

SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY APPEALS

BETWEEN:

HEALTHWARD CANADA

Appellant

– and –

VAXCO LTD.

Respondent

2021

FACTUM OF THE APPELLANT

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PART I: OVERVIEW

[1] Healthward Canada (“Healthward”), the Appellant, works with Health Canada to vaccinate Canadians. Healthward’s affiliation with Health Canada provides Canadian consumers with an added quality guarantee that its vaccinations are trustworthy. This enhanced confidence in Healthward’s products is what official marks are designed to protect. The official marks regime adds an extra layer to consumer protection¹ by only granting such status to organizations backed by the government. Allowing Vaxco, Ltd (“Vaxco”), the Respondent, to register a mark that resembles Healthward’s official mark will undermine Parliament’s purpose in creating the official marks regime. It will strip Healthward of its established public trust.

[2] Permitting Vaxco’s trademark registration for “FLUSTOPPA” & Design (see Appendix 1) allows it to unfairly benefit from its resemblance to Healthward’s mark FLUSTOPPER. Health Canada’s contributions signal government support of Healthward’s reputable product. Vaxco’s American trademark FLUSTOPPA, on the other hand, is disingenuous to consumers who may mistakenly use the Vaxco vaccine while believing they are using a government-supported Healthward vaccine. Ruling in favour of Vaxco’s trademark registration would open the door to companies benefiting from the standard associated with the official mark, which the trademark resembles.

[3] In Canada, the trademark regime operates on a “use it or lose it” basis.² Therefore, an absence of use means there is no trademark to protect. Ruling in Vaxco’s favour would allow a

¹ *Mattel, Inc v 3894207 Canada Inc*, [2006 SCC 22](#) at para 2 (for the proposition that trademarks are a guarantee of origin).

² *Ibid* at para 5 (for the proposition that trademark holders must either use their trademark or lose its protection).

trademark to be registered while failing to establish any prior use of the mark in Canada. This undermines trademark law's purpose.

[4] This Court should reverse the Court of Appeal's ruling and reaffirm Justice Coff's trial level decision that Vaxco's mark infringes Healthward's official mark. FLUSTOPPA & Design is unregistrable in Canada because it was introduced after the adoption and use of FLUSTOPPER, a valid official mark. Further, FLUSTOPPA too closely resembles FLUSTOPPER.

PART II: STATEMENT OF FACTS

[5] Healthward is authorized by Health Canada to provide the critical public service of vaccinating Canadians, a responsibility it has successfully fulfilled for over five years.³ To increase the public health initiatives offered to Canadians, Healthward continuously consults with Health Canada when creating its educational curriculums and programming. Healthward also follows Health Canada's directions when providing mobile vaccination clinics to specified vulnerable communities. Through holding two seats on Healthward's small board of directors, Health Canada helps manage the health benefits delivered to Canadians. Health Canada also covers approximately three-quarters of Healthward's operating expenses, which allows Healthward to focus on delivering high quality vaccination services to Canadians. While these partners are free to alter their contractual relationship,⁴ this has been a stable relationship with no history of disagreement or conflict in the last five years. Health Canada's support benefits Healthward, which in turn benefits Canadians.

³ *Healthward Canada v Vaxco Ltd.* 20 TCCIP 1222 at paras 9–10 [*Trial Division*] (Healthward's operations).

⁴ *Ibid* at paras 10-11 (Health Canada funds and supervises Healthward).

[6] Part of Healthward’s team is Healthward Industries Corp (“HIC”), a Canadian corporation that provides vaccines and medical supplies to Healthward for use in its mobile clinics. HIC uses the FLUSTOPPER official mark when selling to third parties, in exchange for royalties paid to Healthward.⁵ Together, the collaboration between Healthward, HIC, and Health Canada provides vaccinations across Canada.

[7] Healthward’s mark, FLUSTOPPER, was given official mark status in January 2019.⁶ In February 2019, Vaxco attempted to bring its American vaccine into the Canadian market.⁷ Healthward’s official mark, FLUSTOPPER, created an obstacle for Vaxco’s trademark registration. Although Vaxco’s trademark has been in use for years, it operates solely in the United States.⁸ Vaxco merely displays the FLUSTOPPA trademark on its website and on minimal print and billboard advertisements in Canadian border cities caused by spill-over advertising. Few Canadians use Vaxco’s website or visit its vaccination clinics in the United States.⁹ Healthward, on the other hand, is backed by Health Canada and continuously maintains a credible reputation among Canadian consumers as a public health educator and provider.

