ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

F. REHMAN

Plaintiff

and

ADOBE INC.
ADOBE SYSTEMS CANADA INC.

Defendants

Proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, C. 6

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 an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or 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 is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date May 7, 2026 Issued by ……

Local registrar

Address of Court office: Ontario Superior Court of Justice
161 Elgin Street, 2nd Floor
Ottawa, ON K2P 2K1

TO: **ADOBE INC.**
345 Park Avenue
San Jose, CA 95110-2704

ADOBE SYSTEMS CANADA INC.
Adobe Tower
343 Preston Street
Ottawa, ON K1S 1N4

A. OVERVIEW

1. The Plaintiff wishes to institute a class action on behalf of the following class, of which he is a member, namely:

> All persons resident in Canada (except Quebec) who were enrolled in an Annual Billed Monthly ("ABM") subscription for an Adobe product and who (a) paid an early cancellation fee, or (b) initiated the cancellation process for the ABM subscription, but ultimately did not complete it and thereafter paid the fee for the full year either because (i) they refused to pay the early cancellation fee, or (ii) they faced prohibitive obstacles to cancelling their subscription.

2. The present proposed class action concerns the Defendants' deceptive and unlawful practices pertaining to subscription services to its various paid products, which involve misleading enrollment and auto-renewal strategies whose objective is to manipulate customers to become unwittingly enrolled in subscriptions with improper disclosures. Customers such as the Plaintiff have been repeatedly misled about essential subscription terms, including their duration, the conditions for renewal, policies for cancellation, and the fees charged for cancelling subscriptions.

3. Defendants purposely designed their subscription enrollment process to conceal and neuter the accessibility of information on key terms of its subscriptions, obfuscating transaction terms to which customers are bound. This includes annual subscriptions that are presented as being monthly in nature and significant early termination fees charged to customers upon cancelling those subscriptions.

4. The cancellation processes for said subscriptions are also intentionally significantly laborious, essentially trapping customers into unwanted subscriptions.

5. The Plaintiff contends that the Defendants' conduct of enrolling Class Members into paid Adobe subscriptions without their free and informed consent of all essential conditions and then making it prohibitively difficult to cancel the subscriptions:

    - amounts to unfair practices under the *Consumer Protection Act, 2002*, S.O. 2002, the *General Regulation*, O Reg 17/05 and Other Canadian Consumer Protection Legislation in force in Canada's provinces and territories (other than Quebec),

- violates of ss. 13(1) to 13(4), inclusive, of the *Consumer Protection Act, 2002*, S.O. 2002 and analogous provisions in Other Canadian Provincial and Territorial Consumer Protection Legislation (other than Quebec);
- violates ss. 41 and 42 of the *General Regulation*, O. Reg., 17/05 and analogous provisions of Other Canadian Consumer Protection Legislation;
- involves false and/or misleading representations under the *Competition Act*, R.S.C. 1985, c. c-34, in addition to
- crystallizes the torts of predominant purpose or unlawful conspiracy, and/or negligent or fraudulent misrepresentation, and/or
- gives rise to unjust enrichment and a corresponding right to restitution.

6. The Plaintiff and each Class Member have incurred financial loss as a result of the Defendants' conduct.

7. The significant legally-cognizable injuries suffered by Plaintiff and Class Members are the direct and proximate result of the Defendants' faults and otherwise unlawful conduct.

8. The Defendants are therefore liable to compensate Plaintiff and Class Members for injuries they incurred. Restitutionary relief and disgorgement also sought in the further alternative. The Defendants are also liable to pay punitive damages to Plaintiff and Class Members due to the egregious and systemic nature of their unlawful conduct.

9. The Plaintiff also seeks injunctive relief enjoining Defendants to cease their deceptive practices.

B. DEFINED TERMS

10. In this Statement of Claim, the following terms have the following meanings:

a. "**Class**" and "**Class Members**" means all persons resident in Canada (except Quebec) who were enrolled in an Annual Billed Monthly ("ABM") subscription for an Adobe product and who (a) paid an early cancellation fee, or (b) initiated the cancellation process for the ABM subscription, but ultimately did not complete it and thereafter paid the fee for the full year, either because (i) they refused to pay the early cancellation fee, or (ii) they faced prohibitive obstacles to cancelling their subscription.

b. **"*Consumer Protection Act*"** means the *Consumer Protection Act, 2002*, S.O. 2002, c. 30. [1]

c. **"*General Regulation*"** means the *General Regulation*, O. Reg., 17/05.

d. **"Other Consumer Protection Legislation"** means *The Consumer Protection Act*, CCSM c. 200; the *Business Practices and Consumer Protection Act*, SBC 2004, c.2, as amended, including ss. 4, 5 & 8-10 (British Columbia); the *Consumer Protection Act*, RSA 2000, c C-26.3, as amended, including ss. 5-9 & 13 (Alberta); *The Consumer Protection and Business Practices Act*, SS 2013, c. C-30.2, as amended, including ss. 5-9, 16, 18-23, 26, & 36 (Saskatchewan); *The Business Practices Act*, CCSM, c B120, as amended, including ss. 2-9 & 23 (Manitoba); the *Consumer Protection and Business Practices Act*, SNL 2009, c C-31.1, as amended, including ss. 7-10, and the *Trade Practices Act*, RSNL 1990, c T-7, as amended, including ss. 5-7 & 14 (Newfoundland); the *Consumer Product Warranty and Liability Act*, SNB 1978, c 18.1 at ss. 4, 13, 15, & 23 (New Brunswick); the *Consumer Protection Act*, RSNS 1989, c 92, including ss. 26-29 (Nova Scotia); the *Business Practices Act*, RSPEI 1988, c B-7, as amended, including ss. 2-4 (Prince Edward Island); the *Consumers Protection Act*, RSY 2002, c 40, as amended, including ss. 58 & 86 (Yukon); the *Consumer Protection Act*, RSNWT 1988, c C-17, as amended, including ss. 70 & 71 (Northwest Territories); and the *Consumer Protection Act,* RSNWT (Nu) 1988, c C-17, incl. ss. 70 & 71 (Nunavut).

C. RELIEF SOUGHT

11. The Plaintiff claims against the Defendants on his own behalf and on behalf of the Class, of which he is a member:

a. an Order certifying this action as a class proceeding and appointing the Plaintiff as the Representative Plaintiff of the Class;

[1] Note that the *Consumer Protection Act, 2002* is scheduled to be "repealed on a day to be named by proclamation of the Lieutenant Governor" and replaced by the *Consumer Protection Act, 2023*, S.O. 2023, which "comes in to force on a day to be named by proclamation of the Lieutenant Governor."

b. a Declaration that the Defendants committed the tort of fraudulent or negligent misrepresentation by omitting or otherwise failing to adequately disclose key terms of Adobe subscriptions, including the presentation of annual subscriptions as being monthly in nature, and obscuring the significant early termination fees charged to customers upon cancelling those subscriptions;

c. a Declaration that the Defendants committed the tort of predominant purpose conspiracy or unlawful means conspiracy by agreeing to deploy misleading enrollment and auto-renewal strategies to manipulate customers to become unwittingly enrolled in subscriptions for Adobe services, and to make it prohibitively difficult to cancel the said subscriptions, in addition to charging significant cancellation fees;

d. a Declaration that the Defendants unjustly enriched themselves at Plaintiff and Class Members' expense in the amount corresponding to the subscription fees charged to class members who were prevented from cancelling their subscriptions, added to the subscription cancellation fees;

e. a Declaration that the Defendants violated ss. 13(1) to 13(4), and ss. 14(1), 15(1), 17(1) and 38(1) of the *Consumer Protection Act, 2002* and ss. 32(4), 32(5), 32(6), 32(7), s. 32(11), 32(14), 41(2) and 42 of the *General Regulation*, O. Reg. 17/05 and analogous provisions of Other Consumer Protection Legislation by failing to disclose or adequately disclose central terms of subscriptions to Adobe services including their duration, the conditions for renewal, policies for cancellation, and the fees charged for cancelling subscriptions;

f. pursuant to s. 13(5) of the *Consumer Protection Act, 2002* and other provisions of Other Consumer Protection Legislation, an order enjoining the Defendants to issue a refund of all amounts paid by customers who were enrolled into and/or automatically renewed in an Adobe subscription.

g. a Declaration that the Defendants violated s. 52 of the *Competition Act* by omitting or otherwise failing to disclose or adequately disclose central terms of subscriptions

to Adobe services including their duration, the conditions for renewal, policies for cancellation, and the fees charged for cancelling subscriptions;

h. Injunctive relief enjoining the Defendants to provide adequate disclosure of central terms of subscriptions to Adobe services including their duration, the conditions for renewal, policies for cancellation, and the fees charged for cancelling subscriptions;

i. special damages for out-of-pocket and inconvenience expenses incurred;

j. restitution to the extent of the unjust enrichment realized by Defendants;

k. disgorgement of profit realized by Defendants at Plaintiff and Class Members' expense;

l. an order enjoining the Defendants to reimburse the Plaintiff and Class Members the price of the subscriptions they were enrolled into and/or the fees charged for early termination of each subscription;

m. punitive and exemplary damages, including under s. 18(11) of the *Consumer Protection Act* and analogous provisions of Other Consumer Protection Legislation;

n. a reference to decide any issues not decided at the trial of the common issues;

o. costs of this action on a substantial indemnity basis or in an amount that provides full indemnity plus the costs of distribution of an award under ss. 24 or 25 of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 ("*CPA*");

p. costs of administration and notice, plus taxes, associated with the distribution and the fees payable to a person administering the distribution pursuant to s. 26(9) of the *Consumer Protection Act*;

q. pre-judgment compounded and post-judgment interest pursuant to ss. 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. 43; and

r. Such further and other relief as this Honourable Court deems just.

D. THE PARTIES

The Plaintiff

12. The Plaintiff resides in Ajax, Ontario.

13. On or about May 6, 2025, the Plaintiff saw a promotional offer for Adobe Creative Cloud Pro for $44.62 per month after taxes. He decides to purchase it. Apparently, the Plaintiff was "guided" to an Annuel Billed Monthly (ABM) subscription, though he didn't understand the implication of this at the time.

14. On August 6, 2025, the Plaintiff's Adobe Creative Cloud Pro monthly payment increases to $89.26 per month, evidently the "promotion" is over, though the Plaintiff didn't realize this until he saw his credit card statement in October/November 2025.

15. At that time, the Plaintiff goes online to cancel his Adobe membership. He spends significant time looking at different webpages trying to find a cancellation link – eventually, he finds it. He starts going through the process, entering and exiting multiple screens, logging in again, and attempts to cancel his subscription. For the first time, the Plaintiff discovers that he can't just cancel; he is shocked. He is informed that he is enrolled for the full year (and not month to month). Because of this, he is now liable for an early termination fee.

16. The Plaintiff is shown that in order to cancel, he must pay approximately $300-$400 – which he finds outrageous. He is informed that he could "change his plan" instead.

17. The Plaintiff feels trapped. He doesn't absolutely need the Adobe product, as there are other alternatives that he can use; further, he is not using the Adobe product very much anyhow. The Plaintiff decides to defer his decision, as he can't afford to pay such a high cancellation fee in one shot.

18. The Plaintiff continues to be billed $89.26 per month until he sees the charge on his statement on March 6, 2026. He gets extremely frustrated and now is insistent on cancelling. He also wants to make sure that he cancels before Adobe auto-renews his subscription. He is also aware that, because the penalty is 50% of the remaining months, the amount will now be lower.

19. On March 7, 2026, the Plaintiff pays an early termination fee of $39.50 plus HST of $5.14, for a total of $44.64. He receives a confirmation of his cancellation by email.

The Defendants

20. Defendant Adobe Inc. is a Delaware corporation whose principal place of business is located in San Jose, California. Adobe Inc. is one of the most prominent software corporations in the world, with such universally-renowned software as Acrobat, Illustrator, Photoshop, Creative Cloud, and more.

21. Defendant Adobe Systems Canada Inc., also known as Adobe Canada, is a subsidiary of Defendant Adobe Inc. with a principal place of business in Ottawa, Ontario. Adobe Canada conducts business in Ontario and the rest of Canada.

22. Adobe Canada's website (www.adobe.com/ca) is not a standalone website but rather a set of webpages linked directly to Adobe Inc.'s website www.adobe.com.

23. The Defendants are collectively referred to herein as "Adobe" unless otherwise specified.

24. On information and belief, Defendant Adobe Canada operates as Adobe Inc.'s corporate alter ego in Canada such that they are neither separate nor independent.

25. Adobe Canada is directly controlled by Adobe Inc., which directs Adobe Canada's operations and corporate policies.

26. Adobe has directly and indirectly derived substantial revenue from the sale of subscriptions to its array of software products, including significant revenue derived from the sale of subscriptions to customers resident in Ontario and the rest of Canada.

27. The Adobe Defendants are jointly and severally liable for the acts and omissions of the other based on the following reasons:

- each Defendant was the other's agent;
- each Defendant's business was operated so as to be inextricably intertwined with the other's business as one corporate enterprise;

- each Defendant entered into a common advertising, promotion, and subscription strategy with the other;

- each Defendant carried their operations pursuant to a common business plan that was jointly developed;

- each Defendant intended for their businesses to appear to be operated, and were in fact operated, as one common business organization.

E. FACTS

I. The Contemporary "Subscription Economy"

a) Ubiquity of Software Subscriptions

28. Subscriptions have become ubiquitous in the software industry, whereby software can be accessed on a subscription basis entailing the payment of recurring fees.

29. Initially, software providers employed a model based on perpetual licenses, whereby customers paid a one-time fee to access and use a given software perpetually. Over time, the expansion of the digital age and the ubiquity of cloud-based software saw software providers shift to subscription-based models in lieu of perpetual licensing. With this shift of models came an increase in software providers' revenue derived from recurring fees.

30. The subscription-based model sees customers pay recurring fees – for example, on a weekly, monthly, or yearly basis – in exchange for access to the relevant software products and services.

31. Accompanying the shift to the subscription-based model are mechanisms for automatic renewal of the relevant subscriptions under customers are continuously automatically billed unless they deliberately cancel. This marked a shift from subscription-based models requiring customers to actively and deliberately renew at the end of each subscription term, failing which the subscription would not be renewed.

32. Automatic renewal mechanisms are often justified as being convenient to customers; however, the main benefit accrues to software providers and other businesses making use of

such mechanisms, as subscribers are retained for longer periods and serve as constant revenue streams. An underlying assumption in using automatic renewal mechanisms is that customers are likely to forget or otherwise omit to prevent renewal of their subscription.

b) Deceptive Practices and Consumer Protection Concerns

33. Subscription and auto-renewal models and mechanisms are increasingly raising concerns regarding consent, transparency, and the difficulty of cancelling subscriptions subject to auto-renewal.

34. In essence, Defendants and other business employing these models and mechanisms deploy deceptive, misleading, fraudulent, and unfair practices to manipulate customers into recurring subscriptions and/or discourage or actively block them from cancellation. These practices are motivated by the imperative of maximizing profits.

35. Common examples of these unfair, misleading, deceptive and fraudulent practices include:

- Making subscriptions easy and/or automatic by default, but making cancellation highly difficult or functionally impossible;
- Advertising low prices to encourage customers to begin the subscription process, but adding hidden charges and fees at the checkout stage;
- Automatically enrolling customers in recurring subscription or payment plans by default without clear disclosure or explicit consent;
- Setting up obstacles, hurdles, or barriers making it difficult for customers to access information or cancel their subscription;
- Hiding or postponing presentation of relevant or material information about a transaction to customers;
- Using misleading or confusing language to entire users to take or refrain from taking particular actions.

