Trademarks and Charter of the French language: What can you expect from Bill 96?

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On May 13, 2021, the Quebec government introduced Bill 96 to amend the *Charter of the French language* (the "Charter") to strengthen the provisions regarding the use of French, particularly with respect to the language of commerce and business. This bill has been thoroughly reviewed in parliamentary committee and the committee tabled its report on April 26.

In the current political context, it is expected that Bill 96 will be adopted in the coming months. The final form of the bill and its coming into force have yet to be determined. However, we can already anticipate that the timeframe for compliance with these new rules will be three years following assent of the Bill.[1]

The bill provides for a number of changes to the Charter, including amendments with respect to trademarks, which currently benefit from an exception.

Under this exception, businesses may currently use a trademark in a language other than French in

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Quebec, provided that the French version of the trademark has not been registered. Since 2019, sufficient French must be present in public signage outside a building when a trademark is used in a language other than French.[2]

Under Bill 96, it will still be possible to use a trademark in a language other than French on products, in commercial publications and on public signage and commercial advertising in Quebec. However, the conditions for benefiting from this exception under the Charter will be modified and deserve not only attention, but also action! Start by reading the following.

If you use a trademark in a language other than French in Quebec or if you plan to do so, you must first make sure that this **trademark is registered**.[3] You will also need to review the **public signage outside your premises**, to comply with the new requirement of a **markedly predominance presence of French.**[4] Finally, you will need to revise your **product labels and packaging** if your registered trademarks contain **descriptive or generic terms** in a language other than French.[5] In such a case, you may have to modify your packaging and labels to add a French translation of these terms.

It should be noted that the Charter applies to businesses with an establishment in Quebec, but also possibly to businesses based outside Quebec, insofar as their website is intended to perform a commercial act on Quebec territory.

With respect to websites, **the current practice of the Office québécois de la langue française** ("OQLF") is to intervene only in cases where the business has an **establishment in the province of Quebec**. If the enterprise communicating with Quebec customers does not have an establishment there, the OQLF favours an incentive approach.[6] The future will tell whether this practice will be maintained once the Charter is amended.There is no doubt that foreign companies that are the subject of a complaint in this regard will be given time to translate their website into French in order to avoid the sanctions that will be more severe under the new rules.

Let's take a closer look at what each of the proposed changes means, should the bill be passed in its current form.

Change #1: French to be markedly predominant on public signage outside the premises

Bill 96 replaces the requirement of the **sufficient presence of French** with a requirement of **markedly predominance of French** visible from the exterior of the premises.[7]

Currently, the **markedly** predominance of French is assessed within the parameters set out in the *Regulation defining the scope of the expression "**markedly** predominant" for the purposes of the Charter of the French Language.* According to this regulation, the presence of French is considered markedly predominant if the French text has a **much greater visual impact** than the text in the other language (i.e. twice as large). It will be interesting to see if these rules will be maintained or if new criteria will be established for the application of Bill 96.

The first element to keep in mind with respect to the requirement of the markedly predominance of French under the current law is to disregard the visual impact of the trademark.

Indeed, section 1 of the Regulation provides as follows:

In assessing the visual impact, a family name, a place name, a trade mark or other terms in a language other than French are not considered where their presence is specifically allowed under an exception provided for in the Charter of the French language (chapter C-11) or its regulations.

Thus, as long as the trademark is registered in accordance with the new applicable rules, the visual field occupied by the trademark must be disregarded in assessing whether French is otherwise

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markedly predominant in the public signage outside the premises.

In other words, no modification of your public signage will be required as long as your sign consists of the following: (1) a trademark (registered) in a language other than French and (2) generic or descriptive terms in French. Indeed, the only elements displayed in such a case (apart from the trademark) would be in French.

However, if your public signage includes elements in a language other than French, the French should be markedly predominant (i.e. twice as large) in the visual field (excluding the space occupied by the trademark.

The regulations set out various presumptions to determine whether the criterion of the much greater visual impact of French is met.

In the case of a single poster: the French text will be deemed to have a much greater visual impact if the following conditions are met:[8]

> the space devoted to the French text is at least twice as large as that devoted to the text in another language;
> the characters used in the French text are at least twice as large as those used in the text written in another language; and
> the other features of the posters do not reduce the visual impact of the French text.

