



## **BUSINESSES ALLOWED TO DISPLAY THEIR ENGLISH-ONLY REGISTERED TRADEMARKS IN QUEBEC - AT LEAST FOR NOW...**

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For the moment, Quebec Court of Appeal's latest ruling has paved a clear road for companies doing business in Quebec: English-only registered trademarks (for which there is no French equivalent trademark registration) may legally appear on storefront signs without the need for additional generic French language.

In a highly anticipated [*Québec (Procureure générale) c. Magasins Best Buy Itée*, 2015 QCCA 747] for retailers carrying on business in Quebec and trademark practitioners alike, the Quebec Court of Appeal upheld the decision of the Quebec Superior Court and thus helped to clarify the interplay between the Charter of the French Language and trademarks.

The case involved a challenge mounted by several multinational retailers against a policy of the Office québécois de la langue française ("OQLF"), requiring the use of registered trademarks on public signs outside their premises with added French generic language. In a 55-page decision, the Quebec Super Court confirmed that businesses may legally continue using their registered trademarks on public signs without the need to add French generic language.

### **The Charter of the French Language and the trademark exception**

First, some background for those unaware of the deep-rooted language issues prevailing in the French-speaking province of Quebec. The Charter of the French Language (R.S.Q., c. C-11) ("Charter") was adopted by the Quebec National Assembly in 1977 amidst a backdrop of political and language tensions, which saw French become the official language of the province of Quebec, in order to safeguard the prominence of the use of the French language in both the workplace and the language of commerce. With respect to the language of business and commerce, the Charter together with its associated Regulation Respecting the Language of Commerce and Business ("Regulation") provides that public signs and posters and commercial advertising

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<sup>\*</sup> From ROBIC, LLP, a multidisciplinary firm of Lawyers, and Patent and Trade-mark Agents. Published in the Spring 2015 (Vol. 18, no. 4) Newsletter of the firm. Publication 068.192E.

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much be in French or both in French and another language provided that French is markedly predominant. In 1993, an exception to this general rule was introduced in the Regulation allowing “recognized trademarks” within the meaning of the Trade-marks Act to appear exclusively in a language other than French, unless a French version has been registered under the Trade-marks Act.

As a result, for almost two decades the OQLF (the governmental body responsible for applying and enforcing the Charter) allowed businesses to display their registered trademarks on public signs in a language other than French without the need either for translation or for French generic language describing the nature of an owner’s goods or business to appear alongside the trademark.

### **Change of interpretation by the OQLF**

In 2011, for the purpose of countering the apparent increased use of English trademarks on public commercial displays and advertising, the OQLF changed its interpretation of the trademark exception under the Regulation: any trademark appearing on public signs in Quebec would be considered trade-name use resulting in the application of different provisions of the Charter and Regulation which required their translation into French or the addition of French generic language.

Notably, the OQLF’s new position came by means of policy without any corresponding legislative modifications. In November of 2011, the OQLF publicised its new interpretation by way of an earnest campaign known as “A trademark to Respect the Law”, aimed to encourage businesses to include French generic language to their non-French trademarks displayed on public signs outside their premises, suggesting that failure to do so constituted a violation of the Charter and exposed non-compliant parties to monetary and penal sanctions.

### **The Challenge by several retailers**

Absent any legislative modifications, the OQLF’s change in policy gave rise to legal uncertainty for trademarks owners doing business in Quebec. As a result, retailers Best Buy, Costco, Gap, Old Navy, Guess, Walmart, Toys “R” Us and Curves filed a motion for declaratory judgement before the Quebec Superior Court (“QCSC”) seeking a declaration that their use of non-French trademarks did not violate the Charter and Regulation and that the OQLF’s reinterpretation of the trademark exception was incorrect. Amongst the retailers’ allegations was that the OQLF had threatened to suspend their francization certificates granted by the OQLF.

### **The Quebec Court of Appeal ruling**

As previously reported in our Spring 2014 newsletter [<http://newsletter.robic.ca/nouvelle.aspx?lg=EN&id=292>], the QCSC rejected all of the arguments presented by the OQLF. In essence, the Court held that trademarks and business names are two distinct concepts governed by their own set of rules. While a business name must be used in French in Quebec and non-French business names be used with a generic term in the French language, a trademark displayed in public is not akin to business name use and the same francization requirements applicable to business names. Hence, the OQLF's previous interpretation of the Charter and Regulation was applicable given that the legislation clearly set out the principles and related exceptions regarding both trademarks and business names.

The fundamental difference between the legal concepts of trademarks and business names was not lost upon the Quebec Court of Appeal as it stated that the Attorney General did not take into account that the Charter expressly addresses the issue of trade names displayed on public signs, posters and commercial advertising. The Court also noted the Charter contains a clear general rule that public signs must be in French or French must be markedly predominant and the exception which extends to "recognised trademarks" does not impose any limits as to the type of public sign. Therefore, the Quebec Court of Appeal ruled that by displaying their trademarks on storefront signage, the retailers complied with the Charter.

This decision may be considered as a victory for trademark owners doing business in Quebec in so far as it confirms their ability to protect the integrity of their trademarks on a world-wide basis, a principal enshrined in national trademark legislation in different countries as well as in international treaties. On the one hand, by refusing to endorse the OQLF's post 2011 interpretation, the Quebec Court of Appeal left it to business owners to voluntarily add generic French language to their English-only trademarks and on the other, to Quebec's legislature to decide if legislative modifications are required in order to protect the French language landscape (unique to the province of Quebec) in relation to trademarks displayed on public signs and posters and in commercial advertising in a language other than French.

In response to this decision, the Quebec government submitted amendments to the Charter of the French Language in June to force retailers to add generic French language to their English-only trademarks. Stay tuned for developments...



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