

No. S = 2 4566 5 Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

TYSON LARENCE

PLAINTIFF

and

HONK MOBILE INC.

DEFENDANT

Brought under the Class Proceedings Act, R.S.B.C. 1996, c. 50

NOTICE OF CIVIL CLAIM

(Unlawful Pricing Practices)

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff,

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

THE PLAINTIFF'S CLAIM

Part 1: STATEMENT OF FACTS

Overview

- 1. Consumers expect to pay the lowest price that a company represents a product will cost at a given time. Parliament has codified this principle through sections 52 and 54 of the *Competition Act*, RSC 1985, c C-34 (the "*Competition Act*") which require that service providers represent the full cost of a product up front and prohibit service providers from charging the higher of two different advertised prices for a product. These provisions ensure that service providers' pricing practices are fair, transparent and straightforward.
- 2. Through its website, <u>honkmobile.com</u>, and mobile application, HONKMobile, the Defendant HONK has engaged in conduct contrary to the *Competition Act* in its pricing of Booking Services. HONK represents a price for using its Booking Services to purchase Parking Reservations that is, unbeknownst to consumers, unattainable, and thereafter increases the purchase price once a consumer is prepared to purchase Parking Reservations through its Booking Services. HONK's practice of concealing the full cost of, and/or representing two different prices for, its Booking Services is unfair and in violation of Canadian law.

The Parties

3. The Plaintiff, Tyson Larence, is a resident of British Columbia. The Plaintiff purchased a Parking Reservation through HONKMobile on several occasions and was charged a Service Fee that was not disclosed until the end of the purchasing process, as set out in the table below:

Date of Purchase	First Price	Service Fee	Second Price
March 27, 2023	\$36.00	\$0.25	\$36.25
July 15, 2023	\$24.00	\$0.35	\$24.35
September 15, 2023	\$60.00	\$0.35	\$60.35
October 25, 2023	\$24.00	\$0.35	\$24.35
November 3, 2023	\$100.00	\$0.50	\$100.50

- 4. The Plaintiff brings this action on his own behalf and on behalf of all individuals and legal persons in Canada who paid a Service Fee when purchasing a Parking Reservation through honkmobile.com or HONKMobile from the date on which HONK began charging Service Fees in Canada until the date that this action is certified as a class proceeding (the "Class", "Class Members" and "Class Period").
- 5. The Defendant, Honk Mobile Inc. ("**HONK**"), is a company federally incorporated pursuant to the laws of Canada, with an address for service at 600 90 Eglinton Avenue East, Toronto, Ontario, M4P 2Y3, Canada.

HONK's Booking Services

- 6. HONK is a service provider that acts as a middleperson between companies that offer parking reservations and consumers by amalgamating parking reservations offered by various companies into a single application and facilitating contactless payment for parking reservations. honkmobile.com or HONKMobile are the "Platforms". The Platforms each function in a substantially similar fashion. Reservations that can be purchased through the Platforms are the "Parking Reservations".
- 7. The access to and use of the Platforms to purchase Parking Reservations constitute the "**Booking Services**". The supply and use of the Booking Services lasts from when users enter the Platforms until users depart the Platforms.

The Service Fees

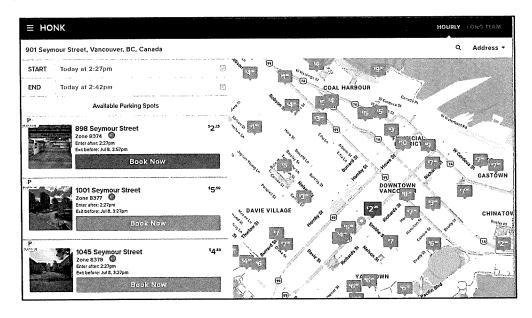
8. On a date unknown to the Plaintiff but known to HONK, HONK began charging what HONK refers to as a "Service Fee" when using the Booking Services without disclosing these fees at the outset of the purchasing process.

