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| F<br>I<br>L<br>E<br>D | FEDERAL COURT<br>COUR FÉDÉRALE<br><br>October 04, 2023<br>04 octobre 2023 |
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| VAN                   | 1   |

Court File No. T-

**FEDERAL COURT**

B E T W E E N:

*(Court Seal)*

ZOE INTERNATIONAL DISTRIBUTING INC.  
doing business as HBI Canada

Plaintiff

- and -

SMOKE ARSENAL INC.

Defendant

**STATEMENT OF CLAIM**

TO THE DEFENDANT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or a solicitor acting for you are required to prepare a statement of defence in Form 171B prescribed by the *Federal Courts Rules* serve it on the Plaintiff's solicitor or, where the Plaintiff do not have a solicitor, serve it on the Plaintiff, and file it, with proof of service, at a local office of this Court, WITHIN 30 DAYS after this statement of claim is served on you, if you are served within Canada.

If you are served in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period for serving and filing your statement of defence is sixty days.

Copies of the *Federal Courts Rules*, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO DEFEND THIS PROCEEDING, judgment may be given against you in your absence and without further notice to you.

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
(Registry Officer)

Address of  
local office: Pacific Centre  
P.O. Box 10065  
701 West Georgia Street  
Vancouver, British Columbia  
V7Y 1B6

TO: SMOKE ARSENAL INC.  
1589 THE QUEENSWAY, UNIT 4  
ETOBICOKE ON M8Z 5W9  
CANADA

**CLAIM**

1. The Plaintiff, Zoe International Distributing Inc. doing business as HBI Canada (“**HBI Canada**” or the “**Plaintiff**”), claims:

(a) a declaration that Smoke Arsenal Inc. (“**Smoke Arsenal**” or the “**Defendant**”) has:

(i) infringed the Plaintiff’s copyright in the HBI Canada Product Graphics (as defined below), contrary to section 27 of the *Copyright Act*, R.S.C. 1985 c. C-42 (the “**Copyright Act**”);

(ii) infringed the Plaintiff’s rights in the HBI CANADA Registration (as defined below) and the HBI Registered Marks (as defined below), contrary to section 19 of the *Trademarks Act*, R.S.C. 1985, c. T-13 (the “**Trademarks Act**”);

(iii) depreciated the value of the goodwill associated with the HBI CANADA Registration (as defined below) and the HBI Registered Marks (as defined below), contrary to section 22 of the *Trademarks Act*;

(iv) made false or misleading statements that tend to discredit the business, goods or services of the Plaintiff, contrary to subsection 7(a) of the *Trademarks Act*;

(i) violated the Plaintiff’s rights in the HBI CANADA Registration (as defined below), HBI Registered Marks (as defined below) and

HBI Trade Dress (as defined below) by directing public attention to the Defendant's products and/or business in such a way as to cause or be likely to cause confusion and lead to the mistaken impression that the Defendant's business and the Infringing Goods (as defined below) sold by the Defendant are associated with, authorized and/or approved by the Plaintiff, contrary to section 7(b) of the *Trademarks Act*;

- (ii) passed off the Defendant's services and the Infringing Goods (as defined below) as and for those of the Plaintiff, by engaging in deceptive business practices including by representing that the Infringing Goods sold by the Defendant originate from and/or are associated with, authorized and/or approved by the Plaintiff, contrary to subsection 7(c) of the *Trademarks Act*;
- (iii) made use, in association with Infringing Goods (as defined below), of descriptions that are false in a material respect and likely to mislead the public as to the character, quality, mode of manufacture, and mode of production, of the goods and services of the Defendant including by representing that the Infringing Goods sold by the Defendant originate from and/or are associated with, authorized and/or approved by the Plaintiff, contrary to subsection 7(d) of the *Trademarks Act*; and

- (iv) knowingly or recklessly, made representations to the public that are false or misleading in a material respect for the purpose of promoting, directly or indirectly, the supply or use of its products and business interests, contrary to subsection 52(1) of the *Competition Act*, R.S.C. 1985, c. C-34 (the “*Competition Act*”);
  
- (b) an interim, interlocutory, and permanent injunction restraining the Defendant, and its officers, directors, servants, agents and employees, and all those over whom it exercises control, from:
  - (i) selling, offering for sale, marketing, advertising and distributing the Infringing Goods (as defined below), or any other goods that reproduce the HBI Canada Product Graphics (as defined below) or a substantial portion thereof, as well as importing and/or possessing such goods for the purposes of engaging in the aforementioned acts;
  
  - (ii) selling, offering for sale, marketing, advertising and otherwise providing any services that infringe the Plaintiff’s rights in the HBI CANADA Registration (as defined below) and that use the HBI CANADA Registration in a manner that is likely to depreciate the value of the goodwill associated with the HBI CANADA Registration;
  
  - (iii) selling, offering for sale, marketing, distributing or advertising any goods, including the Infringing Goods (as defined below), that

infringe the Plaintiff's rights in the HBI Registered Marks (as defined below) and that use the HBI Registered Marks in a manner that is likely to depreciate the value of the goodwill associated with the HBI Registered Marks;

- (iv) making false or misleading statements that tend to discredit the business, goods or services of the Plaintiff;
- (v) directing public attention to the Defendant's business or goods in such a way as to cause or be likely to cause confusion in Canada with the HBI CANADA Registration (as defined below), the HBI Registered Marks (as defined below), and the HBI Trade Dress (as defined below);
- (vi) passing off the Defendant's services and the Infringing Goods (as defined below) as and for those of the Plaintiff, by engaging in deceptive business practices;
- (vii) making use, in association with Infringing Goods (as defined below), of descriptions that are false in a material respect and likely to mislead the public as to the character, quality, mode of manufacture, and mode of production of the goods and services of the Defendant;
- (viii) making representations to the public that are false or misleading in a material respect for the purpose of promoting, directly or

indirectly, the supply or use of its products or business interests;  
and

- (ix) authorizing, directing, ordering, assisting, aiding or abetting others to do any of the foregoing;
  
