

NO.  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA**

PLAINTIFF

AND:

**IMPERIAL TOBACCO CANADA LIMITED, ROTHMANS, BENSON & HEDGES INC., ROTHMANS INC., JTI-MACDONALD CORP., CANADIAN TOBACCO MANUFACTURERS' COUNCIL, B.A.T INDUSTRIES p.l.c., BRITISH AMERICAN TOBACCO (INVESTMENTS) LIMITED, CARRERAS ROTHMANS LIMITED, PHILIP MORRIS INCORPORATED, PHILIP MORRIS INTERNATIONAL, INC., R. J. REYNOLDS TOBACCO COMPANY, R. J. REYNOLDS TOBACCO INTERNATIONAL, INC., ROTHMANS INTERNATIONAL RESEARCH DIVISION and RYESEKKS p.l.c.**

DEFENDANTS

**STATEMENT OF CLAIM**

## CONTENTS

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>3</b>
A.	THE PLAINTIFF AND THE NATURE OF THE CLAIM.....	3
B.	THE DEFENDANTS .....	4
<b>II.</b>	<b>THE MANUFACTURE AND PROMOTION OF CIGARETTES SOLD IN BRITISH COLUMBIA ...</b>	<b>7</b>
A.	THE CANADIAN MANUFACTURERS.....	7
1.	<i>The Defendant Imperial Tobacco Canada Limited</i> .....	7
2.	<i>The Defendant Rothmans Inc.</i> .....	8
3.	<i>The Defendant Rothmans, Benson &amp; Hedges Inc.</i> .....	8
4.	<i>The Defendant JTI-Macdonald Corp.</i> .....	9
B.	THE FOREIGN MANUFACTURERS .....	10
<b>III.</b>	<b>TOBACCO RELATED WRONGS COMMITTED BY THE DEFENDANTS.....</b>	<b>10</b>
A.	PROPERTIES OF CIGARETTES .....	10
B.	KNOWLEDGE OF THE DEFENDANTS THAT CIGARETTES WERE DANGEROUS .....	12
C.	BREACHES OF DUTY .....	13
1.	<i>Defective Product</i> .....	14
2.	<i>Failure to Warn</i> .....	15
3.	<i>Sale of Cigarettes to Children and Adolescents</i> .....	16
4.	<i>Strict Liability</i> .....	18
5.	<i>Deceit and Misrepresentation</i> .....	18
6.	<i>Trade Practice Act</i> .....	20
7.	<i>Competition Act</i> .....	25
<b>IV.</b>	<b>CONCERTED ACTION WITHIN CORPORATE GROUPS.....</b>	<b>27</b>
A.	GENERALLY .....	27
B.	JOINT LIABILITY OF THE BAT GROUP DEFENDANTS .....	29
C.	JOINT LIABILITY OF THE RJR GROUP DEFENDANTS .....	32
D.	JOINT LIABILITY OF THE PHILIP MORRIS GROUP DEFENDANTS .....	36
E.	JOINT LIABILITY OF THE ROTHMANS GROUP DEFENDANTS .....	40
<b>V.</b>	<b>CONCERTED ACTION OF THE TOBACCO INDUSTRY IN CANADA.....</b>	<b>43</b>
<b>VI.</b>	<b>CONCERTED ACTION OF THE TOBACCO INDUSTRY INTERNATIONALLY.....</b>	<b>47</b>
<b>VII.</b>	<b>RELIEF.....</b>	<b>53</b>

## I. INTRODUCTION

### A. The Plaintiff and the Nature of the Claim

1. The Plaintiff Her Majesty the Queen in right of the Province of British Columbia (the "Government") brings this action against the Defendants pursuant to the provisions of section 2 of the *Tobacco Damages and Health Care Costs Recovery Act*, S.B.C. 2000, c. 30 (the "Act") to recover the cost of health care benefits, namely:

(a) the present value of the total expenditure by the government for health care benefits provided for insured persons resulting from tobacco related disease or the risk of tobacco related disease, and

(b) the present value of the estimated total expenditure by the government for health care benefits that could reasonably be expected will be provided for those insured persons resulting from tobacco related disease or the risk of tobacco related disease,

caused or contributed to by the tobacco related wrongs hereinafter described.

2. Pursuant to sections 2(1) and 2(4)(b) of the *Act*, the Government brings this action to recover the cost of health care benefits on an aggregate basis, provided for a population of insured persons as a result of smoking cigarettes.

3. In this Statement of Claim, words used that are defined in the *Act* have the meaning ascribed to them in the *Act*, except the word "cigarette", which is defined in paragraph 4 herein.

4. In this Statement of Claim, words used have the following meaning ascribed to them, unless the context indicates otherwise:

- (a) "cigarette" includes loose tobacco intended for incorporation into a cigarette;
- (b) "consumer" means persons in British Columbia who are or have been smokers or might become smokers; and
- (c) "to smoke" or "smoking" means the ingestion, inhalation or assimilation of a cigarette, including any smoke or other by-product of the use, consumption or combustion of a cigarette.

## **B. The Defendants**

5. The Defendant British American Tobacco (Investments) Limited (formerly British-American Tobacco Company Limited) is a company incorporated pursuant to the laws of the United Kingdom and has a registered office at Globe House, 1 Water Street, London, England.

6. The Defendant B.A.T Industries p.l.c. (formerly B.A.T. Industries Limited and, before that, Tobacco Securities Trust Company Limited) is a company incorporated pursuant to the laws of the United Kingdom and has a registered office at Globe House, 4 Temple Place, London, England.

7. The Defendant Carreras Rothmans Limited is a company incorporated pursuant to the laws of the United Kingdom and has a registered office at Oxford Road, Aylesbury, Bucks, England.

8. The Defendant Imperial Tobacco Canada Limited (created through the amalgamation of, *inter alia*, Imperial Tobacco Limited and Imasco Ltd.) is a company incorporated pursuant to the laws of Canada and has a registered office at 600 de Maisonneuve Boulevard West, 20<sup>th</sup> Floor, Montreal, Quebec.

9. The Defendant JTI-Macdonald Corp. (formerly RJR-Macdonald Corp. and, before that, RJR-Macdonald Inc.) is a company incorporated pursuant to the laws of Nova Scotia with a registered office at 5151 George Street, Suite 1600, Halifax, Nova Scotia and is registered as an

extra-provincial company pursuant to the laws of British Columbia with an office at 1500-1055 West Georgia Street, Vancouver, British Columbia.

10. The Defendant Philip Morris Incorporated (formerly Philip Morris & Co., Ltd., Incorporated) is a company incorporated pursuant to the laws of Virginia, whose principal place of business is at 120 Park Avenue, New York, New York in the United States of America.

11. The Defendant Philip Morris International, Inc. is a company incorporated pursuant to the laws of Delaware, and has a registered office at 800 Westchester Avenue, Rye Brook, New York, in the United States of America.

12. The Defendant Rothmans, Benson & Hedges Inc. (created through the amalgamation of Benson & Hedges (Canada) Inc. and Rothmans of Pall Mall Limited) is a company incorporated pursuant to the laws of Canada with a registered office at 1500 Don Mills Road, North York, Ontario and is registered as an extra-provincial company pursuant to the laws of British Columbia with an office at 2100-1075 West Georgia Street, Vancouver, British Columbia.

13. The Defendant Rothmans Inc. (formerly Rothmans of Pall Mall Canada Limited) is a company incorporated pursuant to the laws of Canada and has a registered office at 1500 Don Mills Road, Toronto, Ontario.

14. The Defendant Rothmans International Research Division is a company or a division of a company whose identity is not known to the Plaintiff, but is known to one or more of the Defendants Rothmans, Benson & Hedges Inc., Rothmans Inc., Carreras Rothmans Limited and Ryeseckks p.l.c. The Defendant Rothmans International Research Division issued announcements in Canada in 1958 concerning the link between smoking and disease, including an announcement published in the *Globe and Mail* newspaper on June 23, 1958 and another published in the *Toronto Daily Star* newspaper on August 13, 1958.

15. The Defendant Ryeseeks p.l.c. (formerly Rothmans International p.l.c., before that, Rothmans International Limited, and before that Carreras Limited) is a company incorporated pursuant to the laws of the United Kingdom and has a registered office at Plumtree Court, London, England.

16. The Defendant R. J. Reynolds Tobacco Company is a company incorporated pursuant to the laws of New Jersey and has a registered office at 830 Bear Tavern Road, Trenton, New Jersey, in the United States of America.

17. The Defendant R. J. Reynolds Tobacco International, Inc. is a company incorporated pursuant to the laws of Delaware and has a registered office at 32 Loockerman Square, Suite L-100, Dover, Delaware, in the United States of America.

18. Each of the Defendants described above is a manufacturer pursuant to the *Act* by reason of one or more of the following:

- (a) it manufactures, or has manufactured, tobacco products, including cigarettes;
- (b) it causes, or has caused, directly or indirectly, through arrangements with contractors, subcontractors, licensees, franchisees or others, the manufacture of tobacco products, including cigarettes;
- (c) it engages in, or has engaged in or causes or has caused, directly or indirectly, other persons to engage in, the promotion of tobacco products, including cigarettes; and
- (d) for one or more of the material fiscal years, it has derived at least 10% of its revenues, determined on a consolidated basis in accordance with generally accepted accounting principles in Canada, from the manufacture or promotion of tobacco products, including cigarettes, by itself or by other persons.

