

**THE SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY**

**APPEALS**

BETWEEN:

**HEALTHWARD CANADA**

Appellant

-and-

**VAXCO**

Respondent

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**FACTUM OF THE APPELLANT**

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**Team 5A**

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## **PART I: OVERVIEW**

[1] This appeal is about an American corporation attempting to register and use a trademark in Canada that is confusingly similar to an official mark of a non-profit Canadian charity.

[2] The Appellant, (“**Healthward**”), is dedicated to improving public health in local communities. It shares Health Canada’s mandate of making vaccines accessible to Canadians by providing them for free, and educating the public about the importance of vaccines. It is important for Canadians to recognize Healthward as an entity strongly connected to the Canadian government through its protected official mark. Allowing the Respondent, Vaxco Ltd. (“**Vaxco**”), to use or register a trademark in Canada that infringes Healthward’s official mark would confuse Canadians seeking to access vaccinations and public educational resources.

[3] The Appellant respectfully asks the Supreme Moot Court for Intellectual Property Appeals to set aside the Court of Appeal's decision and restore the decision reached by the Trial Court upholding Healthward’s official mark. The Appellant further requests that this Honourable Court grant an injunction preventing Vaxco from using its prohibited mark within Canada.

## **PART II: STATEMENT OF FACTS**

### **The Parties**

[4] Healthward is a Canadian non-profit, charitable organization headquartered in Toronto, Ontario.<sup>1</sup> It is part of a global network specializing in public health and issues related to vaccination.<sup>2</sup> Healthward’s operations include providing public educational programs on the importance of vaccination, and running mobile health clinics offering free vaccinations.<sup>3</sup>

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<sup>1</sup> *Vaxco Ltd v Healthward Canada*, 20 TCCIP 1222 at para 2 [*Trial Decision*].

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

[5] Healthward has been operating in Canada since 2014.<sup>4</sup> In 2015, Healthward and Health Canada entered into a funding agreement under which Health Canada funds 75% of Healthward's yearly operating expenses.<sup>5</sup> In consideration for this funding, Health Canada gives its input on the curriculum and messaging for Healthward's educational programs; is entitled to appoint two out of five seats on Healthward's board of directors; and can identify underserved communities and direct Healthward to set up mobile clinics in these communities.<sup>6</sup> Notably, if Healthward does not accommodate these communities, Health Canada can revoke its funding.<sup>7</sup>

[6] Healthward has a business relationship with Industries Corp ("**Industries**"), a for-profit Canadian corporation and competitor of Vaxco, with operations in Canada.<sup>8</sup> Industries provides Healthward with vaccines and medical supplies for use in Healthward's clinics.<sup>9</sup> Healthward receives royalties from products Industries sells to third parties and has previously permitted Industries to use its FLUSTOPPER official mark.<sup>10</sup>

[7] Vaxco is an American corporation headquartered in Detroit, Michigan, and is in the business of manufacturing, distributing and providing vaccines and related medical supplies to consumers; unlike Healthward, Vaxco charges a fee to those wishing to receive its vaccine.<sup>11</sup> Vaxco's secondary operations include distributing educational materials, providing medical advice, and operating vaccination clinics.<sup>12</sup> Vaxco has operated in the US for over 20 years.<sup>13</sup>

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<sup>4</sup> *Ibid* at para 9.

<sup>5</sup> *Ibid* at para 10.

<sup>6</sup> *Ibid* at para 11.

<sup>7</sup> *Ibid*.

<sup>8</sup> *Ibid* at paras 12 and 13.

<sup>9</sup> *Ibid* at para 12.

<sup>10</sup> *Ibid* at para 13.

<sup>11</sup> *Ibid* at para 1.

<sup>12</sup> *Ibid* at para 5.

<sup>13</sup> *Ibid* at para 4.

