CITATION: *GIC Medical Disposal Inc. v. Stericycle ULC*, 2025 ONSC 6508
COURT FILE NO.: CV-17-00580005-0000
DATE: 20251121

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:	)	
GIC Medical Disposal Inc.	)	*Vinayak Mishra*, for the Plaintiff
– and –	)	
Stericycle ULC	)	*Natalia Vandervoort and Brianne Taylor*, for the Defendant
	)	**HEARD:** November 10, 2025

SCHABAS J.

REASONS FOR JUDGMENT

Overview

[1] This action arises out of a Waste Disposal Services Agreement dated July 16, 2013 (the "Agreement") between the plaintiff, GIC Medical Disposal Inc. ("GIC"), a waste disposal broker, and the Defendant, Stericycle ULC ("Stericycle"), a waste disposal service provider. Under the Agreement, Stericycle provided waste disposal services, which included pick-up and disposal of medical waste, to various GIC clients for a four-year term ending July 16, 2017 (the "Term"). The Agreement contained two restrictive covenants (the "Restrictive Covenants") that limited Stericycle's ability to solicit or service GIC Clients (as defined in the Agreement) during the Term and for one year following the Agreement's termination.

[2] The plaintiff seeks summary judgment on its claims for alleged breaches of the Agreement involving the non-solicitation and non-compete provisions, and for breach of confidentiality and

breach of the duty of good faith and honesty in contractual dealings. By agreement, the issue of damages which may follow from a finding for the plaintiff is not before me.

[3] The defendant, on the other hand, seeks summary judgment on its counterclaim for unpaid invoices rendered to the plaintiff during the course of the Agreement totaling $37,940.53.

[4] For the reasons that follow, the plaintiff's motion and action are dismissed and the defendant's motion is granted. In short, the plaintiff has not satisfied me that there is no genuine issue requiring a trial such that judgment should be granted to the plaintiff. To the contrary, my interpretation of the Agreement, and the evidence on this motion, supports the position of the defendant Stericycle that the restrictive covenants have not been breached, nor did the defendant breach any confidentiality obligations or breach its duty of good faith and honesty in performance of the Agreement. Further, as the defendant's motion for judgment on unpaid invoices is uncontradicted by any evidence, there is no genuine issue requiring a trial on that claim and judgment should be granted on the counterclaim.

Issues

[5] The following issues must be considered:

(a) The proper interpretation of the Agreement – in particular, the scope of the Restrictive Covenants and the definition of "GIC Client";

(b) Whether Stericycle breached those covenants;

(c) Whether Stericycle breached any confidentiality obligations owed to GIC;

(d) Whether Stericycle breached its duty of good faith and honesty in performance of the Agreement; and

(e) Whether Stericycle is entitled to judgment on the unpaid invoices.

Test for summary judgment

[6] Rule 20.04(2)(a) of the *Rules of Civil Procedure* states that "the court shall grant summary judgment if […] the court is satisfied that there is no genuine issue requiring a trial with respect to a claim or defence." The word "requiring" was added in 2010. At that time Rule 20 was also amended to provide judges with the discretion to use additional fact-finding powers designed to expand the scope and use of summary judgment.

[7] In *Hryniak v. Mauldin*, 2014 SCC 7, [2014] 1 S.C.R. 87 ("*Hryniak*"), the Supreme Court of Canada addressed the issue of summary judgment, including when it is appropriate and the test to be met. Karakatsanis J. summarized the Court's position as follows, at para. 4:

> In my view, a trial is not required if a summary judgment motion can achieve a fair and just adjudication, if it provides a process that allows the judge to make the necessary findings of fact, apply the law to those facts, and is a proportionate, more expeditious and less expensive means to achieve a just result than going to trial.

[8] Karakatsanis J. continued at para. 49:

> There will be no genuine issue requiring a trial when the judge is able to reach a fair and just determination on the merits on a motion for summary judgment. This will be the case when the process (1) allows the judge to make the necessary findings of fact, (2) allows the judge to apply the law to the facts, and (3) is a proportionate, more expeditious and less expensive means to achieve a just result.

[9] In *Royal Bank of Canada v. 1643937 Ontario Inc*., 2021 ONCA 98, 154 O.R. (3d) 561, the Court of Appeal noted, at para. 27, that "motion judges are required to engage with the *Hryniak* framework process… look at the evidentiary record, determine whether there is a genuine issue requiring a trial, and assess, in their discretion, whether resort should be taken to the enhanced powers under rules 20.04(2.1) and (2.2) of the *Rules of Civil Procedure*."