In the case of separate posters of different dimensions: the French text will be deemed to have a much greater visual impact if the following conditions are met:[9]

> the posters bearing the French text are at least as numerous as those bearing the text in the other language;
> the characters used in the French text are at least twice as large as those used in the text in the other language; and
> the other features of posters do not reduce the visual impact of the French text.

In the case of texts both in French and in another language: the text in French is deemed to have a much greater visual impact if the following conditions are met:[10]

> the posters bearing the French text are at least as numerous as those bearing the text in the other language;
> the posters bearing the French text are at least twice as large as those with the other language text;
> the characters used in the French text are at least twice as large as those in the text in the other language; and
> the other features of the posters do not reduce the visual impact of the French text

Finally, it should be noted that the criterion of the markedly predominance of French will also be applied to the **trade name** of the business, if it is visible from outside the premises and includes an expression from a language other than French.[11]

Change #2: In order to avoid translation into French, registration of the trademark used in public signage and commercial advertising is mandatory

In order to use a trademark in a language other than French, without translation, with regard to public signage and commercial advertising, it will now be required to demonstrate that:

> the trademark is already registered in Canada; and
> no corresponding French version appears on the Trademarks Register.[12]

If these conditions are not met, the trademark will have to be accompanied by a **markedly predominant French translation.**

If you are currently using a brand in a language other than French that is not registered, be **quick** because the registration process in Canada can easily take three years! Otherwise, you may be required to modify your public signage and commercial advertising to include a markedly predominant French version of the trademark.

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While it is possible to request an accelerated examination of an application for registration in certain special circumstances (including the fact that a court proceeding is pending), it is far from certain that the Canadian Intellectual Property Office will agree to expedite examination of applications for reasons of compliance with the Charter. It is therefore better not to delay filing your trademarks in order not to expose yourself to the consequences provided under the law.

In practical terms, public signage includes any message posted in a place accessible to the public, whether inside or outside the premises, whereas commercial advertising is the expression of a commercial message, regardless of the form. The following examples are considered public display or commercial advertising:

signs, posters, billboards, displays, bulletin boards;
delivery vehicles, promotional bags, carts, employee uniforms;
catalogues, brochures, leaflets, directories and other similar publications; and
websites and social media.

Change #3 : A trademark used in connection with the products must be registered to avoid French translation

In its original form, the bill was silent on the issue of the use of a trademark on a product, suggesting that the *status quo* would continue to apply, namely that it would still be possible to use a trademark in a language other than French on a product (including its packaging or label), without the need for registration.

However, the government has added a provision during the course of the parliamentary work by providing for the obligation to register trademarks in a language other than French, to avoid the addition of a French translation.[13]

So, no exception for product labels and packaging: make sure you register your trademarks if you have not already done so. Otherwise, you could be forced to withdraw your products from the market and pay fines under the new law, as discussed below.

Change #4: Requirement to translate generic and descriptive terms for product trademarks

The amendment proposed in parliamentary committee discussed above goes much further than the need to register the trademark and could have a major impact on some businesses by requiring them to modify their packaging and labels forproducts sold in Quebec.

The new section 51.1 of the Charter proposed in parliamentary committee, provides that if the registered trademark (in a language other than French) contains generic or descriptive terms, these will have to be translated into French.

51.1 notwithstanding section 51, on a product, a registered trademark within the meaning of the *Trademarks Act (Revised Statutes of Canada, 1985, chapter T-13*) may be, even in part, solely in a language other than French where there is no corresponding version in French on the register kept under that Act.However, if generic or descriptive terms of the product are included in such trademark, they must appear in French on such product or on a medium permanently attached to it. (emphasis added)

A reading of the Committee's work provides a better understanding of the purpose of this product-specific rule: the government seems to want to limit the practice of some businesses which register, as a trademark, the label affixed to a product consisting of the main trademark, but also of several descriptive or generic terms, which would otherwise have to be translated to comply with the Charter.

The example of the SOFTSOAP trademark was discussed in parliamentary committee. To illustrate

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this, we reproduce here two examples of registered trademarks for SOFTSOAP products:



As the law currently stands, these trademarks may be registered under the *Trademarks Act* and they comply with the Charter. The owner of these trademarks can therefore rely on the "recognized trademarks" exception and sell its products in Quebec without translating into French the descriptive or generic terms such as "soothing clean," "aloe vera fresh," "refill" and "good for 800 dispenses."

