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SUPREME COURT
      OF
BRITISH COLUMBIA

   S E A L
  05-Dec-25

   Vancouver
   REGISTRY
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IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

EVELYN JANTUNEN and JOHN JANTUNEN

Plaintiffs

and

SAS INSTITUTE (CANADA) INC., SAS INSTITUTE INC., INTEGRATED
DECISIONS AND SYSTEMS, INC., ACCOR MANAGEMENT CANADA
INC., ACCOR S.A., APA CANADA, INC., COAST HOTELS LIMITED,
GREAT EAGLE HOTELS (CANADA) LIMITED, LANGHAM HOTEL
INTERNATIONAL LIMITED, CHOICE HOTELS CANADA INC. / LES
HOTELS DE CHOIX DU CANADA INC., CHOICE HOTELS
INTERNATIONAL, INC., HILTON CANADA CO., HILTON
INTERNATIONAL CANADA CRA ULC, HILTON WORLDWIDE
HOLDINGS INC., HYATT PROPERTY MANAGEMENT INC., HYATT
HOTELS OF CANADA, INC., HYATT HOTELS CORP., WYNDHAM
HOTELS & RESORTS CANADA, INC., WYNDHAM HOTELS &
RESORTS, INC., OMNI HOTELS MANAGEMENT CORPORATION, TRT
HOLDINGS, INC., 1504953 ALBERTA LTD., 1100 BURRARD
HOLDINGS LTD., THE HAZELTON HOTEL YORKVILLE INC.,
HAZELTON HOTELS INTERNATIONAL INC., and FOUR SEASONS
HOTELS LIMITED / HOTELS QUATRE SAISONS LIMITEE

Defendants

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

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiffs 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 plaintiffs.

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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 plaintiffs 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(s),

(a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,

(b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or

(d) if the time for response to civil claim has been set by order of the court, within that time.

Part 1: STATEMENT OF FACTS

DEFINED TERMS

1. In this Notice of Civil Claim, in addition to the other terms defined herein, the following terms have the following meanings:

(a) "**ADR**" for a hotel means average daily rate, which is calculated as:

$$\frac{\textit{Revenue from Rooms on a Given Day}}{\textit{Number of Rooms Sold that Day}}$$

Correspondingly, the ADR for a given year is the average ADR for that hotel over the course of that year;

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(b)   "**Class**" means all persons including natural or legal, except for Excluded Persons, who, during the Class Period, paid for a room at a Hotel in Canada owned, managed, operated, or franchised by the Hotel Defendants.

(c)   "**Class Period**" means the period between September 28, 2016 and the date on which this action is certified as a class proceeding;

(d)   "*Competition Act*" means the *Competition Act*, RSC 1985, c C-34;

(e)   "**IDeaS**" means the defendants SAS Institute (Canada) Inc., SAS Institute Inc., and Integrated Decisions and Systems, Inc.;

(f)   "**Excluded Persons**" means the Defendants and each Defendant's past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors, and assigns;

(g)   "**Hotel**" means a building, or two or more connected buildings containing at least 30 rooms that are regularly rented to members of the public and used mainly for the purpose of catering to the needs of the travellers by the furnishing of sleeping accommodation;

(h)   "**Hotelier**" means any corporation that exerts control over the price to rent a room at a Hotel. This may include the owner of the Hotel, a management company, an operating company, or a franchisor;

(i)   "**Hotel Defendants**" means defendants other than IDeaS;

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(j)   "**Occupancy Rate**" for a hotel means:

$$\frac{Number\ of\ Rooms\ Sold\ on\ a\ Given\ Day}{Total\ Number\ of\ Rooms\ Available}$$

Correspondingly, the Occupancy Rate for a given year is the average Occupancy Rate for that hotel over the course of that year; and

(k)   "**RevPAR**" for a hotel means revenue per available room. The RevPAR can be calculated in two ways:

$$\frac{Total\ Revenue\ from\ Rooms\ on\ a\ Given\ Day}{Total\ Number\ of\ Rooms\ Available}$$

or

$$ADR * Occupancy\ Rate$$

Correspondingly, the RevPAR for a given year is the average RevPAR for that hotel over the course of that year.

NATURE OF THE ACTION

2.   This action arises from a conspiracy to fix, raise, maintain, and/or stabilize Hotel room prices in Canada using a software pricing algorithm. The Hotel Defendants, who are competitors, agreed to provide confidential pricing information to IDeaS through their use of IDeaS revenue management software ("**IDeaS RMS**"). IDeaS earned fees by developing and deploying a pricing algorithm to make pricing decisions for the Hotel Defendants. The Hotel Defendants were urged to and agreed or arranged to accept the

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decisions made by the pricing algorithm because doing so would result in higher prices that they would otherwise not be able to achieve.

3.   The Hotel Defendants and their co-conspirators shared detailed, confidential, competitively sensitive information about their prices, supply, and future plans through IDeaS.   The Hotel Defendants and their co-conspirators also provided their confidential current and forward-looking occupancy data, ADR, and RevPAR to Amadeus Hospitality ("**Amadeus**") via its demand forecasting software ("**Demand360**"). IDeaS and Amadeus contracted with each other to integrate Demand360 into IDeaS RMS, further enabling IDeaS to use non-public occupancy data (and other confidential information) to generate pricing and occupancy decisions for the Hotel Defendants. IDeaS also used this information to generate metrics for the Hotel Defendants, including occupancy reports using Demand360 data.

4.   This sharing of information occurred on a real-time or nearly real-time basis. IDeaS inputs this information into its algorithm and generates *supra*-competitive pricing decisions for the Hotel Defendants and its other Hotelier customers.

5.   The Hotel Defendants agreed or arranged to follow (and did follow) the IDeaS pricing and occupancy decisions. IDeaS RMS integrates with the Hotel Defendants' booking systems and pricing decisions are automatically implemented through the booking systems without any human intervention. IDeaS designed IDeaS RMS to "enable hotels to achieve optimal revenue performance through automatically deployed controls that manage pricing, rate availability and overbooking."

6. The Hotel Defendants permit IDeaS to set prices directly or invariably follow IDeaS' pricing and occupancy decisions, as they are repeatedly urged to do by IDeaS, including through personal communication, promotional activities and industry events. IDeaS encourages clients to "trust" its pricing decisions, because it has superior data.

7. The Hotel Defendants know that each of the other Hotel Defendants are implementing IDeaS' pricing decisions because IDeaS tells them so and because their revenues increased by using IDeaS. In a competitive market, the Hotel Defendants would be expected to compete on price to gain market share. Instead, by agreeing to follow and following the IDeaS price decisions, they can successfully increase prices without losing market share. The Hotel Defendants agreed or arranged to follow the IDeaS pricing and occupancy decisions.

8. By sending their confidential pricing and occupancy information to a third party to process and analyze in recommending *supra*-competitive prices, the Hotel Defendants can achieve the same result as if they secretly met and exchanged their information and agreed to fix prices. In fact, they can achieve a "better" result. The algorithm can receive, process and analyze price, demand and supply information and provide price decisions more accurately and faster than any human.

9. The Defendants' conduct would be illegal if they secretly met in a back room and agreed to share confidential information and implement *supra*competitive prices. Competitors making the same agreement or arrangement through a software pricing algorithm is equally unlawful.

10.   The Hotel Defendants yielded their independent pricing and occupancy decisions to the common pricing and occupancy decisions of IDeaS – who aided and abetted and counselled the conspiracy alleged herein. Class Members have been harmed as a result, paying higher prices for Hotel rooms.

11.   The Defendants and their co-conspirators were aware and intended that the alleged conspiracy would result in increased Hotel room prices.

