

**IN THE SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY APPEALS**

BETWEEN:

Healthward Canada

Appellant

-and-

Vaxco Ltd.

Respondent

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**FACTUM OF THE APPELLANT**

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## TABLE OF CONTENTS

## TABLE OF CONTENTS

<b>PART I - OVERVIEW</b> .....	1
<b>PART II - STATEMENT OF FACTS</b> .....	2
<b>PART III - POINTS IN ISSUE</b> .....	4
<b>PART IV - ARGUMENTS IN BRIEF</b> .....	5
ISSUE 1: THE REGISTRAR DID NOT ERR IN REFUSING TO ALLOW VAXCO'S FLUSTOPPA & DESIGN TRADEMARK REGISTRATION GIVEN HEALTHWARD'S VALID OFFICIAL MARK.....	5
A. <i>Healthward is a Canadian public authority as contemplated by the Trademarks Act</i> ...	5
i. <i>There is a significant degree of governmental control on Healthward</i> .....	5
a. <i>The power to review the activities of the body</i> .....	5
b. <i>The power to request that the body undertake necessary and desirable activities to implement the intent of its enabling legislation</i> .....	6
c. <i>The power to advise the body on the implementation of the statutory scheme</i> .....	6
d. <i>The power to appoint members to the board and various committees</i> ...	7
e. <i>Other factors: The government is a major source of funding</i> .....	7
ii. <i>Profit earned by Healthward is for the public benefit and not for private benefit</i> .....	7
iii. <i>The federal government's effective control over Healthward indicates that it is a public authority</i> .....	8
B. <i>The test for resemblance is the proper test</i> .....	8
i. <i>Visually and aurally, the dominant features of the marks are substantially the same</i> .....	9
ii. <i>The ideas evoked by both word marks are similar</i> .....	9
iii. <i>The common element of the two marks ("Flustopp-") is not contained in a number of other marks in the Trademarks Database</i> .....	10
iv. <i>The design element of FLUSTOPPA is insufficient to distinguish the two marks</i> .....	10
C. <i>Industries' use of FLUSTOPPER is consistent with Healthward's entitlement to official marks</i> .....	11
i. <i>Healthward has permission to authorize the use of the FLUSTOPPER mark to Industries</i> .....	11
ii. <i>Courts have allowed public authorities to authorize the use of its official marks to other entities</i> .....	11
iii. <i>Royalties and licenses paid to Healthward by Industries are consistent with its entitlement to official marks</i> .....	12
D. <i>Given the foregoing, the Registrar was correct to refuse the application to register Vaxco's mark</i> .....	12
ISSUE 2: VAXCO IS NOT ENTITLED TO THE USE OR REGISTRATION OF ITS FLUSTOPPA MARK.....	13
A. <i>The Official Mark regime precludes Vaxco's registration</i> .....	13
i. <i>Vaxco failed to adopt its mark prior to Healthward's public notice</i> .....	13

B. <i>Vaxco cannot continue to use its mark, because it did not use it or make it known prior to Healthward’s public notice</i> .....	14
i. <i>Wares were not available in Canada prior to public notice</i> .....	14
ii. <i>Services were not available in Canada prior to public notice</i> .....	14
a. <i>Vaxco did not “perform” an actual service</i> .....	14
b. <i>Vaxco’s booking system does not constitute use</i> .....	15
c. <i>Vaxco did not provide a benefit to Canadians</i> .....	15
d. <i>Vaxco did not contract directly with Canadians</i> .....	15
iii. <i>Vaxco’s mark was not made known in Canada</i> .....	16
iv. <i>In the alternative, Vaxco’s use of its mark ought to be restricted</i> .....	16
v. <i>The Court of Appeal erred in its assessment of Vaxco’s expansion to new wares and services</i> .....	17
C. <i>In any event, Vaxco’s use and registration of FLUSTOPPA would undermine the purpose of official marks</i> .....	18
i. <i>Healthward is the quintessential public authority – its mark warrants protection</i> .....	18
ii. <i>Healthward as a public benefactor should not be forced to compete with private profit-driven corporations</i> .....	18
iii. <i>Legislation has remained unchanged in its support of public benefactors</i> .....	19
<b>Part V - ORDER REQUESTED</b> .....	20
<b>PART VI - TABLE OF AUTHORITIES</b> .....	21

## PART I – OVERVIEW

[1] Confusion is at the heart of this case – who is entitled to official mark protection, and what does that protection guarantee? The long-standing official mark regime is intended to protect public authorities – organizations that exist to benefit Canadians – by protecting their marks from the commercial exploitation of private industries (*Carson*). This case arose because Healthward, a public authority, was denied these legislated rights.

*Carson v Reynolds* 1980 FC 68 at para 8 [*Carson*].

