

**RULE 21**

**DETERMINATION OF AN ISSUE BEFORE TRIAL**

**WHERE AVAILABLE**

**To any Party on a Question of Law**

- 21.01** (1) A party may move before a judge,
- (a) for the determination, before trial, of a question of law raised by a pleading in an action where the determination of the question may dispose of all or part of the action, substantially shorten the trial or result in a substantial saving of costs; or
  - (b) to strike out a pleading on the ground that it discloses no reasonable cause of action or defence,
- and the judge may make an order or grant judgment accordingly.
- (2) No evidence is admissible on a motion,
- (a) under clause (1)(a), except with leave of a judge or on consent of the parties;
  - (b) under clause (1)(b).

**To Defendant**

- (3) A defendant may move before a judge to have an action stayed or dismissed on the ground that,

**Jurisdiction**

- (a) the court has no jurisdiction over the subject matter of the action;

**Capacity**

- (b) the plaintiff is without legal capacity to commence or continue the action or the defendant does not have the legal capacity to be sued;

**Another Proceeding Pending**

- (c) another proceeding is pending in Prince Edward Island or another jurisdiction between the same parties in respect of the same subject matter; or

**Action Frivolous, Vexatious or Abuse of Process**

- (d) the action is frivolous or vexatious or is otherwise an abuse of the process of the court,

and the judge may make an order or grant judgment accordingly.

**MOTION TO BE MADE PROMPTLY**

- 21.02** A motion under Rule 21.01 shall be made promptly and a failure to do so may be taken into account by the court in awarding costs.

## **FACTUMS REQUIRED**

- 21.03** (1) On a motion under rule 21.01, each party shall serve on every other party to the motion a factum consisting of a concise argument stating the facts and law relied on by the party.
- (2) The moving party's factum shall be served and filed with proof of service at least ten days before the hearing.
- (3) The responding party's factum shall be served and filed with proof of service at least four days before the hearing.

*Doucette v. Attorney General of Canada*, 2023 PESC 51

The Court granted the defendant's motion pursuant to Rule 21.01(3)(a) to dismiss the plaintiff's action. The dispute was between an employee and employer, and the subject matter was governed by a comprehensive dispute resolution regime. The subject matter did not fall within one of the narrow exceptions where the court should become involved.

*Lavern v. Norman Estate*, 2019 PESC 47

The court granted the defendant's motion pursuant to Rule 21.01(3)(a) to dismiss the plaintiff's claim in its entirety due to a lack of jurisdiction. The plaintiff's residence in PEI was not enough to meet the real and substantial connection test. Forum of necessity test was also reviewed and the court declined to exercise jurisdiction on that basis.

*Ayangma v. FLSB & ELSB*, 2019 PECA 22

The Court of Appeal set aside the order striking out the plaintiff's statement of claim on the ground that it does not disclose a s.15(1) discrimination cause of action. The Court was of the view that an error occurred because the trial judge did not consider the plaintiff's claim that the School Board administration, by their actions, caused a Charter breach, and the law permits that kind of claim even where breach of the law enabling their actions is not in issue. The trial judge proceeded on the narrow premise that the claim must identify a law that is breached, or link the facts pleaded to a law which denied the plaintiff equal protection or benefit. This was an error.

*McMillan Point Homeowners Assn. v. Jay*, 2019 PECA 18

The Court of Appeal determined that Rule 21.01(1)(a) was not available to the parties. The Court stated that the Rule is not available for determination of a fact-based question. The Rule permits a motion only on a question of law at the very preliminary stage of a proceeding and covers a very narrow scope.

The Rule asks whether (i) based entirely on the content of the pleading; (ii) there is a question of law that will dispose of the action or an issue therein. No evidence is considered on the motion, except on leave of the court or consent of the parties. Where a factual background is employed or needed to ensure that the question posed is answered correctly, Rule 21.01(1)(a) is not available and the question should not be determined.

*Acadian Marine v. Highfield Construction & Parks Canada*, 2019 PESC 3

The court dismissed an application by an owner to strike the claim of a subcontractor where the scope of the work required exceeded that which was described in the tender.

*McKenna v. Stewart*, 2018 PESC 46

The defendant sought a determination of whether the claim was statute barred by virtue of the *Highway Traffic Act*. The court considered whether an amended claim constituted a new action, and applied a functional approach and the special circumstances doctrine. The court concluded that the claim did not contain a new cause of action and was therefore not statute barred.

*Ayangma v. Canada Health Infoway*, 2017 PECA 13

The court found the determination of the applicable limitation period is such a question of law contained in Rule 21.01(1)(a). The limitation issue being determinative, the appeal was dismissed.

*Martell v. AG of Canada & Ors.*, 2016 PECA 8

The Court of Appeal confirmed the finding of the motions judge that the court's jurisdiction was ousted in favour of the grievance procedure in the Collective Agreement and the dispute resolution process contained in the *Public Service Labour Relations Act*. The Court also found that those portions of the claim which were post-employment events should not have been struck as they are not matters arising in the course of employment which could have been resolved by the grievance procedure.

