Appeal court reduced punitive damages

Labour

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required to return to an atmos-
phere of hostility, embarrass-
ment or humiliation.

Wallace damages

In Honda Canada v. Keays, [2008] S.C.J. No. 40, the Supreme Court of Canada changed the law as it pertains to "Wallace damages" and made it far easier for employees to claim bad faith damages for the manner of dismissal.

The most significant evidence retrieved from the Archives is that employees have proven that they suffer mental distress from the bad faith behaviour of the employer in the dismissal process. This cannot be done by a mere extension of the notice period.

Compensable damages are still available if employers attack the employee's reputation by state-
ments made at the time of termi-
nation, misrepresent the reason for the decision or the dismissal is meant to deprive the employee of a pension benefit or other rights.

While at first glance this might seem to be completely supportive of employers, this approach has the possibility of achieving higher monetary awards for employees who suffer mental distress.

Some courts have held that in an on-air "editorial" and she saw Defamation, 58