

THE SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY APPEALS

BETWEEN:

HEALTHWARD CANADA

Appellant

– and –

VAXCO LTD

Respondent

FACTUM FOR APPELLANT

PART I: OVERVIEW

[1] Official marks protect marks used by public authorities from confusion with for-profit marketing and sales. This appeal asks the Court to assess official marks and trademarks as they affect public healthcare, a pillar of Canadian society.

[2] This dispute arises between Healthward Canada (“Healthward”), a Canadian charity that delivers vaccines and public healthcare; and Vaxco, Ltd. (“Vaxco”), an American corporation that provides for-profit healthcare at a direct cost to recipients. Healthward seeks to protect its official mark FLUSTOPPER against an attack of its validity by Vaxco, which is attempting to register its almost identical mark, FLUSTOPPA & Design (“FLUSTOPPA”).

[3] Healthward submits that: (1) Healthward is a public authority under section 9(1)(n)(iii) of the *Trademarks Act*, and as such, its official mark FLUSTOPPER is valid; (2) Vaxco is barred from registering its mark FLUSTOPPA because it so nearly resembles Healthward’s official mark FLUSTOPPER as to be mistaken for it; and (3) Healthward’s valid official mark and common law trademark FLUSTOPPER bars Vaxco’s activity related to the FLUSTOPPA mark.

PART II: STATEMENT OF FACTS

1. Background Facts

(a) Healthward’s Operations and Official Mark

[4] Healthward is a registered Canadian charity and non-profit organization that specializes in public health issues relating to vaccinations. Healthward provides free vaccinations via mobile health clinics and educational programs about vaccination. Healthward’s Canadian operations began in 2014, building on its global public health efforts.

[5] Since 2015, Healthward’s Canadian operations and governance have been organized around a funding agreement with Health Canada. Pursuant to this agreement, approximately 75%

of Healthward's yearly operating expenses are covered by Health Canada. Health Canada can prioritize communities to serve, direct Healthward to provide mobile clinic services in those communities, and withdraw funding if Healthward does not comply. Healthward also consults Health Canada on curriculum and messaging for its educational programs. Healthward's governance reflects its funding and alignment with Health Canada's mission. Health Canada has direct control of the appointment of two of five seats on Healthward's legal governance body. While the funding agreement provides mutual rights to termination, Healthward could not exist in its current form without the Health Canada funding agreement.

[6] Like other public authorities, Healthward extends its public health operations through income generation. It generates income by permitting Healthward Industries ("HI"), a vetted party, to use its official mark. HI provides income to Healthward in the form of royalties. HI is a longstanding Canadian organization that manufactures vaccines and medical supplies. Healthward receives these supplies from HI to deliver public healthcare free of charge.

[7] Healthward's adoption and use of its official mark FLUSTOPPER from 2014 to the present is undisputed (*Clarifications*). The Registrar gave public notice of this in January 2019.

IP Moot Committee, "2021 Harold G Fox Moot: Moot Problem Clarifications" at 1 [*Clarifications*].

(b) Vaxco's Operations and American Trademarks

[8] Vaxco is an American corporation that sells vaccinations for profit and operates commercial clinics. Vaxco also ships vaccines to American and European markets. Vaxco received approval to offer for-profit vaccines in Canada in 2019, four years after Healthward began its operations in Canada.

[9] Despite Healthward’s adoption and use of “FLUSTOPPER” in Canada, Vaxco began selling vaccines labelled “FLUSTOPPA” in Canada in February of 2019, and applied to register a trademark in “FLUSTOPPA” in March of 2019.

[10] Until February of 2019, Canadians could not purchase or receive Vaxco’s vaccines in Canada. Before then, Vaxco shipped vaccines from the US to Europe, with incidental shipping through Canada. There is no evidence of related sales in Canada. Vaxco’s billboards in some city locations along the Canadian side of the Canada-US border convey that Canadians can travel to the US for FLUSTOPPA vaccinations, and Vaxco’s website has been used by Canadians to book appointments at US Vaxco clinics, but there is no evidence regarding the volume of use or visits, nor is there evidence of any related sales. The FLUSTOPPA trademark appeared on Vaxco’s website (“www.vaxco.com”) unconnected to a pay-for-service function. The website was limited to mentions of Vaxco’s products and services along with some information about vaccines, and an appointment booking function that did not target Canadians.

[11] Despite Healthward’s adoption and use of FLUSTOPPER, Vaxco attempted to register the FLUSTOPPA trademark—consisting of the word FLUSTOPPA and an image of a generic injection needle—in association with a plethora of goods and services.

[12] Vaxco’s application to register the trademark FLUSTOPPA was refused by the Registrar of Trademarks pursuant to sections 9(1)(n)(iii) and 12(1)(e) of the *Trademarks Act*, which bar the registration of trademarks that resemble existing official marks.

Trademarks Act, RSC 1985, c T-13 [*Trademarks Act*].

2. Procedural History

(a) Trial Court of Canada - Intellectual Property Division

(i) Healthward’s valid official mark FLUSTOPPER bars the FLUSTOPPA trademark

[13] The Application Judge, Coff J, held that Healthward’s official mark FLUSTOPPER was valid. She held that there was a sufficient degree of governmental control over Healthward because of the terms of its funding arrangement with Health Canada, and its reliance upon the government for funding. She also found that “Healthward’s educational programs and free mobile clinics constitute[d] a clear public health benefit” (*Vaxco* TCCIP). As such, the Application Judge held that Healthward was a public authority for the purposes of section 9(1)(n)(iii) of the *Trademarks Act*, and that its official mark FLUSTOPPER was valid.

