



“RECOGNIZED TRADE-MARKS” IN QUEBEC, A DIFFERENT APPROACH

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1. Introduction

The *Charter of the French language*¹ (also well known as “Bill 101”; the “Charter”) is incontestably one of the most important statutes of the province of Quebec being closely related to the particular situation of the only Canadian province with a predominantly French-speaking identity. As stated in the Charter, the French language is the instrument by which Quebec has articulated its identity.

Adopted by the Quebec National Assembly in 1977, the Charter’s aim is to ensure the quality and influence of the French language. The Charter makes French the province’s official language: the language of the law, education, communications, business and trade, as well as the normal everyday language in the workplace.

Since its adoption in 1977, the Charter has evolved and changed to reflect a growing multicultural society and also to adapt certain restrictions to the fundamental freedom of speech protected by the *Canadian Charter of Rights and Freedoms*. For instance, one of the most important (and also controversial) change affected the regulation of exterior commercial signs which, in the first enactment of the Charter, made it illegal for businesses to hold commercial exterior signs in a language other than French. Such a provision has been changed in 1993² and, since then, commercial outdoor signs can be multilingual so long as French is predominant.

It is quite a challenge to strike a balance between the linguistic identity of a nation and its constant evolving commercial reality. This short article will essentially focus on one of such striking realities, namely the use of trade-marks in a language other than French as an exception to the Charter which interpretation might be set to change.

2. General Rules and Exceptions

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¹ R.S.Q., c. C-11.

² With Bill 86.

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As a general rule, the Charter provides, under Chapter VII relating to the language of commerce and business, that every **inscription on a product** (whether on the product itself or on its container or on its wrapping or on a document or object supplied with it), along with **catalogues, brochures and similar publications** must be drafted in French³. While the inscription on a product may be accompanied by a translation, said translation may not be given greater prominence than the inscription in French. Also, **public signs, posters and commercial advertising** must be in French. They may also be both in French and in another language provided that French is markedly predominant⁴.

The *Regulation respecting the language of commerce and business*⁵ (the “Regulation”) creates exceptions to the above general rules with respect to, amongst others, the language of trade-marks. Whether on a product, in catalogues (brochures, folders and the like) or on public signs, posters and in commercial advertising, a “recognized” trade-mark within the meaning of the *Trade-marks Act*⁶ may appear exclusively in a language other than French, unless a French version has been registered⁷.

Until recently, the Office québécois de la langue française (the “Office”) had adopted the generally accepted legal view that “recognized” trade-marks under the *Trade-marks Act* included both registered and unregistered trade-marks. Such a position was objectively in line with the particular wording of the exception voluntarily making a difference between “recognized” (“reconnue” in French) and “registered” (“déposée” in French) trade-marks.

According to the *Trade-marks Act*, a trade-mark is defined as “a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others”. That is what a recognized trade-mark is or, perhaps, should be. While the *Trade-marks Act* confers exclusive rights to the owners of registered trade-marks (including Section 19 (rights conferred by registration), Section 20 (infringement) and Section 22 (depreciation of goodwill), owners of unregistered trade-marks also benefit from a certain form of protection under the Act (including Section 7 (codification of the recourse against passing-off), Section 8 (warranty of lawful use of a trade-mark), Section 21 (concurrent use of confusing trade-marks) and Sections 38(2)c) and 16 (ground of opposition based on prior use of a trade-mark)).

Such an interpretation has also been endorsed by the courts, particularly in *Attorney General of Quebec v. St-Germain Transport (1994) inc.*⁸ where the use of the expression “Coast to Coast Services” in English only on the defendant’s trailer trucks was considered by the Court as a common law trade-mark used to distinguish the defendant’s transportation services, thus as a trade-mark recognized within the meaning of the *Trade-marks Act*. While

³ Sections 51 and 52 of the Charter.

⁴ Section 58 of the Charter. While the previous provision prohibiting public signs in any other language than French was considered to be against freedom of speech in the Supreme Court case *Ford v. Attorney General of Quebec* [1988] 2 S.C.R. 712, the constitutionality of current Section 58 of the Charter has been confirmed in other cases, notably in *Les Entreprises W.F.H. Ltée v. Attorney General of Quebec*, 2000 R.J.Q. (C.S.) confirmed by 2001 R.J.Q. (C.A.).

⁵ R.Q. c. C-11, r. 9.

⁶ R.S., 1985, c. T-13.

⁷ Sub-sections 7(4), 13(4) and 25(4) of the Regulation.

⁸ Drummond 405-61-012384-049, J.E. 2006-2143 (C.Q.).

the Court clearly ruled that the registration of a trade-mark was not a prerequisite for the application of such an exception, it has specifically mentioned that the burden of showing use and goodwill attached to a trade-mark relies on the defendant.

3. Stricter Interpretation

According to the most recent Office's guidelines published in the 2008 annotated Charter, the Office now considers that the exception of "recognized" trade-marks only applies to trade-marks registered with the Trade-marks Office (CIPO), specifically excluding trade-marks for which an application for registration is pending. It is important to note that this new interpretation refers to internal guidelines and neither the Charter nor the Regulation has been amended. It is nonetheless a clear indication that the Office will become more severe in its enforcement of the Charter requirements.