PART III: POINTS IN ISSUE

[8] In this appeal, this Court should conclude the following:

- A.** Is Healthward’s official mark, FLUSTOPPER, valid? [Yes. Healthward is a public authority and its activities benefit the public.]

⁵ *Ibid* at paras 12-13 (HIC’s contributions to Healthward’s initiatives).

⁶ *Ibid* at para 8.

⁷ *Ibid* at para 6.

⁸ *Ibid* at para 4.

⁹ *Ibid* at para 5.

B. Does Vaxco’s trademark, FLUSTOPPA & Design, resemble FLUSTOPPER? [Yes. Vaxco’s FLUSTOPPA & Design too closely resembles Healthward’s official mark, FLUSTOPPER.]

C. Can FLUSTOPPER & Design be registered in Canada? [No. Vaxco’s mark has not been used in Canada prior to the public notice of Healthward’s adoption and use of FLUSTOPPER.]

[9] Healthward asks this Court to reverse the Court of Appeal’s ruling and to reinstate Justice Coff’s trial decision: Vaxco’s foreign trademark infringes Healthward’s Canadian official mark; Vaxco’s trademark registration should be refused; and an injunction prohibiting Vaxco’s use of FLUSTOPPA & Design in Canada should be ordered by this Court.

[10] Reinstating Justice Coff’s trial level decision would not prohibit Vaxco from operating in Canada. Vaxco is free to expand into the Canadian vaccination market; however, it should not do so using a trademark that so closely resembles Healthward’s official mark. Healthward seeks only to prevent foreign organizations from encroaching on credible Canadian health providers and their government-supported services.

PART IV: ARGUMENTS IN BRIEF

A. HEALTHWARD’S FLUSTOPPER IS A VALID OFFICIAL MARK

[11] Healthward’s official mark is valid because it meets the statutory criteria pursuant to the *Trademarks Act* (“the *Act*”): Healthward is a public authority, which adopted and used FLUSTOPPER prior to public notice.¹⁰ Public notice of Healthward’s adoption and use of its official mark were made by the Registrar in January 2019.¹¹ This is not at issue. However, Vaxco wrongfully alleges that Healthward is not a public authority for the purposes of subsection 9(1)(n)(iii) of the *Act*.

1. Healthward is a public authority

[12] Healthward is a public authority because it is subject to a significant degree of governmental control and its activities benefit the public. This two-pronged test was set out by Justice Evans in *Ontario Assn. of Architects v Assn. of Architectural Technologists of Ontario*.¹² The Court of Appeal, in Healthward’s case, was correct in holding that charity status alone does not qualify an organization as a public authority.¹³ However, the Court of Appeal erred in its government control analysis by failing to consider the full extent that Health Canada’s directions constrain Healthward’s operations in the marketplace.

¹⁰ [RSC 1985, c T-13](#), s 9(1)(n)(iii) [*Trademarks Act*].

¹¹ *Trial Division* at para 8.

¹² *Ontario Assn. of Architects v Assn. of Architectural Technologists of Ontario*, [2002 FCA 218](#) at para 49 [*Ontario Architects*].

¹³ *Vaxco Ltd v Healthward Canada*, 2020 CAIP 333 at para 8 [*Appeal Division*].

a. Healthward is subjected to a significant degree of Canadian governmental control

[13] The Canadian government exercises control over Healthward, evidenced by Health Canada's continuous supervision. This aspect helps satisfy the first prong of the public authority test. As established by Federal Court Justice Mactavish in *Canada Post Corp v United States Postal Service*, a Canadian public authority must be controlled by the Canadian government.¹⁴ The fact that Healthward has operated under Health Canada's control since 2015 follows Mactavish's ruling. Governmental control also requires ongoing supervision. The government must influence the public authority's governance and decision-making.¹⁵ Unlike, in *Ontario Architects*, where there was insufficient governmental influence over the entity, Healthward is continuously influenced by Health Canada. This aspect further satisfies the first prong of the public authority test.

