

Bill 96 Will Have a Significant Impact on Trademark Owners

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On May 24, 2022, the Québec National Assembly voted to pass Bill 96, *An Act respecting French, the official and common language of Québec*, one year after it was first introduced. Once Bill 96 receives Royal Assent, likely before the end of the year, it will become law, with some provisions coming into force immediately, while others will have a three-year transition period. Bill 96 amends the *Charter of the French Language* (the Charter) in a number of respects.

The Charter mandates the use of French in business and commerce, including on: (1) products, their containers or wrapping, (labels) and on any document or object supplied with products, including directions for use and warranties (collectively, labels and related documents); (2) written materials such as catalogues and brochures (written materials); and (3) public signs, posters and commercial advertising (public signage). The Charter also mandates the prominence of French text relative to the text in any other language on these materials. For example, on labels, no inscription may be given greater prominence than the French inscriptions, French written materials must be available under “no less favourable conditions of accessibility and quality” than the version in any other language, and on public signage the French must be “markedly predominant” (which is defined in regulations), and with some public signs (such as those on or in public transportation and in bus shelters), the text must be exclusively French.

Generally, there has been an exception to translation to French on labels, written materials and public signage for “recognized trademarks within the meaning of the *Trademarks Act*, unless a French version of the trademark was registered,” and, trademarks were excluded from the prominence requirements. The wording of the trademark exception has generally been understood to apply to both registered and unregistered trademarks. However, Bill 96 tightens the rules regarding the display of trademarks on public signage. Additionally, late stage amendments were made to Bill 96 during hearings by the Committee on Culture and Education (the Committee) resulting in tightened rules regarding the display of trademarks on labels.

For this article “trademark” means a trademark in any language other than French, and where no French version of the trademark has been registered. Trademarks consisting of or comprising coined words (e.g., XEROX) that have no meaning in any language, are not implicated by Bill 96.

This article summarizes the new rules regarding the display of trademarks on public signage and labels. It does not address the constitutionality of these amendments (the regulation of trade and commerce is a federal and not a provincial power), or the likely challenges that will be mounted by stakeholders, including the International Trademark Association, which has already submitted a position paper to the Québec

government, even before the Committee held its hearings.

In respect of public signage and labels, the following are the significant amendments to the Charter.

1. Trademarks must be registered to be entitled to the exception to translation to French. If trademarks are not registered, they must be translated to French.
2. Bill 96 is intended to combat the practice by companies of registering trademarks that combine a distinctive element, such as a house mark, with generic or descriptive words to avoid translation on labels. Accordingly, any generic or descriptive terms included in a registered trademark must be translated to French on labels. (Curiously the actual wording of the amendment only refers to “products” and not their containers and wrappers. It is not clear whether this is intentional. For this article, we have assumed the intention is “labels” as we have defined them.) The Committee gave an example of the following trademark registration that contains descriptive words that must be translated to French:

Softsoap Brand, Lavender and Shea Butter, washes away bacteria, deeply moisturizes to hydrate skin [...]

Simon Jolin-Barrette, Minister Responsible for the French Language, stated that “SoftSoap” would not need to be translated to French; however, the descriptive elements “Lavender and Shea Butter, washes away bacteria, deeply moisturizes to hydrate skin” would need to be translated.¹

3. The prominence of the French language on labels and related documents is also amended by stating that no inscription in another language may be given greater prominence than that in French “*or be available on more favourable terms.*” We assume the latter was added to be consistent with the Charter provision with respect to written materials, which requires the French versions be available under “no less favourable conditions of accessibility and quality.”
4. The amendments mandate the use of more French on public signage:

a) If a *registered trademark* is displayed on public signage “visible from outside the premises,” the registered trademark must be accompanied by French text so that on a visual impact test, French is “markedly predominant” to the text of the trademark according to a visual impact test. This requirement is more onerous than the 2016 amendments to the regulations to the Charter, which only required the trademark on public signage on “immovables” to be accompanied by a “sufficient presence of French” e.g., THE CHILDREN’S DEPOT vêtements et accessoires pour enfants. This means that public signage amended to comply with the 2016 law will have to be replaced. Practical direction for this amendment will hopefully be provided by regulation. However, as worded, it could mean that the font size for the accompanying French text must be two times the size of the text of the registered trademark.

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b) If the public signage is not visible from outside the premises (e.g., in-store signage), the *registered trademark* need not be accompanied by additional French terms, but French text on the signage overall must be markedly predominant to the text in any other language. In determining whether French is markedly predominant, the text of the trademark will be *included* in the analysis. Presently under the Charter, the text of the trademark is *excluded* from the analysis of whether French text is markedly predominant.

Additional Enforcement Powers & Sanctions

Bill 96 amends the Charter to give the Office québécois de la langue française (OQLF) greater enforcement powers, including the jurisdiction to issue mandatory orders for violations of the Charter and to apply to the courts for an order to remove or destroy any public signage that contravenes the Charter, at the expense of the person to whom the order is directed (which may be the owner of the public signage or the person who placed it or had it placed).

Bill 96 also increases the fines for violations of the Charter. For example, an individual is liable for fines of \$700 to \$7,000 (the current fines range from \$600 to \$6,000), and any other entity would be liable for fines of \$3,000 to \$30,000 (the current fines range from \$1,500 to \$20,000).

Additionally, where an enterprise repeatedly contravenes the Charter, the OQLF would be entitled to “suspend or revoke a permit or another authorization of the same nature.”²

Some Considerations

What can trademark owners do in anticipation of these amendments?

- **Adopt French language trademarks for public signage.** Although perhaps not a practical answer, do not display non-French trademarks on public signage. Instead, consider adopting French-language trademarks. The Charter and regulations clearly demonstrate that there is particular sensitivity for public signage, especially if it is visible from the outside premises, and there is also evidence that French-only public signage may be viewed more favourably by Québec consumers.
- **Adopt French language trademarks for labels and identify “generic” language that may need to be translated.** Review your portfolio for registrations that include any descriptive or generic terms and whether they are used on labels. If yes, the generic portion will likely need to be translated.
- **Apply to register non-French trademarks that you will use on public signage and on labels.** If you intend to use non-French trademarks on public signage and on products, consider applying to register them now. In some cases, of course, this may be impractical: public signage is often used for promotional campaigns that have not yet been conceived and may only exist for a limited time, and it is impossible to file now for trademarks that may be developed in the future. However, if there

are core marks that you routinely use on public signage, apply for them now, since it is currently taking between 32 and 36 months to first examination for domestic applications and 18 months for Madrid applications.

Although the Trademarks Office is working to shorten timelines, it will likely still take more than three years to obtain a registration. The Trademarks Office permits expedited examination in certain limited circumstances. Query whether in response to Bill 96, the Trademarks Office will also permit a written request for examination because of the requirements for registration under Bill 96 or where the OQLF issues an order in respect of a trademark for which an application is pending.

Once Bill 96 receives Royal Assent, it will become law. There will be a three-year transition period for certain provisions, including 1., 2., and 4. summarized above. Other provisions will take force immediately, including 3. above and the expanded enforcement powers and sanctions for non-compliance with the Charter.

¹ Journal des débats (Hansard) of the Committee on Culture and Education, Thursday, April 14, 2022 - Vol. 46 No. 39.

² New proposed section 204.27 to the Charter; section 114 in Bill 96.