CITATION: Le Groupe Jean Coutu (PJC) Inc. v. Helene Lauzon Pharmacy Ltd., 2025 ONSC 0131
COURT FILE NO.: CV-25-106
DATE: 2026/01/07

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ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:	
Le Groupe Jean Coutu (PJC) Inc. Plaintiff	Adam J. Stevens and Michael Gora, Lawyers for the Plaintiff
– and –	
Helene Lauzon Pharmacy Ltd., Helene Lauzon and 1733643 Ontario Inc. Defendants	James Plotkin and Levon Mouradian, Lawyers for the Defendants
	HEARD: October 15, 2025 (by videoconference)

REASONS FOR DECISION

R. SMITH J.

Overview

1. The plaintiff, Le Groupe Jean Coutu (PJC) Inc. ("Jean Coutu" or the "Franchisor"), seeks:

   a) An interlocutory injunction requiring the defendants, Helene Lauzon Pharmacy Ltd. ("Helene Lauzon" or the "Franchisee"), to continue to operate as a Jean Coutu pharmacy at 439 Main St. S., Alexandria, Ontario (the "premises") in accordance with the franchise agreement; or

   b) In the alternative, an interlocutory injunction requiring the defendants to deliver up possession of the premises to Jean Coutu; or

c) In the further alternative, an order restraining the defendants from carrying on any business at the premises other than a Jean Coutu pharmacy; and,

d) An interlocutory injunction prohibiting Helene Lauzon from selling any Jean Coutu private label products or infringing on Jean Coutu's intellectual property.

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2. The defendants submit that Jean Coutu is seeking a mandatory injunction and has failed to meet the required legal test, namely:

a. has failed to demonstrate a "strong *prima facie* case";

b. has failed to prove that it will suffer irreparable harm that cannot be compensated by damages; and,

c. has failed to demonstrate that the balance of convenience favours the granting of the mandatory injunctions requested.

3. The main issue to be decided is whether an injunction should be granted as requested by Jean Coutu in these circumstances. For the reasons that follow, Jean Coutu's motion for the injunctions requested is dismissed.

Facts

4. Helene Lauzon has operated a Jean Coutu pharmacy in the Town of Alexandria since 1994, a period of approximately 30 years pursuant to a franchise agreement with the plaintiff. On September 2, 2024, Helene Lauzon gave notice to rescind the franchise agreement with Jean Coutu on the basis that it had failed to comply with the disclosure requirements under the *Arthur Wishart Act (Franchise Disclosure)*, 2000, S.O. 2000, c. 3, with regards to four material changes which she submits Jean Coutu made to the franchise agreement.

5. On or about September 2, 2024, Helene Lauzon ceased operating under the banner of Jean Coutu and has operated a Pharma Choice pharmacy at the premises since that date.

6. The franchise agreement entered into by the parties renews automatically every five years for a further term of five years, unless the Franchisee gives 12 months' notice of termination before

the renewal date. The franchise agreement renewed automatically on April 20, 2024, as Helene Lauzon did not give notice of termination by April 19, 2023.

7. The shares of the numbered company defendant, 17333643 Ontario Inc. ("173"), are owned by Helene Lauzon, and the numbered company owns the premises. 173 entered into a head lease with Jean Coutu who then subleased the premises back to Helene's corporate pharmacy. The head lease will terminate on October 31, 2028. The possible termination dates for the head lease and the franchise agreement do not occur at the same time.

8. The sublease from Jean Coutu contains a term that Helene Lauzon's corporate pharmacy will operate a Jean Coutu pharmacy at the premises during the term of the sublease.

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Analysis

9. In *RJR-MacDonald Inc. v. Canada (Attorney General),* 1994 1 S.C.R. 311, at p. 334, the Supreme Court of Canada set out the following factors to be established by the applicant:

a) that there is a serious question to be tried;

b) that irreparable harm will result if the relief is not granted. "Irreparable" refers to the nature of the harm; and,

c) an assessment of the balance of convenience (which party will suffer the greater harm from the granting or refusal to grant an injunction).

a) Serious Question to be Tried or "strong *prima facie* case"

10. In *RJR-MacDonald*, the Supreme Court of Canada described the first of the three-part test as "demonstrating a serious question to be tried". This is the situation where the action of a party is to be restrained or enjoined.

