

**SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY APPEALS**

BETWEEN:

**HEALTHWARD CANADA**

– AND –

**VAXCO LTD.**

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**FACTUM OF THE RESPONDENT**

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## TABLE OF CONTENTS

<b>PART I – OVERVIEW .....</b>	<b>2</b>
<b>PART II – STATEMENT OF FACTS .....</b>	<b>3</b>
<b>PART III – POINTS IN ISSUE.....</b>	<b>5</b>
<b>PART IV – ARGUMENTS IN BRIEF .....</b>	<b>5</b>
ISSUE 1: THE COURT OF APPEAL WAS CORRECT IN FINDING THAT HEALTHWARD’S OFFICIAL MARK PROTECTION WAS GRANTED IN ERROR .....	5
<i>A. Healthward is not a valid public authority, making it ineligible for official mark     protection.....</i>	5
i. Healthward is subject to insufficient government control to qualify as a public authority .....	6
ii. Healthward’s functions, and the use of the FLUSTOPPER official mark, are primarily for private, rather than public benefit .....	9
<i>B. Healthward’s use and assignment of FLUSTOPPER is contrary to the purposes and     objectives of the official marks regime .....</i>	11
i. Healthward’s anti-competitive abuse of an official mark undermines the important source-distinguishing function of the official marks regime.....	11
ISSUE 2: VAXCO HAS PRIOR USE AND IS ENTITLED TO THE REGISTRATION AND USE OF ITS FLUSTOPPA MARK.....	13
<i>A. There is no resemblance between Healthward and Vaxco’s marks.....</i>	13
i. The ideas suggested by the marks differ .....	13
ii. The appearance and sound of the marks differ.....	14
<i>B. The application of the prior use doctrine to official marks aligns with legislative intent</i>	14
i. Legislative intent seeks to prevent confusion between marks before and after public notice .....	14
ii. The prior use doctrine is more effective at preventing confusion than the resemblance test.....	16
<i>C. Healthward’s official mark is invalid on the basis of Vaxco’s prior use and making     known.....</i>	16
i. Vaxco has acquired prior use of its FLUSTOPPA trademark.....	17
ii. Vaxco’s FLUSTOPPA trademark has been made known through its billboard and print advertising campaigns .....	19
<b>PART V – ORDER REQUESTED .....</b>	<b>20</b>
<b>PART VI – TABLE OF AUTHORITIES.....</b>	<b>21</b>

## PART I – OVERVIEW

[1] This appeal calls into question the continued integrity of the official marks regime. Official marks serve an important legislative purpose in Canadian trademark law. They are in place to protect Canadians and ensure private actors do not misappropriate public symbols for private gain.

[2] The Registrar refused the Respondent (“Vaxco”)’s application for registration of its FLUSTOPPA and design mark, citing the Appellant (“Healthward”)’s FLUSTOPPER official mark. Vaxco takes the position that Healthward is an improper public authority and is not entitled to benefit from the vast protections of the official marks regime. It also submits that Healthward is misappropriating the FLUSTOPPER official mark in order to generate private profits and gain a monopolistic advantage over its competitors.

[3] Vaxco is one such competitor – a vaccine supplier and educator in the Canadian market that increases the accessibility of vaccines for Canadians. Its FLUSTOPPA mark became well known in Canada through an effective advertising campaign along the Canada-United States (U.S.) border. Vaxco benefits Canadians by offering appointment services and online education. Due to Healthward’s improperly adopted official mark, Vaxco was unfairly denied registration of its trademark, to which it was entitled by virtue of its prior use and making known.

[4] Judicial review provides the first opportunity for the court to appropriately scrutinize the validity of Healthward’s entitlement to its official mark. Healthward seeks to overturn the decision of the Court of Appeal, where the court found that Healthward was not a public authority and could not continue to abuse the wide scope of protection official marks provide. Vaxco asks this court to uphold this decision and enforce the legislative intent behind the official marks regime. This appeal should be denied.

## PART II – STATEMENT OF FACTS

### **A. The Parties**

#### ***i. The Respondent, Vaxco, Ltd.***

[5] Vaxco is a company based in the U.S. with international reach. Vaxco manufactures and distributes vaccines and related medical supplies for use in North America and Europe. Vaxco provides online public education relating to vaccination, medical advice, booking of vaccination appointments, as well as public vaccination services.

*Vaxco v Healthward Canada*, 20 TCCIPD 1222, at para 1 [*Trial*].

[6] To complement its longstanding provision of online education services and medical advice, Vaxco began selling its vaccines directly to Canadians upon receiving regulatory approval in February 2019. In March 2019, one month following its regulatory approval, Vaxco sought to register its FLUSTOPPA and design trademark in Canada for use in association with its vaccines, educational services, research, and development.

*Trial, supra* para 5 at paras 4, 6, 7.