Vaxco Ltd v Healthward Canada, 20 TCCIP 1222 at para 20 [*Vaxco* TCCIP].

[14] While Coff J applied the incorrect *Trademarks Act* section 6(5) confusion test as part of that analysis, she nonetheless correctly found that FLUSTOPPER and FLUSTOPPA “closely resemble each other in appearance, sound and ideas suggested” (*Vaxco* TCCIP). As such, she upheld the Registrar’s decision to refuse the FLUSTOPPA trademark application.

Vaxco TCCIP, *supra* para 13 at para 20.

(ii) *Vaxco has no right to use the FLUSTOPPA trademark as there is no prior use*

[15] Coff J held that Vaxco’s prior use of the FLUSTOPPA trademark did not constitute “use” for the purposes of the *Trademarks Act*. She noted that Vaxco had never sold its FLUSTOPPA vaccines in Canada prior to Healthward’s January 2019 notice of adoption and use of FLUSTOPPER, and she thus barred Vaxco’s attempt to encroach on Healthward’s mark.

[16] Coff J rejected Vaxco’s claim that Canadians’ online access to its international website and US location appointment booking constituted prior use of the FLUSTOPPA trademark in Canada. She found that even if Canadians paid to book appointments at Vaxco’s United States (“US”) clinics, those services were ultimately provided in the US, not Canada. Services provided in the US do not establish prior use of the FLUSTOPPA trademark in Canada.

(b) Court of Appeal - Intellectual Property Division

(i) Findings of official mark validity and resemblance partially overturned

[17] The Court of Appeal partially overturned Coff J’s decision. First, writing for the Court of Appeal, Ailes JA accepted Healthward’s adoption and use of FLUSTOPPER. Ailes JA then held that Healthward’s functions serve a “significant and important benefit to public health” and that Health Canada did “direct” aspects of Healthward’s work (*Vaxco* CAIP). However, Ailes JA reduced the relationship between Healthward and Health Canada to one of contractual obligation, and as such, held that Healthward did not meet the governmental control requirement for the purposes of s 9(1)(n)(iii) of the *Trademarks Act*. In *obiter dictum*, Ailes JA expressed (admittedly irrelevant) concerns about Healthward exercising the right to license its mark.

Vaxco Ltd v Healthward Canada, 2020 CAIP 333 at paras 8, 9 [*Vaxco* CAIP].

[18] Second, Ailes JA applied the correct s 9(1) resemblance test, and ultimately relied on the design component of the FLUSTOPPA mark in holding that it did not so nearly resemble the FLUSTOPPER mark as to be mistaken for it.

(ii) Prohibited use of the FLUSTOPPA trademark overturned on the basis of prior use

[19] The Court of Appeal held that Vaxco’s claims of prior use were permissible and that on those grounds, Vaxco could continue to use the FLUSTOPPA trademark. The Court relied on Vaxco’s website and other advertising as use, finding that this activity had occurred prior to Healthward’s registration of its official mark FLUSTOPPER. In addition, the Court held that Vaxco’s subsequent use of the FLUSTOPPA trademark was permitted as it did not expand into new categories of goods and services beyond healthcare products and related services.

PART III: POINTS IN ISSUE

[20] The Appellant submits that the Court of Appeal erred in holding that:

1. Healthward's official mark FLUSTOPPER is not valid, and that Vaxco's trademark FLUSTOPPA does not so nearly resemble FLUSTOPPER as to be likely to be mistaken for it; and
2. Healthward's official mark FLUSTOPPER does not prevent (or otherwise restrict) Vaxco's use of its mark FLUSTOPPA.

PART IV: ARGUMENTS IN BRIEF

1. Healthward's official mark FLUSTOPPER is valid and bars Vaxco from registering its trademark FLUSTOPPA

(a) Healthward's official mark FLUSTOPPER is valid

[21] The Court of Appeal erred in holding that Healthward is not a public authority, and hence is not entitled to be given notice of adoption and use of its mark FLUSTOPPER.

[22] Pursuant to section 9(1)(n)(iii) of the *Trademarks Act*, a public authority can request that the Registrar give public notice of adoption and use of an official mark. The Federal Court of Appeal in *Ontario Assn of Architects v Assn of Architectural Technologists of Ontario*, affirmed the two-part test to determine whether a body is a public authority: (1) there must be a sufficient degree of government control exercised over the body, and (2) the body's functions must be sufficiently for the public benefit (*Ontario Assn of Architects*).

Trademarks Act, *supra* para 12, s 9.
Ontario Assn of Architects v Assn of Architectural Technologists of Ontario, 2002 FCA 218 at para 52 [*Ontario Assn of Architects*].

(i) Healthward is under a sufficient degree of governmental control

[23] Sufficient government control has been found where there is ongoing government supervision of the body (*Ontario Assn of Architects*). The government control required does not have to be "absolute" (*COC*).

Ontario Assn of Architects, *supra* para 22 at para 59.
See You In – Canadian Athletes Fund Corporation v Canadian Olympic Committee, 2007 FC 406 at para 60 [*COC*].

