Federal Court  Cour fédérale

Date: 20230510

Docket: T-1173-21

Citation: 2023 FC 658

Ottawa, Ontario, May 10, 2023

PRESENT: Madam Justice St-Louis

BETWEEN:

LAZARE V.T. BOUBALA,
LAZARE'S BBQ HOUSE INC.

Applicants

and

MUSSA SIDDIQUI KHWAJA (a.k.a.
KHWAJA SIDDIQUI; a.k.a KHWAJA
MUSSA SIDDIQUI), AFRICAN BBQ HOUSE

Respondents

JUDGMENT AND REASONS

I. Introduction

[1] On October 10, 2019, Mr. Lazare Boubala, one of the Applicants in this Application, and Mr. Mussa Siddiqui Khwaja, one of the Respondents, incorporated 11675109 Canada Inc. [109 Canada] for the purpose of operating an African charcoal barbecue restaurant together.

[2] On October 3, 2019, Mr. Boubala and Mr. Khwaja chose the name of the restaurant and on November 23, 2019, the “Lazare’s BBQ House” restaurant opened in Ottawa [the First Restaurant]. On November 25, 2019, 109 Canada signed the lease of this First Restaurant’s premises.

[3] In August 2020, due to conflicts between them in the management of their business, Mr. Boubala and Mr. Khwaja ceased the operation of the First Restaurant. On December 18, 2020, the owner rescinded its lease with 109 Canada.

[4] On December 31, 2020, Mr. Khwaja opened a new restaurant, his own, in the same premises where the First Restaurant was located. He called his new restaurant “African BBQ House” and created the other Respondent, African BBQ House Inc. to operate it.

[5] On February 15, 2021, Mr. Boubala in turn also opened his own restaurant, still in Ottawa, but at a different location than the First Restaurant. He called it “Lazare’s BBQ House”, hence the same name and trademark that had been used by 109 Canada.

[6] Mr. Boubala created the other Applicant, Lazare’s BBQ House Inc., without Mr. Khwaja’s knowledge or consent. On February 25, 2021, Lazare’s BBQ House Inc. filed a trademark application (no. 2,087,655) for the trademark “Lazare’s BBQ House” with the Canadian Trademark Office. Mr. Khwaja and 109 Canada opposed the trademark application. Per the document from the Canadian Intellectual Property Office dated March 23, 2023, and

accepted into evidence by the Court, the trademark is treated as abandoned pursuant to subsection 38(11) of the *Trademarks Act*, RSC, 1985, c T-13.

[7] In the Notice of Application the Applicants filed on July 26, 2021, they alleged the Respondents (1) infringed their copyrights with respect to the menu of "Lazare's BBQ House" [Lazare BBQ House's Menu] and the photographs of Mr. Boubala's dishes for the use of the First Restaurant [Lazare's Food Photos]; and (2) infringed their common law trademark rights by essentially using the restaurant concept that Mr. Boubala had designed for the First Restaurant, including with the outdoor and indoor signage of "African BBQ House" [African BBQ House Infringing Signage] and its menus [African BBQ House Infringing Menu].

[8] In their Notice of Application, the Applicants raised the *Copyright* Act, RSC 1985, c C-42 and the *Trademarks Act* and requested the following reliefs:

> (a) A declaration that the Respondents have infringed the Applicant's copyrights in the Lazare BBQ House's Menu, and the Lazare's Food Photos;
>
> (b) A declaration that the Respondents have infringed the Applicant's common law trademark rights by using the following trademarks, trade names, advertisements, and trade dress: Lazare's BBQ House; African BBQ House, the African BBQ House Infringing Menus, and the African BBQ House Infringing Signage;
>
> (c) An order directing the Respondents to deliver up any digital or analog copies of the African BBQ House Infringing Menus and a copy of the Lazare's Food Photos to the Applicant for destruction;
>
> (d) An order directing the Respondents to remove the African BBQ House Infringing Signage and any occurrences of the Lazare's Food Photos that are incorporated into any building Signage or fixtures;
>
> (e) An order jointly and severally condemning the Respondents to pay $20,000 per work in statutory damages for the violation of

> copyright in the Lazare's BBQ House menu and in each of the Lazare's Food Photos;
>
> (f) An order jointly and severally condemning the Respondents to pay the maximum amount in nominal damages for trademark infringement available under the amount in nominal damages for trademark infringement available under the jurisprudence of this court, adjusted for inflation;
>
> (g) An order condemning Mr. Khwaja to pay $50,000 in punitive damages.

