

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO: 500-06-001292-248

(Class Action)
SUPERIOR COURT

9085-4886 QUEBEC INC.

Applicant

-vs.-

CONTINENTAL TIRE CANADA, INC., legal person, duly incorporated, having its head office at 900-1 Robert Speck Parkway, Mississauga, Ontario, L4Z 3M3

and

CONTINENTAL AG, legal person, duly incorporated, having its head office at Vahrenwalder Strasse 9, Hannover, 30165, Niedersachsen, Germany

and

CONTINENTAL TIRE THE AMERICAS, LLC, legal person, duly incorporated, having its head office at 1830 MacMillan Park Drive, Fort Mill, South Carolina, 29707, USA

and

MICHELIN NORTH AMERICA (CANADA) INC., legal person, duly incorporated, having its head office at 2500, Daniel-Johnson, Bureau 500, Laval, Quebec, H7T 2P6

and

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS, legal person, duly incorporated, having its head office at 23 Place des Carmes-Dechaux, Clermont-Ferrand Cedex 9, Auvergne, 63040, France

and

MICHELIN NORTH AMERICA, INC., legal person, duly incorporated, having its head office at 1 Parkway South, Greenville, South Carolina, 29615, USA

and

NOKIAN TYRES CANADA INC., legal person, duly incorporated, having its head office at 3000-222 Bay Street, Toronto, Ontario, M5K 1E7

and

NOKIAN TYRES PLC, legal person, duly incorporated, having its head office at 7 Pirkkalaistie P.O. Box 20, Nokia, Pirkanmaa, 37101, Finland

and

NOKIAN TYRES INC., legal person, duly incorporated, having its head office at 520 Nokian Tyres Dr., Dayton, Tennessee, 37321, USA

and

GOODYEAR CANADA INC., legal person, duly incorporated, having its head office at 450, Kipling Avenue, Toronto Ontario, M8Z 5E1

and

THE GOODYEAR TIRE & RUBBER COMPANY, legal person, duly incorporated, having its head office at 200 Innovation Way, Akron, Ohio, 44316, USA

and

PIRELLI TIRE INC., legal person, duly incorporated, having its head office at 371

Queen Street, Suite 400, Fredericton,
New Brunswick, E3B 1B1

and

PIRELLI & C. S.P.A., legal person, duly
incorporated, having its head office at
Viale Piero e Alberto Pirelli n. 25, 20126
Milan, Italy

and

PIRELLI TIRE LLC, legal person, duly
incorporated, having its head office at 100
Pirelli Drive, Rome, Georgia, 30161, USA

and

BRIDGESTONE CANADA INC., legal
person, duly incorporated, having its head
office at 5770 Hurontario Street, Suite
400, Mississauga, Ontario, L5R 3G5

and

BRIDGESTONE CORPORATION, legal
person, duly incorporated, having its head
office at 1-1, Kyobashi 3-chome, Chuo-ku,
Tokyo, 104-8340, Japan

and

BRIDGESTONE AMERICAS, INC., legal
person, duly incorporated, having its head
office at 200 4th Avenue S., Nashville,
Tennessee, 37201, USA

Defendants

**APPLICATION TO AUTHORIZE THE BRINGING OF A CLASS ACTION
& TO APPOINT THE APPLICANT AS REPRESENTATIVE PLAINTIFF
(Art. 574 C.C.P)**



I. GENERAL

A) Action

1. Applicant wishes to institute a class action on behalf of the following class, of which she is a member, namely:
 - All persons resident in Quebec that purchased Tires since January 1, 2020;
2. Applicant contends that the Defendants unlawfully and artificially increased and fixed the prices of new replacement tires for vehicles (“Tires”) sold in Canada;
3. On January 30, 2024, the European Commission (“EC”) announced that it “is carrying out unannounced inspections at the premises of companies active in the tyres industry in several Member States”, the whole as appears from the press release, **Exhibit R-1**;
4. Defendants’ unlawful agreement to fix prices of Tires is supported by, among other things: (i) Defendants’ sudden and dramatic parallel price increases, which absent a conspiracy to fix prices, ran contrary to their economic interests; (ii) EC dawn raids of Defendants, (iii) the high level of market concentration in the Tire market; (iv) significant barriers to entry, (v) lack of economic substitutes for Tires, (vi) standardization of Tires with a high degree of interchangeability; and (vii) the myriad opportunities that employees of Defendants had to conspire with one another to fix prices of Tires, coupled with their motivation to achieve such an unlawful end;
5. By reason of this unlawful conduct, Applicant and Class Members have paid higher prices for Tires than they would have paid in a competitive market, causing damages upon which they wish to claim;