[8] Vaxco has never operated in Canada.<sup>14</sup> Vaxco displays advertisements in Canadian cities along the US border, encouraging Canadians to travel to the US for the FLUSTOPPA vaccine.<sup>15</sup> Vaxco runs a website which advertises and provides educational information about the importance of vaccines.<sup>16</sup> This website features the FLUSTOPPA trademark, and is accessible by Canadians, although they cannot purchase or receive the vaccine in Canada.<sup>17</sup>

### **The Marks**

[9] In January, 2019, the Registrar of Trademarks gave public notice of adoption and use of the FLUSTOPPER official mark by Healthward.<sup>18</sup> Vaxco received approval from Health Canada in February 2019 to begin selling its FLUSTOPPA vaccines in Canada; a month later, it applied to register its FLUSTOPPA & Design trademark.<sup>19</sup> The Registrar of Trademarks refused Vaxco's application under paragraph 12(1)(e) of the *Trademarks Act* because it was likely to be mistaken for Healthward's FLUSTOPPER official mark.<sup>20</sup>

### **Trial Court**

[10] Vaxco appealed the Registrar of Trademarks' refusal of its application to register the FLUSTOPPA & Design trademark to the Trial Court.<sup>21</sup> Vaxco also sought judicial review of the validity of Healthward's official mark FLUSTOPPER, while Healthward sought a declaration that Vaxco's use of the FLUSTOPPA trademark infringes Healthward's official mark

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<sup>14</sup> *Ibid* at para 4.

<sup>15</sup> *Ibid* at para 5.

<sup>16</sup> *Ibid*.

<sup>17</sup> *Ibid*.

<sup>18</sup> *Ibid* at para 8.

<sup>19</sup> *Ibid* at para 6.

<sup>20</sup> *Ibid* at paras 7-8.

<sup>21</sup> *Ibid* at para 3.

FLUSTOPPER.<sup>22</sup> Healthward also sought a permanent, prohibitory injunction to stop Vaxco from using FLUSTOPPA in Canada.<sup>23</sup>

[11] At trial, Justice Coff made a key finding that Healthward is a “public authority” within the meaning of subparagraph 9(1)(n)(iii) of the *Trademarks Act* because Health Canada exerts significant governmental control over Healthward, and Healthward operates for the public benefit.<sup>24</sup> She therefore concluded that Healthward’s official mark is valid.<sup>25</sup> Justice Coff also found that Vaxco’s FLUSTOPPA mark is confusingly similar to Healthward’s valid official mark, and that any alleged prior use of the FLUSTOPPA mark by Vaxco did not constitute “use” of a trademark in Canada.<sup>26</sup> Ultimately, Justice Coff upheld the Registrar’s decision to refuse the registration of the FLUSTOPPA trademark, and granted a permanent injunction to Healthward.<sup>27</sup>

### **Court of Appeal**

[12] The Court of Appeal reversed Justice Coff’s decision regarding the validity of Healthward’s official mark.<sup>28</sup> The Court of Appeal also found that Vaxco’s FLUSTOPPA mark was not confusingly similar to FLUSTOPPER and declined to uphold the injunction.<sup>29</sup>

### **PART III: POINTS IN ISSUE**

[13] The issues in the present appeal are as follows:

1. The validity of Healthward’s Official Mark.
2. The infringement of Healthward’s Official Mark FLUSTOPPER.

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<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid* at paras 19-20.

<sup>25</sup> *Ibid* at para 21.

<sup>26</sup> *Ibid* at paras 16, 22.

<sup>27</sup> *Ibid* at para 26.

<sup>28</sup> *Vaxco v Healthward Canada*, 2020 CAIP 333 at para 10.

<sup>29</sup> *Ibid* at para 6.

3. The alleged “use” by Vaxco of the FLUSTOPPA trademark within Canada.
4. Whether an injunction is the appropriate remedy to prevent Vaxco’s use of the FLUSTOPPA trademark in Canada.

