CITATION: CSN Collision (Canada) Inc. v. Lift Auto Group Ltd., 2026 ONSC 1396
COURT FILE NO.: CL-25-00753548-00CL
DATE: 20260309

ONTARIO SUPERIOR COURT OF JUSTICE

RE: CSN Collision (Canada) Inc.,

Applicant

-and-

Lift Auto Group Ltd.,

Respondent

BEFORE: FL Myers J

COUNSEL: *Aaron Kreaden, R.J. Reid, and Shannon Jickling*, for the Applicant

Jeff Larry, Denise Cooney, and Grace Bryson, for the Respondent

HEARD: March 3, 2026

ENDORSEMENT

The Parties' Relationship

[1] On August 1, 2018, the parties began a long-term relationship under a Royalty Agreement and other related agreements signed that day.

[2] The term of the Royalty Agreement (as restated) continues until 2045.

[3] CSN operates one of Canada's largest networks of auto collision repair shops. There are around 265 shops operating under the CSN brand across the country.

[4] Apart from about 12-15 shops that were already owned by CSN's founding shareholders, CSN does not own the shops that comprise its branded network. It has a licensing relationship with its shops roughly like a franchise system.

[5] At a very high level of generality, shop owners enter into license agreements with CSN. They are bound to use CSNs name and branding. Shops are required to follow CSN's operating procedures.

[6] Due to its size and national reach, CSN is able to enter into agreements with insurance companies under which insurers refer damaged vehicles to CSN shops for repair. CSN can also command volume rebates from suppliers. CSN's licensees pay royalties to CSN in return for the benefits of being part of the CSN network.

[7] CSN has a right of first refusal in all its licenses so that it can purchase shops if the owners wants to retire or sell. That way, CSN maintains control of the shops in its network.

[8] Lift, by contrast, is in the business of owning auto repair shops. It currently has 65 CSN shops (and a couple of recently acquired shops that it has yet to bring into the CSN network pending the outcome of this case).

[9] Lift agreed to bring its shops into the CSN network to benefit from the growth potential offered by CSN among other things. CSN agreed to exercise its ROFRs for licensed shops in favour of Lift. While CSN has not had to formally exercise its ROFRs, Lift has been able to purchase 20 shops from CSN licensees since 2020.

[10] Under the parties' agreements, Lift requires CSN's consent before acquiring a new shop. When Lift acquires a new shop it is required to enter into a license agreement with CSN for the shop. Like independently owned shops, Lift must operate its shops in compliance with CSN's policies and procedures.

[11] Lift has grown its shop inventory from just a few to 65 with CSN. It has purchased 40 independent shops since 2020.

[12] In return for its access to the CSN network, Lift has agreed to pay a higher royalty rate for its shops than is paid to CSN by independently owned shops. In addition, Lift has given CSN a ROFR over its business should it want to sell to a competitor.

[13] CSN also committed to the relationship by buying 5% of Lift's stock. CSN has the right to nominate a member to Lift's board of directors. The parties agreed that CSN will be able to avoid dilution and keep its proportionate 5% ownership by participating in future share transactions conducted by Lift (as defined in the relevant agreements).

[14] Lift has grown its business to the point where it wants to be freed of its obligations to CSN. It has taken on investment from some private equity funds. The funders have made it clear to CSN and to Lift that they want an exit to get their money out of Lift. They want Lift to sell its business to pay them out. But they recognize that the ROFR held by CSN will dissuade or prevent buyers from making a competitive offer for Lift.

[15] Realistically, no one will invest the time or money needed to learn about Lift's business and to negotiate a purchase agreement knowing that CSN can swoop in with its ROFR to take the deal.

The Issue before the Court

[16] Lift proposes to unilaterally leave the relationship in breach of the parties' agreements. It proposes to pay whatever damages it is required to pay under the parties' agreements caused by its deliberate breaches of contract. With the agreements with CSN gone, Lift will be free to sell its business to fund its investors' exits or otherwise to operate and grow its business as it sees fit.