- (c) an order requiring the Defendant to take down all content and deliver up to HBI Canada or its solicitors, or destroy, all materials in the Defendant's possession, custody, control or power that may offend the injunction sought herein or any order of this Honourable Court, including, without limitation, all goods, advertising, signage, stationary, printed or online materials, advertising, promotional content or other materials or digital content, within such times and upon such terms as may be fixed by this Honourable Court;
  
- (d) damages and an accounting of the Defendant's profits for infringement of the Plaintiff's copyright in the HBI Canada Product Graphics (as defined below), or in the alternative, statutory damages pursuant to section 38.1 of the *Copyright Act*;
  
- (e) damages sustained by the Plaintiff or an accounting of the Defendant's profits, to be elected by the Plaintiff prior to the trial of the action and after due inquiry and full discovery, resulting from the Defendant's conduct contrary to sections 19, 7(a), 7(b), 7(c), 7(d) and 22 of the *Trademarks Act*;

- (f) damages sustained by the Plaintiff pursuant to subsection 36(1) of the *Competition Act* as a result of the Defendant's conduct contrary to subsection 52(1) of the *Competition Act*, together with the full cost of the investigation and proceedings;
- (g) exemplary, aggravated and punitive damages;
- (h) pre-judgment and post-judgment interest on all monetary relief in accordance with the *Federal Courts Act*;
- (i) the Plaintiff's costs of this action, including costs on a solicitor and client scale, plus applicable taxes; and
- (j) such further and other relief as HBI Canada may be entitled to and this Honourable Court considers just.

### **The Parties**

2. HBI Canada is a corporation incorporated pursuant to the laws of the Province of British Columbia and having a place of business at 520 E. Kent Ave. South, Vancouver, British Columbia, V5X 4V6. HBI Canada is a manufacturer and wholesale distributor of smoking accessory products for the Canadian market.

3. Smoke Arsenal is a corporation incorporated pursuant to the laws of the Province of Ontario and having a place of business at 1589 The Queensway, Unit 4, Etobicoke, Ontario, M8Z 5W9. The Defendant is a wholesale distributor of smoking accessory products.

## **HBI Canada's Business**

4. For over two decades, HBI Canada has been distributing smoking accessory products for the “roll your own” or “make your own” market in Canada with products such as rolling papers, hemp wraps, rolling tips, rolling machines, rolling trays, lighters, ashtrays, grinders, electronic smoking, storage, odour neutralizers, cleaners, etc. These products are used for smoking tobacco, cannabis and other herbs.

5. HBI Canada created a specialty market for such products in Canada when it came on the market over two decades ago. Since then, HBI Canada has been increasing smokers' enjoyment by manufacturing and distributing high quality “roll your own” or “make your own” products in the Canadian marketplace, innovating new products and improving on existing products.

6. HBI Canada distributes its various lines of smoking accessory products—including Raw, Elements, Juicy, Juicy Jay's, Skunk Brand, Cyclones, Kingpin, Hammercraft, Buddies and DLX products (“**HBI Canada Products**”)—to authorized distributors, resellers, dealers as well as retailers of such products. The authorized distributors, resellers, dealers and retailers to whom HBI Canada sells these smoking accessory products, in turn, sell them to Canadian consumers. The HBI Canada Products have become trusted household names with authorized distributors, resellers, dealers, retailers and consumers alike as originating from HBI Canada.


### **HBI Canada's Trademark Rights**

7. HBI Canada has continuously used and made known in Canada the trademarks HBI and HBI CANADA in association with the manufacture and distribution of smoking accessory products for over two decades. The HBI and HBI CANADA trademarks have acquired significant reputation and goodwill in Canada, and are well-known to Canadian distributors, resellers, dealers and customers of smoking accessory products as denoting the services offered by HBI Canada. HBI Canada also owns a Canadian trademark registration for HBI CANADA in association with “wholesaler and distributor of tobacco, tobacco accessories, cigars, cigar accessories, roll-your-own accessories, lighters, digital scales, food choppers, and novelty items, namely, flying discs” services (Registration No. TMA963,877) (“**HBI CANADA Registration**”).



8. Moreover, for many years, HBI Canada has been using, and has registered, several trademarks in association with various smoking accessories and paraphernalia, in Canada. These include the following:

| <b>Trademark</b> | <b>Registration No.</b> | <b>Goods</b>  |
|------------------|-------------------------|---|
| RAW              | TMA1,071,936            | (1) Hand held machines for rolling medicinal cannabis; rolling papers for medicinal cannabis; filter tips for use in roll-your-own medicinal cannabis cigarettes<br><br>(2) Hand held machines for rolling legal recreational cannabis; rolling papers for legal recreational cannabis; filter tips for use in roll-your- |