#### ***ii. The Appellant, Healthward Canada***

[7] Healthward is the Canadian arm of a global network of charities and non-profit organizations. Healthward specializes in public health issues related to vaccination. It began its Canadian operations in 2014, which primarily consist of public education on the importance of vaccination, and running mobile health clinics which offer vaccinations.

*Trial, supra* para 5 at paras 2, 9.

#### **a. The agreement with Health Canada**

[8] Healthward entered into a funding agreement with Health Canada in 2015 under which it funds approximately 75% of Healthward's operating expenses. Per the agreement, Health Canada is permitted to appoint a minority (two of five) of Healthward's board of directors, and is consulted

on its educational curriculum and programming priorities. There are no restrictions on Healthward's ongoing receipt and use of revenues from other sources, including private donations, licensing revenues, and proceeds from an endowment fund. The agreement can be unilaterally terminated by either party without penalty, with reasonable notice. Should Healthward decline to follow Health Canada's recommendations, the terms of the agreement stipulate that Healthward may only be subject to a clawback of some portion of its funding.

*Trial, supra* para 5 at paras 10, 11.

#### **b. Relationship with Healthward Industries Corp. (“Industries”)**

[9] Essential to Healthward's activities is its relationship with Industries, a private, for-profit Canadian corporation. As the closest of Healthward's many affiliates, Industries is the sole manufacturer and supplier of the vaccines and medical supplies used in conjunction with Healthward's activities. It also sells its products to third parties. Healthward has authorized Industries to use the FLUSTOPPER official mark in conjunction with the products it sells. In exchange, Healthward receives royalties on Industries' product sales. With longstanding operations beginning in the 1990s, Industries was aware of Vaxco's FLUSTOPPA trademark in the U.S. and its pending approval for expansion into Canada (*TCCIPD*).

*Trial, supra* para 5 at paras 12, 13.

#### **B. The Marks**

##### ***i. Vaxco's FLUSTOPPA wordmark and accompanying design trademark***

[10] Vaxco has been using its well-known FLUSTOPPA trademark in the U.S for 20 years, in association with manufacturing, distribution, and selling of flu vaccinations. Vaxco has targeted Canadians with its advertising and website, which both prominently feature this mark. Canadians use Vaxco's website to access educational resources, research its products, and book appointments

which take place in the U.S. Vaxco has also implemented a print and billboard advertising campaign along the Canada-U.S. border which displays the FLUSTOPPA mark.

*Trial, supra* para 5 at paras 4, 5.

[11] The description of goods and services in Vaxco's application includes pharmaceutical preparations, diagnostic preparations, and biological products for human use. Along with others, the services include medical advice and information in connection with vaccinations, and retail, wholesale, and distribution services online and in-store in the field of vaccination.

*Trial, supra* para 5 at para 7.

***ii. Healthward's FLUSTOPPER official mark***

[12] At the request of Healthward, the Registrar made public notice of adoption of the use of the FLUSTOPPER official mark in January 2019.

*Trial, supra* para 5 at para 8.

**PART III – POINTS IN ISSUE**

[13] This appeal raises two issues: (1) Does Healthward hold a valid official mark, such that the Registrar could rightfully block Vaxco's registration of the FLUSTOPPA and design trademark?; and (2) Is Vaxco nevertheless entitled to the use and registration of its mark?

**PART IV – ARGUMENTS IN BRIEF**

**ISSUE 1: THE COURT OF APPEAL WAS CORRECT IN FINDING THAT HEALTHWARD'S OFFICIAL MARK PROTECTION WAS GRANTED IN ERROR**

**A. Healthward is not a valid public authority, making it ineligible for official mark protection**

[14] A valid official mark is one adopted and used by a public authority in Canada for which the Registrar has given public notice of its adoption and use (*TMA*). In order to be granted an

official mark, the applicant must be subject to a significant degree of government control, and its functions must be for the public benefit (*Architects*). The source of government control must originate from within Canada (*Canada Post*).

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

*Association of Architects (Ontario) v Association of Architectural Technologists (Ontario)*, 2002 FCA 218, at paras 47-53 [*Architects*].

*Canada Post v United States Postal Service*, 2007 FCA 10, at para 1 [*Canada Post*].

***i. Healthward is subject to insufficient government control to qualify as a public authority***

**a. Valid government control requires underlying legislation or power to legislate, and there is no enabling legislation authorizing or regulating Healthward's operations**

[15] Government control requires significant ongoing supervision of the operations of the organization (*Architects*). Government control is marked by the government holding powers to review and shape the body's activities and priorities, appoint its directors, supervise its regulation making, and ensure that it acts in furtherance of the relevant statutory scheme (*Chinese Medicine*). These powers must be enabled by legislation, and exercisable by government (*Architects*, *CIPO*).

*Architects*, *supra* para 14 at paras 59, 62.

*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*].