[2] The Appellant, Healthward, is a publicly funded charitable organization that exists to provide free vaccinations and education to vulnerably and underserved communities. Vaxco, the Respondent, is a privately funded corporation seeking to spread the scourge of privatized health care to Canada. In January 2019, the Registrar gave public notice of Healthward’s official mark FLUSTOPPER. In March 2019, Vaxco filed an application to register their trademark FLUSTOPPA. The Registrar rejected Vaxco’s application; Vaxco was not entitled to register this mark (*Trademarks Act*). The Trial Judge upheld this decision, because the clear public benefit provided by Healthward guaranteed it rightful ownership of its official mark, and thus prevented Vaxco from registering a mark so similar as to be mistaken for it.

*Vaxco Ltd v Healthward Canada*, 2020 TCCIP 1222 at paras 1, 2, 6, 8, 16 and 20 [*TCCIP*].  
*Trademarks Act*, RSC 1985, c T-13, s 12(1)(e) [*Trademarks Act*].

[3] The Court of Appeal overturned this ruling and held that, despite providing a significant and important public benefit, Healthward was not a public authority; and, official mark aside, Vaxco’s alleged prior use justified its continued operation in the field of healthcare.

*Vaxco v Health Canada*, 2020 CAIP 333 at paras 9 [*CAIP*].

[4] The Court of Appeal erred in choosing a private corporation—one with no right to the trademark—over a charitable organization, one which exemplifies the very reason for the official mark regime. This decision should be overturned.

## PART II – STATEMENT OF FACTS

[5] **The Appellant:** Healthward Canada (“Healthward”) is a registered charity and non-profit headquartered in Toronto. It is the Canadian arm of a network of entities specializing in vaccine-related health issues. As part of its commitment to public health, Healthward provides a diversity of services including educational programs and mobile health clinics offering free vaccinations to underserved communities.

*TCCIP supra* para 2 at para 2.

[6] In 2015, Healthward entered into a funding agreement with Health Canada to receive government funding for 75% of its operating expenses (*TCCIP*). Healthward funds the other 25% through licenses, donations, and an endowment fund (*TCCIP*). The agreement for government funding came with the following conditions: Health Canada is to be consulted on the curriculum and messaging for Healthward’s programs; Health Canada can appoint two of five seats on Healthward’s board of directors; Health Canada will direct Healthward to provide services to communities it identifies; if Healthward fails to provide to these underserved communities, Health Canada can claw back its funds (*TCCIP*). Either party may terminate the agreement upon reasonable notice (*TCCIP*). To this day, Healthward has never failed to hold up its end of the agreement (*TCCIP*). Healthward has provided a significant and important benefit to Canadians by “dramatically” improving the health in underserved communities and “saving many lives” (*CAIP*).

*TCCIP, supra* para 2 at paras 10, 11.  
*CAIP, supra* para 3 at para 9.

[7] **The Respondent:** Vaxco is a private corporation located in the U.S.A. where it manufactures, distributes, and sells vaccines and related medical supplies, as well as provides related services.

*TCCIP, supra* para 2 at para 1.

Despite advertising in cities near the Canada-US border and online with websites full of promotional material and booking options, no actual vaccination services were provided in Canada. None of Vaxco's products or services were provided in Canada – access required leaving Canada.

*TCCIP, supra* para 2 at paras 4, 5.

## **I. FACTUAL BACKGROUND**

[8] After five years of serving Canadians, Healthward requested that the Registrar give public notice of use and adoption of its FLUSTOPPER mark. This was done in January 2019. In March 2019, one month after receiving permission from Health Canada to sell vaccines in Canada, Vaxco applied for the trademark FLUSTOPPA in association with a series of wares and services related to vaccinations and their administration. The Registrar denied this application because Vaxco's mark violated s 12(1)(e) of the *Trademarks Act*.

*TCCIP, supra* para 2 at para 8.

## **II. PROCEDURAL HISTORY**

[9] **Trial Court Decision:** The trial judge found in favour of Healthward on all counts: Vaxco's mark was confusingly similar with Healthward's owing to the close resemblance; Healthward is a public authority thus Vaxco's use of FLUSTOPPA constituted infringement; and Vaxco's prior involvement in the market did not constitute use and could not justify future involvement in the market.

*TCCIP, supra* para 2 at paras 15, 17, 19, 24, 25.

[10] **Court of Appeal Decision:** The court reversed the trial decision and held that Vaxco, not Healthward, was entitled to the mark. They found in favour of Vaxco on the following counts: Healthward was not a public authority due to the lack of government control and thus its official mark was invalid; the trial judge had incorrectly used the confusion rather than the resemblance

test; and, even if Healthward's mark was valid, Vaxco's involvement in the Canadian market constituted prior use such that Vaxco could continue in the same field of wares and services. The appeal judge addressed the connection between Healthward and Healthward Industries Corp., a private Canadian entity from which Healthward purchases vaccines and related medical supplies (*CAIP*). Healthward has authorized Industries to use its official mark on products Industries sells in exchange for royalties — which Healthward uses to subsidize government funding (*TCCIP*). The judge raised this connection as a concern but chose not to rule on it (*CAIP*).