| <b>Trademark</b> | <b>Registration No.</b> | <b>Goods</b>   |
|------------------|-------------------------|--|
|                  |                         | own legal recreational cannabis cigarettes   |
| RAW              | TMA667,527              | <p>(1) Lanyards.</p> <p>(2) Re-usable shopping bags.</p> <p>(3) Wooden boxes.</p> <p>(4) Serving trays.</p> <p>(5) Storage containers for kitchen and household use.</p> <p>(6) Cigarette rolling papers made from processed paper, plastic or metal hand held cigarette rolling machines.</p> <p>(7) Smoker's articles, namely, rolling mats.</p> <p>(8) Pre-rolled smoking cones.</p> <p>(9) Smoker's articles, namely, scoop cards.</p> <p>(10) Lighters.</p> <p>(11) Smoker's articles, namely, cone fillers, hydrating stones, pipes, non-stick coated parchment paper, not used for writing or printing, used as a surface on which to roll tobacco.</p> <p>(12) Wooden cigarette holders; tobacco grinders; baking paper pouches.</p> <p>(13) Wicks for smoking herbs and tobaccos.</p> <p>(14) Roll-your-own cases to keep tobaccos and herbs separate from rolling papers and tips.</p> <p>(15) Tobaccos.</p> |

| Trademark  | Registration No. | Goods  |
|--|------------------|--|
|  |                  | (16) Ashtrays.<br>(17) Cigarette cases.  |
| RAW CONE Design<br> | TMA1,188,133     | (1) Rolling papers; pre-rolled smoking cones; smoker's articles, namely, cone fillers  |
| JUICY  | TMA1,054,068     | (1) Rolling papers for medicinal cannabis.<br>(2) Rolling papers for legal recreational cannabis.  |
| JUICY  | TMA972,669       | (1) Flavouring drops to flavour tobacco and cigarette rolling papers.<br>(2) Incense.<br>(3) Herbal preparations for smoking.<br>(4) Electronic cigarettes for use as an alternative to traditional cigarettes.<br>(5) Electronic vaporizers for use as an alternative to traditional cigarettes.<br>(6) Flavoured liquids for electronic cigarettes.<br>(7) Liquid herbs for electronic cigarettes.<br>(8) Atomizers and batteries for electronic cigarettes.<br>(9) Atomizers and batteries for electronic vaporizers.<br>(10) Glass jars. |

| Trademark   | Registration No. | Goods   |
|-------------|------------------|---|
|             |                  | (11) Electronic hookahs for use as an alternative to traditional hookahs.   |
| JUICY       | TMA665,399       | (1) Tobacco and tobacco accessories, namely rolling papers, rolling machines and cigars.  |
| JAYS        | TMA664,612       | (1) Tobacco and tobacco accessories, namely rolling papers, rolling machines, cigarettes, cigars, cigarette tobacco, pipes.   |
| SKUNK BRAND | TMA1,061,568     | (1) Rolling papers for medicinal cannabis<br>(2) Rolling papers for legal recreational cannabis   |
| SKUNK BRAND | TMA579,958       | (1) Smoking articles, namely, cigarettes, tobacco, snuff, cigarette rolling papers, cigarette lighters, matches, ashtrays, pipes for smoking, cigarette holders; clothing, namely, T-shirts, baseball caps, sweatshirts, jackets.<br>(2) accessories for electronic vaporizers, namely, atomizers and batteries.<br>(3) accessories for electronic vaporizers, namely, adaptors.<br>(4) electronic vaporizers for use as an alternative to traditional cigarettes.<br>(5) odour resistant storage bags. |

| Trademark  | Registration No. | Goods   |
|--|------------------|---|
| Kingpin & design late 1994 US<br> | TMA687,848       | (1) Cigars, cigarette rolling papers, tobacco.  |
| KINGPIN  | TMA664,223       | (1) Cigars, cigarette rolling papers, tobacco.<br>(2) (a) (i) cigarette rolling machines.<br>(3) (b) (i) humidors.<br>(4) (c) (i) electronic vaporizers for use as an alternative to traditional cigarettes.  |
| HAMMERCRAFT  | TMA721,784       | (1) Tobacco grinders and herb grinders.<br>(2) Key chains.  |
| HammerCraft & Design<br>        | TMA995,509       | (1) Non-electrical tobacco grinders and herb grinders   |
| BUDDIES  | TMA682,332       | (1) Silicon ball containers for household and kitchen use; silicon mats for baking.<br>(2) Silicon containers for household and kitchen use.<br>(3) Tobacco Cutters, Cigarette Rolling Machines, Tobacco Grinders.<br>(4) Smoker's articles, namely, utility wires used to grip cigarettes. |

| Trademark | Registration No. | Goods  |
|-----------|------------------|--|
|           |                  | (5) Smoker's articles, namely, pollen press.<br>(6) Smoker's articles, namely, wooden sifter boxes.  |
| DLX       | TMA713919        | (1) Cigarette rolling papers, tobacco, cigarette rolling machines, cigars.<br>(2) (i) paper filter tips for use in roll-your-own tobaccos and herbal cigarettes.<br>(3) (ii) cigarette rolling machines. |

These registered trademarks are herein collectively referred to as “**HBI Registered Marks**”.

9. The HBI Registered Marks have become well-known in Canada as denoting smoking accessory products and paraphernalia originating from HBI Canada. As a result of HBI Canada’s long history of being a pioneer in the industry, its dedication to distributing high quality and reputable products and its extensive marketing and use of the HBI Registered Marks in association with the smoking accessory products over the last two decades, significant reputation and goodwill has developed in association with the HBI Registered Marks.

10. Moreover, pursuant to section 19 of the *Trademarks Act*, the HBI CANADA Registration and the HBI Registered Marks provide HBI Canada with the exclusive right to use the subject trademarks in Canada in association with the goods and/or services for

which they are each registered and the exclusive right to prevent others from using the subject trademarks and any trademarks that are confusingly similar thereto.

