

CITATION: FCA US LLC v. ZF Chassis Modules (Windsor) Inc.,
2026 ONSC 1811
COURT FILE NO.: CL-26-00000113-0000
DATE: 20260323

ONTARIO SUPERIOR COURT OF JUSTICE

RE: FCA US LLC,
Applicant

-and-

ZF CHASSIS MODULES (WINDSOR) INC.,
Respondent

BEFORE: FL Myers J

COUNSEL: *John Leslie, David Z. Seifer, and Tyler Franco*, for the
Applicant

W. Brad Hanna, Reuben Rothstein, and Rachel Wong, for
the Respondent

HEARD: March 23, 2026

ENDORSEMENT¹

- [1] The Applicant is a Michigan headquartered company that manufactures automobiles in the US, Canada, and elsewhere. It is an Original Equipment Manufacturer or OEM.
- [2] Stellantis owns a plant in Windsor, Ontario where it manufactures minivans and Dodge Charger cars.
- [3] The Respondent ZF Foxconn supplies suspension modules to Stellantis at its Windsor plant. The suspension modules are but one of many

¹ The endorsement was released initially on March 23, 2026 and sent to counsel by the court on March 24, 2026. It has been revised to publishable form. I also fixed a typo in the word “schedule” in para. 57.

component parts incorporated into Stellantis's car manufacturing process.

- [4] For the past year or so, the parties have been in a dispute as to the pricing terms under which ZF Foxconn supplies its goods. They have attempted some negotiation. But they have yet to resolve their differences. The parties characterize the negotiations very differently. But this does not matter for the purpose of this endorsement.
- [5] Last December, ZF Foxconn threatened to cease supplying parts to Stellantis and it did so briefly.
- [6] Like other OEMs in North America, Stellantis's Windsor plant runs on a "just in time inventory" basis. It does not keep much inventory of needed components on site. Rather it requires component suppliers like ZF Foxconn to supply quantities as needed. Time is truly of the essence.
- [7] It is of the highest importance to Stellantis that even when it is in a dispute with a supplier, that the supplier continue to supply components as needed. If ZF Foxconn were to cut off supply of its components, the Windsor plant would be unable to continue to operate after just a few hours or a day. Stellantis would suffer massive losses each day. Its 5,000-plus employees would face layoffs. All its other suppliers would have to cease supply while the line is down.
- [8] The foreseeable results of a shutdown of Stellantis's Windsor plant are likely so significant as to have a public interest dimension in the City of Windsor.
- [9] It is not surprising then that the terms and conditions of Stellantis's contracts with its component suppliers ensure that the suppliers are required to continue delivery except for specified breaches of contract by Stellantis. The contract terms ensure that suppliers are not entitled to a price increase despite changes to volume estimates, increases in the cost of labour or goods, or otherwise except with the express written agreement of Stellantis.
- [10] When ZF Foxconn withheld deliveries late last year, Stellantis agreed, under protest, to a price increase and it made a multi-million-dollar payment demanded by ZF Foxconn.
- [11] In January of this year, ZF Foxconn again sought price increases and payments with respect to other volume shortages and program cancellations ordered by Stellantis. ZF Foxconn asked for negotiations but threatened to stop delivering if the parties did not reach an agreement before the end of February.

