

**CITATION:** China Yantai Friction Co. Ltd. v Novalex Inc., 2024 ONSC 608  
**COURT FILE NO.:** CV-20-289-0000  
**DATE:** 2024 01 26

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:** )  
)  
**China Yantai Friction Co. Ltd.** ) P. Starkman and C. Zhang  
) for the Plaintiff  
Applicant )  
)  
**- and -** )  
)  
**Novalex Inc.** ) J. Wadden and J. Hearn  
) for the Respondent  
Respondent )  
)  
) **HEARD** January 9, 2024 (in-person)

2024 ONSC 608 (CanLII)

**REASONS FOR JUDGMENT**

**C. Chang J.**

[1] The applicant brings this application pursuant to the *International Commercial Arbitration Act, 2017*, S.O. 2017, c. 2, Sched. 5 (the “Act”) for recognition and enforcement of a commercial arbitral award dated November 18, 2018 (the “Arbitral Award”) rendered by a three-member arbitral tribunal (the “Arbitral Tribunal”) of the China International Economic and Trade Arbitration Commission (“CIETAC”).

[2] The respondent opposes the application on the grounds that it was unable to present its case at the arbitration and recognition or enforcement of the Arbitral Award would be contrary to public policy. Invoking articles 36(1)(a)(ii) and 36(1)(b)(ii) of schedule 2 to the *Act*, the respondent submits that the Arbitral Award should be neither recognized nor enforced by the court.

**PRELIMINARY MATTERS**

[3] Before turning to any of the substantive aspects of this application, I am required to address two preliminary issues that arose during the hearing, both of which relate to disturbing trends in the way counsel choose to litigate in our court.

## **Admissibility of the Respondent's Evidence**

[4] In my endorsement dated June 6, 2023, I struck out some of the affidavit evidence proffered by the respondent; some with leave to amend and some without leave to amend. In a subsequent civil case conference endorsement dated August 21, 2023, I cautioned the parties that, should they be unable to sort out the admissibility issues before the hearing of the application on the merits, “significant costs consequences will follow”.

[5] The parties appear to have decided that my warning to them was little more than inconsequential bluster, as the battle over the admissibility of evidence rages on.

### *Parties' Positions*

[6] The applicant submits that, despite my June 6, 2023 order, one of the respondent's amended affidavits still contains inadmissible evidence. The impugned paragraphs are paras. 9-12 of the “amended amended” affidavit of Steven Hu sworn September 11, 2023, which, alleges the applicant, contain inadmissible hearsay. The applicant therefore requests that all of those paragraphs be struck out in their entirety.

[7] Similar to the approach it took on its previous motion to strike out the respondent's affidavits (see: *China Yantai Friction Co. Ltd. v Novalex Inc.*, 2023 ONSC 3424), the applicant fails to specify which portions of the impugned paragraphs are allegedly inadmissible. Instead, as it did before, the applicant has elected to unhelpfully submit that the entirety of each impugned paragraph should be struck out.

[8] The respondent, as it did on that previous motion to strike, submits that the impugned paragraphs do not contain inadmissible hearsay, as their contents are based on the affiant's personal knowledge. It also argues, quite curiously, that the said personal knowledge is based on both the affiant's discussions with others and his relevant inquiries while in his role as the previous Managing Director and Chief Executive Officer of the applicant corporation.

### *Ruling*

[9] Following argument on this issue, I advised the parties that I would deliver my ruling on the motion to strike as part of my reasons for judgment on the application. Neither party sought an adjournment of the application and both were keen to proceed to a hearing on the merits.

[10] My ruling on the motion is as follows.

[11] As I previously canvassed the applicable law in my decision on the applicant's previous motion to strike (see: *China Yantai*, at paras. 13-16, 25-27 and 41) and given that the same issues of inadmissibility arise again, I will not repeat the applicable recitations.

[12] Based on my review of the current impugned paragraphs, I find that the following should be struck out:

- a. paragraph 10 – everything after the third sentence;
- b. paragraph 11 – everything after the first sentence; and
- c. paragraph 12 – first, fourth and fifth sentences.

[13] The evidence in those parts of the impugned paragraphs constitutes inadmissible hearsay that is not exempted by rule 39.01(5) of the *Rules of Civil Procedure*. R.R.O. 1990, Reg. 194. Furthermore, in the case of the first and fifth sentences of paragraph 12, that evidence constitutes inadmissible opinion evidence and/or argument.