[24] In *Canada (Registrar of Trade Marks) v Canadian Olympic Association*, the Court found that the Canadian Olympic Association was under sufficient government control (*COA*). The Court noted, *inter alia*, that the federal government contributed a “substantial” amount to the financing of the Canadian Olympic Association by contributing 30% to 40% of the Olympic Games missions costs (*COA*). In exchange, the government monitored the use of these funds. The Court also cited the fact that the federal government was able to keep the Canadian Olympic Association from participating in the 1980 Moscow Summer Olympic Games, as indicative of a substantial degree of government control over the Canadian Olympic Association (*COA*).

Canada (Registrar of Trade Marks) v Canadian Olympic Association, [1983] 1 FC 692, 1982 CanLII 3031 (FCA) at paras 5, 28-32 [*COA*].

[25] Likewise, in *Ontario Assn of Architects*, (although only in *obiter dictum*) the Court used the Ontario Association of Architects as an example of a body that would have been under a significant degree of government control (*Ontario Assn of Architects*). The Court cited the fact that the activities of the Ontario Association of Architects’ Council was subject to government oversight. In particular, the relevant Minister was entitled to request that the Council undertake activities that were “necessary and desirable,” and the Lieutenant Governor in Council could appoint three to five members of the Council (which consisted of a minimum of 15 persons) (*Ontario Assn of Architects; Architects Act*).

Ontario Assn of Architects, *supra* para 22 at paras 60, 62.
Architects Act, RSO 1990, c A 26 [*Architects Act*].

[26] In this case, the government exerts similarly significant control over Healthward on an ongoing basis. Pursuant to the funding agreement between Health Canada and Healthward, Health Canada is responsible for approximately 75% of Healthward’s yearly operating expenses—roughly double the amount of funding the federal government provided the Canadian Olympic Association in *COA* (on a percentage basis). In return, Health Canada has significant

ongoing supervisory control over Healthward. Similar to *Ontario Assn of Architects*, Health Canada is entitled to appoint two of Healthward's five board of directors, and Health Canada is consulted regarding Healthward's educational programs. Moreover, Health Canada requires Healthward to provide mobile clinic services to specific underserved communities, and failure to do so can result in Health Canada withdrawing funds it provides to Healthward. This is analogous to *COA*, where the federal government was entitled to require that the public authority undertake specific actions (e.g. not participating in the 1980 Moscow Summer Olympic Games). The fact that Healthward has never failed to provide mobile clinics as required by Health Canada indicates that Healthward does not view it as an optional service which it provides in exchange for increased funding from Health Canada. Rather, Healthward views itself as being obligated to comply with the directives of Health Canada.

[27] Additionally, Healthward's ability to terminate the agreement upon notice does not negate the fact that under the agreement Health Canada exercises a significant amount of control over Healthward. This relationship can be likened to one of employment, where the fact that both the employee and the employer are entitled to terminate the employment relationship upon reasonable notice does not negate the fact that the employer exercises a significant degree of control over the employee. Significant control does not mean that the control has to be absolute or that the relationship must be permanent. Should circumstances change a public authority can cease to be a public authority, just as an employee can cease to be an employee (*COC*). As such, the fact that either party can terminate the agreement upon reasonable notice is only indicative of the fact that Health Canada does not have absolute control over Healthward.

COC, supra para 23 at paras 60-62.

(ii) *Healthward's functions serve the public benefit*

[28] For a body to be a public authority, its functions must be sufficiently for the public benefit. To assess this a court must consider the body's powers, objects, and duties (*Ontario Assn of Architects*).

Ontario Assn of Architects, supra para 22 at para 52.

[29] In *Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia*, the Court found that implementing a registration system, which allowed the public to identify those who are qualified to provide traditional Chinese medicine and acupuncture healthcare services was “clearly in the public interest” because it “promote[d] public confidence in the provision of medical services and public health and safety” (*CNMCC*). In *Bruce Trail Assn v Bruce Trail Enterprises*, even the management and maintenance of the Bruce Trail nature trail in Southern Ontario was found to sufficiently constitute a public benefit for the purposes of s 9(1)(n)(iii) (*Bruce Trail Assn*).

Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia, 2013 FC 287 at para 35 [*CNMCC*].
Bruce Trail Assn v Bruce Trail Enterprises, 2001 CanLII 38014, 2001 CarswellNat 4030 (CA TMOB) [*Bruce Trail Assn*].

[30] In this case, Healthward is a charity and non-profit organization which specializes in vaccine-related public health issues. Healthward uses funds from Health Canada to provide educational programs related to vaccination, and to provide free vaccinations via mobile health clinics. Both the Application Judge and the Court of Appeal found that Healthward's functions provide significant benefits to public health (*Vaxco TCCIP*; *Vaxco CAIP*). In light of the case law noted above, this is sufficient to constitute a public benefit for the purposes of s 9(1)(n)(iii).

Vaxco TCCIP, supra para 13 at para 9.
Vaxco CAIP, supra para 17 at para 20.

(iii) *Healthward's relationship with HI does not affect the public benefit of its functions*

[31] The *Trademarks Act* does not prohibit public authorities from allowing other parties to use official marks for commercial purposes, and such relationships have in fact been accepted.