[9] The Applicants served evidence from five affiants, namely, Mr. Boubala himself, his wife, Mrs. Yolande Djan-Boubala, Mr. Emmanuel Diafwila, Mr. Sofiane Braik, and Mr. Maged Kassis. All of the affiants were crossed-examined, except for Mr. Maged Kassis.

[10] The Respondents served evidence from four affiants, namely, Mr. Khwaja himself, Mr. Abdallah Moubayed, Mr. Derrick Asante, and Mr. Samuel Souob. All of the affiants were cross-examined.

[11] On November 16, 2022, the Applicants filed their Applicants' Record. They included none of the affidavits that had been served to the Respondents, but instead included a new affidavit by Mr. Boubala, sworn on November 16, 2022, introducing: (i) the cross-examination transcript of Mr. Khwaja; (ii) a copy of records retrieved from Corporations Canada with respect to Federal Corporation Lazare's BBQ House Inc.; and (iii) a copy of records retrieved from the Registrar of Trademarks with respect to "Lazare's BBQ House" trademark application.

[12] In their Applicants' Record, the Applicants included a Memorandum of Fact and Law, which addressed none of the issues raised or the reliefs sought in the Notice of Application.

[13] Instead, in their Memorandum of Fact and Law, the Applicants raise one issue and seek two reliefs, all entirely new. Hence, they submit that the sole question in issue is to determine if the Applicants have the right to register and to use the trademark “Lazare’s BBQ House” and they seek an Order confirming:

> (a) that the Applicants have the right to register the trademark “Lazare’s BBQ House”;
>
> (b) that the Respondents have no title or no rights in the trademark “Lazare’s BBQ House”;
>
> (c) such other relief that this Court deems just and equitable.

[14] At the hearing, the Applicants unequivocally confirmed to the Court that they had abandoned all the reliefs they initially sought in their Notice of Application save for an injunctive relief, which they say is contained at paragraph 30(b) of their Memorandum. However, as discussed during the hearing, said paragraph 30(b) seeks declaratory relief. Hence, I am satisfied that the Applicants have in fact abandoned all the reliefs they initially sought in their Notice of Application.

[15] The Applicants have not sought to amend their Notice of Application prior to the hearing. However, at the hearing, they asked the Court to allow them to amend their documents, without specifying how or what they would in fact amend. The Respondents opposed this request, arguing it would prejudice them.

[16] Given the circumstances of this proceeding and notably, the fact that the Applicants have said nothing about what they would amend or how, I deny the open-ended leave to amend they seek. I find it is more consonant with the interests of justice to deny the leave to amend (Rule 75(2) of the *Federal Courts Rules*, SOR/98-106; *Janssen Inc v Abbvie Corporation*, 2014 FCA 242 at para 3; *Ward v Canada (Public Safety and Emergency Preparedness)*, 2014 FC 568 at para 30).

[17] The Respondents submit that the Application must be dismissed and argue that (1) the Boubala affidavit of November 16, 2022, is inadmissible; (2) the Applicants abandoned all reliefs requested in their Notice of Application; (3) the new reliefs requested in the Applicants' Memorandum are not ancillary to the reliefs sought in the Notice of Application and cannot be granted by this Court; (4) in any event, the Federal Court has no jurisdiction over the new reliefs/declarations sought by the Applicants; and (5) if the Applicants have not abandoned their passing off and copyright infringement claims, they have not established the requisite elements for these causes of action. The Respondents seek costs on a solicitor-client basis. Alternatively, they seek a lump sum in excess of the Tariff B, or on a further alternative, they seek costs at the highest level of Column V, as well as 100% of the disbursements incurred.