[14] In *Ontario Architects*, the Federal Court of Appeal considered the ways in which the Association of Architectural Technologists ("the AATO") was governmentally controlled. The AATO only presented two pieces of evidence. First, the organization was governed by statute. Healthward, on the other hand, is continuously supervised by a regulatory body, Health Canada. Second, the AATO argued control existed because the Legislature could amend its statutory objects and duties. These exclusive amendment powers, however, did not constitute influence over the AATO's decision-making because once the statutory change was made, there was no ongoing legislative supervision. Healthward's claim is distinguishable from *Ontario Architects* because Health Canada's contributions influence how Healthward organizes itself and its operations on an ongoing basis. Health Canada influences Healthward's vaccination materials which are used for

¹⁴ *Canada Post Corp v United States Postal Service*, [2005 FC 1630](#) at para 79.

¹⁵ *Ontario Architects*, *supra* note 12 at paras 59, 62.

public education; Health Canada directs Healthward to administer vaccines in designated communities; and Healthward's failure to organize its operations based on Health Canada's instructions may result in reduced funding to Healthward. Health Canada's direct influence is evidenced by Healthward's operational decisions, including its attendance to every designated community since the beginning of the agreement. Healthward receives the majority of its funding from Health Canada, so Healthward is financially committed to following Health Canada's directions. This dependency on Health Canada is what led Justice Coff to conclude Healthward has "no practical choice but to comply with Health Canada's direction."¹⁶

[15] Additionally, Health Canada is permitted to appoint two directors to Healthward's five-person board—a controlling power conferred on the governmental body.¹⁷ Although two out of five directors is not a majority, the requirement for government control is "not an 'absolute control' test."¹⁸ With Healthward's small-sized board, two individuals can impact decisions. The focus is on the representative's ability to influence, not on the number of representatives. A combination of the representative's ability to influence decision-making, and Healthward's significant financial dependency on Health Canada, signals the controlling relationship between the parties.

b. Healthward's activities benefit the public

[16] Assessing Healthward's "objects, duties, and powers"¹⁹ demonstrates its activities benefit the public, thereby satisfying the second prong of the public authority test. In *Ontario Architects*, the Federal Court of Appeal ultimately held, for reasons distinguishable from this case, that the

¹⁶ *Trial Division* at para 19.

¹⁷ *Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia*, [2013 FC 287](#) at para 36 (for the proposition that appointing a director is an example of governmental control).

¹⁸ *See You In-Canadian Athletes Fund Corp v Canadian Olympic Committee*, [2007 FC 406](#) at para 60.

¹⁹ *Ontario Architects*, *supra* note 12 at para 52.

AATO was not a public authority. Nonetheless, the Court of Appeal held that if AATO's activities were considered, they would have benefitted the public. In this case, Justice Coff and the Court of Appeal correctly agreed that Healthward's initiatives benefit the public.²⁰ The fact that Healthward has lobbied to promote vaccines for over five years proves an important public benefit. Healthward educates the public about vaccines, providing Canadians with the proper tools to combat health challenges. Healthward also runs mobile clinics to freely administer vaccinations to Canadians in need. While the Court of Appeal erred in its public authority conclusion, it correctly concluded that Healthward's contributions "dramatically improved" public health and saved many lives.²¹

[17] A public authority that provides public benefits may also provide private benefits. In *Ontario Architects*, the Court held that the AATO served the interests of the associated members, but it also served the interests of the public by regulating the profession through the enforcement of ethical standards.²² Based on *Ontario Architects*, the working relationship between Healthward and its affiliate, HIC, does not impact the benefits continuously afforded to the public. Although the Court of Appeal briefly introduced a general concern about licensing official marks, Healthward's affiliation with HIC does not lessen Healthward's positive contribution to the vaccination of Canadians. HIC promotes vaccine use through its sales, which spreads awareness, and increases the impact of Healthward's public health initiatives.

2. Official marks guarantee a government standard of reliability

[18] Because Health Canada supports Healthward as an organization, its official mark FLUSTOPPER should be afforded more protection than a regular trademark without government

²⁰ *Appeal Division, supra* note 13 at para 9.

²¹ *Ibid.*

²² *Ontario Architects, supra* note 12 at para 69.

backing. This need for additional protection is consistent with the intent of section 9 of the *Act*: to remove official marks from the “field of trade or business”.²³ Official marks are not granted to drive more business to a company; they are granted to protect public authorities against companies that want to use a very similar-looking trademark for profit-generating purposes. Permitting the registration of a trademark that is identical or similar to an official mark risks creating consumer confusion. Permitting the registration also allows the infringing trademark owner to capitalize on the credibility of an official mark. Healthward’s FLUSTOPPER is associated with Health Canada, the branch of government responsible for keeping the population healthy. For Canadians, this demonstrates that Healthward and Health Canada share similar objectives. If Vaxco’s trademark is introduced to the Canadian health market, consumers may mistakenly attach their confidence to a company not supported by the government and that lacks the higher degree of credibility.