[17] CSN wants Lift to continue to perform its agreements as it is legally bound to do. It seeks an order for specific performance in the form of a permanent injunction restraining Lift from violating the negative covenants in their agreements.

[18] The parties' submissions essentially boiled down to an assessment of whether it is just to confine CSN to a remedy in damages or if it should be entitled to enforce its agreements by way of a permanent injunction.

Efficient Breach of Contract

[19] I have some attraction to the economic notion of an "efficient breach of contract." An efficient breach is said to occur, generally, where a party determines that it is better off to breach a contract and pay the consequent damages than to continue in the contractual relationship. If a party will do better by breaching its contract and paying all damages that flow from the breach, then breaching is a rational, profit-maximining decision.

[20] In *Bhasin v Hrynew*, 2014 SCC 71 (CanLII), at para. 70, Cromwell J. discussed efficient breach in the following terms:

> In commerce, a party may sometimes cause loss to another — even intentionally — in the legitimate pursuit of economic self-interest: *A.I. Enterprises Ltd.*

> *v. Bram Enterprises Ltd.*, 2014 SCC 12, [2014] 1 S.C.R. 177, at para. 31. Doing so is not necessarily contrary to good faith and in some cases has actually been encouraged by the courts on the basis of economic efficiency: *Bank of America Canada v. Mutual Trust Co.*, 2002 SCC 43, [2002] 2 S.C.R. 601, at para. 31.

[21] Corporate management are bound by fiduciary duties to act in the best interests of the corporation. If there is no moral quality to a commercial business decision to breach a contract, shouldn't the law favour rational, profit-maximizing corporate behaviour that includes a breach of contract?

[22] In theory, the counterparty should be economically indifferent between keeping the contractual relationship and being paid the foreseeable damages that reasonably flow from the breach. In a perfect economic bell jar world, each outcome should have the same value.

[23] Efficient breach works best for contracts for the sale of fungible property or contracts containing liquidated damages clauses. In cases where the damages are discrete and are readily calculated, the defendant can tender a cheque and keep the plaintiff in the same economic position as it would have been in but for the defendant's breach of contract.

[24] But that is not the case here.

[25] While Lift proposes to pay something, the damages are complex and disputed. This is not a simple one-off commodity purchase. The parties' contracts contemplate a 25-year relationship with numerous risks and benefits allocated to each over a protracted period.

[26] CSN submits that damages are straightforward. On a breach by Lift, CSN is entitled, but not obligated, to terminate the Royalty Agreement.

If CSN elects to terminate, the contract provides a formula to calculate damages and imposes a cap on CSN's damages of $40 million. While not offering to pay $40 million today, Mr. Jeffrey submits that Lift expected that its exit would cost $40 million and that would be that.

[27] But Lift wants a trial on damages as it says that CSN's damages are less than $40 million.

[28] At common law, a party confronted with a material breach of contract is entitled to make an election. It can terminate the agreement or it can choose to keep the agreement alive. In either case, it is entitled to sue for its damages although the damages may be quite different if the agreement is terminated than when it continues. *Guarantee Co. of North America v. Gordon Capital Corp*., 1999 CanLII 664 (SCC).

[29] And just as Lift has decided it is better off economically to be done with the relationship, CSN has determined that it is better off to exercise its election to keep the agreements alive. In face of Lift's admitted anticipatory breaches, CSN is not electing to terminate the agreements.

[30] Lift agrees that the liquidated damages and damages cap do not come into play under the terms of the Royalty Agreement because the agreement continues in force and has not been terminated by CSN.

[31] The court is in no position to determine CSN's damages today. CSN postulates that it will suffer monetary damages of more than $130 million and non-monetary damage to its business, its goodwill, its brand, and its reputation. Lift points out that the plaintiff's calculations are based on assumptions that seem exceptionally aggressive.