12.   The Defendants succeeded in their intentions. Between 2015 and 2024, the ADR for a Canadian hotel room increased by more than 45%, almost double the rate of inflation over that period. This increase is due, at least in part, to the Defendants entering an arrangement to fix, maintain, control or increase Hotel room prices.

13.   As a result of the Defendants' conduct, the Plaintiffs and other Class Members paid inflated, non-competitive prices for their Hotel rooms in Canada. Specifically, the Plaintiffs and other Class Members paid higher prices for their Hotel rooms in Canada then they would have, had the Defendants not conspired, agreed or arranged to fix, maintain, control or increase the prices of Hotel rooms in Canada.

THE PARTIES

A.   The Plaintiffs

14.   The Plaintiff, Evelyn Jantunen, paid for a room at Comfort Inn and Suites University in Calgary, Alberta for May 22-24, 2019. This Hotel's prices are set by IDeaS at the direction of Choice. As a result, the Plaintiff paid a *supra*competitive price.

15.   Ms. Jantunen also paid for a room at the Super 8 by Wyndham Fort Frances in Fort Frances, Ontario for July 6-7, 2024. This Hotel's prices are set by IDeaS at the direction of Wyndham. As a result, the Plaintiff paid a *supra*competitive price.

16.   The Plaintiff, John Jantunen, paid for a room at the Days Inn & Suites by Wyndham Winnipeg Airport Manitoba in Winnipeg, Manitoba for September 10-11, 2021. This Hotel's prices are set by IDeaS at the direction of Wyndham. As a result, the Plaintiff paid a *supra*competitive price.

17.   Mr. Jantunen also paid for a room at the Super 8 by Wyndham Thunder Bay in Thunder Bay, Ontario for September 7-8, 2023. This Hotel's prices are set by IDeaS at the direction of Wyndham. As a result, the Plaintiff paid a *supra*competitive price.

B.   The Defendants

(i)   Hotel Defendants

Accor

18.   "**Accor**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Accor Management Canada Inc., a corporation incorporated under the laws of Canada; and

(b)   Accor S.A., a corporation incorporated under the laws of France.

19.   Accor is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement at least 27 Hotels in Canada, with at least

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11,252 rooms, including Hotels operating under the following brands: Fairmont, McGallery, Novotel, and Sofitel.

20.   To the extent that those Hotels are operated by franchisees, Accor substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements Accor's price directions or requirements.

21.   Each member of the Accor corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against Accor, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

22.   Accor formally announced its adoption IDeaS RMS in June 2017. It has continued to use IDeaS RMS since then.

APA (including Coast Hotels)

23.   "**APA**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

     (a)   APA Canada, Inc., a corporation incorporated under the laws of Canada; and

     (b)   Coast Hotels Limited, a corporation incorporated under the laws of British Columbia.

24.   APA is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement at least 30 Hotels in Canada, with at least 3,152 rooms, including Hotels operating under the brand Coast.

25.   To the extent that those Hotels are operated by franchisees, APA substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements APA's price directions or requirements.

26.   Each member of the APA corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against APA, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

27.   APA adopted IDeaS RMS to automate and systematize its pricing decisions. According to Nooshi Akhavan, Director of Revenue Performance and Distribution, the manual processes previously in place did not allow for dynamic pricing or strategic focus, whereas the implementation of IDeaS RMS has enabled the company "to change how we sell and be more dynamic and relevant to our customers." Akhavan further stated that the system provides centralized insights and decision-making for future dates, identifying "tremendous opportunities" in pricing adjustments.

The Burrard

28.   The Burrard ("**The Burrard**") is an independent hotel located in Vancouver, British Columbia with 72 rooms. It is owned, managed, and operated by Hotelier 1100 Burrard Holdings Ltd., a corporation incorporated under the laws of British Columbia.

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29.   IDeaS RMS was implemented at The Burrard. The Burrard chose IDeaS RMS due to its automated pricing features. Since the implementation of IDeaS RMS, the Burrard's RevPAR has outpaced its competitive set and market average. In 2018, The Burrard grew their RevPAR by 15 percent versus the market at 11 percent.

30.   The Burrard has asserted that the most effective way to use IDeaS RMS is to just trust in the machine and let the system learn. The Burrard has stated that "IDeaS has an insane ability to quickly respond to changes in a dynamic market. There's no one human that can physically do what this product can do—there's so much that goes into the algorithm," and "Revenue managers should simply believe in the tool, have faith in it, and they will achieve results that exceed their expectations."

Chelsea Hotel

31.   The Chelsea Hotel Toronto ("**Chelsea Hotel**") is a hotel located in Toronto, Ontario. With nearly 1,600 rooms, Chelsea Hotel is Canada's largest Hotel. Chelsea Hotel includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Great Eagle Hotels (Canada) Limited, a corporation incorporated under the laws of New Brunswick, doing business as Chelsea Hotel Toronto and The Chelsea Hotel Toronto; and

(b)   Langham Hotels International Limited, a corporation incorporated under the laws of Hong Kong, China.

32.   The Chelsea Hotel is managed and operated by the Hotelier Langham Hotels International Limited.

33.   The companies identified in paragraph 31 are members of the same corporate group and is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against Chelsea Hotel, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

34.   The Chelsea Hotel formally announced its adoption IDeaS RMS in July 2013. It has continued to use IDeaS RMS since then.

Choice

35.   "**Choice**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

   (a)   Choice Hotels Canada Inc. / Les hotels de choix du Canada Inc., a corporation incorporated under the laws of Ontario; and

   (b)   Choice Hotels International, Inc., a corporation incorporated under the laws of Delaware.

36.   Choice is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement the prices of at least 360 Hotels in Canada, with at least 30,481 rooms, including Hotels operating under the following

brands: Ascend Collection, Clarion, Comfort Inn, Country Inn, Econo Lodge, Quality Inn, MainStay Suites, Park Inn, Radisson, Radisson Blu, Rodeway Inn, and Sleep Inn.

37.   To the extent that those Hotels are operated by franchisees, Choice substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements Choice's price directions or requirements.

38.   Each member of the Choice corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against Choice, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

39.   Douglas Lisi, Vice-President of Revenue Management, Choice Hotels, stated: "Franchisees are at the core of everything Choice Hotels does, and we are committed to helping them along the road to economic recovery and beyond. This is why we've launched our new revenue management system, ChoiceMAX powered by IDeaS, to help our hoteliers optimize their pricing structure and ultimately revenue production. To date, 93 percent of pricing from ChoiceMAX have been accepted by properties, and the reception of ChoiceMAX among franchisees has been overwhelmingly positive." The ChoiceMAX app was built by IDeaS, powered by IDeaS' data and algorithms, and generates pricing decisions from IDeaS.

40.   Choice formally announced its adoptions of IDeaS RMS in April 2022. It has continued to use IDeaS RMS since then.

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Four Seasons

41.   Four Seasons Hotels Limited / Hotels Quatre Saisons Limitee ("Four Seasons") is a corporation incorporated under the laws of Ontario.

42.   Four Seasons is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement the prices of at least three Hotels in Canada operating under the Four Seasons brands.

43.   To the extent that those Hotels are operated by franchisees, Four Seasons substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements Four Seasons' price directions or requirements.

44.   Four Seasons has been a customer of IDeaS since at least 2011.

The Hazelton Hotel

45.   The Hazelton Hotel ("**Hazelton Hotel**") is an independent hotel located in Toronto, Ontario with 77 rooms. It is owned, managed, and operated by Hoteliers The Hazelton Hotel Yorkville Inc., a corporation incorporated under the laws of Ontario, and Hazelton Hotels International Inc., a corporation incorporated under the laws of Ontario.