B. VAXCO’S TRADEMARK RESEMBLES HEALTHWARD’S OFFICIAL MARK

[19] Although the Court of Appeal correctly applied the resemblance analysis, it erred in concluding that the marks do not resemble each other. Using the “first impression and imperfect recollection” standard, Vaxco’s mark resembles Healthward’s official mark and cannot be registered.²⁴ The “first impression and imperfect recollection” standard imports the authoritative factors from section 6(5)(e) of the *Act* into the resemblance test for official marks. This Court should look at appearance, sound, and ideas suggested to determine resemblance between the competing marks. This test is not a straight comparison of the marks; rather, this Court should consider these factors holistically.²⁵

²³ *Techniquip Ltd. v Canadian Olympic Association*, [1998] [145 FTR 59](#) at para 28.

²⁴ *Trademarks Act*, *supra* note 10.

²⁵ *Big Sisters Assn of Ontario v Big Brothers of Canada*, [1997] [131 FTR 161](#) at 48 [*Big Sisters*].

1. FLUSTOPPER and FLUSTOPPA are nearly identical in appearance

[20] Although the resemblance of the marks is not discussed at length in the trial decision, Justice Coff concluded the marks resemble each other in appearance. The names FLUSTOPPER and FLUSTOPPA are nearly identical in spelling. The only difference are the endings: “ER” and “A”. The Supreme Court in *Masterpiece Inc v Alavida Lifestyles Inc* dealt with the competing trademarks “Masterpiece the Art of Living” and “Masterpiece Living”. Justice Rothstein acknowledged the first word of a trademark is important, but sometimes a particularly striking aspect of a mark can also be considered for resemblance purposes. The Supreme Court held there was no striking part about the words “the Art of Living” or “Living”. So “Masterpiece” was the dominant word to compare, and it was “obviously identical” between the marks.²⁶ Here, there is no unique aspect to the words FLUSTOPPER or FLUSTOPPA. Therefore, the first part of the marks “FLUSTOPP” should be compared. Consequently, the marks are identical in appearance.

[21] Similarly, in *Nature’s Source Inc v Natursource Inc*, the Federal Court considered the appearance of the trademark NATURSOOURCE, compared to NATÜR SOURCE & Design, NATURESOURCE, SOURCE NATURALS & Design, and SOURCE NATURELLE.²⁷ Justice Bédard found these marks were almost identical in sound and appearance.²⁸ Healthward’s FLUSTOPPER and Vaxco’s FLUSTOPPA are written in an almost identical way, other than the ending. Therefore, they resemble each other even more so than the trademarks in *Natursource Inc*.

[22] Additionally, in *Quality Program Service Inc v Ontario (Minister of Energy)* (“QPS”), Justice Stratas reaffirmed that “emPOWERme” and “EmPower Me” were nearly identical in

²⁶ *Masterpiece Inc v Alavida Lifestyles Inc*, [2011 SCC 27](#) at para 64 [*Masterpiece*].

²⁷ *Nature’s Source Inc v Natursource Inc*, [2012 FC 917](#).

²⁸ *Ibid* at para 64.

appearance.²⁹ The two marks vary in capitalization and emphasize different parts of the words. FLUSTOPPER and FLUSTOPPA are expressed in the same way, except for the last two letters. The marks closely resemble each other, as was held by Justice Coff at the trial level. Because the marks visually resemble each other, consumers may be misled as to which company is distributing the vaccine and vaccination services supported by the Canadian government.

2. FLUSTOPPER and FLUSTOPPA are nearly identical in sound

[23] There is no striking or unique aspect to FLUSTOPPA that would phonetically differentiate the mark from FLUSTOPPER in the mind of a person with an imperfect recollection. Justice Coff concluded at trial that the marks resemble each other in sound. In 2016, *Duke University v SIR Corp* concluded the trademark “DUKE’S REFRESHER” sounded out in full, was phonetically different than the official mark “DUKE”.³⁰ There is no apostrophe following Vaxco’s FLUSTOPPA, or any additional words following the mark. Sounded aloud, FLUSTOPPA is identical to FLUSTOPPER.