19. The Defendant Canadian Tobacco Manufacturers' Council (the Defendant CTMCö) is a company incorporated pursuant to the laws of Canada with a registered office at 1808

Sherbrooke St. West, Montreal Quebec, and an office within British Columbia at 843 Yates Street, Victoria, British Columbia.

20. The Defendant CTMC is the trade association of the Canadian tobacco industry. The current members include the Defendants Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges Inc., and JTI-Macdonald Corp.

21. The Defendant CTMC is a manufacturer pursuant to the *Act* in that it has been primarily engaged in one or more of the following activities:

- (a) the advancement of the interests of manufacturers,
- (b) the promotion of cigarettes, and
- (c) causing, directly or indirectly, other persons to engage in the promotion of cigarettes.

## **II. THE MANUFACTURE AND PROMOTION OF CIGARETTES SOLD IN BRITISH COLUMBIA**

### **A. The Canadian Manufacturers**

22. The Defendants Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges Inc., and JTI-Macdonald Corp. are the principal manufacturers of cigarettes sold in Canada and in British Columbia.

#### **1. The Defendant Imperial Tobacco Canada Limited**

23. Imperial Tobacco Company of Canada Limited was incorporated in 1912. In or about September, 1970 the company changed its name to Imasco Limited.

24. In or about 1970, part of the tobacco related business of Imasco Limited was acquired by a wholly-owned subsidiary, Imperial Tobacco Limited.

25. In or about February, 2000, Imasco Limited amalgamated with its subsidiaries including Imperial Tobacco Limited to form Imasco Limited. In a second amalgamation, also in or about February, 2000, Imasco Limited amalgamated with its parent company, British American Tobacco (Canada) Limited, to form the Defendant Imperial Tobacco Canada Limited.

26. At all material times, the Defendant Imperial Tobacco Canada Limited and its predecessor corporations have engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

27. The Defendant Imperial Tobacco Canada Limited is Canada's largest manufacturer of cigarettes, with approximately 70% of the market. It manufactures and promotes cigarettes sold in British Columbia under several brand names, including *Player's* and *DuMaurier*.

## **2. The Defendant Rothmans Inc.**

28. Rothmans of Pall Mall Canada Limited was incorporated in 1956 and in 1985 changed its name to Rothmans Inc. At times material to this action, the Defendant Rothmans Inc. has engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

## **3. The Defendant Rothmans, Benson & Hedges Inc.**

29. Rothmans of Pall Mall Limited was incorporated in 1960. In 1985 Rothmans of Pall Mall Limited acquired part of the tobacco related business of the Defendant Rothmans Inc. and thereafter, until it amalgamated with Benson & Hedges (Canada) Inc. in 1986 to form the Defendant Rothmans, Benson & Hedges Inc., it engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

30. Benson & Hedges (Canada) Inc. was incorporated in 1934. Until it amalgamated with Rothmans of Pall Limited in 1986, to form the Defendant Rothmans, Benson & Hedges Inc.,



Benson & Hedges (Canada) Inc. engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

31. The Defendant Rothmans, Benson & Hedges Inc. was formed in 1986 by the amalgamation of Rothmans of Pall Mall Limited and Benson & Hedges (Canada) Inc. Since that time, the Defendant Rothmans, Benson & Hedges Inc. has engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

32. The Defendant Rothmans, Benson & Hedges Inc. is currently Canada's second largest manufacturer of cigarettes. It manufactures and promotes cigarettes sold in British Columbia under several brand names, including *Benson & Hedges* and *Rothmans*.

#### **4. The Defendant JTI-Macdonald Corp.**

33. W.C. MacDonald Incorporated was incorporated pursuant to the laws of Quebec in 1930, having carried on business in Montreal since 1858 as an unincorporated entity. In 1957 it changed its name to Macdonald Tobacco Inc., and in 1973 it became a wholly-owned subsidiary of the Defendant R.J. Reynolds Tobacco Company.

34. In 1978 RJR-Macdonald Inc. was incorporated as a wholly-owned subsidiary of the Defendant R. J. Reynolds Tobacco Company. Also in 1978, Macdonald Tobacco Inc. was sold by the Defendant R.J. Reynolds Tobacco Company to RJR-Macdonald Inc. RJR-Macdonald Inc. became the successor of Macdonald Tobacco Inc. when it acquired all or substantially all of Macdonald Tobacco Inc.'s assets and continued the enterprise of manufacturing, promoting and selling cigarettes previously conducted by Macdonald Tobacco Inc. In 1999, as the result of a series of mergers, the name of RJR-Macdonald Inc. was changed to RJR-Macdonald Corp. and subsequently to JTI-Macdonald Corp.

35. At all material times JTI-Macdonald Corp. and its predecessor Macdonald Tobacco Inc. have engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

36. The Defendant JTI-Macdonald Corp. is currently Canada's third largest manufacturer of cigarettes. It manufactures and promotes cigarettes sold in British Columbia under several brand names, including *Export "A"* and *Vantage*.

37. The manufacturers identified in paragraphs 23-36 are hereinafter referred to as the "Canadian Manufacturers".

#### **B. The Foreign Manufacturers**

38. At times material to this action the Defendants Philip Morris Incorporated, R.J. Reynolds Tobacco Company and Ryesekks p.l.c. have engaged, directly or indirectly, in the manufacture and promotion of cigarettes sold in British Columbia.

### **III. TOBACCO RELATED WRONGS COMMITTED BY THE DEFENDANTS**

#### **A. Properties Of Cigarettes**

39. Cigarettes are made from tobacco, which contains nicotine. Cigarettes are devices for the delivery of nicotine to smokers.

40. Nicotine is a psychoactive drug that affects the brain and central nervous system, skeletal muscles, the cardiovascular system, endocrine functions, organs including the lungs, and other body systems.

41. Nicotine is an addictive substance which creates a dependency in users. Once addicted, smokers experience recurrent cravings for tobacco (or its pharmacologically active ingredient, nicotine). Attempted withdrawal from smoking causes irritability, difficulty in concentrating, anxiety, restlessness, increased hunger, depression and a pronounced craving for tobacco. These withdrawal symptoms are caused by a dependence on nicotine.

42. Smoking cigarettes exposes smokers to a number of substances which are known to be harmful, including, but not limited to:

- (a) tar;
- (b) nicotine;
- (c) ammonia;
- (d) hydrogen cyanide;
- (e) carbon monoxide;
- (f) polyaromatic hydrocarbons;
- (g) phenols;
- (h) catechol;
- (i) aldehydes;
- (j) nitrogen dioxide and nitrogen monoxide;
- (k) nitrosamines;
- (l) micotoxins and endotoxins; and
- (m) miscellaneous organics and metals.

43. Smoking cigarettes causes or contributes to disease, including, but not limited to:

- (a) chronic obstructive pulmonary disease and allied conditions, including:
  - (i) emphysema,
  - (ii) chronic bronchitis,
  - (iii) chronic airways obstruction, and
  - (iv) asthma,

- (b) cancer including:
  - (i) cancer of the lung,
  - (ii) cancer of the lip, oral cavity and pharynx,
  - (iii) cancer of the larynx,
  - (iv) cancer of the esophagus,
  - (v) cancer of the bladder,
  - (vi) cancer of the kidney,
  - (vii) cancer of the pancreas, and
  - (viii) cancer of the stomach;
- (c) circulatory system diseases including:
  - (i) coronary heart disease,
  - (ii) pulmonary circulatory disease,
  - (iii) cerebrovascular disease,
  - (iv) atherosclerosis, aortic and other aneurysms, and
  - (v) other peripheral vascular disease;
- (d) pneumonia and influenza;
- (e) peptic ulcers; and
- (f) increased morbidity and general deterioration of health.

**B. Knowledge of the Defendants that Cigarettes Were Dangerous**

44. Cigarettes were at all material times dangerous in that:
- (a) they contain substances which, when cigarettes are smoked as intended, can cause or contribute to disease;
  - (b) when smoked as intended, they produce by-products which can cause or contribute to disease; and
  - (c) when smoked as intended, they can cause or contribute to addiction.

45. By 1950, and at all material times thereafter, the Defendants knew or ought to have known that smoking cigarettes could cause or contribute to disease in smokers.

46. By 1950, and at all material times thereafter, the Defendants knew or ought to have known that nicotine is present in cigarettes and is addictive. In the alternative, at all material times, the Defendants knew or ought to have known that:

- (a) nicotine is present in cigarettes;
- (b) smokers crave nicotine; and
- (c) the physiological effect of nicotine on smokers is the main reason for continuing to smoke.

**C. Breaches of Duty**

47. The duties particularized in Section C herein were breached by the following Defendants:

- (a) Imperial Tobacco Canada Limited;
- (b) Rothmans, Benson & Hedges Inc.;
- (c) Rothmans Inc.;
- (d) JTI-Macdonald Corp.;
- (e) Philip Morris Incorporated;
- (f) R.J. Reynolds Tobacco Company; and
- (g) Ryesekks p.l.c.

(hereinafter referred to as "these Defendants").