46.   IDeaS RMS was implemented at Hazelton Hotel. Using IDeaS RMS, Hazelton Hotel tailors room type pricing based on competitor demand patterns. Prices are adjusted dynamically for offerings tied to base rates, Hazelton Hotel also uses IDeaS RMS to strategically overbook its rooms, further preserving the value of their higher room classes.

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Hilton

47.   "**Hilton**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Hilton Canada Co., a corporation incorporated under the laws of Nova Scotia;

(b)   Hilton International Canada CRA ULC, a corporation incorporated under the laws of Nova Scotia; and

(c)   Hilton Worldwide Holdings Inc., a corporation incorporated under the laws of Delaware.

48.   Hilton is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement over the prices of at least 178 Hotels in Canada, with at least 28,256 rooms, including Hotels operating under the following brands: DoubleTree, Embassy Suites, Garden Inn, Hampton, Hilton, Hilton Garden, Homewood Suites, and Tru.

49.   To the extent that those Hotels are operated by franchisees, Hilton substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements Hilton's price directions or requirements.

50.   Each member of the Hilton corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against

Hilton, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

51.   Hilton was one of the first Hoteliers to adopt IDeaS RMS. Following a pilot program in or about 2012, Hilton formally announced its adoption of IDeaS RMS in June 2013. It has continued to use IDeaS RMS since then.

Hotel Arts

52.   Hotel Arts ("**Hotel Arts**") is an independent hotel located in Calgary, Alberta with 185 rooms. It is owned, managed, and operated by Hotelier 1504953 Alberta Ltd. a corporation incorporated under the laws of Alberta.

53.   IDeaS RMS was implemented at Hotel Arts. By using IDeaS, Hotel Arts increased its RevPAR for summer weekends by 30 percent. Within the first several months of use, Hotel Arts had a significant increase on its ADR and occupancy rates ran over 90 percent in July and August.

Hyatt

54.   "**Hyatt**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Hyatt Property Management Inc., a corporation incorporated under the laws of Canada;

(b)   Hyatt Hotels of Canada, Inc., a corporation incorporated under the laws of Delaware; and

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(c)   Hyatt Hotels Corp., a corporation incorporated under the laws of Delaware.

55.   Hyatt is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement the prices of 19 Hotels in Canada, with at least 3,971 rooms, including Hotels operating under the following brands: Andaz, Hyatt Centric, Hyatt House, Hyatt Place, Hyatt Regency, and Park Hyatt.

56.   To the extent that those Hotels are operated by franchisees, Hyatt substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, and train on and comply with its corporate revenue management guidelines, which implement Hyatt's price directions or requirements.

57.   Each member of the Hyatt corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against Hyatt, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

58.   Hyatt formally announced its adoption of IDeaS RMS in August 2022. It has continued to use IDeaS RMS since then.

Omni

59.   "**Omni**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Omni Hotels Management Corporation., a corporation incorporated under the laws of Delaware; and

(b)   TRT Holdings, Inc., a private holdings company incorporated pursuant to the laws of Delaware.

60.   Omni is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement over the prices of at least two Hotels in Canada, with at least 600 rooms, including Hotels operating under the following hotel names: Omni Mont-Royal and The Omni King Edward.

61.   In particular, to the extent that those Hotels are operated by franchisees, Omni substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements Omni's price directions or requirements.

62.   Each member of the Omni corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against Omni, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

63.   Omni formally announced its adoptions of IDeaS RMS in March 2019. It has continued to use IDeaS RMS since then.

<u>Wyndham</u>

64. "**Wyndham**" includes the following companies and all of its predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Wyndham Hotels & Resorts Canada, Inc., a corporation incorporated under the laws of New Brunswick; and

(b)   Wyndham Hotels & Resorts, Inc., a corporation incorporated under the laws of Delaware.

65.   Wyndham is a Hotelier. It owns, manages, operates, and/or exerts control over by way of a franchise agreement or similar agreement the prices of at least 482 Hotels in Canada, with at least 39,609 rooms, including Hotels operating under the following brands: Baymont, Days Inn, Howard Johnson, Microtel Inn, Ramada, Super 8, Travelodge, Wingate, and WorldMark.

66.   To the extent that those Hotels are operated by franchisees, Wyndham substantially controls all actions of its franchisees with respect to pricing decisions by requiring them through the franchise agreements to use its revenue management software, which implements Wyndham's price directions or requirements.

67.   Each member of the Wyndham corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against Wyndham, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

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68.   Wyndham has integrated IDeaS RMS directly into its property management systems to leverage real-time data and make automatic pricing decisions. As stated by the VP of Wyndham's global revenue management, IDeaS' software, RevIQ, "allows...me to put my hotel's revenue management strategy on autopilot, freeing my time to focus on other parts of the business while helping ensure I'm always getting the best possible return on every available room."

69.   In June 2022, Wyndham formally announced its adoptions of IDeaS RMS and RevIQ – a revenue management software that uses the real-time data analytics to make automatic pricing decisions. RevIQ was developed in collaboration with IDeaS and has the same functionality as IDeaS RMS. IDeaS lists Wyndham on its website as a user of IDeas RMS.

(ii)   IDeaS

70.   "**IDeaS**" includes the following companies and all of their predecessors, affiliates, and subsidiaries, each of whose businesses are inextricably interwoven with the business of the others:

(a)   Integrated Decisions and Systems, Inc., a corporation incorporated under the laws of Delaware;

(b)   SAS Institute (Canada) Inc., a corporation incorporation under the laws of Canada; and

(c)   SAS Institute Inc. is a corporation incorporated under the laws of North Carolina.

71.   As described further below, IDeaS sets prices for Hoteliers – including the Hotel Defendants – using confidential pricing information obtained directly from the Hotel Defendants and from other marketing intelligence sources.

72.   SAS Institute Inc. provides an "SAS certification" program. Its certification program includes various programs relating to artificial intelligence and machine learning, including "IDeaS G3 RMS Certified User: Essentials", "AI & Machine Learning", and "SAS Certified Specialist: Machine Learning Using SAS Viya". The IDeaS program is touted as providing the individual with "the essential skills necessary to set up, manage, and optimize revenues with IDeaS G3 RMS."

73.   Each member of the IDeaS corporate group is an agent for the others with respect to the conduct particularized herein. To the extent that allegations are made against IDeaS, those allegations are made against all members of the corporate group, and damages for all of their actions are sought against them jointly and severally.

74.   IDeaS RMS is the industry's leading revenue management system. On a global basis, IDeaS RMS analyzes over 100 million pricing and booking decisions for over 1.6 million hotel rooms daily.

75.   Hotels spend large sums of money for IDeaS RMS. IDeaS charges $3 per room per month. Meaning that large Hotel chains are spending millions of dollars each year for IDeaS RMS.

(iii)   Unnamed Co-Conspirators

76.   Amadeus aided and abetted the conspiracy alleged herein. In October 2018, Amadeus acquired the hospitality software brand TravelClick from Thoma Bravo, LP. As part of the acquisition, TravelClick was integrated into Amadeus' Hospitality customer unit. Prior to the acquisition, on September 28, 2016, IDeaS and TravelClick announced they had contracted to integrate Demand360 into IDeaS RMS. Since its acquisition, Amadeus has continued TravelClick's contract with IDeaS.