[18] For the following reasons, the Application will be dismissed. I already found that the Applicants have abandoned the reliefs they initially sought and on the other issues, I conclude that (1) the new Boubala affidavit of November 16, 2022, is inadmissible; (2) the new reliefs requested in the Applicants' Memorandum are not ancillary to the reliefs in the Notice of Application; the new reliefs sought are improperly before the Court and cannot be entertained;

and (3) even if these new reliefs were properly before the Court, the Court could not entertain them as it lacks jurisdiction to do so. Finally, I will award costs to the Respondents in the form of a lump sum, outside the realm of the Tariff and, because of the conduct of the Applicants, will fix this award to 50% of the actual legal fees incurred by the Respondents plus 100% of the disbursements incurred and the applicable taxes.

II. Issues

[19] In their Memorandum of Fact and Law, the Applicants submit that the main issue is whether Mr. Boubala is or not entitled to register and use the trademark "Lazare's BBQ House" that is (1) his name; and (2) the name of his corporation, Lazare's BBQ House Inc.

[20] The issues identified by the Respondents are more on point, and I will thus address those still in play in the following order:

> A. Is the Boubala Affidavit of November 16, 2022, admissible?
>
> B. Are the new reliefs requested by the Applicants in their Memorandum properly before the Court?
>
> C. In any event, does the Federal Court have jurisdiction over the new reliefs/declarations sought by the Applicants in their Memorandum, namely that (a) the Applicants have the right to register the trademark "Lazare's BBQ House", and (b) the Respondents have no rights in the trademark "Lazare's BBQ House"?
>
> D. Who should be awarded costs and on what scale?

A. *The Boubala Affidavit of November 16, 2022, is inadmissible*

[21] The Respondents submit that the affidavit of Mr. Boubala, sworn November 16, 2022, is inadmissible as it was presented for the first time on November 16, 2022, which is beyond the delay imposed in Rule 306 of the *Federal Courts Rules*. They further assert that the Applicants have not requested leave of the Court pursuant to Rule 312 of the *Federal Courts Rules,* and that in any event, even if they had, the affidavit does not meet the threshold "that the evidence sought to be adduced was not available prior to the cross-examination of the Respondents affidavits" (*Atlantic Engraving Ltd v Lapointe Rosenstein,* 2002 FCA 503 at paras 8-9).

[22] At the hearing, the Applicants submitted, essentially, that there was nothing new in the affidavit and that it was simply a different way of presenting the same facts.

[23] Rule 306 of the *Federal Courts Rules* sets out a timeline of 30 days after the issuance of the notice of application for the service of the applicant's affidavit and proof of service. Rule 312 of the *Federal Courts Rules* states that "[w]ith leave of the Court, a party may […] file affidavits additional to those provided for in rules 306 and 307". In *Holy Alpha and Omega Church of Toronto v Canada (Attorney General),* 2009 FCA 101 at paragraph 2, the Federal Court of Appeal has set out certain questions relevant to determine whether the granting of an order under Rule 312 is in the interests of justice, including (1) was the evidence sought to be adduced available when the party filed its affidavits under Rule 306, as the case may be, or could it have been available with the exercise of due diligence? (2) will the evidence assist the Court? (3) will the evidence cause substantial or serious prejudice to the other party?

[24] In this case, the Notice of Application was filed on July 26, 2021, while the new affidavit was served to the Respondents on November 16, 2022, well beyond the 30-day deadline imposed by Rule 306. Additionally, the Applicants have not moved for leave under Rule 312 permitting them to file additional evidence, and even if they had, in any event, the affidavit does not meet the test for admission of new evidence. The affiant was the Applicant, Mr. Boubala, and his affidavit presents no new evidence to that provided in his first affidavit sworn on September 8, 2021, as the Applicants themselves indicated at the hearing. The proposed evidence was available to the Applicants, could have been adduced at an earlier date, and is not relevant to warrant admission into evidence under Rule 312. Consequently, I find the Boubala affidavit sworn November 16, 2022, inadmissible.