*Donovan v. QCRS*, 2016 PECA 1

In a motion to dismiss a claim pursuant to Rule 21.01(3)(a), the Court found that the Supreme Court should not have granted the defendant's motion to dismiss the claim. The Court found that the Court would have jurisdiction of a claim where it is made pursuant to the *Fatal Accidents Act*.

*James Heath v. Mercantile Financial Service Ltd.*, 2015 PECA 11

On appeal, the Court upheld the trial judge's finding that it is plain and obvious that Heath's counterclaim discloses no reasonable cause of action and dismissed the appeal.

*CMT et al. v. Gov't of PEI et al.*, 2016 PESC 4

The plaintiffs claimed against the defendants for \$25 million dollars for breach of contract and interference in economic relations. The Government and one defendant filed a motion to strike numerous paragraphs of the claim and one defendant claimed to have it struck in its entirety.

The motions judge found the statement of claim should be struck in its entirety. He found the claim was a "wholesale violation of the rules of pleadings." The claim could not be repaired by amendments or deletions. The claim constituted an abuse of the courts processes.

However, pursuant to Rule 25.11 the motions judge granted the plaintiffs the opportunity to start afresh and file a newly drafted statement of claim.

*Shore & Johnson v. Province of PE et al.*, 2015 PESC 10

The Court struck the statement of claim as it failed to disclose a reasonable cause of action. The Court was of the view the claim contained assertions of irrelevant evidence and completely lacked in any material facts.

The Court also stated that while the Court should not be a slave to form, the Rules have been established for good reason.

The Court also struck the claim in its entirety as it did not identify any possible claim and was incapable of being fixed by amendment. The Court considered the action to be frivolous, vexatious and an abuse of the processes of the court.

*Mercantile Finance Service Ltd. v. James Heath*, 2014 PESC 30

The Court granted Mercantile's motion and struck the counterclaim of the Defendant stating it did not disclose any cause of action known to law.

*Lanigan v. Eastern School District (c.o.b. Eastern School Board)*, 2013 PESC 12

The Eastern School Board made a motion to dismiss the plaintiff's statement of claim pursuant to Rule 21.01(3)(a) on the ground the court did not have jurisdiction to adjudicate the action. While the motions judge found the jurisdiction of the Court was not ousted by the relevant statutory provisions, the motions judge ruled the Court should decline to exercise jurisdiction because of the grievance review process provided for in the applicable collective agreement.

*Visser Potato Ltd v. Canadian Food Inspection Agency*, 2012 PESC 18

The plaintiffs commenced an action against the defendant, a federal government agency, alleging negligent misrepresentation. On a motion by the defendant, the court found the defendant did not owe the plaintiffs a duty of care and the plaintiffs' statement of claim was struck.

*Vail v. Workers Compensation Board of Prince Edward Island*, 2011 PESC 6.

In considering whether a statement of claim discloses a reasonable cause of action, the court may answer a question of law and consider whether the question has been finally determined by a previous and binding decision. Also, where a claim asserts conclusions without a legal basis, it could be struck as being frivolous or vexatious. Confirmed on appeal. See: *Vail v. Prince Edward Island (Workers Compensation Board)*, 2012 PECA 18.

*Kelly v. Canada (Attorney General)*, 2010 PECA 17

The determination of the applicable limitation period is a question of law that can be determined on a motion to strike a statement of claim as disclosing no reasonable cause of action.

*McGowan v. Bank of Nova Scotia*, 2010 PESC 17

On a motion for the determination of a question of law before trial, the statement of claim was struck out because it did not disclose a reasonable cause of action. The statement of claim disclosed a derivative action on behalf of shareholders, an action which, in this jurisdiction, is not founded in law. Affirmed on appeal: *McGowan v. Bank of Nova Scotia*, 2011 PECA 20; [2011] P.E.I.J. No. 35; (2011), 317 Nfld. & P.E.I.R. 62.

*McQuaid v. A.G. (Canada) & Ors.*, 2009 PESC 40

The Court considered a motion to strike a statement of claim under Rule 21 and Rule 25. The motions judge explained the circumstances when each is applicable. The motion to strike the statement of claim pursuant to Rule 21 was denied. With respect to the motion to strike the statement of claim pursuant to Rule 25, the motions judge found deficiencies in the pleading. Instead of striking the statement of claim, he granted the plaintiff leave to amend.

*Mullin v. PricewaterhouseCoopers*, 2007 PESCTD 33; [2007] P.E.I.J. No. 47

The defendant made a motion for the determination of a question of law prior to trial. The *Kloosterman v. Grimme*, 2005 PESCTD 46

The applicant applied pursuant to Rule 21.01(1)(a) to have a question of law determined by the court. The motion was denied. The court held that it was not the purpose of the rule to enable a party to obtain the opinion or a determination of the Court as to the validity of a contractual provision on submissions without evidence when there is a factual dispute.

