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### OLF Targets the Use of English on Commercial Signage in Quebec

By Lisa R. Vatch

This week the *Office québécois de la langue française* (“OLF”) officially launched a campaign targeting the use of English trademarks on the commercial signage of companies operating in Quebec. This campaign focuses mainly on high-profile multinational chains, franchises and big box stores, but applies to all businesses using only English words on commercial signage in Quebec. The OLF’s goal is for all commercial signage in Quebec to include a French generic or descriptive word or phrase alongside the existing English trademarks. Commercial signage could include outdoor and indoor signs, whether printed or handwritten, as well as window displays, product displays, and signs on vehicles.

According to the Quebec *Charter of the French Language* (“Charter”) and the *Regulation Respecting the Language of Commerce and Business* (“Regulation”), an expression that is not in French (for example, “Cake King”) may only appear in a business name if it is used with a generic, descriptive term in French (such as “Pâtisserie Cake King”). However, exceptions in the Regulation permit a “recognized” trademark (for example, CAKE KING®), or the name of a company established outside Quebec, to appear in English only on public signs, posters and commercial advertising. The OLF has publicly stated its disapproval of these exceptions, in keeping with its goal of promoting French as the language of business in Quebec.

In 2007, a Quebec Court held that the exception in the Regulation covered not only registered trademarks, but also unregistered trademarks with “a certain notoriety”. However, in 2008 the

OLF stated publicly that only registered trademarks could benefit from the exception. On appeal in 2009, the Quebec Superior Court found that a non-registered trademark is protected by the exception if it is a trademark (used to sell goods or services) and not merely a business name. The Court quoted one of the OLF's own publications for the principle that the OLF cannot violate the integrity of legislation nor modify terms used in a law or regulation. The Court also pointed out that it is not bound by the OLF's interpretation of the Charter or the Regulation.

However, the OLF further narrowed its interpretation of the exception for "recognized trademarks" and company names, stating that even registered trademarks are not "global exceptions to the Charter". Rather, a registered trademark will be treated by the OLF as a business name if it is "used as such". If the words on a business' signage could be either a business name or a trademark, it could be considered a business name and the OLF may demand that a descriptive term in French be added to it. In practice, this appears to include any English trademark or logo used on storefront signage without an additional French descriptive element.

The OLF normally follows up on complaints from members of the public by sending a letter to a company demanding that its name or trademark be translated into French, replaced with a French equivalent, or that a "permanent" French descriptive element be added to the trademark "in the same field of view".

To assist small businesses (between 5 and 99 employees) with compliance of this new policy, the OLF is offering a subsidy program which can cover 75% of eligible expenses up to a limit of \$50,000. This can be put towards the costs of modifying signage, commercial vehicles and window displays, as well as the replacement of English-language computer software and translation of English-language websites and certain brochures.

Some business owners may choose to comply rather than be at odds with the OLF, especially given that the significant majority of the population in Quebec is French-speaking, and the addition of French words to public signage can be good for business. Companies choosing to change their trademarks may file new trademark applications with the Canadian Intellectual Property Office, but only after careful consideration. According to the Charter and Regulation, once you have registered a French translation of an English trademark, you have essentially opted out of the exception for "recognized trademarks", and you will always have to use the French version of the mark in Quebec.

Companies refusing to comply and unwilling to defend themselves through litigation face fines imposed by the OLF of \$1,500 to \$20,000 for a first offence, and double for any subsequent convictions.

However, businesses with registered trademarks or specific branding strategies must act carefully or risk jeopardizing their Canadian trademark rights. Words cannot simply be added to trademarks (or to the same field of view) without potentially harming the distinctiveness required to preserve the exclusive rights in a trademark registration. Modifications to a registered trademark, such the addition of new words to signage, might put the trademark owner at risk of a cancellation procedure on the basis of non-use of the registered trademark. This risk is significantly greater for businesses which only operate in Quebec, since businesses operating in other provinces will presumably continue to use their English trademarks as registered in those provinces.

Please contact us for more information on doing business in Quebec or protecting your company's brand names and business name.

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