## **PART IV: ARGUMENTS IN BRIEF**

### **1. The Official Mark belonging to Healthward is valid**

[14] Healthward is a “public authority” within the meaning of subparagraph 9(1)(n)(iii) of the *Trademarks Act*.<sup>30</sup> If Vaxco was permitted to register the FLUSTOPPA trademark, it would constitute a prohibited mark within subparagraph 9(1)(n)(iii) of the *Trademarks Act*:

“No 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 mistaken for...any badge, crest, emblem or mark...adopted and used by any public authority, in Canada as an official mark for goods or services, in respect of which the Registrar has, at the request of Her Majesty or of the university or public authority, as the case may be, given public notice of its adoption and use”.<sup>31</sup>

[15] The term “public authority” is not defined in the Act. The two-part test for determining whether a body is a “public authority” was set out by the Federal Court of Appeal in *Assn of Architects (Ontario) v Assn of Architectural Technologists of Ontario*.<sup>32</sup> It must be determined whether the government exercises significant control over the entity in question, and whether the entity operates for the public benefit.<sup>33</sup> The Federal Court in *See You In-Canadian Athletes Fund Corporation v Canadian Olympic Committee* stated that the *Assn of Architects (Ontario)* test “does not specify whether such control be direct or indirect”<sup>34</sup> and that “control is both a legal and factual matter exercisable both directly and indirectly”.<sup>35</sup>

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<sup>30</sup> *Trademarks Act*, RSC, 1985, c T-13, s 9(1)(n)(iii) [TMA].

<sup>31</sup> *Ibid*.

<sup>32</sup> *Assn of Architects (Ontario) v Assn of Architectural Technologists Ontario*, 2002 FCA 218 [*Assn of Architects (Ontario)*].

<sup>33</sup> *Ibid* at para 52.

<sup>34</sup> *See You In-Canadian Athletes Fund Corporation v Canadian Olympic Committee*, 2007 FC 406 at para 60[*See You In*].

<sup>35</sup> *Ibid* at para 63.

A. There is significant governmental control exerted over Healthward

[16] No one factor is determinative in finding there to be significant governmental control.

Courts have found that relationships like the one between Healthward and Health Canada indicate significant governmental control. Several factors support the conclusion that Health Canada exerts significant governmental control over Healthward. These include: Health Canada's ongoing supervision of Healthward's activities; Health Canada's ability to direct Healthward's operations; the significant funding Healthward receives from Health Canada and Health Canada's ability to withdraw its funding; Healthward's willingness to comply with Health Canada's directions; and Health Canada's presence on Healthward's board of directors.

[17] Health Canada has the power to direct Healthward to provide vaccines in underserved communities, and is entitled to withdraw the funding it provides if Healthward cannot comply with its requests. Healthward's case is similar to what was described in *Canadian Olympic Assn v Canada (Registrar of Trademarks)*.<sup>36</sup> In that case, the Canadian Olympic Association (COA) was a non-profit corporation receiving significant federal government funding.<sup>37</sup> The COA was found to be a "public authority" within the meaning of subparagraph 9(1)(n)(iii) of the Act. The Federal Court of Appeal highlighted several factors supporting its decision, including that the government was entitled to dispose of the COA's assets if it severed ties with the government,<sup>38</sup> and that the COA had demonstrated its willingness to comply with the government's directions not to take certain courses of action.<sup>39</sup> In the case at bar, Healthward has never failed to comply

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<sup>36</sup> *Canadian Olympic Assn v Canada (Registrar of Trademarks)*, [1983] 1 FC 692, 67 CPR (2d) 59 (FCA).

<sup>37</sup> *Ibid* at para 5.

<sup>38</sup> *Ibid* at para 29.

<sup>39</sup> *Ibid* at para 31.



with Health Canada's instructions to provide mobile clinic services.<sup>40</sup> At all times, Healthward has demonstrated its willingness to comply with Health Canada's directions.

[18] Health Canada also maintains an ongoing supervisory role over Healthward's operations by consulting with Healthward about the curriculum and messaging for Healthward's educational programs,<sup>41</sup> and due to its power to appoint members to Healthward's board of directors.<sup>42</sup> The Federal Court of Appeal in *Assn of Architects (Ontario)* stated that the test for governmental control requires "some ongoing government supervision of the activities of the body claiming to be a public authority for the purpose of subparagraph 9(1)(n)(iii)".<sup>43</sup> The Appellant submits that such ongoing governmental supervision exists in the present case.