Purchasing Parking Reservations Through the Platforms

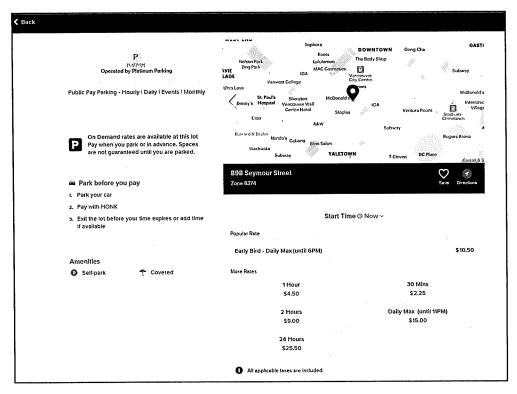
Purchasing Parking Reservations on honkmobile.com

9. HONK represents a variety of Parking Reservations based on a user's location and desired start and end times for the reservation. HONK also represents the price to book each Parking Reservation through the Platform (the "First Price"). For example, HONK

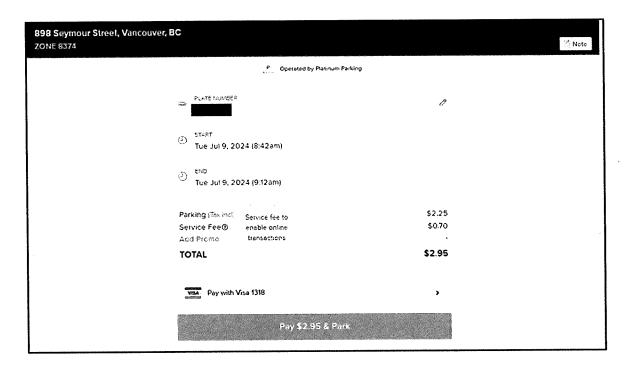
represents the First Price of booking a Parking Reservation through <u>honkmobile.com</u> at "898 Seymour Street" in Vancouver, British Columbia for 30 minutes or less as \$2.25.



10. After a user clicks "Book Now" next to a Parking Reservation, the user is taken to a different webpage where HONK again represents the First Price, as well as the First Prices to reserve the selected Parking Reservation through the Platform for a variety of other durations. HONK also represents that "All applicable taxes are included" in the First Prices.



11. After a user clicks the Parking Reservation and desired duration, the user is taken to another webpage titled "Checkout". On this webpage, HONK represents, for the first time, that the user will be charged a Service Fee. Clicking on the encircled "?" next to the words "Service Fee" generates a pop-up which states: "Service fee to enable online transactions".

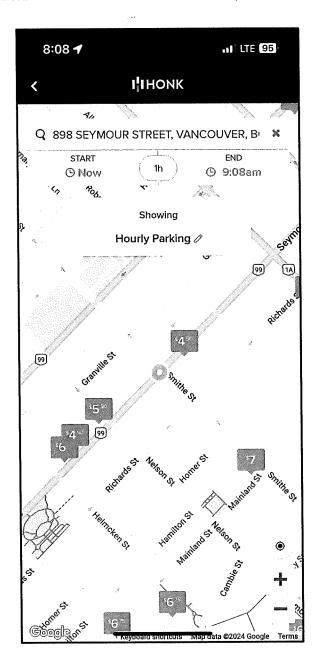


- 12. In this example, instead of charging only the represented First Price of \$2.25 to purchase a Parking Reservation through the Platform at "898 Seymour Street" in Vancouver, British Columbia for 30 minutes or less, HONK also charges a Service Fee of \$0.70 for a total of \$2.95 (the "**Second Price**").
- 13. Instead of booking a Parking Reservation by the hour, a user may alternatively reserve a long term Parking Reservation. HONK also does not include the Service Fee in the representation of the First Price for long term Parking Reservations booked through honkmobile.com and instead adds this fee at the end of the purchasing process.

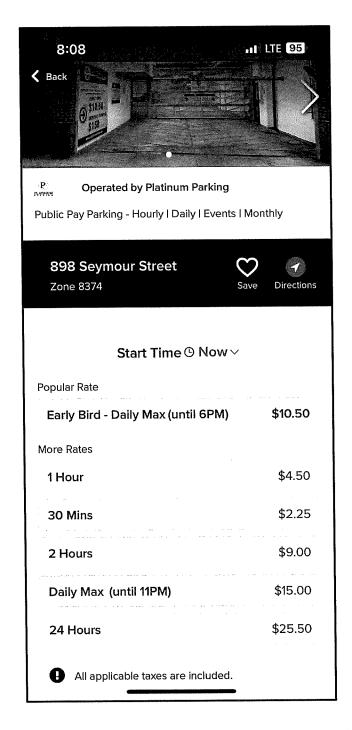
Purchasing Parking Reservations on HONKMobile