[10] Both parties seek judgment and a resolution of the action on this motion. The defendant has brought a cross-motion on its counterclaim, seeking judgment for unpaid invoices and "its costs of the action and the within motion." I agree that this case is amenable to summary judgment in that I am able to make findings of fact and can apply the law to those facts in order to resolve this action. As both parties are required to put their best, and full, foot forward, there is an extensive record that is sufficient to resolve the issues before me and therefore it is in the interests of justice and proportionate that this action be determined on this motion: *Asghar v. Dial and Process Servers Inc.*, 2024 ONCA 864, at para. 3, aff'g 2019 ONSC 4344 at para. 18; *Kassburg v. Sun Life Assurance Company of Canada*, 2014 ONCA 922, 124 O.R. (3d) 171, at para. 52. My findings lead to the conclusion that there are no genuine issues requiring a trial.

The Agreement and the scope of the restrictive covenants

[11] In 2013, GIC was a broker of medical waste disposal services. Stericycle was a provider of medical waste disposal services. On July 16, 2013, the parties entered into the Agreement, which was for a four-year term, under which Stericycle would provide services to GIC clients. The Agreement contained two restrictive covenants, set out in section 3.2.3, which provided that Stericycle will not:

> 3.2.3.1 during the Term of this Agreement and for a period of 1 year after the Termination of this Agreement, solicit any GIC Client, directly or indirectly, singularly or in conjunction with any other person entity or organization; and
>
> 3.2.3.2 for a period of 1 year after the Termination of this Agreement provide any Waste Disposal Services to GIC Clients.

[12] “GIC Client” is a defined term in section 1.1.10 the Agreement, as follows:

> "GIC Client" includes any of the persons or entities listed in Schedule A and includes any other person or entity that GIC has a commercial relationship with in respect of the provision of Waste Disposal Services during the Term of this Agreement

[13] The governing principles of contractual interpretation were set out by the Supreme Court in *Sattva Capital Corp. v. Creston Moly Corp.*, 2014 SCC 53, [2014] 2 S.C.R. 633, at para. 47. As summarized by the Court of Appeal in *Weyerhauser Co. v. Ontario (Attorney General)*, 2017 ONCA 1007, at para. 65, a judge interpreting a contract should:

> i) determine the intention of the parties in accordance with the language they have used in the written document, based upon the “cardinal presumption” that they have intended what they have said;
>
> ii) read the text of the written agreement as a whole, giving the words used their ordinary and grammatical meaning, in a manner that gives meaning to all of its terms and avoids an interpretation that would render one or more of its terms ineffective;
>
> iii) read the contract in the context of the surrounding circumstances known to the parties at the time of the formation of the contract. The surrounding circumstances, or factual matrix, include facts that were known or reasonably capable of being known by the parties when they entered into the written agreement, such as facts concerning the genesis of the agreement, its purpose, and the commercial context in which the agreement was made. However, the factual matrix cannot include evidence about the subjective intention of the parties; and
>
> iv) read the text in a fashion that accords with sound commercial principles and good business sense, avoiding a commercially absurd result, objectively assessed.

[14] In *Sattva*, the Supreme Court made the following additional points about consideration of the surrounding circumstances and the nature of the evidence that can be relied upon in determining the mutual and objective intentions of the parties when they entered the contract, at paras. 57-58:

> [57] While the surrounding circumstances will be considered in interpreting the terms of a contract, they must never be allowed to overwhelm the words of that agreement. The goal of examining such evidence is to deepen a decision-maker’s understanding of the mutual and objective intentions of the parties as expressed in the words of the contract. The interpretation of a written contractual provision must always be grounded in the text and read in light of the entire contract. While the surrounding circumstances are relied upon in the interpretive process, courts cannot

> use them to deviate from the text such that the court effectively creates a new agreement.
>
> [58] The nature of the evidence that can be relied upon under the rubric of "surrounding circumstances" will necessarily vary from case to case. It does, however, have its limits. It should consist only of objective evidence of the background facts at the time of the execution of the contract, that is, knowledge that was or reasonably ought to have been within the knowledge of both parties at or before the date of contracting. Subject to these requirements and the parol evidence rule discussed below, this includes, in the words of Lord Hoffmann, "absolutely anything which would have affected the way in which the language of the document would have been understood by a reasonable man". Whether something was or reasonably ought to have been within the common knowledge of the parties at the time of execution of the contract is a question of fact. [Citations omitted.]

[15] In *Shafron v. KRG Insurance Brokers (Western) Inc*., 2009 SCC 6, [2009] 1 S.C.R. 157, the Supreme Court stated at para. 43 the well-accepted principle that "a restrictive covenant is *prima facie* unenforceable unless it is shown to be reasonable." Further, the "the reasonableness of a restrictive covenant is determined by considering the extent of the activity sought to be prohibited and the extent of the temporal and spatial scope of the prohibition."

