

DAVIES

Doing Business
in Québec



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About This Guide

Davies' *Doing Business in Québec* is designed to outline high-level considerations for commercial operations in Québec. The content of this guide is current as of June 1, 2023, and is intended as general information only, not as legal advice or opinion. We invite you to reach out to any Davies lawyer to discuss your specific legal matters or you may contact our [Montréal office](#) or visit our website at dwpv.com.

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About the Province of Québec

Québec is one of Canada's 10 provinces and part of Canada's federation. In Canada, the legislative and executive jurisdictions are constitutionally divided between the federal government and the provincial governments. There are also three territorial governments to which legislative authority can be delegated by the federal government. The federal government has exclusive jurisdiction over some matters and others are reserved for the provincial governments, such as property, contracts, natural resources, land use and planning, administration of justice, education, healthcare and municipalities. Most general commercial laws relevant to businesses are under provincial jurisdiction. In practice, Canadian federal and provincial governments often cooperate to create consistent national approaches to matters under provincial legislative jurisdiction.

Québec is an economically diversified province and home to the headquarters of many significant companies and hubs. Their presence has a positive impact on the purchasing power of households in the province: in 2022, Québec's real gross domestic product grew at an annualized growth rate of 2.8%.

Corporate Registration and Filing Requirements

Businesses operating in Québec are required to file and update certain information in a public register with a governmental authority called the Registrar of Enterprises. Corporations constituted under the laws of a jurisdiction other than Québec are required to register within 60 days of the date on which they begin to carry on an activity in Québec, including the operation of a business. The concept of carrying on an activity or operating a business includes having an address, a post office box or a telephone line in Québec or performing any act for profit in Québec.

The declaration of registration must contain, among other things, the registrant's name, its directors' and shareholders' names and any other name it uses in Québec to carry on its business. A registrant is prohibited from using a name in Québec that does not comply with the Charter of the French language (which requirements are described below). All registrants must name their ultimate beneficiaries and provide the date of birth for each individual whose names appear on the Registrar. The information relating to date of birth and address is not accessible to the public. Together with filing the declaration of registration, directors of legal persons must file a copy of an identification document issued by a government authority, such as a passport or driver's licence. The copies of the identification documents are destroyed by the Registrar in accordance with the Québec law once they are processed.

Taxes

INCOME TAXES

In Québec, non-resident persons, other than partnerships (which are generally treated as passthrough entities for Canadian and Québec tax purposes), are generally only subject to federal and provincial income taxes on limited sources of income – namely, employment income earned in Québec, business income attributable to an “establishment” situated in Québec, and the sale of Québec real estate or assets (such as shares) that principally derive their value from Québec real estate. In contrast, Canadian resident persons (including Canadian subsidiaries) are generally taxed on their worldwide income. Corporations generally benefit from preferential tax rates, but there are some exceptions. Various tax incentives are available, such as refundable and non-refundable tax credits with respect to scientific research and experimental development and certain renewable energies, as well as credits benefiting the financial sector (among other sectors and activities), as well as tax holidays for corporations that commercialize intellectual property or carry out a qualified large investment project, subject to certain conditions.

GOODS AND SERVICES TAXES

Goods and services provided in Québec are generally subject to the Canadian federal goods and services tax (GST) and the Québec sales tax (QST), subject to certain exceptions. The combined GST/QST rate as of 2023 is 14.975%. Businesses required to charge and collect GST/QST must register with Revenu Québec and obtain GST and QST numbers. Businesses are often entitled to input tax credits and input tax refunds for any GST/QST paid on property or services used or consumed in the course of their commercial activities.

PAYROLL DEDUCTIONS AT SOURCE

Businesses that have employees in Québec must generally make deductions at source and pay employer social contributions on salaries and other remuneration paid to these employees.