*TCCIP*, *supra* para 2 at paras 12, 13

*CAIP*, *supra* para 3 at paras 4, 7, 11, 12, 13, 14.

### **PART III – POINTS IN ISSUE**

[11] The present appeal raises two issues:

1. Did the Registrar err in refusing to allow Vaxco's FLUSTOPPA & Design trademark registration given Healthward's valid official mark?
2. Is Vaxco entitled to the use or registration of its FLUSTOPPA mark?

## PART IV – ARGUMENTS IN BRIEF

### ISSUE 1: THE REGISTRAR DID NOT ERR IN REFUSING TO ALLOW VAXCO'S FLUSTOPPA & DESIGN TRADEMARK REGISTRATION GIVEN HEALTHWARD'S VALID OFFICIAL MARK.

#### A. Healthward is a Canadian public authority as contemplated by the *Trademarks Act*

[12] An entity sanctioning an official mark must be a public authority (AATO) in Canada (*USPS*). An organization is a public authority if: (1) there is a significant degree of governmental control; and (2) any profit earned must be for the benefit of the public and not for private benefit.

A public authority in Canada means a body controlled by the Canadian government (*Maple Leaf*).

*Assn of Architects (Ontario) v Assn of Architectural Technologists (Ontario)*, [2003] 1 FC 331 (FCA) at paras 4, 52 [AATO].

*Canada Post Corp v United States Postal Service*, 2005 FC 1630 at para 45 [*USPS*].

*Maple Leaf Foods Inc v Consorzio del Prosciutto di Parma*, 2012 FC 416 at para 26 [*Maple Leaf*].

#### i. *There is a significant degree of governmental control on Healthward*

[13] Absolute control by the government is not required. There only needs to be a “sufficiently significant degree” (*See You*) of governmental control. There are five factors typically considered (*Chinese Medicine*) to show that an entity is subject to substantial control. Four of these factors apply to Healthward.

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

*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 [*Chinese Medicine*].

#### **(a) The power to review the activities of the body**

[14] Health Canada reviews and offers input on Healthward's curriculum and messaging of its educational program. It also reviews where Healthward provides its mobile clinic services. Through these actions, the government has exercised its power to review Healthward's activities.

*TCCIP*, *supra* para 2 at para 11.



**(b) The power to request that the body undertake necessary and desirable activities to implement the intent of its enabling legislation**

[15] The *Income Tax Act* provides tax benefits to certain organizations that dedicate their resources to exclusively charitable activities and are established for the public benefit (*Public Benefit*), which suggests the legislation seeks to encourage organizations to devote their resources to charitable purposes. Promoting Canadians' health is a charitable purpose (*Charitable Registration*). Health Canada can identify underserved communities and request Healthward to provide clinics with free vaccinations to those communities (*TCCIP*). If Healthward denies this request, then the government can claw back its funds (*TCCIP*). Evidently, the government has the power to request that Healthward undertake desirable activities to help facilitate the *Income Tax Act's* purpose of serving the public.

Canada, Government of Canada, *Guidelines for registering a charity: Meeting the public benefit test* (Canada: Government of Canada) <<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/policy-statement-024-guidelines-registering-a-charity-meeting-public-benefit-test.html#toc2>> accessed 6 January 2021 at 2.0 [*Public Benefit*].  
 Canada, Government of Canada, *How to draft purposes for charitable registration* (Canada: Government of Canada) <<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/guidance-019-draft-purposes-charitable-registration.html#toc7>> accessed 6 January 2021 at 31, 37 [*Charitable Registration*].  
*TCCIP*, *supra* para 2 at para 11.

**(c) The power to advise the body on the implementation of the statutory scheme**

[16] The federal government is consulted on the curriculum and messaging of Healthward's educational programs on the importance of vaccinations. Healthward's programs are part of the charitable activities it performs to fulfill its obligations as a registered charity under the *Income Tax Act*. Evidently, the federal government has the power to advise Healthward on the implementation of the *Act* into its operations.

*TCCIP*, *supra* para 2 at para 11.

**(d) The power to appoint members to the board and various committees**

[17] Health Canada can appoint two of five seats of Healthward's board of directors. Its ability to appoint half of the individuals on a committee that oversees Healthward's operations indicates governmental control.

*TCCIP, supra* para 2 at para 11.

**(e) Other factors: The government is a major source of funding**

[18] Another indication of control is funding (*See You; CAO*). The government provides 75% of Healthward's operating expenses and monitors its spending — by reviewing where Healthward offers its clinics (*TCCIP*).

*See You, supra* para 13 at para 61.

*Canadian Olympic Assn. v. Canada (Registrar of Trade Marks)*, 1982 CarswellNat 111 at para 30 [*CAO*].  
*TCCIP, supra* para 2 at paras 10, 11.