II. Summary of Problematic Practices Giving Rise to the Present Proposed Class Action

36. The present class action alleges that Plaintiff and Class Members were:

a) Enrolled into Adobe software subscriptions without their free, prior and informed consent through Adobe's use of deceptive or ambiguous user interfaces on the www.adobe.com/ca (including pre-checked boxes, default options, and unclear disclosures); and/or

b) Encountered deliberately obstructive and unreasonable obstacles to cancelling their subscriptions.

a) ***Adobe's Problematic Subscription Practices***

a.i) Adobe's Subscription Offers

37. Adobe transitioned to a subscription-based model for its software products in 2012. It was among the first major software companies to do so.

38. Adobe's subscription-based model and auto-renewal mechanisms have proven highly lucrative to its bottom line, generating $21.51 billion in 2024 alone.

39. Adobe's subscription-based model involves providing access to given Adobe software products and services through subscription plans that automatically renew at the end of the subscription. Adobe's three subscription plans options are all auto-renewal: (1) Monthly Plan; (2) Annual Plan, billed monthly ("ABM"); and (3) Annual Plan, paid for in advance ("APPA").

40. Note that the three types of subscription plan are not necessarily available for all of Adobe's software products.

41. The Monthly Plan is a month-to-month subscription without any term commitment. The ABM subscription lasts an entire year and involves customers paying the annual subscription fee in monthly installments. The APPA subscription also lasts an entire year but involves customers paying the entire annual fee at the outset.

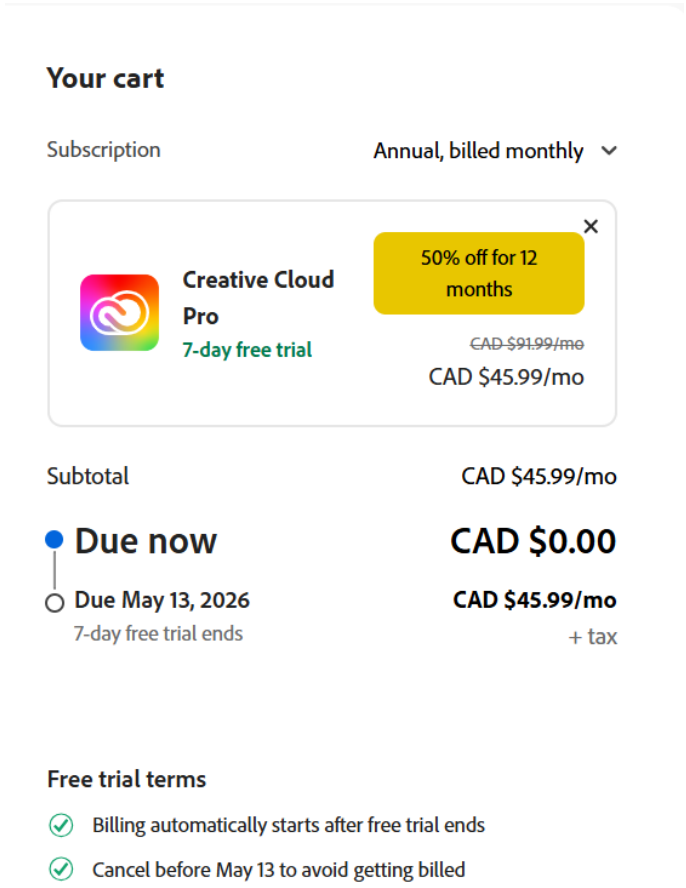
a.ii) Promotional Pricing and Free Trials

42. Defendants lure customers into subscriptions by offering a free trial that still requires customers to provide their credit card information. Signing up for a free trial indeed requires

customers to enter their credit card information and to agree to be enrolled automatically into a subscription plan when the free trial period concludes.

43. Defendants do not force or otherwise require customers to reconfirm their consent to enroll in the paid subscription when the free trial ends; Adobe automatically enrolls and bills the customer. Significantly, there no free trial options that allow customers to select whether to enroll in a paid subscription once the free trial period concludes.

44. **Screenshot A** displays the checkout page for beginning a free trial:



45. Screenshot A clearly shows that customers are required to enter their credit card information in order to access the free trial. Importantly, both the terms of the free trial and the subscription are only presented to customers after they have entered their payment information.

46. The fine print of the free trial and subscription terms and conditions are displayed only at the very end of the page in small font and with separately hyperlinks that only open if the customer actually clicks on it.

47. As such, under Adobe's subscription model, customers who accept the trial offer are required to agree to become automatically enrolled in the paid subscription at the expiration of the free trial period and for their credit card to be charged automatically. Customers are not provided with the opportunity to choose a free trial that does not involve automatic enrollment.

b) ***Adobe's Misleading Enrollment Processes***

48. The enrollment process used by Adobe failed to clearly and prominently disclose and instead deliberately obscured key terms of the Annual Billed Monthly ("ABM") subscription package. This includes the fact that the said subscription is not a monthly plan but a one-year subscription; the existence and amount of the early termination fee; and the relationship between the one-year subscription and the early termination fee.

49. The overall impact of Adobe's insufficient disclosure is to manufacture customers' consent to enroll in a monthly commitment that is actually a one-year subscription that requires payment for an entire year of service, unless they pay a substantial financial payment for early cancellation.

b.i) The ABM's Terms and Conditions

50. Subscriptions under the ABM Plan include the following material terms:

- The subscription is for an entire year;
- Only subscribers who cancel their subscription within 14 days after the date of initial purchase will receive a full refund;
- Subscribers are automatically charged every month until they cancel;
- An early termination fee is charged if the subscriber cancels before the end of the subscription year;

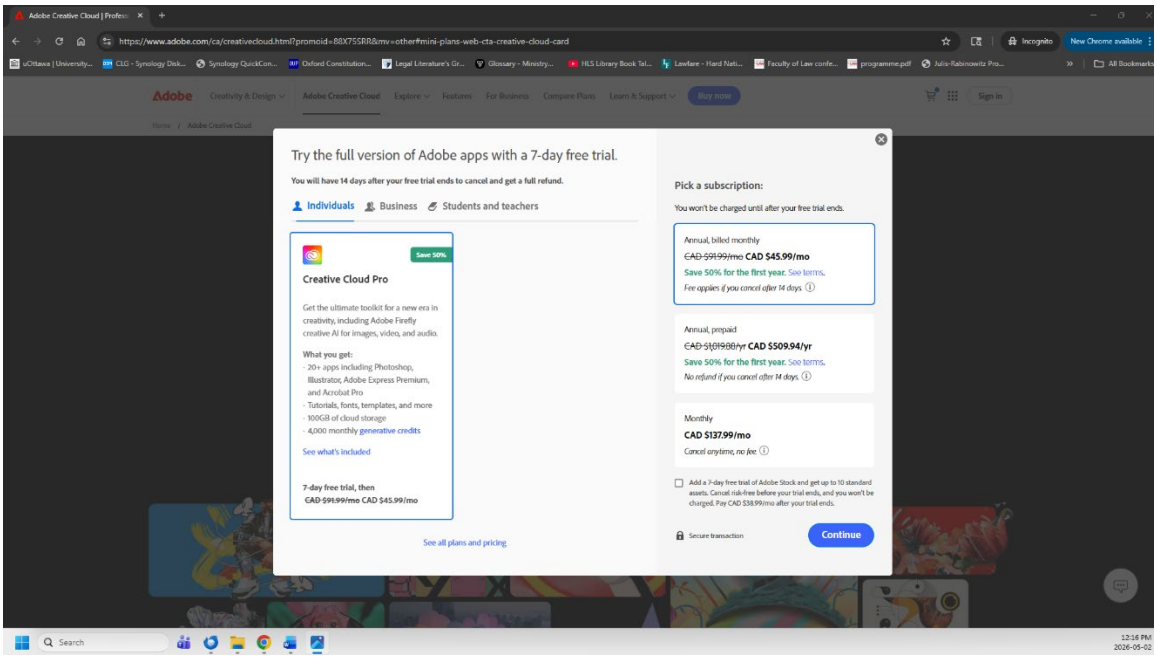
- The early termination fee corresponds to 50% of the total fees for the months remaining in the subscription year at the time of termination;
- Upon cancellation of the subscription, Adobe terminates service at the end of the month in which during cancellation was requested.

51. Overall, the ABM Plan traps unwitting customers into annual subscriptions that strongly discourage customers from cancelling and that automatically renew at the end of each subscription year.

b.ii) Problematic Subscription Selection Process

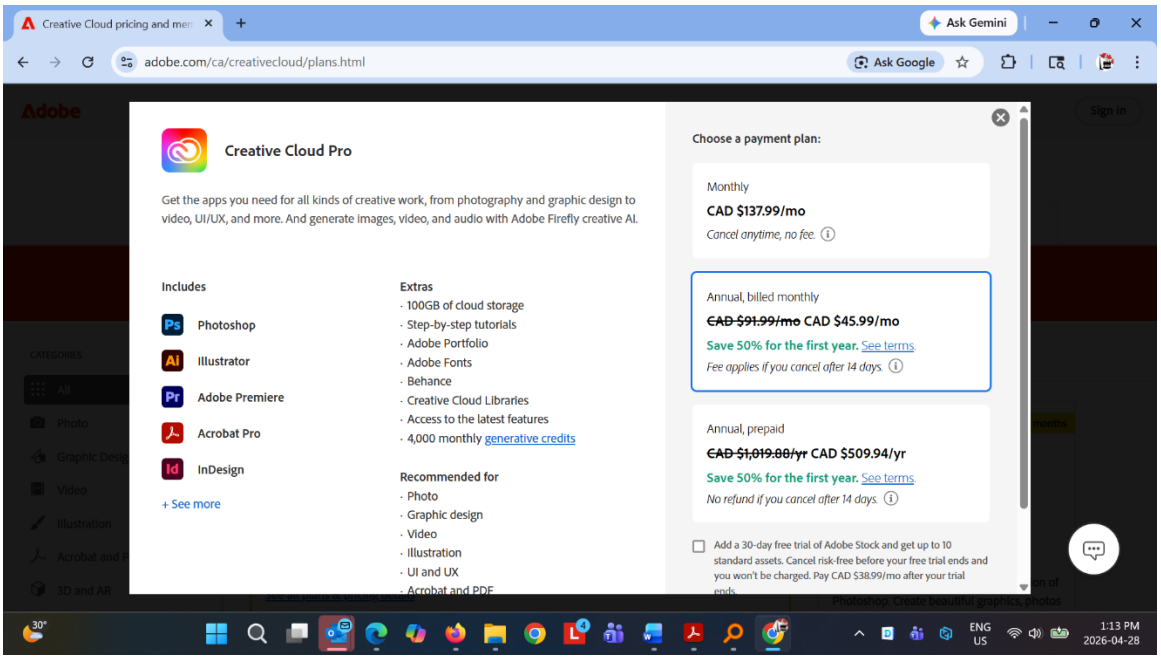
52. Adobe software products can be purchased online by customers at www.adobe.com/ca by selecting the relevant software product and completing the enrollment process.

53. The beginning of the enrollment process typically involves Adobe proposing to customers various subscription options available for a given product. **Screenshot B**, displayed below, showcases a subscription selection page.



54. As appears in this screenshot, the various subscription options are showcased next to each other, with the subscription cost for each option shown in large bold font.

55. The ABM Plan is preselected as the default in the enrollment process, even if it is not always presented as the first option on the list of plans. As well, only a monthly price is displayed, rather than the entire fee for the annual subscription for which payments are made monthly:

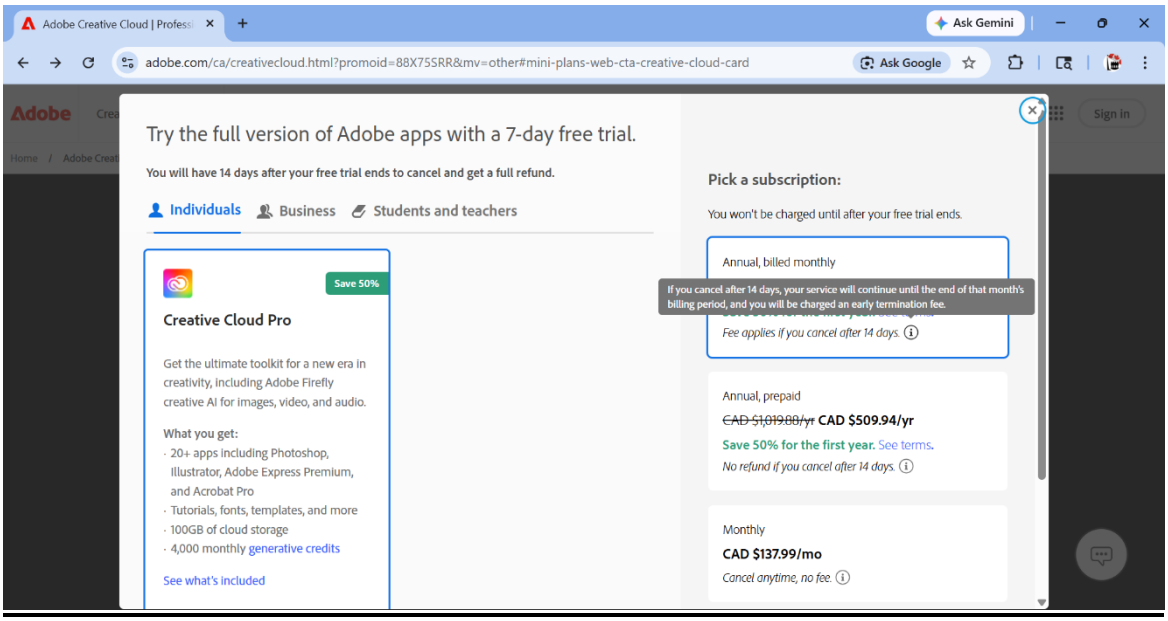


56. As well, for certain software products, the only subscription option offered is the ABM Plan.

57. In either case, the total annual cost is not displayed; only the amount to be charged on a monthly basis.

58. As appears in Screenshot B, each subscription option is accompanied by faint gray text under the price with an icon comprised of the letter "i" in a circle next to the text. The text for the ABM subscription reads "Fee applies if you cancel after 14 days." To obtain for more information, customers must hover over or click the "i" icon. If customers fail to do either, they will not see the information displayed under the icon.

Screenshot C



59. Screenshot C shows the box that pops up when the customer hovers over or clicks on the "i" icon. Screenshot C shows that the pop-up box for the ABM subscription provides: "If you cancel after 14 days, your service will continue until the end of that month's billing period, and you will be charged an early termination fee."

60. Significantly, the Subscription Selection page provides no information as to the amount of the early termination fee, the method of its calculation, or its relationship to the total subscription price.

61. As well, the phrasing used in the text appearing in the pop-up box appears to suggest that cancelled subscriptions are terminated at the end of the month, without alerting customers of the potential significant termination fee applicable to the full remaining annual subscription.

