
CANADA / JUDGMENT

Quantrix Plastics Inc. v. 2818881 Ontario Inc.

2026 ONCA 93

COURT

Court of Appeal for Ontario

DECIDED

9 February 2026

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Quantrix Plastics Inc. v. 2818881 Ontario Inc.

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COA-24-CV-1233

Judges

Sossin, Lorne; Copeland, Jill M.; Madsen, Lene

Subject

Civil

Decision Content

COURT OF APPEAL FOR ONTARIO

CITATION: Quantrix Plastics Inc. v. 2818881 Ontario Inc., 2026 ONCA 93

DATE: 20260209

DOCKET: COA-24-CV-1233

Sossin, Copeland and Madsen JJ.A.

BETWEEN

Quantrix Plastics Inc.

Plaintiff (Appellant)

and

2818881 Ontario Inc.

Defendant (Respondent)

Syed Abid Hussain, for the appellant

Demetrios Yiokaris and Leona Kung, for the respondent

Heard: February 4, 2026

On appeal from the judgment of Justice Susan Vella of the Superior Court of Justice, dated June 23, 2023, with reasons reported at 2023 ONSC 3721.

REASONS FOR DECISION

- [1] This appeal is from a partial summary judgment arising out of a commercial landlord and tenant dispute. The landlord, 2818881 Ontario Inc. (the “Landlord” or “281”) is the current owner of a property in Milton, Ontario (the “Property”). The tenant, Quantrix Plastics Inc. (“Quantrix”), is a manufacturer of plastic bottles. Prior to it selling the Property to 281, Quantrix was a tenant of 24818881 Ontario Inc. (the “Prior Landlord”).
- [2] In 2019, Quantrix entered into a fixed-term, five-year lease with the Prior Landlord to rent commercial warehousing space and a trucking terminal on the Property (the “2019 Lease”). In 2020, Quantrix wished to increase its existing leased space by renting an additional warehouse (collectively, the “Leased Premises” or the “Premises”). Quantrix and the Prior Landlord entered into a Lease Amending Agreement, dated September 1, 2020, which set out all the terms of the tenancy agreement (the “Lease”). The Lease included new terms that were different from the 2019 Lease.
- [3] Around 2020, the Prior Landlord investigated selling the Property to 281. Important to the proposed transaction was the Prior Landlord’s ability to secure an estoppel certificate from Quantrix, confirming the Lease terms (the “Estoppel Certificate” or the “Certificate”). Quantrix signed an Estoppel Certificate in favour of the Prior Landlord and the new Landlord on April 24, 2021. Pursuant to the Certificate, Quantrix acknowledged the Lease to be validly executed, in full force and effect, and that it was the entire agreement between Quantrix and the Prior Landlord.
- [4] 281 bought the Property on May 3, 2021. 281 then delivered a notice of termination to Quantrix on May 31, 2021, requiring it to vacate the Leased Premises by July 31, 2021. Quantrix did not vacate. It issued a statement of claim against 281 on August 17, 2021,

seeking declaratory relief and damages. 281 filed a statement of defence and counterclaim. 281 then successfully moved under r. 20 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194 for partial summary judgment on the action and its counterclaim. Quantrix now appeals this decision.

- [5] At the hearing, we dismissed the appeal for reasons to follow. These are our reasons.
- [6] Quantrix raised six issues at the hearing as grounds of appeal. It took issue with various aspects of the motion judge's original reasons and her subsequent endorsement on the quantum of rent owing, applicable interest rates, and costs of the motion. In oral submissions, Quantrix argued that: (1) the motion judge erred by resolving disputed factual and credibility issues by way of summary judgment; (2) the motion judge erred by failing to apply the doctrine of waiver and election to the termination of the Lease; (3) the motion judge erred in her interpretation of the change of ownership clause in the Lease; (4) the motion judge erred in her interpretation and application of the Commercial Tenancies Act, R.S.O. 1990, c. L.7 ("CTA") to this case; (5) the motion judge's remedies, including her awarding of double base rent pursuant to the Lease's overholding clause, granting a writ of possession to 281, and declaring Quantrix a trespasser, were disproportionate outcomes in a summary judgment motion on a disputed record; and, (6) the motion judge erred in her application of the law of good faith and honest performance.
- [7] While not pursued at the hearing, Quantrix also sought to set aside the costs award made by the motion judge, which ordered Quantrix to pay costs of the motion on a full indemnity basis.
- [8] We need not go through each of these alleged errors. In our view, individually and cumulatively, they amount to an invitation to relitigate the motion. Each of these areas was the subject of considered reasons by the motion judge, and in none do we see any error.
- [9] The motion judge found there was no genuine issue requiring a trial. She concluded the matter was suitable for partial summary judgment because the issues to be decided were severable from the balance of the action and would achieve the objectives set out by this court in *Malik v. Attia*, 2020 ONCA 787, 29 R.P.R. (6th) 215, at para. 62.
- [10] The motion judge then interpreted the Lease and Estoppel Certificate. She found the term of the Lease was from April 1, 2019, for five years, with an option to renew for a further five years. The Lease contained an overholding clause and a change of ownership clause. This latter clause provided for the early termination of the Lease by the Landlord upon purchasing the Property. The change of ownership clause reads as follows:

Change of Ownership clause

- 18. If and when the ownership and/or landlord changes for [the Prior Landlord] via sale or the building and or share buyout, a new lease agreement would have to be negotiated with the new ownership and/or the landlord and this lease would be terminated, null & void.

- [11] The motion judge held that the change of ownership clause was not void under the doctrine of unconscionability and this did not give rise to a genuine issue requiring a trial. This was, in part, because parties to a contract have obligations to read said contract and seek legal advice where appropriate, and Quantrix failed to do so. She similarly concluded that the change of ownership clause was not vague or ambiguous.
- [12] The motion judge found that the Estoppel Certificate also demonstrated that Quantrix knew of the Property's pending sale to 281, and that 281 would rely on the representations contained in the Certificate. The motion judge found that the Estoppel Certificate was an opportunity for Quantrix to raise any concerns it may have had with the Lease, and in particular the change of ownership clause. She found that it wasted this opportunity by deciding not to review either contract in full.
- [13] Quantrix alternatively argued that 281 was obliged to negotiate to establish a new tenancy under the change of ownership clause in good faith. The motion judge disagreed. She held that the Lease did not require 281 or Quantrix to attempt to negotiate a new tenancy upon the sale of the Property. It merely provided that a new lease agreement must be negotiated if Quantrix was to remain the tenant.
- [14] The motion judge also rejected Quantrix's argument that 281's notice of termination was invalid for failing to comply with s. 19(2) of the CTA, which provides that notice of termination for breach of a lease must specify the breach and give an opportunity to the tenant to remedy it. The motion judge observed that 281 did not rely on any alleged breach as the basis for termination. Rather, it relied on the change of ownership clause, which is a faultless basis for termination and cannot be remedied by the tenant. The motion judge also found that the notice was valid and enforceable because 281 provided proper notice under s. 28 of the CTA.
- [15] The motion judge found that the Lease was terminated on May 3, 2021, when the Property was sold. After Quantrix refused to surrender the Premises on July 31, 2021, the overholding clause governed its relationship with 281. There was no meeting of the minds with respect to a new tenancy agreement. Therefore, Quantrix breached its obligation to surrender and vacate the Premises and was obliged to pay the overholding rent due during its period of wrongful possession.
- [16] These factual findings and factually suffused questions of contractual interpretation are all entitled to deference: see e.g., *Ledcor Construction Ltd. v. Northbridge Indemnity Insurance Co.*, 2016 SCC 37, [2016] 2 S.C.R. 23, at para. 21. We see no errors justifying appellate interference with any of them.

- [17] Finally, on the basis of these findings, the motion judge concluded that, at the time of the hearing: Quantrix was a trespasser; 281 was entitled to double the Lease's base rent under the overholding clause, along with taxes, maintenance, and insurance under other provisions of the Lease; and 281 was entitled to vacant possession forthwith. She granted 281's motion for partial summary judgment and ordered that a writ of possession be issued to 281 with respect to the Leased Premises.
- [18] These remedies were open to her on the record and, in our view, there is no basis for appellate interference with the exercise of her remedial discretion.
- [19] Similarly, we would not grant leave to Quantrix to appeal the costs award made by the motion judge, which fell within her discretion and reveals no error.
- [20] It is for these reasons that we dismissed the appeal.
- [21] 281 is entitled to costs from Quantrix in the agreed-upon amount of \$14,000, all-inclusive.

"L. Sossin J.A."

"J. Copeland J.A."

"L. Madsen J.A."

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Prepared on 26 October 2026 · Esheria