B. *The new reliefs requested by the Applicants in their Memorandum are not properly before the Court*

[25] The Respondents submit that, notwithstanding there was no request for the new reliefs in the Notice of Application or amendments requested to the Notice of Application, the new reliefs cannot even be characterized as being ancillary to the reliefs requested in the Notice of Application. The Respondents further submit that it is completely improper to request new reliefs in circumstances where the primary reliefs have been abandoned.

[26] In their Memorandum, the Applicants made no submissions in relations to the issues and the reliefs they set out in their Notice of Application, while they raised one new issue and sought two new reliefs in their Memorandum. For the reasons outlined below, I find this new issue and new reliefs are not properly before the Court.

[27] Rule 301 of the *Federal Courts Rules* mandates that a notice of application shall contain a precise statement of the relief sought as well as a complete and concise statement of the grounds intended to be argued, including a reference to any statutory provision or rule to be relied on. The Court has repeatedly held that, by Rule 301, it will not consider grounds to be argued and new relief that have not been invoked in a notice of application (*Canada (Attorney General) v Iris Technologies Inc*, 2021 FCA 244 at para 36 [*Iris*]; *SC Prodal 94 SRL v Spirits International BV*, 2009 FCA 88 at paras 11-12 [*SC Prodal*]; *Republic of Cyprus (Commerce and Industry) v International Cheese Council of Canada*, 2011 FCA 201 at paras 12-13, leave to appeal refused 34430 (April 12, 2012), citing with approval *Astrazeneca AB v Apotex Inc*, 2006 FC 7, affirmed 2007 FCA 327; *Apotex Inc v Canada (Health)*, 2019 FCA 97 at paras 7-9; *Makivik Corporation v Canada (Attorney General)*, 2021 FCA 184 at para 53; *Vézina v Canada (Defence)*, 2012 FC 625 at para 21; *Hart v Canada (Attorney General)*, 2022 FC 1241 at para 40). An application will thus be limited to the grounds intended to be argued and the reliefs set out in the notice of application (*Canada (National Revenue)) v JP Morgan Asset Management (Canada) Inc*, 2013 FCA 250).

[28] Subject to limited exceptions, Rule 301 is a mandatory provision (*Iris* at para 38). The Court could exercise its discretion in cases where, for example, the "relevant matters have arisen after the notice was filed; the new issues have some merit, are related to those set out in the notice, and are supported by the evidentiary record; the respondent would not be prejudiced, and no undue delay would result" (*Tl'azt'en Nation v Sam*, 2013 FC 226 at para 7). Furthermore, the inclusion of a "basket clause" requesting "such other relief as to this Honourable Court may seem just" in the prayer for relief permits a court to exercise its discretion to grant a relief that is

necessarily ancillary to the requested relief in the notice of application, even though it was not specifically requested, if it does not prejudice the other party (*Native Women's Assn. of Canada v Canada*, [1994] 3 SCR 627; *SC Prodal* at paras 11-12).

[29] In the case at hand, the Applicants' Notice of Application does not contain a "basket clause", the Applicants have unequivocally abandoned the reliefs outlined in their Notice of Application, and even if they had not, the reliefs now sought are not ancillary or incidental to the ones outlined in the Notice of Application. The Respondents would here be prejudiced by allowing the request for the new reliefs (see e.g., *Danada Enterprises Ltd v Canada (Attorney General)*, 2012 FC 403 at para 55).

[30] I find that the issue and reliefs raised by the Applicants in their Memorandum are therefore not properly before the Court and I will consequently not entertain them. For this reason, the Application should be dismissed.

C. *In any event, the Federal Court does not have jurisdiction over the new reliefs/declarations sought by the Applicants in their Memorandum*

[31] In any event, and even if the new reliefs sought were found to be properly before the Court, I agree with the Respondents that this Court lacks jurisdiction to entertain them.