[19] The termination clause in the funding agreement does not preclude governmental control since the parties have unequal bargaining power. Again, Healthward relies almost entirely on the government's funding, and if it does not comply with certain government directives, it may lose its funds (*TCCIP*). As an essential and major source of funding, the federal government retains effective control over Healthward (*See You*).

*TCCIP, supra* para 2 at para 11.

*See You, supra* para 13 at para 63.

***ii. Profit earned by Healthward is used for the public benefit and not for private benefit***

[20] Healthward is a registered charity (*TCCIP*), so it is prohibited from using its income to personally benefit its members, shareholders, proprietors and other individuals (*Income Tax Act*). However, even if there were a private benefit, a public authority can have activities that are for a private benefit, and this does prevent a body from still being seen as benefitting the public (*AATO; See You*).

*TCCIP, supra* para 2 at para 2.

*Income Tax Act*, RSC 1985, c 1 (5<sup>th</sup> Supp.) at s 149.1(1) at “charitable foundation,” “charitable organization.”

*AATO*, *supra* para 12 at para 69.

*See You*, *supra* para 13 at para 64.

***iii. The federal government’s effective control over Healthward indicates that it is a public authority***

[21] Key to a finding of governmental control is the degree to which the Canadian government can monitor or influence an organization’s activities (*CPM*, *USPS*, *Maple*). There are indications that Health Canada exerts significant ongoing supervision of Healthward’s activities. Health Canada reviews and influences the curriculum and messaging of Healthward’s educational programs as well as the location of its mobile clinics; it influences who is appointed to Healthward’s board of directors; and it also substantially funds and monitors the disposition of Healthward’s funding (*TCCIP*).

*Canadian Jewish Congress v Chosen People Ministries Inc*, 2002 FCT 613 at para 57 [*CPM*].

*USPS*, *supra* para 12 at para 79.

*Maple*, *supra* para 12 at para 27.

*TCCIP*, *supra* para 2 at paras 10, 11.

[22] Since Healthward is subject to ongoing substantial governmental control, and it is clearly for the public benefit, it can sanction a valid official mark. The *Trademarks Act* prohibits the registration of another mark that will likely be mistaken for an official mark.

*Trademarks Act*, *supra* para 2 at s 9(1)(n)(iii).

**B. The test of resemblance is the proper test**

[23] There is sufficient resemblance between the two marks to reach a finding of resemblance. The test for resemblance considers whether on first impression, a person who only knew one mark and had an imperfect recollection of it would likely be deceived by the other mark (*Kruger*). It is not sufficient for a mark to simply be confusing with another mark. The mark must “either be identical to the official mark or so nearly resemble it so as to be likely to be mistaken for it” (*APA*).

*Canada v. Kruger* (1978), 44 C.P.R. (2d) 135 (Reg. T.M.) at paras 11, 18 [*Kruger*].  
*Canadian Council of Professional Engineers v APA - Engineered Wood Assn.*, [2000] FCJ No 1027 at para 69 [*APA*].

***i. Visually and aurally, the dominant features of the marks are substantially the same***

[24] Two of the three syllables are identical for both marks: “FLU-STOPP-ER” and “FLU-STOPP-A.” Visual similarity is a factor in a finding of resemblance (*Chartered, Duke*).

*Chartered Professional Accountants of Ontario v Assn. of International Certified Professional Accountants*, 2019 COMC 120 at para 204 [*Chartered*].  
*Duke University v Royal Textile Mills, Inc.*, 2007 CarswellNat 4679 at para 21 [*Duke*].

[25] An individual who pronounces carelessly, or who has an accent, could easily pronounce the marks the same way – since the only aural difference between the marks is the last syllable. Aural similarity is relevant to the test (*Chartered, Duke*). Although the final syllable can be pronounced differently if enunciated clearly, imperfect recollection and careless pronunciation of words must be allowed in an analysis of resemblance (*Battle*).

[26] Clearly, the dominant aural and visual features of the two marks are substantially the same.

*Chartered, supra* para 24 at para 204.  
*Duke, supra* para 24 at para 21.  
*Battle Pharmaceuticals v British Drug Houses, Ltd.*, [1946] SCR 50, referenced in *Canadian Olympic Assn. v. Health Care Employees Union of Alberta*, 1992 CarswellNat 179 at para 23 [*Battle*].

***ii. The ideas evoked by both word marks are similar.***

[27] Marks that exhibit a high degree of resemblance in idea are a factor in determining the likelihood of confusion between two marks (*Chartered, Duke*). Both FLUSTOPPER and FLUSTOPPA suggest that the product or service is health-related and related to the prevention of flus.

*Chartered, supra* para 24 at para 204.  
*Duke, supra* para 24 at para 21.