48. At all material times cigarettes manufactured and promoted by these Defendants were intended to reach and did reach consumers without any change in their condition as manufactured, and were smoked in the manner intended.

## 1. Defective Product

49. At all material times these Defendants owed a duty of care to consumers to take all reasonable measures to eliminate or minimize the risks of smoking their cigarettes.

50. These Defendants breached their duty to consumers to design a reasonably safe product by failing to eliminate or reduce to a safe level, substances in cigarettes and by-products of combustion, including nicotine and tar, which are addictive and which can cause or contribute to disease.

51. These Defendants, in further breach of their duty, increased the risks of smoking by manipulating the level and bio-availability of nicotine in their cigarettes, particulars of which include the following:

- (a) these Defendants have sponsored or engaged in selective breeding or genetic engineering of tobacco plants to produce a tobacco plant containing increased levels of nicotine;
- (b) these Defendants have increased the level of nicotine by the methods used in blending the tobacco contained in their cigarettes;
- (c) these Defendants have increased the level of nicotine in their cigarettes by the addition of nicotine or substances containing nicotine; and
- (d) these Defendants have introduced substances, including ammonia, into their cigarettes to enhance the bio-availability of nicotine to smokers.

52. These Defendants, in further breach of their duty, increased the risks to consumers by incorporating into the design of their cigarettes ostensible safety features such as filters which they knew or ought to have known were ineffective, yet which, by their presence in cigarettes and by the manner in which they were promoted, led reasonable consumers to believe that the product was safer to use than it was in fact.

53. These Defendants, in further breach of their duty, increased the risks to consumers by designing and manufacturing "mild", "low tar" and "light" cigarettes, which they promoted in a manner which led reasonable consumers to believe that the product was safer to use than it was in fact.

54. As a result of the aforementioned breaches of duty, persons in British Columbia started to smoke or continued to smoke cigarettes manufactured and promoted by these Defendants, which were unreasonably dangerous, and thereby suffered tobacco related disease and an increased risk of such disease. The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

## **2. Failure to Warn**

55. At all material times these Defendants owed a duty of care to consumers to provide a warning of the risks of smoking their cigarettes.

56. These Defendants breached their duty to warn, including, in particular, by failing to provide any warning prior to 1972, or any adequate warning thereafter:

- (a) of the risk of tobacco related disease; and
- (b) of the risk of addiction to the nicotine contained in their cigarettes.

57. To the extent that these Defendants have purported to provide warnings, these warnings:

- (a) were designed to be as innocuous and ineffective as possible;
  - (b) were insufficient to give consumers an adequate indication of each of the specific risks of smoking their cigarettes;
  - (c) were introduced only to forestall more effective government mandated warnings;
- and

- (d) failed to make clear, credible, complete and current disclosure to consumers of the risks inherent in the ordinary use of their cigarettes in such a way as to allow consumers to make free and informed decisions concerning smoking.

58. Without restricting the generality of the foregoing, although these Defendants knew or ought to have known that children and adolescents in British Columbia were smoking or might smoke their cigarettes, they failed to provide warnings sufficient to convey to such persons the risks of smoking.

59. These Defendants have engaged in collateral marketing, promotional and public relations activities to neutralize or negate the effectiveness of the warnings provided to consumers by these Defendants and by governments and other agencies concerned with public health.

60. These Defendants have suppressed information regarding the risks of smoking.

61. These Defendants have misinformed and misled the public about the risks of smoking.

62. As a result of the aforementioned breaches of duty, persons in British Columbia started to smoke or continued to smoke cigarettes manufactured and promoted by these Defendants, and thereby suffered tobacco related disease and an increased risk of such disease. The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

### **3. Sale of Cigarettes to Children and Adolescents**

63. At all material times these Defendants owed a duty of care to children and adolescents in British Columbia to take all reasonable measures to prevent them from starting or continuing to smoke.

64. In British Columbia more than 80% of smokers start to smoke and become addicted before they are 19 years of age.



65. These Defendants knew or ought to have known that children and adolescents in British Columbia were smoking or might start to smoke their cigarettes and that it was contrary to law or public policy to sell cigarettes to children and adolescents in British Columbia and to promote smoking by such persons.

66. These Defendants knew or ought to have known of the risk that children and adolescents in British Columbia who smoked their cigarettes would become addicted to cigarettes and would suffer tobacco related disease.

67. These Defendants, in breach of their duty to children and adolescents in British Columbia, failed to take any, or any reasonable, measures to prevent them from starting or continuing to smoke.

68. These Defendants, in further breach of their duty, targeted children and adolescents in their advertising, promotional and marketing activities with the object of inducing children and adolescents in British Columbia to start or continue to smoke.

69. These Defendants, in further breach of their duty, undermined government initiatives and legislation which were intended to prevent children and adolescents in British Columbia from starting or continuing to smoke.

70. These Defendants, in further breach of their duty, provided cigarettes to third persons under circumstances where they knew or ought to have known that those cigarettes would be smuggled or otherwise brought illegally into British Columbia, and would be illegally sold to children and adolescents in British Columbia.

71. As a result of the aforementioned breaches of duty, children and adolescents in British Columbia started to smoke or continued to smoke cigarettes manufactured and promoted by these Defendants, and thereby suffered tobacco related disease and an increased risk of such disease.

The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

#### **4. Strict Liability**

72. At all material times these Defendants knew or ought to have known that their cigarettes, when smoked as intended, were addictive and could cause or contribute to disease.

73. At all material times these Defendants have manufactured, marketed, distributed and sold cigarettes which are unjustifiably hazardous in that, when smoked as intended, they are addictive, inevitably cause or contribute to disease and death in large numbers of consumers, and which have no utility or benefit to consumers or, alternatively, have a utility or benefit which is vastly outweighed by the risks and costs associated with smoking.

74. These Defendants breached their duty by manufacturing, marketing, distributing and selling cigarettes which were unjustifiably hazardous or, alternatively, which they knew or ought to have known were unjustifiably hazardous.

75. As a result of the aforementioned breaches of duty, persons in British Columbia started to smoke or continued to smoke cigarettes, manufactured and promoted by these Defendants, which were unjustifiably hazardous, and thereby suffered tobacco related disease and an increased risk of such disease. The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

#### **5. Deceit and Misrepresentation**

76. At all material times, these Defendants owed a duty not to misrepresent to consumers or deceive consumers with respect to the properties of cigarettes or the risks of smoking.

77. These Defendants, knowing of the risks of smoking, including addiction and disease, made representations to consumers with respect to smoking which they knew were false and deceitful, or which were made with wilful blindness or recklessness as to their truth or falsehood, particulars of which include the following:

- (a) representing that smoking has not been shown to cause any known diseases;
- (b) representing that they were aware of no research, or no credible research, establishing a link between smoking and disease;
- (c) representing that many diseases shown to have been related to tobacco were in fact related to other environmental or genetic factors;
- (d) representing that cigarettes were not addictive;
- (e) representing that smoking is merely a habit or custom as opposed to an addiction;
- (f) representing that they did not manipulate nicotine levels in their cigarettes;
- (g) representing that they did not include substances in their cigarettes designed to increase the bio-availability of nicotine;
- (h) misrepresenting the actual intake of tar and nicotine associated with smoking their cigarettes;
- (i) representing that certain of their cigarettes, such as "filter", "mild", "low tar" and "light" brands, were safer than other cigarettes; and
- (j) representing that smoking is consistent with a healthy lifestyle.

78. At all material times these Defendants have been in possession of scientific and medical data establishing the risks of smoking, but they have suppressed such knowledge and have represented, directly and by omission, that the risks of smoking were less serious than they knew them to be.

79. These Defendants made statements regarding smoking and health which they knew to be incomplete and inaccurate and have also failed to correct statements made by others to consumers regarding the risks of smoking, which these Defendants knew were incomplete or

inaccurate. The failure of these Defendants to correct this misinformation is a misrepresentation by omission or silence.

80. In the alternative, if these Defendants did not know that the representations referred to in the three preceding paragraphs were false, they ought to have known that they were false, and these Defendants were negligent in making the representations or allowing the representations to be made.

81. These Defendants intended that the aforementioned representations would be relied upon by consumers as conveying truthful information regarding the risks of smoking and these Defendants knew that if the representations were relied upon persons in British Columbia would start to smoke or continue to smoke.

82. To this end, these Defendants participated in a campaign to make themselves appear more credible compared to health authorities and anti-smoking groups, and to reassure smokers that cigarettes were not as dangerous as some consumers suspected they were.

83. As a result of the aforementioned deceit or misrepresentation, persons in British Columbia started to smoke or continued to smoke cigarettes manufactured and promoted by these Defendants and thereby suffered tobacco related disease and an increased risk of such disease. The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

## **6. *Trade Practice Act***

84. In paragraphs 85 and 86 herein, "consumer" means a consumer as defined in the *Trade Practices Act* S.B.C. 1974, c. 96.

