

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

DENTONS CANADA LLP
1420-99 Bank Street
Ottawa, ON K1P 1H4

Jennifer McKay
T: 613 783 9689
F: 613 783 9690
jennifer.mckay@dentons.com
LSO # 33995F

Anca M. Sattler
T: 613 783 9635
F: 613 783 9690
anca.sattler@dentons.com
LSO # 63489U

**Solicitors for the Defendant / Plaintiff by
Counterclaim**

**TO: Administrator
FEDERAL COURT**

TO: GOWLING WLG (CANADA) LLP
Barristers & Solicitors
Suite 2600 – 160 Elgin Street
Ottawa, Ontario K1P 1C3

Stéphane Caron
Tel: 613-786-0177
Fax: 613-788-3468
Stephane.Caron@gowlingwlg.com

Julia Werneburg
Tel: 613-783-8841
Fax: 613-788-3545
Julia.Werneburg@gowlingwlg.com

Solicitors for the Plaintiff / Defendant by Counterclaim

FEDERAL COURT FILE NO. T-71120

BETWEEN:

BELL CANADA

Plaintiff

-and-

SKYCHOICE COMMUNICATIONS INC.

Defendant

AND BETWEEN:

SKYCHOICE COMMUNICATIONS INC.

**Plaintiff by
Counterclaim**

-and-

BELL CANADA

**Defendant by
Counterclaim**

TO: Administrator
FEDERAL COURT

TO: GOWLING WLG (CANADA) LLP
Suite 2600 – 160 Elgin Street
Ottawa, Ontario K1P 1C3

Stéphane Caron
Tel: 613-786-0177
Fax: 613-788-3468
Stephane.Caron@gowlingwlg.com

Julia Werneburg
Tel: 613-783-8841
Fax: 613-788-3545
Julia.Werneburg@gowlingwlg.com

**Solicitors for the Plaintiff /
Defendant by Counterclaim**

**AMENDED STATEMENT OF DEFENCE
AND COUNTERCLAIM**

DENTONS CANADA LLP
1420-99 Bank Street
Ottawa, ON K1P 1H4
T: 613 783 9635
F: 613 783 9690

Jennifer McKay
jennifer.mckay@dentons.com

Anca M. Sattler
anca.sattler@dentons.com

**Solicitors for the Defendant /
Plaintiff by Counterclaim**

FEDERAL COURT

BETWEEN:

BELL CANADA

Plaintiff

- and -

SKYCHOICE COMMUNICATIONS INC.

Defendant

STATEMENT OF CLAIM

(Filed this _____ day of _____, 2020)

TO THE DEFENDANT:

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

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

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

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

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

Dated: _____, 2020

Issued by: _____

Address of local office:
Thomas D'Arcy McGee Building
90 Sparks Street
Ottawa, Ontario
K1A 0H9

To: **SKYCHOICE COMMUNICATIONS INC.**
495 Pinegrove Rd., Suite A
Oakville, Ontario, L6K 2C2 Canada

CLAIM

1. The Plaintiff claims:
 - (a) A Declaration that:
 - (i) the Defendant has infringed Canadian Trademark Registration Number TMA776664 for FIBE (the “FIBE trademark”) contrary to sections 19 and 20 of the *Trademarks Act* R.S.C. 1985, c. T-13 as amended (the “*Trademarks Act*”) by advertising, carrying on business, and performing unauthorized services in association with the confusingly similar trademark WIFIBE;
 - (ii) the Defendant has directed public attention to its goods, services and businesses in such a way as to cause or be likely to cause confusion in Canada between the Defendant’s goods, services and business and the goods, services and business of the Plaintiff, contrary to section 7(b) of the *Trademarks Act* including without limitation by advertising, carrying on business, and performing unauthorized services in association with the trademark WIFIBE;
 - (iii) the Defendant has passed off its goods and services as and for those of the Plaintiff contrary to section 7(c) of the *Trademarks Act*;
 - (iv) the Defendant has used the FIBE trademark in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to section 22(1) of the *Trademarks Act*;
 - (b) interim, interlocutory and permanent relief in the following terms:
 - (i) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from carrying on business or from advertising, performing and selling goods and services, including the provision of telecommunication services, in association with the trademark WIFIBE;

