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The Court of Appeal rules on the scope of section 59 of the Labour Code with respect to a definitive business closure

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The Québec Court of Appeal rendered an important decision on the legality of termination of employment for some 190 employees of the Wal-Mart store in Jonquière. In the context of several proceedings, which were filed to obtain compensation for those job losses, the United Food and Commercial Workers, Local 503 (hereinafter the “Union”) argued that the store’s closure in April 2005 was contrary to section 59 of the *Labour Code* (hereinafter the *“L.C.”*). This section imposes a freeze on the conditions of employment from the filing of a petition for certification until the right to lock out or to strike is exercised or an arbitration award is handed down. Essentially, the Court of Appeal was required to answer the following question: does section *59 L.C.* apply to a definitive business closure?

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