

BILL 96 AND TRADEMARKS: WHAT WE KNOW AS OF NOVEMBER 2022

BY: JODI ENGLISH, JENNIFER MORTON & MELISSA TEHRANI

WHAT IS BILL 96?

Bill 96 – *An Act respecting French, the official and common language of Québec* – is new legislation adopted by the Canadian Province of Québec government that came into force on June 1, 2022 and that significantly amends Québec's *Charter of the French language* (the "Charter"). Of particular note to brands and trademark owners are the additional restrictions on the use of English and imposing obligations regarding the use of the French language in many aspects of doing business in Québec, including with respect to the use of trademarks.

The Q&A below relate only to Bill 96 and its implications with respect to trademarks as we understand them (as of November 2022). For simplicity, our comments refer to English words but would apply equally to other non-French languages as well. In order to consider how Bill 96 may impact other aspects of business operations in the province, we invite you to read our firm's previous [article](#).

We note that the Québec government is set to release draft regulations for consultation in early 2023 that will affect how the legislation is to be interpreted and applied. However, as of the time of writing, no such regulations or draft regulations have been issued. Additionally, a guidance document is expected to be released next month that should address many of the questions and uncertainties surrounding the interpretation and scope of the new legislation. As a result, our comments may be subject to change in response to the forthcoming regulations, potential court challenges and the future guidance document from the regulator.

WHAT IS THE CURRENT (PRE-BILL 96 IMPLEMENTATION) SITUATION WITH RESPECT TO TRADEMARKS IN THE PROVINCE OF QUÉBEC?

The Charter mandates French as "the only official language" and affirms it as the common language of commerce and

business in the Province of Québec, Canada. The *Office Québécois de la langue française* (the "OQLF") is the regulatory body responsible for enforcement and ensuring that companies comply with the Charter's requirements.

Section 51 of the Charter provides that any "inscription" on a product, on its container or on its wrapping, or on a document or object supplied with it, must be drafted in French. The French inscription may be accompanied with a translation or translations, but no inscription in another language may be given greater prominence than that in French.

Section 58 of the Charter provides that public signs and posters and commercial advertising must be in French. Another language can also be used as long as the French version is markedly predominant.

The "recognized" trademark exception:

The *Regulation respecting the language of commerce and business* (the "Regulations") provides that an English-only "recognized trademark within the meaning of the federal Trademarks Act (R.S.C. 1985, c. T-13)" may be used exclusively in English, "unless a French version has been registered". Historically, there has been some uncertainty surrounding what constitutes a "recognized" trademark under the Regulation. The courts have interpreted the "recognized trademark" exception as applying to both registered and non-registered trademarks protected by the federal *Trademarks Act*. On the other hand, the OQLF has maintained that for a mark to benefit from the "recognized trademark" exception, the mark must be registered. In the case of outdoor signage on buildings, an English-only recognized trademark must be accompanied by a "sufficient presence of French" (such as a French slogan, a generic term or a description of the products or services).

There are also other provisions that require catalogues, brochures, websites and social media accounts, among other items, to be available in French.

HOW WILL BILL 96 AFFECT THE “RECOGNIZED” TRADEMARK EXCEPTION?

Bill 96 clarifies the situation described above by explicitly and unequivocally restricting the application of the “recognized” trademark exemption to registered trademarks only as of June 1, 2025. English (or other non-French) trademarks that are not registered under the Federal Trademarks Act will need to be translated to French on product packaging and labelling, as well as on public signage, posters and commercial advertising.

Bill 96 also adds further obligations, namely:

- For product packaging and labelling, if an English-only registered trademark includes an English “generic term or a description of the product,” this generic term or description will have to appear in French elsewhere on the product.
- For public signs and posters visible from outside premises, an English only registered trademark must be accompanied by French that is “markedly predominant.”

WHAT IS “A GENERIC TERM OR A DESCRIPTION OF THE PRODUCT”?

While additional regulation to address this question is anticipated, we do not at present have any visibility on the content of the forthcoming regulation. We consider it likely that the new regulation may require a French translation of words or phrases that are the name of the goods (i.e. a product’s common or generic name) or are descriptive of the character, quality, or direction for use of the goods. That is, words or phrases that would be considered to relay important information to consumers about the goods. In our view, it is not yet clear how words that may be descriptive of the field, category or product line of the product (but not the product itself) will be treated. We also expect the regulation to address the question of prominence, size and placement of the French translation but this information is not yet available.