Labour and Employment

MINIMUM STANDARDS

Employment standards are set by the *Act respecting labour standards* (Labour Standards Act). This legislation generally does not apply to senior managerial personnel, a category that has been interpreted to consist of the limited group of individuals who participate in the decision-making process regarding the policies and strategies of the organization. The Labour Standards Act and its regulations provide, *inter alia*, for the following:

- a minimum wage as of May 1, 2023, of C\$15.25/hour for most employees (C\$12.20/hour for employees who receive tips);
- recourse for employees who are victims of prohibited practices;
- recourse for employees who have two or more years of service and who believe they were dismissed without cause; an employee who is successful in his or her claim may request to be reinstated, in addition to being awarded any lost wages;
- the right to be absent from work for an extended period of time for health reasons (including the health of a family member);
- the right to work in an environment free from psychological harassment; and

- the right to statutory minimum notice of termination (in the absence of grave fault for termination) or payment in lieu of notice, ranging from one to eight weeks, depending on the length of the employee's uninterrupted service.

In the case of the termination of 10 or more employees within two consecutive months, additional requirements may apply (including prior notice to the Ministère du Travail, de l'Emploi et de la Solidarité sociale).

LABOUR RELATIONS

Labour relations are subject to Québec's *Labour Code*, which protects the right of employees to belong to a union and deals with issues relating to the organization of unions and their representation of employees. The *Labour Code* sets out the conditions for a union to be recognized as the sole representative of employees as well as for the negotiation process. During the term of a collective agreement, no strike or lockout can take place. The right to strike or lock out is generally acquired once the collective agreement expires. The *Labour Code* prohibits an employer from hiring anyone to replace striking or locked-out employees unless the replacement is a management employee who works in the establishment affected by the strike or lockout. Labour disputes are adjudicated by the Tribunal administratif du travail. This tribunal also deals with issues relating to the organization of unions and their representation of employees.

CIVIL CODE OF QUÉBEC

In addition to the employment standards set out in the Labour Standards Act and a few other statutes, the employment relationship is governed by the *Civil Code of Québec*. The following are some of its key provisions:

- An employment agreement can provide for a fixed or an indeterminate term of employment.
- The employer must take measures to protect the health, safety and dignity of employees.
- The parties may stipulate a non-competition covenant, provided that it is limited as to time, place and type of employment necessary for the protection of the interests of the employer.
- Either party to an employment agreement with an indeterminate term may terminate the contract, subject to reasonable prior notice or an indemnity in lieu thereof.
- Either party may terminate an employment agreement without prior notice for a serious reason.
- Employees may not validly renounce their right to receive reasonable notice in the event of termination without serious reason.
- An employment agreement is not terminated by the sale of the assets of a business or any change in its legal structure by way of amalgamation or otherwise, and the employment agreement is binding on any successor employer.
- A “choice of law” clause may be unenforceable if it deprives workers of the protection to which they are entitled under the mandatory provisions of the law of the country where they usually work.

Because minimum statutory notice of termination and the right to receive reasonable notice cannot be contracted out of or waived, terms in an employment agreement that provide for “termination at will” are not enforceable.



Labour and Employment laws in Québec are set by several statutes, including the *Act respecting labour standards*, the *Quebec Labour Code* and the *Civil Code of Québec*.

HEALTH AND SAFETY

The employer's and employee's rights and obligations regarding the health, safety and dignity of employees are governed by the *Act respecting occupational health and safety*. The following are some of the employer's main obligations:

- Ensure establishments are equipped and arranged to protect workers.
- Ensure that the organization of the work and the working procedures and techniques do not adversely affect the safety or health of workers.
- Give workers adequate information regarding the risks associated with their work and provide them with the appropriate training, assistance or supervision.
- Take measures to protect any workers who are exposed in the workplace to physical or psychological violence, including spousal, family or sexual violence. Among other things, employers must adopt and make available to employees a policy for preventing harassment and handling complaints.

Employees have the right to refuse to perform any specific work that they have reasonable grounds to believe could endanger their health, safety or physical or mental well-being. The Commission des normes, de l'équité, de la santé et sécurité au travail has set out various standards to ensure employers meet their obligation to protect the health and safety of their workers.