[19] In *See You In*, the Federal Court found that the Canadian Olympic Committee (COC) was a public authority, and that the government exerted significant control over the COC.<sup>44</sup> In concluding that there was significant governmental control imposed upon the COC, the Registrar considered evidence including a "multi-party agreement between COC and different governments"<sup>45</sup> for use of the official marks at issue, and the fact that 30% of the COC's funding came from the government.<sup>46</sup> In this case, Healthward receives 75% of its yearly operating expenses from Health Canada under a funding agreement. In *See You In*, the Court found that the Olympic Games would not be viable without the 30% funding from the government.<sup>47</sup> The Federal Court found no reason to interfere with the Registrar's findings on this point.<sup>48</sup>

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<sup>40</sup> *Trial Decision, supra* note 1 at para 11.

<sup>41</sup> *Ibid.*

<sup>42</sup> *Ibid.*

<sup>43</sup> *Assn of Architects (Ontario), supra* note 32 at para 59.

<sup>44</sup> *See You In, supra* note 34 at para 64.

<sup>45</sup> *Ibid* at para 17.

<sup>46</sup> *Ibid* at para 61.

<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid* at para 65.

[20] In the case at bar, without 75% of its funding coming from Health Canada, Healthward's operations would not be viable. The fact that Healthward can terminate the funding agreement with reasonable notice to Health Canada should not diminish the fact that Health Canada exerts significant governmental control over Healthward. Because three-quarters of its yearly funding comes from the government, Healthward does not have a meaningful choice to terminate the agreement, as doing so would essentially extinguish its operations. Both parties to the funding agreement have the privilege of unilaterally terminating the funding agreement; this option is not for the sole benefit of a given side.<sup>49</sup>

[21] Taken together, the above factors constitute significant governmental control such that Healthward meets the first branch of the Public Authority Test.

#### B. Healthward operates for the public benefit

[22] Healthward's operations include providing educational programs to the public on the importance of vaccination, and operating mobile health clinics offering free vaccinations.<sup>50</sup> In the past, Healthward also lobbied the Federal Government about the importance of vaccinations for public health.<sup>51</sup> In *Canadian Olympic Assn v Canada (Registrar of Trademarks)*,<sup>52</sup> the Federal Court found that an entity operates for the public benefit when its operations are done, "...not for the profit of its members, but entirely for the benefit of Canada and Canadians in response to generally-recognized national needs".<sup>53</sup>

[23] As a charitable, non-profit organization, Healthward carries out its operations to benefit Canadians in response to the generally recognized national need for information, education and

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<sup>49</sup> *Trial Decision, supra* note 1 at para 11.

<sup>50</sup> *Ibid* at para 2.

<sup>51</sup> *Ibid* at para 10.

<sup>52</sup> *Canadian Olympic Assn v Canada (Registrar of Trademarks)*, 1981 CarswellNat 165 at para 9, [1982] 2 FC 274 (FC).

<sup>53</sup> *Ibid*.

the provision of vaccines. Now more than ever, Canada needs partners like Healthward to deliver vaccines to Canadians. The Appellant submits that in the case at bar, this Honourable Court is in a position to ensure that Canadians can access these critical services.

### C. Adoption and use prior to publication of notice

[24] The final element for establishing a valid official mark is the timing of its adoption and use. That is, "...in order for a mark to receive the protection of s. 9, the mark had to be adopted and used in Canada before the registrar gave public notice of the mark's adoption and use".<sup>54</sup> Finding that an entity has "adopted" the mark "...is a question of fact...in most cases, that fact is sufficiently proved by the request to the Registrar to give public notice under s. 9 unless there is some cogent reason to believe that the request was not authorized".<sup>55</sup> While it has been noted in certain cases that a mere request to the Registrar for public notice of adoption and use is not sufficient evidence of adoption and use prior to the public notice,<sup>56</sup> in this case Healthward has been operating in Canada since 2014<sup>57</sup> – well before it sought and received public notice by the Registrar in January of 2019.<sup>58</sup> The Appellant submits that Healthward adopted and used the FLUSTOPPER mark prior to publication of notice by the Registrar in January, 2019.