[32] The Federal Court in *Techniquip Ltd v Canadian Olympic Association* held that official marks could be licensed for profit without constraint (*Techniquip*):

[Public authorities] ... have a relatively open field under section 9(1)(n)(iii) in simply providing public notice of the adoption and use of any number of marks. In turn, these marks can be licensed for commercial purposes, and the lucrative fees earned therefrom used to fund various activities. [Emphasis added.]

Techniquip Ltd v Canadian Olympic Association, 80 CPR (3d) 225, 1998 CanLII 7573 at para 29 [*Techniquip*].

[33] This holding was subsequently affirmed in *Quality Program Services Inc v Canada*, where the Federal Court held that a "... public authority can appropriate unto itself the mark so adopted and used by it without restriction or control other than its own conscience" (*Quality*). The practice of public authorities using official marks in a commercial capacity is well established. For example, the Bruce Trail Association received its funding from licensing agreements with third parties and the sale of merchandise branded with its official marks (*Bruce Trail Assn*). Likewise, the Ontario Lottery Corporation has adopted the mark JACKPOT as an official mark and utilizes it in its for-profit ventures.¹

Quality Program Services Inc v Canada, 2018 FC 971 at para 25 (aff'd 2020 FCA 53) [*Quality*], citing *ICBC v Canada (Registrar of Trade Marks)*, 44 CPR (2d) 1, [1980] 1 FC 669 at paras 74-75. *Bruce Trail Assn*, *supra* para 29 at para 18. "JACKPOT", Ontario Lottery Corporation, Canada 0900222 (22 Dec 1982) advertised.

[34] As such, Healthward's relationship with HI is immaterial to its status as a public authority. It does not change the fact that Healthward's functions serve the public benefit. It follows that Healthward is a public authority, and its official mark FLUSTOPPER is valid.

¹ Courts may exercise their discretion to take judicial notice of the existence of trademarks in the Register. See e.g. *Groupe International Travelway Inc/ Travelway Group International Inc v Bernard Ehret Design Société à responsabilité limitée*, 2020 TMOB 18 [*Group International*] and *Michelin v Caw*, [1997] 2 FC 306, 1996 CanLII 11755 (FC) [*Michelin* cited to FC].

(b) Healthward’s official mark FLUSTOPPER bars Vaxco from registering its trademark

[35] Pursuant to section 9(1)(n)(iii) of the *Trademarks Act* “[n]o person shall adopt in connection with a business, as a trademark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for [the official mark].”

Trademarks Act, supra para 12, s 9(1) [Emphasis added].

[36] The Court of Appeal erred in holding that FLUSTOPPA does not so nearly resemble FLUSTOPPER as to be mistaken for it. The standard for the resemblance test under section 9(1) was originally laid out in *The Queen v Kruger*, and has subsequently been affirmed (*Kruger*; *ICBC*; *Techniquip*). It states that for there to not be resemblance, it must be the case that:

A person of imperfect recollection familiar with the opponent’s mark and having an imperfect recollection thereof upon seeing the applicant’s mark ... would not be led to the inference that the wares associated with the applicant's mark were manufactured, sold, leased, hired, or performed by the opponent (*Kruger*).

The Queen v Kruger, 44 CPR (2d) 135, 1978 CarswellNat 804 at para 18 [*Kruger*].
Insurance Corporation of British Columbia v Stainton Ventures Ltd, 2014 BCCA 296 at para 32 [*ICBC*].
Techniquip, supra para 32 at para 16.

[37] The resemblance test under s 9(1) is less stringent than the confusion test under s 6(5) of the *Trademarks Act* (*Konica*). The only factor to be considered is the resemblance between the official mark and the disputed trademark—with consideration given to the similarities between the marks in appearance, sound or in the ideas suggested by them. (*Konica*; *CBC*).

Canadian Olympic Assn v Konica Canada Inc (TD), [1990] 2 FC 703, 1990 CanLII 7939 (FC) at para 7 [*Konica*].
Canadian Broadcasting Corporation/Société Radio-Canada v Big Mountain Coffee House & Roasters Ltd, 2014 TMOB 240 at para 41 [*CBC*], citing *Techniquip, supra* para 32.

[38] The Supreme Court of Canada in *Masterpiece Inc v Alavida Lifestyles Inc* noted that “the degree of resemblance ... is often likely to have the greatest effect on the confusion analysis” (*Masterpiece*). As a result, the resemblance analysis has received significant attention in cases decided pursuant to the s 6(5) confusion test. Thus, the resemblance analysis in those cases is instructive in understanding how the resemblance analysis is conducted under s 9(1).

Masterpiece Inc v Alavida Lifestyles Inc, 2011 SCC 27 at para 49 [*Masterpiece*].

[39] In *Quality Program Services Inc v Canada*, the Court found that the marks “EMPOWER ME” and “emPOWERme” had a “high degree of resemblance” because both marks sound the same, and are visually nearly identical (*Quality*). Likewise, in *Vancouver Community College v Vancouver Career College (Burnaby) Inc*, the marks “VCC” and “VCCollege” were found to resemble each other (*VCC TMOB*). The Board held that “[t]he first portion of a mark is usually the more [*sic*] important for the purposes of distinction” and that in that case the applicant—Vancouver Career College—had incorporated the “VCC” mark into its own mark (*VCC TMOB*). In *Ferrero SpA v A & V 2000 Inc*, the word trademark NUTELLA, and the word and design trademark NUTERRA, were found to resemble one another (*Ferrero*). The Board held that both trademarks resembled each other in sound and in the ideas suggested by them, and that “an average consumer would tend to identify the [NUTERRA] Mark by its verbal portion rather than its visual portion” (*Ferrero*). Similarly, in *World Wide Fund For Nature v Incaha Inc*, the Board found that under the s 9(1) resemblance test the mark “RIZ PANDA” resembled the official mark “PANDA” (*Incaha*). The Board found that the word “RIZ” was “non-distinctive matter” and that as such, it could not suffice to distinguish the two marks.