62. Nowhere on the Subscription Selection page does a clear statement appear providing that the subscription is actually an annual subscription.

b.iii) Account Creation Pages and Additional Offers

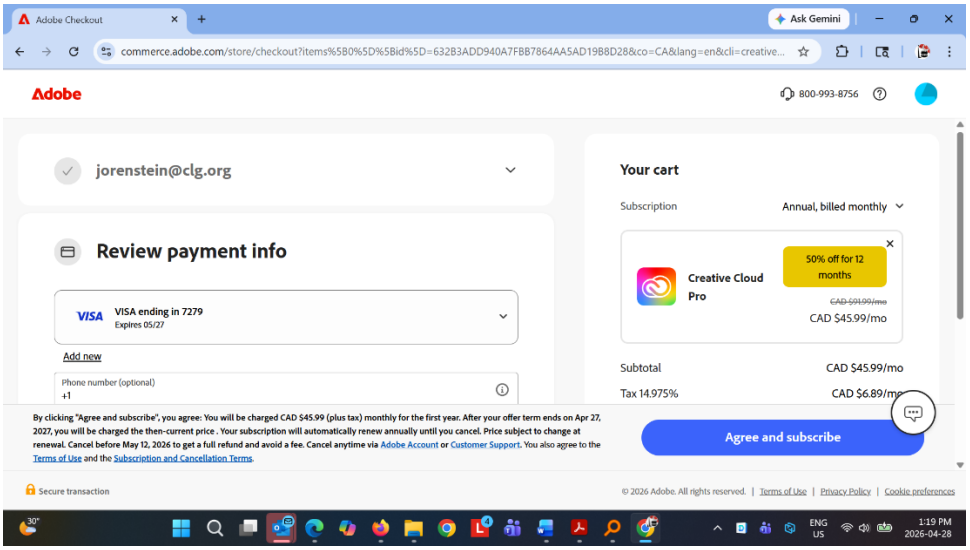
63. Once customers have selected a subscription, or maintained the default subscription choice, they must then access additional webpages to proceed with enrollment. This includes a webpage featuring additional offers to add other products and/or services, which are themselves presented with a free trial, and a webpage where customers are required to create an Adobe account or sign in to their existing account.

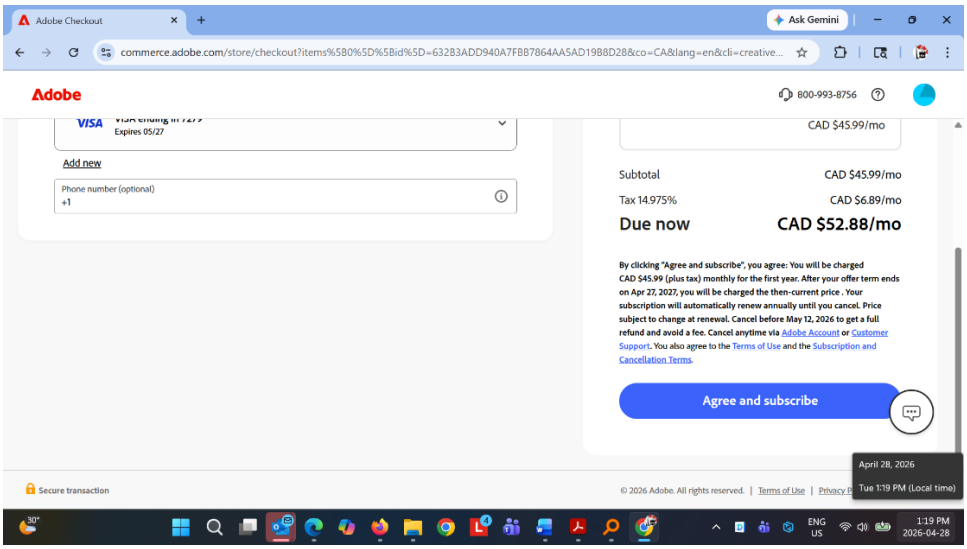
64. Nowhere on the additional webpages can be found any information or details about the subscription terms, including its length or early termination fee.

c) The Final Checkout Page

65. After customers have navigated these additional pages, customers are then navigated to a final checkout webpage, where they are then to enter their credit card information, as seen in Screenshot D (displayed below).

Screenshot D





66. The webpage displayed in the above screenshot prominently highlights the "monthly" aspect of ABM subscription plans, with the subscription cost repeatedly shown being the per-month installment price. By contrast, the total annual subscription cost does not appear anywhere on the webpage.

67. Nor is the annual nature of the subscription expressly disclosed; there is only an indirect allusion to the one-year subscription commitment through the reference to the automatic renewal at the end of the year and the lack of any subsequent commitment.

68. As well, the annual subscription confusingly transfers into a month-to-month subscription after the first year, which furthers the false impression that the ABM Plan is a flexible monthly subscription agreement.

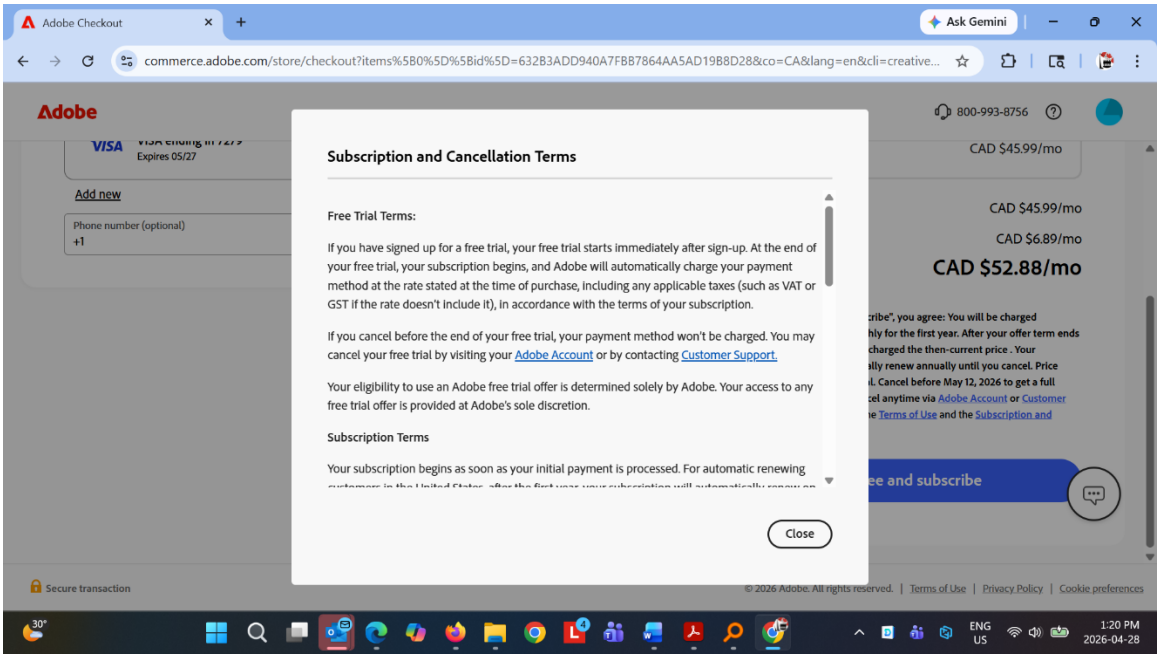
69. Further, the text provides insufficient disclosure to customers informing that they can "Cancel before [given date] to get a full refund and avoid a fee," but without clarifying that this is an early termination fee, or providing any information as to its amount.

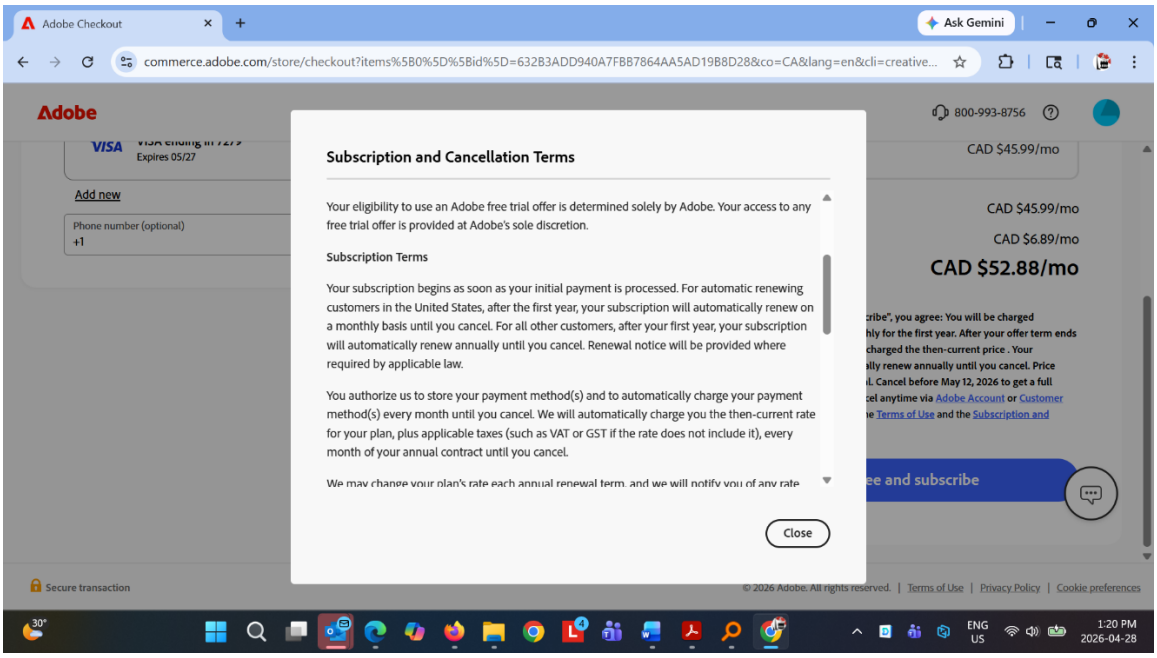
70. As well, this sentence is ambiguously followed by assuring customers that they may "Cancel anytime via Adobe Account or Customer Support", falsely suggesting ease and flexibility that fits uncomfortably with the significant fees triggered by early cancellation.

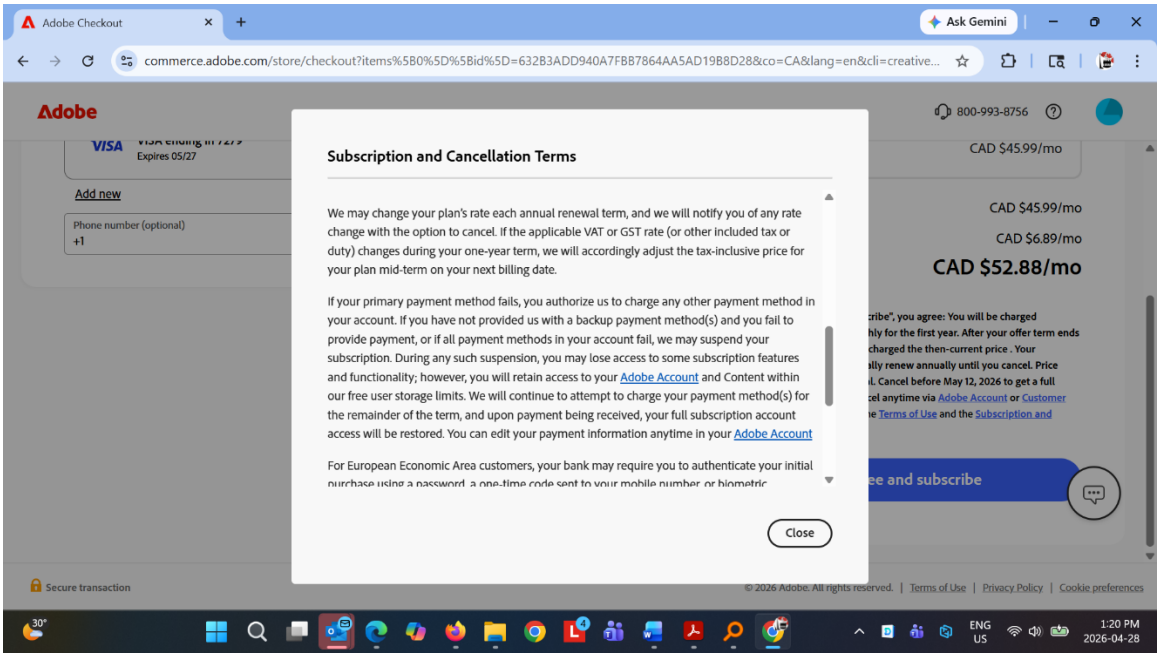
71. The subscription and cancellation terms can only be accessed by customers who click on the "Subscription and Cancellation Terms" link, which is inconveniently presented with several other links at the tail end of the paragraph. Clicking the link raises a pop-up window as shown in **Screenshot E** below, which marks the first time that the actual subscription terms are made available to customers.

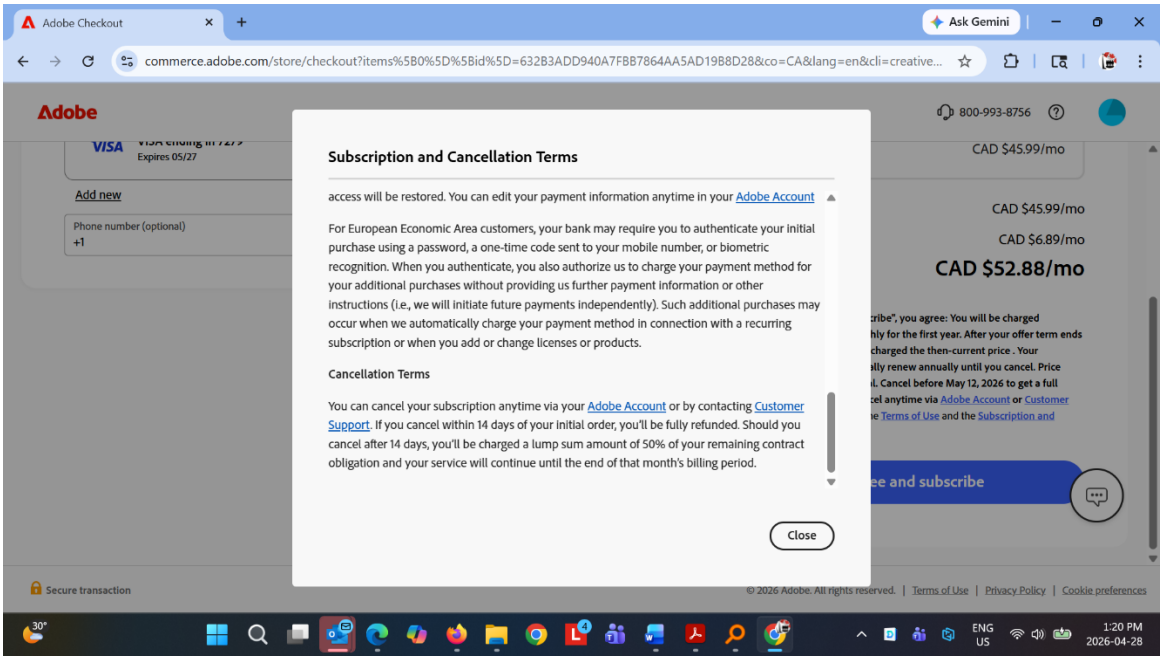
72. Once the pop-window is raised, customers must scroll to the very bottom to access the cancellation terms. This marks customers' first and only opportunity to obtain any particular information about cancellation and the early termination fee as part of the convoluted enrollment process.

73. As appears in Screenshot E, the cancellation terms provide "If you cancel within 14 days of your initial order, you'll be fully refunded. Should you cancel after 14 days, you'll be charged a lump sum of 50% of your remaining contract [sic] obligation and your service will continue until the end of that month's billing period."