- [12] The February date was extended into March. On Thursday, March 12, 2026, ZF Foxconn advised Stellantis that it would cease supplying suspension modules to the Windsor plant on Saturday, March 14, 2026. This would have brought Stellantis's plant to a halt late Sunday night or early Monday morning.
- [13] On March 13, 2026, I granted an *ex parte*, urgent request by Stellantis to schedule a hearing on March 17, 2026 for a motion for an interlocutory injunction to prohibit ZF Foxconn from ceasing supply pending the outcome of a proceeding to be commenced.
- [14] For reasons dated March 13, 2026, I scheduled the motion as requested and ordered that to avoid irreparable harm to Stellantis and to preserve the *status quo* pending the return of the motion in just a few days, ZF Foxconn was required to continue to supply parts in accordance with the purchase orders put into evidence by Stellantis.
- [15] On March 17, 2026, the parties agreed to extend the urgent interim injunction until today. The order was expressly made on a without prejudice basis to preserve ZF Foxconn's rights to make any argument it deemed appropriate. I understood at the time that it would be challenging the court's jurisdiction due to an "exclusive jurisdiction" clause contained in the agreement propounded by Stellantis. (In fact, I raised the jurisdiction issue in my March 13, 2026 endorsement.)
- [16] The parties exchanged affidavits and factums for today's hearing. With the parties' assent at the last case conference, I am still dealing with this on an interim basis. That means an interlocutory hearing will need to be scheduled once the parties conduct cross-examinations and any other steps that they may be advised to take.
- [17] Stellantis has yet to commence a proceeding despite the temporal terms of Rule 37.17 of the *Rules of Civil Procedure*, RRO 1990, Reg 194. While it is apparent that a proceeding will likely be some form of contract claim for a permanent injunction and perhaps damages too, it is difficult to consider the merits of a proposed piece of litigation with no initiating process issued by the court.
- [18] But, on an interim basis, the court can focus on preservation of the *status quo* in the very short term to allow the parties a bit of time to get to an interlocutory hearing on a fulsome record.

- [19] As it turns out, I do not need to consider whether to grant or extend the order I made on March 13, 2026. I agree with ZF Foxconn that the parties agreed to resolve their disputes exclusively and only in the State of Michigan. I see no basis to decline to enforce the parties' agreement.
- [20] I reviewed in my prior endorsement the standard contractual terms required by Stellantis relating to the delivery of goods under a subsisting purchase order. The terms are a standard form of agreement required by Stellantis that is incorporated into each accepted purchase order.
- [21] Stellantis's standard terms require that deliveries be made within the stated times (section 3). They provide that volume estimates are not binding (section 5). They expressly preclude price changes for volume or cost issues (section 9).
- [22] If ZF Foxconn refuses to deliver goods in the absence of a price increase, Stellantis's cause of action will be for breach of these contractual covenants.
- [23] Then, section 33 of Stellantis's standard terms provides that ZF Foxconn acknowledges that if it commits material breach of the obligation to deliver goods set out in section 3 of the standard terms, Stellantis will suffer irreparable harm and will be entitled to an injunction in addition to any claim it may have for damages. (More about this term later.)
- [24] Section 26 of Stellantis's standard terms provides, in part:

**26. DISPUTE RESOLUTION;
GOVERNING LAW.**

(a) The Order and all transactions between FCA US and Seller will be governed by and construed in accordance with the laws of Michigan as if entirely performed therein...

(b) For all disputes arising out of the Order, Seller irrevocably consents to the personal jurisdiction of the state and federal courts in and for Oakland County, Michigan, USA, and irrevocably waives any claim it may have that any proceedings brought in such courts have been brought in an inconvenient forum. **Any suit regarding or relating to this Order**

may only be brought in the state or federal court in and for Oakland County, Michigan, USA, which are the exclusive venue for any such suit. [Emphasis added.]

- [25] I can only read the last sentence one way. It speaks to “any suit regarding or relating to” a subsisting order. It says that any such suit must be brought only in the courts of Michigan.
- [26] The words “any” and “regarding or related to” are words of the widest import. They mean that every lawsuit that touches upon purchases under a purchase order that is subject to that term must be brought in Michigan.
- [27] Mr. Leslie submits that the first sentence of para. 26 (b) is an acknowledgement by ZF Foxconn (the “Seller”) that the courts of Michigan have personal jurisdiction over it for the purposes of disputes and it waives any claim of *forum non conveniens*. Mr. Leslie submits that this is an acknowledgement by the supplier for the benefit of Stellantis that can be waived by Stellantis. It prevents suppliers located all over the world from suing Stellantis in their home courts. They must come to Michigan.
- [28] Mr. Leslie argues that when read with the first sentence, the final sentence regarding “any” lawsuit can only apply to lawsuits brought ZF Foxconn. Stellantis, he submits, is free to sue wherever it may choose.
- [29] I do not read the paragraph that way. The first sentence requires only suppliers to acknowledge the personal jurisdiction of the Michigan courts because Stellantis is already headquartered there. There is nothing for Stellantis to acknowledge to give the courts of Michigan personal jurisdiction over it.
- [30] Once both parties are within the jurisdiction of the Michigan courts, the rest of the paragraph deals with the litigation that any of them may bring. There is nothing in the first or last sentence that would qualify the word “any suit” or that would require the implication of the words “brought by a supplier” to give business efficacy to the agreement. The parties agreed that all suits must be brought in Michigan and for that purpose, the suppliers acknowledge the jurisdiction of the Michigan courts over them and the convenience of suing or being sued there.
- [31] I do not see any ambiguity in the words used in section 26 (b). They are clear and have but one meaning to me.