77.   Amadeus (through its Demand360 software) collected confidential and commercially sensitive information from the Hotels Defendants (or some of them) and shared that information with IDeaS for use in IDeaS RMS.   Specifically, Amadeus collected and shared information about occupancy rates, controls and forecasts, ADR and RevPAR.   This information was not otherwise publicly available.   This information was used by IDeaS in providing pricing and occupancy decisions, occupancy controls, and occupancy forecasts to the Hotel Defendants.

78.   The Hotel Defendants know which competitors use Demand360.   Amadeus publishes this information on its website and requires users to build competitive sets on Demand360 from a list of other Hotels using Demand360.

79.   Various Hoteliers not named as defendants in this lawsuit, the identities of which are presently not known, participated as co-conspirators with the Defendants in the unlawful conspiracies alleged in this Notice of Civil Claim, and have performed acts and made statements in furtherance of the unlawful conduct.

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(iv)   Joint and Several Liability

80.   The Defendants are jointly and severally liable for the actions of all co-conspirators and for all of the damages resulting therefrom. The Defendants were aware and intended that the alleged conspiracy would cause Class Members to pay *supra*competitive prices for Hotel rooms in Canada from the Defendants and any unnamed co-conspirators.

81.   Whenever reference is made herein to any act, deed, or transaction of any corporation, the allegation means that the corporation or limited liability entity engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or representatives while they were actively engaged in the management, direction, control, or transaction of the corporation's business or affairs.

VI. THE ALLEGED MISCONDUCT

A.   The Hotel Defendants agree to share confidential information through IDeaS

82.   The Hotel Defendants agreed to provide IDeaS (either directly or through the Demand360 integration) with detailed, confidential, and competitively sensitive information. This information was provided on a real time or near real time basis and was inputted into IDeaS RMS to generate price and occupancy decisions.

83.   The Hotel Defendants agreed to give IDeaS data directly from their reservation systems, which include at least the following non-public data:

(a)   daily reservations data, including new, cancelled, changed, and on the books reservations;

(b)   historical and real-time room rates;

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(c)   historical and real-time occupancy levels;

(d)   historical and real-time booking rates;

(e)   interactions with consumers that do not result in bookings (e.g., requests made for sold-out rooms);

(f)   real-time changes to prices across different platforms;

(g)   other revenue by property and customer type (i.e., business, consumer, group, contracts for airline industry, etc.);

(h)   revenue for other services and activities, such as spa, dining, and golf;

(i)   competitor sets identified by Hotels; and

(j)   dates of special events which would suggest spikes in demand (i.e., weddings).

84.   This information – including pricing and occupancy rates - is provided continuously and in real time or near real time (at least once daily). The information provided is very granular and typically includes transaction level detail. While some of this information is publicly available (i.e., the current advertised rate on a website), the bulk of the information is not publicly available. Non-public information includes: current and future occupancy levels; bookings by customer type; rates charged for group bookings or event discounts; attempted bookings of sold-out dates; dates of special events; and current and forecasted revenue by property and room type. This non-public information provides IDeaS with unparalleled insight into the market.

85.   For new clients without historical information, IDeaS generates pricing decisions by cloning data from existing clients with similar business to provide baselines for demand and predicted guest behaviour. This means existing clients' confidential information is used to generate pricing decisions and forecasts for new clients.

B.   The Hotel Defendants know that their competitors also agreed to provide confidential information to IDeaS

86.   The Hotel Defendants know which competitors are using IDeaS and therefore providing confidential information and receiving price and occupancy decisions. IDeaS publicizes the identity of hotel operators using the system, including by issuing press releases when executing agreements with hotels, providing testimonials from various hotels, listing customers in marketing materials, and inviting and honouring customers at industry events.

C.   IDeaS augments the Hotel Defendants' confidential information with confidential data shared through market intelligence companies

87.   In addition to using the Hotel Defendants' confidential information, IDeaS augments its dataset through confidential information obtained through partnerships with market intelligence providers. These partnerships include:

(a)   Demand360 (operated by Amadeus) – IDeaS has partnered with Demand360 since at least 2016, integrating Demand360 into IDeaS RMS. This partnership is described in further detail in the paragraphs that follow.

(b)   STR, Inc. (formerly known as Smith Travel Research, "STR") – STR collects confidential current and forward-looking information about prices, Occupancy Rates, ADR and RevPAR from participating Hoteliers. STR

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then aggregates that information and provides various reports to participating Hoteliers. All or nearly all Hotel Defendants are participating Hoteliers, as well as other major Hotel chains including Marriott, Best Western, and IHG (including the Holiday Inn brand).

(c)   Reputation Management – Reputation Management provides insight into how guests review and rate a particular Hotel compared to its competitors.

(d)   Lighthouse (formerly known as OTA Insight) – Lighthouse provides information about Hoteliers' confidential information, confidential metrics, and forecasts.

88.   The Hotel Defendants agreed to give Amadeus (Demand360) data directly from their reservation systems, which include at least the following non-public data:

(a)   historical, real-time, and 12-month forward looking occupancy levels;

(b)   historical, real-time, and 12-month forward looking ADR; and

(c)   historical, real-time, and 12-month forward looking RevPAR.

89.   Demand360 allows Hoteliers to view 12 months of forward-looking occupancy data across the competitive set they select. IDeaS RMS uses this information when generating pricing and occupancy decisions for the Hotel Defendants.

90.   According to IDeaS, the forward-looking data from Demand360 is particularly helpful:

Although a competitor's retail price is used most frequently, there are other sources such as forward-looking segment performance by Amadeus's Demand360 or even past performance benchmarking by STR. While competitive benchmarking data provided by STR reports may not be well suited for forecast models, displaying such data within the RMS can be a helpful pricing reference tool. Forward-looking market data [like that from Demand360], on the other hand, can help improve a forecast's robustness as it accounts for market-wide compressions or decompressions.

91.   The current and forward-looking demand data from Demand360 is not publicly available and a key input into IDeaS RMS that "helps hotels to optimize prices and generate additional revenue."

92.   IDeaS explained that IDeaS RMS "automatically implements and capitalizes on" the "revenue opportunities" provided by the Demand360 data. IDeaS' research "demonstrated that the insertion of demand intelligence data notably improved the demand forecast and uplift for hotels."

93.   Demand360 users are required to provide 12 months of forward-looking occupancy data, ADR, and RevPAR, in real time. With this information, users know both what their competitors are charging and how many rooms they are selling at that price. This information is not publicly available:

(a)   current and future occupancy data is non-public information;

(b)   ADR is the actual room price, which is includes non-public information such as discounted rates and group rates; and

(c)   current and future RevPAR is based on both the actual room paid (not entirely public) and the number of available rooms at that time (not public).

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94.   The non-public data collected by Demand360 (and used by IDeaS) is vast, as Demand360 has demand and rate insights from 44,000 hotels.

D.   Price Setting Through IDeaS

(i)   Information Used by IDeaS RMS in Generating Pricing and Occupancy Decisions

95.   The amount and granularity of the information provided by the Hotel Defendants and other users gives IDeaS unparalleled insight into competitive conditions. As indicated above, IDeaS RMS analyzes over 100 million pricing and booking decisions for over 1.6 million hotel rooms daily. IDeaS uses this information as an input into IDeaS RMS.