- (ii) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from infringing the FIBE trademark;
- (iii) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from advertising, carrying on business or performing services, including the provision of telecommunication services, in association with the FIBE trademark or any other trademarks, domain names, trade names or other commercial indicia confusing with the FIBE trademark, including the trademark WIFIBE;
- (iv) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from advertising its business, goods and services on its website at www.skychoice.ca (the “SkyChoice Website”) in association with the trademarks FIBE and WIFIBE or any other trademarks, domain names, trade names or other commercial indicia confusing with the FIBE trademark;
- (v) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from making statements to suggest that it is licensed, authorized or certified by or associated with the Plaintiff;
- (vi) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from directing public attention to its goods, services or business in such a way as to cause or be likely to cause confusion in Canada between the goods, services or business of the Defendant and the goods, services or business of the Plaintiff, including restraining the Defendant from using the trademarks FIBE and WIFIBE or any other trademarks, domain names, trade names or other commercial indicia confusing with the FIBE trademark;

- (vii) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from passing off the Defendant's goods and services as and for those of the Plaintiff by substituting the goods and services of the Defendant for those of the Plaintiff and its authorized licensees;
- (viii) an injunction restraining the Defendant, its officers, servants, representatives, agents, or any person under their direct or indirect control, from depreciating the value of the goodwill attached to the FIBE trademark by making unauthorized use of the FIBE trademark or trademarks confusingly similar with the FIBE trademark, including the WIFIBE trademark, in the promotion of the Defendant's goods, services, or business;
- (c) an Order directing the Defendant to deliver up to the Plaintiff or destroy under oath all advertising, business cards, brochures, catalogues, vehicle and wall markings, telecommunications equipment, promotional and/or labelling material, photographs, drawings, and signage, whether in electronic or printed form, displaying the trademarks FIBE or WIFIBE or any marks confusingly similar to the FIBE trademark which are in the possession, power or control of the Defendant or which may come to the possession, power or control of the Defendant;
- (d) an Order requiring the host(s) of the SkyChoice Website or any other Defendant-controlled websites displaying the trademark WIFIBE to take down the Defendant-controlled websites;
- (e) damages for passing off, trademark infringement and depreciation of goodwill or, in the alternative, an accounting of all income and profits made and received by the Defendant arising from and in connection with its passing off, infringement of and depreciation of the value of the goodwill attaching to the FIBE trademark as elected by the Plaintiffs pursuant to Section 53.2(1) of the *Trademarks Act*;
- (f) punitive, exemplary and aggravated damages;

- (g) pre-judgment and post-judgment interest;
 - (h) Goods and Services Tax;
 - (i) the Plaintiff's costs of this Action; and
 - (j) such further and other relief as this Honourable Court may deem just.
2. This action is not being proceeded with as a simplified action.

The Parties

3. The Plaintiff is a corporation incorporated and subsisting under the laws of Canada with a head office and principal place of business located at 1 carrefour Alexander-Graham-Bell, Building A7, Verdun, Quebec, H3E 3B3. The Plaintiff is a subsidiary of Canada's largest communications company, BCE Inc. ("BCE") and provides Canadians with a wide range of telecommunications services including mobile and home phone, television, and Internet services.
4. The Defendant, SkyChoice Communications Inc., is a corporation incorporated and subsisting under the laws of Canada with a principal place of business located at 495 Pinegrove Rd. Suite A, Oakville, Ontario, L6K 2C2, Canada. The Defendant operates or has operated under the business name SkyChoice. The Defendant provides telecommunications services, including home phone, television, and Internet services, in direct competition with the Plaintiff.

The Plaintiff's Rights

5. With roots dating back to the 1800s, the Plaintiff is one of the major telecommunications companies in Canada. In 2019, its parent company, BCE, had more than 22 million consumer, business, and wholesale customer connections.
6. In 2010, the Plaintiff coined and commenced using the trademark FIBE as a flagship mark in the promotion and performance of internet and tv connectivity services offering high definition television and Internet. The FIBE trademark has been heavily promoted across Canada and extensively displayed in advertising, including on the Bell websites

and social media, in printed and television ads, on billboards, on service vehicles and customer invoices.

7. The Plaintiff is the owner of the following registered trademark:

Trademark	Registration No.	Services
FIBE	TMA776664	Telecommunication services, namely, internet service provider (ISP) services, telephone services and television services over fiber-optic cable.

The registration set out above, is, and at all material times has been, in full force and effect. Attached as **Schedule "A"** hereto are particulars of the FIBE trademark registration.

8. The FIBE trademark registration grants to the Plaintiff the exclusive right to the use throughout Canada of the FIBE trademark in respect of the services for which it is registered, and the right to prevent any use by a person who sells, distributes or advertises goods or services in association with a confusingly similar trademark or trade name.
9. The FIBE trademark enjoys a unique reputation in association with telecommunications products and services. Through extensive use and advertising, the FIBE trademark has acquired a prestigious reputation and extensive goodwill in Canada and has become synonymous with reliable and fast telecommunications services. Through use in Canada since 2010, the FIBE trademark has become well known to the Canadian public. At all material times, the FIBE trademark has distinguished the Plaintiff's services from the services of others.

