

FEDERAL COURT

B E T W E E N:

BELL CANADA

Plaintiff

-and-

SKYCHOICE COMMUNICATIONS INC.

Defendant

AND BETWEEN:

SKYCHOICE COMMUNICATIONS INC.

Plaintiff by
Counterclaim

-and-

BELL CANADA

Defendant by
Counterclaim

AMENDED STATEMENT OF DEFENCE AND COUNTERCLAIM
(Responsive to Plaintiff's Demand for Amendments and Particulars dated September 11, 2020)

1. The Defendant, SkyChoice Communications Inc. (the “**Defendant**”), admits none of the allegations contained in the Statement of Claim, unless expressly admitted herein.
2. The Defendant denies the allegations contained in paragraphs 8 to 21 of the Statement of Claim, except as otherwise expressly stated herein. For the reasons set out below, the Defendant

denies that the Plaintiff, Bell Canada (the “**Plaintiff**”), is entitled to the relief requested at paragraphs 1 and 17 of the Statement of Claim.

3. The Defendant has no knowledge of the allegations contained in paragraph 3, 5, 6 and 7 of the Statement of Claim.

The Parties

4. The Defendant SkyChoice Communications Inc. is a corporation, incorporated under the laws of Canada, operating under the business name “SkyChoice”, and having its registered office address at 495 Pinegrove Road, Suite A, Oakville, ON, L6K2C2 with a separate mailing address at 505 Pinegrove Road, Oakville, ON, L6K2C2.

5. The Defendant provides telecommunication services such as television, home phone, and internet services primarily in Southern Ontario.

The Trademarks

6. In ~~2012~~ 2013, the Defendant began offering its fixed wireless Internet services, under the trademark WiFibe, which are only available in Southern Ontario. The SkyChoice WiFibe wireless fiber Internet service offers coverage in low density rural areas where wired Internet services that use telephone, coaxial, or fiber optic cables are not cost effective.

7. Contrary to the allegations at paragraph 4 of the Statement of Claim, this service is not in direct competition with the Plaintiff’s FIBE services. The Plaintiff uses the FIBE trademark to promote its IPTV television and wired fiber optic Internet services. These services are only marketed and made available by the Plaintiff in higher density urban areas where wired fiber

optic facilities exist or in urban areas with enough population density that allow for cost-effective return on investment when deploying new wired fiber optic facilities.

8. The Defendant is well known for extensive Internet service coverage in rural areas with its WiFibe wireless fiber Internet service. The Defendant has been using WiFibe strictly for its fixed wireless Internet and no other type of service. The word “WiFibe” stands for “Wireless Fiber” or “WiFi Fiber”, as the core towers that are used to offer this fixed wireless service are supplied with Internet using fiber optics.

9. The Defendant markets its wireless fiber Internet services as “WiFibe Wireless Fiber Internet” and offers four different packages that its clients can choose from:

- a. WiFibe Wireless Fiber Lite 10,
- b. WiFibe Wireless Fiber Express 16,
- c. WiFibe Wireless Fiber Turbo 21, and
- d. WiFibe Wireless Fiber Ultimate 27.

10. Since starting its operations, the Defendant made extensive efforts and investments in marketing its distinct WiFibe brand in the Southern Ontario region.

Alleged Wrongdoing

11. With respect to the allegations in paragraphs 11 through 16, 18, and 20 of the Statement of Claim, the Defendant denies that its use of the WiFibe trademark, and variations thereof as used by the Defendant, constitute any misconduct, infringement, or passing-off of the Plaintiff’s trademark. Instead, the Defendant offers high speed wireless fiber Internet to consumers in four distinct packages, as outlined above.

12. In promoting its services, the Defendant has adopted logos, graphics, colours and text that are distinct and do not create any confusion with the Plaintiff's trademark.

13. Any similarity between the Defendant's trademark and the Plaintiff's trademark is due to the common and widespread use of the word "fiber" in recent years once fiber optic high speed Internet became largely available. At no time did the Defendant capitalize or try to capitalize on the Plaintiff's FIBE trademark. The Defendant's WiFibe trademark is an abbreviation for "WiFi Fiber Optics".

14. The Defendant denies its use of the WiFibe mark has the effect of causing harm to the Plaintiff or depreciating the goodwill or reputation owing to the Plaintiff's FIBE trademark.

15. Further and contrary to the allegations in paragraphs 1, 14, and 18 of the Statement of Claim, Defendant's mark is not confusing with the Plaintiff's trademark. The Defendant denies that the Defendant is unlawfully directing the public attention to its goods, services and business in such a way as to create confusion in Canada between the Defendant's goods, services and business and those of the Plaintiff. No instances of actual confusion among consumers have arisen between the goods, services and business offered by the Defendant and the goods, services and business of the Plaintiff and the Defendant puts the Plaintiff to the strict proof thereof.

16. The Defendant pleads that the differences between WiFibe and FIBE sufficiently distinguish these two marks. Contrary to allegations at paragraphs 14 and 15 of the Statement of Claim, the Defendant's WiFibe mark and the Plaintiff's FIBE trademark are not so similar as to create confusion in the mind of the consumer and/or create a mental association with the Plaintiff's trademark FIBE.