[14] The issue of leave to amend is moot, as the application has already been heard on the merits and the respondent did not seek an adjournment for the purposes of amending any evidence that was struck out. As such, granting leave to amend would serve no practical purpose and I decline to consider that relief.

[15] I therefore order that paragraph 10 (everything after the third sentence), paragraph 11 (everything after the first sentence) and paragraph 12 (first, fourth and fifth sentences) are struck out without leave to amend.

#### *Additional Problematic Evidence*

[16] In addition to the paragraphs referenced above, there is other similarly problematic evidence proffered by the respondent, but to which the applicant failed to advert in its motion to strike. In the amended affidavit of Ling Qing Hu a.k.a. "Edison Hu" sworn August 16, 2023, paragraph 12 (except the third sentence) contains hearsay and opinion evidence that has no proper place in the evidentiary record.

[17] However, as this specific part of Edison Hu's affidavit was not raised as part of the applicant's motion to strike, it would, in my view, be unfair to strike out the offending evidence in absence of the parties' submissions as to its admissibility. That said, given, among other things, how long this application has remained extant, the inordinate amount of time and other resources that has already been spent on admissibility issues and the fact that para. 12 of Edison Hu's affidavit raises no new issues, any request for further written or oral submissions would not be proportional or otherwise appropriate.

[18] In my view therefore, the best course of action would be to give no weight to the problematic portions of Edison Hu’s said affidavit. The applicable statements in it not only constitute inadmissible hearsay and opinion, but are also self-serving, unparticularized, uncorroborated and completely lacking in credibility.

[19] As clearly set out at paras. 4-8 in *China Yantai*, the impermissible yet pervasive practice of completely disregarding the most fundamental rules of evidence in the preparation and drafting of affidavits imposes an unnecessary and unacceptable additional cost on the proper, timely and proportional administration of justice. It must stop.

### **Counsel’s Conduct During the Application Hearing**

[20] During the application hearing, counsel for the applicant somehow decided that it was appropriate during opposing counsel’s submissions to express themselves by way of, among other things, eye rolling, head shaking, grunting, snickering, guffawing and loud muttering. This behaviour culminated in one of them leaning back in his chair, throwing both hands in the air and laughing in a gleeful moment of triumph during a particularly engaging exchange between opposing counsel and the bench. Apparently, applicant’s counsel felt that he had scored some major point during my questioning of the respondent’s counsel and wanted to ensure that everyone else was aware of that victory.

[21] I addressed this misconduct at the applicable time during the hearing and, on my insistence, the once-exultant counsel apologized to his colleague. However, the ignoble display continued – albeit mutedly and intermittently – for the rest of the hearing.

[22] Unfortunately, the behaviour engaged in by applicant’s counsel is neither a new nor a rare phenomenon. Too often, counsel seem to believe that enthusiastically attempting to disrupt and/or demean opposing counsel during the latter’s oral submissions is one of the hallmarks of an effective advocate. It is not. Too often, counsel seem to believe that “rolling eyes, dancing eyebrows and other mannerisms”<sup>1</sup> whilst opposing counsel is making submissions to the court constitute proper critique or response to those submissions. They are not.

[23] Counsel’s submissions to the court are to be made in only two ways: written argument and oral argument. No proper submissions are made by way of emanations from counsel (be they oral, non-verbal, audible or inaudible) when another justice participant is speaking. Indeed, during a court hearing, there should be nothing from counsel but complete oral and non-verbal silence while someone else “has the floor”. Anything other than such complete silence is not only distracting to the court, but is also profoundly disruptive, disrespectful and demeaning to everyone in that courtroom.

[24] I fully acknowledge that, in the “heat of battle”, human emotions run high and can sometimes get the better of even the most seasoned advocate. However, I am unable to

countenance any circumstances under which the type of sophomoric behaviour too often demonstrated by counsel could possibly be excusable, let alone acceptable. It is not only discourteous and disruptive, but is also antithetical to the peaceful and orderly resolution of disputes and undermines procedural and substantive fairness (see: *R. v Beals*, 2023 ONSC 555, at para. 148).

[25] The type of misconduct demonstrated by the applicant’s counsel in the case-at-bar significantly delays the timely and effective administration of justice, exacts an unnecessary and unacceptable additional cost on litigants and erodes the public’s respect for the legal profession and, more importantly, for the rule of law. The parties, counsel, other justice participants, the public and the administration of justice deserve far better than what too many counsel seem to have to offer.