Canadian Intellectual Property Office, "Practice Notice: Official Marks pursuant to subparagraph 9(1)(n)(iii)", (22 August 2007, amended 28 October 2020), online: *Government of Canada* <<https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr00279.html>> [*CIPO*].

[16] The only statutory scheme governing Healthward is the *Income Tax Act*, in relation to its charitable status. This status alone is not sufficient to deem Healthward a public authority because it does not enable the government to engage in ongoing supervision of its activities (*Big Sisters*, *Jewish Congress*).

*Income Tax Act*, RSC 1985, c 1 (5<sup>th</sup> Supp.).

*Big Sisters Association of Ontario and Big Sisters of Canada v Big Brothers of Canada*, [1997] FCJ No 627 (FCTD), aff'd [1999] FCJ No. 809 (FCA) at para 59 [*Big Sisters*].

*Canadian Jewish Congress v Chosen People Ministries Inc*, 2002 FCT 613, aff'd 2003 FCA 272, at para 59 [*Jewish Congress*].

[17] “Power”, when referring to public bodies, refers to a legal authority to act, conferred under the authority of the Crown or Parliament (*CLD*). Healthward is not created by statute and does not hold any delegated statutory authority. It is largely unsupervised by government. Therefore, the requisite power needed to find government control does not exist (*Chinese Medicine*).

RS Vasan, *The Canadian Law Dictionary*, (Don Mills, ON: Datinder S Sodhi, 1980) sub verbo “power” [*CLD*]  
*Chinese Medicine*, *supra* para 15 at para 36.

**b. The funding agreement with Health Canada does not amount to government control**

[18] The government has some involvement in Healthward’s activities; however, these rights are rooted in contract rather than statute. The contractual rights afforded to government in the funding agreement do not amount to statutory government control. They lack any of the binding authority stipulated in legislative schemes, and they do not confer any delegated legislative authority (*Chinese Medicine*, *Bruce Trail*).

*Chinese Medicine*, *supra* para 15 at para 36.  
*Bruce Trail Assn v Camp*, (2001) 12 CPR (4th) 104 (TMOB) at para 19 [*Bruce Trail*].

[19] The contract’s terms stipulate that it can be unilaterally terminated at any time with reasonable notice and without damages or penalty to Healthward. Any ongoing relationship with Health Canada is therefore voluntary. Even the appointment of members to Healthward’s board is limited to a minority of seats, and this obligation can be terminated at any time with the agreement.

[20] Health Canada’s ability to make requests of Healthward under the agreement does not amount to the power to enact binding regulations on Healthward. Should Healthward decline to comply with Health Canada’s requests, it would not be in breach of the agreement and it would face only a minor financial penalty as a consequence.

[21] Furthermore, Health Canada’s advisory role is limited to consultation regarding its operations and not with regard to the implementation of a statutory scheme. By definition, this consultant role is non-binding on Healthward. It is again a terminable contractual right rather than



the exercise of legislative or statutory power. Overall, the agreement with Health Canada does not exert any binding control over Healthward's operations that is reminiscent of a legislative scheme.

**c. A financial contribution alone is insufficient to find control**

[22] Given the lack of any statutory basis for Health Canada and Healthward's relationship, a financial grant is insufficient to establish government control. Absent any statutory right to take part in the management of the organization's funds, either in its operations or after its dissolution, a grant of funding alone cannot amount to government control (*Jewish Congress*). The Government of Canada cannot intervene in any such way with how charitable organizations like Healthward conduct its affairs (*Jewish Congress*).

*Jewish Congress, supra* para 16 at para 56, 58.

[23] Alternatively, the public authority requires delegated authority under statute to manage the relevant funds for fulfillment of a public mandate (*Bruce Trail*). Healthward has no such delegated authority, by virtue of statute or otherwise.

*Bruce Trail, supra* para 18 at para 19.

[24] Conditional financial grants, even those enabling government agencies certain rights and requiring reporting on the use of the funds, do not amount to ongoing government supervision, nor significant government control (*TCC*). Health Canada does not even have a right to receive reports on the use of its financial grant under the terms of its agreement, falling far short.

*TCC Holdings Inc v Families as Support Teams Society*, 2014 FC 830 at paras 25, 27 [*TCC*].

[25] Additionally, Healthward continues to retain many additional sources of funding, primarily from the private sector. Its operations could continue absent Health Canada's contributions, unlike a true public authority's operations (*COA*). Health Canada's agreement with Healthward could be replaced with any other procurement agreement for health services. Its arms-length financial grant

is therefore more appropriately characterised as a government procurement contract.

*Canadian Olympic Association v Canada (Registrar of Trade-Marks)*, [1983] 1 FC 692, 139 DLR (3d) 190 (FCC), at para 30 [COA].

