

Case in Point: Environmental 360 v. Call2Recycle

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October 7, 2026

The Bottom Line

In *Environmental 360 Solutions Inc. v. Call2Recycle Inc., et al.*, 2026 ONSC 4236, the Ontario Superior Court struck E360's claim in its entirety, finding that Ontario's battery-recycling regulatory framework did not give E360 a private-law right to force producers to purchase its surplus performance credits.

What Happened?

- E360 alleged battery producers had recycling shortfalls under Ontario's regulatory regime.
- It argued those producers were effectively required to purchase surplus performance credits generated by E360.
- E360 sought damages after producers declined to purchase those credits.
- The Court found the legislation created no private-law right to compel such purchases.

Why It Matters

1. Motions to strike remain a powerful early-dismissal tool

Courts will dispose of claims that have no legal foundation before parties incur the expense and disruption of discovery and trial.

2. Regulatory obligations do not automatically create private rights

Compliance requirements imposed by legislation do not necessarily give market participants the ability to sue or compel commercial dealings.

3. Businesses should identify the source of any claimed entitlement

In regulated credit and compliance markets, legal rights to sell credits, recover losses, or enforce another party's obligations must be grounded in legislation, contract, or recognized legal principles.

Key Legal Issues

Cassels

Private-law entitlement | Negligence | Unjust enrichment | Economic torts

Industries

Waste management | Environmental services | Battery recycling

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