### **HBI Canada's Trade Dress**

11. HBI Canada has been continuously using in Canada distinctive trade dress for its products including without limitation (collectively herein referred to as "**HBI Trade Dress**"):

- (a) Raw products - The trade dress for the Raw products consists of product packaging comprising (i) a central RAW branded graphic, (ii) with a circle stamp logo either above or to the left, (iii) displaying less prominent text below the RAW branded graphic (e.g. NATURAL UNREFINED ROLLING PAPERS, NATURAL ROLLING PAPERS or NATURALLY SLOW BURNING), and (iv) with a drawn-on yarn tied up around the package. A representative example of the Raw trade dress is displayed below (on the left is a retail pack, and on the right is a wholesale pack).



- (b) Juicy Jay's - The trade dress for the Juicy Jay's products comprises (i) a drawing of a splash in the background coloured to reflect the flavour of the products, (ii) a central JUICY branded graphic appearing in front of a droplet in the foreground, (iii) with a smaller JAY'S branded graphic in black text that appears below the JUICY branded graphic. A representative example of the Juicy Jay's trade dress is displayed below (on the left is a retail pack, and on the right is a wholesale pack).



- (c) Skunk Brand - The trade dress for the Skunk Brand products comprises (i) a SKUNK logo graphic, and (ii) a skunk drawing displayed within a circle in proximity to the SKUNK logo graphic. A representative example of the Skunk Brand trade dress is displayed below (retail pack).



- (d) DLX - The trade dress for the DLX products comprises (i) a red “DLX” logo graphics, with (ii) the word “DELUXE” less prominently displayed immediately below and (iii) black and grey background. A representative example of the DLX trade dress is displayed below (wholesale and retail packs).



12. The HBI Trade Dress possesses inherent distinctiveness and, through substantial use and marketing, has also garnered significant goodwill, reputation and acquired distinctiveness in the Canadian market.

### **HBI Canada’s Copyrights**

13. The HBI Canada Products each display graphic designs that are original works and the result of significant skill and judgment, including the graphic designs shown in **Schedule “A”** enclosed hereto that are displayed on the respective HBI Canada Products (“**HBI Canada Product Graphics**”). These graphic designs are artistic works that are afforded copyright protection in Canada under the *Copyright Act*.

14. HBI Canada is the owner of all rights, title and interest in and to the copyright in each of the HBI Canada Product Graphics. The copyright in each of the HBI Canada Product Graphics is presently valid and subsisting. HBI Canada relies on the presumption of subsistence and ownership of copyright provided by subsection 34.1(1) of the *Copyright Act*.

15. HBI Canada has the sole right in Canada to produce and reproduce the HBI Canada Product Graphics, or any substantial part thereof in any form, pursuant to section 3 of the *Copyright Act*.

#### **Defendant's Unlawful and Infringing Activities**

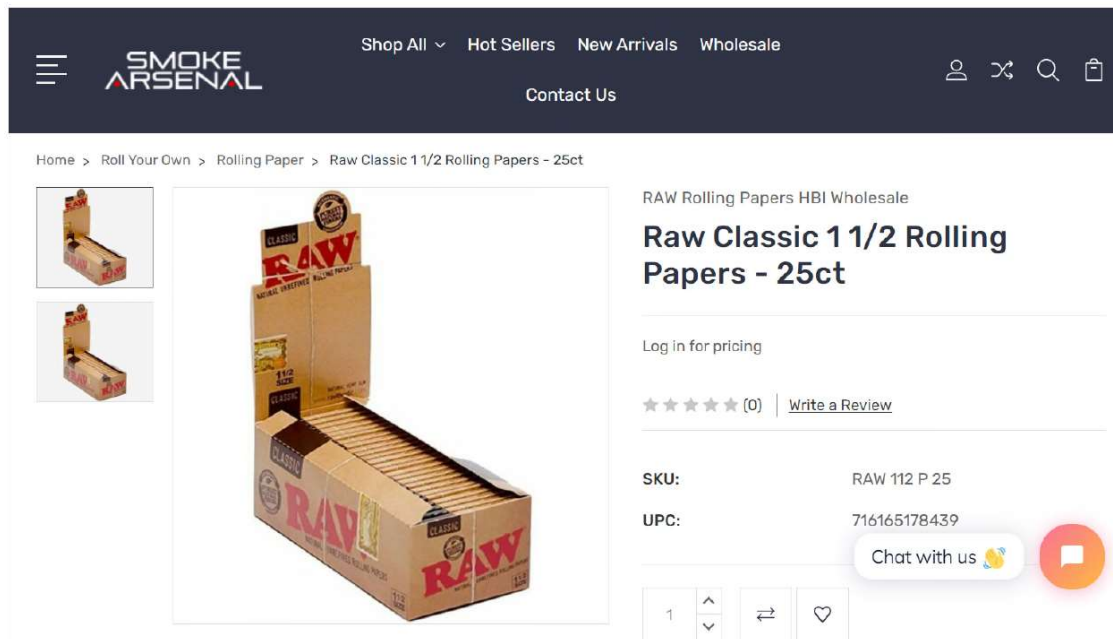
16. Starting on a date unknown to HBI Canada but known to the Defendant, the Defendant has used HBI and/or HBI WHOLESale in association with the wholesale distribution of smoking accessories and paraphernalia.

17. Moreover, the Defendant has been importing, manufacturing, selling, offering for sale, marketing, distributing and/or advertising in Canada smoking accessories and paraphernalia that purport to be HBI Canada Products by employing the HBI Registered Marks, the HBI Trade Dress and/or the HBI Canada Product Graphics (the “**Infringing Goods**”).

18. Additionally, the Defendant has used HBI and/or HBI WHOLESale in association with its sale, offering for sale, marketing, distributing and/or advertising of smoking accessory products, including at least some, if not all, of the Infringing Goods in an effort to lead Canadian distributors, resellers, dealers and customers to believe that

the Infringing Goods originate from and/or are associated with, authorized and/or approved by HBI Canada, when they are not.