[32] Neither side has presented expert evidence to try to value the next 19 years of loss of profit that CSN may suffer on Lift leaving the relationship precipitously. Neither is there evidence directly from market participants concerning the effect, if any, that Lift's unilateral move may have on CSN's relationships with insurers, vendors, network shop owners, and the public. CSN says that if Lift leaves in breach of the parties' agreements, CSN's brand will suffer incalculable damage. Lift says the opposite.

[33] For example, CSN submits that it is almost impossible to value its ROFR over the business of Lift. How does one calculate the loss of profit that will be suffered by CSN over the next 19 years if Lift unlawfully leaves the network and then sells its business some day? Can CSN be expected to prove what it would have made in profits had it purchased the business of Lift under its ROFR in a hypothetical future sale? And then there is proof of the likely losses by breach of the 65 individual shop ROFRs.

[34] But, Mr. Larry points out for Lift, that if all the agreements remain on foot, as elected by CSN, then the ROFRs will continue until they are breached in future (if they are breached). If Lift ever engages in a transaction to which its ROFR applies, Mr. Larry says, CSN will have its rights.

[35] I agree with Mr. Larry, that it is simpler to calculate CSN's loss on the basis that a breach of the ROFR has yet to occur. But, that highlights a further and, in my view, insurmountable problem. Lift submits that it is here with its chequebook in hand ready to pay CSN to keep it whole. It accepts it must pay all losses it causes CSN to suffer by leaving the

network in breach of its agreements. But, as the ROFR example highlights, the full effects of Lift's breaches may not be known or even actionable for 19 years. So not only is Lift's offer to keep CSN whole subject to a very complicated and highly opposed damages reference, but, in fact, there may be even more litigation for years to come as Lift's independent operations foreseeably breach ever more clauses of the parties' agreements.

[36] In all, I find it is all but impossible for Lift to hold CSN harmless from the effects of its proposed deliberate breaches of contract by a payment of money today (or in the near term). I do not see how an efficient breach can be just or efficient without confidence that the parties can quantify the counter-party's total losses with a high degree of precision at the time of the breach to allow for timely payment. A breach of contract that just results in long term litigation with damages calculated under *Hadley v Baxendale*, [1854] EWHC J70, cannot be considered an "efficient breach." It is just a breach.

[37] For the reason that follow, I find it is not just to confine CSN to its remedy in damages. I grant specific performance of the parties' agreements by way of a permanent injunction to prohibit Lift from violating the negative covenants that are identified below.

Negative Covenants

[38] The parties' Royalties Agreement contains the bulk of the negative covenants relied upon by CSN. (Individual store licenses repeat the operating prohibitions as well.)

[39] Article 4.01 of the Royalty Agreement provides that Lift will not acquire any collision repair business in any manner without first obtaining the consent of CSN.

[40] Article 4.05 (a) provides that every Lift shop shall be operated solely under the CSN brand. It then prohibits any Lift business from being co-branded or locally branded in any manner whatsoever.

[41] Article 4.10 provides that during the term of the agreement and any renewals, Lift shall not own, directly or indirectly, any business that competes with the business of collision repair other than under CSN branding and in strict compliance with the other terms of the relationship.

The October 2, 2025 Letter

[42] To Lift's credit, its decision to unilaterally breach the parties' agreements did not come on the sudden. Neither was it hidden or purportedly supported with trumped up claims that CSN had committed a breach. Lift makes none of the implausible contract interpretation arguments often made by parties seeking to escape a difficult relationship.

[43] Lift has been frank and above board. It incurs no censure for misconduct in its manner of bringing matters to a head.

[44] In November, 2024, Lift discussed a possible merger with CSN. But its pitch deck noted that its investors were looking for an exit. As mentioned above, the investors were clear that they believed that CSN's ROFR stood in their way.