85. These Defendants, being suppliers under the *Trade Practices Act* S.B.C. 1974, c. 96 and amendments thereto, in breach of their statutory duties or obligations to consumers, engaged in deceptive acts or practices in relation to consumer transactions by representations or other conduct which had the capability, tendency or effect of deceiving or misleading consumers. Particulars of such representations and other conduct include the following:

- (a) manipulating the level and bio-availability of nicotine in their cigarettes, particulars of which include the following:
  - (i) sponsoring or engaging in selective breeding or genetic engineering of tobacco plants to produce a tobacco plant containing increased levels of nicotine,
  - (ii) increasing the level of nicotine by the methods used in blending the tobacco contained in their cigarettes,
  - (iii) increasing the level of nicotine in their cigarettes by the addition of nicotine or substances containing nicotine,
  - (iv) introducing substances, including ammonia, into their cigarettes to enhance the bio-availability of nicotine to smokers, without advising consumers;
- (b) incorporating into the design of their cigarettes ostensible safety features such as filters which were ineffective, yet which would lead a reasonable consumer to believe that the product was safer to use than it was in fact;
- (c) failing to disclose to consumers the risks inherent in the ordinary use of their cigarette products including the risks of disease and addiction;
- (d) engaging in collateral marketing, promotional and public relations activities to neutralize or negate the effectiveness of warnings provided to consumers;
- (e) suppressing or concealing scientific and medical information regarding the risks of smoking;
- (f) engaging in marketing and promotion activities having the tendency to lead consumers to believe that cigarettes have performance characteristics, ingredients, uses and benefits and approval that they did not have;
- (g) misinforming and misleading the public about the risks of smoking by using

innuendo, exaggeration and ambiguity having the tendency to mislead consumers about the material facts regarding smoking and health;

- (h) making the following representations to consumers:
  - (i) representing that smoking has not been shown to cause any known diseases,
  - (ii) representing that they were aware of no research, or no credible research, establishing a link between smoking and disease,
  - (iii) representing that cigarettes were not addictive,
  - (iv) representing that smoking is merely a habit or custom as opposed to an addiction,
  - (v) representing that they did not manipulate nicotine levels in their cigarettes,
  - (vi) representing that they did not include substances in their cigarettes designed to increase the bio-availability of nicotine,
  - (vii) misrepresenting the actual intake of tar and nicotine associated with smoking their cigarettes,
  - (viii) representing that certain of their cigarettes, such as õfilterö, õmildö, õlow tarö and õlightö brands, were safer than other cigarettes,
  - (ix) representing that smoking is consistent with a healthy lifestyle,
  - (x) representing that the risks of smoking were less serious than they knew them to be; and
- (i) failing to correct statements made by others to consumers regarding the risks of smoking, which they knew were incomplete or inaccurate, and thereby misrepresenting the risks of smoking by omission or silence.

86. These Defendants, being suppliers under the *Trade Practices Act*, in breach of their statutory duty or obligation to consumers, engaged in unconscionable acts or practices in relation to consumer transactions, before, during and after such transactions, by taking advantage of what these Defendants knew or ought to have known was the inability or incapacity of children and adolescents and persons addicted to nicotine to reasonably protect their own interests because of their physical or mental infirmity, ignorance, illiteracy, age or inability to understand the character

or nature of the purchase of cigarettes including the risks of smoking. Particulars of such unconscionable acts and practices include the following:

- (a) manipulating the level and bio-availability of nicotine in their cigarettes, particulars of which include the following:
  - (i) sponsoring or engaging in selective breeding or genetic engineering of tobacco plants to produce a tobacco plant containing increased levels of nicotine,
  - (ii) increasing the level of nicotine by the methods used in blending the tobacco contained in their cigarettes,
  - (iii) increasing the level of nicotine in their cigarettes by the addition of nicotine or substances containing nicotine,
  - (iv) introducing substances, including ammonia, into their cigarettes to enhance the bio-availability of nicotine to smokers;
- (b) incorporating into the design of their cigarettes ostensible safety features such as filters which they knew or ought to have known were ineffective, yet which would lead a reasonable consumer to believe that the product was safer to use than it was in fact;
- (c) failing to disclose to such consumers the risks inherent in the ordinary use of their cigarette products including the risks of disease and addiction;
- (d) engaging in collateral marketing, promotional and public relations activities to neutralize or negate the effectiveness of warnings provided to such consumers;
- (e) suppressing or concealing from such consumers scientific and medical information regarding the risks of smoking;
- (f) engaging in marketing and promotion activities having the tendency to lead such consumers to believe that cigarettes have performance characteristics, ingredients, uses and benefits and approval that they did not have;

- (g) misinforming and misleading such consumers about the risks of smoking by using innuendo, exaggeration and ambiguity having the tendency to mislead them about the material facts regarding smoking and health;
- (h) failing to take any, or any reasonable, measures to prevent children and adolescents from starting or continuing to smoke;
- (i) targeting children and adolescents in their advertising, promotional and marketing activities with the object of inducing children and adolescents to start or continue to smoke;
- (j) manufacturing, marketing, distributing and selling cigarettes which they knew or ought to have known are unjustifiably hazardous in that, when smoked as intended, they are addictive and inevitably cause or contribute to disease and death in large numbers of consumers;
- (k) making the following representations to such consumers which they knew or ought to have known were false or misleading:
  - (i) representing that smoking has not been shown to cause any known diseases,
  - (ii) representing that they were aware of no research, or no credible research, establishing a link between smoking and disease,
  - (iii) representing that cigarettes were not addictive,
  - (iv) representing that smoking is merely a habit or custom as opposed to an addiction,
  - (v) representing that they did not manipulate nicotine levels in their cigarettes,
  - (vi) representing that they did not include substances in their cigarettes designed to increase the bio-availability of nicotine,
  - (vii) misrepresenting the actual intake of tar and nicotine associated with smoking their cigarettes,
  - (viii) representing that certain of their cigarettes, such as "filter", "mild", "low tar" and "light" brands, were safer than other cigarettes,
  - (ix) representing that smoking is consistent with a healthy lifestyle,



- (x) representing that the risks of smoking were less serious than they knew them to be; and
- (l) failing to correct statements made by others to such consumers regarding the risks of smoking, which they knew were incomplete or inaccurate, and thereby misrepresenting the risks of smoking by omission or silence.

87. As a result of the aforementioned breaches of statutory duties and obligations, persons in British Columbia started to smoke or continued to smoke cigarettes manufactured and promoted by these Defendants and thereby suffered tobacco related disease and an increased risk of such disease. The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

## 7. *Competition Act*

88. These Defendants, for the purpose of promoting, directly or indirectly, the supply or use of cigarettes, in breach of their statutory duties or obligations to consumers under the *Combines Investigation Act* R.S.C. 1952 (supp.), chapter 314 as amended by the *Criminal Law Amendment Act* S.C. 1968-69, chapter 38 and amendments thereto and subsequently the *Competition Act* R.C.S. 1985, chapter C-34 and amendments thereto:

- (a) made representations to the public that were false or misleading in a material respect; and
- (b) made representations to the public in the form of statements regarding the performance and efficacy of cigarettes that were not based on adequate and proper testing.

89. Particulars of such representations include the following:

- (a) making representations about the characteristics of their cigarettes that were not based upon any or any adequate and proper testing of and investigation and research into:
  - (i) the risk of disease caused or contributed to by smoking their cigarettes,
  - (ii) the risk of addiction to nicotine contained in their cigarettes, and
  - (iii) the feasibility of eliminating or minimizing the risks referred to in subparagraphs (i) and (ii);
- (b) promoting as safer products, cigarettes with ostensible safety features such as filters, and "mild", "low tar" or "low nicotine" tobacco which adequate and proper testing would have revealed were ineffective to safeguard the health of consumers;
- (c) to the extent that these Defendants have purported to provide information about their cigarettes or warnings about the risks of smoking, they have failed to make clear, credible, complete and current disclosure of the risks inherent in the ordinary use of their cigarettes;
- (d) engaging in collateral marketing, promotional and public relations activities to neutralize or negate the effectiveness of warnings provided to consumers;
- (e) providing misleading information to the public about the risks of smoking based upon a failure to provide any or any adequate research or testing of their cigarettes;
- (f) publicly discrediting the testing and research undertaken, and information provided by others, regarding the link between smoking and disease and smoking and addiction;
- (g) representing that smoking has not been shown to cause any known diseases;
- (h) representing that they were aware of no research, or no credible research, establishing a link between smoking and disease;
- (i) representing that smoking has not been shown to cause addiction;
- (j) representing that they were aware of no research, or no credible research,

- establishing a link between smoking and addiction;
- (k) representing that smoking is merely a habit or custom as opposed to an addiction;
- (l) representing that they did not manipulate nicotine levels in their cigarettes;
- (m) representing that they did not include substances in their cigarettes designed to increase the bio-availability of nicotine;
- (n) misrepresenting the actual intake of tar and nicotine associated with smoking their cigarettes;
- (o) representing that certain of their cigarettes, such as "filter", "mild", "low tar" and "light" brands, were safer than other cigarettes;
- (p) representing that smoking is consistent with a healthy lifestyle; and
- (q) failing to correct statements made by others to consumers regarding the risks of smoking, which they knew were incomplete or inaccurate, and thereby misrepresenting the risks of smoking by omission or silence.

90. As a result of the aforementioned breaches of statutory duties and obligations, persons in British Columbia started to smoke or continued to smoke cigarettes manufactured and promoted by these Defendants and thereby suffered tobacco related disease and increased risk of such disease. The Government has provided and will continue to provide health care benefits for the population of insured persons who have suffered tobacco related disease or have an increased risk of such disease.

