

Case Commentary: Supreme Court Tightens Standard of Review for Contract Interpretation

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By Macdonald Allen

Following upon the recent decision of the Supreme Court of Canada in *Heritage Capital Corporation v. Equitable Trust*, [2016 SCC 19](#), it will be significantly more difficult to successfully appeal decisions of trial court judges in contract matters. The Supreme Court ruled on May 6, 2016 that the applicable standard of review for contractual interpretation is the more rigorous palpable and overriding error, and no longer correctness.

Correctness remains the appropriate standard for extricable questions of law. In so affording more deference to fact-finding trial judges, the court intended to promote economy by limiting the number, length and cost of appeals, and also to promote the autonomy and integrity of trial proceedings.

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