
Canada: Quebec Court of Appeal: “Recognized Trademarks” May Be Displayed on Exterior Signage Exclusively in Languages Other than French

Attorney General of Quebec v. Best Buy et al., 2015 QCCA 747

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In May, the Quebec Court of Appeal affirmed the decision of the Quebec Superior Court, permitting the display of “recognized trademarks” on exterior signage and storefronts in the Province of Quebec, in languages *other than French*, and without the usual requirement that prominent French text be added to such marks. This decision represents a victory for trademark owners, upholding their right to use their non-French trademarks in a uniform manner, without the addition of additional French terms, including on outdoor signage in Quebec.

Background

In October 2012, a number of major retailers, including Best Buy, Curves, Walmart, Costco, Guess, and the Gap, filed a motion for declaratory judgment asking the Quebec Superior Court to rule that the presentation of a “recognized trademark” on exterior signage, in a language other than French and with

no accompanying French text, complies with Quebec’s Charter of the French language (“Charter”) and corresponding regulations. As a general rule, the Charter mandates that public signs, posters, and commercial advertising in the Province of Quebec must be presented either in French, or in another language accompanied by French generic text that is “markedly predominant.” A long-recognized exception to this general rule, however, applies to “recognized trademarks,” as defined by the Canadian Trade-marks Act. Under the Trade-marks Act, a “trademark” is defined as “a mark that is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,” and has been interpreted by courts to include both registered and unregistered marks. The question of whether, under the Charter, a “recognized trademark” must be registered remains open, but the *Office Québécois de la langue française* (or “OQLF”), the government body charged with enforcement of the Charter and regulations, has taken the view that registration is required for “recognized trademark” status, for administrative convenience. Under the Charter, “recognized trademarks” can appear on public signs, posters, and commercial advertising exclusively in another language, without the addition of French text, if the owner has not registered a French equivalent of its trademark.

Against this backdrop, and citing concerns about the increasing use of non-French text on storefront signs in Quebec, the OQLF has recently taken the position that non-French trademarks appearing on outdoor signage and storefronts must be accompanied by French generic language. As the basis for its position that such use does not fall within the “trademark” exception of the Charter and regulations, the OQLF argued that use of *any* business name on public-facing outdoor signage constitutes use as a *trade name*, not a trademark, and that trade names do not fall within the statutory exception.

The Quebec Superior Court rejected the OQLF’s arguments, holding that the Charter and regulations clearly exempt trademarks from the French language requirement, and the Attorney General of Quebec appealed.

Decision of the Court of Appeals of Quebec

On appeal, the Attorney General emphasized its prior argument that the Charter requires that storefront signs displaying any company name must be presented in French. The Attorney General pointed out that, as trademarks on outdoor signage are offered to the public view in the manner of a trade name,

such use is subject to the French-language requirement, and does not fall within the exception otherwise provided for “recognized trademarks.”

The Court of Appeals found the Attorney General’s argument unconvincing, particularly where the Charter explicitly covers display of trade names on public signs, posters, and commercial advertising. In this regard, the court held that the Charter and regulations must be accorded their proper meaning, including their stated exceptions. Furthermore, the court considered that upholding the exception to the general French-language rule for “recognized trademarks” would not eviscerate the purpose of the Charter to promote and protect use of the French language in Quebec.

The court further noted that, although the OQLF had changed its interpretation of the Charter, such a policy reversal could not overturn the legislation itself. The Charter and corresponding regulations clearly allow trademarks to appear exclusively in a language other than French under specified circumstances.

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Although the decision was appealable to the Supreme Court of Canada, the Attorney General of Quebec declined to take the case further. However, this outcome does not foreclose the possibility of a legislative elimination of the “recognized trademark” exception to the French-language requirement in Quebec. In fact, the Quebec government has announced that it will present amendments this fall to the applicable regulation of the Charter, which would require businesses to add a French slogan or generic descriptor to their outdoor signage, but which would not impact trademarks. Under Canadian federal law governing the labeling of products, all “mandatory” product label information must be presented in both English and French, including a statement of the product’s common or generic name, though the trader’s name and address are not considered “mandatory” and may appear in either language. The amendments to be released this autumn may seek to create something of an analogous regime for storefront signage in Quebec.

For the moment, however, this decision represents a strong win for trademark owners. The compulsory addition of generic French text to a trademark could compromise the integrity of a mark and potentially jeopardize its distinctive nature. This decision enables trademark holders to display their trademarks on exterior signage in Quebec in the same format that they do elsewhere in Canada and throughout the world, promoting global uniformity and recognition of their marks.

To ensure that trademark owners may take full advantage of the court's decision, given ongoing uncertainty about the OQLF's application of the "recognized trademark" exception to *unregistered* marks, they should consider registering their non-French marks in Canada.

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