- [32] Mr. Leslie then argues that section 26 of Stellantis's standard terms does not apply at all when Stellantis seeks an injunction to require a supplier to supply. He submits that section 33 is a self-contained cause of action that has no forum limitations in it.
- [33] I disagree. Section 33 is not a contractual performance covenant. There is no lawsuit for the breach of section 33. The lawsuit is for breach of section 3 and other sections - like 5 and 9 as applicable. Section 33 provides that in any lawsuit under section 3, Stellantis will be entitled to claim an injunction without opposition from the supplier.
- [34] Section 33 is not a separate cause of action that provides for a different type of proceeding to be brought free of the rest of the agreement. Rather, reading the agreement as a whole, it is apparent that when Stellantis sues for breach of a supplier's supply obligations, it may claim an injunction. But the lawsuit falls within the words "[a]ny suit regarding or relating to this Order" as set out in section 26 (b). Therefore, it must be brought in Michigan.
- [35] I have only dealt with Stellantis's claims about the terms of the agreement between the parties to this point. ZF Foxconn submits that the purchase orders were amended with Stellantis's consent to give ZF Foxconn an entitlement to seek price increases and compensation where Stellantis decreases its proposed volume of purchases or cancels an order.
- [36] I will not say more than that each side has a serious issue to be tried in connection with its interpretation issue. ZF Foxconn says it made substantial investments and pricing changes at the request of Stellantis in 2024. It says it negotiated pricing changes accordingly. Stellantis submits that whatever ZF Foxconn may have sought, Stellantis never agreed to incorporate it into the terms of subsisting purchase orders. Moreover, it submits that even if price changes were agreed upon, ZF Foxconn has not terminated the underlying agreement so that ZF Foxconn remains precluded from ceasing supply while the agreement subsists.
- [37] I do not need to resolve this issue either. At the interim injunction stage, I would only be looking at the general strength of the claim. But for jurisdiction purposes, section 26 remains applicable regardless of whatever contractual terms govern the price to which ZF Foxconn is entitled to charge and be paid.

- [38] The parties agree that the leading authority applicable to the enforceability of exclusive jurisdiction clauses is *Z.I. Pompey Industrie v. ECU-Line N.V.*, 2003 SCC 27 (CanLII). That case says that provided a clause applies by its terms and is not unconscionable, the court will presumptively enforce parties' agreements to sue in one specified location alone.
- [39] I have found above that section 26 (b) applies to this claim to enforce ZF Foxconn's obligation to keep supplying parts under the subsisting purchase orders that incorporate Stellantis's standard terms. The parties are very sophisticated entities. There is no imbalance of bargaining power.
- [40] There is an apparent connection to the State of Michigan.
- [41] We enjoy the best of relations with our judicial colleagues to the south. We routinely accord comity to their decisions and they accord full faith and credit to ours.
- [42] There is nothing unconscionable then in the parties agreeing to sue each other only in Michigan.
- [43] Under *Z.I. Pompey Industrie*, the burden then falls to Stellantis to justify a court refusing to enforce the parties' bargain. It is required to show "strong cause" to escape an exclusive jurisdiction agreement. Such orders are not made frequently.
- [44] Strong cause considers issues of justice and convenience rather than the substance of the parties' dispute.
- [45] Stellantis really has one argument alone to come to this court. It submits that because its Windsor plant is in Ontario, the court in Michigan cannot issue an interim or interlocutory order that will be enforceable here against ZF Foxconn should it fail to obey the US order.
- [46] There is no doubt that for this court to enforce a foreign court order, the order must generally be a final order. Therefore, Mr. Leslie submits that if Stellantis runs to Michigan and obtains an interim or interlocutory injunction against ZF Foxconn, this court will not enforce the injunction when ZF Foxconn stops delivering goods in breach of the US order and shuts down the Windsor facility.
- [47] While convenience of enforcement is an issue to consider, I do not understand why Mr. Leslie says the ZF Foxconn will be free to ignore a US court order. It has attorned to the US jurisdiction. It is part of a

multinational conglomerate. I do not assume that it will just ignore the order of a court of competent jurisdiction and face the consequence of doing so on the basis that the border precludes direct enforcement.

