



QUEBEC SUPERIOR COURT RULING CONFIRMS MEANING OF FRENCH LANGUAGE CHARTER EXCEPTION FOR “RECOGNIZED” MARKS

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Those who conduct business in Quebec are normally prevented from using a trade-mark in the English language, subject to several exceptions, such as the use of a “recognized” trade-mark which allows businesses without a registered English trade-mark to use it in English in their commercial advertising in Quebec. In a very recent decision, the Superior Court of Quebec confirmed that the “recognized” trade-mark exception under the *Regulation Respecting the Language of Commerce and Business* includes both registered and unregistered trade-marks [*CENTRE SPORTIF ST-EUSTACHE v. PROCUREUR GÉNÉRAL DU QUÉBEC* (2009 QCCS 3307) July 21st, 2009].

Preliminary comments on linguistic considerations in Quebec

Those who seek to sell their products or offer their services in the Province of Quebec should bear in mind of the linguistic restrictions imposed by the *Charter of the French Language* (the “*Charter*”). By way of a brief historical background and the creation of such barriers, the *Charter* was adopted by the National Assembly of the Province of Quebec, Canada, in 1977 with the goal of ensuring the quality and influence of the French language both in the workplace and in commerce. The *Charter* and the *Regulation Respecting the Language of Commerce and Business* have an impact on those conducting business in Quebec, including choice of business names, trade-marks, trade-names, package labeling and commercial signage, insofar as the general rule is that the French language predominates.

The *Charter* provides that every inscription on a product, on its container or on its wrapping, or on a document or object supplied with it, including the directions for use and the warranty certificates, as well as commercial documentation/publicity must be drafted in the French language, although another language may also appear as long as this other language is not given greater prominence than the French language inscriptions.

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This general rule is subject to numerous exceptions, including one relating to trade-marks that allows businesses to circumvent use of the French language. Indeed, when in the presence of a "recognized" trade-mark within the meaning of the *Trade-marks Act*, unless a French version has been registered, there is no obligation to use a trade-mark in the French language.

What constitutes a "recognized" trade-mark thereby allowing businesses to fall under this exemption? The *Canadian Trade-Marks Act* does not contain specific provisions as to what constitutes a "recognized" trade-mark. While a registered trade-mark undoubtedly qualifies, debates have been raised regarding pending trade-marks or common law marks. Jurisprudence has confirmed that a "recognized" trade-mark need not be registered. Either way, the burden rests on any business to argue that the presentation of its mark is such that it qualifies as a "recognized" trade-mark.

The Facts

The Appellant, Centre Sportif St-Eustache ("Centre Sportif") owns and operates a large sports center. Various commercial enterprises, also owned by Centre Sportif, operate within it. One such enterprise consists of a bowling alley whose registered business name is "Amusements Bowl-Mat" while the other consists of a restaurant whose registered business name is "Restaurant Oh Daddy".

Centre Sportif was charged and convicted of violating certain provisions of the *Charter* dealing with commercial advertising in so far as:

- (i) Amusements Bowl-Mat used the term "BOWL-MAT" in its signs on site, without including the word "AMUSEMENTS"
- (ii) Restaurant Oh Daddy used the term "OH DADDY" in its signs on site without including the word "RESTAURANT" and had a sign on site which stated "Oyster Bar".

The Judgement before the Court of Quebec

At first instance, Centre Sportif submitted that the terms "Oh Daddy" and "Bowl-Mat" were "recognized" trade-marks which fell within the exception found in the *Regulation Respecting the Language of Commerce and Business*. In rejecting Centre Sportif's submissions, the trial Court ruled the terms "OH DADDY" and "BOWL-MAT" did not constitute "recognized" trade-marks under the *Trade-marks Act*.

The Appeal before the Superior Court of Quebec

Centre Sportif renewed its "recognized" trade-mark exception argument by asserting the trial judge erred in law in adopting too restrictive an interpretation of the *Trade-*

marks Act. According to Centre Sportif, the trial judge compounded this error by holding that a restaurant would have to market food products under its name before that name could be afforded trade-mark protection.

The Respondent submitted that when the name of an enterprise is used in its publicity, the registered French version must be used – in this case “Amusements Bowl-Mat” and “Restaurant Oh Daddy”. It additionally argued that the terms “BOWL-MAT” and “OH DADDY” are not “recognized” trade-marks.

As concerned Restaurant Oh Daddy, the Court noted Centre Sportif’s concession that the “Oyster Bar” sign breached the *Charter* and that no defence was presented on this point. The conviction was confirmed and the Oh Daddy trade-mark argument was not addressed since the Court held that “criminal or penal law prosecutions are not the appropriate forums to seek unenforceable declaratory judgements.”

Turning to the portion of the appeal challenging the conviction entered in the Amusements Bowl-Mat file, the Court considered the trade-mark exception argument. The Court agreed with Centre Sportif’s argument that a trade-mark does not have to be registered to receive the protection contained in the *Trade-marks Act* and therefore a non-registered trade-mark can fall within the language charter exceptions.

However, the trade-mark argument was nevertheless dismissed because the Court agreed with the first instance judge who ruled that the exception does not apply to trade-names but only to trade-marks. In that regard, the lower Court judge stated that Centre Sportif’s use of its name was trade-name use and not trade-mark use which was directed at protecting the goodwill of its business. The Superior Court judge additionally stated that even if it erred on this point, Centre Sportif would not succeed on this ground of appeal because the entire registered name “Amusement Bowl-Mat” and not “Bowl-Mat” is the trade-mark that would fall under the statutory exception.

Conclusion

Those wishing to conduct business in Quebec should keep the *Charter of the French Language* in mind when selecting new marks. While this case serves as another confirmation that the “recognized” trade-mark exception includes both registered and unregistered trade-marks, one may consider securing a trade-mark registration for an English language trade-mark in order to avoid confrontation with the meaning of “recognized” trade-mark, bearing in mind the burden of establishing an exception rests with a defendant.