### D. Policy considerations

[25] There are also important policy considerations that weigh in favour of protecting Healthward's official mark. Health Canada exerts considerable influence over Healthward, and both entities have an important objective to provide free vaccination services to Canadians, and to educate Canadians on the importance of vaccines. Therefore, it is important that Canadians

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<sup>54</sup> *Canadian Olympic Assn v Donkirk International Inc*, 1997 CarswellNat 742 at para 26, 17 CPR (3d) 229 (FC).

<sup>55</sup> *FileNET Corp v Canada (Registrar of Trade Marks)*, 2002 FCA 418 at para 11.

<sup>56</sup> *See You In*, *supra* note 34 at paras 48-49.

<sup>57</sup> *Trial Decision*, *supra* note 1 at para 9.

<sup>58</sup> *Ibid* at para 8.

recognize Healthward as being connected with these pressing and important government objectives and associate FLUSTOPPER with the provision of a free service, rather than getting it confused with FLUSTOPPA, a paid service. This confusion could cause an “access to vaccination” problem. Canadians may mistakenly associate FLUSTOPPER with a service they must pay for, causing them to avoid seeking out the education or vaccines they need and that they would not otherwise be able to afford.

## **2. Vaxco’s attempted registration of the FLUSTOPPA trademark infringes Healthward’s Official Mark FLUSTOPPER.**

[26] The Appellant respectfully submits that the Court of Appeal erred in its application of the appropriate subparagraph confusion 9(1)(n)(iii) test.<sup>59</sup> Vaxco’s FLUSTOPPA mark is too similar to Healthward’s FLUSTOPPER official mark. The appearance, sound, and idea of Vaxco’s trademark too closely resemble Healthward’s official mark, even with the added design.

[27] When assessing the similarity between an official mark and a trademark under subparagraph 9(1)(n)(iii), the Registrar of Trademarks in *The Queen v Kruger* stated that “[i]f the mark in use by a person so nearly resembles the prohibited mark as to be mistaken ... [then] ... the use of that mark may be prohibited even in those cases where there is no likelihood of confusion.”<sup>60</sup> The Trademarks Opposition Board recently stated in *Parkinson Society Canada v Parkinson Society Alberta* that:

The test under section 9(1)(n)(iii) is whether a person, on a first impression, knowing any of the Opponent’s official marks and only having an imperfect recollection of any of them, would likely be deceived or confused by the Mark. This is not a test of straight comparison, and if, as is the case in the present opposition, the marks are not identical, then there must be consideration of whether the Mark so nearly resembles as to be likely to be mistaken for any of the Opponent’s official marks.<sup>61</sup>

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<sup>59</sup> TMA, *supra* note 30, s 9(1)(n)(iii).

<sup>60</sup> *The Queen v Kruger*, 1978 CarswellNat 804 at para 12, 44 CPR (2d) 135 (Registrar of Trademarks).

<sup>61</sup> *Parkinson Society Canada v Parkinson Society Alberta*, 2016 TMOB 154 at para 31 [*Parkinson Society Canada*].

[28] Although the test is one of resemblance and a straight comparison of the marks is not to take place, reference to the three factors listed in paragraph 6(5)(e) of the Act is permitted, and these factors must be considered separately.<sup>62</sup>

#### A. Appearance

[29] The appearance of the words is crucial for determining the resemblance between FLUSTOPPA and FLUSTOPPER. It is a key principle that the first part of a trademark is the most important because this is what people will remember the most.<sup>63</sup> In *Polysar Ltd v Gesco Distributing Ltd*, “POLYSAR” and “POLYSTAR” were found to be too similar even though they contained different suffixes.<sup>64</sup>

[30] In the case at bar, FLUSTOPPA and FLUSTOPPER contain almost identical spelling, and importantly, the prefixes are the same. By the numbers, eight out of ten letters for Vaxco’s mark are identical to Healthward’s, and are in the exact same order. This is akin to the marks in *Polysar*.<sup>65</sup> In this case, even more of the mark remains the same which increases the degree of resemblance. Even though the suffixes of FLUSTOPPA and FLUSTOPPER are different, they are not different enough to erase or drastically decrease the resemblance. Taking the spelling of the two marks into account, it is likely that a consumer upon first impression, knowing of FLUSTOPPER and not FLUSTOPPA, would likely be confused or deceived into thinking that they were the same mark. The dominant feature of both marks, “FLUSTOPP”, is the same, increasing the likelihood of confusion upon first impression. In *Corby Distilleries Ltd v*