WORKERS' COMPENSATION

The *Act respecting industrial accidents and occupational diseases* provides for compensation for injuries arising from employment and may include income replacement, compensation for bodily injuries, treatment, rehabilitation and death benefits. Compensation is based on a no-fault system. Workers injured by accidents arising



The object of the *Act respecting occupational health and safety* (Québec) is the elimination, at the source, of dangers to the health, safety and physical and mental well-being of workers.

from employment or suffering from an industrial disease may receive compensation from the fund established for such purposes; they cannot, however, sue the employer for damages. The fund is financed by premiums or assessments paid exclusively by all of Québec's employers. In certain circumstances, the statute may apply to employers who do not have an establishment in Québec at the time when the accident occurs or the disease is contracted.

PENSION AND RETIREMENT SAVINGS PLANS

For individuals employed or resident in Québec, the Québec Pension Plan (QPP), which is a public insurance plan, is applicable and mandatory. Government agencies are responsible for collecting the contributions and investing the funds. The employee's contribution under the QPP is a percentage of earnings, which is matched by the employer's contribution.

In addition to the QPP, employers with 10 or more eligible employees must either offer a form of pension or retirement savings arrangement or subscribe to a “voluntary retirement savings plan” (VRSP). An employer is not required to contribute to a VRSP, but employees must be allowed to contribute through a payroll deduction.

Employers may choose to offer other types of pension plans to their employees, although there is no legal requirement to do so. These plans may be specific to a single employer or they may be multi-employer pension plans that are administered by boards of trustees. Pension plans can be defined benefit, defined contribution or hybrid plans. Defined benefit plans are becoming less common in the private sector. Provincial pension benefits standards legislation sets out minimum standards applicable to pension plans and specifies rules relating to many aspects of the pension arrangement. Other retirement savings arrangements (such as a group retirement savings plan) can also be offered by employers.

PAY EQUITY

Employees in a job predominantly held by women have a right to be paid a wage equal to the wages earned by employees in a job predominantly held by men, if the positions have the same value in the company. This principle is set out in the *Pay Equity Act*, which applies to employers with 10 employees or more. The employer’s obligations vary according to the number of employees. These obligations for an employer with 10 to 49 employees include carrying out a pay equity process, and devising a pay equity plan if it has 50 or more employees. Employers with 100 or more employees must also set up a pay equity committee. Regardless of the number of employees, employers are required to submit an annual report to the Commission des normes, de l’équité, de la santé et sécurité au travail. This report serves to determine whether an employer will be subject to the obligations set out in the *Pay Equity Act*.

WORKFORCE TRAINING

Québec’s *Act to promote workforce skills development and recognition* requires most employers with payrolls in excess of C\$2 million to spend an amount representing at least 1% of their total payrolls on eligible training expenditures. Employers that do not spend the minimum amount fixed by law are required to pay to the Minister of Revenue the difference between the statutory amount and the amount actually spent. Employers subject to this Act must file and submit a form annually to the Commission des partenaires du marché du travail in respect of the total payroll on which their minimum participation in workforce skills development must be calculated and in respect of their eligible training expenditures.

Language Requirements

Although most people in Montréal are bilingual (English and French), Québec is predominantly French-speaking and has a long tradition of adopting measures aimed at increasing the use of French in commerce. One measure is the adoption of the Charter of the French language (Charter). The Office de la langue française is the Québec government authority that oversees the implementation of the Charter in business and commerce.

BUSINESS NAMES

Businesses must have a French name, although a version in another language is also permitted. The names may be used concurrently, provided that the French version appears at least as prominently. Expressions taken from other languages may also appear in the name, provided that a “generic” French language term is used in conjunction with the non-French expression.

For example, the name “Quickfix” by itself would not be acceptable. However, the name “Quincaillerie Quickfix” would generally meet the requirements of the Charter, given the use of the generic term quincaillerie (meaning hardware store).