[45] Lift expressed concern about an announcement by CSN that it too had taken on an investor. CSN reported that it was now interested in acquiring collision repair shops on its own account. Lift expressed concern that its future growth may be in jeopardy if CSN does not refer all its departing shops to Lift. It says that much of the benefit of the relationship will be lost if CSN competes against it in future.

[46] I do not need to decide if this concern is credible as Lift agrees that CSN's announcement is not breach of any agreement. In fact, in 2020, Lift sought to have CSN agree to remove its ROFR from the Royalty Agreement. The outcome of that negotiation was that in return for a decreased royalty, among other things, Lift, agreed to an amendment that says expressly that CSN is entitled to exercise its ROFRs over licensees' shops for its own account. That is, for the past five years, the Royalty Agreement has provided that CSN can buy stores rather than referring them to Lift.

[47] While Lift does not assert a breach of contract to justify its desire to exit the relationship, it explains that the parties' goals and plans diverged leading it to decide that it was better off on its own.

[48] On October 2, 2025, Lift gave notice of its decision to leave to CSN. Its President and CEO wrote:

> As I wrote to you on September 3, 2025, and further communicated during a conference call on September 29, 2025, Lift has decided it has no choice but to separate from CSN at this time. Since entering the agreements, the business and commercial environment between Lift and CSN has

> fundamentally changed, impairing the realization of the intended economic benefits. As such, it is no longer economically viable for Lift to continue in these agreements.
>
> I have enclosed a transition plan to facilitate the separation of Lift's business relationship with CSN. The transition plan has been developed in the spirit contemplated in section 2.03 of the Royalty, Branding and Governance Agreement with a view to minimizing the disruption to our respective companies and individual locations. The transition plan has been developed to respect CSN's brand and relationships with its industry partners.
>
> Lift acknowledges it does not currently have the right to terminate the agreements between the parties and that its planned transition from the CSN brand may breach the agreements. Nevertheless, Lift has reached the difficult decision that given that our strategic and economic objectives have diverged from CSN's, it is no longer in Lift's economic interests to remain in this commercial relationship.
>
> Damages may arise from our intended conduct, and we are available to discuss any issues so they can be resolved in an amicable and orderly fashion.

[49] The transition plan enclosed in the letter does indeed have elements analogous to the terms of the Royalty Agreement governing termination of the agreement. Lift proposes to promote its own branded stores but make no criticism of CSN as they disentangle.

[50] The first article of the proposed transition plan provides:

> All Lift owned locations will be rebranded under a single Convention name: Lift Collision. Since all locations will share the same primary name, unique identifiers will be required for individual references.

[51] There is no issue that the October 2, 2025 letter and the transition plan anticipate violating the negative covenants in Articles 4.05 (a) and 4.10 of the Royalty Agreement discussed above. Lift is saying that it intends to operate collision repair shops that are not branded with the CSN brand and in competition to CSN shops.

Enforcement of Negative Covenants

[52] This is an application for a final order. CSN seeks a permanent injunction. It does not seek an interlocutory injunction pending trial. In *1711811 Ontario Ltd. (AdLine) v. Buckley Insurance Brokers Ltd*., 2014 ONCA 125 (CanLII), at paras. 79 and 80, the Court of Appeal adopted as good law in Ontario the following statement from *Cambie Surgeries Corp. v. British Columbia (Medical Services Commission)*, 2010 BCCA 396, at para. 28:

> In order to obtain final injunctive relief, a party is required to establish its legal rights. The court must then determine whether an injunction is an appropriate remedy. Irreparable harm and balance of convenience are not, *per se*, relevant to the granting of a final injunction, though some of the evidence that a court would use to evaluate those issues on an interlocutory injunction application might also be considered in evaluating whether the court ought to exercise its discretion to grant final injunctive relief.

[53] CSN's legal right to a remedy is not in dispute. Lift admits that its October 2, 2026 letter amounts to an anticipatory breach of contract.