96.   IDeaS uses the confidential information it receives directly and indirectly from Hotel Defendants to generate its *supra*competitive price and occupancy decisions for the Hotel Defendants. IDeaS widely publicizes this fact. For example, Stephen Hambleton, Director, Product Management and Solution Success for IDeaS, stated: "IDeaS' proven approach folds all key data sources directly into optimization (competitor pricing, for example is accounted for in optimization, as opposed to applying it simply as pricing rules after the RMS sets a price)." Similarly, the IDeaS RMS brochure states that IDeaS RMS "considers the demand profile of the product, competitors' influence and their impact on other products [and] […] [a]utomatically weights the true influence of competitors' pricing, future demand […] to produce the most accurate forecast." The IDeaS RMS brochure further states that it provides the means to "CONSIDER YOUR COMPETITION", explaining as follows: "IDeaS G3 RMS provides a unique and integrated approach to support pricing by room type that accounts for the influence specific competitors have on your property. For instance, when a competing hotel changes their suite rate, G3 RMS

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understands how that impacts your hotel's demand and how it impacts the price you should charge."

97.   IDeaS incorporates competitor confidential information, such as rooms rented over time, into its price decisions, stating on its website "In other hotels, standard rooms are currently selling out faster than deluxe or specialty rooms. […] In this scenario, an automated RMS can assist with narrowing the gap between overselling rooms and pricing higher-tier rooms correctly." In describing what its pricing products can do for customers, IDeaS states that customers need to "[f]ocus on metrics like revenue per available room (RevPAR) and revenue generation index (RGI) against local competition to grasp performance." RevPAR and RGI are types of confidential information.

98.   Hotel Defendants agreed to submit their non-public transaction-level data to IDeaS, knowing that IDeaS would analyze it together with other Hotel Defendants' data to generate pricing and occupancy decisions for them and their competitors. In exchange, IDeaS promises to the Hotel Defendants that their revenue increases will beat the market by as much as 15%.

99.   By obtaining a continuous stream of confidential data from the Hotel Defendants, IDeaS has a clear and unparalleled view of the market. IDeaS uses this non-public information (such as the price paid for each room and quantities of rooms) to generate *supra*competitive pricing decisions for the Hotel Defendants. Using the Hotel Defendants' confidential, commercially sensitive information, IDeaS can create a "more complete picture of unconstrained demand and market conditions, while considering a full range of key factors, such as special events, competitor pricing, days to arrival, and many more."

(ii) The Algorithm

100.   IDeaS also uses this non-public, competitively sensitive data to train its algorithm. The wide-scope implementation of IDeaS RMS in tens of thousands of properties "facilitates continuous improvement" of the algorithm. "Human intervention is minimized, with the system autonomously selecting and models and parameters based on continuous learning." IDeaS incorporates data into its algorithm in real time, which allows it to "always work[] to improve upon itself, regularly recalibrating and adjusting, without human intervention."

101.   While the application of the algorithm is adjusted for each Hotel Defendant's specific characteristics (i.e., location, number of rooms), the same basic algorithm is used across all Hotel Defendants. The algorithm continuously learns and improves over time as it receives non-public data from the Hotel Defendants and other users. The data received allows the algorithm to learn how consumers react to price changes and improve upon its pricing decisions – all with the goal of increasing prices above the competitive level. The result is higher prices and revenues for the Hotel Defendants – to the detriment of Class Members who are paying *supra*competitive prices for Hotel rooms.

102.   IDeaS uses a concept known as "Last Room Value" or LRV to set floor prices. Last Room Value is the maximum amount of room revenue a hotel can expect to make from the last room available for sale. IDeaS will not make a pricing decision below the Last Room Value. The Last Room Value functions as a price floor that prevents prices from going too low.

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(iii) Automation of Price and Occupancy Decisions

103.   IDeaS markets the fact that its tools do not require human intervention or only require one click. For example, in a YouTube video titled "IDeaS Pricing System Overview", IDeaS markets "One-click distributions of pricing decisions into hundreds of channels" as a key feature.

104.   IDeaS touts its program as being superior to those of competitors because of its automation:

> Many revenue management systems provide recommendations that require a manual validation and/or deployment while IDeaS' advanced revenue management solutions produce automated decisions. …

> Unlike decisions, which are system controls that are continually optimized and automatically deployed to integrated selling systems, recommendations have to be manually implemented into integrated selling systems. This means users are still responsible for reviewing, approving and uploading every recommendation the revenue management system produces. This not only impacts the amount of time and resources spent validating and uploading decisions but also forces users to be less nimble – having less time to course correct when there are sudden shifts in the market. . . .

> Underneath the surface and behind its sleek user interface, IDeaS' cloud-based solutions continually produce powerful decisions that enable hotels to achieve optimal revenue performance through automatically deployed controls that manage pricing, rate availability and overbooking. These decisions are based on a sophisticated analytical understanding of how a hotel's business behaves.

105.   IDeaS explains that ""[f]ull automation eliminates the possibility for user error, creates a framework where our RMS can react as conditions change, and limits the need for human resource consumption."

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106. The Hotel Defendants have agreed to (and did) adopt all or substantially all of those recommended prices – in effect, yielding price setting to IDeaS. A testimonial on IDeaS' website exhorts users to simply "have faith" in the tool:

> IDeaS has an insane ability to quickly respond to changes in a dynamic market. There's no one human that can physically do what this product can do–there's so much that goes into the algorithm. **Revenue managers should simply believe in the tool, have faith in it, and they will achieve results that exceed their expectations.**
>
> [emphasis added]

107. IDeaS markets the capabilities of IDeaS RMS as follows:

> groundbreaking artificial intelligence in […] RMS allows each implementation to autocorrect, individually, as needed and continuously learn about the property at which its installed (and how its controls are impacting in the market it is supporting), applying and adjusting models to produce the best results. **Humans needn't be involved** in deciding which models and parameters are selected or how data is incorporated. **These are areas a well-designed solution will always perform best**, and it's these automated processes, combined with performance simulations and academic research (not forgetting peer review), that give our users more confidence in the system's decisions and more time back in their day – **and drive more profit for their hotels**.
>
> [emphasis added]

108. IDeaS urged its customers, including the Hotel Defendants, that they "Gotta Have Faith", as follows:

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We are responsible for the performance of our solutions and, ultimately, the success of our clients. That's why we don't cut corners, and **we certainly don't leave anything to chance or human intuition – no offense, humans.** Because of these guiding principles, […] RMS is future-proof, fully automated, and truly science-backed. And even if all of that still isn't convincing enough for you, **the real proof is in the ROI**.

[emphasis added]

109.   Testimonials published by IDeaS reinforce the need to "trust the system":

(a)   "[i]f you trust the system, you will sell rooms when you didn't think you were going to and you're going to sell them for rates you never thought you could get."

(b)   "IDeaS G3 RMS has given us the confidence to be bold and ask for rates we previously had been afraid to publish […] [t]he rates IDeaS pushed out […] were almost double what we would have previously issued."

110.   Through its exhortations to "trust the system", IDeaS discourages deviation from the pricing decisions, stressing the sophistication of its algorithm and the ability of the algorithm to outperform humans and provide a strong return on investment.

(iv)   Trade Events and Publications

111.   The concepts discussed immediately above are further reinforced through industry events and publications. For example, according to Hotel Tech Report:

> Through artificial intelligence and machine learning, [IDeaS RMS] makes precise revenue management decisions that most revenue managers would never be able to see. Ideal Pricing uses deep market intelligence, such as search penetration, competitor rates, booking trends, and reputation scores, to intelligently forecast demand and power a continuous pricing model.

112.   IDeaS runs, sponsors or promotes user meetings, summits and industry events, which are attended by the Hotel Defendants. IDeaS uses these events as a platform for promoting its services and the profit optimization that can be achieved by ceding price setting to IDeaS. IDeaS states that these events are intended to provide hotel operators with "insights and best practices on optimizing multi-unit revenue management performance; the power of analytics and how best prices are determined; […] to showcase how IDeaS consolidates hotel data to deliver total profit optimization." IDeaS presents awards to its clients at these meetings for the purpose of "honoring individuals for their collaboration, partnership, bold thinking and mutual support of progress and innovation." IDeaS' marketing materials refer to the opportunity to "[j]oin 300+ Global Hospitality Executives to Discuss the Future of Revenue Management." IDeaS' Director of Sales made a presentation in April 2024 entitled "Maximize your revenue potential: Exploring the power of AI in revenue optimization presented by IDeaS."