***ii. Healthward’s functions, and the use of the FLUSTOPPER official mark, are primarily for private, rather than public benefit***

[26] Public benefit is determined by looking at the objects, duties, and powers of the official mark holder, including the distribution of its assets (*Architects*). The balance of these factors in the present case indicates that Healthward’s operations are not carried out to the benefit of the public, but instead private partners. The primary benefactor of Healthward’s funding and official mark is Industries, which utilizes both to increase its profits. Additionally, Healthward’s improper assignment of the use of its official mark actively harms the public interest.

*Architects*, *supra* para 14 at para 52.

**a. Healthward has no duty to act to benefit the public**

[27] While vaccination may be a public good, dedication to the public good is not equivalent to a duty to the public (*Big Sisters*). Duties are legally enforceable obligations to act in the public benefit (*Architects*). Given the voluntarily terminable nature of its agreement with Health Canada, Healthward is under no legally enforceable duty to pursue public benefit. Healthward is able to refuse to follow Health Canada’s directions without significant consequence and can unilaterally terminate all public benefit at-will, yet still retain their official mark under the current regime.

*Big Sisters*, *supra* para 16 at para 56.  
*Architects*, *supra* para 14 at para 48.

**b. Healthward’s principal object is to support Industries’ business**

[28] Healthward’s mobile vaccination clinics, the operation of which is its primary “charitable” object, serve primarily to distribute Industries products, and therefore to channel public funding to private beneficiaries.

[29] As Industries is Healthward's sole supplier, any funds it receives from Health Canada are forwarded directly to Industries in order to procure vaccines and medical supplies required for operation, thereby increasing private profit. Universal flu vaccination is publicly funded, and therefore free of charge to the public in eleven of the thirteen Canadian provinces and territories. Coverage for high-risk individuals is covered in all provinces (*Vaccination*). Healthward's mobile clinics serve to distribute Industries' products specifically, rather than to provide a unique means for the public to acquire vaccination funded by the government. Generating profit for Industries offers no material benefit to the public.

Public Health Agency of Canada, "Public Funding for Influenza Vaccination by Province/Territory" (12 August 2020), online: *Government of Canada* <<https://www.canada.ca/en/public-health/services/provincial-territorial-immunization-information/public-funding-influenza-vaccination-province-territory.html>> [*Vaccination*].

[30] Additionally, as members of a global network, Healthward is influenced by international actors, and may have its objects guided by interests other than those of the Canadian public.

### **c. Healthward distributes its assets in order to maximize private benefit**

[31] Healthward's distribution of its financial and official mark assets only serves to further its object of maximizing profit for Industries, and in doing so, harms the public. Healthward directs the material benefit of its funding from Health Canada to Industries. Healthward also authorizes use of its official mark, including its profit-generating power, to Industries. This assignment of the right to use FLUSTOPPER is indicative of a manipulated organizational structure, whereby Healthward is able to engage in private for-profit activities through a close affiliate, while retaining its charitable status.

[32] Not only does this assignment fail to further the public benefit, it is also contrary to foundational rules of the official marks regime, which are in place to protect the public (*Davis*). Any assignment of the rights to an official mark requires that the transferee or licensee also be

entitled to protection under s.9 (*TMA*). Therefore, it must be a public authority (*Ecosmart*, *Anne*, *Bruce Trail*). Industries is a completely private entity. Even if Healthward were a valid authority, partnerships which include a non-official body are precluded from acquiring official marks (*Stadium*). Actively undermining the free market and the official marks regime both negatively impact the public, therefore precluding Healthward from adopting an official mark.

Donna L Davis, "Too Much Protection, Too Little Gain: How Official Marks Undermine the Legitimacy of Intellectual Property Law" (2009) 14 Appeal: Rev Current L & L Reform 1 at 12 [*Davis*].

*TMA*, supra 14 at s 9(2).

*Ecosmart Foundation Inc v SJ Electro Systems Inc*, 2012 TMOB 104 at para 17-18 [*Ecosmart*].

*Sullivan Entertainment Inc v Anne of Green Gables Licensing Authority*, 2002 FCT 1321, at para 74 [*Anne*].  
*Bruce Trail*, supra para 18 at para 19.

*Wagon-Wheel Concessions Ltd v Stadium Corp of Ontario Ltd*, [1989] 3 F.C. 460 at para 15 [*Stadium*].

[33] Licensing within an association is acceptable where use of the official mark by members constitutes use by the association itself, and members are subject to the relevant government control (*Vinters*). Healthward is not an association nor a governing body, and Healthward Industries is a private business partner. It acts privately and for-profit, with no accountability to the government or the electorate. As a result, allowing Industries to use the FLUSTOPPER official mark is an improper assignment of rights.

*Magnotta Winery Corp v Vinters Quality Alliance*, 2001 FCT 1421 at para 67 [*Vinters*].