Quality, *supra* para 33 at para 50.

Vancouver Community College v Vancouver Career College (Burnaby) Inc, 2016 TMOB 86 at para 35 (aff’d 2017 BCCA 41) [*VCC TMOB*].

Ferrero SpA v A & V 2000 Inc, 2017 TMOB 84 at para 46 [*Ferrero*].

World Wide Fund For Nature v Incaha Inc, 1995 CarswellNat 2959, 61 CPR (3d) 413 at paras 6, 7 [*Incaha*].

[40] Applying the *Kruger* test, FLUSTOPPA resembles FLUSTOPPER to such an extent that it is likely to be mistaken for it. FLUSTOPPA is similar in appearance, sound, and conveys the same idea as FLUSTOPPER.

[41] As the Board noted in *VCC TMOB*, the first portion of a mark is usually the most important for establishing distinction. Here, the marks FLUSTOPPER and FLUSTOPPA share

the same first eight letters. Both marks are also almost identical in sound and convey the same idea, namely, stopping the flu. Moreover, nothing prevents Healthward from using the FLUSTOPPER mark with the same style of lettering as that used by FLUSTOPPA (*Group International*). This means that of the design components of the FLUSTOPPA mark, only the image of an injection needle can potentially serve to distinguish it. However, given the generic nature of the image, it is “non-distinctive matter” and cannot serve to distinguish the two marks. Further, as in the *Ferrero* case, it is likely that a consumer, on first impression, would remember the text portion of the FLUSTOPPA mark, rather than the design portion, because the word “FLUSTOPPA” is the main design feature of the FLUSTOPPA mark.

Group International, *supra* note 1 at para 28.

[42] Given the similarities in appearance, sound and ideas, the two marks strongly resemble each other. Vaxco has thus infringed Healthward’s official mark FLUSTOPPER.

2. Healthward’s mark FLUSTOPPER prevents Vaxco’s use of its mark FLUSTOPPA

(a) Healthward’s official mark prevents any use of FLUSTOPPA by Vaxco

[43] As outlined above, Vaxco’s mark infringes Healthward’s valid official mark. In addition to barring registration of any trademark that nearly resembles it, Healthward’s official mark prevents Vaxco’s prospective adoption or use of any similar marks, whether registered or not. The *Trademarks Act* prohibits such use, as its “prior use” exception does not apply in this case.

(i) The prior use exception does not apply

[44] The *Trademarks Act* s 9(2)(b)(ii) provides a prior use exception: once notice is published, an official mark user trumps all other users except any who establish adoption and use prior to publication of the notice (*Royal*). Vaxco did not establish such adoption and use prior to the publication of Healthward’s notice. The prior use exception does not apply.

Royal Roads University v R, 2003 FC 922 at para 12 [*Royal*].

[45] The tests for establishing rights to a mark related to goods and services require use in Canada and rely on fact-based assessments (*Waldorf*). Sufficient facts must be proven (*Waldorf*).

[46] For goods, the mark must appear on those goods in the “normal course of trade” (*Riches*), while the test for services requires that “people in [Canada] can derive a material benefit from services that are performed in this country” (*Waldorf*). While Vaxco has shipped goods (i.e. vaccines) through Canada on to other marketplaces, there is no evidence that Vaxco used FLUSTOPPA branding on those goods or related labels. To establish use in the normal course of trade, a sale that occurs in Canada is required (*Rogers*). Shipping *per se* does not meet the required threshold for use in the normal course of trade (*Gowling*). In this case, Vaxco has not made even a single sale in Canada. As such, Vaxco's shipping is insufficient to establish a mark related to goods.

Miller Thompson LLP v Hilton Worldwide Holding LLP, 2020 FCA 134 at paras 108, 118, 146, 152 [*Waldorf*].

See e.g. *Riches, Mckenzie & Herbert LLP v EngineQuest LLC*, 2020 TMOB 110 at para 110.

See e.g. *Rogers Media Inc v La Cornue*, 2019 TMOB 63 at para 66.

See e.g. *Gowling Lafleur Henderson LLP v San Miguel Corporation*, 2015 TMOB 213 at para 13.

[47] Vaxco’s goods were not present in Canada in any other form, since Vaxco did not offer vaccines in Canada as a part of its services prior to Healthward establishing its trademark. Since Vaxco’s goods were not offered in Canada, a trademark is not established for any of its goods.

[48] Even if vaccinations are construed as a service rather than a good, Vaxco’s presence in Canada is limited. Vaxco did not perform the service of vaccination in Canada as required (*Waldorf*). Further, there is no evidence of Canadians travelling to the US to receive those vaccines. Per the Federal Court of Appeal in *Waldorf*, the “mere advertising of services in Canada will not constitute use in Canada in association with a service. Some aspect of the services must be performed or delivered in Canada” (*Waldorf*). Thus, Vaxco’s limited print and billboard advertising does not qualify as use.