TRADEMARKS

The concepts of trademark and business name are different, even though some enterprises carry on business under the name of their trademark. If a non-French trademark is a *recognized trademark* in Canada (i.e., one that has been registered, one for which an application for registration has been filed or one that has been established by use) and no French version of such trademark has been registered, the non-French trademark may appear exclusively on commercial signage. However, it should be accompanied by a “sufficient presence of French” when displayed on the outside of a building or premises. For instance, it could be accompanied by a generic term in French, a French description of the product or service concerned or a French slogan. The display of the French elements must be designed, illuminated and situated to make them easy to read at all times.

Beginning on June 1, 2025, the scope of the exception of a recognized trademark without a French version will be reduced to registered trademarks (i.e., those that are in the Register of Trademarks). In addition, the current criterion of a “sufficient presence of French” applying to the display of the trademark outside a building or premises will be stricter and will change to the “markedly predominant presence of French” criterion. The space devoted to the text in French accompanying such a mark and the characters used will have to be “at least twice as large” as its version in another language.

SIGNS AND POSTERS

Subject to certain exceptions, publicly displayed signs, posters and commercial advertising must be in French. They may also be both in French and in another language provided that the French text is “markedly predominant” (i.e., the French must have a much greater visual impact). The regulation defining the scope of the expression “markedly predominant” provides more specific criteria.

OBLIGATION TO OFFER SERVICES IN FRENCH

Persons doing business in Québec must be capable of providing their services in French to consumers and businesses that wish to be informed and served in French. However, it does not mean that French is the exclusive language of business. If they so wish, consumers and businesses may agree with a business providing goods or services in Québec to be informed and served in another language.

PACKAGING AND LABELLING

The inscription on a product, its container or its wrapping, or on a document or object supplied with it, must be in French. A translation is permitted, but the inscription in another language may not be given greater prominence than that in French. Exceptionally, the law allows for the exclusive use of a language other than French in the case of inscriptions on a cultural or educational product such as a book or magazine if the content is in a language other than French. Also note that as previously stated, a recognized trademark in Canada may appear exclusively in a language other than French on packaging and labelling unless a French version has been registered. Beginning on June 1, 2025, the scope of this exception will be limited to the registered trademark (i.e., listed in the Register of Trademarks).

COMMERCIAL PUBLICATIONS, WEBSITES AND SOCIAL MEDIA

As a general rule, commercial publications, which now include publications on websites and social media platforms, must be written in French. However, the rule applies only to the official platforms of businesses with an establishment in Québec and when the publications target the Québec public.

Commercial publications may use both French and another language together, so long as the French version is displayed at least as prominently as the other language. A commercial publication may also have two versions, one exclusively in French, the other exclusively in another language, provided that the French version is as accessible and at least of equal quality to the other version. For websites, this can be done through a separate French version of the site.

When applied to social media, the French language rule means that a business with an establishment in Québec can have an account in French and an account in another language. It can also have one account, provided that every publication targeting the Québec public be displayed at least as prominently in French as in another language. When interacting with a Québec consumer, businesses must reply in the language of the consumer's choice (e.g., if a Québec consumer comments on a publication in French, the business must reply in French). Note that the law recognizes that businesses cannot control the language used in sponsored ads.

CONTRACT PREDETERMINED BY ONE PARTY

A contract predetermined by one party (i.e., a contract in which essential stipulations were imposed or drawn up by one of the parties and were not negotiable) must be drawn up in French.



Although most people in Montréal are bilingual (English and French), Québec is predominantly French-speaking and has a long tradition of adopting measures aimed at increasing the use of French in commerce.

However, there are two exceptions. First, it can be drafted in another language if a French version of the contract has first been provided to the party that has not drawn up the contract and it is the express intention of the parties to be bound only by the version in a language other than French. Second, certain enumerated contracts, including contracts used in relationships outside Québec, can be drafted in another language if that is the express wish of the parties; in that case the parties should include an express choice-of-language clause. Failure to comply with these Charter requirements can lead to serious consequences, including the right of a person to ask for the nullification or a reduction of their obligations and the application of specific rules regarding proof and the ability to invoke parts of the contract against any other parties.