Adobe Checkout
Ask Gemini
commerce.adobe.com/store/checkout?items%5B0%5D%5Bid%5D=632B3ADD940A7FBB7864AA5AD19B8D28&co=CA&lang=en&cli=creative...
Adobe
800-993-8756
VISA
Expires 05/27
Add new
Phone number (optional)
+1
CAD $45.99/mo
CAD $45.99/mo
CAD $6.89/mo
CAD $52.88/mo
Subscription and Cancellation Terms
Your eligibility to use an Adobe free trial offer is determined solely by Adobe. Your access to any free trial offer is provided at Adobe's sole discretion.
Subscription Terms
Your subscription begins as soon as your initial payment is processed. For automatic renewing customers in the United States, after the first year, your subscription will automatically renew on a monthly basis until you cancel. For all other customers, after your first year, your subscription will automatically renew annually until you cancel. Renewal notice will be provided where required by applicable law.
You authorize us to store your payment method(s) and to automatically charge your payment method(s) every month until you cancel. We will automatically charge you the then-current rate for your plan, plus applicable taxes (such as VAT or GST if the rate does not include it), every month of your annual contract until you cancel.
We may change your plan's rate each annual renewal term, and we will notify you of any rate
Close
Secure transaction
© 2026 Adobe. All rights reserved. | Terms of Use | Privacy Policy | Cookie preferences
ENG US
1:20 PM
2026-04-28

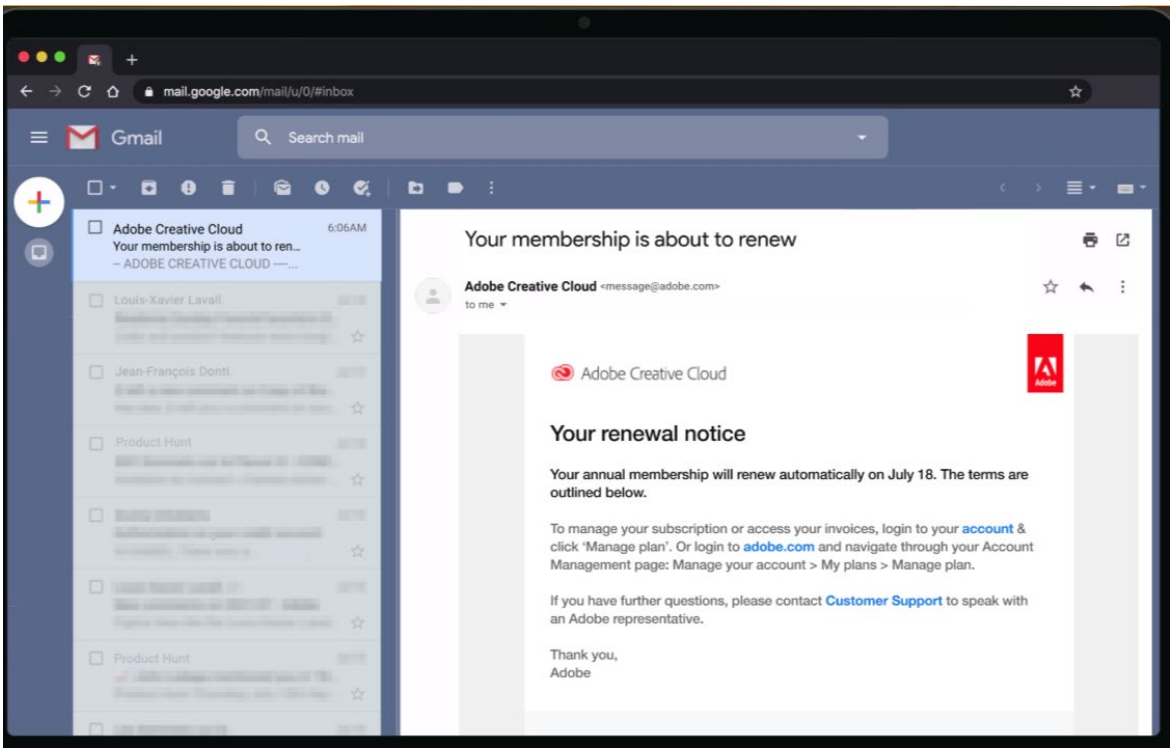

Adobe Checkout
Ask Gemini
commerce.adobe.com/store/checkout?items%5B0%5D%5Bid%5D=632B3ADD940A7FBB7864AA5AD19B8D28&co=CA&lang=en&cli=creative...
Adobe
800-993-8756
VISA
Expires 05/27
Add new
Phone number (optional)
+1
CAD $45.99/mo
CAD $45.99/mo
CAD $6.89/mo
CAD $52.88/mo
Subscription and Cancellation Terms
We may change your plan's rate each annual renewal term, and we will notify you of any rate change with the option to cancel. If the applicable VAT or GST rate (or other included tax or duty) changes during your one-year term, we will accordingly adjust the tax-inclusive price for your plan mid-term on your next billing date.
If your primary payment method fails, you authorize us to charge any other payment method in your account. If you have not provided us with a backup payment method(s) and you fail to provide payment, or if all payment methods in your account fail, we may suspend your subscription. During any such suspension, you may lose access to some subscription features and functionality; however, you will retain access to your Adobe Account and Content within our free user storage limits. We will continue to attempt to charge your payment method(s) for the remainder of the term, and upon payment being received, your full subscription account access will be restored. You can edit your payment information anytime in your Adobe Account
For European Economic Area customers, your bank may require you to authenticate your initial
Close
Secure transaction
© 2026 Adobe. All rights reserved. | Terms of Use | Privacy Policy | Cookie preferences
ENG US
1:20 PM
2026-04-28



74. The cancellation terms remarkably present the cost of cancellation as a "lump sum amount", eschewing the term "fee" used repeatedly in the enrollment process, making it more difficult for customers to connect the two. As well, the cancellation terms mark the only instance in which the early cancellation fee is expressly linked to the total value of the contract, an essential detail.

75. The relevant text further fails to clarify the meaning of the phrase "remaining contract obligation" [sic] and does not expressly reference the year-long length of the subscription.

76. In addition, the automatic renewal process used is significantly opaque, and the email sent by Adobe prior to automatic renewal does not allow for customers to provide informed consent for renewal as the email fails to disclose key terms of the subscription and renewal (such as the associated subscription fees).



77. This opaque and under-descriptive renewal notice attempts to capitalize on what is known as "status quo bias," a term used in psychology to characterize the individual human inclination not to change the way things are – the status quo. Status quo bias reflects the unconscious tendency to preserve mental resources and to avoid the stress and effort associated with changing course.

78. Status quo bias notably explains why many customers maintain their subscriptions even if they barely use them. The failure to disclose key terms like subscription fees feeds into and further cultivates status quo bias, as alerting customers to such terms would serve as incentives to abandon the costly status quo.

79. As discussed below, even if customers wish to cancel their subscription, they are then faced with an overly complex subscription cancellation process designed to discourage and thwart them from doing so in order to remain enrolled in the relevant Adobe subscription.

III. *Adobe's Overly Complex Subscription Cancellation Process*

80. Another central aspect of the present proposed class action is that Class Members encountered deliberately obstructive and unreasonable obstacles to cancelling their subscriptions (i.e. "dark patterns". This compounds the deleterious and unlawful impacts of Adobe's subscription enrollment process, as discussed hereinabove.

81. Various aspects of the overly and needlessly complex cancellation process are detailed below.

a) Early Termination Fees

82. A signal feature of Adobe's deliberately obstructive and unreasonable cancellation process is the early termination fee charged to customers who were subscribed to an ABM Plan. This fee amounts to 50% of the months remaining in the annual subscription at the time of cancellation.

83. As the enrollment process is itself misleading, customers often only learn about the early cancellation fee at the time they inquire into or begin the cancellation process. Unsurprisingly, in discovering the cancellation fee, customers are then discouraged from proceeding with the cancellation, so as to avoid incurring the significant early cancellation fee.

84. The combined effect of the prohibitive early cancellation fee and the immediate inaccessibility of software products and/or services operates as a significant deterrent to cancellation, essentially forcing Class Members to pay for the rest of the subscription without continuing to enjoy its benefits.

85. Importantly, only cancellation of the ABM subscription leads to the immediate loss of access to products and/or services from the time of cancellation. By contrast, customers who have subscribed to the Annual Plan who cancel after 14 days continue to have access to the relevant product(s) for the rest of the one-year period. This further shows the uniquely punitive nature of the ABM Plan.

b) Overly Complex Cancellation Process (Dark Patterns)

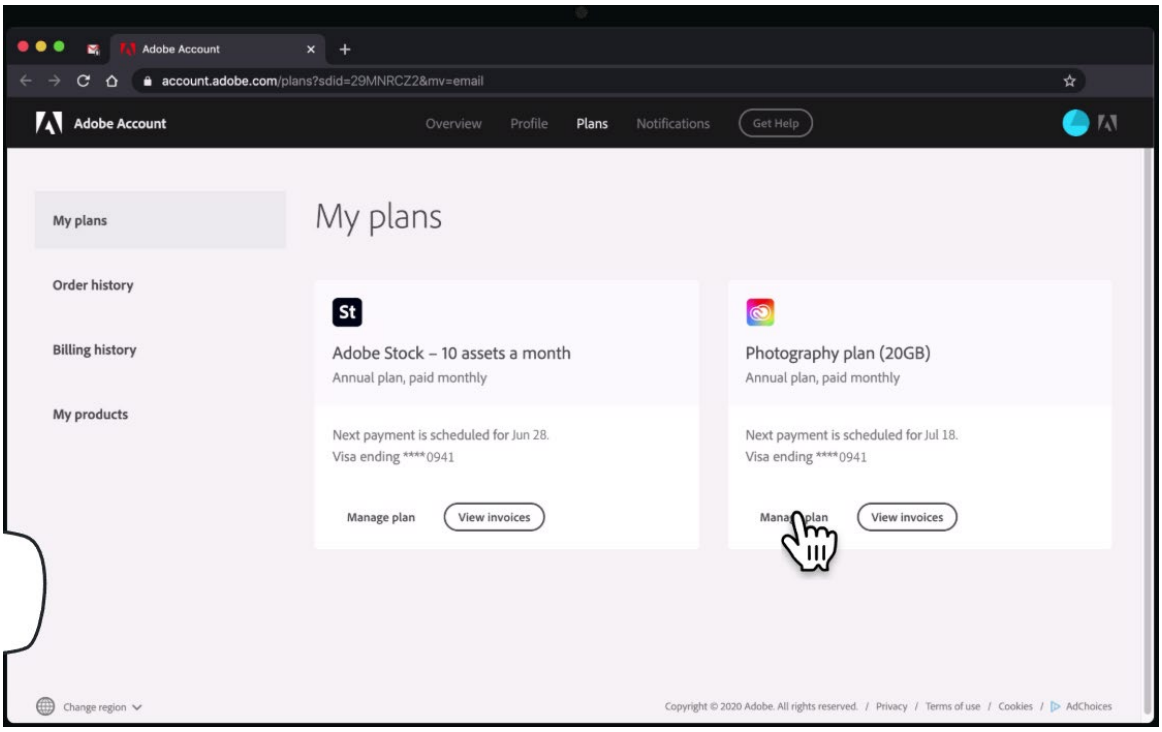
86. Adobe intentionally designed and structured the subscription cancellation process to be frustrating and confusing for customers in order to cynically discourage them from cancelling and to remain subscribed to the relevant plan. Adobe's conduct is deliberate, as it could have purposely designed the cancellation process to be simple and accessible.

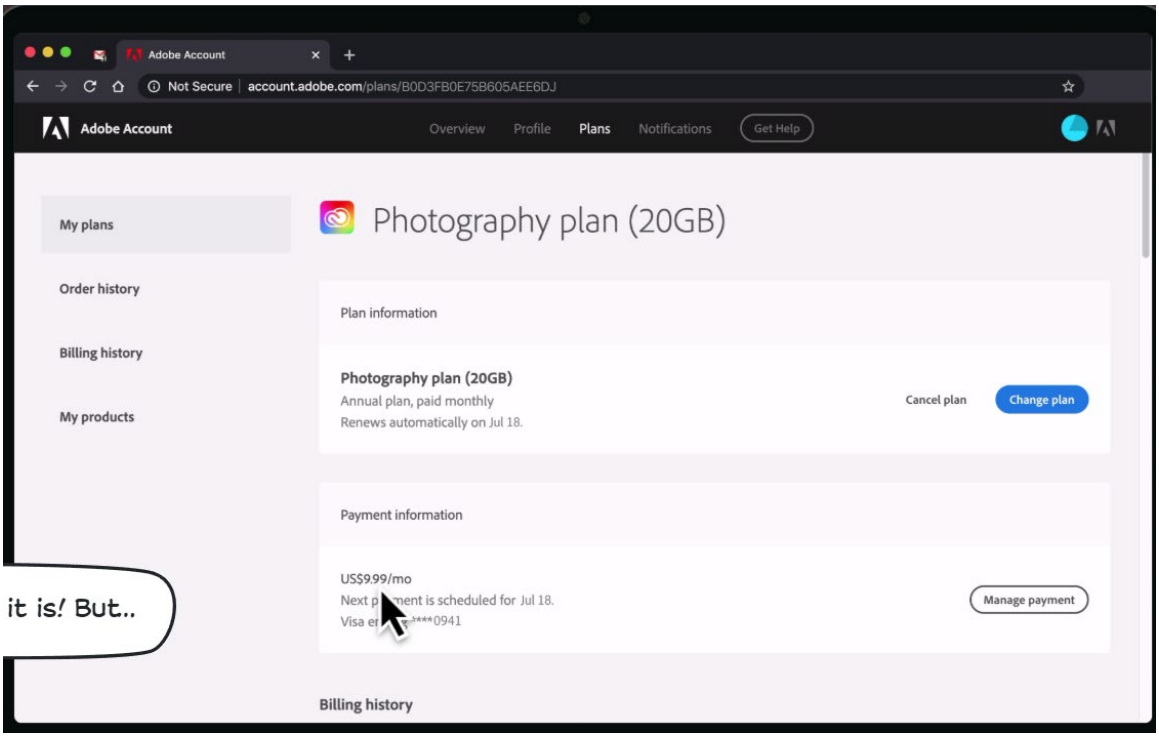
87. Adobe represents to customers that a subscription may be cancelled online at any time by accessing their Adobe Account page or by contacting Adobe's Customer Service.

88. The cancellation process is not, however, as simple as might appear. Customers must instead repeatedly make efforts through several channels to cancel their subscription. Adobe also repeatedly tries to persuade customers not to proceed with the cancellation by offering free trials, discounts, add-ons, and other promotions.