[26] Whether the culprit is a lack of proper mentoring, an overconsumption of courtroom television shows, extended periods of time without in-person human interaction or something else entirely, a fundamental shift in mindset is required to stem this tide.

[27] It has long been a tradition and requirement of etiquette in our courts that counsel refer to their counterpart as their “friend”. While most counsel use this appellation, painfully few appear to understand that the fundamental intention underlying its use is to remind counsel of their duty to treat opposing counsel with professionalism, courtesy, respect and civility. All counsel would be well advised to always keep this top of mind, lest the already threadbare state of professionalism and civility between them deteriorate into the irremediable.

## **FACTS**

[28] The facts relevant to this application are uncontested and can be summarized as follows:

- a. the applicant is an automotive brake pad manufacturer based in the People’s Republic of China;
- b. the respondent is an Ontario corporation in the business of selling aftermarket automobile parts;
- c. the respective principals of the applicant and the respondent are both Chinese nationals;
- d. after executing sales contracts in 2012 and 2013, the respondent purchased various quantities of automotive brake pads from the applicant, which product was received and paid for in full by the respondent;

- e. after executing a sales contract in 2014, the respondent purchased 105,700 sets of automotive brake pads from the applicant, which product was received by the respondent, but it paid only \$554,271.89USD of the \$1,035,242.71USD total purchase price;
- f. by supplementary orders under four *pro forma* invoices in 2015, the respondent purchased 58,104 sets of automotive brake pads from the applicant, which product was received by the respondent, but it did not pay the \$578,509.88USD total purchase price;
- g. pursuant to the terms of the applicable sales contracts, the parties' dispute was referred to CIETAC for determination by arbitration;
- h. both parties were represented by legal counsel during the arbitration proceedings and fully engaged and participated in the arbitral process;
- i. each of the parties selected one arbitrator to sit on the Arbitral Tribunal that would adjudicate the dispute and CIETAC, under its rules, selected the third;
- j. following the arbitration hearings held in China on December 19, 2017 (the initial hearing) and July 13, 2018 (the re-hearing) and the delivery of additional written submissions, the Arbitral Tribunal rendered the Arbitral Award, which was released in the Chinese language;
- k. the respondent did not appeal the Arbitral Award pursuant to Chinese law, did not apply under the *Model Law on International Commercial Arbitration* to have it set aside and did not otherwise challenge it before the applicant commenced this application;
- l. the parties each adduced on this application the English language translations of various Chinese language documents and take no issue with any of those translations;
- m. the respondent opposes this application on only the following bases:
  - i. invoking article 36(1)(a)(ii) of schedule 2 to the *Act*, that it was denied the opportunity to present its case at the arbitration, and
  - ii. invoking article 36(1)(b)(ii) of schedule 2 to the *Act*, that recognition or enforcement of the Arbitral Award would be contrary to public policy.

## ISSUES

[29] The issues for determination on this application are as follows:

- a. Should the court exercise its discretion to refuse recognition or enforcement of the Arbitral Award based on the respondent's inability to present its case before the Arbitral Tribunal?
- b. Should the court exercise its discretion to refuse recognition or enforcement of the Arbitral Award because such recognition or enforcement would be contrary to public policy?

## ANALYSIS

**Issue: Should the court exercise its discretion to refuse recognition or enforcement of the Arbitral Award based on the respondent's inability to present its case before the Arbitral Tribunal?**

### *Parties' Positions*

[30] The applicant submits that its requested recognition and enforcement of the Arbitral Award is mandatory under the *Act* and the respondent has failed to establish that it was denied an opportunity to present its case in the arbitration.

[31] The respondent acknowledges the mandatory nature of the relief sought by the applicant, but submits that this case falls under one of the limited exceptions that warrant a refusal to recognize or enforce the Arbitral Award. Specifically, the respondent invokes article 36(1)(a)(ii) of schedule 2 to the *Act* and argues that the Arbitral Tribunal's refusal to permit the retainer of appraisers to inspect and assess the quality of the subject brake pads whilst basing the Arbitral Award on the absence of evidence of quality issues denied the respondent the ability to properly present its case.

[32] As confirmed by its counsel during the hearing, notwithstanding the contents of its written materials and factums, the respondent takes no other issue with the applicable processes or procedures in the arbitration as they relate to its article 36(1)(a)(ii) argument.

### *Law*

[33] In Ontario, the enforcement of awards made in international commercial arbitrations is governed by the *Act*, which adopts and gives force of law to the *Model Law on International Commercial Arbitration* adopted by the United Nations Commission on International Trade Law.