ORDER FORMS AND INVOICES

Order forms, invoices, receipts and releases must be drafted in French. However, such documents may be written in both French and another language, provided that the French version is available on terms at least as favourable as their version in the other language.

EMPLOYMENT

All workers in Québec have the right to work in French. Employers are prohibited from dismissing, laying off, demoting or transferring an employee only because that employee has insufficient knowledge of a language other than French. Requiring knowledge of a language other than French for employment or a position is prohibited unless the nature of the duties requires such knowledge. Employers must compose and publish written communications to staff and offers of employment or promotion in French. Employment application forms, documents relating to employment conditions and training documents must be available in French for employees. In addition, an employment contract that qualifies as a predetermined “form” employment contract (i.e., a contract in which stipulations were imposed or drawn up by the employer and were not negotiable) must be provided in French to the employee. A predetermined form employment contract cannot be drafted exclusively in a language other than French, even at the express wish of the parties. The Charter also requires businesses to promote the use of the French language within an enterprise situated in Québec. This obligation increases with the size of the business.



The Office de la langue française is the Québec government authority that oversees the implementation of the Charter in business and commerce.

LITIGATION

The Charter provides that pleadings filed by a legal person (i.e., not an individual) in any proceedings in Québec will not be accepted by a court, tribunal or other adjudicator for which the province of Québec is responsible unless accompanied by a French translation prepared by a certified translator; however, this requirement is temporarily suspended as a result of a constitutional challenge.

Environment

In Québec, environmental matters are regulated at the federal, provincial and local levels through a wide variety of laws, regulations and bylaws. Environmental requirements can be triggered with respect to both the operations conducted and the locations where such operations occur, varying according to such operations and locations.

Privacy Protection

PROTECTION OF PERSONAL INFORMATION

The *Act respecting the protection of personal information in the private sector* (Private Sector Act) imposes on enterprises in Québec a wide array of obligations regarding the personal information they collect or use, including personal information relating to their employees and customers. Québec's privacy regulator, the Commission d'accès à l'information (CAI), oversees the application of the Private Sector Act. Under this Act, any person carrying on an enterprise who collects, uses or communicates personal information relating to another person may do so only with that person's consent. To be effective, consent must be clear, freely provided, informed and given for specific purposes.

Such consent remains valid only for the time necessary to achieve the purposes for which it was requested. However, this consent requirement is subject to several exceptions. The Private Sector Act also requires that enterprises adopt appropriate security measures to protect personal information. The Act provides individuals with the right to access their personal information held by an enterprise and to request that such information be corrected if necessary.

ANTI-SPAM LEGISLATION

Canada's federal anti-spam legislation (known as CASL) regulates, among other things, the sending of commercial electronic messages (CEMs). In general, and subject to the exceptions set out in the legislation, CASL prohibits companies from sending, causing or permitting CEMs to be sent to an electronic address without the express or implied consent of the recipient. CEMs mean *any* electronic message, including a traditional marketing communication that encourages participation in a commercial activity. CASL also prohibits a number of other activities, including (i) altering the transmission data of an electronic message, enabling it to be rerouted to a different destination without the express consent of the sender or the recipient; and (ii) installing certain software onto a computer system or causing such software to send an electronic message without the express consent of the owner or an authorized user and without having first provided certain disclosures.