[16] An ambiguous covenant is "by definition, *prima facie* unreasonable and unenforceable. Only if the ambiguity can be resolved is it then possible to determine whether the unambiguous restrictive covenant is reasonable": *Shafron*, at para. 43.

[17] In this case the contract was drafted by GIC, giving rise to the *contra proferentum* principle; however, as the Supreme Court stated in *Sabean v. Portage La Prairie Mutual Insurance Co.*, 2017 SCC 7, [2017] 1 S.C.R. 121 at para. 12, courts will only apply *contra proferentum* if general rules of construction fail to resolve an ambiguity. Nevertheless, it is relevant that the restrictive covenant here is for the benefit of GIC, not for Stericycle.

The covenants are limited to Ontario

[18] The first issue on which the parties differ respecting the restrictive covenants relates to geography. The provision is silent on this issue, but it is well-accepted that covenants should specify geographic limitations, and a failure to do so, as here, gives rise to an ambiguity: *Shafron* at para. 43.

[19] Stericycle submits the covenants are limited to Ontario; GIC says they apply across Canada. I agree with Stericycle.

[20] Two points in particular support Stericycle's position.

[21] First, language elsewhere in the Agreement suggests that it is limited to Ontario. Recitals may be considered in resolving ambiguous terms of a contract: *Fontaine et al. v. Canada (Attorney*

General) et al., 2014 MBCA 93, at para. 50. Here, the recitals to the Agreement make two references to Ontario, stating:

> WHEREAS GIC has existing clients within the Province of Ontario which are in need of waste disposal services ….
>
> AND WHEREAS GIC and Stericycle wish to enter into a business arrangement where Stericycle provides waste disposal services to GIC's clients in the Province of Ontario.

[22] In addition, Schedule B to the Agreement only provides pricing for a certain class of biomedical waste for the Greater Toronto Area ("GTA") and for that class of waste "from outside the GTA limited to Ontario only." Although the Schedule provides that other classes of waste are "to be negotiated", this does not support a conclusion that the Agreement was to extend beyond Ontario; rather, it suggests there may be other classes of waste with different pricing.

[23] Second, the evidence of the negotiation of the Agreement supports this limitation. An earlier draft of the Agreement contained the words "and elsewhere in Canada" in the recitals. This was removed, which is also indicative of an intention by the parties, who are sophisticated and were represented by counsel, to limit the Agreement to Ontario.

[24] In my view, therefore, the text of the entire Agreement supports the conclusion that the covenants are restricted to Ontario.

[25] In reaching this conclusion, I have considered the fact that Stericycle did perform services for GIC in other provinces over the next few years. However, there was no shared assumption that the Agreement had expanded to include other provinces. Stericycle did not say that it was providing services elsewhere in Canada pursuant to the Agreement. Rather, in an email it expressed interest in negotiating a "national account for GIC", with the customer service representative who wrote the email asserting, erroneously, that the Agreement "covers BC and Ontario only." No such national agreement was ever reached.

[26] Further, subsequent conduct is not part of the factual matrix to determine the objective mutual intent of the parties at the time the contract was made and should not be considered unless, having considered the text and factual matrix, the Agreement remains ambiguous: *Prism Resources Inc. v. Detour Gold Corporation*, 2022 ONCA 326, 162 O.R. (3d) 200 at paras. 18 – 20. Here, the ambiguity is resolved by the text and the evidence of the negotiation including the deletion of the words "and elsewhere in Canada."

"GIC Client" is defined and limited

[27] The parties also differ over the scope of who is a "GIC Client", as defined in the Agreement and quoted above. There are a number of issues in contention. First, Stericycle takes the position that the term is limited to clients with whom GIC actively "has a commercial relationship" (emphasis added), as opposed to a client that it "had" a relationship with at some point during the

Term. Thus, if the relationship is terminated "during the Term" it is no longer a "GIC Client." GIC, on the other hand, argues that a "GIC Client" means any client that it had throughout the Term.

[28] Second, Stericycle argues that customers are also defined by their location, such that if GIC had a business relationship with one location of a larger entity, then Stericycle is not prohibited from contracting to service a different location of that entity where there is no relationship with GIC.