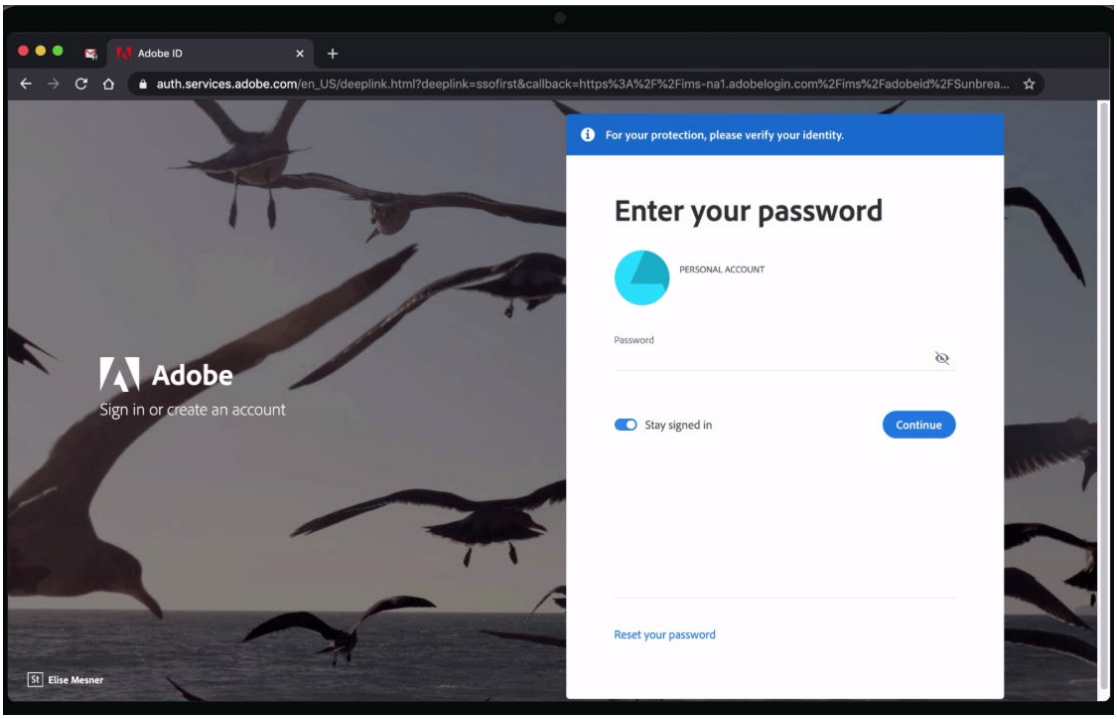
89. In some cases, customers who were able to cancel their subscription continued to be charged for the subscription and had no choice but to contact Adobe to make the payments stop and receive a refund.

90. Below are a few sequentially-presented screenshots of Adobe's overly complex cancellation process.

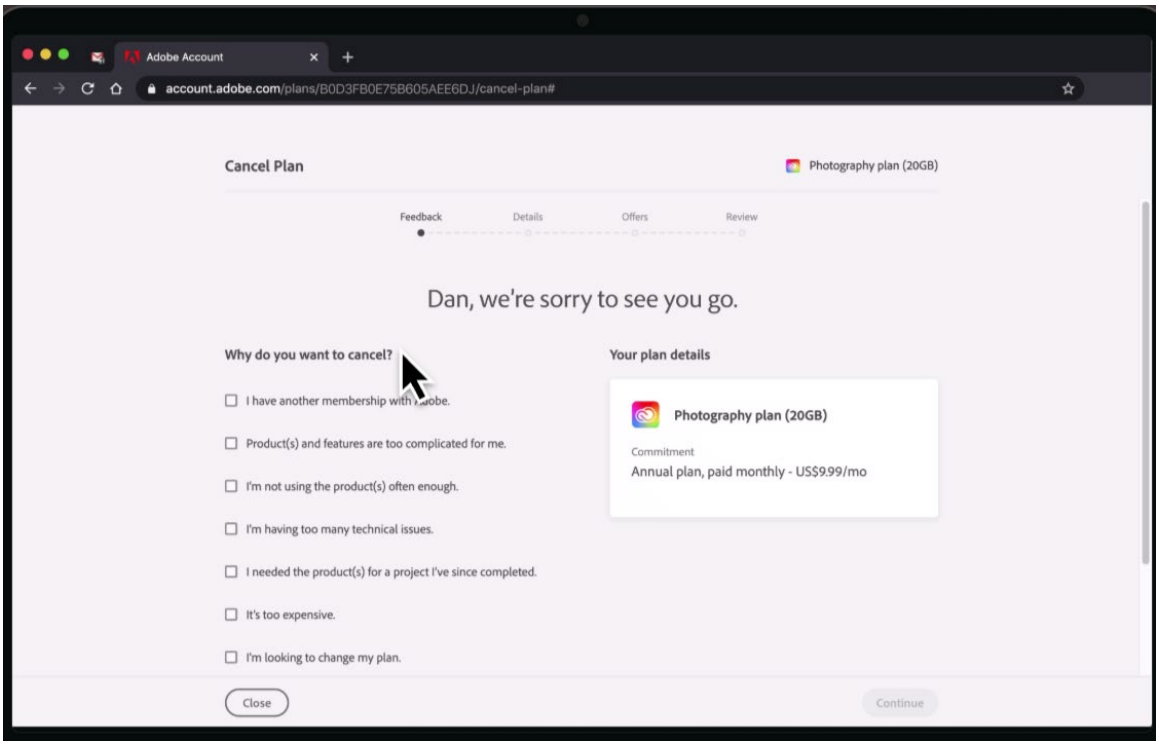




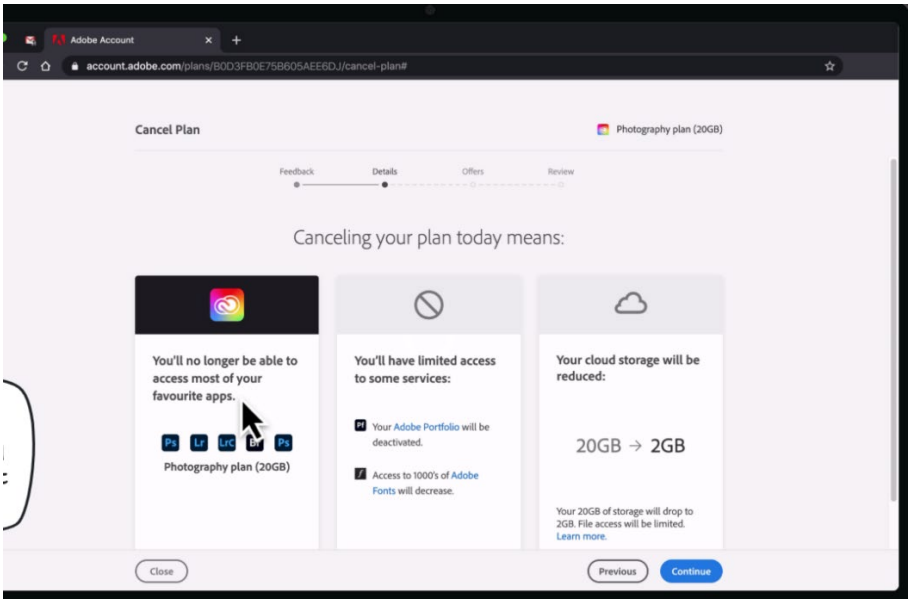
91. If the subscriber clicks on “cancel plan”, they are then prompted to log into their account, despite already being logged in to their account in order to access the above-displayed page.



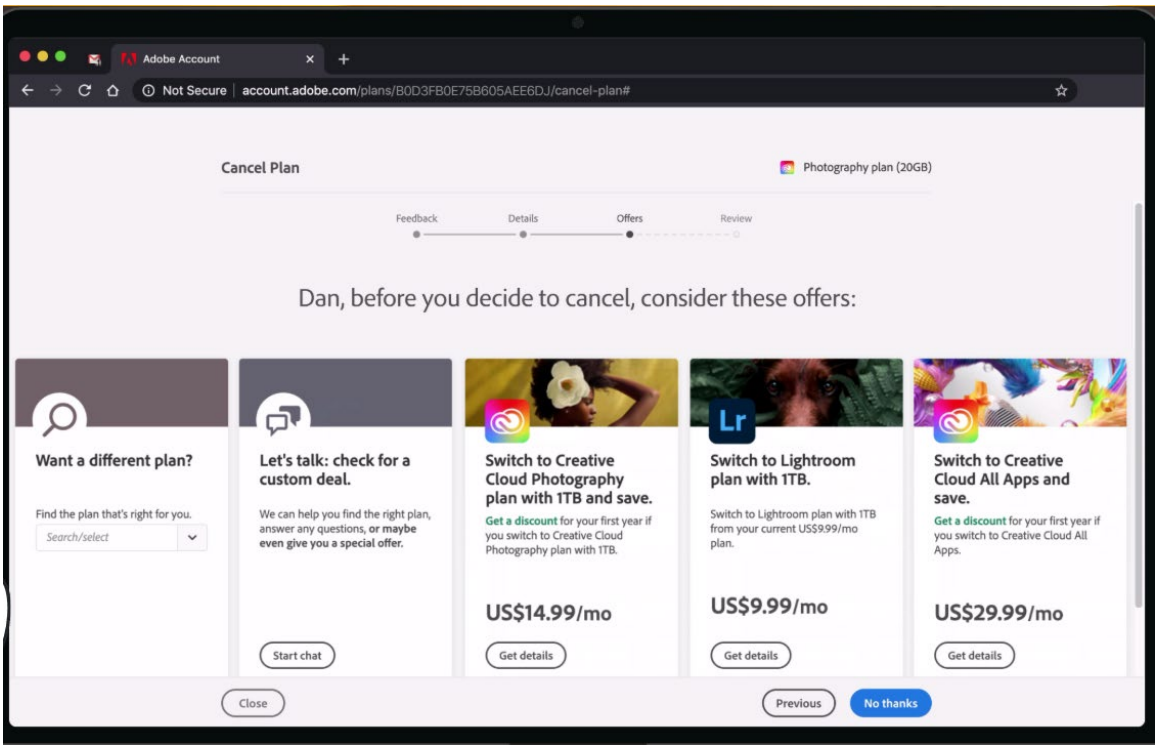
92. After logging into their account again, customers are then redirected to the first step of the overly complex and burdensome subscription cancellation process:



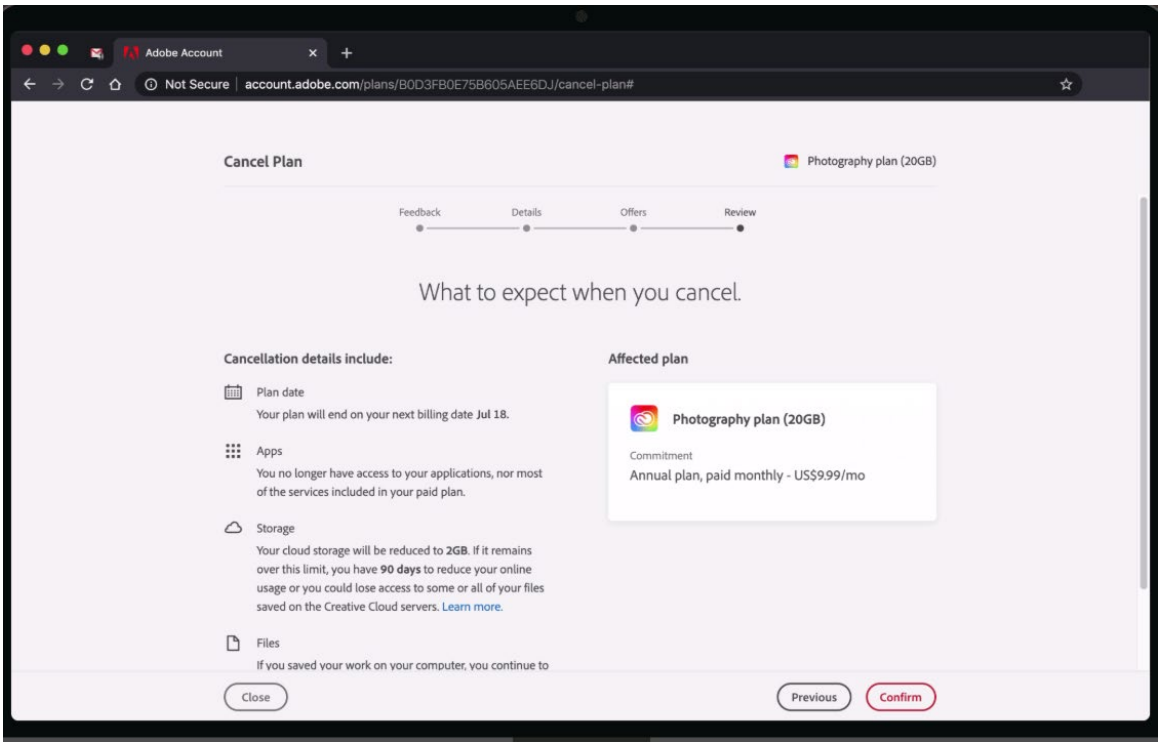
93. Note that it is not possible for the customer to proceed to the next stage of the cancellation process unless and until they select one or more reasons for wishing to cancel. Note as well that there is no option akin to "I never subscribed" or "I do not remember providing consent to subscribe into my current plan." Once the customer has selected one or more reasons for cancelling presented in the above-displayed options, they are directed to the next stage of the cancellation process, which appears as follows:



94. As seen above, this phase of the cancellation process essentially consists of Adobe attempting to dissuade the customer from proceeding with cancellation. If this attempt fails in that the customer wishes to go forward with cancellation, Adobe does not proceed to cancel the subscription. Instead, the customer who has chosen to proceed with cancellation is now inundated with offers from Adobe for alternative or additional plans, products and services:



95. If Adobe's further attempt at dissuading customers from cancelling their subscription fails and the customer clicks "No thanks", the customer it then redirected to a further webpage presented as the "Review" stage of the cancellation process. Reflecting Adobe's insistence on attempting to dissuade customers from cancelling, this page furthers a list below the heading "Cancellation details include:" which consists mostly of the consequences of cancellation already presented at the second stage of the cancellation process under "Details":

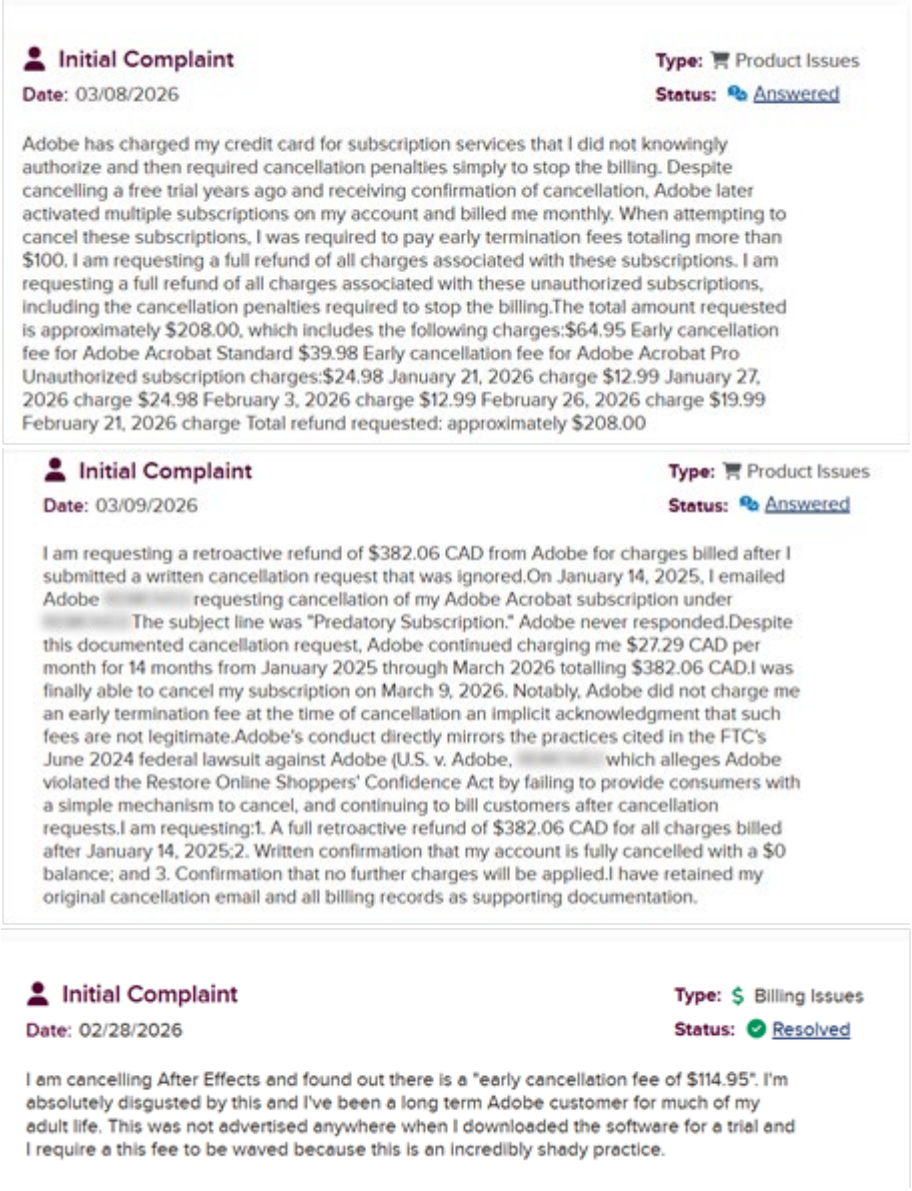


96. The customer must then click on the red "Confirm" button to finally cancel their subscription, which officially ends on what would have been the customer's next billing date but for the cancellation.