THE MODERNIZATION ACT

An Act to modernize legislative provisions as regards the Protection of Personal information (Modernization Act), which became law on September 22, 2021, contains a broad range of important amendments to Québec's Private Sector Act, which have come and will come into effect over a three-year period (between September 2022 and September 2024). With the passage of the

Modernization Act, Québec has ushered in the most consumer-friendly privacy law in Canada. Some of the most significant changes are outlined below. With the exception of the requirement for reporting and notification of confidentiality incidents, which came into force in September 2022, all the changes listed below came into force on September 22, 2023:

Reporting and Notification of Confidentiality

Incidents. Enterprises are required to keep a register of all “confidentiality incidents,” defined to include privacy breaches and unauthorized access to, use of or communication of personal information. When such an incident poses a “serious risk of injury,” it must also be reported to CAI, and notice must be provided to individuals whose personal information was involved. Enterprises are also required to take reasonable measures to reduce the risk of injury from suspected confidentiality incidents and to prevent new incidents of the same nature.

Fines and Penalties. The CAI has been granted expanded powers of enforcement under the Modernization Act that allow it to impose administrative monetary penalties for a wide range of violations to the Private Sector Act. Other than for natural persons, these penalties could be as high as C\$10 million or, if greater, 2% of worldwide turnover for the preceding fiscal year. The Act mandates the CAI to develop a general framework for the application of administrative monetary penalties, but guarantees enterprises certain safeguards, such as notification before the imposition of a penalty, an internal review process and a right to contest a review decision before the Court of Québec. The Act also provides the CAI with the power to institute penal proceedings before the courts for violations of the statute. Other than for natural persons, fines upon conviction can range from C\$15,000 to C\$25 million or, if greater, 4% of worldwide turnover for the preceding fiscal year.

Privacy Impact Assessments. Organizations are required to conduct a privacy impact assessment (PIA) with respect to any project to acquire, develop or redesign an information system or electronic service delivery system involving the collection, use, disclosure, retention or destruction of personal information. PIAs must be proportionate to the sensitivity of the information concerned, the purpose for which it is to be used, the quantity and distribution of the information and the medium on which it is stored.

Cross-Border Transfers. Prior to communicating personal information outside Québec, enterprises must undertake a PIA that assesses and confirms that the information will receive an adequate level of protection according to “generally accepted data principles.” This assessment applies whether or not the information is transferred to a foreign data controller or to a data processor entrusted with the collection, use, communication or storage of the information on the enterprise’s behalf. Communication of personal information outside Québec must be the subject of a written agreement that addresses the results of this assessment and, if applicable, the terms agreed on to mitigate any risks noted in the assessment.

Accountability. The Modernization Act also imposes on enterprises a suite of responsibilities and obligations relating to the preservation, protection and destruction of personal information, including the obligation to establish and implement governance policies and practices regarding personal information that ensure the protection of such information. These policies and practices must, in particular, provide a framework for the keeping and destruction of the information, define the roles and responsibilities of the members of its personnel throughout the life cycle of the information

and provide a process for dealing with complaints regarding the protection of the information. This Act also introduces “privacy by design” into Québec law by requiring that the parameters of any technological product or service provide the highest level of confidentiality by default.

Transparency. The Modernization Act also requires an enterprise that collects personal information to make available to the affected individual (referred to as the data subject) information regarding the purpose and means of collection as well as the individual’s rights of access, rectification and withdrawal of consent prior to or concurrent with collection. If applicable, the enterprise must also disclose the names of any third parties on whose behalf the information is being collected, the names or categories of third parties to whom it is necessary to communicate the information and the possibility that the information could be communicated outside Québec. Additional disclosure requirements apply in the event of requests from data subjects and when the information is collected through technology that allows the data subject to be identified, located or profiled.

Policies. Enterprises are required to publish on their websites detailed information about their policies and practices regarding personal information. Enterprises that collect personal information through technological means are likewise required to publish a confidentiality policy.

Individual Rights. Persons whose information has been collected have the right to obtain, upon request, a written transcript of computerized information about them that an organization holds. Persons also have a “right to be forgotten,” meaning the right to be de-indexed and to demand that personal information cease to be disseminated in certain circumstances.



The Act respecting the protection of personal information in the private sector (Private Sector Act) imposes on enterprises in Québec a wide array of obligations regarding the personal information they collect or use, including personal information relating to their employees and customers.

