625,974; and TMA633,065 [the UBS Group AG Trademarks], contrary to section 20 of the *Trademarks Act*.
2. Unified Business Solutions Group Inc, itself and by its employees, partners, agents, officers, and directors, are permanently restrained and enjoined from, directly or indirectly, doing any of the following acts:
  - a. further infringing the UBS Group AG Trademarks, through the use of the trademark UBS GROUP, its trademark UBS & Design, the trade name UBS Group, the trade name UBS Group Inc, or otherwise; and
  - b. using the UBS Group AG Trademarks, or any trademark or trade name likely to be confusing with the UBS Group AG Trademarks, as or in a trademark or tradename.
3. Unified Business Solutions Group Inc, at its own expense, shall forthwith deliver up to UBS Group AG or destroy under oath all articles in its possession, custody, or power which offend against the orders in paragraph 2 hereof.
4. The defendants shall, at their own expense, forthwith transfer the registration for the domain name <ubsgroup.ca> to UBS Group AG.
5. Unified Business Solutions Group Inc shall pay forthwith to UBS Group AG damages in the amount of \$12,000.

6. Unified Business Solutions Group Inc shall pay forthwith to UBS Group AG its costs of these proceedings in the amount of \$23,000.
7. The foregoing amounts shall bear simple interest at an annual rate of 2.5% from the date of this judgment.

“Nicholas McHaffie”

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Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-771-21

**STYLE OF CAUSE:** UBS GROUP AG v MOHAMAD HASSAN YONES ET AL

**PLACE OF HEARING:** HELD BY VIDEOCONFERENCE

**DATE OF HEARING:** JANUARY 11, 2022

**JUDGMENT AND REASONS:** MCHAFFIE J.

**DATED:** FEBRUARY 3, 2022

**APPEARANCES:**

R. Nelson Godfrey  
Nicholas James

FOR THE PLAINTIFF

**SOLICITORS OF RECORD:**

Gowling WLG (Canada) LLP  
Barristers and Solicitors  
Vancouver, British Columbia

FOR THE PLAINTIFF