## **B. Healthward's use and assignment of FLUSTOPPER is contrary to the purposes and objectives of the official marks regime**

### ***i. Healthward's anti-competitive abuse of an official mark undermines the important source-distinguishing function of the official marks regime***

[34] The primary intent behind the official marks regime is to preclude anyone from capitalizing on any well-known and respected public symbols in private markets (*Techniquip*). It is intended to ensure that these symbols do not become pawns of trade or proprietorship (*Techniquip*). This serves the public by avoiding abuse of public symbols in order to mislead, but also to ensure fair competition is maintained. The regime has continuously been renewed by the legislature,

indicating the resilience of this legislative objective. Healthward's use of its mark in the private sector undermines this objective.

*Techniquip v Canadian Olympic Assn*, [1998] FCJ No 280 (FCTD), aff'd [1999] FCJ No 1787 (FCA) at para 28 [*Techniquip*].

[35] As holders of the FLUSTOPPER official mark, Healthward has abused the broad scope of power afforded to it for anti-competitive purposes. This actively undermines the competition-maintaining benefits afforded by the regime. Healthward's mark was granted public notice by the Registrar a mere month prior to Vaxco's entry into the market. As Vaxco's direct competitor, Industries was well-aware of this date. Healthward seized this opportunity to claim an anti-competitive advantage of superior official mark protection. That these two direct competitors should be granted such disparate protection is contrary to the core purpose of the trademark law regime, which relies on standards to maintain competition.

[36] Healthward's public notice and adoption demonstrates an over-expansive application of the official marks regime which undermines the public's trust in Canadian trademark law within the larger rule of law (*Davis*). It is demonstrative of a troubling trend of public-private blurring, which Healthward has further exacerbated by using FLUSTOPPER in conjunction with profit-driven ventures (*Krane*). This public-private blurring undermines public confidence in the rule of law by allowing a state-sanctioned monopoly (*Davis*). Upholding public confidence in the regime and bringing it closer to its original purpose requires this court to intervene (*Davis*).

*Davis*, *supra* para 32 at 15, 3, 12-13.

Joshua Krane, "Rethinking Official Marks in Canada" (2008) 34:1 *Advoc Q* 440 at 451-453 [*Krane*].

[37] The role of the courts in narrowly interpreting s.9(1)(n)(iii) has been integral to mitigating precisely the type of improper behaviour carried out by Healthward and Industries (*Davis*). An official mark confers very substantial benefits not available to the owners of trademarks, and thus has the capacity to injure both existing trademark owners and the public (*Architects*). It must

therefore be assured that official mark holders are properly entitled entities, and a high level of scrutiny should be applied (*Architects*).

*Davis, supra* para 32 at 3.  
*Architects, supra* para 14 at paras 63-64.

[38] In sum, it would be patently unfair and completely contrary to the interest of justice if Healthward, an organization that abuses the regime to further private aims and undermines the interests of the public, were to continue to be permitted to enjoy the exceptional rights conferred on the holder of an official mark (*Starbucks*).

*Starbucks (HK) v Trinity Television Inc*, 2016 FC 790 at para 22 [*Starbucks*].

## **ISSUE 2: VAXCO HAS PRIOR USE AND IS ENTITLED TO THE REGISTRATION AND USE OF ITS FLUSTOPPA MARK**

### **A. There is no resemblance between Healthward and Vaxco's marks**

[39] The FLUSTOPPA and FLUSTOPPER marks are not identical. Nor do they so nearly resemble one another that they are likely to be mistaken. The resemblance test looks to the appearance, sound, and ideas suggested by marks alleged to be similar (*TMA, Big Sisters*). These elements are considered more narrowly than the s.6(5) confusion test, with the potential for the mark to be prohibited even in cases where there is no likelihood of confusion (*TMA, Kruger*).

*TMA, supra* para 14 at ss 9(1)(n)(iii), 6(5).  
*Big Sisters, supra* para 16 at para 44.  
*Canada v Kruger*, (1978) 44 C.P.R. (2d) 135 (Reg TM) at para 12 [*Kruger*].

#### ***i. The ideas suggested by the marks differ***

[40] The ideas suggested by the two marks differ in that Vaxco's FLUSTOPPA mark makes the purposeful addition of 'OPPA' at the end of the mark. Through the use of a contraction, Vaxco combines the words 'flu' and 'stop' into one original word with the creative inclusion of an informal suffix. Healthward's mark, however, is purely descriptive in its combination of the words 'flu' and 'stopper' which demonstrates no creativity.

[41] FLUSTOPPA communicates a more colloquial branding approach that's reminiscent of an informal-er-esque lightheartedness. Vaxco's products and services are portrayed as a convenience, due to Vaxco's adoption of fictionalized speech reminiscent of branding strategies used for other commodity-based products. FLUSTOPPA also makes use of the first letter of the alphabet as the end of its trademark, which is often used in order to associate a mark with top-quality products (e.g. Grade A) to make customers infer a higher quality.