19. As an example, below is a screenshot of the Defendant's website displaying "RAW Rolling Papers HBI Wholesale" in association with products purporting to be HBI Canada's RAW Classic 1 1/2 Rolling Papers.



20. This use of the terms "HBI" and/or "HBI WHOLESALE" implies that the Defendant is affiliated or associated with HBI Canada and/or that the Infringing Goods originate from HBI Canada and/or are associated with, authorized and/or approved by HBI Canada, when this is not the case. That is, the Defendant is not affiliated or associated with HBI Canada in any way, nor is it an authorized distributor, reseller, or dealer of HBI Canada Products. HBI Canada does not sell any of the HBI Canada Products to the Defendant, and has not authorized any of its distributors, resellers, or dealers to sell HBI Canada Products to this entity. HBI Canada has no control over the

handling, storage or sourcing of the Infringing Goods, nor over the authenticity, quality or safety of these products. Lastly, at least some, if not all, of the Infringing Goods may contravene Canadian federal and provincial labelling and packaging laws and regulations.

21. The Defendant's activities have had and continue to have the following consequences:

- (a) tend to discredit the business, goods or services of HBI Canada;
- (b) direct public attention to the Defendant's products and/or business in such a way as to cause or be likely to cause confusion and lead to the mistaken impression that the Defendant's business and the Infringing Goods are associated with, authorized and/or approved by the Plaintiff;
- (c) constitute deceptive business practices that falsely represent that the Infringing Goods sold by the Defendant originate from and/or are associated with, authorized and/or approved by the Plaintiff; and
- (d) constitute false and misleading misrepresentations in a material respect, made knowingly or recklessly, for the purpose of promoting the supply or use of the Defendant's products and business interests.

22. HBI Canada is unable to give full particulars at this time of all the wrongful acts of the Defendant, but will seek relief in respect of all such wrongful acts.

***Trademark Infringement, Depreciation of Goodwill, Passing Off & False and Misleading Statements***

23. By reason of the foregoing, the Defendant has:

- (i) infringed the Plaintiff's rights in the HBI CANADA Registration and the HBI Registered Marks, contrary to section 19 of the *Trademarks Act*;
- (ii) depreciated the value of the goodwill associated with the HBI CANADA Registration and the HBI Registered Marks, contrary to section 22 of the *Trademarks Act*;
- (iii) made false or misleading statements, including statements representing that there is an affiliation between the Defendant and the Plaintiff, which tends to discredit the business, goods or services of the Plaintiff, contrary to subsection 7(a) of the *Trademarks Act*;
- (iv) violated the Plaintiff's rights in the HBI CANADA Registration, the HBI Registered Marks, and the HBI Brands Trade Dress by directing public attention to the Defendant's products and/or business in such a way as to cause or be likely to cause confusion and lead to the mistaken impression that the Defendant's business and the Infringing Goods sold by the Defendant are associated with, authorized and/or approved by the Plaintiff, contrary to section 7(b) of the *Trademarks Act*;

- (v) passed off the Defendant's services and the Infringing Goods as and for those of the Plaintiff, by engaging in deceptive business practices including by representing that the Infringing Goods sold by the Defendant originate from the Plaintiff and/or are associated with, authorized and/or approved by the Plaintiff, contrary to subsection 7(c) of the *Trademarks Act*;
- (vi) made use, in association with Infringing Goods, of descriptions that are false in a material respect and likely to mislead the public as to the character, quality, mode of manufacture, and mode of production, of the goods and services of the Defendant including by representing that the Infringing Goods sold by the Defendant are associated with, authorized and/or approved by the Plaintiff, contrary to subsection 7(d) of the *Trademarks Act*; and
- (vii) made representations to the public, knowingly or recklessly, that are false or misleading in a material respect for the purpose of promoting, directly or indirectly, the supply or use of its products and business interests, contrary to subsection 52(1) of the *Competition Act*.

### **Copyright Infringement**

24. The Defendant has infringed HBI Canada's copyright in the HBI Canada Product Graphics by selling, offering for sale, marketing, advertising and/or distributing products that reproduce the HBI Canada Product Graphics, or a substantial portion of the HBI Canada Product Graphics, and by importing and possessing such products for the purposes of doing any of the aforementioned acts, all without the consent or authorization of HBI Canada, contrary to section 27 of the *Copyright Act*.

### **Relief Sought**

25. The actions of the Defendant as set out in this Statement of Claim have diluted the value of HBI Canada's intellectual property rights. As a result of these acts, the Defendant will continue to cause severe irreparable harm and damage to HBI Canada's intellectual property rights and the goodwill associated with its business and products.

26. All of the activities of the Defendant referred to herein have caused HBI Canada to suffer damages, including, among other things, damage in the form of lost sales revenue, damage to HBI Canada's goodwill and reputation, and a loss of consumer confidence in its business and products. In addition, the Defendant has made a profit from its unlawful and infringing activities. These damages and profits are ongoing.

27. At all material times, the Defendant acted in a deliberate and high-handed manner with respect to the rights of HBI Canada, and is thus liable for punitive, aggravated and exemplary damages. The Defendant attempted to associate itself with HBI Canada and

its HBI CANADA Registration in an effort to mislead the public and make its offering of Infringing Goods attractive to customers in Canada, as explained above.

28. All of the activities of the Defendant referred to herein have been without the consent or authority of HBI Canada.

29. The full extent of the infringing activities of the Defendant is unknown to HBI Canada but known to the Defendant. HBI Canada claims in respect of all such activities.

30. HBI Canada therefore respectfully requests that this action be allowed, with costs to HBI Canada, together with all disbursements and taxes.