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<sup>62</sup> *Techniquip Ltd v Canadian Olympic Assn* (1999), 3 CPR (4<sup>th</sup>) 298 at para 5, [1999] FCJ No 1787 (FCA); *Big Sisters*, *supra* note 54 at para 64; *Duke University v SIR Corp*, 2016 TOMB 137 at para 24; TMA, *supra* note 30, s 6(5)(e).

<sup>63</sup> *Parkinson Society Canada*, *supra* note 61 at para 25;

*Corby Distilleries Ltd v Wellington County Brewery Ltd*, 1993 CarswellNat 2560 at para 22, 1993 52 CPR (3d) 429 [*Corby Distilleries*]; *Conde Nast Publications Inc v Union des éditions modernes* (1979), 46 CPR (2d) 183 at para 34, 1979 FCJ No 801 (FC).

<sup>64</sup> *Polysar Ltd v Gesco Distributing Ltd*, 1985 CarswellNat 910 at para 27-28, 6 CPR (3d) 289 (FC) [*Polysar*].

<sup>65</sup> *Ibid*.

*Wellington County Brewery Ltd*, “GRAND DUKE” and “IRON DUKE” were held to resemble each other too closely due to the dominant feature being “DUKE”, even though the first word was different.<sup>66</sup> Therefore, the degree of resemblance is extremely high regarding the appearance of the marks in this case, and FLUSTOPPA is likely to cause confusion or deception upon consumers with an imperfect recollection of FLUSTOPPER. Policy dictates that slightly changing the spelling of a mark should not distinguish the marks on their own, lest resemblance could easily be avoided by changing one letter.<sup>67</sup>

### B. Sound

[31] There is a high degree of resemblance in how these words sound. Consumers tend “...to slur the termination of words [which] has the effect necessarily that the beginning of words is accentuated in comparison.”<sup>68</sup> As a result “...the first syllable of a word is, as a rule, [by] far the most important for the purpose of distinction.”<sup>69</sup> Further, when comparing two marks based on sound, one is not to do so based upon “...the clarity to be expected from a teacher of elocution”, and courts should take into consideration “...the effect of careless pronunciation.”<sup>70</sup>

[32] When FLUSTOPPA and FLUSTOPPER are spoken at a normal talking speed, taking into consideration the slurring effect, they sound identical and it is virtually impossible to distinguish the “AH” and “ER” sounds. It is extremely likely that when FLUSTOPPA is spoken aloud, an individual with an imperfect recollection of FLUSTOPPER would either think they misheard or that the speaker was referring to FLUSTOPPER, especially since both marks relate

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<sup>66</sup> *Corby Distilleries*, *supra* note 63 at para 22.

<sup>67</sup> *Polysar*, *supra* note 64 at para 27; *Cluett, Peabody Canada Inc v Effigi Inc*, 2005 FC 400 at para 38.

<sup>68</sup> *Ibid.*

<sup>69</sup> *Polysar*, *supra* note 64 at para 27.

<sup>70</sup> *Battle Pharmaceuticals v British Drug Houses Ltd*, 1946 SCR 50 at 53; 1 DLR 289.

to flu vaccinations. The sound and spelling of FLUSTOPPA make it indistinguishable from FLUSTOPPER for a consumer with an imperfect recollection. This is likely to cause confusion.

### C. Idea

[33] There is also a high degree of resemblance behind the idea for FLUSTOPPA and FLUSTOPPER as both relate to flu vaccines. As a result, a consumer with an imperfect recollection is even more likely to mistake FLUSTOPPA for FLUSTOPPER. With two nearly identical names, representing the same idea and same type of product, this exacerbates the possibility of confusion.

