International Trademark Association

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The Honorable Simon Jolin-Barrette
Minister Responsible for the French Language
Via Email: Leader.SJB@assnat.qc.ca

26 August 2021

Re: Bill 96, An Act respecting French, the official and common language of Québec

Dear Minister Jolin-Barrette:

The International Trademark Association (INTA) is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association's global trademark resources, policy development, education and training, and international network.

We have 131 members in Canada, some of which include brand owners such as: lululemon athletica, Molson Coors Canada, IMAX Corporation, Aritzia LP, and TD Bank Group. Founded in 1878, INTA, a not-for-profit organization, is headquartered in New York City, with offices in Beijing, Brussels, Santiago, Singapore, and Washington, D.C., and a representative in New Delhi. For more information, visit inta.org.

INTA has carefully studied Bill 96 as it relates to proposed amendments to the *Charter of the French Language* (chapter C-11), and in particular section 47 thereof:

> 47. The Charter is amended by inserting the following section after section 58:
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> "58.1. Despite section 58, on public signs and posters and in commercial advertising, a trademark may be drawn up, even partially, only in a language other than French, provided the trademark is registered within the meaning of the Trademarks Act (Revised Statutes of Canada, chapter T-13) and no corresponding French version appears in the register kept according to that Act.
>
> However, on public signs and posters visible from outside premises, French must be markedly predominant where such a trademark appears in a language other than French."

The *Regulation respecting the language of commerce and business* (chapter C-11, r.9) under the Charter provides an important exception to the general rule mandating the use of the French language for commerce and business in Quebec as concerns trademarks and is therefore of keen interest to INTA and our members. Sections 7 (as concerns inscriptions on a product), 13 (as concerns catalogues, brochures, folders, commercial directories and any similar publications) and 25 (as concerns public signs, posters and commercial advertising) of that *Regulation* provide that a recognized trademark within the meaning of the *Trademarks Act* (R.S.C. 1985, c. T-13) may appear exclusively in a language other than French, unless a French version has been registered.

It is well established that a trademark registered within the meaning of the *Trademarks Act*, i.e. a trademark registered with the Canadian Intellectual Property Office ("CIPO"), constitutes a "recognized trademark" for the purposes of the Regulation. Additionally, the Quebec courts have also held that an *unregistered* trademark in which common law rights have been established in Canada may also qualify as a recognized trademark for the purposes of the exception provided by the Regulation.

INTA notes that Bill 96 thus proposes a troubling modification to the scope of the exception currently afforded to trademarks in the case of public signs, posters and commercial advertising by requiring that a trademark be *registered* within the meaning of the *Trademarks Act* in order to qualify for the exemption from translation. That is, Bill 96 proposes that for this category of business communications, an unregistered trademark that is used by a person for the purpose of distinguishing or as to distinguish their own goods or services from those of others and that has attained common law rights in Canada *will no longer qualify for the recognized trademark exception*.

In addition, Section 47 raises the bar in terms of the requirement of the presence of French on public signs and posters displaying a registered trademark in a language other than French visible from outside premises, from a "sufficient presence of French" to French being "markedly predominant".

While INTA has the utmost respect for the Charter and its objects and for the purpose of the Bill to affirm that French is the common language in Québec, we respectfully submit that the diminution of the Regulation's recognized trademark exception and the increase in the presence of French even in the presence of a registered trademark, as proposed by Section 47 of the Bill raises issues of compliance with international treaties for the protection of trademarks, and, as drafted, will adversely impact the owners of trademarks used in the province of Quebec.

INTA urges a review of the Bill, and in particular Section 47 and proposed Charter section 58.1, and requests that consideration be given to the following:

1. The Bill may not comply with international treaties for the protection of

trademarks and is inconsistent with Canadian trademark law.

Canada is a signatory of treaties designed to protect the integrity of trademarks, including the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, ("TRIPS") established under the World Trade Organization. In particular, Art. 20 of the TRIPS Agreement provides that: "The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings." *World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization*, April 15, 1994,1869 UNTS299, art. 20. [Emphasis added].