B) The Defendants

6. Defendants are comprised of some of the largest tire manufacturers in the world;
7. The Defendants are the parent companies, American and Canadian subsidiaries of the largest tire manufacturers in the world. During the relevant period, Defendants manufactured, marketed, sold and/or distributed Tires to consumers throughout Canada, including the province of Quebec, either directly or indirectly through its predecessors, affiliates, and/or subsidiaries, which include:
 - CONTINENTAL TIRE CANADA, INC., *Registre des entreprises*, **Exhibit R-2**;



- MICHELIN NORTH AMERICA (CANADA) INC., *Registre des entreprises*, **Exhibit R-3**;
 - NOKIAN TYRES CANADA INC., *Registre des entreprises*, **Exhibit R-4**;
 - GOODYEAR CANADA INC., *Registre des entreprises*, **Exhibit R-5**;
 - PIRELLI TIRE INC., *Registre des entreprises*, **Exhibit R-6**;
 - BRIDGESTONE CANADA INC., *Registre des entreprises*, **Exhibit R-7**;
8. Bridgestone, Michelin and Goodyear constitute the majority share of the replacement tire market, **Exhibit R-8**;
9. The Defendants' conduct was authorized, ordered, or done by its officers, agents, employees, or representatives while actively engaged in the management and operations of the respective Defendants' business;
10. Each Defendant acted as the principal agent, joint venturer of, or for other Defendants with respect to the acts, violations and common course of conduct as alleged herein;

C) Situation

11. Virtually all vehicles need tires to operate, making the automobile industry dependent on the tire industry;
12. For most of the 2010s, the price level of Tires was stable, changing by small amounts slowly. Over the last four years; however, the prices of Tires have seen dramatic increases;
13. The following table summarizes Defendants' price increases on passenger and light truck replacement tires between 2021 and 2023:

Defendant	Effective Date	Price Increase
Michelin	February 1, 2021	Up to 5%
Continental	March 1, 2021	Undisclosed
Michelin	April 1, 2021	Up to 8%
Goodyear	April 1, 2021	Up to 8%
Pirelli	April 15, 2021	Up to 7%
Bridgestone	May 1, 2021	Up to 8%
Goodyear	June 1, 2021	Up to 8%
Michelin	July 1, 2021	Up to 6%
Continental	July 1, 2021	Undisclosed
Pirelli	July 1, 2021	Up to 6%
Goodyear	September 1, 2021	Up to 8%
Michelin	September 1, 2021	Up to 14%



Continental	October 1, 2021	Undisclosed
Pirelli	October 1, 2021	Up to 8%
Michelin	January 1, 2022	Up to 12%
Goodyear	January 1, 2022	Up to 12%
Continental	January 3, 2022	Undisclosed
Pirelli	January 17, 2022	Up to 10%
Continental	April 1, 2022	Undisclosed
Michelin	April 1, 2022	Up to 5%
Bridgestone	April 1, 2022	Up to 10%
Pirelli	April 11, 2022	Up to 10%
Continental	June 1, 2022	Undisclosed
Michelin	June 1, 2022	5-12%
Pirelli	June 15, 2022	Up to 10%
Goodyear	July 1, 2022	Up to 10%
Bridgestone	July 1, 2022	Up to 10%
Bridgestone	October 1, 2022	Up to 9%
Michelin	January 1, 2023	Up to 9%
Bridgestone	January 1, 2023	Undisclosed

14. One by one, the Defendants increased their prices on Tires citing various pretextual reasons, **Exhibit R-9**, *en liasse*;
15. The Defendants' unlawful agreement to fix prices of Tires is supported by (i) motive and (ii) opportunity (iii) high barriers to entry, (iv) price inelasticity, and (iv) interchangeable products. Defendants are also recidivist bad actors;

II. FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY APPLICANT

16. On April 9, 2021, Applicant purchased 4 new Continental tires for \$1,195.74, taxes and installation included from Pneu Mobile Vlady Inc. in St. Remi, Quebec for its 2015 Mercedes C300, as appears from the invoice, **Exhibit R-10**;
17. On November 16, 2022, Applicant purchased 4 new Continental tires for \$2,692.72, taxes and installation included from Pneu Mobile Vlady Inc. in St. Remi, Quebec for its 2019 BMW X3, as appears from the invoice, **Exhibit R-11**;
18. Due to the Defendants' conduct, Applicant was deprived of the benefit of free market competition, and because of this, he was charged a higher price for the products that he purchased;
19. Applicant has suffered damages in the amount of the difference between the artificially inflated price that he paid for said products and the price that he should have paid in a free market system;



20. The conduct of the Defendants was kept a secret and was not known to Applicant at the time that he purchased said products nor could it have been discovered, even through the exercise of reasonable diligence;
21. Applicant has since discovered that this situation is being investigated by the EC and that at least one class action has been instituted in the United States due to this issue, as appears more fully from the Complaint, produced herein as **Exhibit R-12**;

III. FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY EACH OF THE MEMBERS OF THE GROUP

22. Every member of the Class purchased Tires at inflated prices;
23. Class Members have suffered damages equivalent to the difference between the artificially-inflated price that they paid for Telescopes and the price that they should have paid in a free market;

IV. CONDITIONS REQUIRED TO INSTITUTE A CLASS ACTION

A) Art. 575 (3) C.C.P.