[34] Articles 5, 35(1) and 36(1)(a)(ii) of schedule 2 to the *Act* provide:

*5 In matters governed by this Law, no court shall intervene except where so provided in this Law.*

...

**35(1)** *An arbitral award, irrespective of the country in which it was made, shall be recognized as binding and, upon application in writing to the competent court, shall be enforced subject to the provisions of this article and of article 36.*

...

**36(1)** *Recognition or enforcement of an arbitral award, irrespective of the country in which it was made, may be refused only:*

*(a) at the request of the party against whom it is invoked, if that party furnishes to the competent court where recognition or enforcement is sought proof that:*

...

*(ii) the party against whom the award is invoked was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case.*

[35] The *Act* restricts the ability of national courts to interfere with awards rendered by international commercial arbitrators and arbitral tribunals (see: *Xiamen International Trade Group Co., Ltd. v LinkGlobal Food Inc.*, 2023 ONSC 6491, at para. 25). Based on their wording, articles 35(1) and 36(1) mandate the recognition and enforcement of international commercial arbitral awards and repose in this court a limited discretion to refuse such recognition and enforcement.

[36] It is settled law that such awards should be accorded a high degree of deference (see: *Consolidated Contractors Group S.A.L. (Offshore) v Ambatovy Minerals S.A.*, 2017 ONCA 939, at para. 24). This is particularly so where the award was rendered in a private arbitration by an arbitrator/panel chosen by the parties, where the parties' choice of forum "implies both a preference for the outcome arrived at in that forum and a limited role for judicial oversight of the award made in the arbitral forum" (see: *Popack v Lipszyc*, 2016 ONCA 135, at para. 26).

[37] In opposing recognition and enforcement of an arbitral award based on article 36(1)(a), the party invoking that article bears the burden of proving the existence of one or more of the enumerated grounds; however, the court may still enforce the arbitral award even if that burden has been discharged (see: *Depo Traffic v Vikeda International*, 2015 ONSC 999, at para. 32).

[38] When alleging a lack of procedural fairness pursuant to article 34(2)(a)(ii) of schedule 2 to the *Act*, the relevant wording of which is identical to that in article 36(1)(b)(ii),



[a] party is not permitted to review the award on its merits under the guise of alleged breaches of Article 34(2)(a)(ii)... **Where a party merely disagrees with the outcome, the court should not permit re-argument of the merits in the guise of a claim for breach of procedural fairness**... The duty of fairness is concerned with ensuring that adjudicators act fairly in the course of making decisions, not with the fairness of the actual decisions they make [emphasis added],

(see: *EDE Capital Inc. v Guan*, 2023 ONSC 3273, at para. 97).

[39] The applicable test is whether the arbitrator’s procedural decisions “offend our most basic notions of morality and justice” such that the consequent procedural unfairness “cannot be condoned” (see: *All Communications Network of Canada v Planet Energy Corp.*, 2023 ONCA 319, at paras. 48 and 54).

#### *Decision*

[40] I am not prepared to exercise my discretion to refuse recognition or enforcement of the Arbitral Award pursuant to article 36(1)(a)(ii) of schedule 2 to the *Act*. I do not accept the respondent’s argument that the Arbitral Tribunal’s refusal of its request to retain appraisers to assess the quality of the brake pads denied the respondent the ability to present its case.

[41] In my view, the respondent’s request was tantamount to an improper attempt to re-open its case after the arbitration had already been conducted with a view to seeking out potential evidence in support of its case.

[42] It is undisputed that the respondent’s request to retain appraisers was made after the evidence portion of the arbitration had already been completed. Both the Arbitral Award and the CIETAC Arbitration Rules confirm this. The Arbitral Award shows that the only steps taken after the oral hearings were procedural in nature. The CIETAC Arbitration Rules provide that, among other things:

- a. each party bears the burden of proving the facts on which it relies to support its case, with “consequences” to follow the failure to adduce evidence in support of a party’s case (Articles 41(1) and (3));
- b. the arbitral tribunal has the authority to govern, among other things, the production and admission of evidence (Article 41(2)); and
- c. if the matter proceeds by oral hearing, the evidence must be presented at the oral hearing (Article 42).

[43] The CIETAC Arbitration Rules also provide at article 44(1) that the arbitral tribunal “may consult experts or appoint appraisers for clarification on specific issues in

the case”. Nothing in the permissive language of that article mandates the arbitral tribunal to accede to a party’s request to retain an appraiser.