11. In *R. v. Canadian Broadcasting Corp.*, 2018 SCC 5, [2018] 1 S.C.R. 196, at paras. 15-18, the Supreme Court of Canada stated that to obtain a mandatory injunction, the appropriate test at the first stage of the *RJR-MacDonald* test was not to decide whether there was a serious issue to be tried, but rather whether the applicant had demonstrated a strong *prima facie* case.

12. In *Canadian Broadcasting Corp.,* at para. 16, the Supreme Court of Canada described a mandatory injunction where it would "have the effect of forcing the enjoined party to take… positive actions" and stated that "[i]n short, the application judge should examine whether, in substance, the overall effect of the injunction would be to require the defendant to **do** something, or to refrain from doing something."

13. In the first three requests for injunctive relief, Jean Coutu seeks an order:

a) requiring Helene Lauzon to return and continue to operate a Jean Coutu pharmacy; or

b) requiring Helene Lauzon to give possession of the pharmacy premises to Jean Coutu; and alternatively

c) restraining Helene Lauzon from carrying on any business other than a Jean Coutu pharmacy at her premises.

14. The first two requests for injunctive relief require Helene Lauzon to "do something", namely, to carry on business as a Jean Coutu pharmacy or alternatively to deliver up her premises to Jean Coutu and therefore, the "strong *prima facie* case" test would apply.

15. Jean Coutu's third alternative request is framed in the form of refraining to do something. However, I find that this is in substance another way of stating the first request for injunctive relief, namely that she continue to operate a Jean Coutu pharmacy.

16. At para. 17 of *Canadian Broadcasting Corp.,* the Supreme Court of Canada defined the meaning of "*prima facie*" as follows: "Common to all these formulations is a burden on the applicant to show a case of such merit that it is very likely to succeed at trial". Stated another way, there must be "a strong likelihood on the law and the evidence presented that, at trial, the applicant will be ultimately successful".

Enforcing a Property Right

17. Jean Coutu submits that it is seeking to enforce a property right under its lease, and as such, it should only be required to demonstrate a serious issue to be tried. Jean Coutu further argues that

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Helene Lauzon should not be permitted to profit from her breach of the franchise agreement and the lease to Jean Coutu.

18. Helene Lauzon submits that she gave notice of rescission on September 2, 2024, and that she had grounds to do so. Helene Lauzon's evidence is that she was losing money under the franchise agreement with Jean Coutu, at least in part based on material changes made to the franchise agreement by Jean Coutu.

19. The head lease and sublease back to Helene Lauzon's pharmacy is part of the Jean Coutu franchise structure and it terminates on a different date than the possible termination dates in the franchise agreement. Whether specific performance of the head lease to Jean Coutu would be granted is a question for trial, especially after Helene Lauzon has been operating as a Pharma Choice pharmacy for over 12 months without any action being taken by Jean Coutu. I will discuss in more detail whether Jean Coutu would suffer irreparable harm that cannot be compensated for in damages under the second stage of the test. In substance, the lease is part of the franchise arrangement to operate a Jean Coutu pharmacy at that location and cannot be separated from whether Helene Lauzon had grounds to give notice of rescission.

Enforcing Contractual rights

20. Jean Coutu also argues that because it is seeking to enforce contractual rights, the test that it must meet is only to demonstrate "a serious issue to be tried". Jean Coutu relies on the decision of *TDL Group Ltd. v. 1060284 Ontario Ltd*. (2001), 150 O.A.C. 354 (Div. Ct.), at para. 9, where the court held that "the court is enforcing a right created by the parties. An order preventing the denial of a right previously agreed to is very different from an order establishing a new right never agreed to and requiring a party to act accordingly." In *TDL Group Ltd.,* the court held that the order sought was not a mandatory injunction but a prohibition of what is alleged to be a breach of contract.

21. The determination of whether Helene Lauzon breached the contract depends on a finding of whether her exercise of the statutory right of rescission was valid. If it was validly exercised, there would be no breach of contract by Helene Lauzon.

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22. In the case before me, there is no ongoing relationship between the parties because Helene Lauzon gave notice of rescission in September 2024 — over 12 months ago — rescinding the franchise agreement on the basis that Jean Coutu allegedly failed to make full financial disclosure of several material changes. For more than 12 months, Helene Lauzon has been operating her pharmacy under a new agreement with a different franchisor, Pharma Choice.