#### **IV. CONCERTED ACTION WITHIN CORPORATE GROUPS**

##### **A. Generally**

91. Historically there have been four multinational tobacco enterprises ("Groups") whose member companies engage directly or indirectly in the manufacture and promotion of cigarettes sold in British Columbia and throughout the world. The four Groups are:

- (a) the BAT Group;

- (b) the RJR Group;
- (c) the Philip Morris Group; and
- (d) the Rothmans Group.

92. At all times material to this action virtually all of the cigarettes sold in British Columbia have been manufactured and promoted by manufacturers who are or have been members of one of the four Groups.

93. At all times material to this action the manufacturers within each Group have had common policies relating to smoking and health. The common policies have been directed or co-ordinated by one or more of the Defendants within each group (the "Lead Companies").

94. At material times, the Lead Companies of the four Groups were as follows:

<b>Group</b>	<b>Lead Companies</b>
BAT Group	<p>the Defendant British American Tobacco (Investments) Limited (formerly British-American Tobacco Company Limited)</p> <p>the Defendant B.A.T Industries p.l.c. (formerly B.A.T. Industries Limited, and before that Tobacco Securities Trust Limited)</p>
RJR Group	<p>the Defendant R.J. Reynolds Tobacco Company</p> <p>the Defendant R.J. Reynolds Tobacco International, Inc.</p>
Philip Morris Group	<p>the Defendant Philip Morris Incorporated</p> <p>the Defendant Philip Morris International, Inc.</p>

Rothmans Group	The Defendant Carreras Rothmans Limited  the Defendant Ryeseckks p.l.c.  the Defendant Rothmans International Research Division
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**B. Joint Liability of the BAT Group Defendants**

95. During all or part of the period in which the tobacco related wrongs described herein were committed, the members of the BAT Group have included the following companies (the "BAT Group Members"):

- (a) Imasco Limited and Imperial Tobacco Limited (now the Defendant Imperial Tobacco Canada Limited);
- (b) the Defendant B.A.T Industries p.l.c.; and
- (c) the Defendant British American Tobacco (Investments) Limited.

96. After about 1950, some or all of the BAT Group Members conspired, or had a common design, to prevent, by unlawful means, consumers in British Columbia and in other jurisdictions acquiring knowledge of the harmful nature and addictive properties of cigarettes, as described in paragraphs 39 - 43 herein, in circumstances where the BAT Group Members knew or ought to have known that injury to consumers would result from acts done in furtherance of the conspiracy or common design.

97. In furtherance of the aforementioned conspiracy or common design, Imperial Tobacco Limited and Imasco Limited, or either of them, breached their duties to consumers in the manner described in Part III herein.

98. The aforementioned conspiracy or common design was entered into or continued at or through committees, conferences and meetings established, organized and convened by the

Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, and attended by senior personnel of the BAT Group Members, including those of Imperial Tobacco Limited and Imasco Limited, or either of them, and through written and oral directives and communications amongst the BAT Group Members.

99. The committees utilized by the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, to direct or co-ordinate the BAT Group's common policies on smoking and health include the Chairman's Policy Committee, the Research Policy Group, the Scientific Research Group, the Tobacco Division Board, the Tobacco Executive Committee, and the Tobacco Strategy Review Team.

100. The conferences utilized by the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, to direct or co-ordinate the BAT Group's common policies on smoking and health include the Chairman's Advisory Conferences, BAT Group Research Conferences, and BAT Group Marketing Conferences.

101. The Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, further directed or co-ordinated the BAT Group's common policies on smoking and health by preparing and distributing to the members of the BAT Group, including Imperial Tobacco Limited and Imasco Limited, written directives and communications including "Smoking Issues: Claims and Responses", "Consumer Helplines: How To Handle Questions on Smoking and Health and Product Issues", "Smoking and Health: The Unresolved Debate", "Smoking: The Scientific Controversy", "Smoking: Habit or Addiction?", and "Legal Considerations on Smoking and Health Policy". These directives and communications set out the BAT Group's position on smoking and health issues to ensure that the personnel of the BAT Group companies, including the personnel of Imperial Tobacco Limited and Imasco Limited, understood and disseminated the BAT Group's position.

102. The Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, further directed or co-ordinated the smoking and health policies of

Imperial Tobacco Limited and Imasco Limited, or either of them, by directing or advising how they should vote in committees of the Canadian Manufacturers and at meetings of the Defendant CTMC on issues relating to smoking and health, including the approval and funding of research by the Canadian Manufacturers and by the Defendant CTMC.

103. Further particulars of the manner in which the conspiracy or common design was entered into or continued and of the breaches of duty committed by Imperial Tobacco Limited and Imasco Limited, or either of them, in furtherance of the conspiracy or common design, are peculiarly within the knowledge of the BAT Group Members.

104. By reason of the foregoing, the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, conspired with Imperial Tobacco Limited and Imasco Limited, or either of them, with respect to the breaches of duty committed by Imperial Tobacco Limited and Imasco Limited, referred to in Part III herein.

105. In the alternative, by reason of the foregoing, the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, acted in concert with Imperial Tobacco Limited and Imasco Limited, or either of them, with respect to the breaches of duty committed by Imperial Tobacco Limited and Imasco Limited, referred to in Part III herein.

106. In the further alternative, if the BAT Group Members did not agree or intend that unlawful means be used in pursuing the common design referred to in paragraph 96, they knew or ought to have known that one or more of the BAT Group Members might commit breaches of duty in furtherance of the common design. As a consequence, the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, acted in concert with Imperial Tobacco Limited and Imasco Limited, or either of them, with respect to the breaches of duty committed by Imperial Tobacco Limited and Imasco Limited, referred to Part III herein.

107. In the further alternative, in breaching the duties referred to in Part III herein, Imperial Tobacco Limited and Imasco Limited, or either of them, were acting as agents for the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them.

108. In the further alternative, the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them, directed the activities of Imperial Tobacco Limited and Imasco Limited, or either of them, to such an extent that the breaches of duty committed by Imperial Tobacco Limited and Imasco Limited, or either of them, were also breaches committed by the Defendants British American Tobacco (Investments) Limited and B.A.T Industries p.l.c., or either of them.

109. By reason of the allegations made in paragraphs 95 to 108 herein, the BAT Group Members have, under section 4 of the *Act*, jointly breached the duties particularized in Part III herein and the Defendants Imperial Tobacco Canada Limited, B.A.T Industries p.l.c. and British American Tobacco (Investments) Limited are jointly and severally liable for the cost of health care benefits attributed to Imperial Tobacco Limited and Imasco Limited.

110. In any event, by reason of the allegations made in paragraphs 95 to 108 herein, the Defendants Imperial Tobacco Canada Limited, B.A.T Industries p.l.c. and British American Tobacco (Investments) Limited are, at common law or in equity, jointly and severally liable for the cost of health care benefits attributed to Imperial Tobacco Limited and Imasco Limited.

### **C. Joint Liability of the RJR Group Defendants**

111. During all or part of the period in which the tobacco related wrongs described herein were committed, the members of the RJR Group have included the following companies (the "RJR Group Members"):

- (a) the Defendant R.J. Reynolds Tobacco Company;
- (b) the Defendant R. J. Reynolds Tobacco International, Inc.;



- (c) the Defendant JTI-Macdonald Corp.; and
- (d) Macdonald Tobacco Inc.

112. After about 1973, some or all of the RJR Group Members conspired or had a common design to prevent, by unlawful means, consumers in British Columbia and other jurisdictions acquiring knowledge of the harmful nature and addictive properties of cigarettes, as described in paragraphs 39 - 43 herein, in circumstances where the RJR Group Members knew or ought to have known that injury to consumers would result from acts done in furtherance of the conspiracy or common design.

113. In furtherance of the conspiracy or common design described above, the Defendant JTI-Macdonald Corp., its predecessor company Macdonald Tobacco Inc., and the Defendant R.J. Reynolds Tobacco Company, or any of them, breached their duties to consumers in the manner described in Part III herein.

114. The aforementioned conspiracy or common design was entered into or continued at or through committees, conferences and meetings established, organized and convened by the Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc., or either of them, and attended by senior personnel of the RJR Group Members, including those of the Defendant JTI-Macdonald Corp. and its predecessor company Macdonald Tobacco Inc., and through written and oral directives and communications amongst the RJR Group Members.

115. The meetings utilized by the Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc. or either of them, to direct or co-ordinate the RJR Group's common policies on smoking and health included the Winston-Salem Smoking Issues Coordinator Meetings.

116. The conferences utilized by the Defendants R.J. Reynolds Tobacco Company and R.J. Reynolds Tobacco International, Inc., or either of them, to direct or co-ordinate the RJR Group's common policies on smoking and health include the Hound Earsö and Sawgrass conferences.

117. The Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc., or either of them, further directed or co-ordinated the RJR Group's position on smoking and health by means of a system of reporting whereby each global "Area" had a "smoking issue designee" who was supervised by the Defendant R.J. Reynolds International Inc. and who reported to the Manager of Science Information in the R.J. Reynolds Tobacco Company. In the case of Area II (Canada), this "designee" was, from 1974, a senior executive of Macdonald Tobacco Inc., and later of the Defendant JTI-Macdonald Corp.

