

Class Dismissed? Not Necessarily: Ontario Tests Out Its New Parallel Class Action Provisions

Laura Cloutier, Michaila Pilcher, Alex Fox

September 29, 2026

Overview

In one of the first cases considering Ontario's new rules for multi-jurisdictional class actions under the *Ontario Class Proceedings Act, 1992*,¹ the Ontario Superior Court of Justice provides early guidance on how the Court will manage competing national class actions.

The Court confirmed in *Yee v. Telus International (Cda) Inc.*² that parallel proceedings can continue in different jurisdictions, and there is no automatic presumption that a duplicative class action will be stayed in favour of an existing proceeding.

Background

The Ontario action alleged that Telus International (Cda) Inc. (Telus) and three of its former officers made certain misrepresentations in its public disclosure about Telus' AI business and financial performance. A similar action was already commenced in British Columbia and based largely on the same alleged misrepresentations, but it also included additional defendants and an oppression claim and applied to a different class period. The British Columbia action had also been delayed because of a procedural appeal.

The defendants, supported by the British Columbia plaintiff, argued that the Ontario proceeding should be stayed under section [5\(6\)](#) of the *Class Proceedings Act* because the British Columbia action overlapped substantially with the Ontario action, given that the Ontario action focused on the same representations and public corrections as the British Columbia action.

Parallel Class Actions Can Continue in Certain Circumstances

The Court confirmed there is no automatic presumption that a class action must be stayed when there is another similar action elsewhere in Canada.

- **No presumption of a stay for duplicative class actions:** The Court confirmed there is no

automatic presumption that duplicative class actions must be stayed when there is another action elsewhere in Canada. The Court emphasized that the goal of judicial economy and the desire to avoid inconsistent judgments must be balanced against other priorities listed in the *Class Proceedings Act*, including ensuring that the interests of justice and all parties are served.

- **Parallel proceedings may be appropriate, especially where an out-of-province action has been delayed:** The Ontario action was further advanced as the British Columbia action remained in limbo because of a sequencing application and an appeal. The Court found that allowing the Ontario proceeding to continue could promote efficiency, clarity and fairness, rather than create confusion. The Court stated concerns about the potential for inconsistent judgments or double recovery could be managed after the fact through alternative mechanisms.
- **Look at all factors when deciding if a stay is appropriate:** The Court also looked at other factors set out in section [5\(7\)\(b\)](#) of the *Class Proceedings Act* and concluded that:
 - The oppression claim and the additional defendants in the British Columbia action could create unnecessary complexity, cost and evidentiary burdens. In contrast, the Ontario action was more streamlined and focused.
 - The Ontario action was further along procedurally in contrast to the British Columbia action, which had been held up in the preliminary stages.
 - The *Class Proceedings Act* also sets out additional factors for the Court to consider, including whether the proposed jurisdiction is appropriate (with reference to the location of the parties, witnesses and evidence) and the enforceability of a judgment in each applicable jurisdiction. The evidence on the motion suggested a significant number of class members were located in Ontario, and ultimately that any judgment would be enforceable across provinces.

Key Takeaways

This decision confirms that parallel actions can continue in different jurisdictions in Canada. There is no presumption of an automatic stay and defendants will need to demonstrate there is more than an overlapping claim to justify a stay. The Court will look at the substance of the pleaded causes of action, the class period as well as the stage of the litigation to determine if and when a stay is appropriate in the circumstances.

¹ *Class Proceedings Act*, 1992, [SO 1992, c 6](#), section [5\(6\)](#) (*Class Proceedings Act*).

² *Yee v. Telus International (Cda) Inc.*, [2026 ONSC 3165](#) (Yee).

Cassels

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