

TRADE-MARKS 1 – 0 QUEBEC'S LANGUAGE BUREAU A WORD ON THE DECISION IN *MAGASINS BEST BUY LTÉE C. QUÉBEC (PROCUREUR GÉNÉRAL)* HANDED DOWN ON APRIL 9, 2014

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In a significant decision handed down on April 9, 2014, the Superior Court of Québec put to bed a long-running dispute between the *Office québécois de la langue française* (Quebec's Language Bureau) and retailers owning trade-marks registered in English only (Costco, Best Buy, Guess, Toys 'R Us, etc.), and allowed, without any reservations whatsoever, the motion for declaratory judgment filed by the latter. The facts in this case were spread out over the past 25 years. The root cause of the dispute lay in the *Charter of the French Language* of Quebec, with its ambiguities in terms of signage and advertising rules and in respect of the registration of business styles, firm names or trade names, which led the *Conseil de la langue française* to publish an opinion in 2000. In this opinion, the *Conseil* went to great lengths to distinguish between trade-marks and trade names (now called "business names") and issued a reminder that trade-marks were governed by a series of international instruments to which Canada was a party and that it would be difficult to challenge these trade-marks in a coercive manner for provincial signage and advertising purposes.

Despite this opinion issued by the *Conseil*, Quebec's language watchdog undertook in 2008 to compel businesses using English-language trade-marks to 'francize' their business signage and advertising. In 2010, the *Office* therefore changed its interpretation of sections 63 and 68 of the *Charter of the French Language* and sections 25 and 27 of the *Regulation respecting the language of commerce and business*, and enjoined trade-mark holders to add a French-language generic term to their trade-marks although they were registered only in English, failing which, the trade-mark holders were liable to penalties, up to and including criminal penalties, or even the revocation or suspension of their francization certificate required pursuant to the very same Charter!

In October 2012, several major actors in the retail sales industry, who were trade-mark holders, served a motion for declaratory judgment in order to clarify the authorized derogations from the *Charter of the French Language* pursuant to sections 25 and 27 of the *Regulation respecting the language of commerce and business*. One will recall that section 25 of this Regulation provides that "On public signs and posters and in commercial advertising, the following may appear exclusively in a language other than French: ...a recognized

trade mark within the meaning of the *Trade Marks Act*, unless a French version has been registered" (subsection 25(4)).

This derogation from the *Charter* had long been used by trade-mark holders to promote their goods and services by using their English-language trade-marks in the Province of Quebec, thereby enabling the rollout of a uniform brand strategy throughout the various countries where they do business.

Based on the frequent confusion between the notions of trade-marks and business names, the *Office* argued that publicly displaying a trade-mark could be equated with displaying a business name, which, therefore (pursuant to the legislation applicable to business names), required it to be used with a generic term in the French language, pursuant to section 63 of the *Charter*.

The Court disagreed with this interpretation and clearly held that none of the trade-marks owned by the corporate plaintiffs was 'the name of an enterprise' within the meaning of sections 63 and 64 of the *Charter*, of *An Act respecting the legal publicity of enterprises* or of Article 305 of the *Civil Code of Québec*. It, therefore, allowed, without any reservations whatsoever, the motion for declaratory judgment and confirmed that one should ascribe a literal reading to subsection 25(4) of the *Regulation respecting the language of commerce and business*, the provisions of which are unambiguous and which allow the holders of trade-marks registered in English only to display and advertise these trade-marks in Quebec without being required to add thereto a generic term or any other descriptive element in the French language.

by Elisa Henry

A Cautionary Note

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