- [48] While Michigan courts cannot send the Windsor Sheriff to the parties' respective plants, they are not lacking in ways to enforce their orders against massive businesses who are properly before them.
- [49] Absent evidence that ZF Foxconn has no assets in the US and no presence of employees in the US, or a history of ignoring court orders, I would not speculate that ZF Foxconn will ignore a US order so readily.
- [50] Moreover, it is Stellantis that drafted and required the exclusive jurisdiction clause. It requires all its suppliers to come to it. There is no clause (as one routinely sees with arbitration agreements for example) to allow Stellantis to go to another court for interlocutory enforcement prior to a main hearing on a lawsuit in Michigan. I suspect that the Stellantis drafters had no reason to doubt the efficacy of relief available to Stellantis before the court of Michigan.
- [51] I agree with Mr. Leslie that the exclusive jurisdiction clause does not preclude this court from having jurisdiction *simpliciter*. That is the basis on which I was able to make the *ex parte* order on March 13, 2026. But now that the jurisdiction clause has been put in issue by ZF Foxconn, Stellantis is bound by it absent strong cause and considering the interests of justice. *2249659 Ontario Ltd. v. Sparkasse Siegen*, 2013 ONCA 354 (CanLII), at para. 25.
- [52] In my view, contractual certainty militates strongly in favour of enforcing the terms required by Stellantis and agreed upon by those who want to supply it including ZF Foxconn. The supply in this case is occurring in Ontario. But the US owner of the Windsor plant is the contractual counterparty. There is nothing unjust, unfair, or inconvenient for these parties to go to court in Michigan. That is what the US party wanted knowing full well that the transactions that are the subject of the agreement occur here.
- [53] With one largely speculative ground of concern, I do not find that Stellantis has established "strong cause" or that it is in the interests of justice to exercise discretion in its favour to avoid its agreement. The exclusive jurisdiction clause deals with whole lawsuits leading to final awards. The fact that an interim or interlocutory step may not be enforceable here only deals with a small piece of the dispute resolution

process. Moreover, that too would have been known by Stellantis's counsel had it been of concern to them.

- [54] I recognize that while I dismiss Stellantis's concern as largely speculative, the concern is one of great consequence should it come to fruition. Should something untoward occur, it is possible that the question of cause could be revisited in a different proceeding on appropriate evidence. I am not making a finding for a future judge now and I am not reserving any rights.
- [55] Finally, although ZF Foxconn made some submissions concerning the strength of the case for the purpose of seeking to get out from under this court's prior injunction, I find that it has not attained to the jurisdiction.
- [56] First there is no claim commenced for it to attorn to. Second, it was very clear in all its submissions, written and oral, that it was preserving its right to contest jurisdiction to the maximum extent possible. Finally, it was dragged here by Stellantis who obtained an *ex parte* injunction against ZF Foxconn that it submits risks crippling its business. The case law allows parties to challenge jurisdiction while trying to get out from under orders made against it already. See for example, *Sakab Saudi Holding Company v. Al Jabri*, 2021 ONCA 548 (CanLII) and the cases cited by the court.
- [57] The parties may wish to seek a sealing order for part of the court file. I will hear them once they agree or, on a schedule to be set if they cannot agree. They will also be required to provide due notice to the press as part of that process.
- [58] The Respondent may deliver costs submissions by March 30, 2026. The Applicant may deliver costs submissions by April 6, 2026. Submissions shall be no more than 750 words typed in a minimum of 12-point font (including for footnotes). Pages shall be double spaced with normal margins. Each party shall deliver a Costs Outline.
- [59] The order dated March 13, 2026 as extended on March 17, 2026 is vacated.

Date: March 23, 2026