

**IN THE SUPREME COURT OF NOVA SCOTIA**

**Citation: 2502731 Nova Scotia Ltd. (Mailboxes Etc.) v. Plazacorp Retail Properties Ltd., 2008  
NSSC 10**

**Date:** 20080114  
**Docket:** SH 177997  
**Registry:** Halifax

**Between:**

2502731 Nova Scotia Limited  
a body corporate, carrying on business under  
the firm name and style of Mailboxes Etc.

Plaintiff

v.

Plazacorp Retail Properties Ltd.  
a body corporate

Defendant

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**Judge:** The Honourable Justice Glen G. McDougall

**Heard:** August 28-31, 2006, in Halifax, Nova Scotia

**Subject:** Action for damages resulting from the breach of a commercial lease.

**Summary:** The plaintiff was a tenant in a commercial shopping mall. It entered into a lease in which it was accorded protection from competition from other mall tenants. The exclusivity clause covered only certain primary services. In renewing its lease with the new mall owners, the plaintiff insisted on maintaining its protection from internal competition. After signing the new lease, the landlord expanded the mall to accommodate a new tenant. Some of the services offered by this new tenant competed directly with the primary services offered by the plaintiff. The plaintiff's business revenue decreased immediately after the opening of this new outlet.

**Issue:** (1) Did the defendant breach its lease with the plaintiff when it allowed a new tenant to set up in the shopping mall even though the new tenant offered products and services similar to those primary services of the plaintiff which were protected under the lease?

(2) Were the losses in revenue and goodwill suffered by the plaintiff caused by the defendant's breach?

**Result:** The defendant breached its lease with the plaintiff when it allowed the new tenant to set up in the shopping mall. The new tenant offered products and services which competed directly with the primary services of the plaintiff. The plaintiff had been granted protection from competition from other mall tenants under its lease. The defendant's failure to abide by the provisions of the lease resulted in losses to the plaintiff which the defendant was liable for.

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