[24] The first part of the mark is the portion given the most weight in the analysis. Where there is a difference in spelling generating no difference in pronunciation, opposing marks will likely be found to resemble each other.³¹ *Pierre Fabre Médicament v SmithKline Beecham Corp.* involved two companies, each with trademarks selling an anti-depressant: PAXIL for one company and IXEL for the other. The marks were analyzed for phonetic similarities; the Federal Court held the first syllable was more important than the second.³² Therefore, the “P” pronunciation could not be

²⁹ 2020 FCA 53 para 3, reaffirming *Quality Program Service Inc v Ontario (Minister of Energy)* [2018 FC 971](#) at para 50 [QPS].

³⁰ *Duke University v SIR Corp*, [2016 TMOB 137](#) at para 29 [*Duke University*].

³¹ *Hope International Development Agency v Hope Worldwide Ltd*, (2009) [81 CPR \(4th\) 224](#) at para 26 (TMOB) [*Hope International*].

³² *Pierre Fabre Médicament v SmithKline Beecham Corp.*, [2004 FC 811](#) at para 47.

phonetically confusing with the “I” pronunciation. In contrast, FLUSTOPPER and FLUSTOPPA both begin with the same pronunciation, but are phonetically confusing because the first syllable is the strongest. Vaxco’s mark is identical in sound to Healthward’s official mark.

[25] Attempting to phonetically emphasize the “-A” ending in FLUSTOPPA versus the “-ER” ending in FLUSTOPPER does not necessarily mean the marks are pronounced differently. In *QPS*, the Federal Court of Appeal found a high degree of resemblance between the pronunciation of Ontario’s mark “emPOWERme” and QPS’s mark “Empower Me”.³³ Despite Ontario’s attempts to place emphasis on the “power” part of its mark using capitalization, the mark still sounded the same as QPS’s mark. Therefore, Vaxco’s attempt to place an emphasis on the pronunciation of the “-A” in FLUSTOPPA should not lead this Court to find the pronunciation different than Healthward’s FLUSTOPPER. FLUSTOPPA phonetically resembles FLUSTOPPER.

3. FLUSTOPPER and FLUSTOPPA convey identical ideas

[26] Vaxco’s syringe design is not distinctive enough to connote a different idea than Healthward’s mark. FLUSTOPPER and FLUSTOPPA both convey the idea of stopping the flu, which should lead to a finding that the marks resemble each other. For example, in *Hope International Development Agency v Hope Worldwide Ltd*, one mark depicting the idea of “development” or “a child” was enough to distinguish the marks’ ideas where the competing mark lacked such an element.³⁴ More recently, in *Duke University* a trademark was distinguished from an opposing official mark because it had both a distinctive design element, along with a different pronunciation.³⁵ In *Masterpiece*, the Supreme Court considered two trademarks in the retirement

³³ *QPS*, *supra* note 29.

³⁴ *Hope International*, *supra* note 31 at para 27.

³⁵ *Duke University*, *supra* note 30 at para 29.

residence context. It held that “Masterpiece the Art of Living” and “Masterpiece Living” evoked the same idea of “high quality retirement” when the trademarks came from the same industry.³⁶

[27] The design element confirms that Vaxco’s FLUSTOPPA operates in the same vaccination market as FLUSTOPPER. The two marks both communicate stopping the flu. There is no key distinction between the ideas conveyed; the ideas resemble each other.

C. THERE IS NO PRIOR USE OF FLUSTOPPA & DESIGN IN CANADA

[28] Even if this Court disagrees and finds the marks do not resemble each other, the Court of Appeal erred by holding that Vaxco established prior use of its mark. Vaxco’s Internet and billboard advertising do not correspond with a performed service or delivery. Before FLUSTOPPA & Design’s registration can be permitted, Vaxco must establish its mark was used in association with its services or displayed in the performance of its services.³⁷ The threshold to meet prior use is not high but does require the service be performed or delivered in Canada.³⁸ Vaxco did not meet these requirements for two reasons. First, advertising in Canada is not sufficient to demonstrate prior use. Second, FLUSTOPPA & Design is not “made known” in Canada.

