



THE PUBLIC DISPLAY OF A TRADE-MARK IN ENGLISH ONLY IS PERMITTED IN QUEBEC

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Business owners are welcome to add generic French terms to their trade-marks registered in English only prior to displaying them on public signs and posters and in commercial advertising, but are not obliged to do so by law.

On April 9, 2014, Quebec's Superior Court confirmed [*Magasins Best Buy Itée. v. Québec* (Procureur général), 2014 QCCS 1427] that, absent any amendments to the law, trade-marks may appear exclusively in a language other than French, as long as a French version of the trade-mark has not been registered under the *Trade-marks Act*.

Several businesses [Magasins Best Buy Ltée., Costco Wholesale Canada Ltd., Gap (Canada) Inc., Old Navy (Canada) Inc., Corporation Guess? Canada, La compagnie Wal-Mart du Canada, Toys "R" US Canada Ltée and Curves International, Inc] who used trade-marks registered with the Canadian Intellectual Property Office sought a declaratory judgment in the Superior Court of Quebec in order to determine the following issue: do trade-marks that were registered solely in English and that are used on public signs and in commercial advertising need to be accompanied by a generic French term in order to comply with the requirements of the *Charter of the French Language* ("Charter") and with the *Regulation respecting the language of commerce and business* ("Regulation")?

The question arose in the context of an awareness campaign launched by the *Office de la langue française* (the "Office") for the purpose of countering the increased use of English trade-marks in commercial public displays and advertising. Historically, certain practices had been accepted by the Office for almost 20 years. As of 2011 however, the Office started to send cease and desist letters and notices warning businesses that their francization certificates might be suspended if they did not add French generic terms to their English-only trade-marks displayed on public signs and storefronts. According to the Office's new position, such use of English language trade-marks violated the Charter and the Regulation.

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The Attorney General of Quebec had to defend the Office's new position absent any statutory changes. His contention can be summarized as follows: using a trade-mark in public displays is equivalent to using it as a business name. Given that article 27 of the Regulation requires that non-French business names be used with a generic term in the French language, businesses shall add such generic terms to their non-French trade-marks when displaying them publicly. This was so, despite the exception found in paragraph 25 (4) of the Regulation allowing a recognized trade-mark within the meaning of the *Trade Marks Act* to appear in a language other than French on public signs and posters and in commercial advertising, so long as no French version of the trade-mark had been registered.

The Court firmly rejected the Attorney General's contention on the grounds that it confused two very different concepts: trade-marks and business names. While the essential function of a trade-mark is to distinguish the wares and services of one merchant from those of another, a business name identifies and distinguishes one business from another. Trade-marks are governed by a specific legal framework, federally established, and their integrity is protected outside national boundaries, independently of the language in which they are registered. In contrast, the name of an enterprise must be in French in Quebec. The Court noted that the French language requirements applied strictly to business names but not to all the other names under which entities carry out business in Quebec. An entity may thus list its trade-marks amongst the names under which it carries out business without being required to translate them into French or accompany them by French generic terms.

By virtue of this distinction, the Court decided that section 25 (4) of the Regulation created an explicit exemption to the rule that public signs and posters and commercial advertising must be in French, in order to allow the use of trade-marks registered only in a language other than French. The Court considered that the legislator made an informed decision to exclude these trade-marks. The interpretation proposed by the Attorney General deprived this statutory exception of all of its substance, by assimilating publicly used trade-marks to business names and thus subjecting them to the same francization requirements applicable to business names. In short, it is not because a business uses a trade-mark on its storefront that the trade-mark can be assimilated to a business name subjected to the Charter's requirements pertaining to that concept.

The Attorney General thus failed to demonstrate that the trade-marks at stake in this case were in any way employed as business names. In fact, the evidence on file was that the business names employed by the plaintiffs were different from the registered trade-marks that they used and displayed on their storefronts.

Given the clarity of the law and the consistent interpretation it had received since its enactment, and absent any amendments by the legislator, the Court found no ground to "magically" alter the status quo through a declaratory judgment.

It should be learned from this case that the practice to refrain from registering a French version of a recognized trade mark within the meaning of the *Trade Marks Act* to benefit from the exception allowing a business to display its trade-mark exclusively in a language other than French on public signs and posters and in commercial advertising in Quebec is not contrary to the requirements of the Charter and Regulation.



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