[29] Dealing first with the active relationship argument, I prefer Stericycle's position. As with geographic scope, the definition of "GIC Client" is part of the restrictive covenant and must be interpreted narrowly. The use of the word "has" supports the conclusion that it is limited to current, existing clients, not clients it may have "had" at some point during the Term. It would not make commercial sense for Stericycle to be prohibited for five years from contracting with or directly servicing an entity that, for example, was only a client of GIC during the first year of the four-year term of the Agreement. This would impose an unreasonable restriction on Stericycle and on former clients of GIC who have, for whatever reason, terminated their relationship with GIC. The covenants are there to protect GIC from Stericycle soliciting its current clients, but it can have no monopoly over former clients.

[30] Turning to the second issue respecting locations, this too favours Stericycle. The definition of "GIC Client" is silent on this issue. However, the evidence is that GIC had relationships with certain locations of larger entities, and that other waste disposal suppliers, including Stericycle, had relationships with other locations of the same, larger companies. Put simply, business relationships were with locations, not with a company as a whole.

[31] This can be seen with respect to the two entities for which GIC alleges Stericycle unlawfully solicited and provided services during and after the Term – Bayshore Specialty Rx and Trillium College – both of which are also named in Schedule A of the Agreement.

[32] GIC had relationships with only two Bayshore Specialty Rx locations in Ontario during the Term – one in Markham at the outset of the Agreement, and a location in Kitchener added in 2014. At the same time, Stericycle had business relationships with other Bayshore divisions and locations. The deponent for GIC acknowledged that GIC was not the "exclusive" service provider for all divisions and locations for Bayshore Specialty Rx.

[33] In July 2014, at the request of GIC, Stericycle began servicing certain Bayshore Home Health clinic locations and, beginning in January 2015, Stericycle began servicing some Bayshore Infusion Clinic locations for GIC. Stericycle, however, also had relationships with other Bayshore Home Health clinic locations, which were never raised as a concern by GIC.

[34] Similarly, while Schedule A listed Trillium College as a GIC Client, the Schedule went on to list specific campuses, and GIC only took issue later with Stericycle contracting with three campuses.

The alleged breaches of the restrictive covenants

Solicitation of Bayshore business

[35] GIC's claim that there was a breach of the non-solicitation provision is based on the allegation that between about July and October 2016, during the Term, Stericycle solicited Bayshore's business and contracted with Bayshore in breach of s. 3.2.1. However, the term "solicit" must be interpreted narrowly in this context. It has been repeatedly held that responding to a request for a proposal, or for a quote, is not a solicitation. As Charney J. observed in *Computer Enhancement v J.C. Options, et al*, 2016 ONSC 452 at para. 84, after referring to several cases: "It is clear that the courts in these cases are deliberately interpreting the term 'solicitation' narrowly to be consistent with the public policy in favour of promoting free competition": see, e.g. *Veolia ES Industrial Services Inc. v. Brulé*, 2012 ONCA 173, 289 O.A.C. 207, at para. 44, leave to appeal refused [2012] S.C.C.A. No. 229; *IBM Canada Ltd v Almond*, 2015 ABQB 336, 617 A.R. 321 at para. 79, aff'd on other grounds 2015 ABCA 379; *IT/Net Inc. v. Doucette*, 2007 ONCA 52, 25 B.L.R. (4th) 49, at para. 3.

[36] In this case, the evidence does not support a finding that Stericycle initiated the communication with Bayshore which led to Stericycle providing a quote to service Bayshore Infusion Clinics. Rather, the weight of the evidence is that the national manager for Bayshore Infusion Clinics was looking for a national vendor and sought a quote from Stericycle. At the time, Stericycle was also providing services to that division of Bayshore – both independently and through GIC. Indeed, when Stericycle won the business, GIC, which was competing for it, made a further bid at a lower price. It did not complain immediately that Stericycle had breached the Agreement.

[37] Further, before Stericycle began servicing Bayshore Infusion Clinic locations that had previously been GIC Clients, Bayshore terminated its relationship with GIC for those locations.

[38] GIC argues that Stericycle's productions on this issue are incomplete and urges me to draw an adverse inference that Stericycle has withheld or destroyed evidence that would support GIC's assertion of a breach of solicitation. Stericycle, for example, has not produced a copy of its quote or any correspondence exchanging draft agreements or relating to the execution of the agreement it reached with Bayshore, even though it was put on notice of GIC's complaints by late October 2016.

[39] Adverse inferences should be drawn with caution: *Parris v. Laidley*, 2012 ONCA 755 at para. 2. This is especially the case on a summary judgment motion where the procedure does not lend itself well to obtaining or considering explanations for documents that may or may not exist. In any event, it is not clear how correspondence after negotiations began would help in determining who initiated the discussions, and the evidence which has been adduced on this specific issue favours the defendant. There has also been a considerable passage of time since the events in question occurred – almost a decade – and the allegations involve a third party, Bayshore, which GIC could have approached if it wished to do so.