***iii. The common element of the two marks (“Flustopp–”) is distinctive***

[28] The proposed mark is less likely to contravene s. 9(1)(n)(iii) of the *Trademarks Act* if the common element were contained in various other trademarks. This is because a consumer would

not likely distinguish the two marks from each other by that common element (*Techniquip*). The Trademarks Database can indicate whether the common element between the two marks has been widely used in other registered marks (*Techniquip*). There are only two registered trademarks that are similar to FLUSTOPPER and FLUSTOPPA: “Flu-stop” (*Flu-stop*) or “STOP COLDS & FLU IN THEIR TRACKS!” (*Stop Colds*). No other registrations contain any combination of “flu” and “stop.” Since the common element of the two marks, “Flustopp–,” is a distinctive element not found in other registered trademarks, the FLUSTOPPA mark is likely to contravene s. 9(1)(n)(iii) if registered.

*Techniquip Ltd v Canadian Olympic Assn*, 1998 CarswellNat 323 at para 19 [*Techniquip*].  
 “Flu-stop,” Trinity Healthy Living, Can No TMA712286 (17 April 2008) registered [*Flu-stop*].  
 “STOP COLDS & FLU IN THEIR TRACKS,” Afexa Life Sciences Inc, Can No TMA829096 (3 August 2012) registered [*Stop Colds*].

***iv. The design element of FLUSTOPPA is insufficient to distinguish the two marks***

[29] Marks with designs can be mistaken for official marks without a design (*Sport, Duke*). FLUSTOPPA’s design is a monochrome-coloured and generic schematic-like image of a syringe (*TCCIP*). Designs that are very simple and do not stimulate visual interest are unlikely to be considered the dominant feature of a trademark (*Fast, Encorp*). Consumers would also not likely identify the mark by the design if the design is smaller than and paired with large capital block words (*Diamond*). The simple design element of Vaxco’s proposed mark fails to distinguish it from Healthward’s official mark.

*Sport BC v Kidsport International Inc*, [2001] CarswellNat 4137 at para 16 [*Sport*].  
*Duke, supra* para 24 at para 21.  
*TCCIP, supra* para 2 at para 6.  
*Fast Fence Inc v Yellow Fence Rentals Inc*, 2010 COMC 96 at para 38 [*Fast*].  
*674802 BC Ltd (cob Amanda Enterprises) v Encorp Pacific (Canada)*, 2011 COMC 180 at para 23 [*Encorp*].  
*Worldwide Diamond Trademarks Limited v Canadian Jewellers Association*, [2011] 3 FCR 120 at para 78 [*Diamond*].

**C. Industries' use of FLUSTOPPER is consistent with Healthward's entitlement to official marks**

*i. Healthward has the permission to authorize the use of the FLUSTOPPER mark to Industries*

[30] Subject only to the requirement of consent, the *Trademarks Act* is silent on conditions attached to the assignment, licensing, or authorization of official marks. Although the *Trademarks Act* was developed in 1985 and has undergone numerous amendments, Parliament has not amended the section on official marks and authorized use. Healthward's authorization of the use of its mark to Industries does not contravene any provisions of the Act.

*Trademarks Act, supra* para 2 at s 9(2).

*ii. Courts have allowed public authorities to authorize the use of its official marks to other entities*

[31] Since Parliament has not amended the section on official marks and authorized use, courts have allowed public authorities to license their official marks to other entities (*Magnotta, AATO*). They have acknowledged that Parliament's intention in section 9 of the Act is clear – the official marks regime should be given a wide berth (*Canada Post Corp, Insurance*). It is Parliament's responsibility of amending the statute for clearer language if it intended to narrow the regime (*Insurance*), such as by adding provisions on authorized use.

[32] Healthward has satisfied the test to determine that it is a public authority. Courts have accepted that public authorities can license official marks to other entities, and thus, Healthward's authorization of the use of its official mark to Industries is equally acceptable.

*Magnotta Winery Corp v Vintners Quality Alliance*, [2001] FCJ No 1941 at para 67 [*Magnotta*].

*AATO, supra* para 12 at para 25.

*Canada Post Corp v Post Office*, 2000 CarswellNat 2305 at paras 51, 52, 53 [*Canada Post Corp*].

*Insurance Corp. of British Columbia v. Registrar of Trade Marks*, 44 C.P.R. (2d) at paras 75, 76, 77, 78 [*Insurance*].

***iii. Royalties and licenses paid to Healthward by Industries are consistent with its entitlement to official marks***

[33] The law supports the payment of royalties and licenses for the use of official marks when a public authority relies on the private sector for funding (*OPMA, Moore, LeBreton*). This is especially the case if the private entity has similar objectives to a public authority (*Moore*) which performs its activities for public benefit (*LeBreton*).

*Olympic and Paralympic Marks Act, SC 2007, c 25, s 4(a) [OPMA].*

“Bill C-47, An Act respecting the protection of marks related to the Olympic Games and the Paralympic Games and protection against certain misleading business associations and making a related amendment to the Trade-marks Act,” *House of Commons Debates*, 39-1, No 154 (15 May 2007) at 1725 (James Moore) [*Moore*].