[42] In contrast, FLUSTOPPER communicates a cold and medical approach to branding. The simple amalgamation of two words suggests that Healthward is a technical and formal company.

***ii. The appearance and sound of the marks differ***

[43] The two marks share lettering, but even the difference of a small aberration, an addition of a suffix, or a variation in accompanying words is enough differentiation to find that two marks do not share resemblance (*TMA, CCPE*). FLUSTOPPA's differing suffix from FLUSTOPPER alters the appearance and sound of the two marks to make them notably different from one another despite sharing some similar lettering.

*TMA, supra* para 14 at s 9(1)(n)(iii).

*Canadian Council of Professional Engineers v APA – The Engineered Wood Assn*, 2000 FCJ No 1027, 184 FTR 55 at para 66 [*CCPE*].

[44] The FLUSTOPPA mark also includes an accompanying distinctive design. This greatly distinguishes its appearance from the FLUSTOPPER trademark which is a wordmark alone.

**B. The application of the prior use doctrine to official marks aligns with legislative intent**

[45] In the present case, the correct legal inquiry is the prior use doctrine rather than the resemblance test. This better aligns with the legislative intent of the official marks regime.

***i. Legislative intent seeks to prevent confusion between marks before and after public notice***

[46] When Parliament originally drafted s.9(1)(n)(iii), its main purposes were to ensure crests, coats of arms, and any royal symbols were free from the common trademark regime, and to ensure

they were not exploited for profit (*Davis, Techniquip*). Ensuring that Vaxco's FLUSTOPPA mark does not confuse consumers as to the source of Healthward's FLUSTOPPER mark would align with this purpose. This purpose is best achieved by looking for prior use rather than resemblance. This is especially true if a mark is well known within Canada, as Vaxco's is. To allow otherwise could cause confusion as to the true governmental source of a potentially valid official mark.

*Davis, supra* para 32 at 2.

*Techniquip, supra* para 34 at para 28.

[47] After public notice of an official mark, all persons are barred from adopting any mark consisting of, or closely resembling as to be likely to be mistaken for the official mark (*TMA*). However, the courts must also be concerned with marks that have been used or made known prior to the public notice of an official mark. This is just as likely to cause confusion in the marketplace.

*TMA supra* para 14 at s 9(1)(n)(iii).

[48] The official marks regime allows continued use of a similar mark, but only in relation to the goods and services that had been associated with the mark prior to the official mark receiving public notice and adoption (*Cable*). This limited continued use is one of the only leniencies that the official marks regime shows similar trademarks. However, allowing Vaxco to continue using its mark within Canada so long as it does not venture into new classifications does not eliminate the possibility for confusion between the marks. Both Vaxco and Healthward's marks are associated with goods and services related to the education and administration of vaccinations. Under the current application of the regime, the result would be allowing both the FLUSTOPPER and FLUSTOPPA marks to coexist in the vaccination industry, undoubtedly resulting in confusion.

*Cable Control Systems Inc v Electrical Safety Authority*, 2012 FC 1272 at para 6 [*Cable*].



*ii. The prior use doctrine is more effective at preventing confusion than the resemblance test*

[49] The prior use doctrine should be applied over the resemblance test as it is concerned with finding and preventing confusion between two marks even if that means preventing the use of the later mark. The resemblance test, however, has been developed to only be concerned with limiting already known marks so an official mark, even if confusingly similar, may co-exist.

[50] Applying the confusion analysis between Vaxco and Healthward's marks determines the likelihood for confusion in reference to all surrounding circumstances, whereas the resemblance test only takes the resemblance of the marks into consideration (*Kruger*). Instead of just considering the sound, appearance, and ideas of the marks, with prior use, Vaxco's previous sales, 20-year presence in the United States, and other surrounding circumstances that increase the risk for possible confusion, would also be taken into consideration.

*Kruger, supra* para 39 at para 12.

[51] The resemblance test also greatly favors the official mark holder since the criteria is 'merely resembles' as opposed to 'confusingly similar', whereas prior use approaches the parties more equally (*Masterpiece, Kruger*). Prior use takes surrounding circumstances into consideration in addition to the mere appearance of the two marks, and it is chiefly concerned with ensuring no two marks that are similar or identical exist within the market at the same time. It is therefore the proper test to use when considering Vaxco and Healthward's marks, official or not.

*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 37 [*Masterpiece*].  
*Kruger, supra* para 39 at para 12.  
*TMA, supra* para 14 at s 6(5).

**C. Healthward's official mark is invalid on the basis of Vaxco's prior use and making known**

[52] A registration application for proposed use is invalid if, at the date of the filing of the application, the mark was confusing with another that had been previously used or made known in Canada (*Motel*). Vaxco both used and made known of its FLUSTOPPA trademark in Canada

prior to its formal registration, thereby preventing the registration of Healthward’s confusingly similar mark. Due to this prior use, the common law confusion analysis applies (*TMA*). It will also apply if the court determines Healthward has not met the stringent public authority requirements and therefore is not entitled to an official mark.