31. HBI Canada's claims are not exclusively for monetary relief and the damages suffered by HBI Canada as a result of the infringing activities of the Defendant are expected to exceed \$100,000. As a result, this is not a simplified action under the *Federal Courts Rules*.

32. HBI Canada proposes that this action be tried in Vancouver, British Columbia.

October 4, 2023

October 4, 2023



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**DLA PIPER (CANADA) LLP**

Barristers & Solicitors

Suite 2800, Park Place

666 Burrard St.

Vancouver, BC V6C 2Z7

**J. Kevin Wright**

Tel: 604.643.6461

Fax: 604.605.3577

kevin.wright@dlapiper.com

**Cristina Mihalceanu**





Tel: 416.862.3384




Fax: 416.369.7932

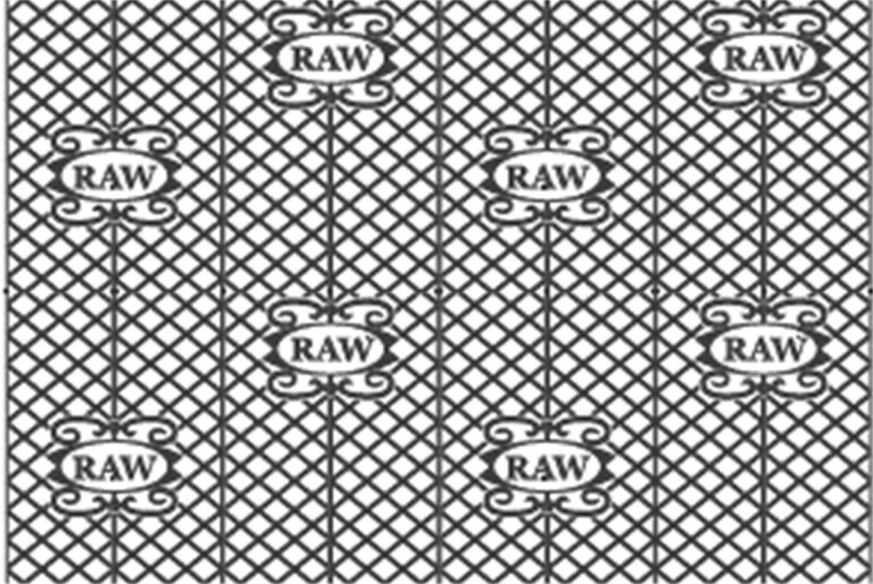


cristina.mihalceanu@dlapiper.com

Solicitors for the Plaintiff


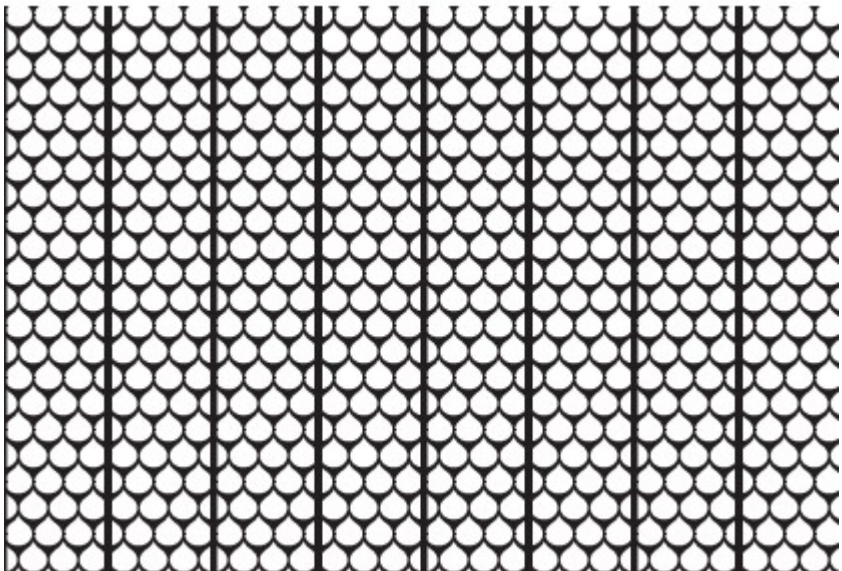

SCHEDULE "A"





| Title of Work           | Specimen   |
|-------------------------|--|
| RAW logo artwork        |    |
| RAW logo artwork        |    |
| RAW logo artwork        |   |
| RAWthentic logo artwork |  |