97. Note that these steps for cancelling an Adobe subscription must also be also followed when a subscriber receives the notice of automatic renewal email displayed earlier in the present Statement of Claim and follows the steps outlined therein to "manage" their subscription. The said email does not identify cancellation as an alternative option to allowing automatic renewal; it is on the subscriber to follow the cumbersome and overly complex process discussed herein if they wish to cancel their subscription.

c) Complaints Concerning Adobe's Problematic Practices

98. Customers have repeatedly complained about Adobe's unlawful practices, reporting deceptive enrollment, billing and cancellation experiences. The following screenshots from the Better Business Bureau's website are just a few examples.



Initial Complaint
Type: Product Issues
Date: 03/08/2026
Status: Answered

Adobe has charged my credit card for subscription services that I did not knowingly authorize and then required cancellation penalties simply to stop the billing. Despite cancelling a free trial years ago and receiving confirmation of cancellation, Adobe later activated multiple subscriptions on my account and billed me monthly. When attempting to cancel these subscriptions, I was required to pay early termination fees totaling more than $100. I am requesting a full refund of all charges associated with these subscriptions. I am requesting a full refund of all charges associated with these unauthorized subscriptions, including the cancellation penalties required to stop the billing.The total amount requested is approximately $208.00, which includes the following charges:$64.95 Early cancellation fee for Adobe Acrobat Standard $39.98 Early cancellation fee for Adobe Acrobat Pro Unauthorized subscription charges:$24.98 January 21, 2026 charge $12.99 January 27, 2026 charge $24.98 February 3, 2026 charge $12.99 February 26, 2026 charge $19.99 February 21, 2026 charge Total refund requested: approximately $208.00

Initial Complaint
Type: Product Issues
Date: 03/09/2026
Status: Answered

I am requesting a retroactive refund of $382.06 CAD from Adobe for charges billed after I submitted a written cancellation request that was ignored.On January 14, 2025, I emailed Adobe requesting cancellation of my Adobe Acrobat subscription under The subject line was "Predatory Subscription." Adobe never responded.Despite this documented cancellation request, Adobe continued charging me $27.29 CAD per month for 14 months from January 2025 through March 2026 totalling $382.06 CAD.I was finally able to cancel my subscription on March 9, 2026. Notably, Adobe did not charge me an early termination fee at the time of cancellation an implicit acknowledgment that such fees are not legitimate.Adobe's conduct directly mirrors the practices cited in the FTC's June 2024 federal lawsuit against Adobe (U.S. v. Adobe, which alleges Adobe violated the Restore Online Shoppers' Confidence Act by failing to provide consumers with a simple mechanism to cancel, and continuing to bill customers after cancellation requests.I am requesting:1. A full retroactive refund of $382.06 CAD for all charges billed after January 14, 2025;2. Written confirmation that my account is fully cancelled with a $0 balance; and 3. Confirmation that no further charges will be applied.I have retained my original cancellation email and all billing records as supporting documentation.

Initial Complaint
Type: Billing Issues
Date: 02/28/2026
Status: Resolved

I am cancelling After Effects and found out there is a "early cancellation fee of $114.95". I'm absolutely disgusted by this and I've been a long term Adobe customer for much of my adult life. This was not advertised anywhere when I downloaded the software for a trial and I require a this fee to be waved because this is an incredibly shady practice.

99. Adobe has not altered the enrollment process or any of the other problematic practices despite their awareness of common and repeated customer complaints about the ABM Subscription Plan.

100. Overall, Adobe generates significant profit from deceptive subscription processes that lock unwitting customers into an annual commitment, opaque cancellation terms that encourage subscribers to pay the full annual fee, and automatic renewal mechanisms that capitalize on the likelihood that customers will not take any affirmative steps towards cancellation.

IV. *Regulatory Scrutiny of Adobe's Problematic Practices*

i) United States – Federal Trade Commission Complaint and Settlement

101. In 2024, the United States' Federal Trade Commission (FTC) instituted a complaint against Adobe in relation to its problematic practices. The FTC emphasized that Adobe's subscription processes – especially as concerns the ABM subscription plan - violate the Restore Online Shoppers' Confidence Act (ROSCA), 15 U.S.C. § 8401 et seq., in various ways, including failing to clearly and prominently disclose all key terms of the subscription transaction transactions; failing to obtain customers' explicit informed consent for subscription charges; and for an overly complex and burdensome cancellation process (see *FTC v. Adobe, Inc., et al*., No. 5:24-cv-03630-NW).

102. After reaching a settlement, on March 13, 2026, the FTC and Adobe filed a "Stipulation for Entry of a Stipulated Order for Permanent Injunction, Civil Penalty Judgment, and Other Relief" in which Adobe stipulated to a judgment against it "in connection with its marketing and sale of subscriptions for its design and productivity software application."

103. Among other things, Adobe agreed to provide $75 million in free services to customers, in addition to paying $75 million in civil penalties. The Stipulated Order further

> (a) permanently enjoins Adobe from providing unclear and inconspicuous disclosure of all material terms of a covered product or service with a negative option feature prior to obtaining a customer's billing information;
>
> (b) prohibits such disclosures from being made "only in a way that requires navigating to a separate window or page, such as by clicking a hyperlink, link, tooltip, or other similar mechanism" and
>
> (c) permanently prohibits Adobe from using complex subscription cancellation mechanisms.

104. The Stipulated Order was approved and entered by the court on April 10, 2026.

ii) United Kingdom: Competition and Markets Authority Investigation

105. On March 19, 2026, the United Kingdom's Competition and Markets Authority ("CMA") announced that it has opened an investigation into suspected violation of consumer protection law by Adobe.[2] In particular:

> "The CMA is investigating Adobe over an early termination fee term for some of its membership plan, specifically whether the early termination fee term is an unfair term in a consumer contract that binds customers, and whether the presentation of information about the early termination fee term is an unfair commercial practice involving a misleading omission."[3]

106. Directly relevant to the present proposed class action, the CMA's press release announcing the investigation provides as follows:

> Customers who cancel more than 14 days after signing up to its 'annual billed monthly' plan – where they agree to a yearly contract and pay monthly – must pay 50% of the remaining yearly cost. After they cancel, customers will have access to the product until the end of that month's billing period.
>
> The investigation will examine whether these terms are unfair and if customers are given clear and timely information upfront about the early cancellation fees, which are likely to influence their decision to purchase the product.

107. The Plaintiff and undersigned counsel will closely monitor developments on this highly relevant investigation and will update the Court in accordance as long as the class action is ongoing.

108. For the time being, the CMA and FTC proceedings speak volumes as to the problematic nature of Adobe's practices.

F. CAUSES OF ACTION

109. The Plaintiff advances several causes of action in the present proposed class action:

- the torts of fraudulent or negligent misrepresentation;
- the torts of predominant purpose or unlawful means conspiracy;

[2] https://www.gov.uk/government/news/cma-investigates-adobe-over-concerns-about-cancellation-fees
[3] https://www.gov.uk/cma-cases/adobe-consumer-protection-enforcement-case

- unjust enrichment;
- statutory causes of action under
    - the *Consumer Protection Act, 2002*, S.O. 2002, the *General Regulation*, O Reg 17/05 and Other Canadian Consumer Protection Legislation in force in Canada's provinces and territories (other than Quebec); and
    - the *Competition Act*, R.S.C. 1985, c. c-34

110. The Plaintiff also seeks punitive damages.

Fraudulent or Negligent Misrepresentation

111. The Plaintiff asserts that the Defendants committed the tort of fraudulent misrepresentation and, alternatively, the tort of negligent misrepresentation.

(a) Fraudulent Misrepresentation

112. The elements of the tort of fraudulent misrepresentation are established as:

a. Defendants made representations and omissions that were deceptive, inaccurate and/or misleading. In particular, Defendants concealed, misrepresented and/or failed to sufficiently disclose:

    i. material terms and conditions of its subscription plans, especially the ABM Plan, in order to induce customers to subscribe;

    ii. the existence and quantum of substantial early termination fees associated with the ABM Plan;

    iii. essential terms concerning the automatic renewal of subscriptions before charging customers for the renewal;

b. Defendants knew that their representations were deceptive, inaccurate and/or misleading and/or were reckless as to same;

c. Defendants intended for their representations to deceive Plaintiff and Class Members or acted with reckless disregard knowing that the Plaintiff and Class Members would rely on their representations;

d. The Plaintiff and Class Members actually did rely on Defendants' representations, leading them to contract with Defendants for subscriptions to Adobe products and/or services that they otherwise would not have purchased and/or renewed;

e. The Plaintiff and Class Members sustained economic loss as a result of their reliance on Defendants' representations, in the form of the amounts paid to Defendants to purchase the said subscription services and/or for early cancellation of same.

113. The injuries suffered by Plaintiff and Class Members are the direct and proximate result of Defendants' fraudulent misrepresentations.

114. Defendants are therefore legally liable to compensate the Plaintiff and Class Members

(b) Negligent Misrepresentation

115. Alternatively, the elements of the tort of negligent misrepresentation are established as:

a. Defendants owed a duty of care to the Plaintiff and Class Members based on the special relationship between Defendants as representor inviting the representees Plaintiff and Class Members to purchase and/or renew subscription services;

b. Defendants made representations and omissions that were deceptive, inaccurate and/or misleading. In particular, Defendants concealed, misrepresented and/or failed to sufficiently disclose

i. material terms and conditions of its subscription plans, especially the ABM Plan, in order to induce customers to subscribe;

ii. the existence and quantum of substantial early termination fees associated with the ABM Plan;

iii. essential terms concerning the automatic renewal of subscriptions before charging customers for the renewal;

b. Defendants acted negligently in making said representations. A reasonable supplier of subscriptions to software products and services offered on their internet websites would have satisfied their duty to exercise reasonable care to ensure that the representations made to prospective and active subscribers are accurate and not misleading, including by providing full and complete disclosure of all material terms for all subscription plans; of the fact that ABM plan involves an annual commitment; of the existence and quantum of the early cancellation fee associated with the ABM plan; and of the full terms applicable to automatic renewal of subscriptions before charging customers for said renewal;

c. As representees, the Plaintiff and Class Members reasonably relied on Defendants' misrepresentations, especially as – but not exclusively based on the fact that – Defendants are the exclusive sellers of subscriptions to Adobe software products and services and are in the best position and expected the provide the most accurate, transparent, and fulsome representations concerning the terms and conditions of their subscription plans, including, but not limited to, the existence and quantum of early cancellation fees and the terms and conditions of automatic renewal;

d. Plaintiff and Class Members' reasonable reliance on Defendants' misrepresentations were detrimental in leading them to incur economic loss in the form of the fees paid for the ABM subscription plan and/or the costs incurred for early termination of their subscription and/or automatic renewal, none of which the Plaintiff and Class Members would have incurred but for Defendants' misrepresentations;

109. The Plaintiff and Class Members legally-cognizable and compensable injuries are the direct and proximate of Defendants' negligent misrepresentations.

110. Defendants are therefore legally liable to compensate the Plaintiff and Class Members.

Predominant Purpose or Unlawful Means Conspiracy

111. The Adobe Defendants are guilty of distinct but interlinked forms of conduct amounting to the tort of predominant purpose conspiracy or unlawful means conspiracy by conspiring to engage in the following conduct:

- Failing to disclose or otherwise misrepresenting material facts about subscriptions to Adobe products, especially the Annual but Billed Monthly ("ABM") subscription plan's year-long commitment and significant early termination fee;
- Employing misrepresentation and obfuscation to manipulate customers into purchasing the ABM subscription plan;
- Failing to prominently and clearly disclose material terms of its automatic renewal subscriptions before obtaining customers' payment information;
- Failing to obtain customers' express informed consent to automatic renewal before charging them for the ABM subscription plan;
- Designing and implementing an overly burdensome and unclear cancellation process instead of providing a simple mechanism to cancel subscriptions and immediately end ongoing charges.

112. Significantly, a cause of action in predominant purpose conspiracy or unlawful means conspiracy is available even when the conspiracy is between affiliated corporations – and including when the conspiracy claim concerns a conspiracy between a parent corporation and one or more of its subsidiaries.[4] This applies to Adobe Inc. and Adobe Canada as concerns practices perpetrated against customers in Canada.

[4] See e.g., *Smith v. National Money Mart Co.* (2006), 80 O.R. (3d) 81 (C.A.), at paras. 19-20, leave to appeal refused, [2006] 1 S.C.R. xii, cited in *Pro-Sys Consultants Ltd. v. Microsoft Corporation*, 2013 SCC 57, at para 79; *Harris v. GlaxoSmithKline Inc.*, 2010 ONSC 2326, at para 82; and *LeFrancois v. Guidant Corporation*, 2008 CanLII 15770 (ONSC).

Predominant Purpose Conspiracy

113. The Adobe Defendants' abovementioned conduct crystallizes the tort of predominant purpose conspiracy.

114. First, the Adobe Defendants' predominant purpose in engaging in the abovementioned anticompetitive conduct was to cause injury to Plaintiff and Class Members. The Plaintiff and Class Members were indeed injured as a direct and proximate result.

115. Second, the Adobe Defendants used unlawful means to operationalize their predominant purpose of causing injury to the Plaintiff and Class Members. Alternatively, if the Adobe Defendants' means were lawful, their predominant purpose and intention to cause injury to the Plaintiff and Class Members renders the lawful conduct unlawful so as to crystallize the second element of the tort of predominant purpose conspiracy.

116. Third, the Plaintiff and Class Members suffered economic loss, in addition to anxiety, pain and suffering, and other cognizable injuries as a result of the Adobe Defendants' intentionally injurious unlawful conduct.

117. The Adobe Defendants are therefore legally liable to pay damages or otherwise reimburse the Plaintiff and Class Members.

Unlawful Means Conspiracy

118. Alternatively, the Adobe Defendants' abovementioned conduct crystallizes the tort of unlawful means conspiracy.

119. First, the Adobe Defendants' conduct was unlawful. The conduct was tortious and/or violated the *Competition Act* and/or the *Consumer Protection Act* (and the *General Regulation*) and Other Provincial and Territorial Other Consumer Protection Legislation.