*Motel 6 Inc v No 6 Motel Ltd*, [1982] 1 FC 638, 127 DLR (3d) 267 at para 34 [*Motel*].  
*TMA*, *supra* para 14 at s 6(5)(a-d).

***i. Vaxco has acquired prior use of its FLUSTOPPA trademark***

**a. Vaxco’s offering of ancillary services in association with the mark is a prior use**

[53] Vaxco has used its trademark within Canada prior to Healthward’s public notice and adoption by offering reservations to Canadians and educational materials relating to vaccinations. “Services” has been interpreted to include both primary services as well as offering reservations for services which are carried out elsewhere (*Miller*). Services are considered “ancillary” where consumers and the public receive some benefit from the activity (*Societe*). Through its offering of reservations services, Vaxco provided ancillary services to Canadians prior to Healthward’s public notice and adoption. Reservation services offer a clear benefit to Canadians by enabling them to arrange the time and location of their vaccination.

*Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 30 [*Miller*].  
*Société Nationale des Chemins de Fer Français SNCF v Venice Simplon-Orient-Express*, (1995) 64 CPR (3d) 87 at para 8 [*Societe*].

[54] In Vaxco’s trademark application, it listed two of its services as medical advice and information in connection with vaccination, and retail, wholesale and distribution services online and in-store in the field of vaccination. The offering and making of reservations for future Canadian patients would be ancillary to the later in-person services expressed in Vaxco’s trademark application.

**b. Vaxco’s offering of confirmed appointments benefits its customers**

[55] A benefit does not have to be a material item given to a consumer who is physically present at the business for a formal transaction (*Miller*). As technology has changed the way people consume and acquire products, the concept of a ‘material’ benefit has shifted as well.

*Miller, supra* para 53 at para 113.

[56] Vaxco patients benefit from the ability to search out and make an appointment online for future treatment. A potential patient is not able to receive the product or service without an appointment, and therefore the appointment is beneficial to the consumer by ensuring they receive the service at a later date. Before February 2019, Canadian Vaxco patients could only receive the vaccine if they travelled to the U.S. A confirmed appointment ensures the time and money spent getting to the physical appointment across the border will be corroborated. Without an appointment, a potential customer risks losing travel and opportunity costs.

**c. Vaxco’s informational website provides an educational benefit to Canadian consumers**

[57] Vaxco’s has used its trademark on its website in association with information and guidance relating to its vaccines and vaccination procedures. Where businesses do not have physical locations and carry a largely online presence, this can nevertheless constitute the provision of a beneficial ancillary service to Canadians and establish trademark use (*TSA*). Vaxco’s website provides educational information about the importance of vaccines, and advertising for Vaxco’s products and services. It is a beneficial ancillary service that establishes Vaxco’s prior use of its mark.

*TSA Stores Inc v Canada (Registrar of Trade-Marks)*, 2011 FCJ No 319 at para 19 [*TSA*].

[58] Vaxco specifically targeted Canadians with its website and Canadians have made use of it. Evidence showing that consumers in Canada are targeted with advertising can contribute to a finding of use (*Miller*). For a mark to be used in relation to services, it must be used or displayed

in the performance or advertising of those services (*TMA*). Since FLUSTOPPA is displayed prominently on Vaxco's website, this mark is associated with ancillary services.

*Miller, supra* para 53 at para 150.  
*TMA, supra* para 14 at s 4(2).

***ii. Vaxco's FLUSTOPPA trademark has been made known through its billboard and print advertising campaigns***

[59] Marks can be 'made known' through advertising in Canada. A mark is made known in Canada if it has become well known through use in another country of the Union and in association with the respective goods and services which are distributed or advertised within Canada (*TMA*). Print and billboard advertising campaigns which accurately and clearly display the trademark in question can satisfy these requirements (*Andres, WIC*). Accordingly, Vaxco's print and billboard advertising campaign along the U.S. border has made the mark known by displaying the FLUSTOPPA trademark while advertising Vaxco's goods and services to Canadians.

*TMA, supra* para 14 at ss 5, 5(b)(i).  
*Andres Wines Ltd v E & J Gallo Winery*, (1975) 25 CPR (2d) 126 at paras 4, 20 [*Andres*].  
*ITV Technologies Inc v WIC Television Ltd*, 2003 FC 1056, 29 CPR (4th) 182 (FC) at paras 57, 166 [*WIC*].

[60] The finding of a 'trans-border' reputation is also persuasive to the finding of making known within Canada. (*Motel*). Due to Vaxco's 20-year presence in the U.S., Canadians have been exposed to the FLUSTOPPA trademark while travelling to the U.S. for other purposes. Therefore, when Vaxco began using FLUSTOPPA in Canada, some Canadian citizens who have travelled to the U.S. in the last 20 years were likely already aware of Vaxco's goods and services due to its well-known presence in the U.S.