INTA believes that the requirement to translate an unregistered trademark into French constitutes an unjustifiable encumbrance of the use of a trademark by special requirements. The effect of the Bill is to require that owners of trademarks in languages other than French either (i) not use their trademark in Quebec, or (ii) create another trademark, specifically for the Quebec market, to be used with the original trademark.

Moreover, registration should not be a prerequisite to use of a non-French trademark in Quebec. Registration is itself a special requirement which unjustifiably encumbers the use of a trademark. The federal law recognizes that unregistered trademarks are enforceable in the geographic regions of Canada in which they have established goodwill, as a statutory codification of the common law tort of passing off. The Quebec Civil Code, within the regime of civil responsibility established by article 1457, recognizes the functionally equivalent delict of confusion, and therefore also protects unregistered trademarks in the province of Quebec. While registration, where it is available to trademark owners, certainly provides enhanced protections that are not available at common law or under the Civil Code, it was never intended that a trademark could not be used in Canada, or in a region thereof, unless and until it is registered. There is no reasonable rationale for limiting the translation exception for trademarks only to trademarks that are the subject of issued registrations.

Additionally, not all trademarks are capable of registration under the Trademarks Act, notwithstanding that they function perfectly well as indicators of source. The owner of such a mark or sign that is recognized as a trademark within the meaning of the Trademarks Act should not be denied the exemption from translation simply because the trademark is not *registrable* under that same Act.

Further, INTA believes that the requirement of a "markedly predominant presence of French" may, in some cases, unjustifiably encumber a trademark. The impact will depend on the mark and the impression created by the additional French presence. For example, a mark such as TOWNBANK is encumbered, and loses distinctiveness, if encumbered by additional words such as "Banque TOWNBANK services bancaires." Also, if a mark is registered and used in a design format and is reproduced on a sign or pylon such that the entire sign or pylon is the trademark, it will probably be impossible to add elements without otherwise encumbering the mark.

2. CIPO is extremely backlogged, particularly for domestic trademark applicants, and the trademark registration process in Canada is unreasonably long

INTA notes that there is an inherent danger in the Government of Quebec limiting the scope of the trademark exception only to registered trademarks when it is a federal government agency not under the control of the Government of Quebec that is the gate-keeper of the trademark registration process on which the restricted exception relies. The Government of Quebec may not be aware the degree to which the Canadian Intellectual Property Office (“CIPO”) is backlogged, and the fact that it presently takes more than 32 months for domestic Canadian applicants, and more than 1.5 years for foreign applicants utilizing the Madrid System, to achieve registration status in Canada. That is far too long a lead time and does not provide brand owners with an opportunity to obtain trademark registration status in Canada within a commercially reasonable period of time. This will foreseeably result in products and services that would otherwise have been timely introduced to the Quebec market either being delayed release in Quebec or resulting in brand owners choosing not to enter the Quebec market at all for fear of non-compliance with the Charter.

3. The Bill may prevent trademark owners from using their registered trademarks.

By law, a registered trademark owner has the exclusive right to use its registered trademark in association with the listed goods or services throughout the country (s. 19, *Trademarks Act*, R.S.C. 1985, c. T-13, as amended) and any registration may be cancelled for non-use if it has not been used in the previous three years. (s. 45). Modifications to a registered mark can, and do, result in a finding that the registered mark is no longer used in the form as registered, putting the registration at risk of cancellation for non-use. This will apply particularly to registered design marks that occupy the entire space of a sign. Adding additional elements in the form of translated trademarks or adding additional words to satisfy the new “markedly predominant” presence of French requirement will fundamentally change such registered marks, putting the owner at risk of a challenge based on non-use, and damaging the value of the trademark. (An impact of this change is that many registered owners of marks may feel the only recourse is to apply for registration of additional trademarks that incorporate French presence, adding to the cost of doing business in Quebec.)

4. The requirements to (i) translate non-French marks into French and (ii) add sufficient French presence so as to be markedly predominant may change some marks in a way that causes consumer confusion and potentially damages the goodwill of the trademark owner.