113.   The 2024 Converge Hospitality Revenue Summit in Miami included a presentation: "New Frontiers in Advanced Optimization" which promised "invaluable insights into how hotels can effectively optimize pricing to maximize revenue, enhance profitability, and navigate uncertain market conditions with confidence." IDeaS created a "Business Justification Letter" for individuals to use to justify their attendance at the conference to their respective employer. According to the letter:

This event will bring together a global community of top hotel leaders, hospitality technologists, media publications and market analysts to explore the link between revenue optimization and asset valuation. IDeaS will also be sharing their latest innovation roadmap and product updates.

This event will help me expand my knowledge in these areas to help elevate my expertise and increase our total revenue and profit potential. As an intended outcome, I will be better equipped to present strategies and plans that will facilitate productive change to influence transformation within our organization

E.   The Hotel Defendants Agreed or Arranged to Fix Hotel prices

114.   IDeaS RMS states that it provides Hotel Defendants "with <u>pricing decisions not just recommendations.</u>" Hotel Defendants agreed or arranged to adopt IDeaS' *supra*competitive pricing decisions in nearly every instance and know that their competitors are doing the same. The Hotel Defendants spend significant amounts for this service and achieve greater profitability when using IDeaS price and occupancy decisions. They are therefore incentivized to adhere to the decisions.

115.   The first Hotel Defendants began outsourcing their pricing decisions to IDeaS RMS in 2011, with additional Hotel Defendants joining in later years. The Hotel Defendants chose to adopt IDeaS RMS, share their confidential information with IDeaS and later Demand360 as well, and yield pricing and occupancy decisions to IDeaS. They did so knowing that the other Hotel Defendants were doing the same.

116.   The Hotel Defendants also conspired among themselves to artificially increase, stabilize or otherwise control Hotel prices. The Hotel Defendants agreed to (and did):

(a)   share non-public, competitively sensitive pricing and occupancy information with IDeaS and Demand360 knowing which of their competitors are doing the same and that such data would be used to by IDeaS in making pricing and occupancy decisions for competitors;

(b)   automatically adopt pricing and occupancy decisions from IDeaS in nearly every instance knowing the decisions were based on public and non-public competitor information and that their competitors were doing the same; and

(c)   implemented price floors (referred to as "Last Room Value" by IDeaS) that prevent competition below a certain price knowing their competitors would do the same and, therefore, they would not lose market share.

117.   As a result of this agreement, the Hotel Defendants were able to set supra-competitive prices for Hotel rooms.

118.   The Hotel Defendants nearly always followed IDeaS pricing decisions (i.e., ~ 99% of pricing decisions were followed). For example, as indicated in paragraph 31 above, Choice accepts 93% of pricing decisions. In most instances, the Hotel Defendants implemented the pricing decisions automatically without any manual review. In other words, the Hotel Defendants yielded pricing control and decision making to IDeaS – knowing that each other were doing the same.

119.   IDeaS constructed IDeaS RMS to disincentivize overriding its pricing decisions. According to an industry-recognized revenue management consultant, IDeaS designed

RMS to ensure that "every action […] causes a ripple effect on everything else" so, as a result, "users are less inclined to manually override system generated [pricing]."

120. Further, users are notified with transaction-level data about a competitor's price change, including the specific competitor that changes its prices, the exact change in price, the room type, and the date of the stay. By providing real-time or near-real-time visibility into Hotel Defendants' pricing, IDeaS RMS enables enforcement of the conspiracy alleged herein. On the rare instances, where a Hotel Defendant does not follow IDeaS pricing decisions, IDeaS can (and does) identify these deviations and takes actions quickly to correct these deviations. This enforcement mechanism is necessary for IDeaS to fulfill its marketing promise – that its users outperform the market by up to 15% - and continue to provide *supra*competitive profits to its clients. Again, all to the detriment of Class Members.

121. In the few instances in which Hotel Defendants deviate from IDeaS' pricing decisions, they still use the decisions as a starting price to set prices. Therefore, even where Hotel Defendants do not implement IDeaS' exact pricing decisions, their agreement to use IDeaS RMS still fixes the starting price of Hotel room rates at *supra*competitive levels and delegates key aspects of price setting to a shared agent.

122. Because IDeaS RMS functions as a shared pricing agent for Hotel Defendants, the Hotel Defendants do not need to communicate directly with each other. Instead, IDeaS furnishes the information each needs to agree to and effectuate the conspiracy, including the identity of the participating competitors and the prices they are charging.

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IDeaS claims to increase revenue for hotel operators by 8-15% by engaging in the alleged conspiracy.

123.   The Hotel Defendants were able to increase their prices above the competitive level – they knew that the other Hotel Defendants would not compete on price, because they were also using IDeaS pricing decisions. IDeaS' marketing materials state that its controls like "pricing floors" would prevent price competition among users that would "risk overall profitability."

V.   THE HOTEL MARKET IS CONDUCIVE TO CONSPIRATORIAL EFFECTS

A.   Overview of the Canadian Hotel Market

124.   There are approximately 250,000 rooms in Hotels with greater than 30 rooms across Canada.

125.   Hotels – particularly large chain Hotels - generally use dynamic pricing and their prices can change multiple times over the course of a single day. The IDeaS pricing algorithm takes dynamic pricing to another level. IDeaS inputs real time information from multiple participating Hotels into the algorithm and produces prices that are informed by the collective experience of participating Hotels.   The result is *supra*competitive prices and increased RevPAR for participating Hotels.

126.   According to a webpage on IDeaS' website, granular, real-time competitive information is essential:

In order for hoteliers to remain competitive in the current environment, there is a need to have granular competitive intelligence that is reviewed and revised regularly to provide real, in-depth insight into market nuances and competitive changes. Having this data in real-time and on-demand is crucial for hoteliers to ensure they can stay up to date in a dynamic market.

127. The same webpage touts their results in terms of increased RevPAR:

We've had examples of customers who have integrated with IDeaS and OTA Insight where they were able to increase RevPAR by over 15 percent in a 12-month period by managing demand and pricing more effectively across room type variations and the right channels.

128. As a result of the conspiracy alleged herein, average ADR has risen faster than inflation for more than a decade (except for 2020 due to the pandemic) and the rise in ADR has accelerated since 2021. This increase in ADR cannot be explained by increased costs or changes in supply and demand factors. ADR for hotel rooms in Canada have increased significantly, even though costs and occupancy rates are stable (aside from 2020 and 2021 due to the pandemic).

(i) Barriers to Entry

129. Where an industry is experiencing *supra*competitive prices, that would normally attract new entrants to the market. However, where there are significant barriers to entry, new entrants are less likely. The Hotel Industry is subject to high barriers to entry. Those barriers include purchasing property, building a new facility, recruiting and training staff, implementing marketing and advertising campaigns, and ongoing property and maintenance costs. The average cost to open a luxury hotel is approximately $200 million.