118. The Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc., or either of them, further directed or co-ordinated the RJR Group's common policies on smoking and health by preparing and distributing to the members of the RJR Group, including the Defendant JTI-Macdonald Corp. and its predecessor company Macdonald Tobacco Inc., written directives and communications including an "Issues Guide". These directives and communications set out the RJR Group's position on smoking and health issues to ensure that the personnel of the RJR Group companies, including the Defendant JTI-Macdonald Corp. and its predecessor company Macdonald Tobacco Inc., understood and disseminated the RJR Group's position.

119. The Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc., or either of them, further directed or co-ordinated the smoking and health policies of the Defendant JTI-Macdonald Corp. and its predecessor company Macdonald Tobacco Inc. by directing or advising how they should vote in committees of the Canadian Manufacturers and at meetings of the Defendant CTMC on issues relating to smoking and health, including the approval and funding of research by the Canadian Manufacturers and by the Defendant CTMC.

120. Further particulars of the manner in which the conspiracy or common design was entered into or continued and of the breaches of duty committed by the Defendant JTI-Macdonald Corp., its predecessor company Macdonald Tobacco Inc., and the Defendant R.J. Reynolds Tobacco

Company in furtherance of the conspiracy or common design are peculiarly within the knowledge of the RJR Group Members.

121. By reason of the foregoing, some or all of the RJR Group Members conspired with respect to the breaches of duty committed by the Defendant JTI-Macdonald Corp., its predecessor company Macdonald Tobacco Inc., and the Defendant R.J. Reynolds Tobacco Company, referred to in Part III herein.

122. In the alternative, by reason of the foregoing, some or all of the RJR Group Members acted in concert with respect to the breaches of duty committed by the Defendant JTI-Macdonald Corp., its predecessor company Macdonald Tobacco Inc., and the Defendant R.J. Reynolds Tobacco Company, referred to in Part III herein.

123. In the further alternative, if the RJR Group Members did not agree or intend that unlawful means be used in pursuing their common design, referred to in paragraph 112, they knew or ought to have known that one or more of them might commit breaches of duty in furtherance of their common design. As a consequence, the RJR Group Members acted in concert with respect to the breaches of duty committed by the Defendant JTI-Macdonald Corp., its predecessor company Macdonald Tobacco Inc., and the Defendant R.J. Reynolds Tobacco Company, referred to in Part III herein.

124. In the further alternative, in breaching the duties referred to in Part III herein, the Defendant JTI-Macdonald Corp. and its predecessor company, Macdonald Tobacco Inc. were acting as agents for the Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc. or either of them.

125. In the further alternative, the Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc. directed the activities of the Defendant JTI-Macdonald Corp. and its predecessor company Macdonald Tobacco Inc. to such an extent that the breaches of duty by the Defendant JTI-Macdonald Corp. and its predecessor company Macdonald Tobacco

Inc. were also breaches committed by the Defendants R.J. Reynolds Tobacco Company and R. J. Reynolds Tobacco International, Inc., or either of them.

126. By reason of the allegations made in paragraphs 111 to 125 herein, the RJR Group Members have, under section 4 of the *Act*, jointly breached the duties particularized in Part III herein and are jointly and severally liable for the cost of health care benefits attributed to each of them.

127. In any event, by reason of the allegations made in paragraphs 111 to 125 herein, the RJR Group Members are, at common law or in equity, jointly and severally liable for the cost of health care benefits attributed to each of them.

#### **D. Joint Liability of the Philip Morris Group Defendants**

128. During all or part of the period in which the tobacco related wrongs described herein were committed, the members of the Philip Morris Group have included the following companies (the "Philip Morris Group Members"):

- (a) the Defendant Philip Morris Incorporated;
- (b) the Defendant Philip Morris International, Inc.;
- (c) the Defendant Rothmans, Benson & Hedges Inc.; and
- (d) Benson & Hedges (Canada) Inc.

129. After about 1954, some or all of the Philip Morris Group Members conspired or had a common design to prevent, by unlawful means, consumers in British Columbia and other jurisdictions acquiring knowledge of the harmful nature and addictive properties of cigarettes, as described in paragraphs 39 - 43 herein, in circumstances where the Philip Morris Group Members knew or ought to have known that injury to consumers would result from acts done in furtherance of the conspiracy or common design.

130. In furtherance of the conspiracy or common design described above, the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Benson & Hedges (Canada) Ltd., and the Defendant Philip Morris Incorporated, or any of them, breached their duties to consumers in the manner described in Part III herein.

131. The aforementioned conspiracy or common design was entered into or continued at or through committees, conferences and meetings established, organized and convened by the Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them, and attended by senior personnel of the Philip Morris Group companies, including those of the Defendant Rothmans, Benson & Hedges Inc. and its amalgamating company Benson & Hedges (Canada) Ltd., and through written and oral directives and communications amongst the Philip Morris Group Members.

132. The committees utilized by the Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them, to direct or co-ordinate the Philip Morris Group's common policies on smoking and health include the Committee on Smoking Issues and Management and the Corporate Products Committee.

133. The conferences utilized by the Defendants Philip Morris Incorporated and Philip Morris International, Inc. or either of them, to direct or co-ordinate the Philip Morris Group's common policies on smoking and health include the Conference on Smoking and Health and the Corporate Affairs World Conference.

134. The Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them, further directed or co-ordinated the Philip Morris Group's common policies on smoking and health by means of their respective Corporate Affairs and Public Affairs Departments which directed or advised various departments of the other members of the Philip Morris Group, including the Defendant Rothmans, Benson & Hedges Inc. and its amalgamating company Benson & Hedges (Canada) Ltd., concerning the Philip Morris Group position on smoking and health issues.

135. The Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them, further directed or co-ordinated the common policies of the Philip Morris Group on smoking and health by preparing and distributing to the members of the Philip Morris Group, including the Defendant Rothmans, Benson & Hedges Inc. and its amalgamating company Benson & Hedges (Canada) Ltd., written directives and communications including "Smoking and Health Quick Reference Guides" and "Issues Alert[s]". These directives and communications set out the Philip Morris Group's position on smoking and health issues to ensure that the personnel of the Philip Morris Group companies, including the Defendant Rothmans, Benson & Hedges Inc., and its amalgamating company Benson & Hedges (Canada) Ltd., understood and disseminated the Philip Morris Group's position.

136. The Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them, further directed or co-ordinated the smoking and health policies of the Defendant Rothmans, Benson & Hedges Inc. and its amalgamating company Benson & Hedges (Canada) Ltd., or either of them, by directing or advising how they should vote in committees of the Canadian Manufacturers and at meetings of the Defendant CTMC on issues relating to smoking and health, including the approval and funding of research by the Canadian Manufacturers and by the Defendant CTMC.

137. Further particulars of the manner in which the conspiracy or common design was entered into or continued and of the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Benson & Hedges (Canada) Inc., and by the Defendant Philip Morris Incorporated in furtherance of the conspiracy or common design are peculiarly within the knowledge of the Philip Morris Group Members.

138. By reason of the foregoing, some or all of the Philip Morris Group Members conspired with respect to the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Benson & Hedges (Canada) Inc., and by the Defendant Philip Morris Incorporated, referred to in Part III herein.

139. In the alternative, by reason of the foregoing, some or all of the Philip Morris Group Members acted in concert with respect to the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Benson & Hedges (Canada) Inc., and by the Defendant Philip Morris Incorporated, referred to in Part III herein.

140. In the further alternative, if the Philip Morris Group Members did not agree or intend that unlawful means be used in pursuing their common design, as referred to in paragraph 129, they knew or ought to have known that one or more of them might commit breaches of duty in furtherance of their common design. As a consequence, the Philip Morris Group Members acted in concert with respect to the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Benson & Hedges (Canada) Inc., and by the Defendant Philip Morris Incorporated, referred to in Part III herein.

141. In the further alternative, in breaching the duties referred to in Part III herein, the Defendant Rothmans, Benson & Hedges and its amalgamating company Benson & Hedges (Canada) Inc., or either of them, were acting as agents for the Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them.

142. In the further alternative, the Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them, directed the activities of the Defendant Rothmans, Benson & Hedges and its amalgamating company Benson & Hedges (Canada) Inc., or either of them, to such an extent that the breaches of duty committed by the Defendant Rothmans, Benson & Hedges and its amalgamating company Benson & Hedges (Canada) Inc., or either of them, were also breaches committed by the Defendants Philip Morris Incorporated and Philip Morris International, Inc., or either of them.

143. By reason of the allegations made in paragraphs 128 to 142 herein, the Philip Morris Group Members have, under section 4 of the *Act*, jointly breached the duties particularized in Part III, and the Defendants Rothmans, Benson & Hedges, Inc., Philip Morris Incorporated, and Philip

Morris International, Inc. are jointly and severally liable for the cost of health care benefits attributed to the Philip Morris Group Members.

144. In any event, by reason of the allegations made in paragraphs 128 to 142 herein, the Defendants Rothmans, Benson & Hedges, Inc., Philip Morris Incorporated, and Philip Morris International, Inc. are, at common law or in equity, jointly and severally liable for the cost of health care benefits attributed to Philip Morris Group Members.