23. I find that in substance, Jean Coutu is seeking a mandatory injunction because it is not just seeking to maintain the *status quo* but would require Helene Lauzon to cancel its agreement with Pharma Choice, dispose of its inventory from Pharma Choice, and go back to operating a Jean Coutu pharmacy. As a result, I find that Jean Coutu must demonstrate a "strong *prima facie*" case at the first stage of the test.

24. Jean Coutu submits that it did not have an obligation to make full financial disclosure of the changes relied on by Helene Lauzon to rescind the franchise agreement because the changes were not material as defined in s. 1(1) of the *Arthur Wishart Act*.

25. Helene Lauzon submits that Jean Coutu has failed to provide sufficient evidence that her grounds for rescission are doomed to fail. Helene Lauzon's evidence is that Jean Coutu's change from the Air Miles Points Program to the MOI Points Program was a material change requiring full financial disclosure. She stated that the MOI Points Program will become more expensive for the Franchisee over time and will cost more than the previous Air Miles Points Program.

26. Whether the change to the MOI Points Program constitutes a material change requiring Jean Coutu to make financial disclosure is not sufficiently clear to conclude that Jean Coutu will ultimately be successful at trial. As a result, I find that Jean Coutu has failed to show a strong likelihood that it will succeed on this issue at trial.

27. Whether Jean Coutu was required to make full financial disclosure because of the change to the sign maintenance agreement and the implementation of the "AI Circulaire" are not frivolous or vexatious issues but are not likely a material change. However, these are issues that will be decided at trial.

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b) Irreparable Harm

28. In *Manitoba (A.G.) v. Metropolitan Stores Ltd.*, [1987] 1 S.C.R. 110 at p. 128, which preceded *RJR-MacDonald*, Beetz J. described the second factor as follows:

> "The second test consists in deciding whether the litigant who seeks the interlocutory injunction would, unless the injunction is granted, suffer irreparable harm, that is harm not susceptible or difficult to be compensated in damages."

29. The issue to be decided is whether Jean Coutu will suffer irreparable harm if an injunction, as requested, is not granted.

30. Jean Coutu had been the Franchisor for Helene Lauzon's pharmacy in Alexandria for 30 years, until September 2, 2024, when she gave notice of rescission and ceased operating as a Jean Coutu pharmacy.

31. Jean Coutu has detailed financial records of the sales and profits that it has made over the past 30 years from Helene Lauzon's Alexandria pharmacy. If it is determined that Helene Lauzon did not have grounds for rescission and breached the terms of the franchise agreement and lease, Jean Coutu would be able to calculate its lost profits. As a result, damages could be readily determined. Jean Coutu also operates over 400 other pharmacy franchises, mostly in Québec, but some in Ontario, and has detailed knowledge of the sales, costs, and profits that it makes from each pharmacy.

32. Jean Coutu further submits that it will lose goodwill in Alexandria if the injunction is not granted. However, Jean Coutu did not provide any evidence that it could not establish another Jean Coutu pharmacy in Alexandria. Moreover, Alexandria has a population of approximately 3,000 people; therefore, any loss of goodwill in Ontario would be minimal.

33. In *Mondee, Inc. v. Voyzant Inc.*, 2025 ONSC 2226, at para. 62, Papageorgiou J. cited *Barton-Reid Canada Ltd. v. Alfresh Beverages Canada Corp.*, 2002 CanLII 34862 (Ont. S.C.), at para. 18, and stated that, "[i]n most cases, lost customers, sales, and market share can be compensated in damages and calculated based on sales histories and sales projections". I agree with this statement and find that, in this case, Jean Coutu possesses sales histories spanning a

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lengthy period and is able to make accurate sales projections based on the extensive financial information in its possession.

34. For the above reasons, I find that Jean Coutu has failed to show that it will suffer irreparable harm that cannot be compensated for in damages.

c) Balance of Convenience

35. I also find that Helene Lauzon would suffer greater inconvenience than Jean Coutu if the requested injunction were granted, as she would have to cease operating under the Pharma Choice banner and dispose of, then reacquire, inventory. In contrast, Jean Coutu's damages would be an adequate remedy and can be readily calculated using the extensive financial information in its possession.

Disposition

36. For the above reasons, Jean Coutu's motion for the injunctions requested is dismissed.

Costs

37. Helene Lauzon can make submissions on costs within 10 days, Jean Coutu shall have 10 days to respond, and Helene Lauzon shall have 7 days to reply.

Date: January 7, 2026

The Honourable Justice Robert Smith

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REASONS FOR DECISION

Justice Robert Smith

Released: January 7, 2026