24. Tires are widespread in Quebec and all over the world. It is safe to estimate that the number of Class Members is significant;
25. It would be impractical, if not impossible, to contact every Class Member to obtain mandates to join them in one action;

B) Art. 575 (1) C.C.P.

26. The damages sustained by the Class Members flow, in each instance, from a common nucleus of operative facts, namely, the Defendants' misconduct;
27. The claims of the members raise identical, similar or related issues of fact or law, as outlined hereinbelow;

V. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

28. The action that Applicant wishes to institute on behalf of the members of the Class is an action in damages;
29. The conclusions that Applicant wishes to introduce by way of an application to institute proceedings appear hereinbelow;

A) Applicant requests that it be designated as representative of the Class

30. Applicant is a member of the Class;

31. Applicant is ready and available to manage and direct the present action in the interest of the members of the Class;
 32. Applicant has the capacity and interest to fairly, properly, and adequately protect and represent the interest of the members of the Class;
 33. Applicant, with the assistance of its attorneys, is ready and available to dedicate the time necessary for this action and to collaborate with other members of the Class and to keep them informed;
 34. Applicant has given instructions to its attorneys to put information about this class action on their website and to collect the coordinates of those Class Members that wish to be kept informed and participate in any resolution of the present matter, the whole as will be shown at the hearing;
 35. Applicant understands the nature of the action;
 36. Applicant's interests do not conflict with the interests of other Class Members;
 37. Applicant has spent time researching this issue and meeting with its attorneys to prepare this file. In so doing, it is convinced that the problem is widespread;
- B) Applicant suggests that this class action be exercised before the Superior Court of Justice in the district of Montreal

38. A great number of the members of the Class reside in Montreal;

39. Applicant's attorneys practice their profession in Montreal.

FOR THESE REASONS, MAY IT PLEASE THE COURT:

GRANT the present application;

AUTHORIZE the bringing of a class action in the form of an application to institute proceedings in damages;

APPOINT Applicant as representative of the persons included in the Class herein described as:

- All persons resident in Quebec that purchased Tires since January 1, 2020;

IDENTIFY the principal issues of fact and law to be treated collectively as the following:

- a) Did Defendants engage in an agreement, combination, collusion, and/or conspiracy to fix, raise, maintain, or stabilize the prices of Tires?



- b) Did Defendants take any actions to conceal this unlawful agreement, combination, collusion, and/or conspiracy?
- c) Did Defendants' conduct cause the prices of Tires to be sold at artificially inflated and non-competitive levels?
- d) Were members of the Class prejudiced by Defendants' conduct, and, if so, what is the appropriate measure of these damages?
- e) Are members of the Class entitled to, among other remedies, injunctive relief, and, if so, what is the nature and extent of such injunctive relief?
- f) Are Defendants liable to pay punitive damages to members of the Class, and, if so, in what amount?

IDENTIFY the conclusions sought by the class action to be instituted as being the following:

GRANT the class action of Applicant and each of the members of the Class;

DECLARE the Defendants solidarily liable for the damages suffered by Applicant and each of the members of the Class;

CONDEMN the Defendants to pay to each member of the Class a sum to be determined in compensation of the damages suffered, and ORDER collective recovery of these sums;

CONDEMN the Defendants to pay punitive damages to each of the members of the Class, and ORDER collective recovery of these sums;

CONDEMN the Defendants to pay interest and additional indemnity on the above sums according to law from the date of service of the application to authorize a class action;

ORDER the Defendants to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;

CONDEMN the Defendants to bear the costs of the present action including expert and notice fees;

RENDER any other order that this Honourable Court shall determine and that is in the interest of the members of the Class;

DECLARE that all members of the Class that have not requested their exclusion, be bound by any judgment to be rendered on the class action to be instituted in the manner provided for by the law;



FIX the delay of exclusion at thirty (30) days from the date of the publication of the notice to the Class Members, date upon which the members of the Class that have not exercised their means of exclusion will be bound by any judgment to be rendered herein;

ORDER the publication of a notice to the members of the group in accordance with article 579 C.C.P. within 60 days from the judgment to be rendered herein in a manner to be determined;

THE WHOLE with legal costs, including publication fees.

Montreal, February 8, 2024

(s) Andrea Grass

CONSUMER LAW GROUP INC.

Per: Me Andrea Grass
Attorneys for Applicant