No entitlement to Relief

17. The Defendant denies that the Plaintiff has suffered any damages, that the Defendant's use of the mark WiFibe has caused any harm to the Plaintiff or to the reputation of the Plaintiff's trademark, and denies that the Plaintiff is entitled to any injunctive relief or compensation as a result of the alleged infringement or the alleged passing off as claimed in paragraphs 1 and 18 of the Statement of Claim. The Defendant puts the Plaintiff to the strict proof thereof.

18. Contrary to the allegations contained in paragraph 21 of the Statement of Claim, the Defendant denies that its use of the WiFibe trademark, or any variations thereof, resulted in any unjust or unlawful profit to the Defendant's benefit, or any loss or damage to the Plaintiff.

19. If the Plaintiff enjoyed any goodwill in association with the trademark FIBE, and if the Plaintiff suffered a depreciation of goodwill, which is denied, that loss was not caused by any wrongful act of the Defendant, but rather through ordinary competition in the marketplace.

20. The Defendant admits the receipt of the Plaintiff's notification of their rights and demands. By response, the Defendant declined to comply with the Plaintiff's demands, on the grounds that the term "Fibe" is commonly used to describe fiber optic Internet services and the Plaintiff cannot monopolize this term, in spite of its registered trademark.

21. The Defendant pleads that the Plaintiff is not entitled to any of the relief sought in the Statement of Claim and requests that the Plaintiff's claim be dismissed, with costs.

COUNTERCLAIM

22. The Plaintiff by Counterclaim, SkyChoice Communications Inc., repeats and relies upon the statements made in paragraphs 1 to 21 of the Amended Statement of Defence and claims:

- a. a declaration pursuant to paragraph 18(1)(a) and 12(1)(b) of the *Trademarks Act*, that trademark No. TMA776664 is and always has been invalid, on the grounds that the trademark was not registrable at the date of registration as the word FIBE was, and is, either clearly descriptive of the services in association with which it is used, or, in the alternative, it is deceptively misdescriptive of the associated services
- b. a declaration pursuant to paragraph 18(1)(b) of the *Trademarks Act* that trademark No. TMA776664 is invalid on the grounds that the trademark is not distinctive;
- c. a declaration pursuant to paragraph 18(1)(e) of the *Trademarks Act* trademark No. TMA776664 is invalid on the basis that the application resulting in registration number TMA776664 was filed in bad faith;
- d. an Order, pursuant to subsection 57(1) of the *Trademarks Act* directing the Registrar of Trademarks to expunge trademark registration number TMA776664 from the Trademark Register;
- e. the Plaintiff by Counterclaim's cost of this counterclaim; and
- f. Such further and other relief as this Honourable Court may deem just.

23. The word FIBE lacks distinctiveness and does not function as a trademark. Many consumers view the word FIBE as synonymous with fiber optics, and the Defendant by Counterclaim's use of the trademark FIBE in association with its services implies that all of the Defendant by Counterclaim's FIBE services are provided by fiber optics.

24. The Defendant by Counterclaim filed the application that resulted in registration number TMA776664 in bad faith. Canadian trademark application number 1448245, filed on August 13,

2009 was based on proposed use in association with: “telecommunication services, namely, Internet service provider (ISP) services, telephone services and television services over fiber-optic cable” and includes the following statement: “The translation provided by the applicant of the word(s) FIBE is FIBER TO THE NODE”.

25. The word FIBE is not distinctive of the services of the Defendant by Counterclaim as of the present date because it does not actually distinguish, nor is it adapted to distinguish, the services of the Defendant by Counterclaim from the services of all other telecommunications providers, including the services of the Plaintiff by Counterclaim.

26. Further, the Defendant by Counterclaim stated on its website that: “Fibe stands for fibre optic” and “Fibe est synonyme de fibre optique”, when in fact the Defendant by Counterclaim’s FIBE services actually involve a combination of fibre optic and copper wiring. In addition, the Defendant by Counterclaim uses the trademark FIBE for services that do not make use of fibre optic wiring at all, such as “FIBE 5” which is delivered to the Defendant by Counterclaim’s customers from one of the Defendant by Counterclaim’s central offices to the subscriber’s home using entirely copper wiring.

27. The Plaintiff by Counterclaim pleads that the trademark FIBE is thus misleading as it leads customers to think that the services are offered exclusively over fiber optic cable, which is not the case.

28. The Plaintiff by Counterclaim proposes that this counterclaim be tried together with the action at Ottawa, Ontario.



Amended at Ottawa, September 21, 2020

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FEDERAL COURT**

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FEDERAL COURT FILE NO. T-71120

BETWEEN:

BELL CANADA

Plaintiff

-and-

SKYCHOICE COMMUNICATIONS INC.

Defendant

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**Plaintiff by
Counterclaim**

-and-

BELL CANADA

**Defendant by
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TO: Administrator
FEDERAL COURT

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**AMENDED STATEMENT OF DEFENCE
AND COUNTERCLAIM**

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