14. HONK represents a variety of Parking Reservations based on a user's location and desired start and end times for the reservation. HONK also represents the First Price to

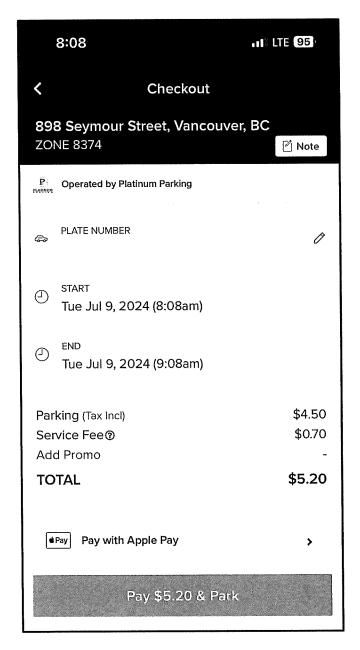
book each Parking Reservation through the Platform. For example, HONK represents the First Price of booking a Parking Reservation through HONKMobile at "898 Seymour Street" in Vancouver, British Columbia for one hour as \$4.50.



15. After a user clicks on a Parking Reservation, the user is taken to a different webpage where HONK again represents the First Price, as well as the First Prices to reserve the selected Parking Reservation through the Platform for a variety of other durations. HONK also represents that "All applicable taxes are included" in the First Prices.



16. After a user clicks the Parking Reservation and desired duration, the user is taken to another webpage titled "Checkout". On this webpage, HONK represents, for the first time, that the user will be charged a Service Fee. Clicking on the encircled "?" next to the words "Service Fee" generates a pop-up which states: "Service fee to enable online transactions".



- 17. In this example, instead of charging only the represented First Price of \$4.50 to purchase a Parking Reservation through the Platform at "898 Seymour Street" in Vancouver, British Columbia for one hour, HONK also charges a Service Fee of \$0.70 for a total Second Price of \$5.20.
- 18. Instead of booking a Parking Reservation by the hour, a user may alternatively reserve a long term Parking Reservation. HONK also does not include the Service Fee in the representation of the First Price for long term Parking Reservations booked through HONKMobile and instead adds this fee at the end of the purchasing process.

HONK's Misconduct

- 19. At all material times, HONK represented and clearly expressed that the Booking Services were available at the First Price. HONK represented and clearly expressed the First Price on the Platform, which constitutes a point-of-purchase display.
- 20. At all material times, HONK also represented and clearly expressed that the Booking Services were available at the Second Price. HONK represented and clearly expressed the Second Price on the Platform, which constitutes a point-of-purchase display.
- 21. At all material times, the Booking Services were not available at the First Price due to the addition of the Service Fee, which constitutes a fixed obligatory charge and/or fee imposed by HONK.
- 22. At all material times, HONK represented two different prices for the Booking Services.
- 23. HONK did not represent the Service Fee or the Second Price at the time it represented the First Price to users. At all material times, the Second Price exceeded the First Price. At all material times, HONK charged, and users paid, the Second Price.
- 24. At all material times, HONK represented the First Price and the Second Price at different stages of the same purchasing process. HONK did not add an additional service element when it added the Service Fee. The Booking Services remained the same product at every stage of the purchasing process.
- 25. HONK's representation of the First Price was false or misleading because users were never able to pay the First Price but instead had to pay the higher Second Price.
- 26. At all material times, HONK knew or was reckless or willfully blind to the fact that representing that the Booking Services would cost the First Price when these products were not available at the First Price was false or misleading in a material respect.
- 27. HONK entered into contracts with the Plaintiff and Class Members for the sale and supply of the Booking Services. HONK has been enriched by the receipt of some, or all,

of the price paid by the Plaintiff and Class Members and received by HONK, directly or indirectly, for the Booking Services. The Plaintiff and Class Members have suffered a corresponding deprivation of this same amount.

Harm to the Plaintiff and Class Members

- 28. As a result of HONK's breach or breaches of the *Competition Act*, the Plaintiff and Class Members suffered loss and/or damage in an amount equal to the difference between the First Price and the Second Price. This difference is composed of the Services Fees paid by the Plaintiff and Class Members during the Class Period.
- 29. Due to HONK's representations that the Booking Services were available at the First Price, the Plaintiff and Class Members obtained less value than they had expected to obtain after having viewed the First Price because the Booking Services were unattainable at the First Price and could only be purchased at the Second Price.