120. Second, the Adobe Defendants' unlawful conduct was directed at Plaintiff and Class Members, who incurred economic loss in the form of the price of subscriptions they were unwittingly enrolled into and/or prevented from cancelling.

121. Third, the Adobe Defendants knew or ought to have known that injury to Plaintiff and Class Members was likely to result from its unlawful conduct.

122. Fourth, the Plaintiff and Class Members suffered economic loss, in addition to anxiety, pain and suffering, and other cognizable injuries as a result of the Adobe Defendants' intentionally injurious unlawful conduct.

123. The Adobe Defendants are therefore legally liable to pay damages or otherwise reimburse the Plaintiff and Class Members.

Unjust Enrichment

124. In essence, the Adobe Defendants enriched themselves by enrolling the Plaintiff and Class Members into ABM subscriptions without their free, prior and informed consent and by making it prohibitively difficult to cancel the subscriptions; and by charging early cancellation fees that were insufficiently disclosed to customers.

125. The Plaintiff and Class Members were correlatively deprived and impoverished in the amount corresponding to price paid for the said Adobe subscriptions and/or cancellation fees.

126. As the enrichment violated the *Competition Act* and/or the *Consumer Protection Act*, ss. 41 and 42 of General Regulation, O. Reg., 17/05 and analogous provisions of Other Provincial and Territorial Consumer Protection Legislation and/or instantiated the torts of predominant purpose or unlawful means conspiracy and/or fraudulent or negligent misrepresentation, there was no juristic reason for the Defendants enriching themselves at the Plaintiff and Class Members' expense.

127. The Adobe Defendants are therefore legally required to pay restitution to the Plaintiff and Class Members.

Consumer Protection Act, 2002 and Other Consumer Protection Legislation

128. The Plaintiff alleges that the Defendants have contravened the *Consumer Protection Act, 2002* and analogous provisions in Other Canadian Provincial and Territorial Consumer Protection Legislation. In particular:

- Defendants engaged in unfair practices under ss. 14(1) and (2) and 15(1) and (2) and analogous provisions of Other Canadian Consumer Protection Legislation in force in Canada's provinces and territories (other than Quebec),

- Defendants violated ss. 13(1) to 13(4), inclusive, of the *Consumer Protection Act, 2002*, S.O. 2002 and analogous provisions in Other Canadian Consumer Protection Legislation in force in Canada's provinces and territories (other than Quebec); and

- Defendants' automatic subscription renewal processes are legally invalid under ss. 41 and 42 of *General Regulation*, O. Reg. 17/05;

- Defendants failed to disclose the information required under s. 38(1) of the Act and ss. 32(4), 32(5), 32(6), 32(7), s. 32(11) and 32(14) of *General Regulation*, O. Reg. 17/05.

129. While several distinct provisions of the Act are alleged herein to have been violated by Adobe, this outcome is expressly contemplated by the Act itself. Section 4 expressly provides that "A consumer agreement that meets the criteria of one more than one type of agreement to which this Act applies shall comply with the provisions of this Act and of the regulations that apply to each type of agreement for which it meets the criteria, except where the application of the provisions is excluded by the regulations." No such exclusion applies in the present case.

Unfair Practices

128. Part III of the *Consumer Protection Act, 2002*, prohibits "Unfair Practices", which include "false, misleading or deceptive representation[s]" (s. 14(1) and (2)) and "unconscionable representations" (s. 15(1) and (2)).

129. The Defendants are, individually and collectively, "supplier[s]" under the Act. The relevant part of the definition of "supplier" in s.1 of the Act is as follows:

> **"supplier"** means a person who is in the business of selling, leasing or trading in goods or services or is otherwise in the business of supplying goods or services…

130. The definition of "supplier" is largely analogous in Other Consumer Protection Legislation.

131. The definition of "consumer transaction" is "any act or instance of conducting business or other dealings with a consumer, including a consumer agreement" – a definition that is largely analogous in Other Consumer Protection Legislation.

132. In essence, each Defendant individually and collectively as each other's agents and alter egos "participates in a consumer transaction" by "soliciting, offering, advertising or promoting" the "supply of services," namely, subscriptions to Adobe software products and services and available for purchase on www.adobe.com/ca at any given time.

133. The Defendants have individually and collectively violated the Act by engaging in "Unfair Practices" in the form of "false, misleading or deceptive representation[s]" (s. 14(1) and (2)) and "unconscionable representations" (s. 15(1) and (2)).

134. Sections 14(1) and 17(1 prohibits "false, misleading or deceptive representation[s]."

135. Section 14(2) provides for non-exhaustive "Examples of false, misleading or deceptive representations," without limiting the generality of those terms:

> 1. A representation that the goods or services have sponsorship, approval, performance characteristics, accessories, uses, ingredients, benefits or qualities they do not have.
> […]
> 13. A representation that the transaction involves or does not involve rights, remedies or obligations if the representation is false, misleading or deceptive.
> […]
> 14. A representation using exaggeration, innuendo or ambiguity as to a material fact or failing to state a material fact if such use or failure deceives or tends to deceive.
> […]
> 15. A representation that misrepresents the purpose or intent of any solicitation of or any communication with a consumer.
> […]
> 16. A representation that misrepresents the purpose of any charge or proposed charge.

136. Sections 15(1) and 17(1) prohibit making "an unconscionable representation" as a further example of "unfair practices."

137. Importantly, no direct definition of "unconscionable representation" is provided, and its identification instead involves a contextual assessment in which "may be taken into account that the person making the representation… knows or ought to know" a variety of non-

exhaustive circumstances. The listed circumstances most pertinent to the present proposed class proceeding are

> (a) that the consumer is not reasonably able to protect his or her interests because of disability, ignorance, illiteracy, inability to understand the language of an agreement or similar factors;
>
> […]
>
> (f) that the terms of the consumer transaction are so adverse to the consumer as to be inequitable;

138. The Defendants have individually and collectively violated the Act by engaging in the above unfair practices. In particular, Adobe:

- Failed to disclose or otherwise misrepresenting material facts about subscriptions to Adobe products, especially the Annual but Billed Monthly ("ABM") subscription plan's year-long commitment and significant early termination fee;
- Employed misrepresentation and obfuscation to manipulate customers into purchasing the ABM subscription plan;
- Failed to prominently and clearly disclose material terms of its automatic renewal subscriptions before obtaining customers' payment information;
- Failed to obtain customers' express informed consent to automatic renewal before charging them for the ABM subscription plan;
- Designed and implemented an overly burdensome and unclear cancellation process instead of providing a simple mechanism to cancel subscriptions and immediately end ongoing charges.

139. Additional considerations come to bear in Other Consumer Protection Legislation.

140. For example, in British Columbia's *Business Practices and Consumer Protection Legislation*, s. 5(2) reverses of the burden of proof on the supplier: "If it is alleged that a supplier committed or engaged in a deceptive act or practice, the burden of proof that the deceptive act or practice was not committed or engaged in is on the supplier." As a result,

for Class Members in British Columbia and in provinces and territories with analogous provisions, the burden falls upon the Defendants to individually and collectively establish on a balance of probabilities that they did not engage in prohibited practices.

141. A reversal of the burden of proof also operates under s. 9(2) of BC's legislation: "If it is alleged that a supplier committed or engaged in an unconscionable act or practice, the burden of proof that the unconscionable act or practice was not committed or engaged in is on the supplier."

Unsolicited Goods or Services

142. Alternatively, or in addition, and based on the false and deceptive advertising practices used to sell ABM subscription plans, said plans constitute a form of "unsolicited goods or services" within the meaning of s. 13(1) et seq. of the *Consumer Protection Act, 2002* and analogous provisions in Other Consumer Protection Legislation. As a result, Adobe violated s. 13(2) of Act and analogous provisions in Other Consumer Protection Legislation by demanding and indeed receiving payment in respect of these unsolicited goods or services, and this, "despite their use" by customers.

143. The fact that customers unwittingly enrolled into ABM subscription plans and may have made payments at the time of enrollment and at the time of cancellation does not excuse Adobe's conduct. Section 13(3) of the Act is clear that "A request for goods or services shall not be inferred solely on the basis of payment…"

144. As well, Adobe's conduct is not excused by the fact some consumers may not have noticed that the ABM Plan is an annual plan billed monthly until sometime after they were unwittingly enrolled in it. Once again s. 13(3) of the Act is clear that "A request for goods or services shall not be inferred solely on the basis of… inaction or the passage of time."

145. The automatic renewals of ABM and other Adobe subscriptions themselves constitute "unsolicited goods or services." Section 13(4) of the Act provides that "If a consumer is receiving goods or services on an ongoing basis" – such as an ABM or annual Adobe subscription – a "material change in such goods or services, the goods or services shall be deemed to be unsolicited from the time of the material change forward."

146. Importantly, s. 20 of the *General Regulation*, O Reg 17/05 defines a material change as follows:

> **Material change**
>
> **20.** For the purpose of subsection 13(4) of the Act, a change or a series of changes is a material change if it is of such a nature or quality that it could reasonably be expected to influence a reasonable person's decision as to whether to enter into the agreement for the supply of the goods or services.

147. There is no question that the renewal of a paid subscription constitutes a material change, as it gives rise to a new contractual agreement of purchase and sale with new financial and other obligations imposed on the consumer, in addition to any additional terms, conditions, and obligations arising after the initial subscription was entered into and that did not form part of the initial contractual subscription agreement.

148. As an automatic renewal constitutes a material change, automatically renewed subscriptions are "unsolicited goods or services" from the moment the automatic renewal occurs. Section 13(4) provides that this is so "unless the supplier is able to establish that the consumer consented to the material change."

149. Section 13(5) provides that the consumer's consent may be made "in writing or by other affirmative action [and that] the supplier shall bear the onus of proving the consumer's consent." However, automatic renewal occurs automatically, without the consumer agreeing to do so or in writing or by taking "other affirmative action." Adobe is therefore unable to establish consumers' consent and to avoid the application of s. 13(4).

150. Pursuant to s. 13(5) of the *Consumer Protection Act, 2002* and analogous provisions of Other Consumer Protection Legislation, consumers who were enrolled into and/or automatically renewed in an Adobe subscription are entitled to a refund of all amounts paid to Adobe.

151. Alternatively, pursuant to s. 98(1), said consumers may demand a refund of the monies paid to Adobe since Adobe "has charged a fee or an amount in contravention of th[e] Act or received a payment in contravention of th[e] Act."

152. For the purposes of ss. 13(5) and 98(1), the present Statement of Claim constitutes notice within the meaning of ss. 92(1) and 92(3) of the said Act and analogous provisions of Other Consumer Protection Legislation.

Sections 41 and 42 of General Regulation, O. Reg. 17/05

153. In addition, or alternatively, the automatic renewal feature of Adobe's subscription plans does not satisfy the legal conditions for the validity of renewals of internet agreements under s. 41(2) and 42 of *General Regulation*, O. Reg, 17/05 and analogous provisions of Other Consumer Protection Legislation.

154. Section 41(1) makes clear that s. 41(2) applies to internet agreements

155. Section 41(2) provides that the renewal of a consumer agreement – including an internet agreement – is only valid if the consumer has expressly consented to the renewal. Implicit consent is directly identified as legally insufficient. To wit:

> **Amendment, renewal or extension by explicit agreement to proposal**
> **41**(1) This section applies only to the following consumer agreements:
> […]
>
> **3.** Internet agreements to which sections 38 to 40 of the Act apply.
>
> **41(2)** A consumer agreement mentioned in subsection (1), whether it provides for amendment, renewal or extension or not, **may be** amended, **renewed** or extended **if**,
>
> **(a)** the supplier or the consumer makes a proposal for amendment, renewal or extension;
> **(b)** the supplier provides to the consumer an update of all of the information that was required by the Act or this Regulation to be set out in the agreement when it was first entered into and the update reflects the effect of the proposal to amend, renew or extend; and
> **(c)** **the party who receives the proposal agrees, explicitly and not merely by implication, to the proposal.**

156. Significantly, s. 41(3) provides as follows:

> **(3)** For the purpose of clause (2)(c), an acknowledgment that the proposal has been received does not in itself constitute agreement to the proposal.

157. The combined effect of s. 41(2)(c) and (3) is as follows: as Adobe cannot rely on implicit consent to automatically renew subscriptions, the fact that Adobe sends an email to consumers about the automatic renewal cannot give rise to valid consent even if a consumer acknowledges to have received the email if the consumer does not take active steps to actually renew the subscription. However, the automatic subscription renewal process designed and implemented by Adobe does not operate in this manner – hence why it is automatic in nature. The default is renewal unless the consumer takes active steps not to renew. Such a process violates the abovementioned provisions of the *Consumer Protection Act, 2002* and *General Regulation* and analogous provisions in Other Consumer Protection Legislation.

158. The Plaintiff also contends that Adobe's automatic subscription renewals do not meet the requirements of 41(2)(b) and are further legally invalid for this additional reason.

159. In addition, or alternatively, Adobe's automatic subscription renewal processes are legally invalid under s. 42 of the *General Regulation*, O. Reg., 17/05 so as to render the automatic subscriptions at issue in the present proposed class action legally invalid.

160. Section 42(1) makes clear that s. 42 applies to "internet agreements" such as Adobe's subscription and automatic subscription renewal agreements. Section 42 is entitled "Amendment, renewal or extension in accordance with consumer agreement".

161. Section 42(2) provides for several conditions to be met to ensure the legal validity of renewals in addition to the conditions in s. 41.

> **42(2)** A consumer agreement mentioned in subsection (1) that provides for amendment, renewal or extension may, in addition to being amendable, renewable or extendable under section 41, be amended, renewed or extended if the following conditions are satisfied:
>
> **1.** The agreement indicates what elements of the agreement the supplier may propose to amend, renew or extend and at what intervals the supplier may propose an amendment, renewal or extension.

2. The agreement gives the consumer at least one of the following alternatives to accepting the supplier's proposal to amend, renew or extend:

i. terminating the agreement, or

ii. retaining the existing agreement unchanged.

3. The agreement requires the supplier to give the consumer advance notice or a proposal to amend, renew or extend.

162. As concerns consumer internet agreements entered into with Adobe with respect to their subscription plans, even if one assumed that elements 1 and 2 were satisfied, the same cannot be said with regards to the notice requirements under 3. This requirement can only be fulfilled if the notice envisaged under the agreement satisfies the legal requirements for valid notice, as provided for under the General Regulation.

163. Adobe's notice and subsequent automatic renewal do not satisfy these requirements, so as to render the automatic renewal legally invalid.

164. Of particular import is s. 42(5) which provides as follows:

(5) The supplier's notice of a proposal to amend, renew or extend shall,

(a) provide an update of all of the information that was required by the Act or this Regulation to be set out in the agreement when it was first entered into and ensure that the update reflects the effect of the proposal to amend, renew or extend;

(b) disclose all changes proposed to be made to the agreement, including, for each provision that is to be changed, the text of the provision as it would read after the change;

(c) be consistent with those aspects of the agreement mentioned in paragraphs 1 and 2 of subsection (2);

> **(d)** specify the date on which the amendment, renewal or extension would become effective;
>
> **(e)** specify a means that complies with subsection (6) for the consumer to respond to the notice;
>
> **(f)** state what the effect will be if the consumer does not respond to the notice;
>
> **(g)** be provided to the consumer in such a way that it is likely to come to his or her attention; and
>
> **(h)** be provided to the consumer at least 30 days but not more than 90 days before the date on which it is proposed that the amendment, renewal or extension would take effect. O. Reg. 17/05, s. 42 (5).
>
> (6) The means for the consumer to respond to the notice shall involve no cost to the consumer and shall be easy for the consumer to use. O. Reg. 17/05, s. 42 (6).