#### **E. Joint Liability of the Rothmans Group Defendants**

145. During all or part of the period in which the tobacco related wrongs described herein were committed, the members of the Rothmans Group have included the following companies (the "Rothmans Group Members"):

- (a) the Defendant Rothmans, Benson & Hedges Inc.;
- (b) the Defendant Rothmans Inc.;
- (c) Rothmans of Pall Mall Limited;
- (d) the Defendant Carreras Rothmans Limited;
- (e) the Defendant Ryeseckks p.l.c.;
- (f) the Defendant Rothmans International Research Division.

146. After about 1956, some or all of the Rothmans Group Members conspired or had a common design to prevent, by unlawful means, consumers in British Columbia and other jurisdictions acquiring knowledge of the harmful nature and addictive properties of cigarettes, as described in paragraphs 39 - 43 herein, in circumstances where the Rothmans Group Members knew or ought to have known that injury to consumers would result from acts in furtherance of the conspiracy or common design.

147. In furtherance of the conspiracy or common design described above, the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited,



the Defendant Rothmans Inc. and the Defendant Ryeseckks p.l.c., or any of them, breached their duties to consumers in the manner described in Part III herein.

148. The aforementioned conspiracy or common design was entered into or continued at or through committees, conferences and meetings established, organized and convened by the Defendants Ryeseckks p.l.c., Carreras Rothmans Limited, and Rothmans International Research Division, or any of them, and attended by senior personnel of the Rothmans Group Members, including those of the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., or any of them, and through written and oral directives and communications amongst the Rothmans Group Members.

149. The Defendants Ryeseckks p.l.c., Carreras Rothmans Limited, and Rothmans International Research Division, or any of them, directed or co-ordinated the Rothmans Group's common policies on smoking and health by preparing and distributing statements which set out the Rothmans Group's position on smoking and health issues, including a series of announcements issued by the Rothmans International Research Division and published in Canada in or about 1958 which claimed, among other things, that smoking in moderation was safe, and that Canadian-made Rothmans cigarettes were safer than those of other brands because they contained less tar and had cooler smoke.

150. The Defendants Ryeseckks p.l.c., Carreras Rothmans Limited, and Rothmans International Research Division, or any of them, further directed or co-ordinated the smoking and health policies of the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., or any of them, by directing or advising how they should vote in committees of the Canadian Manufacturers and at meetings of the CTMC on issues relating to smoking and health, including the approval and funding of research by the Canadian Manufacturers and by the Defendant CTMC.

151. Further particulars of the manner in which the conspiracy or common design was entered into or continued and of the breaches of duty committed by the Defendant Rothmans, Benson &

Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc. in furtherance of the conspiracy or common design are peculiarly within the knowledge of the Rothmans Group Members.

152. By reason of the foregoing, some or all of the Rothmans Group Members conspired with respect to the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., referred to Part III herein.

153. In the alternative, by reason of the foregoing, some or all of the Rothmans Group Members acted in concert with respect to the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., referred to Part III herein.

154. In the further alternative, if the Rothmans Group Members did not agree or intend that unlawful means be used in pursuing the common design referred to in paragraph 146, they knew or ought to have known that one or more of the Rothmans Group Members might commit breaches of duty in furtherance of the common design. As a consequence, the Rothmans Group Members acted in concert with respect to the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., referred to Part III herein.

155. In the further alternative, in breaching the duties referred to in Part III herein, the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., or any of them, were acting as agents for the Defendants Ryeseckks p.l.c., Carreras Rothmans Limited, and Rothmans International Research Division, or any of them.

156. In the further alternative, the Defendants Ryeseckks p.l.c., Carreras Rothmans Limited, and Rothmans International Research Division, or any of them, directed the activities of the Defendant

Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc., or any of them, to such an extent that the breaches of duty committed by the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc. were also breaches committed by the Defendants Ryesekks p.l.c., Carreras Rothmans Limited, and Rothmans International Research Division, or any of them.

157. By reason of the allegations made in paragraphs 145 to 156 herein, the Rothmans Group Members have, under section 4 of the *Act*, jointly breached the duties particularized in Part III herein and are jointly and severally liable for the cost of health care benefits attributed to the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc.

158. In any event, by reason of the allegations made in paragraphs 145 to 156 herein, the Rothmans Group Members are, at common law or in equity, jointly and severally liable for the cost of health care benefits attributed to the Defendant Rothmans, Benson & Hedges Inc., its amalgamating company Rothmans of Pall Mall Limited, and the Defendant Rothmans Inc.

## **V. CONCERTED ACTION OF THE TOBACCO INDUSTRY IN CANADA**

159. At times material to this action, some or all of the Canadian Manufacturers conspired or had a common design, to prevent, by unlawful means, consumers in British Columbia and other jurisdictions acquiring knowledge of the harmful nature and addictive properties of cigarettes, as described in paragraphs 39 - 43 herein, in circumstances where they knew or ought to have known that injury to consumers would result from acts done in furtherance of the conspiracy or common design.

160. In furtherance of the conspiracy or common design described above, the Canadian Manufacturers, or one or more of them, breached their duties to consumers in the manner described in Part III herein.

161. The aforementioned conspiracy or common design was entered into or continued at or through committees, conferences and meetings established, organized and convened by some or all of the Canadian Manufacturers and attended by their senior personnel and through written and oral directives and communications amongst some or all of them.

162. The aforementioned conspiracy or common design was continued when:

- (a) in or about 1962, the Canadian Manufacturers each signed an agreement not to compete with each other by making health claims with respect to their cigarettes so as to avoid acknowledging the risks of smoking; and
- (b) in or about 1963, the Canadian Manufacturers formed the Ad Hoc Committee on Smoking and Health (renamed the Canadian Tobacco ManufacturersøCouncil in 1969, and incorporated as the Defendant CTMC in 1982) in order to maintain a united front on smoking and health issues (the Ad Hoc Committee on Smoking and Health, the pre-incorporation Canadian Tobacco ManufacturersøCouncil and the Defendant CTMC are hereinafter collectively referred to as òthe CTMCö).

163. Upon its formation and at all material times thereafter, the CTMC provided a forum for the continuance of the aforementioned conspiracy or common design. The Defendant CTMC, upon its incorporation, agreed to and adopted the aforementioned common design and thereafter directly participated in the aforementioned conspiracy.

164. Since about 1963, the CTMC has lobbied governments and regulatory agencies throughout Canada with respect to tobacco industry matters, as well as representing to the

Canadian public the tobacco industry's position with respect to the health risks and concerns related to smoking.

165. The CTMC has also co-ordinated, with foreign manufacturers and international tobacco industry associations, the Canadian cigarette industry's positions on smoking and health issues with those of the multinational tobacco industry, including the Groups described in Part IV.

166. In furtherance of the conspiracy or common design described in paragraph 159, the Canadian Manufacturers not only breached their duties to consumers in the manner alleged in Part III herein but, in addition, breached the aforementioned duties by causing the CTMC to:

- (a) disseminate false and misleading information regarding the risks of smoking including making submissions to governments;
- (b) make no statement or admission that smoking caused disease;
- (c) suppress or conceal research regarding the risks of smoking;
- (d) participate in a public relations program on smoking and health issues with the object of promoting cigarettes, protecting cigarette sales and protecting cigarettes and smoking from attack based upon health risks; and
- (e) lobby governments in order to delay and minimize government initiatives with respect to smoking and health.

167. Further particulars of the manner in which the conspiracy or common design was entered into or continued and of the breaches of duty committed by the Canadian Manufacturers and each of them, in furtherance of the conspiracy or common design are peculiarly within the knowledge of the Defendants.

168. By reason of the foregoing, at various times some or all of the Canadian Manufacturers and the Defendant CTMC conspired with respect to the breaches of duty referred to in paragraph 166 and Part III herein.

169. In the alternative, by reason of the foregoing, at various times, some or all of the Canadian Manufacturers and the Defendant CTMC acted in concert with respect to the breaches of duty referred to in paragraph 166 and Part III herein.

170. In the further alternative, if the Canadian Manufacturers and the Defendant CTMC did not agree or intend that unlawful means be used in pursuing the common design referred to in paragraph 159, they knew or ought to have known that one or more of them might commit breaches of duty in furtherance of the common design. As a consequence, the Canadian Manufacturers and the Defendant CTMC acted in concert with respect to the breaches of duty referred to in paragraph 166 and Part III herein.

171. At all times material to this action, the Defendant CTMC was acting as the agent of the Canadian Manufacturers.

172. In the alternative, the Canadian Manufacturers directed and co-ordinated the activities of the Defendant CTMC to such an extent that the breaches of duty referred to in paragraph 166 were breaches committed by the Canadian Manufacturers.

173. The acts of each Canadian Manufacturer described in this Part were acts done in furtherance of, and were means of advancing, the conspiracy or common design of the members of its respective Group as described in Part IV herein.

174. The acts of the Canadian Manufacturers and the Defendant CTMC described in this Part were also done in furtherance of, and were means of advancing, the conspiracy or common design directed and co-ordinated by the Lead Companies, as described in Part VI herein.

175. By reason of the allegations made in this Part, the Canadian Manufacturers, the Defendant CTMC and the Lead Companies have, under section 4 of the *Act*, jointly breached the aforementioned duties and are jointly and severally liable for the cost of health care benefits of each of them.