[44] The respondent does not allege – and has adduced no evidence – that the Arbitral Tribunal did not have full authority over the arbitral process or that, in refusing the request to retain appraisers, it failed to follow the CIETAC Arbitration Rules, acted in bad faith or otherwise exceeded its authority.

[45] In my view, the Arbitral Tribunal was within its authority, as set out in the applicable procedural regime, to refuse the late request by the respondent to seek out additional evidence that might have supported its claim that the subject brake pads failed to meet applicable quality standards. I am therefore unable to find any applicable procedural unfairness by the Arbitral Tribunal that engages article 36(1)(a)(ii).

[46] If I am incorrect in my findings above respecting the respondent’s failure to meet the high burden of proving the Arbitral Tribunal’s procedural unfairness, I would nonetheless still refuse to exercise my discretion to refuse recognition or enforcement of the Arbitral Award.

[47] The parties selected private arbitration as the forum in which they would have their commercial dispute determined. The Arbitral Award was rendered in that arbitration before a panel selected by the parties in accordance with the CIETAC Arbitration Rules. That choice of forum implies their preference that the outcome of their dispute be arrived at in that private arbitration and that the resultant award be subject to limited judicial oversight. In my view, nothing in the evidence adduced on this application justifies a departure from that choice. The parties ought to be held to their bargain, including the consequences flowing from it.

[48] I therefore find article 36(1)(a)(ii) of schedule 2 to the *Act* to be inapplicable and I am otherwise not inclined to exercise my discretion to refuse recognition or enforcement of the Arbitral Award.

**Issue: Should the court exercise its discretion to refuse recognition or enforcement of the Arbitral Award because such recognition or enforcement would be contrary to public policy?**

*Parties’ Positions*

[49] The applicant again submits that the relief it seeks in this application is mandatory and that the respondent has failed to establish that recognition or enforcement of the Arbitral Award would offend public policy.

[50] The respondent again acknowledges that, under the *Act*, the requested recognition and enforcement are mandatory, but submits that same should be refused based on public policy. Specifically, the respondent argues that the applicant took the position in the arbitration that it was owed payment for defective or deficient brake pads, which was directly contrary to an alleged oral agreement between the parties. Given that the Arbitral Tribunal found in favour of the applicant, the respondent submits that recognition and enforcement of the Arbitral Award would be contrary to public policy.

[51] As confirmed by its counsel during the hearing, notwithstanding the contents of its written materials and factums, the respondent advances no other public policy arguments respecting recognition or enforcement of the Arbitral Award.

### *Law*

[52] Article 36(1)(b)(ii) of schedule 2 to the *Act* provides:

**36(1)** *Recognition or enforcement of an arbitral award, irrespective of the country in which it was made, may be refused only:*

...

*(b) if the court finds that:*

...

*(ii) the recognition or enforcement of the award would be contrary to the public policy of this State.*

[53] Pursuant to s. 6 and article 36(1)(b)(ii) of schedule 2, the *Act* reposes in the court limited discretion to refuse recognition or enforcement of an international commercial arbitral award based on public policy applicable in Ontario.

[54] A party's resort to public policy "is truly an exceptional defence" and the applicable bar is a very high one satisfied only if the arbitral award "involves an act that is illegal in the forum or if the action involves acts repugnant to the orderly functioning of the social or commercial life of the forum" (see: *Depo Traffic*, at para. 45; *All Communications*, at para. 72). The party invoking it bears the onus of demonstrating that enforcement of the arbitral award "offends our local principles of justice and fairness in a fundamental way" (see: *All Communications*, at para. 72).

### *Decision*

[55] I am not prepared to exercise my discretion to refuse recognition or enforcement of the Arbitral Award pursuant to article 36(1)(b)(ii) of schedule 2 to the *Act*. I do not accept the respondent's argument that the Arbitral Tribunal wrongly permitted the applicant to advance a false position that was contrary to the alleged oral agreement such that recognition or enforcement of the Arbitral Award offends public policy applicable in Ontario.

[56] In invoking article 36(1)(b)(ii), the respondent is making a procedural unfairness argument. As outlined earlier in these reasons for judgment, a high bar applies to attacks against international commercial arbitral awards based on procedural unfairness and, in my view, the evidence fails to disclose any such unfairness.

[57] Firstly, there is no evidence that proves on a balance of probabilities (or, for that matter, to any reasonable standard of proof) that the oral agreement alleged by the respondent existed at any material time. The only evidence proffered by the respondent has either been struck out as inadmissible or carries no evidentiary weight. Indeed, based on the utter lack of credibility of that evidence, even had I not struck it out or given it weight, I would have remained unable to find that any such agreement ever existed.