[54] The issue then is whether injunction or damages is the "appropriate remedy."

[55] In *Brand Solutions By Promotion Solutions Inc. v. Elsey*, 2015 ONSC 2895, Gray J. dealt with this very issue. Citing from Sharpe, *Injunctions and Specific Performance* (Looseleaf Edition; Canada Law Book) at §9.10, Gray J. acknowledged that damages are the default remedy. To obtain an injunction, the plaintiff must establish that being confined to its remedy in damages would be inadequate or unjust.

[56] Gray J. also accepted that the court is more inclined to grant an injunction to restrain a breach of a negative covenant. He relied on Sharpe's reference to the decision of Lord Cairns in *Doherty v. Allman* (1878), 3 App. Cas. 709 (H.L.), at p.720:

> If parties, for valuable consideration, with their eyes open, contract that a particular thing shall not be done, all that a Court of Equity has to do is to say, by way of injunction, that which the parties have already said by way of covenant, that the thing shall not be done; and in such case the injunction does nothing more than give the sanction of the process of the court to that which already is the contract between the parties. It is not then a question of the balance of convenience or inconvenience, or of the amount of damage or of injury – it is the specific performance, by the Court, of that negative bargain which the parties have made, with their eyes open, between themselves.

[57] In what may be the high-water mark in favour of equitable relief over damages at law, Gray J. concluded:

> [55] In my view, in the context of enforcing a restrictive covenant that has been upheld by the court as being reasonable, damages will rarely

> provide an adequate remedy. If damages were considered to be adequate, they would really be a licence fee for the right to continue violating the covenant. Furthermore, damages would only be payable if the plaintiff could prove them. The defendant would be in the position of saying, in effect, "Catch me if you can – I will violate the covenant and will only pay damages if you can prove them."
>
> [56] It is better, in my view, that the party who has made an enforceable bargain be held to that bargain. Once he has lost any argument as to the enforceability of the covenant, surely he must be obliged to live up to it rather than simply pay a licence fee.

[58] While I accept the logic of this argument, in my view it undervalues the role of "equity" in equitable relief. Holding a party to its bargain is one consideration. But, where damages will adequately keep the other party whole, it is not a license fee *per se*. Rather, a party paying damages is meeting the legal obligation arising from its breach of contract.

[59] In my view, it remains necessary to consider more broadly whether damages are appropriate recognizing that simple enforcement of negative covenants provides weight on the equity side of the scale.

[60] On the other hand, it is also acknowledged by Sharpe and others, that an injunction that keep businesses together in an unhappy relationship can look like a mandatory injunction. Courts hesitate to grant mandatory orders requiring businesses to stay together where doing so will require ongoing supervision by the court.

[61] That problem is solved in this case however, by the confirmation under oath and in submissions that if the court prohibits Lift from violating its restrictive covenants, business will go on as usual. This is not a case

where the parties' issues create friction in the operations of the business on the ground. I do not foresee a need for supervision as the parties' rights and obligations are straightforward. They have operated together for years. I expect that tomorrow will be a day much the same as yesterday at the collision repair shops.

Lift's Submissions

[62] Lift offers additional reasons why it says it is just to confine CSN to its remedy in damages.

[63] First it notes that for the purposes of the recent investment made in CSN, the investor valued CSN's entire business at about $135 million. Lift owns about 24% of the shops that comprise the CSN network. It contributes about 9% to CSN's gross revenue. The loss of Lift's shops, counsel submits, as a percentage of the value of CSN, is a relatively modest figure.

[64] I fear that counsel is comparing apples to oranges. As Kimmel J. recently held in *2859824 Ontario Limited v. Gen Digital Inc.*, 2025 ONSC 6360 (CanLII) at para. 55:

> [55] Determining the economic value of a business, division or line of business as a going concern in a sale process (whether involuntary or not) is not a proxy for the full extent of harm that a business owner may suffer if that business, division or line of business is involuntarily lost due to the wrongful actions of another.