DO THESE PROVISIONS APPLY TO TRADEMARKS INSCRIBED ON PRODUCTS THEMSELVES (AS OPPOSED TO ON PRODUCT PACKAGING)?

As drafted, the law could be interpreted to apply to trademarks applied directly “on a product” (whether visible or not through packaging). However, on a practical level it would likely impact only trademarks that are visible at the time of purchase. Additional guidance on this question may be included in the anticipated regulations, and/or the OQLF’s forthcoming guidance document.

WHAT DOES “MARKEDLY PREDOMINANT” IN TERMS OF OUTDOOR SIGNAGE MEAN?

While additional regulation to address this question is anticipated in early 2023, the *Charter* currently has a regulation entitled the *Regulation defining the scope of the expression “markedly predominant” for the purposes of the Charter of the French language* that sets out the specific legal requirements needed to comply with the “markedly predominant” rule depending on the number and size of signs or posters. For instance, for information appearing on the same sign or poster, the markedly predominant rule will be met where: (i) the space allotted to the text in French is at least twice as large as the space allotted to the English text; (ii) the font size used in the French text is at least twice as large as that of the English text; and (iii) the other characteristics of the sign or poster do not have the effect of reducing the visual impact of the French text. As a result, we would anticipate the new regulation to set out similar greater prominence requirements of the French text (for example, twice as large) as compared to the English registered trademark.



APART FROM REGISTERED TRADEMARKS (AS DESCRIBED PREVIOUSLY), WHAT ELSE MAY NOT REQUIRE TRANSLATION?

If a trademark falls within one of these categories, registration is not required for use without translation in the Province of Québec:

- a coined word for which there is no translation;
- appellations of origin – for example, GRUYERE, GOUDA, PISCO;
- the name of an exotic product or foreign specialty – for example, LEBERKASE (the name of a specialty Austrian meatloaf) for which there is no equivalent product in Canada;
- the name of a personality or character – for example, Princess Diana, Batman, Snoopy;
- a surname or a given name (even when a French translation exists);
- a geographic place outside of the Province of Québec or any place name that appears in the official register maintained by the “Commission de Toponymie du Québec” (this register contains several place names in Québec which feature English words like Boston River, Paris Avenue – if the place name appears in this registry, there is no requirement to translate); however, all other Québec place names that do not appear in this registry require translation; and
- heraldic mottos (for example, military crests containing Latin slogans) or any other non-commercial slogan.

There are also some particular instances where an inscription on product may be exclusively in English (or another non-French language) without translation based on the type of product or how it is sold:

- the product is intended for a market outside Québec;
- the inscription appears on a container used in interprovincial or international transportation of merchandise;
- the product is from outside Québec, has not yet been marketed in Québec and is being exhibited at a convention, conference, fair or exhibition;
- the product is from outside Québec, is intended for incorporation into a finished product or for use in a manufacturing, processing or repair operation and is not offered in Québec for retail sale;
- the product is from outside Québec and is in limited use in Québec and no equivalent substitute presented in French is available in Québec; or
- the product is from outside Québec and the inscription is engraved, baked or inlaid in the product itself, riveted or welded to it or embossed on it, in a permanent manner; however, inscriptions concerning safety must be written in French and appear on the product or accompany it in a permanent manner.

We should note that the above exceptions are found in the current regulations. As a result, it is unknown whether the forthcoming regulations will amend, remove or restrict the current exceptions.

IS THERE MORE GUIDANCE TO COME?

Bill 96 is already in force and will not be amended. However, there will be supporting regulations drafted that will affect how the legislation is to be interpreted and applied. At present, we understand that the work on these regulations is in progress and that a draft regulation is expected to be published in early 2023 with an opportunity to submit comments. The International Trademark Association (INTA), along with several trade associations, have already made submissions in an attempt to influence the approach on "generic" terms within registered marks and the removal of the registered requirement for "recognized" trademarks under the trademark exemption. These efforts are underway and the results remain to be seen.

