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17 June 2016

The Honorable Luc Fortin
Minister of Culture and Communications and
Minister responsible for the Protection and
Promotion of the French Language
225, Grande Allée Est, 1er étage,
Québec (Québec) G1R 5G5

Via email: sonia.pratte@spl.gouv.qc.ca

Dear Minister Fortin:

Re: Charter of the French Language – Draft Regulations

INTA is an international non-profit association founded in 1878 with over 6,800 member organizations established in 190 countries around the world. We have 199 members in Canada, of which 30 are brand owners including: Molson Coors Canada, IMAX Corporation, Tim Hortons Inc., TD Bank Group, Unilever Canada Inc. and Pfizer Canada Inc. The organization's goal is to protect and promote the rights of trademark owners, to secure useful legislation and to give aid and encouragement to all efforts for the advancement and observance of trademark rights.

INTA has carefully studied the proposed new regulation under the *Charter of the French language*, namely the *Regulation to amend the Regulation respecting the language of commerce and business*, ("the Regulation"). INTA believes that the Regulation raises issues of compliance with international treaties for the protection of trademarks, and, as drafted, may adversely impact the owners of trademarks used in the province of Quebec. INTA urges a review of the Regulation, and in particular requests that consideration be given to the following.

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

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...shall not be unjustifiably encumbered by special requirements, such as...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 UNTS 299, art. 20. [Emphasis added].

A similar provision is in the North American Free Trade Agreement (NAFTA) at Section 1708(10):

“No Party may encumber the use of a trademark in commerce by special requirements, such as a use that reduces the trademark's function as an indication of source or a use with another trademark.” *North American Free Trade Agreement*, 32 ILM 289, 605 (1993), S. 1708(10). [Emphasis added].

INTA believes that the requirement to add “a sufficient presence of French” may, in some cases, encumber a trademark. The impact will depend on the mark and the impression created by the additional French presence. A mark such as TOWNBANK is encumbered, and loses distinctiveness, if encumbered by additional words such as “banque TOWNBANK bank.” 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. The Regulations may prevent trademark owners from using their registered trademarks.

By law, a registered trademark owner has the exclusive right to use its registered trademark throughout the country (s. 19, *Trade-marks 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, 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 words will 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 risk is that many registered owners of marks may feel that the only recourse is to apply for registration of additional trademarks that incorporate French presence, adding to the cost of doing business in Quebec.)

3. The requirement to add sufficient French presence 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 trademarks. Changes to accommodate the Regulations, 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 rationale for different signs, than for residents.

4. Clarify the meaning of a trade mark “only in a language other than French”

The Regulations require clarification as to when a sign must be amended to add “sufficient French presence,” as required by proposed s. 25.1 of the Regulations. In particular, guidance is necessary on whether the Regulation is intended to apply only to trademarks that are known or dictionary words in a language other than French, or whether such marks will also apply to coined terms and to marks that may originate with a family name or a place name.

5. Provide that the requirements of the Regulations are met if some of the visual displays on an immovable include sufficient French presence.

There may be many instances where a mark is displayed in multiple locations on a building, for example, on a rooftop sign and on signs on multiple sides of a building. The potential impact on the integrity of any trademark may depend on the placement of the sign (as will the cost and convenience of compliance with the Regulations). The Regulations should clarify that compliance does not require that *all* signs comply. Instead compliance could be found if signs regularly seen by customers entering any building selling goods or offering services connected to any trademark have a necessary addition of French presence.

6. Provide for a mechanism to protect trade mark 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.

The Honorable Luc Fortin

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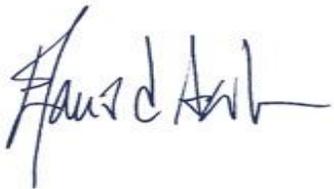
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7. The Regulations create a distinction between marks that may not be supported by the rationale that such changes are for the benefit of consumers, as suggested by the Regulations.

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 DE 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 proposed Reg. 25.1(3)), but a store called LILY OF THE VALLEY would.

INTA welcomes the opportunity to meet to discuss the concerns above, and would be pleased to answer any questions regarding our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Etienne Sanz de Acedo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Etienne Sanz de Acedo
Chief Executive Officer
International Trademark Association