[32] It is trite law that the Federal Court possesses only the jurisdiction that has been conferred upon it by statute. With respect to the declaration of entitlement to the "Lazare's BBQ House" trademark the Applicants seek, I agree with the Respondents that the Federal Court lacks

jurisdiction (*Copperhead Brewing Co v John Labatt Ltd et al*, 1995 CarswellNat 1863 at para 19 [*Copperhead*]). Section 37 of the *Trademarks Act* contains a complete code of procedure in such circumstances and it must be followed (*Friendly Ice Cream Corp v Friendly Ice Cream Shops*, [1972] 1 FC 712 at 715-716). Pursuant to the statutory and regulatory scheme of the *Trademarks Act* as it relates to trademark applications, any issues related to the Applicants' trademark application are to be addressed at the first instance by the Registrar of Trademarks.

[33] With respect to the second relief the Applicants seek, hence that the Respondents have no title or rights in the "Lazare's BBQ House" trademark, I agree with the Respondents that the Court cannot grant such relief in the context of this Application.

[34] In *Sullivan Entertainment Inc v Anne of Green Gables Licensing Authority*, [2000] FCJ No 1683 (QL), it was held that Rule 64 of the *Federal Courts Rules* and section 55 of the *Trademarks Act* vest the Federal Court with the necessary jurisdiction to grant declaratory relief under the *Trademarks Act*. Moreover, Rule 64 states that "the Court may make a binding declaration of right in a proceeding whether or not any consequential relief is or can be claimed". In other words, the Court cannot make a declaration in respect of matters over which it has no jurisdiction. In the present case, the declaratory relief sought is not grounded in any rights or remedies under the *Trademarks Act*. Specifically, the Applicants do not have a registered trademark and they have abandoned their passing off claims under section 7(b) of the *Trademarks Act* (*Copperhead* at paras 25-31). Accordingly, the Court lacks jurisdiction to grant the requested remedy.

[35] For these reasons, the Application must be dismissed.

III. Costs

[36] Cost will be awarded to the Respondents considering the result of this proceeding.

[37] The Applicants themselves, in their Notice of Application, sought solicitor-client costs. At the hearing, they rather submitted that a percentage of 25% of their actual legal costs would be appropriate. To support their costs submissions, the Applicants adduced a document outlining they had incurred total legal costs of $89,950.57, inclusive of tax and disbursements.

[38] The Respondents also seek their solicitor-client costs so as to fully indemnify them in respect of legal costs and disbursements. In the alternative to receiving full indemnity solicitor-client costs, the Respondents submit they ought to be awarded lump sum legal costs beyond the range of Tariff B on a substantial indemnity basis (no less than 80% of solicitor-client costs), as well as 100% of all disbursements incurred by the Respondents in respect of this Application. In the further alternative, they ask for Column V of Tariff B.

[39] To support their costs submissions, the Respondents submitted a detailed account of the counsel's dockets in relation to this file detailing counsel's time charged. It includes the dockets and the fees total $104,893.38 (including HST), plus disbursements of $1,925.52 (including HST). The Respondents include in the document the costs related to the Applicants' motion for self-representation, although costs were already awarded for this motion, as they seek the topping of the costs of this motion on a solicitor client basis. I note that the Applicants have not

challenged that the evidence adduced by the Respondents allows for assessment in regards to the factors of Rule 400(3).

[40] Rule 400(1) of the *Federal Courts Rules* gives the Federal Court the discretionary power to award solicitor-client costs. However, the awarding of solicitor-client costs "are very rarely granted" (*Quebec (Attorney General) v Lacombe,* 2010 SCC 38 at para 67) and should only be made where a party has displayed reprehensible, scandalous or outrageous conduct (*Young v Young*, [1993] 4 SCR 3 at para 251; *Mackin v New Brunswick (Minister of Finance)*; *Rice v New Brunswick*, [2002] 1 SCR 405 at para 86; *Louis Vuitton Malletier SA v Yang*, 2007 FC 1179 at para 59; *Abdelrazik v Canada*, 2019 FC 769 at para 20; Rule 400(6)(c)).

[41] This Court defined "reprehensible", "scandalous" and "outrageous" conduct in *Microsoft Corp v 9038-3746 Quebec Inc*, 2007 FC 659 at paragraph 16 as follows:

> "Reprehensible" behaviour is that deserving of censure or rebuke; blameworthy. "Scandalous" comes from scandal which may describe a person, thing, event or circumstance causing general public outrage or indignation. Among other things, "outrageous" behaviour is deeply shocking, unacceptable, immoral and offensive (see: *Oxford Canadian Dictionary*).