*M & M Amusement v. Govt. of P.E.I.*, 2005 PESCTD 50

A motion brought under Rule 21.01(1)(a) to determine a question of law should not be granted where the resolution of the issues between the parties depends on a finding of fact.

*Ayangma v. Govt. of P.E.I. and Ors.*, 2005 PESCTD 25

A motion to strike a pleading under Rule 21.01(1)(b) as disclosing no reasonable cause of action, and a motion to strike a pleading under Rule 21.01(3)(d) or 25.11 as being vexatious, frivolous, an abuse of the process of the court or because it may prejudice or delay the fair trial of the action, requires different standards in the disposition because the consequences are different. On a motion under Rule 21.01(1)(b), some parts of the pleading may be struck while others are permitted to stand.

*City of Charlottetown v. MacIssac*, 2003 PESCTD 07

The court, on the motion of the defendant pursuant to Rule 74.01(4), agreed to apply Rule 21.01(b) to the proceeding commenced by the plaintiff in the Small Claims Section. The court went on to find that it was plain and obvious the statement of claim issued by the plaintiff disclosed no reasonable cause of action and accordingly, it was struck out pursuant to Rule 21.01(1)(b).

*Gallant v. Workers' Comp. Bd.(PEI)*, 2002 PESCTD 71

The motion by the Board to dismiss the statement of claim because it disclosed no reasonable cause of action was granted. The motion by the Board to strike the statement of claim on the ground the action was not commenced within the time prescribed by the *Statute of Limitations*, R.S.P.E.I. 1988 Cap. S-7, was denied. Where the application of the limitation period depends upon findings of fact for its resolution, a motion for its determination cannot be made under this Rule. Furthermore, the Board had the burden of establishing it was plain

and obvious the plaintiff could not assert new facts, other than those disclosed in the pleading, that would preserve the action against an assertion that the limitation period had expired. The Court found the Board did not discharge this burden as there could be additional facts brought forward by the plaintiff to show the limitation period had not expired.

*Polar Foods v. Jensen*, 2002 PESCTD 63

The defendant's motion to stay the proceeding on the ground that the court did not have jurisdiction was dismissed. See: Annotation - Rule 46.02

*Ayangma v. Wyatt*, 2001 PESCTD 4

The plaintiff's statement of claim was struck out because it did not disclose a reasonable cause of action. The statements in the "fact" section of the statement of claim were not tied to the specific allegations previously made and the plaintiff had not set out the facts to support the requirements of the allegations of deceit, conspiracy, negligence, malice or the breach of s. 7 of the *Charter*.

*Cameron v. Medical Society*, 2002 PESCTD 31

The Court refused to answer a question of law because the full factual background necessary to address the question was not available at this stage of the proceeding. The court held that to answer a question of law posed as a stated case, it must be plain and obvious the issue of law raised by the question has been fully settled in our jurisprudence because a full factual background may be required to answer the question correctly. When the answer to a novel question of law will affect a professional association, the input of the affected profession is very important.

*Rofe v. Kay Aviation b.v.*, 2001 PESCAD 7

The statement of claim was struck out because it did not disclose a reasonable cause of action or alternatively, because it was frivolous or vexatious or otherwise an abuse of the process of the court.

*Aluma Systems v. Cherubini Metal Works*, 2000 PESCAD 9

On appeal, the third party notice, which had been struck out by the motions judge, was reinstated. The third party notice was not an abuse of process as it did not raise issues which had been previously adjudicated in another action in another jurisdiction.

*Ayangma v. The Government of Prince Edward Island & ors.*, (1998), 168 Nfld. & P.E.I.R. 1 (P.E.I.S.C.-T.D.)

The court considered the general principles applicable to an application to strike out a pleading pursuant to Rule 21.01(1)(b) as disclosing no reasonable cause of action. They are: (1) the pleading must disclose a cause of action in law; (2) the material facts as pleaded are to be taken as proved; (3) if the facts taken as proved disclose a cause of action with some chance of success, the action may proceed; and (4) the pleading in issue must be read as generously as possible.

*Gallant et al. v. Gaudet et al* (1996), 149 Nfld. & P.E.I.R. 31 (P.E.I.S.C.-T.D.)

Motion brought to have the court determine, as a preliminary issue, whether plaintiffs had standing to bring the action. The court held the plaintiffs did not have standing as they had no interest in their father's estate which was the subject of the action.

*Morgentaler v. P.E.I. (Minister of Health and Social Services)* (1994), 117 Nfld. & P.E.I.R. 181 (P.E.I.S.C.-T.D.)

Motion brought to determine standing. The status of a person to maintain judicial proceedings to question legislation is a matter for the discretion of the court, and relative to the exercise of that discretion is the nature of the legislation under attack. The onus is on the applicant to establish standing. He needs to show: (1) that he is affected by the action or application directly or that he has a genuine interest in its validity; (2) that there is no other reasonable and effective manner by which the issue may be brought before the court; and (3) that there is a serious or justiciable issue.