1. Advertising in Canada is not sufficient to demonstrate prior use

[29] Displaying FLUSTOPPA & Design on Vaxco’s website, accessible by Canadians, is not sufficient to demonstrate prior use in Canada. This was most recently established in the 2020 Federal Court of Appeal decision *Miller Thomson LLP v Hilton Worldwide Holding LLP*.³⁹ Similarly, Justice Noël in *UNICAST SA v South Asian Broadcasting Corp Inc* established “the

³⁶ *Masterpiece*, *supra* note 26.

³⁷ *Trademarks Act*, *supra* note 10 at s 4(2).

³⁸ *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, [2019 FC 1042](#) at para 80.

³⁹ *Miller Thomson LLP v Hilton Worldwide Holding LLP*, [2020 FCA 134](#) at para 147 [*Miller Thomson*].

observation of a trademark by individuals on computers in Canada may demonstrate use of a mark, [but] the registered services must still be offered in Canada”.⁴⁰ Prior to March 2019, Vaxco did not administer vaccinations in Canada. Healthward, on the other hand, had been working alongside Health Canada for over five years by January 2019. Consequently, any use of Vaxco’s foreign mark in Canada was not accompanied with a service, or delivery of a service, as highlighted by Justice Coff at the trial level.⁴¹

[30] Use must include a material or tangible benefit to Canadians in Canada.⁴² In *Miller Thomson LLP*, Justice Mactavish confirmed the threshold for what constitutes use in the digital age. In that case, points earned from previous hotel stays in the United States, which could be redeemed towards hotel stays in Canada, were material and tangible benefits for Canadians.⁴³ The trademark in *Miller Thomson LLP* was used when Canadians booked hotels online, when Canadians redeemed their points in Canada, and when they received booking confirmation.⁴⁴ The use of the trademark, coupled with the tangible benefit of redeeming points in Canada, constituted prior use.

[31] Although Vaxco’s mark is displayed online when Canadians book appointments and on billboards along the Canadian/American border, no tangible or material benefit for Canadians is associated with this advertising. Although pre-booking can be a benefit, it is not an operational necessity for vaccination clinics to offer this option. Even if this Court finds pre-booking is necessary for clinics to function properly, pre-booking alone is not sufficient to constitute prior use. In *Miller Thomson LLP*, it was the tangible benefit of redeeming points for Canadian hotel

⁴⁰ *UNICAST SA v South Asian Broadcasting Corp Inc*, [2014 FC 295](#) at paras 44-48.

⁴¹ *Trial Division* at para 25.

⁴² *Miller Thomson*, *supra* note 39 at para 115.

⁴³ *Ibid.*

⁴⁴ *Ibid* at para 126.

stays that was ultimately what constituted prior use in Canada.⁴⁵ Canadians can reserve appointments online but are still required to cross the border into the United States to receive their vaccination. Similarly, in *Motel 6 Inc v No 6 Motel Ltd*, correspondence with customers or their agents in Canada for the sole purpose of making motel reservations in the United States did not constitute use of the mark in Canada.⁴⁶ Without a tangible benefit for Canadians in Canada, there is no prior use of the FLUSTOPPA & Design trademark in Canada. Without prior use, there can be no continued use, making Vaxco unable to register a trademark which resembles the FLUSTOPPER official mark.

[32] Although not discussed in length in the trial decision, Justice Coff held that Vaxco's website did not constitute prior use despite the educational material provided. The Federal Court, in *TSA Stores, Inc v Canada (Registrar of Trade-Marks)*, established that providing educational information on a website, akin to speaking to a knowledgeable salesperson, is a tangible benefit for Canadians.⁴⁷ In 2020, *Checkers Drive-In Restaurants Inc (Re)* narrowed the ruling in *TSA* by concluding that information strictly pertaining to the services offered by the company is not sufficient to meet the threshold of tangible and meaningful benefit.⁴⁸ Vaxco's website provides educational information about vaccines and their products and services.⁴⁹ Such generic information about vaccines that is confined to the products offered by Vaxco does not provide a tangible benefit. Rather, Vaxco would need to provide educational materials more akin to what Healthward offers to meet the threshold of a tangible and meaningful benefit.

⁴⁵ *Ibid* at para 136.

⁴⁶ *Motel 6 Inc v No 6 Motel Ltd*, (1981) [\[1982\] 1 FC 638](#) at 652; 56 CPR (2d) 44 (FCTD).

⁴⁷ *TSA Stores, Inc v Canada (Registrar of Trade-Marks)*, [2011 FC 273](#) at para 19.

⁴⁸ *Checkers Drive-In Restaurants Inc (Re)*, [2020 TMOB 19](#) at para 21.