Based on discussions in the parliamentary committee, the government's concern does not seem to be directed towards **the main trademarks**, in this instance, SOFTSOAP, but rather towards the registration of purely descriptive terms, which do not, in themselves, have the vocation of a trademark and which nevertheless benefit from the exception of recognized trademarks under the current law.

The regulations will, we hope, clarify the scope of this section 51.1 of the Charter, if it is adopted, by providing that this new requirement does not apply to the main trademarks of products. We also hope that a reasonable period of time will be given to businesses to allow them to change their labels and packaging.

Change #5: Complaints, powers and penalties in the event of violation

The OQLF is responsible for ensuring compliance with the Charter and its regulations. While it has the authority to identify violations, it mainly acts on complaints from the public. After reviewing a complaint, the OQLF sends an official letter if it judges that there has been a violation and it gives the business a deadline to respond. The OQLF can refer the matter to the Director of Criminal and Penal Prosecutions if the matter is not resolved to its satisfaction, who can in turn bring an action before the Court of Québec. In the event of a conviction, the court determines the amount of the fine to be paid.

The OQLF mainly intervenes in cases of violations regarding public signage and websites for **businesses with an establishment in Quebec**.

The bill brings some changes to the handling of complaints. The OQLF will have to inform the complainant of the handling of the complaint and the measures that the OQLF intends to take against the company targeted by the complaint.[14]

The OQLF will also benefit from new powers as of the assent of Bill 96,[15] including:

> the power to issue orders in case of a breach (removal of products from shelves);[16]
> the power to ask to the Superior Court to issue an injunction for the removal of non-compliant products or the removal or destruction of posters, advertisements, billboards or illuminated signs that contravene the Charter.[17]

Finally, the amount of fines to be paid in the case of a violation is increased as follows:[18]

> individuals: $700 to $7,000;
> legal persons: $3,000 to $30,000.

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The bill provides that the amount of the fines doubles for a first recidivism offence and triple for any subsequent offence.[19] The amount increases with each day the violation continues, with each day counted as a separate violation.[20]

Conclusions: What to do to prepare yourself for the entry into force of Bill 96?

In practice, the requirement of having a registered trademark will be problematic for businesses who want to use a non-French trademark in Quebec, without a French translation. To comply with the new rules, businesses will indeed have to delay their launch in the province of Quebec until their mark is registered. As indicated above, registration process may easily take up to three years if not more. Let's hope that the government will amend Bill 96 to require filing of an application as opposed to trademark registration.

Businesses that use trademarks in a language other than French have every reason to take the following measures right now:

1. List all trademarks used in a language other than French (including slogans) as well as those to be used in upcoming projects;
2. Consult a trademark expert to determine the best strategy, including clearance searches to ensure that these trademarks are registrable;
3. File trademark applications quickly, given the lengthy registration process in Canada (i.e. a minimum of three years),.

A review of product labels and packaging should also be initiated to ensure compliance with the new rules, once the bill is passed. Finally, public signage outside the premises **will also have to** be reviewed insofar as a language other than French is used, apart from the trademark.

A proactive approach will allow you to avoid costs related to the addition of a French translation in public signage, advertising and labelling of your products and services and, moreover, to avoid fines in the event of non-compliance with the new rules.

Ready, Set, Register!

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1. Bill 96, article 201 paragraph 5
2. *Regulation respecting the language of commerce and business,* section 25.1
3. Bill 96, article 47
4. Bill 96, article 47
5. Bill 96, article 42.1
6. *10 legal questions about the Charter of the French Language, websites and social media accounts, Question 3 and Question 6; Les médias sociaux et la Charte de la langue française – Guide pratique à l'intention des entreprises,* https://www.oqlf.gouv.qc.ca/francisation/entreprises/guide-medias-sociaux.pdf, pages 7 and 8
7. Bill 96, article 47
8. *Regulation defining the scope of the expression "markedly predominant" for the purposes of the Charter of the French language,* section 2
9. *Regulation defining the scope of the expression "markedly predominant" for the purposes of the Charter of the French language,* section 3
10. *Regulations defining the scope of the expression "markedly predominant" for the purposes of the Charter of the French language,* section 4
11. Bill 96, article 48
12. Bill 96, article 47
13. Bill 96, article 42.1
14. Bill 96, article 107
15. Bill 96, article 201
16. Bill 96, article 113 (177)
17. Bill 96, article 113 (184)
18. Bill 96, article 114 (205)
19. Bill 96, article 114 (206)
20. Bill 96, article 114 (208)

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