Waldorf, *supra* para 45 at paras 7, 77, 147.

[49] The facts in *Waldorf* that relate to international services facilitated online are distinguished from the present case. *Waldorf* dealt with benefits related to a service that is inherently cross-border: travel. Booking accommodations from a departure location in Canada to facilitate arrival in foreign destinations has a value that by its nature cannot be completed in Canada. However, the case before this Court involves a benefit that is portable: a vaccine. Vaxco did not offer this benefit in Canada, nor did it offer an approximation of onsite service as TSA Stores, Inc. (*TSA*), Saks (*Saks*), and Dollar General Corporation (*Dollar General*) did for retail services. Although the mark FLUSTOPPER appears on Vaxco’s website, the site did not provide a loyalty program or other secondary benefit performed in Canada, as was determinative in *Waldorf* (*Waldorf*). Further, Canada’s public healthcare system subjects healthcare provision to regulation, including regulation of ancillary markets. Marketing health raises concerns about the vulnerability of those receiving care. The prior use requirement to provide a service or benefit in Canada are not met by the mere “observation of a trademark by individuals on computers in Canada” (*Supershuttle*), more so given the particulars of Canadian health service provision. The FLUSTOPPER mark on Vaxco’s website is thus unable to support the prior use of a trademark.

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

Saks & Co v Registrar of Trade-marks et al, 24 CPR (3d) 49, 1989 CarswellNat 577 (FCTD)

[*Saks*].

Dollar General Corporation v 2900319 Canada Inc, 2018 FC 778 at paras 25-28 [*Dollar General*].

Waldorf, *supra* para 45 at para 133.

Supershuttle International, Inc v Fetherstonhaugh & Co, 2015 FC 1259 at para 40 [*Supershuttle*].

[50] Vaxco’s claim to provide research via its website also fails to constitute such use. In *TSA Stores*, extensive matching services, facilitated by the “[Help Me Choose Gear] service [and its] significant volume of guidance” (*TSA*) constituted a benefit. Unlike *TSA Stores, Inc.* and *Dollar General*, Vaxco’s website did not provide an extensive advice service, nor did it match

Canadians specifically—by Canadian postal code or other targeted means—to Vaxco locations (*Dollar General, TSA*). Vaxco did not link its website with vaccination services in Canada in the relevant time period. Alone, posts of healthcare information do not constitute a service. Moreover, the reputable provision of such information is integral to Canada’s public healthcare, and providing such information to the public is a kind of public service for which official marks are intended (*Quality*). The information posted on Vaxco’s website is not sufficient to constitute a commercial service to Canadians, nor does it establish use of a trademark *per se*.

TSA, supra para 49 at para 19.
Dollar General, supra para 49 at para 27.
See also *TSA, supra* para 49 at para 20.
Quality, supra para 33 at para 39.

[51] Limitations on the broad concept of use, which is flexible but “not completely open ended” (*Waldorf*) serve to avoid the mischief present in this case: that “any foreign trademark holder could obtain the expungement of a *bona fide* Canadian trademark based on previous use of a mark over the internet” (*Waldorf*). Vaxco’s activities do not constitute prior use.

Waldorf, supra para 45 at para 143.

[52] Vaxco’s limited application of the FLUSTOPPER mark to direct an unproven number of Canadians to an American service provided solely outside of Canada did not provide direct or ancillary benefit to Canadians for the purposes of establishing use, and is thus insufficient to establish a right in that mark in Canada.

[53] Since Vaxco did not establish rights through use of a trademark, its attempt to claim prior use to unseat Healthward’s rights to its official mark under the *Trademarks Act* s 9 is invalid.

(ii) Future use is also prohibited

[54] Even if Vaxco had established rights to the FLUSTOPPA mark, future use of this mark beyond any such prior use is prohibited. When prior use is established, prospective use is limited

to that specific use. It “does not extend to the marketing of a new and different product developed by the user after publication of the mark” (*Royal*). Thus Vaxco’s permissible ongoing use would be limited to its pre-existing website functions, not the full scope of goods and services it seeks.

Royal, supra para 44 at para 16.

(b) Healthward’s pre-existing use of a trademark also precludes Vaxco’s use in the provision of goods and services re: vaccines

[55] In addition to its official mark, Healthward has established common law trademark rights in FLUSTOPPER through its significant prior use. A party may hold concurrent rights in an official mark and a common law trademark (*Quality*). Healthward’s Canadian operations since 2014 are uncontested. Operations involving FLUSTOPPER vaccines establishes Healthward’s valid trademark in FLUSTOPPER, which in turn prohibits Vaxco’s use of FLUSTOPPA in Canada as a trademark or otherwise.

See e.g. *Quality, supra* para 33.

[56] The *Trademarks Act* s 7(b) prohibits passing off, that is, to direct public attention to one’s goods, services, or business in such a way as to cause or be likely to cause confusion in Canada between one’s goods, services, or business and those of another (*Group*). As noted above, Vaxco’s activity related to FLUSTOPPA does not establish trademark rights in Canada under the tests for use regarding either goods or services. Such an attempt, regardless of means, scale, or efficacy, may nevertheless constitute passing off (*Club Lotto*). There is no threshold of use included in the elements of passing off (*Apotex*). This follows reason, since misapplying the test that establishes a right in trademark to instead assess passing off would create a gap in the law. It would perversely permit a wide range of mischief against a mark, so long as offenders avoided

establishing a positive right in a trademark.² Such perverse reasoning would suggest that the law permits passing off, so long as the underlying conduct escapes the use requirements for establishing rights to a mark.