*Motel, supra* para 52 at para 44.

**a. Vaxco's mark is well known in Canada**

[61] For a mark to be made known, it must be also be well known (*TMA*). Vaxco's FLUSTOPPA trademark is well known within Canada due to its advertising campaigns. For a

mark to be “well known”, it does not necessarily need to be known throughout all of Canada. Instead, it must be only be known in a ‘substantial part’ of the country. “Substantial part” has been interpreted as including entire provinces or geographical regions of the country (*Valle’s*).

*TMA, supra* para 14 at s 5.  
*Valle’s Steak House v Tessier*, 1980 1 FC 441 at para 13 [*Valle’s*].

[62] The FLUSTOPPA trademark has successfully become well known in Canada due to the implementation of Vaxco’s advertising campaigns specifically within cities along the Canadian border. The vast majority of Canada’s population lives at the U.S. border, particularly in Quebec and Ontario. As of 2016, two of three Canadians now live within 100 kilometres of the southern Canada–U.S. border, an area that represents roughly 4% of Canada's territory (*Stats Can*). On this basis, Vaxco’s print and billboard advertising campaigns along the Canadian and U.S. border meets and surpasses the threshold for a finding of a ‘well known’ trademark.

Statistics Canada, “Population size and growth in Canada: Key results from the 2016 Census” (30 March 2017), online: *Statistics Canada* < <https://www150.statcan.gc.ca/n1/daily-quotidien/170208/dq170208a-eng.htm> > [*Stats Can*].

[63] Vaxco’s goods and services were properly advertised in association with its mark which appeared on the billboards and in the printed ads, and its focus on advertising in the most densely populated areas of Canada has ensured the FLUSTOPPA mark has become well known within the jurisdiction. It has therefore made its mark known in Canada and warrants prior use protection against the adoption of Healthward’s confusingly similar FLUSTOPPER mark.

## **PART V – ORDER REQUESTED**

[64] The Respondent respectfully requests an order for the expungement of Healthward’s FLUSTOPPER official mark, and the overturning the Registrar of Trademarks’ decision to reject the registration of Vaxco’s FLUSTOPPA mark and accompanying design.

ALL OF WHICH IS RESPECTFULLY SUBMITTED on this 26<sup>th</sup> day of January, 2021.

## PART VI – TABLE OF AUTHORITIES

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<i>Big Sisters Association of Ontario and Big Sisters of Canada v Big Brothers of Canada</i> , [1997] FCJ No 627 (FCTD), aff'd [1999] FCJ No. 809 (FCA).-----	16, 27, 39
<i>Bruce Trail Assn v Camp</i> , (2001) 12 C.P.R. (4th) 104 (TMOB).-----	18, 23, 32
<i>Cable Control Systems Inc. v Electrical Safety Authority</i> , 2012 FC 1272.-----	48
<i>Canada Post v United States Postal Service</i> , 2007 FCA 10.-----	14
<i>Canada v Kruger</i> , (1978) 44 CPR (2d) 135 (Reg TM).-----	39, 50, 51
<i>Canadian Council of Professional Engineers v APA – The Engineered Wood Assn</i> , 2000 FCJ No 1027, 184 FTR 55.-----	43
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<i>Ecosmart Foundation Inc v SJ Electro Systems Inc</i> , 2012 TMOB 104.-----	32
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<i>Sullivan Entertainment Inc v Anne of Green Gables Licensing Authority</i> , 2002 FCT 1321. ----	32
<i>TCC Holdings Inc v Families as Support Teams Society</i> , 2014 FC 830. -----	24
<i>Techniquip v Canadian Olympic Assn</i> , [1998] FCJ No 280 (FCTD), aff'd [1999] FCJ No 1787 (FCA).-----	34, 46
<i>TSA Stores Inc v Canada (Registrar of Trade-Marks)</i> , 2011 FCJ No 319.-----	57
<i>Valle's Steak House v Tessier</i> , 1980 1 FC 441. -----	61
<i>Vaxco v Healthward Canada</i> , 20 TCCIPD 1222.-----	5, 6, 7, 8, 9, 10, 11, 12
<i>Wagon-Wheel Concessions Ltd v Stadium Corp of Ontario Ltd</i> , [1989] 3 FC 460.-----	32

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<i>Income Tax Act</i> , RSC 1985, c 1 (5 <sup>th</sup> Supp.). -----	16
<i>Trademarks Act</i> , RSC 1985, c. T-13, s 4(2).-----	58
<i>Trademarks Act</i> , RSC 1985, c. T-13, s 5. -----	59, 61
<i>Trademarks Act</i> , RSC 1985, c. T-13, s 6(5).-----	39, 51, 52
<i>Trademarks Act</i> , RSC 1985, c. T-13, s 9(2).-----	32
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