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## Bill 96, Québec's New French Language Law, Has Passed – Here's What it Means for Your Franchise Business

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*This article is the third update following the progress of Bill 96. Our first article discussed the Bill's application to and probable impact on franchised businesses in Québec. Our second article provided an update regarding Bill 96's final form after going through the legislative review process. This article outlines the two key issues for franchisors: (1) French language franchise agreements and (2) new requirements for the use of English trademarks in Québec.*

On May 24, 2022, the Québec National Assembly voted to pass Bill 96, *An Act respecting French, the official and common language of Québec*, which amends the *Charter of the French Language* (the Charter). On June 1, 2022, Bill 96 received "Royal Assent," meaning it has been approved by the Lieutenant-Governor and has now become a law. Some of its sections are now enforceable while other sections are subject to various "transition periods."

### French Language Requirements for Contracts of Adhesion

As a franchisor, it is likely that your chief concern revolves around article 44 of Bill 96, which amends section 55 of the Charter's requirements concerning the language of commercial contracts. As previously reported, following Bill 96's passage, contracts of adhesion will need to be drawn up in French in a form equivalent to the English version. Relevantly, the party providing the contract (the franchisor in the case of a franchise agreement) may not pass along to the franchisee any cost incurred from drawing up the French version of the contract or the related documents. Once provided in French, only then can the parties mutually agree to be bound by the English version, and subsequent related documents may be drawn-up in English (see our previous articles for more on this). The last amended version of Article 44 of Bill 96 provides for an exception for agreements used in dealings outside of Québec. It is hoped that a franchisor based outside Québec will be able to avail itself of such exception. However, this cannot be said definitively and more clarification on the matter will be required before any determination can be made (such clarification could potentially come in the form of (a) the legislative committee providing further guidance, (b) comments by the Minister responsible for the Bill, (c) regulations to the Act, or (d) future litigation). These developments will be closely followed.

Relevantly, the French language requirements for contracts of adhesion found in article 44 are subject to a transitional period. As such, this requirement will come into force on June 1, 2023, one year after Bill 96

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became a law.

## Trademarks and Public Signage

Also relevant for franchisors are articles 42.1, 47, and 48 of Bill 96 regarding trademark usage, public signage, and marks on products.

Article 42.1, which was introduced in the subsequent amendments to Bill 96, requires that English trademarks relating to products must be registered under the federal *Trademarks Act* if the trademark is to be used without an accompanying French translation. Additionally, if the English trademark includes generic or descriptive terms, these terms must be translated into French and visible on the product. Therefore, any businesses that currently utilize common law protections for trademarks must have their trademarks registered.

The transitional period for article 42.1 is three years following its assent on June 1, 2022, same as the amendments concerning trademark use and public signage. If your English trademark is not yet registered to the Canadian Intellectual Property Office, *do not wait any longer to apply* as the process can take over 24 months.

For more information on the intellectual property implications of Bill 96, please see our article on the topic [here](#).

## Next Steps

With Bill 96 becoming a law, it represents significant changes to the drafting of franchise agreements and intellectual property matters for franchisors. The good news is that the transitional periods provide a window to ensure compliance with the new laws.

We will continue to monitor any new information on Bill 96 and provide updates as necessary.

As always, please feel free to contact us to learn about how we can assist you and your business.

***Cassels wishes to acknowledge and thank the article's co-author, Stéphanie Destrempe, of Cain Lamarre.***

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*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*