Part 2: RELIEF SOUGHT

- 30. The Plaintiff claims on his own behalf and on behalf of other members of the Class:
 - a) an order certifying this action as a class proceeding and appointing him as representative plaintiff under the *Class Proceedings Act*, RSBC 1996, c 50 (the "*Class Proceedings Act*");
 - b) a declaration that HONK has engaged in conduct contrary to Part VI of the Competition Act;
 - c) damages under section 36 of the Competition Act in the amount of the Service Fees paid by the Plaintiff and Class Members during the Class Period;
 - d) costs of investigation and prosecution of this proceeding pursuant to section 36 of the *Competition Act*;
 - e) a declaration that HONK has been unjustly enriched by the receipt of some, or all, of the price paid by the Plaintiff and Class Members and received by HONK, directly or indirectly, for the Booking Services;

- f) an order that HONK account for and make restitution to the Plaintiff and Class Members equal to the amount by which HONK is found to have been unjustly enriched;
- g) pre-judgment and post-judgment interest under the *Court Order Interest*Act, RSBC 1996, c 79 (the "Court Order Interest Act"); and
- h) such further and other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

31. The Plaintiff and Class Members plead and rely on the *Competition Act*, the *Class Proceedings Act*, the *Limitation Act*, SBC 2012, c 13, the *Limitation Act*, RSBC 1996, c 266, the *Court Order Interest Act*, the *Court Jurisdiction and Proceedings Transfer Act*, SBC 2003, c 28 (the "*Court Jurisdiction and Proceedings Transfer Act*"), the Supreme Court Civil Rules, BC Reg 168/2009 and related enactments.

Competition Act

- 32. The *Competition Act* applies to business transacted in Canada. HONK has breached sections 52 and/or 54 of the *Competition Act*, as amended from time to time.
- 33. The Booking Services constitute a "product" within the meaning of sections 2, 52 and 54 of the *Competition Act.*

Competition Act – Section 52

- 34. Section 52 of the *Competition Act* prohibits false or misleading representations.
- 35. Section 52(1.3) of the *Competition Act* prescribes that making a representation of a price that is not attainable due to fixed obligatory charges or fees constitutes a false or misleading representation. This conduct is known as drip pricing.
- 36. From a date unknown to the Plaintiff but known to HONK, HONK breached section 52(1.3) of the *Competition Act* by representing that the Booking Services were available at the First Price when HONK knew or was reckless or willfully blind to the fact that this representation was false or misleading in a material respect.

- 37. HONK's representations that the Booking Services were available at the First Price were false or misleading in a material respect because the Booking Services were not attainable at the First Price due to the addition of the Service Fee, which constitutes a fixed obligatory charge and/or fee imposed by HONK.
- 38. This conduct was done for the purpose of promoting, directly or indirectly, the supply or use of the Booking Services and HONK's business interests in attracting customers to use the Booking Services.
- 39. The First Price was represented on a point-of-purchase display or was otherwise made available to members of the public.
- 40. As a result of HONK's breach of section 52 of the *Competition Act*, the Plaintiff and Class Members suffered loss and/or damage. In particular, by paying the Second Price for the Booking Services, the Plaintiff and Class Members obtained less value than they had expected to obtain after having viewed the First Price because the Booking Services were unattainable at the First Price and could only be purchased at the Second Price.

Competition Act – Section 54

- 41. Section 54 of the *Competition Act* prohibits the supply of a product at a price that exceeds the lowest of two or more prices which are clearly expressed on, *inter alia*, a point-of-purchase display. This conduct is referred to as double ticketing.
- 42. HONK clearly expressed both the First Price and the Second Price on the point-of-purchase displays on the Platforms and supplied the Booking Services at the Second Price, which exceeded the First Price.
- 43. HONK at all times controlled how prices were displayed on the point-of-purchase displays on the Platform, and HONK at all times knew or was reckless or willfully blind to its representation of two different prices for the same product.
- 44. The Plaintiff and Class Members were entitled to pay HONK only the First Price for the Booking Services.