[40] In my view, based on the well-documented record and the evidence of the parties, the plaintiff has not established a breach of the non-solicitation clause on this motion.

Alleged breach of the non-compete clause after the Term

[41] Stericycle provided waste disposal services to entities that had been GIC Clients during the Term. However, with the exception of Med-Health, Stericycle only provided services to Bayshore and Trillium locations after they had ceased being GIC Clients. Stericycle agrees it should not have performed work for Med-Health, but did so only once, inadvertently and did not charge Med-Health for the service. GIC does not press its case based on this one-off with Med-Health.

[42] Stericycle's evidence is that following the Term it did not provide services to the two Bayshore Specialty Rx locations in Ontario that it had serviced for GIC. Indeed, those locations stayed with GIC. Rather, it appears that Stericycle's agreements were with Bayshore Home Health and with Bayshore Infusion Clinics, some of which stemmed from the events in 2017 when those Bayshore units chose to use Stericycle, not GIC.

[43] Similarly, to the extent that Stericycle began to provide services to two, or perhaps three, Trillium sites that had been serviced under the Agreement, those locations had severed their relationship with GIC during the Term, and there is no evidence that Stericycle took any steps to solicit that business.

[44] In light of this evidence, the plaintiff has failed to prove this cause of action.

Breach of confidentiality

[45] Section 3.2.6 of the Agreement provides as follows:

> 3.2.6 Stericycle will keep confidential all information received from GIC relating to pricing and customer lists, specifically including any information associated with GIC Clients.

[46] Although pleaded, there is no evidence that any confidential information belonging to GIC was disclosed by Stericycle. GIC did not provide any confidential pricing information to Stericycle. As confirmed by GIC's deponent, John Gouda, it would be "a bad business decision to show them what I would be charging." Although Stericycle would have learned of GIC Clients as it serviced them, there is no evidence that it disclosed any customer lists to anyone. Nor is there any evidence that Stericycle obtained, let alone disclosed, any confidential information when the parties were negotiating the Agreement in 2013 and had entered into a Confidentiality Agreement "in connection with a possible transaction."

[47] This cause of action is not proven by the plaintiff.

Duty of good faith in performing the Agreement

[48] This cause of action arises from the Supreme Court's decision in *Bhasin v. Hrynew*, 2014 SCC 71, [2014] 3 S.C.R. 494. However, as the Supreme Court cautioned in recognizing this obligation at para. 73, the duty of honesty in contractual performance "means simply that parties must not lie or otherwise knowingly mislead each other about matters directly linked to the performance of the contract." The duty "does not impose a duty of loyalty or of disclosure or require a party to forego advantages flowing from the contract; it is a simple requirement not to lie or mislead the other party about one's contractual performance." In short, as the Court noted at para. 70, this duty does not displace the fundamental principle that contracting parties must have the freedom "to pursue their individual self-interest."

[49] In my view, GIC has not established a basis to conclude that Stericycle breached any duty of honesty and good faith it owed to GIC. Stericycle did not mislead GIC, conceal material information, or take any steps designed to deprive GIC of the benefit of the Agreement. Stericycle's interactions with Bayshore Infusion Clinics and other entities were legitimate and commercially reasonable. Bayshore approached Stericycle in 2016 to discuss national service opportunities and Stericycle participated in that process in good faith as a qualified service provider with pre-existing relationships. The same is true for its interactions with the Trillium entities. There is no evidence that Stericycle solicited or inappropriately induced Bayshore or any other client to terminate a relationship with GIC, or that it was deceitful or used improper means to advance its own business interests.

[50] This cause of action also fails on this motion.

Conclusion on the plaintiff's motion

[51] It follows from the findings above that the plaintiff's motion for summary judgment and its action must be dismissed, as requested by the defendant. The parties have put their best foot forward, there is a full evidentiary record, and there is no remaining issue that requires a trial.

Stericycle's cross-motion

[52] Stericycle's cross motion for summary judgment on its counterclaim is essentially unopposed. There is undisputed evidence that during the Term Stericycle remitted 19 invoices to GIC for providing waste disposal services which have not been paid. The total amount owing is $37,611.47. Stericycle shall have judgment in that amount plus interest at a rate of 0.8% incurred to date.

Costs

[53] If the parties are unable to agree on costs, they may provide me with written submissions of no more than 3 pages, double-spaced, not including attachments. As the successful party, Stericycle shall file its submissions within 30 days of the release of these Reasons, and GIC's submissions shall be filed 15 days later.

Paul B. Schabas J.

Released: November 21, 2025

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