“Bill C-47, An Act respecting the protection of marks related to the Olympic Games and the Paralympic Games and protection against certain misleading business associations and making a related amendment to the Trade-marks Act,” *House of Senate Debates*, 39-1, No 109 (18 June 2007) at 2120, 2130 (Hon. Marjory LeBreton) [*LeBreton*].

[34] Health Canada funds only 75% of Healthward’s operating expenses, so Healthward relies on other private sources of funding for its remaining expenses. This includes royalties from products Industries sells with the FLUSTOPPER mark. Both Healthward and Industries share similar objectives: they seek to promote health through the use of vaccines, and both share the “Healthward” branding. Thus, Healthward’s authorization of the use of its mark for royalties and licenses is consistent with existing law.

*TCCIP, supra* para 2 at paras 10, 12, 13.

**D. Given the foregoing, the Registrar was correct to refuse the application to register Vaxco’s mark**

[35] Healthward is a public authority in Canada. It is subject to a high degree of Canadian government control, and it exists for the benefit of the public. As a public authority it may sanction its official mark and authorize Industries’ use of it. Vaxco’s proposed mark is substantially similar to Healthward’s mark in sound, appearance, and idea. If Vaxco’s mark was registered, consumers would likely mistake the two marks. The Registrar was correct to reject Vaxco’s proposed mark.

## ISSUE 2: VAXCO IS NOT ENTITLED TO THE USE OR REGISTRATION OF ITS FLUSTOPPA MARK

### A. The Official Mark regime precludes Vaxco's registration

[36] Use is the cornerstone of trademark entitlement (*Mattel*). In the case of rival applications, the right goes to whichever used their trademark first (*Fox*). Even if a trademark is already registered, it can be expunged by a rival mark if the rival mark can show prior use (*Masterpiece*). This “first use” rule applies only to regular trademarks, not prohibited marks. Prohibited marks, of which official marks are a subset, are a special category of marks. They are protected from adoption—the use, making known or registration—by businesses. Once an official mark is given public notice, subsequent registration is absolutely prohibited (*Trademarks Act*). Vaxco's registration is therefore invalid.

*Mattel, Inc v 3894207 Canada Inc* 2006 SCC 22 at para 5 [*Mattel*]  
 Kelly Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th Edition at s 3.5 [*Fox*]  
*Masterpiece Inc v Alavida Lifestyles Inc* 2001 SCC 27 at para 114 [*Masterpiece*]  
*Trademarks Act supra* para 2 at 12(1)(e)

#### *i. Vaxco failed to adopt its mark prior to Healthward's public notice*

[37] Healthward gave public notice before Vaxco applied for registration (*TCCIP*). By failing to adopt its mark prior to January 2019, Vaxco missed its opportunity to register its FLUSTOPPA mark and is therefore unregistrable in Canada (*CAO*). Without registration, Vaxco is denied any protection offered by the Act against infringements on their mark (*Trademarks Act*). Their lack of registration would prevent them from arguing that Healthward was infringing their mark (*Quality*).

*TCCIP supra* para 2 at paras 6 and 8  
*CAO supra* para 18 at para 9  
*Trademarks Act supra* para 2 at s 20(1)  
*Quality Program Services v Canada* 2020 FCA 53 para 4



**B. Vaxco cannot continue to use its mark, because it did not use it or make it known prior to Healthward’s public notice**

[38] Vaxco’s mark was not used in Canada – a requirement to justify future use (*Masterpiece, Trademarks Act*). The Court of Appeal erred in finding prior use of Vaxco’s mark for the following reasons:

*Masterpiece Living supra* para 36 at para 36  
*Trademarks Act supra* para 2 at s 16(1)(a)

***i. Wares were not available in Canada prior to public notice***

[39] To constitute prior use, customers must associate the trademark with the related goods or services at the time of transfer or possession (*BMW, Trademarks Act*). Vaxco did not and legally could not sell vaccines in Canada prior to February 2019, which was after the public notice of Healthward’s mark (*TCCIP*). There was no prior use for wares.

*BMW Canada Inc. v. Nissan Canada Inc.* 2007 CAF 255 at para 18  
*Trademarks Act supra* para 2 at s 4(1)  
*TCCIP supra* para 2 at para 5

***ii. Services were not available in Canada prior to public notice***

[40] The provision of services in association with a mark can constitute prior use (*Trademarks Act*). Vaxco’s activities did not amount to the provision of services for the following reasons:

*Trademarks Act supra* para 2 at s 5

**(a) Vaxco did not “perform” an actual service**

[41] While the term “service” should be interpreted liberally, a real service must actually be *performed* (*Kraft*). The advertisement of a service can count as use, but only if some aspect of the service is performed or delivered in Canada (*Hilton*). In this case, Vaxco merely provided Canadians with “information” regarding the importance of vaccines along side a list of Vaxco’s products and services. The services offered by Vaxco, and for which Vaxco sought to register its mark, were all related to the distribution of vaccinations. These services were not available in

Canada. To receive a vaccination, Canadians had to travel to the US (*TCCIP*). No aspect of Vaxco's services were performed or delivered in Canada.