Unjust Enrichment

- 45. As set out above, HONK has been unjustly enriched by the amounts received from the Plaintiff and Class Members, directly or indirectly, through the sale of the Booking Services. The Plaintiff and Class Members have suffered a corresponding deprivation of this same amount.
- 46. There is no juristic reason for HONK to retain these benefits as the contracts between HONK and the Plaintiff and Class Members are illegal, void and/or voidable due to HONK's breaches of sections 52(1.3) and/or 54 of the *Competition Act*.

Damages

- 47. As a result of HONK's breaches of sections 52 and/or 54 of the *Competition Act*, the Plaintiff and Class Members suffered loss and/or damage and are entitled to damages in an amount equal to the Service Fees paid by them during the Class Period.
- 48. Further or in the alternative, the Plaintiff and Class Members are entitled to restitution for the benefits received from them by HONK, directly or indirectly, on account of the sale of the Booking Services in Canada.

Limitation Period

49. Class Members who paid a Service Fee to Service on or after June 1, 2013 plead and rely on section 8(d) of the *Limitation Act*, SBC 2012, c 13 to postpone the running of the limitation period. Class Members who paid a Service Fee to HONK on or before May 31, 2013 plead and rely on section 6(4) of the *Limitation Act*, RSBC 1996, c 266 to postpone the running of the limitation period. Class Members could not have reasonably known that a claim existed against HONK until the date on which this Notice of Civil Claim was filed. The limitation period for Class Members' claims began to run, and was tolled by virtue of section 39(1) of the *Class Proceedings Act*, on the date on which the Plaintiff commenced this action.

Service on the Defendant

50. The Plaintiff and Class Members have the right to serve this Notice of Civil Claim on HONK pursuant to section 10 of the *Court Jurisdiction and Proceedings Transfer Act*, SBC 2003, c 28 (the "*Court Jurisdiction and Proceedings Transfer Act*") because there is a real and substantial connection between British Columbia and the facts alleged in this proceeding pursuant to subsections 10(e)(i) and/or (h) of the *Court Jurisdiction and Proceedings Transfer Act* as this action concerns:

- a) contractual obligations that to a substantial extent were to be performed in British Columbia (section 10(e)(i) of the Court Jurisdiction and Proceedings Transfer Act); and/or
- b) a business carried on in British Columbia (section 10(h) of the Court Jurisdiction and Proceedings Transfer Act).

Plaintiff's address for service:

Slater Vecchio LLP 1800 - 777 Dunsmuir Street Vancouver, BC V7Y 1K4

Fax number for service: 604.682.5197

Email address for service: service@slatervecchio.com

Place of trial: Vancouver, BC

The address of the registry is:

800 Smithe Street Vancouver, BC V6Z 2E1

Date: August 19, 2024

Signature of lawyer for plaintiff

Saro Turner Sam Jaworski Justin Giovannetti

Slater Vecchio LLP

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

The Plaintiffs claim the right to serve this pleading on the defendant HONK Mobile Inc. outside British Columbia on the ground that the *Court Jurisdiction and Proceedings Transfer Act*, SBC 2003, c 28 (the "*Court Jurisdiction and Proceedings Transfer Act*") applies because there is a real and substantial connection between British Columbia and the facts on which this proceeding is based. The Plaintiff and Class Members rely on the following grounds, in that this action:

- a) contractual obligations that to a substantial extent were to be performed in British Columbia (section 10(e)(i) of the Court Jurisdiction and Proceedings Transfer Act); and/or
- b) a business carried on in British Columbia (section 10(h) of the Court Jurisdiction and Proceedings Transfer Act).

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is a proposed class proceeding regarding HONK's pricing practices.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

[Check one box below for the case type that best describes this case.]
A personal injury arising out of:
[] a motor vehicle accident
[] medical malpractice
[x] another cause
A dispute concerning:
[] contaminated sites
[] construction defects
[] real property (real estate)
[] personal property
[x] the provision of goods or services or other general commercial matters
[] investment losses
[] the lending of money
[] an employment relationship
[] a will or other issues concerning the probate of an estate
[] a matter not listed here
Part 3: THIS CLAIM INVOLVES:

[Check all boxes below that apply to this case]

	Χ] a class action
[]	maritime law
[]	aboriginal law
[]	constitutional law
[]	conflict of laws
E]	none of the above
[]	do not know

Part 4:

Court Jurisdiction and Proceedings Transfer Act, SBC 2003, c 28
Limitation Act, SBC 2012, c 13
Court Order Interest Act, RSBC 1996, c 79
Competition Act, RSC 1985, c C-34