Group III International Ltd v Travelway Group International Ltd, 2020 FCA 210 at paras 42-43 [Group].
Société des Loteries du Québec v Club Lotto International CLI Inc, 2001 CanLII 22036 (FC) at para 93 [Club Lotto].
Ciba-Geigy Canada Ltd v Apotex Inc, [1992] 3 SCR 120, 1992 CanLII 33 [Apotex].

[57] Instead, regardless of whether or not the potential wrongdoer has established a trademark, passing off examines “whether the bounds of appropriate commercial behaviour have been overstepped to the detriment of a party [with a protected legal interest]. While robust competition is encouraged, this does not mean anything goes” (*VCC BCCA*). Vaxco’s attempts to establish a FLUSTOPPA trademark in Canada exemplify this prohibited behaviour. Although Vaxco’s activities involving FLUSTOPPA do not suffice to establish a trademark given its limited presence in Canada, they do constitute an attempt to capitalize on Healthward’s reputation.

Vancouver Community College v Vancouver Career College (Burnaby) Inc, 2017 BCCA 41 at para 54 (leave to appeal to SCC refused) [*VCC BCCA*].

[58] Since Vaxco has no rights established by prior use, it should be assessed in the same manner as any other party using the applicable legal principles. According to the three part test for passing off, Vaxco contravened the prohibition expressed in the *Trademarks Act* s 7(b). The test is the same for the statutory and common law offence (*VCC BCCA*). It requires three necessary components: “[1] the existence of goodwill, [2] deception of the public due to a misrepresentation and [3] actual or potential damage to the plaintiff” (*VCC BCCA*).

VCC BCCA, *supra* para 57 at paras 28, 29-30.

[59] In this case, Healthward’s adoption and use of the FLUSTOPPER mark is undisputed.

The first element, goodwill, is thus established. The test asks if Healthward’s reputation is

² The Federal Court is alive to inconsistent appeals to the *Trademarks Act*. See e.g. *Michelin* cited to FC, *supra* note 1 at para 39.

distinctive (*Apotex*, *VCC BCCA*); or, phrased another way, if its goodwill is such that its value may be “depreciated” (*Quality*). This requirement is met. Healthward provides public healthcare goods and services directly to Canadians, and Health Canada has reinforced its credibility with funding for this since 2015.

Apotex, *supra* para 56 at 132.

VCC BCCA, *supra* para 57 at para 44.

Quality, *supra* para 33 at para 30.

[60] The second element, Vaxco’s misrepresentation, is also established. Vaxco’s attempt to introduce FLUSTOPPA—however minor its presence in Canada has been, and whether intentional or not (*Quality*)—rides on the good name of FLUSTOPPER in Canada, directing members of the public to healthcare in the US instead of Healthward’s local, charitable health services. Moreover, confusion between the marks jeopardizes the relevant commercial dimensions of Healthward’s work (*Michelin* cited to FC). In 1997, the Trademarks Opposition Board deemed “ALYMPIA” confusing with “OLYMPIA” (*SmithKline*). Similar confusion persists between FLUSTOPPER and FLUSTOPPA, as per the s 6(5) analysis conducted by the Application Judge.³ Ordinary hurried purchasers, whose confusion the passing off test assesses (*VCC BCCA*), may see the FLUSTOPPA mark and infer at a glance that FLUSTOPPER is not free, thus confusing public and private healthcare. Nor does FLUSTOPPA’s generic injection needle design reduce such confusion.⁴ Particularly since Healthward has established a special reputation as a charitable health provider supports the public healthcare system in Canada, its particular reputation, its income generation and the ancillary FLUSTOPPER trademark have distinct value. As Vaxco’s mark rides on Healthward’s good name in FLUSTOPPER, the second element is met.

³ The *Trademark Act* s 6(5) confusion factors directly inform the test for passing off. See *VCC BCCA*, *supra* para 57 at para 65. See *Apotex*, *supra* para 56 at para 133 for further discussion of confusion.

⁴ See paras 39-42, above, for a review of the FLUSTOPPA design element in this regard.

Quality, *supra* para 33 at paras 29-30.
Michelin cited to FC at para 39.
Canadian Olympic Association v SmithKline Beecham Biologicals SA, 1997 CanLII 15904 (CA TMOB) [*SmithKline*].
VCC BCCA, *supra* para 57 at para 56.

[61] The third element—damage or potential damage—is presumed (*VCC BCCA*). In this case, the effects of for-profit vaccine sales on public healthcare provision in Canada heightens the utility of that presumption. Since the first two elements of the test are met by (1) the goodwill Healthward has accrued in FLUSTOPPER and (2) the confusion between FLUSTOPPER and FLUSTOPPA, the third element, damage due to Healthward’s loss of control of its reputation related to that confusion, is thus established. Vaxco’s limited applications of FLUSTOPPA thus constitute passing off.

VCC BCCA, *supra* para 57 at paras 29-30, 75.