*Kraft Ltd. v Canada (Registrar of Trade Marks)* 1984 FCC 79 at para 9  
*Hilton Worldwide Holding LLP v. Miller Thomson* 2018 FC 895 at para 35 [*Hilton*]  
*TCCIP supra* para 2 at paras 7, 24, 25  
*HomeAway.com Inc. v. Hrdlicka* 2012 FC 1467 at para 28  
*Fox supra* para 36 at s 3.5

**(b) Vaxco's booking system does not constitute use**

[42] Canadians paid to book appointments on Vaxco's website, however the services for which they were paying were not accessible in Canada. Payment for a future service that will not be performed in Canada does not constitute use in association with services (*Marineland*). For these reasons, Vaxco's mere provision of an online booking system does not constitute use.

*Marineland Inc v Marine Wonderland & Animal Park Ltd.* 1974 FCC 114 at paras 63 and 64

**(c) Vaxco did not provide a benefit to Canadians**

[43] The service available need not be the main service, it could be ancillary, but to constitute a service, Canadians must receive a tangible benefit from the service without having to leave the country (*Saks*). If the benefit is only available in another country, use has not been demonstrated (*Hilton*). The mere booking of an appointment for vaccination in the United States does not amount to a tangible benefit to Canadians. (*TCCIP*).

*Sak's & Co. v Canada (Registrar of Trade Marks)* 1989 FC 577 para 56  
*Hilton supra* para 41 at para 92  
*TCCIP supra* para 2 at para 5

**(d) Vaxco did not contract directly with Canadians**

[44] Vaxco argues that their website offered information on vaccinations which Canadians used to educate themselves (*TCCIP*). Websites based in a different country can constitute service, but only if they are contracting directly with Canadians (*HomeAway*). Vaxco's educational material was offered for free (*TCCIP*). Where Canadians cannot make purchases on a foreign website, even

an accessible and informative website on its own will not constitute use (*Fox*). Vaxco’s free online information fails to create a contractual relationship with Canadians.

*TCCIP supra* para 2 at para 5  
*Fox supra* para 36 at s 3.5

***iii. Vaxco’s mark was not made known in Canada***

[45] To be made known by reason of advertising—the type of which must be printed publications or radio broadcasts—a mark must be *well known* in Canada (*Trademarks Act*). Vaxco’s advertising did not reach enough Canadians to constitute “well” known. The only Canadians reached by Vaxco’s printed publications and billboards were those living in cities along the border (*TCCIP*). To be “well” known does not require that the entire country to be aware, but it does require more than simply a locality or city (*Valle’s*). There are no major cities along the border; the total population reached with publications and billboards is small. It is also a group targeted specially because of its location, using mediums such as billboards, which ensure that it is those in the area, rather than Canadians generally, who are learning about Vaxco. The number of Canadian’s reached by Vaxco’s advertising was simply too small a group to meet the requirement for being made known through advertisement.

*Trademarks Act supra* para 2 at s 5  
*TCCIP supra* para 2 at para 5  
*Valle’s Steak House c. Tessier* 1980 FCC 108 at para 13

***iv. In the alternative, Vaxco’s use of its mark ought to be restricted***

[46] Though precluded from registration, a mark that is adopted through use or being made known prior to public notice can *continue* its use. It cannot, however, expand beyond the wares and services it had used prior to the public notice (*Royal*). Vaxco offered appointment booking and information services online prior to Healthward’s public notice of its official mark. Even if

Vaxco's activities could constitute prior use or making known in Canada, Vaxco would be restricted to the use of its mark in relation to only these activities.

*Royal Roads University v R.* 2003 FC 922 at para 16 [*Royal*]

***v. The Court of Appeal erred in its assessment of Vaxco's expansion to new wares and services***

[47] On this point, the Court of Appeal erred in its classification of "categories," finding that Vaxco could continue to operate within the "healthcare products and related services" but could not expand into categories outside of healthcare (*CAIP*). This would mean that Vaxco's involvement in the general realm of healthcare prior to public notice, would allow them to use their mark on anything healthcare related. This conclusion is both generous to Vaxco, and unsupported by the caselaw, which considers expansion as anything other than the *specific* wares and services offered in relation to the mark (*FileNet*). There can be no marketing of new and different products (*Royal*), only marketing in association with the *same* wares and services as it had previous done (*See you*).