[65] Lift also notes that as much as 75% to 90% of CSN's revenue comes from insurance companies rather than the public at large. Generally speaking, people take their cars to be fixed where their insurers tell them

to go. Therefore, Lift submits that when considering the quality and quantity of losses that may be suffered by CSN should Lift shops leave its network, one must look at CSN's relationships with its insurer customers.

[66] CSN's CEO agreed with this concept generally in his cross-examination. He focused on the point that in his dealings with insurers, he has found the best outcomes turn on being able to demonstrate to the insurers that the company offers a full national network of collision shops.

[67] If Lift's 65 stores leave, CSN will be short shops in Western Canada. Its brand visibility will decrease commensurately. Its size to negotiate volume-based deals with suppliers will be impacted. Its market share will decline and its goodwill will suffer accordingly.

[68] Lift submits that this is future speculation rather than supported by actual evidence. He points to a prior cooperative relationship that CSN had with another network of collision shops in Quebec. When they split up, CSN was able to maintain its insurers. But the Quebec network was never part of CSN's network or brand. They agreed to make a form of joint approach to insurers to show that together they had national reach. Their break-up was different in kind as it did not affect CSN's branding.

[69] If anything, the Quebec example support's CSN's assertion that a national presence is important to insurers. CSN takes active steps to have and project a national presence, whether it be with a Quebec competitor or by bulking up its network throughout the country.

[70] CSN has delivered expert evidence from an economist who says that licensing networks suffer losses that are difficult to assess. I was not asked to qualify the expert. Mr. Larry submits that the evidence is so

general as to be irrelevant. In my view the evidence simply provided inferences that would be available on the evidence in any event. I did not find it useful and thereby do not deal with it further.

[71] While Lift acknowledges that the damages cap and formula available to CSN when it terminates the agreements are not applicable here, Lift submits that they show nevertheless that, as between the parties, they agreed that CSN's damages were readily calculable in money.

[72] But this ignores that the parties agreed that if Lift committed a material breach, CSN would have an election or choice to make. The contractual term expressly says that CSN is not obligated to elect to terminate the agreements. It could agree to terminate the relationship and take money based on a formula with a $40 million cap. Alternatively, CSN can insist on performance under the agreements.

[73] In this circumstance, I do not see the existence of an alternative as a confirmation that CSN's losses are compensable in damages. The liquidated damages and cap do not purport to calculate all of CSN's losses including intangible losses like its injuries to its branding and goodwill. It is just a convenient option the parties agreed upon if CSN elects to take it.

[74] There is force in Mr. Larry's submissions that CSN's estimate of the scale of its losses is exaggerated. But the main issue to me is the quality rather than the quantity of CSN's injury. I am trying to assess whether holding CSN to damages is adequate and fair. Lift says that damages are the default so that the burden is on CSN to show that damages are inadequate.

But in response to CSN's *prima facie* evidence about the harm to its business, both tangible and intangible, Lift never provides a formula or a principled basis for the assessment of the entirety of CSN's foreseeable damages. Other than being told that there will be a trial for the assessment of CSN's damages, I am not told what the issues will be to make damages sufficient to keep CSN whole.

[75] Ultimately, Lift submits that with CSN's network decreasing from 260 shops to 195, it will remain the third biggest network in Canada. It submits that CSN's fear of harm to its market share, its goodwill, its relationships with insurers, and the like are all speculative.

[76] But this case involves anticipatory breaches. No damage has been incurred yet because Lift has not breached yet. All discussion of future losses involves some speculation by definition.

[77] Mr. Bruno for CSN discussed the nature of CSN's relationships with its insurers and his concerns for several pages at questions 177 and following of his cross-examination transcript. I found nothing far-fetched or unreasonable in what he said.

