

# There is no foundation in the Class Proceedings Act, 1992 for conditional certifications

April 03, 2025

In Knisley v Canada (Attorney General), 2025 ONCA 185, the Court of Appeal was asked to consider whether a motions judge hearing a certification motion can conditionally certify a class proceeding where neither the parties nor the court at the hearing can provide a workable class definition capable of satisfying s. 5(1)(b) of the Class Proceedings Act, 1992 (CPA).

The Knisley class action was brought on behalf of veterans who suffered damages arising from the alleged failures of Canada, through Veterans Affairs Canada, to properly administer their disability program and make timely payment of the disability pension and pain and suffering compensation. At the certification motion, the motions judge conditionally certified the action as a class proceeding, subject to the class definition being amended "to the satisfaction of the parties and the court". No direction was given by the motions judge as to how the class definition could be amended to achieve that "satisfaction" nor did the motions judge address what might happen if the parties, or the court, could not reach that "satisfaction".

The Attorney General of Canada appealed to the Court of Appeal which allowed the appeal and the matter was remitted back to the motions judge for a further hearing.<sup>1</sup>

In its decision, the Court of Appeal clarified Justice McLachlin's comment in Hollick v. Toronto (City), 2001 SCC 68, that: "Where the class could be defined more narrowly, the court should either disallow certification or allow certification on condition that the definition of the class be amended." The Court clarified that Hollick did not stand for the proposition that a class action could be certified without an identifiable class being established. Rather, the Supreme Court was offering the view that in circumstances where the **proposed** class definition was not acceptable, the certification judge could either dismiss the motion or effectively amend the class definition to make it acceptable. The representative plaintiff could then accept the definition as amended or abandon the class proceeding. Neither option supported conditional certification. Allowing certification on condition that the definition of the class be amended still required the Court to identify an acceptable class definition.

The Court of Appeal articulated three primary reasons for its interpretation of Hollick:

# BLG

- 1. There was nothing in the CPA that contemplated conditional certification. The language in section 5(1) established five criteria that must be met, and then the court shall certify the class proceeding. If any of those criteria were not required, the legislature would have made that clear.
- 2. The class definition has a direct impact on the analysis of other criteria for certification, including the proposed common issues, preferable procedure and the appropriateness of the representative plaintiff.
- 3. Conditional certification creates certain procedural issues. For example, what was the consequence if the parties couldn't agree on a class definition? Does the certification lapse or does the motion judge have to decertify the proceeding under section 10 of the CPA? Further, what was the appeal route from a conditional certification, since it presented like an interlocutory order would it only be appealed to the Divisional Court?

The Court of Appeal emphasized that the determination of an identifiable class was a crucial aspect of the certification process, establishing whose rights were going to be determined and, consequently, who had the right to opt out.

# Key takeaways

There is no discretion on the part of a motion judge to conditionally certify a class action. **If neither the plaintiff's proposed class definition nor the Court's consideration of another** class definition can comply with the CPA, then the motion must be dismissed. The decision does not displace s. 5(4) of the CPA which allows the court to adjourn the certification motion to permit the parties to amend materials, pleadings or provide further evidence.

The decision emphasizes that close attention should be paid to unworkable class definitions proposed by representative plaintiffs in defending class proceedings.

# Footnote

<sup>1</sup> Under the amendments to the CPA, for actions commenced after Oct. 1, 2020, appeals are now made directly to the Court of Appeal, see section 30.

Bу

Alyson Sutton, Glenn Zakaib, David Elman

Expertise

Class Actions, Disputes

# BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

## blg.com

# **BLG Offices**

## Calgary

Centennial Place, East Tower 520 3rd Avenue S.W. Calgary, AB, Canada T2P 0R3

T 403.232.9500 F 403.266.1395

## Montréal

1000 De La Gauchetière Street West Suite 900 Montréal, QC, Canada H3B 5H4 T 514.954.2555 F 514.879.9015

## Ottawa

World Exchange Plaza 100 Queen Street Ottawa, ON, Canada K1P 1J9 T 613.237.5160 F 613.230.8842

## Toronto

Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto, ON, Canada M5H 4E3 T 416.367.6000 F 416.367.6749

#### Vancouver

1200 Waterfront Centre 200 Burrard Street Vancouver, BC, Canada V7X 1T2 T 604.687.5744 F 604.687.1415

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing <u>unsubscribe@blg.com</u> or manage your subscription preferences at <u>blg.com/MyPreferences</u>. If you feel you have received this message in error please contact <u>communications@blg.com</u>. BLG's privacy policy for publications may be found at <u>blg.com/en/privacy</u>.

© 2025 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.