165. The Plaintiff contends that none of the above requirements are satisfied. As concerns s. 42(5)(e) and s. 42(6), it is highly relevant that the means for the consumer to the respond to the notice make it prohibitively next to impossible for the consumer to cancel the subscription renewal either before it takes effect or after it has been entered into. Adobe's overly complex, cumbersome and predatory subscription cancellation process are discussed elsewhere in the present Statement of Claim.

166. Significantly, s. 42(7) identifies the conditions in ss. 42(5) and (6) as conditions precedent to the legal validity of a consumer agreement's renewal. As a result,

> **42(7)** A purported amendment, renewal or extension under this section that does not comply with subsections (5) and (6) is not effective.

167. This means that any automatic subscription renewal affecting Class Members in the present proposed class action was invalid ab initio and that any monies collected by Adobe pursuant to these renewals were collected unlawfully.

Section 38(1) of the Act and Sections 32(4), 32(5), 32(6), 32(7), s. 32(11) and 32(14) of the General Regulation

168. In addition to being a consumer agreement, the contractual agreement pursuant to which a subscription is purchased and governed is an "internet agreement" within the meaning of ss. 37 to 40 of the *Consumer Protection Act, 2002* and analogous provisions of Other Consumer Protection Legislation.

169. The Plaintiff contends that Defendants have violated – and continue to violate – s. 38(1) of said Act and ss. 32(4), (5), (6), (7), (11) and (14) of the associated *General Regulation*, O Reg 17/05, as well as analogous provisions of Other Consumer Protection Legislation.

170. First, pursuant to s. 37 of the Act, ss. 38 and 40 apply because the subscription agreement is an internet agreement under which the consumer's total potential payment obligation exceeds the amount of $50 prescribed under s. 31 of the *General Regulation*.

171. Second, s. 38(1) of the Act provides that "Before a consumer enters into an internet agreement, the supplier shall disclose the prescribed information to the consumer." The "prescribed information" to be disclosed is identified in s. 32 of the *General Regulation*.

172. The Plaintiff and Class Members contend that the Defendants have failed to fulfill their disclosure obligations under several provisions of s. 32. In particular:

(4) An itemized list of the prices at which the goods and services are proposed to be supplied to the consumer, including taxes and shipping charges.

(5) A description of each additional charge that applies or may apply, such as customs duties or brokerage fees, and the amount of the charge if the supplier can reasonably determine it.

(6) The total amount that the supplier knows would be payable by the consumer under the agreement, including amounts that are required to be disclosed under paragraph 5, or, if the goods and services are proposed to be supplied during an indefinite period, the amount and frequency of periodic payments.

(7) The terms and methods of payment.

[…]

(11) The rights, if any, that the supplier agrees the consumer will have in addition to the rights under the Act and the obligations, if any, by which the supplier agrees to be bound in addition to the obligations under the Act, in relation to cancellations, returns, exchanges and refunds.

[…]

(14) Any other restrictions, limitations and conditions that would be imposed by the supplier.

173. The above violations flow from the Defendants' conduct at issue in the present proposed class action, namely:

- Failing to adequately disclose or otherwise misrepresenting material facts about subscriptions to Adobe products, especially the Annual but Billed Monthly ("ABM") subscription plan's year-long commitment and significant early termination fee;
- Employing misrepresentation and obfuscation to manipulate consumers into purchasing the ABM subscription plan;
- Failing to prominently and clearly disclose material terms of its automatic renewal subscriptions before obtaining consumers' payment information;
- Failing to obtain consumers' express informed consent to automatic renewal before charging them for the ABM subscription plan;
- Designing and implementing an overly burdensome and unclear cancellation process instead of providing a simple mechanism to cancel subscriptions and immediately end ongoing charges.

174. The Defendants' intentionally unclear, misleading, confusing, and deceptive representations and omissions on the abovementioned matters do not satisfy their disclosure obligations under s. 5(1) of the *Consumer Protection Act, 2002* and analogous provisions in Other Consumer Protection Legislation.

175. Indeed, s. 5(1) is clear that "If a supplier" – like Adobe – "is required to disclose information under this Act, the disclosure must be clear, comprehensible and prominent." (emphasis added)

176. Section 38(3) of the Act imposes additional disclosure requirements for internet agreements like the Adobe subscription agreements at issue in the class action. Of particular relevance to the present proposed class action is s. 38(3)(a):

> **Manner of disclosure**
> **(3)** In addition to the requirements set out in section 5, disclosure under this section shall be accessible and shall be available in a manner that ensures that,
>
> **(a)** the consumer has accessed the information…

177. Among other things, in the present case, even if Adobe contended that the terms and conditions governing ABM subscription plans, early cancellation fees, automatic renewal were accessible – which is not conceded by the Plaintiff – Adobe's websites do not require the consumer to actually have "accessed the information" prior to subscribing or having their subscription automatically renewed.

Competition Act

178. The Adobe Defendants violated section 52(1) of the *Competition Act* by making false and/or misleading representations in the form of both positive representations and omissions, namely:

- Failing to disclose or otherwise misrepresenting material facts about subscriptions to Adobe products, especially the Annual but Billed Monthly ("ABM") subscription plan's year-long commitment and significant early termination fee;

- Employing misrepresentation and obfuscation to manipulate consumers into purchasing the ABM subscription plan;

- Failing to prominently and clearly disclose material terms of its automatic renewal subscriptions before obtaining consumers' payment information;

- Failing to obtain consumers' express informed consent to automatic renewal before charging them for the ABM subscription plan;

- Designing and implementing an overly burdensome and unclear cancellation process instead of providing a simple mechanism to cancel subscriptions and immediately end ongoing charges.

179. Section 52(1) provides as follows:

False or misleading representations	**Indications fausses ou trompeuses**
52 (1) No person shall, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever, knowingly or recklessly make a representation to the public that is false or misleading in a material respect.	**52 (1)** Nul ne peut, de quelque manière que ce soit, aux fins de promouvoir directement ou indirectement soit la fourniture ou l'utilisation d'un produit, soit des intérêts commerciaux quelconques, donner au public, sciemment ou sans se soucier des conséquences, des indications fausses ou trompeuses sur un point important.

180. Importantly, para. 52(1.1)(a) provides as follows:

Proof of certain matters not required	**Preuve non nécessaire**
(1.1) For greater certainty, in establishing that subsection (1) was contravened, it is not necessary to prove that	**(1.1)** Il est entendu qu'il n'est pas nécessaire, afin d'établir qu'il y a eu infraction au paragraphe (1), de prouver :
(a) any person was deceived or misled;	**a)** qu'une personne a été trompée ou induite en erreur;

181. Paragraph 52(2)(b) provides that representations include a representation that is "expressed anything attached to, inserted in, or accompanying an article offered or displayed for sale…" This includes representations pertaining to the terms of Adobe subscriptions and the obstacles placed on their cancellation.

182. Paragraph 52(2)(c) provides that representations include a representation that is "expressed on an in-store or other point-or-purchase display," which would extend to Adobe's websites, since Adobe subscriptions can only be purchased on Adobe's websites.

183. Paragraph 36(1)(a) of the *Competition Act* provides for the remedy of recovery of damages to "Any person who has suffered loss or damage as a result of (a) conduct that is contrary to any provision of Part VI…"

184. Section 52 is a provision contained in Part VI.

185. Paragraph 36 identifies the damages that may be recovered by a person referred to in paragraph (a) as follows:

Recovery of damages	**Recouvrement de dommages-intérêts**
36 (1) Any person who has suffered loss or damage as a result of	**36 (1)** Toute personne qui a subi une perte ou des dommages par suite :
(a) conduct that is contrary to any provision of Part VI, […]	**a)** soit d'un comportement allant à l'encontre d'une disposition de la partie VI;
may, in any court of competent jurisdiction, sue for and recover from the person who engaged in the conduct or failed to comply with the order an amount equal to the loss or damage proved to have been suffered by him, together with any additional amount that the court may allow not exceeding the full cost to him of any investigation in connection with the matter and of proceedings under this section.	peut, devant tout tribunal compétent, réclamer et recouvrer de la personne qui a eu un tel comportement ou n'a pas obtempéré à l'ordonnance une somme égale au montant de la perte ou des dommages qu'elle est reconnue avoir subis, ainsi que toute somme supplémentaire que le tribunal peut fixer et qui n'excède pas le coût total, pour elle, de toute enquête relativement à l'affaire et des procédures engagées en vertu du présent article.

186. In sum, the Plaintiff and Class Members are entitled to damages and the costs of investigation of their losses pursuant to s. 36(1) of the *Competition Act* for the Defendants' violation of s. 52(1) thereof.

COMMON ISSUES

187. The present proposed class action raises the following common issues:

i. Did the Defendants misrepresent and/or hide material terms of their subscription plans, including the length and early termination fee of the ABM subscription plan?

ii. Did the Defendants' subscription enrollment processes deceptively induce class members to purchase the ABM subscription?

iii. Did the Defendants provide clear and prominent notice of the automatic renewal terms for subscriptions?

iv. Did the Defendants obtain express informed consent from consumers to charge them for auto-renewing subscriptions?

v. Did the Defendants intentionally obstruct consumers' ability to cancel subscriptions?

vi. Did the Defendants violate and are they continuing to violate ss. 13(1) to 13(4) of the *Consumer Protection Act, 2002* and/or analogous provisions of Other Consumer Protection Legislation?

vii. Did the Defendants violate and are they continuing to violate ss. 14(1) and 17(1) of the *Consumer Protection Act, 2002* and/or analogous provisions of Other Consumer Protection Legislation?

viii. Did the Defendants violate and are they continuing to violate ss. 41 and 42 of the *General Regulation*, O. Reg., 17/05

ix. Did the Defendants violate and are they continuing to violate s. 52 of the *Competition Act*?

x. Did the Defendants violate and are they continuing to violate s. 54 of the *Competition Act*?

ix. Did the Defendants commit the tort of fraudulent misrepresentation?

x. Did the Defendants commit the tort of negligent misrepresentation?

xi. Did the Defendants commit the tort of predominant purpose conspiracy?

xii. Did the Defendants commit the tort of unlawful means conspiracy?

xiii. Did the Defendants commit the tort of civil fraud?

xiv. Did the Defendants become unjustly enriched at Class Members' expense?

xv. Should the Defendants be disgorged of their profits in favour of the Plaintiffs?

xvi. Should injunctive relief issue against Defendants?

Compensatory Damages

188. The Plaintiff and each Class Member has suffered legally-cognizable and compensable injuries and loss as a direct and proximate result of the Defendants' unlawful, tortious, and inequitable conduct.

189. The fundamental purpose of the law of compensatory damages is that the Plaintiff is to be compensated to the extent of the harm or loss suffered as a result of the Defendants conduct (*restitutio in integrum*).

190. The compensatory damages are equivalent to the price paid for subscriptions (both initial and automatically renewed) and any earlier cancellation fees paid for by Class Members.

Punitive Damages

191. The Plaintiff seeks on his own behalf, and of that of Class Members, punitive or exemplary damages for the Defendants' conduct at issue in the present proposed class action.

192. First, the Plaintiff seeks punitive or exemplary damages for Defendants' flagrant violations of the prohibitions of false, misleading or deceptive representations under Part III of the *Consumer Protection Act, 2002* and equivalent prohibitions and provisions under Other Consumer Protection Legislation.

193. In particular, ss. 18(11) of the *Consumer Protection Act, 2002* expressly provides that "A court may award exemplary or punitive damages in addition to any other remedy in an action commenced" under the said *Act*. Equivalent or analogous provisions in Other Consumer Protection Legislation also provide for punitive or exemplary damages.

194. In addition, or alternatively, the Plaintiff also seeks punitive or exemplary damages at common law on their own behalf and that of Class Members in respect of the Defendants' conduct falling beyond the scope of the *CPA, 2002* and Other Consumer Protection Legislation, and that violates the *Competition Act* and the *Prepaid Payment Products Regulations.*

195. The said conduct displayed serious negligence, carelessness, and ignorance, and was oppressive, callous, high-handed, wilful, outrageous, deliberate, wanton, reckless, and in total disregard for the rights and interests of Plaintiff and Class Members.

196. In addition, the Defendants are continuing to engage in their unlawful conduct at the time this class action is being filed, and after having settled a complaint with the Federal Trade Commission and entered into a Stipulated Order for Permanent Injunction, Civil Penalty Judgment, and Other Relief concerning the same unlawful practices in the United States.

197. The Plaintiff asserts that an award of punitive damages is required to denounce and condemn the Defendants' shocking and outrageous conduct and to deter further breaches by the Defendants and/or others. The interest in behaviour modification – one of the key purposes of class actions – is very high in the present case and warrants punitive damages.

Disgorgement

198. Alternatively, the Plaintiff seeks on his own behalf, and of that of Class Members, an order requiring the Defendants to disgorge all profits generated as a result of their breaches of the *Competition Act*, the *Consumer Protection Act* and Other Consumer Protection Legislation, as well as for unjust enrichment, and the common law torts of fraudulent or negligent misrepresentation, and predominant purpose or unlawful means conspiracy.

199. As disgorgement is a gains-based remedy, the amount of profits requested to be disgorged from Defendants corresponds to the amount corresponding to the price paid by each Class Member to purchase a pre-paid card.

200. The Plaintiff only seeks a disgorgement remedy if the amount to be disgorged exceeds the amount of damages that this Honourable Court is amenable to order. If the amount to be disgorged is lower than the amount that may be ordered in damages, the Plaintiff and Class Members only seek said amount of damages.

JURISDICTION

201. The Plaintiff contends that there is a real and substantial connection between the Province of Ontario and the out-of-province Class Members and Defendants by virtue of Defendants being domiciled and/or carrying on business and having committed torts in Ontario, and by virtue of contracts connected with the dispute having been made in the Province within the meaning of the Supreme Court of Canada's judgment in *Lapointe Rosenstein Marchand Melancon LLP v. Cassels Brock & Blackwell LLP*, 2016 SCC 30.

202. The common issues shared between the non-resident and resident class plaintiffs further establish a real and substantial connection in accordance with *Sanis Health Inc. v. British Columbia*, 2024 SCC 40, at para. 90.

VENUE

203. The Plaintiff proposes that the present class action be tried in Ottawa, Ontario.

204. The Plaintiff pleads and relies upon the relevant provisions of the *Competition Act*, the *Consumer Protection Act, 2002*, the *General Regulation*, O. Reg., 17/05 and Other Canadian Provincial and Territorial Consumer Protection Legislation.

DATE: May 7, 2026

CONSUMER LAW GROUP P.C.
150 Elgin Street, Suite 1000
Ottawa, ON K2P 1L4

Tel: (613) 627-4894
Fax: (613) 627-4893

Jeff Orenstein (LSO No. 59631G)
Lawrence David (LSO No. 69517L)

Lawyers for the Plaintiff

Court File No.: CV-26-00103995-00CP

F. REHMAN Plaintiff	- and -	**ADOBE INC. *et al.*** Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT OTTAWA

Proceeding under the *Class Proceedings Act, 1992*

STATEMENT OF CLAIM

CONSUMER LAW GROUP P.C.
150 Elgin Street, 10th Floor
Ottawa, Ontario, K2P 1L4

Telephone: (613) 627-4894
Facsimile: (613) 627-4893

Jeff Orenstein (LSO #59631G)
jorenstein@clg.org

Lawrence David (LSO # 69517L)
ldavid@clg.org

Lawyers for Plaintiff