[58] I do not accept the respondent's argument that its strategic decision to refrain from adducing additional evidence of the oral agreement ought, as a matter of fairness, to be used to overcome its failure to discharge its evidentiary onus. To permit the respondent to rely on evidence that it has intentionally not put before the court would not only be profoundly unfair, but it would be absurd.

[59] Secondly, and more importantly, there is no evidence that the respondent, at any time in the arbitral process, engaged or raised the issue of the alleged oral agreement, adduced any evidence to prove its existence or made any submissions related to it. Accordingly, the respondent's public policy argument is not only curious, but is also fundamentally flawed in that it attacks the legitimacy of a decision purportedly made by the Arbitral Tribunal on an issue that was never put to it. Indeed, a plain reading of the Arbitral Award discloses nothing – by way of reference to the evidence or to the parties' arguments or the Arbitral Tribunal's findings – about the alleged oral agreement. How can the Arbitral Tribunal be criticized for a decision that it was neither asked to make nor actually made?

[60] In my view therefore, the respondent is not only attempting to improperly re-litigate the arbitration, but is attempting to do so on an issue never raised in it; to judge the Arbitral Tribunal for something that it did not do on an issue that was not put to it.

[61] On the evidence, I am unable to find that recognition or enforcement of the Arbitral Award would offend public policy and I am therefore not prepared to exercise my discretion to refuse such recognition or enforcement. Borrowing (with appropriate

modification) from the decision of Osborne J. in *Prospector PTE Ltd. v CGX Energy Inc.*, 2023 ONSC 4207, at para. 42: the parties agreed to arbitrate their dispute pursuant to agreed-upon CIETAC Arbitration Rules and subject to the laws of China, they did exactly that and there is simply nothing in what occurred in the arbitration that offends our principles of justice and fairness in a fundamental way.

[62] I therefore find article 36(1)(b)(ii) of schedule 2 to the *Act* to be inapplicable and I am otherwise not inclined to exercise my discretion to refuse recognition or enforcement of the Arbitral Award.

## **COSTS**

[63] At the conclusion of the hearing, counsel advised of the parties' agreement respecting costs: that the successful party would be entitled to the all-inclusive amount of \$50,000.00.

[64] Given the caution contained in my August 21, 2023 civil case conference endorsement and my ruling above on the admissibility of the respondent's proffered evidence, significant costs consequences would properly follow. Furthermore, the applicant's counsel's baffling and unacceptable behaviour during the application hearing would also rightly attract appropriate consequences by way of a significant costs order. In either case, the parties' agreement on costs would be significantly impacted.

[65] However, the applicable improprieties appear to be attributable exclusively to counsel and, in my view, this is not one of those cases where the consequences of a lawyer's misconduct should be visited upon his or her client. In addition, as each party's counsel is responsible for one of the two improprieties, I am inclined to borrow from the hockey referee's unwritten rulebook and permit one to cancel out the other.

[66] More importantly, I am not prepared to unravel one of the painfully rare consensuses that the parties have been able to reach during a very long and acrimonious litigation.

[67] I therefore reluctantly accept the parties' agreement on costs, which shall stand.

[68] In the result, as the successful party, the applicant is entitled to the agreed-upon costs.

## **DISPOSITION**

[69] I therefore make the following orders:

- a. the application is granted;

- b. the Arbitral Award is recognized and enforceable pursuant to article 35 of schedule 2 to the *Act*;
- c. the respondent shall pay to the applicant its costs of this application, which, on consent, are fixed in the all-inclusive amount of \$50,000.00; and
- d. judgment to issue accordingly.

C. Chang J.

**Released:** January 26, 2024

**CITATION:** China Yantai Friction Co. Ltd. v Novalex Inc., 2024 ONSC 608  
**COURT FILE NO.:** CV-20-289-0000  
**DATE:** 20240126

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

China Yantai Friction Co. Ltd.

Applicant

**- and -**

Novalex Inc.

Respondent

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**REASONS FOR JUDGMENT**

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C. Chang J.

**Released:** January 26, 2024

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<sup>1</sup> See: The Honourable Justice Joseph W. Quinn. (February 12, 2012). *A judge's view: things lawyers do that annoy judges; things they do that impress judges* [paper presentation]. 2012 Family Law Institute, Toronto, Ontario, Canada.