Intellectual Property

With only a few exceptions, intellectual property in Canada is governed by federal laws, and intellectual property rights can be registered with the Canadian Intellectual Property Office.

PATENTS

A patent protects new, useful and inventive functional features of a product or process. It is granted under the *Patent Act* for a maximum of 20 years following a request by its inventor. Note that an invention made by an employee is, in the absence of an agreement to the contrary, the employee's property unless the employment agreement provides otherwise or the employee was specifically hired to invent or innovate. Patent rights are protected only if they are registered.

COPYRIGHTS

A copyright constitutes the sole right to reproduce, publish and perform literary, dramatic, artistic and musical works such as original drawings by which a product is designed, computer programs and software. A copyright is owned by its author upon creation of the work, with the exception of an employer that owns the copyright on works created by an employee in the course of employment. Copyrights can be registered under the *Copyright Act* for a period generally lasting the life of the author, plus 50 years thereafter.

INDUSTRIAL DESIGN

An industrial design registration protects the aesthetic appearance of an article, meaning that its features of shape, configuration, pattern or ornamentation or any combination of those features are protected for a period of 10 years. Industrial design rights are protected only if they are registered.

TRADEMARK

Trademark protection is available for a distinctive sign identifying the source of a product or service. Registration under the *Trade-marks Act* is not mandatory but is recommended. Registration involves strict criteria but can ensure stronger protection and facilitate the enforcement of trademark rights indefinitely, as long as the registration is renewed and the trademark continues to be distinctive and used in commerce in Canada.

QUÉBEC LAW

Trade secrets may be protected through contract law, which is governed by the *Civil Code of Québec*, at the provincial level. Québec law also governs trade names and contracts related to intellectual property, such as assignments, licences and hypothecs (i.e., security interests).



Intellectual property in Canada is generally governed by federal laws, and intellectual property rights can be registered with the Canadian Intellectual Property Office.

Consumer Protection Act

In Québec, consumer protection is governed principally by the *Consumer Protection Act* (CPA), which applies to various transactions between merchants and consumers. The CPA applies to contracts for goods or services entered into between a consumer and a merchant in the course of its business. The CPA and its regulation provide for the following key elements, which are applied according to the type of consumer contract.

LANGUAGE OF THE CONTRACT

The CPA provides that certain consumer contracts drawn up in a language other than French only bind the parties if a French version of the contract has been provided to the consumer and the parties expressly state their wish to only be bound by the version in the other language. Unlike the Charter, the CPA does not contain an exception for contracts used in relationships with persons outside Québec.

CONFORMITY TO ADVERTISEMENTS

Goods or services provided to a consumer must conform to the merchant's or manufacturer's statements or advertisements about them. The statements or advertisements are binding on that merchant or manufacturer.

SALE PRICE MUST BE INDICATED

A merchant must indicate the sale price clearly on all its goods or, if the goods are wrapped, on the wrapping, subject to several exemptions whereby the price must rather be displayed near the place where the good is sold.

ISSUANCE OF CREDIT CARDS

The CPA regulates “contracts extending variable credits,” which include contracts made for the use of what are commonly referred to as “credit cards.” The contract usually sets out the maximum credit allowed, the conditions under which a credit card is issued and the cost of using the credit card. The merchant may not issue or send a credit card to a consumer unless the consumer has applied for it in writing. The merchant must also furnish the consumer with a statement of account, mailed not less than 21 days before the date on which the creditor may impose credit charges if the consumer does not discharge his or her obligation in full.

PREPAID CARD

The CPA also regulates prepaid gift certificates, gift cards and similar media of exchange that are paid for in advance. Any stipulation providing for an expiry date on a prepaid card is prohibited unless the contract provides for the unlimited use of a service or is for mobile telephone services. It is important to note that merchants have an obligation to disclose in writing to the consumer the terms and conditions of use of the prepaid card, as well as how the consumer may check the balance remaining on the prepaid card.

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