PART V: ORDER REQUESTED

[62] The Appellant respectfully submits that the FLUSTOPPER official mark is valid, and that the FLUSTOPPA trademark so nearly resembles the FLUSTOPPER mark as to be mistaken for it. Moreover, Vaxco’s activities related to FLUSTOPPA do not constitute “use” for the purposes of the *Trademarks Act*, and do constitute a form of passing off. The Appellant therefore asks that the Court of Appeal’s decision be overturned; the application for registration of Vaxco’s trademark FLUSTOPPA be denied; the official mark FLUSTOPPER be deemed valid; and the injunction against Vaxco be reinstated.

[63] All of which is respectfully submitted on this 12th day of January 2021.

[64] The estimated time for the Appellant’s Oral Argument is 30 minutes.

PART VI: TABLE OF AUTHORITIES

Authority	Pinpoint
Legislation	
<i>Trademarks Act</i> , RSC 1985, c T-13.	ss 6(5), 7(b), 9(1), 9(1)(n)(iii), 9(2)(b)(ii), 12(1)(e)
Jurisprudence	
<i>Bruce Trail Assn v Bruce Trail Enterprises</i> , 2001 CanLII 38014, 2001 CarswellNat 4030 (CA TMOB).	
<i>Canada (Registrar of Trade Marks) v Canadian Olympic Association</i> , [1983] 1 FC 692, 1982 CanLII 3031 (FCA).	
<i>Canadian Broadcasting Corporation/Société Radio-Canada v Big Mountain Coffee House & Roasters Ltd</i> , 2014 TMOB 240.	41
<i>Canadian Olympic Assn v Konica Canada Inc (TD)</i> , [1990] 2 FC 703, 1990 CanLII 7939 (FC).	7
<i>Canadian Olympic Association v SmithKline Beecham Biologicals SA</i> , 1997 CanLII 15904 (CA TMOB).	
<i>Ciba-Geigy Canada Ltd v Apotex Inc</i> , [1992] 3 SCR 120, 1992 CanLII 33.	132, 133
<i>Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia</i> , 2013 FC 287.	35
<i>Dollar General Corporation v 2900319 Canada Inc</i> , 2018 FC 778.	25-28, 27
<i>Ferrero SpA v A & V 2000 Inc</i> , 2017 TMOB 84.	
<i>Gowling Lafleur Henderson LLP v San Miguel Corporation</i> , 2015 TMOB 213.	13
<i>Group III International Ltd. v. Travelway Group International Ltd.</i> , 2020 FCA 210.	42-43
<i>Groupe International Travelway Inc/ Travelway Group International Inc v Bernard Ehret Design Société à responsabilité limitée</i> , 2020 TMOB 18.	

<i>Insurance Corporation of British Columbia v Stainton Ventures Ltd</i> , 2014 BCCA 296.	
<i>Masterpiece Inc v Alavida Lifestyles Inc</i> , 2011 SCC 27.	49
<i>Michelin v Caw</i> , [1997] 2 FC 306, 1996 CanLII 11755 (FC).	39
<i>Miller Thompson LLP v Hilton Worldwide Holding LLP</i> , 2020 FCA 134.	7, 77, 108, 118, 133, 146, 147, 152
<i>Ontario Assn of Architects v Assn of Architectural Technologists of Ontario</i> , 2002 FCA 218.	52, 62
<i>Quality Program Services Inc v Canada</i> , 2018 FC 971.	25, 30, 39, 50
<i>Riches, Mckenzie & Herbert LLP v EngineQuest LLC</i> , 2020 TMOB 110.	110
<i>Rogers Media Inc. v La Cornue</i> , 2019 TMOB 63.	66
<i>Royal Roads University v. R.</i> , 2003 FC 922.	12
<i>Saks & Co v Registrar of Trade-marks et al</i> , 24 CPR (3d) 49 (FCTD).	
<i>See You In – Canadian Athletes Fund Corporation v Canadian Olympic Committee</i> , 2007 FC 406.	60, 60-62
<i>Société des Loteries du Québec v Club Lotto International CLI Inc</i> , 2001 CanLII 22036.	93
<i>Supershuttle International, Inc v Fetherstonhaugh & Co</i> , 2015 FC 1259.	40
<i>Techniquip Ltd v Canadian Olympic Association</i> , 80 CPR (3d) 225, 1998 CanLII 7573.	29
<i>The Queen v Kruger</i> , 44 CPR (2d) 135.	141
<i>TSA Stores, Inc v Registrar of Trade-Marks</i> , 2011 FC 273.	19
<i>Vancouver Community College v Vancouver Career College (Burnaby) Inc</i> , 2016 TMOB 86.	35
<i>Vancouver Community College v Vancouver Career College (Burnaby) Inc</i> , 2017 BCCA 41.	29-30, 54, 56, 75
<i>Vaxco Ltd v Healthward Canada</i> , 20 TCCIP 1222.	11, 20
<i>Vaxco Ltd v Healthward Canada</i> , 2020 CAIP 333.	8, 9, 20

<i>World Wide Fund For Nature v Incaha Inc</i> , 1995 CarswellNat 2959, 61 CPR (3d) 413.	
Secondary Sources	
Canadian Trademarks Database	
“JACKPOT”, Ontario Lottery Corporation, Canada 0900222 (22 Dec 1982) advertised.	