The Defendant's Actions

10. The Defendant competes with the Plaintiff to provide telecommunications services, specifically internet service provider (ISP) services, telephone services and television services, to Canadians, including in Southern Ontario and Quebec.
11. It has come to the attention of the Plaintiff that the Defendant has commenced promoting and advertising its wireless internet services in association with the trademark WIFIBE. The trademark WIFIBE is used by the Defendant in the promotion and offering of fixed

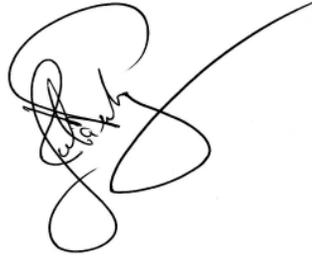
wireless Internet, including on its SkyChoice Website located at www.skychoice.ca and on social media and other promotional websites.

12. The Defendant may be engaged in other unauthorized use of the Plaintiff's FIBE trademark and other intellectual property. The full extent of the Defendant's infringing activities is not known by the Plaintiff but is within the knowledge of the Defendant.
13. The trademark WIFIBE is a composite of the descriptor "Wi", meaning wireless, and of the Plaintiff's well known trademark FIBE. It wholly appropriates the Plaintiff's FIBE trademark and is a deliberate attempt to misrepresent its services as those of the Plaintiff. The use of the trademark WIFIBE by the Defendant is calculated to deceive the public and to profit from the Plaintiff's reputation and goodwill associated with the FIBE trademark.
14. Use by the Defendant of the trademark WIFIBE in association with the Defendant's business in Canada is likely to lead to the inference that the Defendant is an authorized supplier or service representative of the Plaintiff and will lead members of the public to believe that there is some association or business connection between the Plaintiff and the Defendant. The use of the trademark WIFIBE by the Defendant causes confusion with the goods, services and business of the Plaintiff offered in association with the FIBE trademark.
15. Use by the Defendant of the trademark WIFIBE is sufficiently similar to the trademark FIBE as to create a mental association with the FIBE trademark of the Plaintiff in the mind of the public and is thus likely to depreciate the value of the goodwill attaching to the FIBE trademark.
16. The Defendant was aware at all material times that its use of the FIBE trademark infringed the Plaintiff's rights. The Defendant has infringed, and continues to infringe, such rights notwithstanding and in blatant disregard of the Plaintiff's rights.
17. The Plaintiff seeks to recover from the Defendant damages and an accounting of profits with respect to all infringements and other damaging activities.

18. By reason of the acts of the Defendant as set out herein, namely, the use of the WIFIBE trademark to advertise its goods, services and business:
 - (a) the Defendant has infringed, and continues to infringe, the exclusive rights of the Plaintiff in the FIBE trademark contrary to Sections 19 and 20 of the *Trademarks Act*;
 - (b) the Defendant has directed public attention to its goods, services and business in such a way as to cause or be likely to cause confusion in Canada between the Defendant's goods, services and business and the goods, services and business of the Plaintiff, contrary to Section 7(b) of the *Trademarks Act*;
 - (c) the Defendant has passed off its goods and services as and for those of the Plaintiff contrary to Section 7(c) of the *Trademarks Act*;
 - (d) the Defendant has used the FIBE trademark in a manner likely to have the effect of depreciating the value of the goodwill attached thereto, contrary to Section 22(1) of the *Trademarks Act*;
19. On numerous occasions, the Plaintiff provided the Defendant with express notice of its rights, with the demand that the Defendant cease its activities forthwith. Notwithstanding the Plaintiff's demands, the Defendant has failed to cease its activities and continues with its wrongful activities.
20. The Defendant's activities have caused, and continue to cause, harm to the Plaintiff and to the valuable reputation in the FIBE trademark. The Defendant will continue its wrongful activities as set out herein unless restrained by order of this Honourable Court.
21. By reason of the activities of the Defendant as aforesaid, the Defendant has made and will continue to make profit and the Plaintiff has suffered and will continue to suffer a loss.

22. The Plaintiff proposes that this action be tried at Ottawa, Ontario.

DATED at Ottawa, Ontario, this 6th day of July, 2020.



GOWLING WLG (CANADA) LLP

Barristers & Solicitors
Suite 2600 – 160 Elgin Street
Ottawa, Ontario K1P 1C3

Stéphane Caron
Stephane.Caron@gowlingwlg.com

Tel: 613-786-0177
Fax: 613-788-3468

Julia Werneburg
Julia.Werneburg@gowlingwlg.com

Tel: 613-783-8841
Fax: 613-788-3545

Solicitors for the Plaintiff