⁴⁹ *Trial Division* at para 5.

a. The Gillette Defense logic should not be adopted by this Court

[33] The Court of Appeal erred in its attempted application of the Gillette Defense. Traditionally, the Gillette Defense is used as a defense to a patent infringement claim, establishing that the art in question existed first so it cannot be infringing. Therefore, the art that the claimant argues has been infringed is actually invalid.⁵⁰ Although the Court of Appeal did not directly adopt the Gillette Defense in its analysis, it attempted to incorporate the underlying logic.

[34] The Gillette Defense logic does not apply for two reasons. First, while Canada recognizes prior art from foreign countries in a patent infringement context, Canada does not offer protections to trademarks based solely on use in foreign jurisdictions. Vaxco's trademark is used only in a foreign jurisdiction, so it would not be protected in the same way that foreign prior art would be in a patent case. Second, any use of the mark prior to February 2019 may be a contravention of the *Food and Drugs Act* and is prohibited.

[35] Vaxco's mark can only obtain protection based on prior use in specified geographical jurisdictions. Before Health Canada approved Vaxco's vaccine, Vaxco only used the FLUSTOPPPA & Design mark to advertise its vaccination services available in the United States. These advertisements were limited to Canadian cities close to the United States. Since there is no tangible or material benefit associated with the spill-over advertising in Canadian border cities, there is no prior use of the FLUSTOPPPA & Design mark in Canada. As a result, the continued use of the mark in Canada cannot be justified and the mark cannot be protected in Canada based on prior use in the United States. There is no basis to justify the continued use of the mark in Canada.

⁵⁰ *Gillette Safety Razor Company v Anglo-American Trading Company Ltd*, [\[1913\] 3 RPC 18](#).

[36] Even if this Court finds that Vaxco’s spill-over advertising constituted prior use in Canada, the prior use may be illegal. Under the *Food and Drugs Act* and the *Food and Drugs Regulations*, Vaxco could not advertise its vaccine in Canada without first receiving approval from Health Canada.⁵¹ Therefore, arguing prior use establishes that Vaxco advertised its vaccines despite federal regulations prohibiting such action. Only the use of FLUSTOPPA & Design after receiving Health Canada’s approval would be a basis for continued use. However, Healthward provided notice of its adoption and use of its Canadian official mark, FLUSTOPPER, one month prior to Vaxco’s approval. As a result, there is no prior use that can be used as a basis for mark registrability in Canada.

[37] This Court should not widen the ambit of protection for Vaxco’s foreign trademark, which so closely resembles Healthward’s official mark, for uses beyond what originally existed. If the Court of Appeal’s decision is not overturned, Vaxco will be allowed to unfairly benefit from the government-based reliability associated with Healthward’s official mark. Continued use of Vaxco’s mark in Canada cannot be justified and expanding its protection enough to infringe on Healthward’s official mark would be unprecedented. This Court should reinstate Justice Coff’s order for an injunction to stop Vaxco from using its mark in Canada.

2. FLUSTOPPA & Design is not “made known” in Canada

[38] For Vaxco’s FLUSTOPPA & Design to be “made known”, it must be distributed in association with its vaccine, or be advertised with the vaccination services.⁵² There was no distribution of the product before March 2019; therefore, there was no prior use of the trademark

⁵¹ *Food and Drugs Act*, [RSC 1985, c F-27](#), s 9(1)-(2); *Food and drug Regulations*, [CRC, s 870](#), s C.08 002.

⁵² *Trademarks Act*, *supra* note 10 at s 5.

in Canada before Healthward adopted and used its official mark. As a result, Vaxco is unable to meet the first requirement: distribution in association with the vaccine.

[39] Although Vaxco does engage in print and billboard advertising along the Canadian/American border, to be made known in Canada it must be made known in a substantial area of Canada.⁵³ This has been the standard for over 50 years. Therefore, advertising limited to to Canadian border cities is unlikely to reach the rest of Canada to the degree necessary to meet the high “made known” threshold.

[40] Consequently, Vaxco has not established that its trademark was advertised with its services in Canada prior to Healthward’s adoption and use of its official mark. Without establishing prior use, a foreign company should not be permitted to use a mark that so closely resembles a Canadian official mark. Permitting Vaxco to begin using its mark is likely to undermine the Canadian public’s trust in official marks.