Additionally, the OQLF is expected to release a general guidance document in December of this year that should address many of the questions and uncertainties surrounding the interpretation and scope of the new legislation.



WHEN DO THE TRADEMARK PROVISIONS INTRODUCED IN BILL 96 COME INTO EFFECT?

June 1, 2025

WHAT WILL THE PENALTIES FOR NON-COMPLIANCE WITH BILL 96 BE AS OF JUNE 1, 2025?

| FINES FOR "LEGAL PERSONS": | |
|----------------------------|---------------------|
| FIRST OFFENCE: | \$3,000 TO \$30,000 |
| SECOND OFFENCE: | \$6,000 TO \$60,000 |
| SUBSEQUENT OFFENCE: | \$9,000 TO \$90,000 |

| DIRECTORS COULD BE PERSONALLY LIABLE WITH FINES AS FOLLOWS: | |
|---|---------------------|
| FIRST OFFENCE: | \$1,400 TO \$14,000 |
| SECOND OFFENCE: | \$2,800 TO \$28,000 |
| SUBSEQUENT OFFENCE: | \$4,200 TO \$42,000 |

Note that when an offence under the Charter continues for more than one day, each day constitutes a separate offence. Also, repeated offence of the Charter may lead to the suspension or revocation of a permit or other authorization issued by the Québec provincial government. Moreover, a judge may (on an application from a prosecutor and submitted with the statement of offence) impose on the offender a further fine not exceeding the financial benefit realized by the offender as a result of the offence, even if the maximum penalty has been imposed.

HOW SHOULD COMPANIES DOING BUSINESS IN THE PROVINCE OF QUEBEC PREPARE IN ADVANCE OF JUNE 1, 2025?

Businesses should conduct an audit to look for all English and non-French trademarks appearing on product packaging and labelling, as well as on public signage, posters and commercial advertising.

- Consider filing applications to seek registration. (Note that there are significant processing delays in the Canadian Trademarks Office so such efforts should be undertaken sooner rather than later and options for expediting applications as discussed below should be considered.)
- Any unregistered English or non-French trademarks (that are not otherwise exempt from translation as discussed above) will need to be translated to French.
- Any registered English or non-French trademarks on product packaging and labelling will need to be assessed to identify generic or descriptive words that will require French translation elsewhere on the packaging/labelling.
- Any registered English or non-French trademarks on outdoor signage will need to be amended to ensure there is appropriate accompaniment of French that is "markedly predominant."

Note that if a trademark has a French equivalent that is registered, then that French equivalent must always be used regardless of whether there is a registration for the English mark. As such, caution should be taken in deciding whether or not to register a French version of a trademark.

We recommend that you reach out to your trademark professional now to start these considerations so that you are ready when the trademark provisions in Bill 96 come into force.

WILL CIPO EXPEDITE EXAMINATION OF TRADEMARK APPLICATIONS FILED FOR THE PURPOSES OF SECURING REGISTRATION OF TRADEMARKS IN ORDER TO COMPLY WITH BILL 96?

In short, we do not expect CIPO to expedite trademark applications for the reason of securing registration of trademarks in order to comply with Bill 96. However, CIPO does recognize the negative implications for trademark applicants generally due to the delay in examination and will expedite examination of applications in the following circumstances:

- An application is filed for or amended to include goods and services from CIPO's list of pre-approved terms.
- A court action is expected or underway in Canada with respect to the applicant's trademark in association with the goods or services listed in the application.
- The applicant is in the process of combating counterfeit products at the Canadian border with respect to the applicant's trademark in association with the goods or services listed in the application.
- The applicant requires registration of its trademark in order to protect its intellectual property rights from being severely disadvantaged on online marketplaces.
- The applicant requires registration of its trademark in order to preserve its claim to priority within a defined deadline and following a request by a foreign intellectual property office. Note that in such cases the request will need to be attached to the affidavit or statutory declaration.



In light of the significant impact on businesses operating in Québec, we recommend consulting your [Gowling WLG Trademarks](#) and [Gowling WLG Advertising, Marketing and Product Regulatory](#) counsel to discuss the concrete steps to be taken to mitigate risks and ensure compliance.

Gowling WLG is monitoring the developments of Bill 96 (including any potential constitutional or other legal challenges) and will provide further updates as these become available.