According to the Office, a significant change in the interpretation of the exception pertaining to trade-marks in other languages was necessary to provide an objective and uniform measure, both for the Office and the users. Different considerations lead to the decision to adopt such a stricter interpretation. As regards the promotion of the French language as the language of commerce and business, the Office is of the view that the previous interpretation lead to an abusive scope of application of the exception provided by sub-sections 7(4), 13(4) and 25(4) of the Regulation, especially with respect to public signs, constituting a threat to the marked predominance of French. By adopting a narrower interpretation, one of the Office's objectives is unquestionably to send a clear message to businesses using trade-marks composed of elements that are descriptive, in English for instance, of their wares or services.

The Office also justifies the adoption of a stricter interpretation according to administrative considerations; the Office cannot assume that a trade-mark is recognized within the meaning of the *Trade-marks Act* and cannot rule on such a question pertaining to the interpretation of a federal statute. It is incumbent on the Trade-marks Office, competent on these issues, to decide whether a trade-mark is registrable and whether it can function as a trade-mark within the meaning of the Act. In other words, the seal of satisfaction of the Trade-marks Office is more likely to avoid grey zones and uncertainty.

4. Previous interpretation confirmed in recent decision

Until this day, no decision confirms the newly adopted interpretation of the Office. In fact, the latest decision on the issue, *Centre Sportif St-Eustache v. Attorney General of Quebec*⁹, reiterates the previous interpretation, namely that a non-registered

⁹ 2009 QCCS 3307 (Superior Court, Criminal Division).

trade-mark can fall within the exception of a “recognized” trade-mark used on public signs.

In this matter, the Appellant Centre Sportif St-Eustache was charged and convicted of, amongst others, having permitted commercial enterprises to infringe Sections 58 (requirement on commercial advertising) and 205 (penal sanctions) of the Charter by using the names “Bowl-Mat” and “Oh Daddy” on signs on site, instead of using their full registered firm names including the words “Amusements” in the first case and “Restaurant” in the latter.

At first instance, the court rejected the submissions put forward by the Appellant and held that the terms “Bowl-Mat” and “Oh Daddy” did not constitute recognized trade-marks under the *Trade-marks Act*. The trial court mentioned that trade-marks and trade names should not be confused. A trade name is the name under which a business operates its commercial activities and use of a trade name does not create trade-mark rights. A trade name or a corporate name cannot be registered or protected as a trade-mark unless it is used as a trade-mark, namely for the purpose of distinguishing the wares and services of its owner from those of others. In this particular case, the trial court considered that the Appellant did not file any evidence showing that use of the trade names “Bowl-Mat” and “Oh Daddy” also amounted to trade-mark use.

On appeal before the Superior Court, the Appellant renewed the trade-mark exception argument and submitted that the trial judge erred in law in adopting a too restrictive interpretation of the *Trade-marks Act*, particularly in the case of a service mark. In its analysis, the Court wrote:

The Appellant argues that a trade-mark does not have to be registered to receive the protections contained in the Trade-marks Act. This being so, a non-registered trade-mark can fall within the exception found at para. 25(4) of the Regulation (...). The Court would agree. (...) All a defendant has to establish is that the alleged prohibited phrase or name which is targeted for prosecution under the *Charte* is a trade-mark. It does not have to prove whether it is a famous mark nor the extent of its geographical reach, for instance.¹⁰

The Court is of the view that the distinction between trade-marks and trade names is relevant as the exception in the Regulation applies to trade-marks only. As a result, the ground of appeal was dismissed and the trial judge’s decision was confirmed, namely that the Appellant’s use of its name was a trade name use and not a trade-mark use which was directed to protecting the goodwill of the enterprise.

Although this case relied on the previous interpretation pertaining to the trade-mark exception, there is no doubt that the registration of the marks “Bowl-Mat” and “Oh

¹⁰ Ibid, at para. 21 and 23.

Daddy” in association with the operation of a bowling centre and restaurant services respectively could have changed the Court’s decision. By virtue of Section 64 of the Code of penal procedure, the burden of establishing an exception rests with the defendant and, clearly, the evidence filed by Centre Sportif St-Eustache in this case was not sufficient to meet this burden.

5. Conclusion

The change of interpretation adopted by the Office is rather recent and it is still early to observe any consequence of such a turnaround. However, businesses wishing to benefit from the trade-mark exception are well advised to seek registration of their trade-marks, particularly if they contain descriptive terms in a language other than French. Clearly descriptive terms cannot be registered as trade-marks, so filing of descriptive trade-marks will not constitute a successful way to circumvent the French language requirements.

Given that the exceptions provided in the Regulation cover inscriptions in a “language” other than French, the adoption of trade-marks composed of invented terms which do not have any meaning in any language should not be problematic.

Finally, it is important to keep in mind when adopting a trade-mark filing strategy that, while the Office encourages trade-marks owners and users to register a French version of their marks (unless they cannot be translated or unless said French version would not have any commercial value), the recognized trade-mark exception cannot be relied upon if a French version has been registered.