PART V: ORDER REQUESTED

[41] The Appellant seeks an order of injunction prohibiting the registration of the FLUSTOPPA & Design trademark in Canada, reinstating Justice Coff’s conclusion at trial. This does not prohibit Vaxco from operating its vaccination services in Canada. Vaxco should simply operate using a mark that does not so closely resemble Healthward’s official mark.

⁵³ *Marineland Inc v Marine Wonderland & Animal Park Ltd*, [\[1974\] 2 FC 558](#) at para 88 (for the proposition that a mark is not made known unless knowledge of it pervades the country to a substantial extent); See also *Sogrape Vinhos, SA v Ferreira Orchards Ltd*, [2016 TMOB 149](#) at para 33.

PART VI: TABLE OF AUTHORITIES

Authority		Cited at:
LEGISLATION		
1	<i>Food and Drugs Act</i> , RSC 1985, c F-27.	Para 36.
2	<i>Food and drug Regulations</i> , CRC, s 870.	Para 36.
3	<i>Trademarks Act</i> RSC 1985, c T-13.	Paras 11, 19, 28, 38.
JURISPRUDENCE		
4	<i>Big Sisters Assn of Ontario v Big Brothers of Canada</i> , [1997] 131 FTR 161.	Para 19.
5	<i>Canada Post Corp v United States Postal Service</i> , 2005 FC 1630.	Para 13.
6	<i>Checkers Drive-In Restaurants Inc (Re)</i> 2020 TMOB 19.	Para 32.
7	<i>Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia</i> , 2013 FC 287.	Para 15.
8	<i>Duke University v SIR Corp</i> , 2016 TMOB 137.	Paras 23, 26.
9	<i>Gillette Safety Razor Company v Anglo-American Trading Company Ltd</i> [1913] 3 RPC 18.	Para 33.
10	<i>Healthward Canada v Vaxco Ltd.</i> , 20 TCCIP 1222.	Paras 5, 6, 7, 11, 14, 29, 32.
11	<i>Hope International Development Agency v Hope Worldwide Ltd</i> , (2009) 81 CPR (4 th) 224 (TMOB).	Paras 24, 26.
12	<i>Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP</i> 2019 FC 1042.	Para 28.
13	<i>Pierre Fabre Médicament v SmithKline Beecham Corp.</i> 2004 FC 811.	Para 24.
14	<i>Marineland Inc v Marine Wonderland & Animal Park Ltd</i> [1974] 2 FC 558.	Para 39.

15	<i>Mattel, Inc v 3894207 Canada Inc</i> , 2006 SCC 22.	Paras 1, 2.
16	<i>Masterpiece Inc v Alavida Lifestyles Inc</i> , 2011 SCC 27.	Paras 20, 26.
17	<i>Miller Thomson LLP v Hilton Worldwide Holding LLP</i> 2020 FCA 134.	Paras 29, 30.
18	<i>Motel 6 Inc v No 6 Motel Ltd</i> , (1981) [1982] 1 FC 638; 56 CPR (2d) 44 (FCTD).	Para 31.
19	<i>Natursource Inc v Nature's Souce Inc</i> [2009] TMOB No 5.	Para 21.
20	<i>Ontario Assn. of Architects v Assn. of Architectural Technologists of Ontario</i> 2002 FCA 218.	Paras 12, 13, 16, 17.
21	<i>Quality Program Service Inc v Ontario (Minister of Energy)</i> 2018 FC 971.	Para 22.
22	<i>Quality Program Service Inc v Ontario (Minister of Energy)</i> 2020 FCA 53.	Paras 22, 25.
23	<i>See You In-Canadian Athletes Fund Corp v Canadian Olympic Committee</i> , 2007 FC 406.	Para 15.
24	<i>Sogrape Vinhos, SA v Ferreira Orchards Ltd</i> 2016 TMOB 149.	Para 39.
25	<i>Techniquip Ltd v Canadian Olympic Association</i> , [1998] 145 FTR 59.	Paras 18.
26	<i>TSA Stores, Inc v Canada (Registrar of Trade-Marks)</i> 2011 FC 273.	Para 32.
27	<i>UNICAST SA v South Asian Broadcasting Corp Inc</i> 2014 FC 295.	Paras 29.
28	<i>Vaxco Ltd v Healthward Canada</i> , 2020 CAIP 333.	Paras 12, 16.

PART VII: APPENDIX 1

Vaxco's Trademark:

FLUSTOPPA