[42] The Federal Court of Appeal in *Nova Chemicals Corp v Dow Chemical Co*, 2017 FCA 25 at paragraph 18 [*Nova*] cautions that a party seeking an award of costs must provide sufficient detailed evidence so that the court can be satisfied that the fees were actually incurred. Moreover, at paragraph 19, it provides direction to judges when fixing costs:

> While, as noted above, a judge fixing costs on a lump sum basis has a wide discretion, the discretion is not unfettered. As noted, it is not a matter of plucking a number out of the air. The discretion must be exercised prudently. The criteria set forth in Rule 400(3),

> the case law and the objectives that underlie awards of costs are all relevant considerations. Efficiency in the administration of justice is one value that underlies lump sum awards, but costs must also be predictable and consistent so that counsel can properly advise and clients can make informed decisions about litigation risks. The ability to forecast cost consequences also bears both on the ability of parties to settle and on the question of access to the courts.

[43] On the recovery of disbursements, the question is if they were reasonable and necessary at the time they were incurred (*MK Plastics Corporation v Plasticair Inc*, 2007 FC 1029 at paras 34-37). The determination of the reasonableness of the services and disbursements claimed involves the exercise of a substantial degree of discretion.

[44] I have not been convinced that the Applicants' conduct meet the test of "scandalous" or "outrageous" conduct, individually or in aggregate. I am not satisfied that the Applicants knowingly initiated this Application without any grounds for doing so.

[45] That said, I find it troubling that they continued the Application even after they completely abandoned the claims and reliefs of the Notice of Application, and instead put forward new grounds of reliefs that were outside this Court's jurisdiction. It is also troubling that the trademark application before the Registrar of Trademarks was found to be abandoned; while the Applicants simultaneously asked the Court to declare that they are entitled to register the same trademark (i.e., "Lazare's BBQ House") and that the Respondents have no rights in the trademark "Lazare's BBQ House".

[46] I empathize with the Respondents who have devoted significant time and resources to this Application which, ultimately, could have been dealt with in a much more efficient and less

costly manner during the trademark opposition proceedings. I have no doubt that the Applicants' conduct during this proceeding contributed to Respondents' costs being higher than they would have been had the Applicants behaved in a more appropriate manner.

[47] While I find the conducts highlighted above to be insufficient for the exceptional costs award sought by the Respondents, i.e., full indemnity solicitor-client costs, and alternatively, no less than 80% of solicitor-client costs, I nevertheless have taken them into account in deciding to allocate a fixed lump sum amount representing 50% of the legal fees incurred by the Respondents. Specifically, I find that an award of costs on a lump sum basis, higher than the Tariff and on a percentage of 50% of counsel's legal fees, is justified in relation to the particular circumstances of this case and the objectives underlying costs, which include contributing to the costs of the litigation, promoting settlement, and deterring abusive behaviour (*Nova* at para 15; *Air Canada v Toronto Port Authority*, 2010 FC 1335 at para 17).

[48] The Applicants have not disputed the Respondents' disbursements, and I find the disbursements to be necessary and the amounts claimed to be reasonable.

IV. Conclusion

[49] For all these reasons, the Application will be dismissed. Costs will be granted to the Respondents in the form of a lump sum representing 50% of their actual legal fees incurred, including those linked to the motion for self-representation, as well as their disbursements.

JUDGMENT in T-1173-21

THIS COURT'S JUDGMENT is that:

1. The Application is dismissed;

2. Costs are awarded to the Respondents for a total amount of $54,372.21 inclusive of all fees, disbursements, and taxes;

3. Cost are payable jointly and severally by the Applicants.

"Martine St-Louis"
Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-1173-21
STYLE OF CAUSE:	LAZARE V.T. BOUBALA, LAZARE'S BBQ HOUSE INC v MUSSA SIDDIQUI KHWAJA (a.k.a. KHWAJA SIDDIQUI; a.k.a KHWAJA MUSSA SIDDIQUI), AFRICAN BBQ HOUSE
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