176. In any event, by reason of the allegations made in this Part, the Canadian Manufacturers, the Defendant CTMC and the Lead Companies are, at common law or in equity, jointly and severally liable for the cost of health care benefits attributed to each of them.

## **VI. CONCERTED ACTION OF THE TOBACCO INDUSTRY INTERNATIONALLY**

177. At various times after about 1953, in response to mounting publicity and public concern about the link between smoking and disease, some or all of the Lead Companies conspired, or had a common design, to prevent by unlawful means consumers in British Columbia and other jurisdictions acquiring knowledge of the harmful nature and addictive properties of cigarettes described in paragraphs 39 - 43 herein, in circumstances where they knew or ought to have known that injury to consumers would result from acts done in furtherance of the conspiracy or common design.

178. The aforementioned conspiracy or common design was entered into in 1953 and early 1954 through a series of meetings and communications among the Defendant Philip Morris Incorporated, the Defendant R. J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation (in its own capacity and as agent for the Defendant British American Tobacco (Investments) Limited) and American Tobacco Company. At these meetings and through these communications, these companies agreed to:

- (a) jointly disseminate false and misleading information regarding the risks of smoking;
- (b) make no statement or admission that smoking caused disease;
- (c) suppress or conceal research regarding the risks of smoking;
- (d) participate in a public relations program on smoking and health issues with the

object of promoting cigarettes, protecting cigarettes from attack based upon health risks, and reassuring the public that smoking was not hazardous; and

- (e) ensure that the members of their respective Groups would implement the policies described in (a) through (d) above.

179. The aforementioned conspiracy or common design was continued at or through committees, conferences and meetings established, organized and convened by some or all of the Lead Companies and attended by senior personnel from some or all of the Defendants and through written and oral directives and communications amongst some or all of the Defendants, some particulars of which follow.

180. Between late 1953 and the early 1960s, the Lead Companies formed or joined several research organizations including the Tobacco Industry Research Council (the "TIRC", renamed the Council for Tobacco Research in 1964 (the "CTR")); the Centre for Co-operation in Scientific Research Relative to Tobacco (CORESTA); and the Tobacco Research Council (TRC).

181. Some or all of the Lead Companies publicly represented that they, or members of their respective Groups, along with the TIRC, the CTR, CORESTA, the TRC and similar organizations, would perform objective research and gather data concerning the link between smoking and disease and would publicize the results of this research throughout the world.

182. In fact, the Lead Companies agreed that they, or members of their respective Groups, along with the TIRC, the CTR, CORESTA, the TRC, and similar organizations, would conduct research and publicize information to counter, undermine or obscure information that showed the link between smoking and disease, with a view to creating a public belief, in all markets including British Columbia, that there was a medical or scientific controversy as to whether smoking is harmful to human health and whether nicotine is addictive, when in fact no such controversy existed.

183. In 1963 and 1964 the Lead Companies of the BAT and Rothmans Groups, along with



tobacco companies and state monopolies from Europe, including members of the RJR and Philip Morris Groups, agreed to co-ordinate their research into the link between smoking and disease with research conducted by the TIRC in the United States, particularly with a view to ensuring that no research be approved or conducted by the TIRC, the CTR, CORESTA and the TRC which might indicate that cigarettes were a flawed and dangerous product.

184. In April and September 1963, Lead Companies of the BAT and RJR Groups agreed with, *inter alia*, members of the "Council of Action" in Hamburg, Germany and with Lead Companies of the Philip Morris Group in New York, to develop, at that time, a public relations campaign to counter the Royal College of Physicians report in England, the forthcoming Surgeon General's Report in the United States and a report of the Canadian Medical Association in Canada, and to reassure smokers that their health would not be endangered by smoking cigarettes.

185. In September 1963 in New York, the Lead Companies of the Philip Morris, RJR and BAT Groups, along with other US tobacco companies, agreed that they, and members of their respective Groups, would not issue warnings about the link between smoking and disease until and unless they were forced to do so by government action.

186. From either the outset of the conspiracy or common design described in this Part or, at the latest, from the time each Canadian Manufacturer became a member of one of the Lead Companies' Groups, each Canadian Manufacturer agreed to and adopted the common design and committed the wrongful acts described in Part III in furtherance of the aforementioned conspiracy or common design.

187. By the mid-1970s some or all of the Lead Companies decided that an increased international response was required to reassure smokers and potential smokers and to protect the interests of the tobacco industry around the world. They feared that admissions relating to the link between smoking and disease made by individual companies or national manufacturers' associations (NMA's) could lead to a "domino effect" to the detriment of the industry world-wide.

188. As a result, in June, 1977 some or all of the Lead Companies, and other tobacco companies with international interests, met in England and continued the aforementioned conspiracy or common design by establishing the International Committee on Smoking Issues (ICOSI).

189. Through ICOSI, the Lead Companies agreed to resist attempts by governments to provide adequate warnings with respect to the link between smoking and disease, and reiterated their position on smoking and health issues, continuing their agreement to:

- (a) jointly disseminate false and misleading information regarding the risks of smoking;
- (b) make no statement or admission that smoking caused disease;
- (c) suppress or conceal research regarding the risks of smoking;
- (d) not compete with each other by making explicit health claims with respect to their cigarettes, and thereby avoid highlighting the risks of smoking; and
- (e) participate in a public relations program on smoking and health issues with the object of promoting cigarettes, protecting cigarettes from attack based upon health risks, and reassuring consumers in British Columbia and other jurisdictions that smoking was not hazardous.

190. In and after 1977, the members of ICOSI, including each of the Lead Companies, agreed orally and in writing, to ensure that:

- (a) the members of their respective Groups, including those in Canada, would act in accordance with the ICOSI position on smoking and health, including its position on warnings with respect to the link between smoking and disease;

- (b) initiatives pursuant to the ICOSI positions would be carried out, whenever possible, by NMAs, including, in Canada, the CTMC, to ensure compliance in the various tobacco markets world wide;
- (c) when it was not possible for NMAs to carry out ICOSI's initiatives they would be carried out by the members of the Lead Companies' Groups or by the Lead Companies themselves; and
- (d) their subsidiary companies would, when required, suspend or subvert their local or national interests in order to assist in the preservation and growth of the tobacco industry as a whole.

191. In 1980, ICOSI was renamed the International Tobacco Information Centre / Centre International d'Information du Tabac - INFOTAB (øINFOTABö). In or before 1992 INFOTAB changed its name to the Tobacco Documentation Centre (øTDCö) (ICOSI, INFOTAB and TDC are hereinafter referred to collectively as øICOSIö).

192. At all times, the policies of ICOSI were mirrored in the policies of the NMAs including the CTMC, and were at all times presented as the policies and positions of the NMAs and their member companies so as to conceal from the public and from governments the existence of the aforementioned conspiracy or common design.

193. In the event that a manufacturer within one of the Groups took a position on smoking and health issues contrary to that of ICOSI, the Lead Companies took steps to ensure compliance with the position of ICOSI.

194. The wrongful acts committed by the members of each Group and the CTMC which are described in Part III and Part V herein were not only done in furtherance of the conspiracies or common designs described in Parts IV and Part V, but were also done in furtherance of the conspiracy or common design described in this Part.

195. Further particulars of the manner by which the conspiracy or common design was entered into or continued and of the breaches of duty committed in furtherance of the conspiracy or common design are peculiarly within the knowledge of the aforementioned Defendants.

196. By reason of the foregoing, at various times, some or all of the Defendants conspired with respect to the breaches of duty referred to in Parts III and V herein.

197. In the alternative, by reason of the foregoing, at various times, some or all of the Defendants acted in concert with respect to the breaches of duty referred to in Parts III and V herein.

198. In the further alternative, if the Lead Companies did not agree or intend that unlawful means be used in pursuing the common design referred to in this Part, they knew or ought to have known that one or more of the Defendants might commit breaches of duty in furtherance of the common design.

199. By reason of the allegations made in this Part, the Defendants have, under section 4 of the *Act*, jointly breached the aforementioned duties and are jointly and severally liable for the cost of health care benefits of each of them.

200. In any event, by reason of the allegations made in this Part, the Defendants are, at common law or in equity, jointly and severally liable for the cost of health care benefits attributed to each of them.

**VII. RELIEF**

The Plaintiff claims against the Defendants, and each of them, as follows:

- (a) the present value of the total expenditure by the government for health care benefits provided for insured persons resulting from tobacco related disease or the risk of tobacco related disease;
- (b) the present value of the estimated total expenditure by the government for health care benefits that could reasonably be expected will be provided for those insured persons resulting from tobacco related disease or the risk of tobacco related disease;
- (c) Court Order Interest;
- (d) costs or, in the alternative, special or increased costs; and
- (e) such other relief as to this Honourable Court seems just.

Place of trial: Vancouver, British Columbia

Bull, Houser & Tupper

per:

Dated: January 24, 2001

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Solicitors for the Plaintiff

This WRIT OF SUMMONS and attached STATEMENT OF CLAIM is prepared and filed by Bull, Houser & Tupper, Solicitors for the Plaintiff, whose office address and address for delivery is 3000 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R3 Attention: Daniel A. Webster, Q.C. Telephone: (604) 641-4879 Facsimile: (604) 641-4949