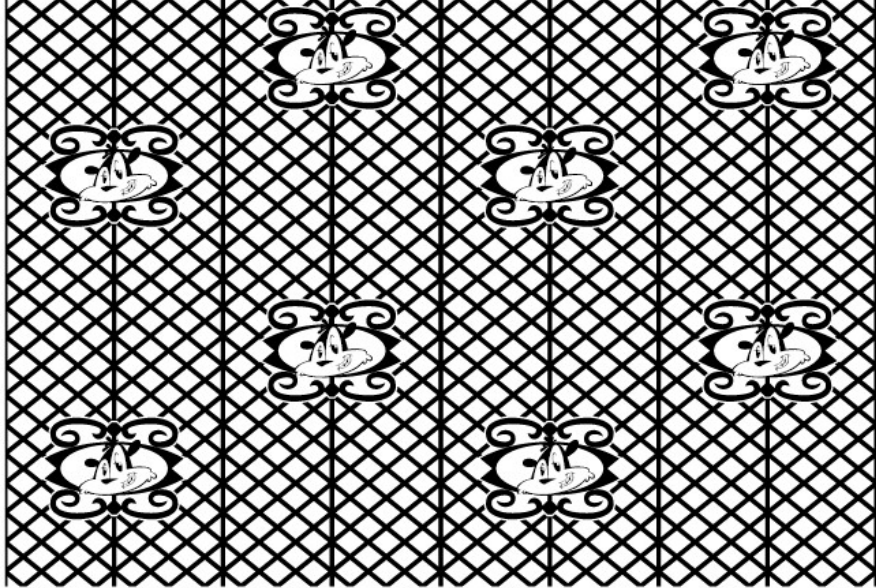



| Title of Work                   | Specimen   |
|---------------------------------|--|
| <p>RAW Classic logo artwork</p> |  <p>The logo features a circular emblem on the left with a leaf icon and the text 'AUTHENTIC PUREST NATURAL FIBERS UNREFINED'. To the right, the word 'RAW' is written in a large, bold, distressed font. Below 'RAW' is the text 'NATURAL UNREFINED ROLLING PAPERS' in a smaller, clean font.</p>                 |
| <p>RAW Organic logo artwork</p> |  <p>The logo features a circular emblem on the left with a leaf icon and the text 'LESS PROCESSED PUREST NATURAL HEMP FIBERS LESS PROCESSED'. Above the word 'RAW' is the word 'ORGANIC' in a bold, sans-serif font. Below 'RAW' is the text 'NATURAL UNREFINED HEMP ROLLING PAPERS' in a smaller, clean font.</p> |
| <p>RAW Black logo artwork</p>   |  <p>The logo features a circular emblem on the left with a leaf icon and the text 'AUTHENTIC PUREST NATURAL FIBERS UNREFINED'. Above the word 'RAW' is the text 'Black PAPERS' in a bold, sans-serif font. Below 'RAW' is the text 'NATURAL UNREFINED ROLLING PAPERS' in a smaller, clean font.</p>               |




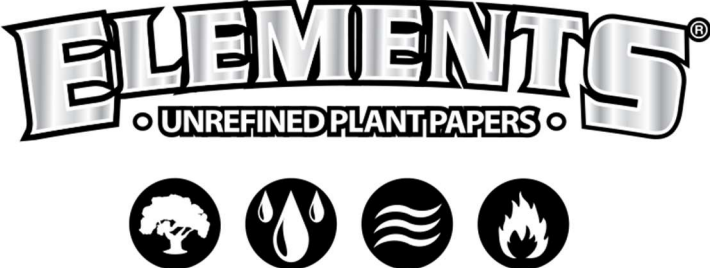
| Title of Work                       | Specimen  |
|-------------------------------------|---|
| RAW watermark                       |  A repeating pattern of a diamond mesh with 'RAW' logos. The word 'RAW' is written in a bold, serif font inside a decorative, ornate oval frame. This frame is centered within each diamond of the mesh, creating a grid of logos.  |
| JUCY<br>BLUNTARILLO<br>logo artwork |  A logo for 'JUCY BLUNTARILLO'. The word 'JUCY' is in a bold, rounded, sans-serif font, and 'BLUNTARILLO' is in a similar font below it. The text is set against a stylized, 3D-effect background that resembles a cigarette pack or a similar product shape.  |
| JUCY HERBS logo<br>artwork          |  A logo for 'Smokeable JUCY Herbs'. The word 'Smokeable' is in a smaller, bold, sans-serif font at the top. Below it, 'JUCY' is in a very large, bold, rounded, sans-serif font, and 'Herbs' is in a smaller, bold, sans-serif font at the bottom. The text is set against a stylized, 3D-effect background that resembles a leaf or a similar product shape. |


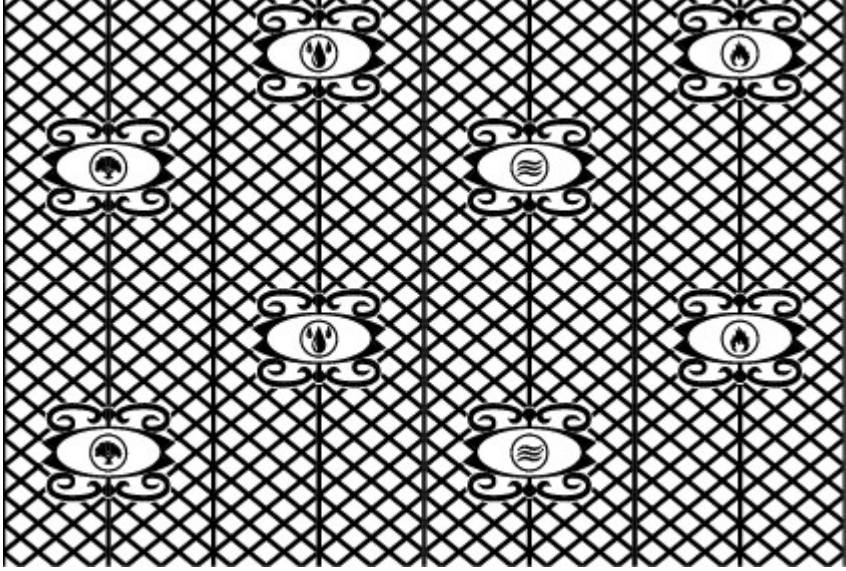



| Title of Work                                | Specimen   |
|--|--|
| <p>JUICY<br/>JUICIFIER logo<br/>artwork</p>  |  The logo features the word "JUICY" in a large, bold, stylized font with a 3D effect and a registered trademark symbol. Below it, the word "JUICIFIER" is written in a smaller, white, sans-serif font with a black outline, set against a dark, teardrop-shaped background. |
| <p>JUICY MISTIFIER<br/>logo artwork</p>      |  The logo features the word "JUICY" in a large, bold, stylized font with a 3D effect. Below it, the word "MISTIFIER" is written in a white, sans-serif font with a black outline, set against a dark, teardrop-shaped background.   |
| <p>JUICY<br/>HEMP WRAPS logo<br/>artwork</p> |  The logo features the word "JUICY" in a large, bold, stylized font with a 3D effect and a registered trademark symbol. Below it, the words "HEMP WRAPS" are written in a bold, sans-serif font with a 3D effect, set against a dark, teardrop-shaped background.          |