[78] The question, once again, is whether it is just to stop Lift from taking the steps to inflict the risks of harm on CSN discussed by Mr. Bruno or to let it happen and then let the parties figure it out in litigation someday.

[79] Lift relies upon the decision of Verbeem J. in *5009678 Ontario Inc. v. Rock Developments Inc.*, 2020 ONSC 630 (CanLII). In his view, where dealing with breach of a negative covenant, an injunction is the presumptive remedy. But he noted that the court always has a discretion to do the most appropriate thing in the circumstances.

[80] In that case, if the defendant tenant (Hercs) was not enjoined from violating its negative covenant, the plaintiff landlord (RDI) would have been put offside a covenant it granted to a different tenant (Movati). In balancing the equities, Verbeem J. held:

> [116] Conversely, for the reasons that follow, I find that damages are not the most appropriate remedy in this instance. First, the quantum of damages flowing from Hercs' breach of lease would be exceptionally difficult, if not impossible, to assess at this juncture, because RDI has yet to suffer a quantifiable loss from the breach. However, if the injunction is not granted, RDI, and possibly Hercs itself, may be the subject of a proceeding by Movati for breach of the registered restrictive covenant, in its favour. The court is not well positioned, at this time, to determine the appropriate quantum of damages flowing from Hercs' breach, in circumstances in which RDI may, at some point in the future, be called upon to pay damages to Movati for breach of the terms of the Movati lease and associated restrictive covenant.
>
> [117] The issue of damage quantification is rendered more difficult in this instance because the period over which damages may ultimately be assessed, extends to, at least, a near ten-year period, representing the original term of Hercs' lease (of which Hercs is only in year one) and possibly longer, if Hercs' options to renew its lease are exercised.
>
> [118] In the foregoing context, it is highly undesirable to refer this action to a trial on the issue of damage quantification, as Hercs requests. The necessary evidence to inform a quantification of damages does not yet exist. At this point, it is not possible to precisely determine, or even reasonably estimate, the impact that Hercs' continued preparation of health/protein shakes for retail sale, in contravention of its lease, would have on Movati's business, together with RDI's potential damages exposure in that

> regard, for which it may then look to Hercs for indemnification.

[81] I hold all the same concerns as Verbeem J. did as to why it is undesirable to hold a trial to assess damages for losses that have yet to occur, that will be multi-layered and complex, and may extend out for a very long time.

[82] In my judgment, CSN has established that confining it to a damages remedy is neither just nor appropriate. Lift wishes to commit a deliberate breach of its contracts. It proposes to violate negative covenants whose very purpose is to be readily enforceable by injunction. This is not a case of efficient breach. Lift is not here with a cheque offering CSN two economically equivalent outcomes. Granting the injunction sought avoids committing the parties to complex damages litigation that could require multiple cases for decades to come involving proof of future loss of profits and intangible losses to goodwill.

Outcome and Costs

[83] I am satisfied that this is a proper case to exercise the discretion to prohibit the breaches of contract proposed by Lift.

[84] I see no harm legally or factually to holding Lift to its bargain by prohibiting it from acting on the transition plan enclosed with its letter dated October 2, 2025 and from violating the negative covenants in Articles 4.05 (a) and 4.10 of the Royalty Agreement and like covenants contained in shop-specific license agreement. Order to go in those terms.

[85] CSN is entitled to its costs on a partial indemnity basis. I agree with Mr. Larry that it should not recover for the disbursement for its expert witness. He has never testified in an Ontario court. His evidence was

very general. His conclusions were not supported by any reference to economic theories. And his bill was exceptionally high.

[86] CSN's costs were somewhat higher than Lift's costs due principally to different billable rates charged by the law firms. I see nothing unreasonable about the fees and other disbursements claimed by CSN. There is no access to justice issue among these significant businesses.

[87] Therefore, Lift shall pay costs to CSN on a partial indemnity basis fixed at $185,000 all-inclusive.

FL Myers J

Date: March 9, 2026