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(ii)   Market Concentration

130.   The Hotel Defendants are among the largest Hoteliers in Canada. They collectively own, manage, operate, or control by way of a franchise agreement or similar agreement the prices of at least 129,877 Hotel rooms across Canada – more than 50% of the total – as shown in the table below, which sets out their market shares in 2023:

Brand name	Number of rooms	Market share (%)
Wyndham	39,609	16
Choice	30,481	12.31
Hilton	28,256	11.42
Accor	11,252	4.55
Delta	10632	4.30
Hyatt	3,971	1.60
APA (including Coast Hotels)	3,152	1.27
Chelsea Hotel	1590	0.64
Omni	600	0.24
Hotel Arts	185	0.07
Hazelton Hotel	77	0.03
The Burrard	72	0.03
Hotel Defendants	**129,877**	**52.47**
Total Hotel Market	**247,529**	**100.0**

131.   In some large Canadian cities, their market share exceeds 50%. When acting collectively, as alleged herein, they are able to successfully raise prices.

(iii)   Commodity-Like Product

132.   Consumers are typically looking for Hotel rooms in specific location, usually tied to a trip that the consumer is taking to that location for business or pleasure. Thus, a Hotel room within one geographic region is not substitutable for a Hotel room within a different geographic region. For example, a Hotel room in Vancouver is not substitutable for a Hotel room in Toronto.

133. However, within a certain geographic region, once accounting for a few basic characteristics of properties (such as the location, amenities, or the age of the building), Hotel rooms within classes of properties are relatively interchangeable, such that competition among the Defendant Hotels is primarily driven by pricing. Absent collusion, if a Hotel charges a price above the competitive price, it will lose bookings and eventually go bankrupt.

134. In a normal competitive market, Hotels are incentivized to maximize occupancy. Hotels have high upfront costs and relatively low marginal costs for each additional room booked. In a purely competitive market, Hotels will try to maximize occupancy provided the price exceeds marginal costs.

135. The conspiracy alleged herein undermined these normal competitive forces. Armed with massive amounts of confidential information – including forward-looking occupancy rates – IDeaS made pricing decisions that moved away from maximizing occupancy to maximizing APR. IDeaS RMS is designed to limit price competition, particularly in periods of low demand (which in a competitive market would lead to lower prices):

> Unchecked discounting and value perception: Without proper controls in place like pricing floors, demand-driven dynamic pricing could spark a "race to the bottom" with competitors through prices that may hurt the perception of your property's value or risk overall profitability.

(iv) Inelastic Demand

136. Demand for Hotel rooms is relatively inelastic in the short-term. Consumers make reservations for immediate, short-term needs. Because Hotel Defendants controlled a

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large portion of the Hotel market in Canada (including major cities) during the Class Period, consumers had limited options for substitute products.

Part 2: RELIEF SOUGHT

137.   The Plaintiffs, on their own behalf and on behalf of the Class, claim:

(a)   An order certifying this action as a class proceeding and appointing them as the representative plaintiffs for the proposed Class;

(b)   A declaration that the Defendants conspired and agreed with each other and their other unknown co-conspirators to raise, maintain, fix, and/or stabilize the price of Hotel rooms in Canada during the Class Period;

(c)   a declaration that the Hotel Defendants have been unjustly enriched by the receipt of *supra*competitive prices for Hotel rooms paid for by the Plaintiffs and Class Members and received by the Hotel Defendants for Hotel rooms;

(d)   General damages and special damages at an amount to be determined at trial for loss and damage suffered because of conduct contrary to Part VI of the *Competition Act*;

(e)   Damages for the tort of civil conspiracy;

(f)   Investigative costs and full indemnity costs for this proceeding pursuant to section 36 of the *Competition Act*;

(g)   In the alternative, the costs of this proceeding, plus applicable taxes; and

(h)   Such further and other relief as this court may deem just.

Part 3: LEGAL BASIS

138.   The Plaintiffs plead and rely upon the *Class Proceedings Act*, RSBC, 1996 c 50, the *Competition Act*, the *Criminal Code*, RSC 1985, c C-46, and the *Court Jurisdiction and Proceedings Transfer Act*, RSBC 2003, c 28 (the "*CJPTA*").

Breach of the *Competition Act*

Breach of Section 45(1)(a)

139.   The Hotel Defendants are competitors in the market for Hotel rooms in Canada.

140.   The Hotel Defendants agreed or arranged to fix, maintain, increase, or control the prices for the supply of Hotel rooms in Canada, in breach of section 45(1)(a) of the *Competition Act*.

141.   IDeaS created and operated IDeaS RMS – a pricing algorithm) that generated pricing and occupancy decisions and demand forecasts for the Hotel Defendants. IDeaS promoted its IDeaS RMS algorithm to Hoteliers, including the Hotel Defendants. As part of its promotional activities, IDeaS actively encouraged Hoteliers, including the Hotel Defendants, to share their confidential information and yield price setting to IDeaS. In this sense, IDeaS was instrumental in the initial formation of the conspiracy alleged herein.   IDeaS also encouraged and assisted new entries to the conspiracy alleged herein, by continuing to market and promote its IDeaS RMS algorithm to new Hotel Defendants and the yielding of price setting to IDeaS.

142.   IDeaS agreed or arranged with the Hotel Defendants to generate pricing and occupancy decisions and demand forecasts using non-public, competitively sensitive,

real-time price and occupancy data provided directly and indirectly by the Hotel Defendants.

143. In these ways, IDeaS aided, abetted, counselled, and actively participated in the Hotel Defendants' conspiracy to fix, maintain, increase, or control the prices for the supply of Hotel rooms in Canada, in breach of section 45(1)(a) of the *Competition Act*.

144. Hotel Defendants agreed or arranged amongst themselves to (and did):

(a) provide IDeaS with competitively sensitive, non-public, real-time data concerning pricing and occupancy for every transaction, knowing that this information would be analyzed with their competitors' data to generate *supra*competitive pricing decisions and demand forecasts for each Hotel Defendant;

(b) implement the pricing decisions generated by IDeaS. The Hotel Defendants either allowed IDeaS to set prices directly or received pricing decisions from IDeaS that were invariably followed. This effectively removed any independent decision-making, in favour of collective decision-making by IDeaS. In effect, the Hotel Defendants yielded pricing control to IDeaS; and

(c) implemented price floors (referred to as "Last Room Value" by IDeaS) that prevent competition below a certain price knowing their competitors would do the same and, therefore, they would not lose market share.

Breach of Section 46

145.   The Hotel Defendants carry on business in Canada, either directly or by exerting control over the actions of their affiliates and franchisees that carry on business in Canada.

146.   Accor S.A., Langham Hotel International Limited, Choice Hotels International, Inc., Hilton Worldwide Holdings Inc., Hyatt Hotels of Canada, Inc., Hyatt Hotels Corp., Wyndham Hotels & Resorts, Inc., Omni Hotels Management Corporation, and TRT Holdings. (collectively, the "Foreign Defendants") are located outside of Canada and are in a position to direct or influence the policies of their respective related-entity Defendants that carry on business in Canada. The "related-entity Defendants" that carry on business in Canada include: Accor Management Canada Inc., Great Eagle Hotels (Canada) Limited, Choice Hotels Canada Inc. / Les hotels de choix du Canada Inc., Hilton Canada Co., Hilton International Canada CRA ULC, Hyatt Property Management Inc., and Wyndham Hotels & Resorts Canada, Inc.

147.   The related-entity Defendants implemented, in whole or in part, in Canada directives, instructions, intimations of policy or other communications by the Foreign Defendants for the purpose of giving effect to the conspiracy alleged herein, in breach of section 46 of the *Competition Act*, in the following ways:

(a)   **Sharing confidential information:** The Foreign Defendants gave to the related-entity Defendants directives, instructions, intimations of policy, or other communications for the purpose of sharing confidential information through IDeaS, in furtherance of the conspiracy alleged herein. Specifically,

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the Foreign Defendants directed, instructed or otherwise communicated to the related-entity Defendants to share their confidential current and future information about pricing and bookings with IDeaS. The related-entity Defendants implemented such directions, instructions and communications, in whole or in part, in Canada by sharing their confidential current and future information about pricing and bookings with IDeaS.