*CAIP supra* para 3 at para 13

*Royal supra* para 46 at para 16

*CAIP supra* para 3 at para 13

*FileNet Corp. v. Canada (Registrar of Trade Marks)* 2002 CAF 418 at para 27

*Royal supra* para 46 at para 16

*See You supra* para 13 at para 8

[48] The effect of public notice is to limit or "curtail" a third party's ability to use the marks which they have been using prior to public notice (*See You*). The interpretation by the Court of Appeal, rather than curtailing, would increase the classes of goods and services available to Vaxco, far beyond any alleged prior use. If Vaxco could prove prior use, they could continue to offer booking services and educational information regarding vaccinations. Any further involvement could constitute expansion.

**C. In any event, Vaxco’s use and registration of FLUSTOPPA would undermine the purpose of official marks**

[49] The prohibited mark regime exists to protect institutions from commercial exploitation (*Carson*). Without such protection, businesses could exploit these marks, violating the trust of Canadians, and sewing chaos into the fabric of our institutions. A publishing company could begin adding “Government of Canada approved” emblems and selling books to schools. A bakery could claim to produce Queen Elizabeth’s favorite baked goods. A private security company could offer equestrians with red jackets, black pants, and Stetson hats for hire.

*Carson supra* para 1 at para 8

***i. Healthward is the quintessential public authority – its mark warrants protection***

[50] Healthward began serving Canadians in 2014. It educates people about vaccines and, most importantly, gets vaccines to vulnerable communities using mobile clinics with free services (*TCCIP*). Even the Court of Appeal acknowledged that these mobile clinics have “dramatically improved public health in underserved communities and saved many lives” (*CAIP*). Healthward is a charity and not-for-profit. The very purpose for its existence is to provide Canadians with education and vaccinations, and to do so at no cost. This is the very type of public benefit the official mark regime seeks to protect.

*TCCIP supra* para 2 at para 2

*CAIP supra* para 3 at para 9

***ii. Healthward as a public benefactor should not be forced to compete with private profit-driven corporations***

[51] To force public authorities like Healthward—charitable organizations that exist solely to benefit the public—to compete with private enterprises like Vaxco—those which exist for the sole purpose of accruing profit—would inhibit the social benefits available to all Canadians. It would

contribute to a take-over by the private sector, turning institutions, like our health care system, into ones in which only those with money can pay for the necessities of life, such as vaccinations.

[52] The official mark regime exists to allow public authorities, entities that exist for the benefit of society, to control their branding, and protect the goodwill associated with their mark – a single brand message from a single source (*Rethinking*). As a charity and not-for-profit, Healthward cannot and should not be forced to spend valuable time and resources on a trademark, only to go and use it for the public good (*BC*). The trademark regime provides a very limited benefit to Canadians – insurance that they are buying from the source from whom they think they are buying (*Mattel*). The benefit received from free vaccinations and healthcare services provided by Healthward far outweighs that of the costly services provided by Vaxco. To treat them as equals in the market, as the Court of Appeal has done, would be to ignore the fundamental differences between the two organizations. It would force Healthward to direct its time and limited resources toward competing with a powerful American corporation and away from helping those Canadians so desperately in need of its services.

Joshua Krane “Rethinking Official Marks in Canada” (2008) 34:1 *Advoc Q* 440 at 457 [*Rethinking*]  
*British Columbia v Mihaljavec* 1991 BCCA 137 at para 23 [*BC*]  
*Mattel supra* para 36 at para 21

***iii. Legislation has remained unchanged in its support of public benefactors***

[53] The official mark regime is a protected mark. It has existed for decades – since the Unfair Competition Act of 1932 which sought to protect “any symbol adopted and used by any public authority in Canada as an official mark on similar wares” (*Trademarks Act*). This language has been maintained throughout Canada’s trademark history, with only one proposed addition in 2018 (*Trademarks Act*).

*Trademarks Act supra* 2 at s 14(j)  
*Trademarks Act supra* 2 at s 9(3), s9(4)).

[54] The legislature staunchly upholds this regime, and for good reason. In a country as vast as Canada with a mixed provincial and federal government, Canadians need the security of knowing what public authority is speaking to them.

*Rethinking supra* para 52 at 457

[55] Official marks are not trademarks; they are marks that exist to protect the Canadian people by protecting those institutions that serve our society. The Court of Appeal seems to have forgotten why this regime was implemented, and whom it is supposed to protect. They ignored legislation affirmed for nearly a century and case law explicitly protecting public authorities because of the benefits they provide. Following the Court's reasoning would lead to decreased protection for official marks, which would mean decreased public benefits for Canadians. Vaxco would be the only one benefitting, by having open access to a market which is suddenly in need, as Healthward is left without a mark to identify their goods and services.

#### **PART V – ORDER REQUESTED**

[56] The Appellant requests this Honourable Court allow the appeal, set aside the judgment of the Federal Court of Appeal, and restore the decision of the Trial Court.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Signed this 12th day of January, 2021

Team No. 12

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Counsel for the Appellant

## PART VI - TABLE OF AUTHORITIES

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<i>British Columbia v Mihaljavec</i> 1991 BCCA	23
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