Many marks in a language other than French have been used in the province of Quebec for decades, if not longer. Consumers, including French-speaking consumers, immediately recognize those marks as indicators of source, and as such they are recognized as trademarks within the meaning of the Trademarks Act. Changes to those marks to accommodate the Bill's proposed new Section 58.1, particularly for marks that are made up of single words or unique designs, may alter a mark in a way that creates a different impression resulting in consumer confusion and lost goodwill of the trademark owner. This would likely be even more problematic for consumers visiting from outside the Province of Quebec, who are unaware of the rationalefor different marks, than for residents.

5. **Provide for a mechanism to protect trademark owners who do not have ownership or control of signs to ensure that changes do not damage the integrity or distinctiveness of any trademark**.

Many signs will not be within the direct or indirect control of a trademark owner, since it is not uncommon for signage to be controlled by a landlord or other party unrelated to, and unlicensed by a trademark owner. We are concerned that changes may be made to signs without the permission of the ultimate trademark owner that imperil the distinctiveness or identity of a trademark, and threaten the ongoing validity and enforceability of their registered trademark rights. Owners may need to work through intermediaries (with added costs and convenience, and occasionally seeking permission from others) to ensure that no changes are made to marks on signs that could impact the owner's marks, or the rights of any other party. The Regulations should confirm that no changes may be made to signs bearing any trademark without the permission of the owner of any trademark appearing on such signage.

6. **New Section 58.1 creates a distinction between marks that may not be supported by the rationale that such changes are for the benefit of consumers, as suggested by new Section 58.1.**

Only marks that are in a language other than French are required to include an additional presence of French. The suggestion is that consumers in Quebec need to be told the nature of the business for a non-French mark, but do not need that information for a French-language mark. By way of example, if a French clothing store is named MUGUET DES BOIS, it does not need to add any generic term, slogan or other term favoring the display of information pertaining to the products of services to the benefit of consumers of persons frequenting the site (as in new Section 58.1 and Reg. 25.1(3)), but a store called LILY OF THE VALLEY would.

7. **The trademark exception provided by the Regulations should be expanded to include University Marks and Official Marks protected under subparagraphs 9(1)(n)(ii) and (iii) of the *Trademarks Act*.**

One of the rationales for limiting the trademark exception in new section 58.1 only to *registered* trademarks would appear to be ease of administration; it is administratively easier for the Office québécois de la langue française (the "OQLF") to check the federal trademark register to determine if a trademark is registered or not than it is for the OQLF to assess common law or unregistered trademark rights. While INTA rejects any notion that ease of administration burden should be the overriding rationale in determining the scope of the trademark exception, the rationale also suggests that the scope of the exception should be expanded given that there are other types of marks protected by the Trademarks Act that require the rights-holder to undergo an application process and whose status is noted on the searchable federal trademarks database once the protective rights under the legislation have been conferred.

Two such categories of marks are (i) badges, crests, emblems and marks adopted and used by any university under paragraph 9(1)(n)(ii) of the Trademarks Act, and (ii) badges, crests, emblems and marks adopted and used by any public authority in Canada as an official mark for goods or services under paragraph 9(1)(n)(iii) of the Trademarks Act. Once applications for such marks have been vetted by the Examiner and advertised in the Trademarks Journal, no person is permitted to adopt or use, in connection with a business or otherwise, any mark consisting of or so nearly resembling as to be likely to be mistaken for the protected mark. Such protected marks are assigned application serial numbers in the 900,000 series by the Canadian Intellectual Property Office and are listed as "ADVERTISED" in the searchable database and so are easily checked by the OQLF.

INTA welcomes the opportunity to meet to discuss the concerns above, and would be pleased to answer any questions regarding our comments. Should you wish to schedule a meeting to discuss the points above, please contact INTA Anticounterfeiting, Manager, Tiffany Pho at tpho@inta.org or INTA, Director, Government Relations, Jenny McDowell at jmcdowell@inta.org.

Sincerely,

Etienne Sanz de Acedo
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International Trademark Association