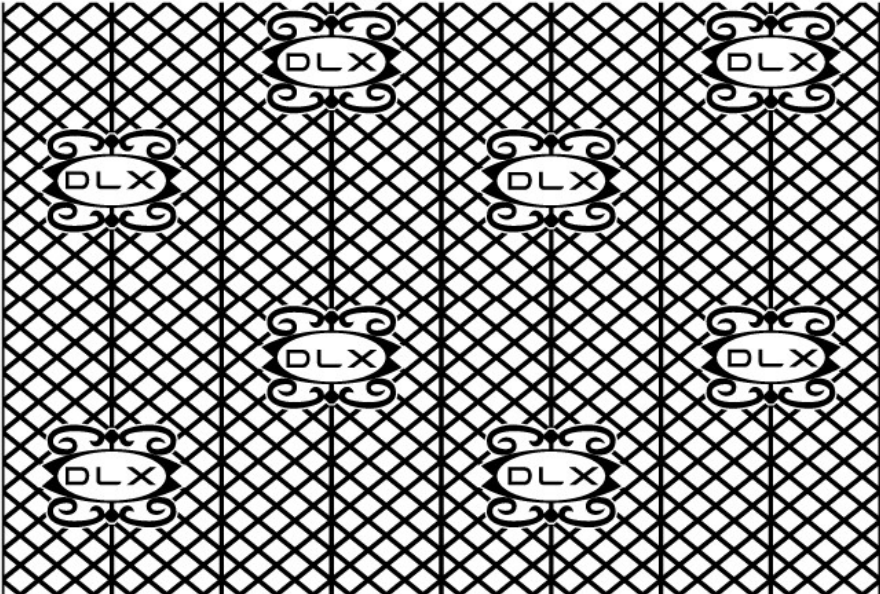




| Title of Work   | Specimen   |
|---|--|
| <p>JUICY JAY'S<br/>logo artwork</p>                         |    |
| <p>JUICY JAY'S<br/>watermark</p>                            |   |
| <p>JUICY JAY'S THAI<br/>INCENSE STICKS<br/>logo artwork</p> |  |

| Title of Work                                 | Specimen   |
|---|--|
| <p>JUICY JAY'S<br/>JONES<br/>logo artwork</p> |    |
| <p>JUICY<br/>logo artwork</p>                 |    |
| <p>SKUNK BRAND<br/>logo artwork</p>           |  |
| <p>SKUNK BRAND<br/>logo artwork</p>           |  |

| Title of Work               | Specimen   |
|-----------------------------|--|
| SKUNK BRAND<br>logo artwork |    |
| SKUNK BRAND<br>logo artwork |   |
| CYCLONES<br>logo artwork    |  |
| KINGPIN<br>logo artwork     |  |
| KINGPIN<br>logo artwork     |  |

| Title of Work                    | Specimen  |
|----------------------------------|---|
| <p>ELEMENTS<br/>logo artwork</p> |  <p>The logo features the word "ELEMENTS" in a bold, blocky, sans-serif font with a registered trademark symbol. Below it, the text "• ULTRA THIN RICE PAPERS •" is centered. Underneath are four circular icons: a tree, a water drop, wavy lines representing water, and a flame.</p>   |
| <p>ELEMENTS<br/>logo artwork</p> |  <p>The logo features the word "ELEMENTS" in a bold, blocky, sans-serif font with a registered trademark symbol. Below it, the text "• SLOW BURN HEMP PAPERS •" is centered. Underneath are four circular icons: a tree, a water drop, wavy lines representing water, and a flame.</p>    |
| <p>ELEMENTS<br/>logo artwork</p> |  <p>The logo features the word "ELEMENTS" in a bold, blocky, sans-serif font with a registered trademark symbol. Below it, the text "• PINK PAPERS •" is centered. Underneath are four circular icons: a tree, a water drop, wavy lines representing water, and a flame.</p>            |
| <p>ELEMENTS<br/>logo artwork</p> |  <p>The logo features the word "ELEMENTS" in a bold, blocky, sans-serif font with a registered trademark symbol. Below it, the text "• UNREFINED PLANT PAPERS •" is centered. Underneath are four circular icons: a tree, a water drop, wavy lines representing water, and a flame.</p> |

| Title of Work                    | Specimen   |
|----------------------------------|--|
| <p>ELEMENTS<br/>logo artwork</p> |    |
| <p>ELEMENTS<br/>watermark</p>    |   |
| <p>BUDDIES logo</p>              |  |
| <p>BUDDIES logo</p>              |  |
| <p>DLX logo</p>                  |  |

| Title of Work             | Specimen  |
|---------------------------|---|
| DLX watermark             |  <p>A repeating pattern of a diamond-shaped grid with decorative flourishes. Each flourish contains the letters 'DLX' in a stylized font.</p>           |
| HAMMERCRAFT logo          |  <p><b>HAMMER™<br/>CRAFT</b><br/>ALUMINUM GRINDERS</p>   |
| HAMMERCRAFT BULLSEYE logo |  <p><b>HAMMER™<br/>CRAFT BULLSEYE</b> <br/>ALUMINUM GRINDERS</p> |
| HAMMERCRAFT VOLT logo     |  <p><b>VOLT</b><br/>GRINDER</p>   |