(b) **Implementing IDeaS price and occupancy decisions:** The Foreign Defendants gave to the related-entity Defendants directives, instructions, intimations of policy, or other communications to implement IDeaS price and occupancy decisions and not to depart from IDeaS price and occupancy decisions, in furtherance of the conspiracy alleged herein. The related-entity Defendants implemented such directions, instructions and communications, in whole or in part, in Canada by implementing IDeaS price and occupancy decisions prices and not departing from IDeaS price and occupancy decisions.

(c) **Implement Floor Prices:** The Foreign Defendants gave to the related-entity Defendants directives, instructions, intimations of policy, or other communications to implement IDeaS' Last Room Value as a price floor and not to price below the Last Room Value, in furtherance of the conspiracy alleged herein. The related-entity Defendants implemented such directions, instructions and communications, in whole or in part, in Canada by implementing IDeaS' Last Room Value as a price floor and not pricing below the Last Room Value.

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Liability of IDeaS

148.   IDeaS is jointly liable for the harms of that conspiracy with the Hotel Defendants, as a principal participant.

149.   Further or in the alternative, IDeaS is jointly liable for the conduct described above with the Hotel Defendants for acting contrary to s. 21 of the *Criminal Code* by:

(a)   aiding, abetting, encouraging, inducing, inciting, or persuading the Hotel Defendants to take part in this conduct; and/or

(b)   enabling, knowingly assisting, taking part in, or cooperating in this conduct.

150.   Further, IDeaS is jointly liable for the conduct described above for counselling the Hotel Defendants to engage in the illegal conspiracy, contrary to section 22 of the *Criminal Code*.

Tort of Civil Conspiracy

151.   Further, and in the alternative, the Defendants are liable for the tort of civil conspiracy – both under unlawful means conspiracy and predominant purpose conspiracy. The Defendants entered into agreements with each other to use unlawful means which resulted in loss and damage, including special damages to the Plaintiffs and Class Members. The unlawful means include entering into agreements or arrangements to fix, maintain, increase, or control the prices for the supply of Hotel rooms in Canada in contravention of sections 45 and 46 of the *Competition Act*.

152.   The acts particularized above were unlawful acts directed towards Hotel room renters in Canada, which unlawful acts the Defendants knew would likely cause injury to such renters, including the Plaintiffs and other Class Members.

153.   The Defendants were motivated to conspire. Their predominant purpose was to harm Class Members by requiring them to pay artificially inflated prices for Hotel rooms in Canada owned, managed, operated, or controlled by the Hotel Defendants, and to illegally increase their profits from the rental of Hotel rooms in Canada.

154.   The Defendants intended to cause economic loss to the Plaintiffs and Class Members. In the alternative, the Defendants knew in the circumstances that their unlawful acts would likely cause injury.

Damages

155.   The conspiracy had the effect of causing Hotel prices paid by the Plaintiffs and other Class Members in Canada to be fixed, maintained, increased or controlled at artificially inflated levels.

156.   By reason of the wrongful conduct alleged herein, the Plaintiffs and other Class Members have sustained loss by paying more for Hotel rooms in Canada than they would otherwise would have paid in the absence of the illegal conduct of the Defendants. As a result, the Plaintiffs and other Class Members have suffered loss or damage in an amount not yet known but to be determined.

Punitive Damages

157. The Defendants engaged in an unlawful conspiracy, in order to increase their profitability to the detriment of the Plaintiffs and other Class Members. They were aware and intended that their actions would have a significant adverse impact on all members of the proposed Class. The conduct of the Defendants was high-handed, reckless, without care, deliberate, and in disregard of the Plaintiffs' and proposed Class Members' rights.

158. Accordingly, the Plaintiffs request punitive, exemplary and aggravated damages in favour of the Class.

Unjust Enrichment

159. As a result of their unlawful conduct, the Hotel Defendants benefitted from a significant enhancement of their revenues. Class Members have suffered a corresponding deprivation as a result of being forced to pay artificially inflated prices for Hotel rooms in Canada owned, managed, operated, or controlled by the Hotel Defendants. There is no juristic reason or justification for the Hotel Defendants' enrichment, as such conduct is tortious, unjustifiable, and unlawful under the *Competition Act*.

160. It would be inequitable for the Hotel Defendants to be allowed to retain any of the ill-gotten gains resulting from their unlawful conduct.

161. Equity and good conscience require the Hotel Defendants to make restitution to the Plaintiffs and the Class Members of the artificially inflated Hotel room price, or alternatively to disgorge that amount to the Plaintiffs and the Class Members.

Discoverability & Fraudulent Concealment

162.   The Class reasonably expected the markets for Hotel rooms in Canada to be competitive. A reasonable person under the circumstances would not have been alerted to investigate the sources or legitimacy of the Hotel Defendants' prices for Hotel rooms in Canada. Accordingly, the Class could not have known of the conduct described above, or of the fact that they were paying *supra*competitive prices for Hotel rooms in Canada.

163.   The Defendants actively, intentionally, and fraudulently concealed from the Class the existence of and their participation in the conduct described above. The Hotel Defendants represented that their pricing decisions were unilateral, thereby misleading the Class.

Jurisdiction

164.   There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiffs and other Class Members plead and rely upon the *CJPTA* in respect of the Defendants. Without limiting the forgoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to section 10 of the *CJPTA* because this proceeding concerns:

(a)   restitutionary obligations that, to a substantial extent, arose in British Columbia (section 10(f));

(b)   a tort committed in British Columbia (section 10(g)); and

(c)   a business carried on in British Columbia (section 10(h)).

Plaintiffs' address for service:

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555 Burrard Street, Suite 16-111
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55 University Avenue, Suite 600
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Fax number address for service: (519) 672-6065

E-mail address for service: linda.visser@siskinds.com

Place of trial: Vancouver, BC

The address of the registry is:

800 Smithe Street
Vancouver, BC
V6Z 2E1

Date: December 5, 2025

....
Signature of Linda J. Visser

[ ] plaintiff [**X**] lawyer for plaintiffs

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, Evelyn Jantunen and John Jantunen, claim the right to serve this pleading/petition on the Defendants outside British Columbia on the ground that there is a real and substantial connection between British Columbia and the facts alleged in this proceeding and the Plaintiff and other Class Members plead and rely upon the *CJPTA* in respect of these Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to section 10 of the *CJPTA* because this proceeding concerns:

- restitutionary obligations that, to a substantial extent, arose in British Columbia (section 10(f));

- a tort committed in British Columbia (section 10(g))

- a business carried on in British Columbia (section 10(h)).

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 action proceeding regarding an alleged conspiracy to unlawfully inflate the prices of Hotel rooms in Canada.

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

[ ] another cause

A dispute concerning:

[ ] contaminated sites

[ ] construction defects

[ ] real property (real estate)

[ ] personal property

[ ] 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

[X] a matter not listed here

Part 3: THIS CLAIM INVOLVES:

[Check all boxes below that apply to this case]

[X] a class action

[ ] maritime law

[ ] aboriginal law

[ ] constitutional law

[ ] conflict of laws

[ ] none of the above

[ ] do not know

Part 4:

[*If an enactment is being relied on, specify. Do not list more than 3 enactments.*]

Class Proceedings Act, RSBC 1996, c. 50.

Competition Act, RSC 1985, c C-34.

Criminal Code, RSC 1985, c C-46.

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