### D. Design

[34] The Appellant submits that the Court of Appeal erred by focusing mainly on the “distinguishing effect” of FLUSTOPPA’s design component, as design alone is not enough to eliminate resemblance when there is a high degree of resemblance with respect to other factors.<sup>71</sup> The two marks are essentially identical when looking at the degree of resemblance related to sound, appearance, and idea. Individuals with an imperfect recollection will not be able to distinguish the two marks, and will likely mistake FLUSTOPPA for FLUSTOPPER.

[35] In *Cartier Men’s Shops Ltd*, it was alleged that two trademarks were too similar – one contained a graphic design component which depicted the idea represented in the name.<sup>72</sup> The trademarks at issue were found to be highly similar in terms of appearance, idea and sound – the design actually exacerbated the level of confusion when considered with the other factors set out in paragraph 6(5)(e).<sup>73</sup> Although FLUSTOPPA contains a design and FLUSTOPPER does not, the design exacerbates the potential for confusion for individuals with an imperfect recollection

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<sup>71</sup> *Prologic Systems Ltd v Prologic Corp*, 1998 CarswellNat 165 at para 17, 1998 FCJ No 80 (FC).

<sup>72</sup> *Cartier Men’s Shop Ltd v Cartier Inc*, 1981 CarswellNat 756 at para 17, 58 CPR (2d) 68 (FC).

<sup>73</sup> *Ibid.*

of FLUSTOPPER. They will still likely mistake it for FLUSTOPPER. The design depicts a syringe and needle – associated with vaccines – which reaffirms the idea that the two must be related. The design component only serves to increase confusion due to ideological similarity. The Court of Appeal erred in finding the graphic distinguished the two marks.

[36] FLUSTOPPA is too similar to FLUSTOPPER as a whole. Its presence in the Canadian market will likely result in an individual with an imperfect recollection of the latter being deceived or misled by the former. Although a straightforward comparison is not to take place, taking each of these elements into consideration, the marks are too similar. The appearance, sound, and idea of these two marks are virtually identical and are indistinguishable.

### **3. Vaxco’s activities in the US do not constitute “use” within Canada of the FLUSTOPPA trademark and design.**

#### A. Prior Use by Vaxco’s Website Providing Educational Information

[37] If the two marks are not found to be confusingly similar, Vaxco should still be prohibited from using its trademark in relation to the educational information provided on its website. Prior use per section 4 of the Act has not been established for the FLUSTOPPA trademark with respect to this service.<sup>74</sup> In *Porter v Don the Beachcomber* it was held that when advertising of a service occurs in Canada, but the performance of the service occurs elsewhere, this does not constitute use.<sup>75</sup> The Federal Court of Appeal expanded upon this principle in *Miller Thompson LLP v Hilton Worldwide Holding LLP*, stating that “the ability of Canadians to passively view content on a foreign website will be insufficient to constitute use of a mark in [Canada].”<sup>76</sup>

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<sup>74</sup> TMA, *supra* note 30 at s 4(2).

<sup>75</sup> *Porter v Don the Beachcomber*, [1966] Ex CR 982 at para 17; 48 CPR 280.

<sup>76</sup> *Miller Thompson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 147 [*Miller Thompson*].



[38] There is no evidence in the record about *how* Canadians were targeted by Vaxco’s website, or how many Canadians viewed the site. Targeting does not *prima facie* mean inducement. Simply viewing the educational information on Vaxco’s website is a passive act. The Federal Court of Appeal in *Miller Thompson LLP* stated “a sufficient degree of interactivity” is required “between [the] trademark owner and Canadian consumer[s] to amount to use of a mark in conjunction with services over the internet.”<sup>77</sup> Therefore, when Canadians are simply viewing the information on the website, sufficient use has not been established.

[39] Kelly Gill in the authoritative text states that “[r]etail store services through a foreign based website on the internet, where Canadians cannot make purchases, does not constitute use, even if the website is accessible and provides “useful” information.”<sup>78</sup> From a policy perspective, it does not make sense to allow provision of information, a passive act, to constitute sufficient use of a service within a country. The consequences would be extreme. Anywhere in the world, a website with some information and a trademark could warrant protection and would constitute “use” within Canada. Additionally, the information provided on Vaxco’s website is available to anyone, not just Canadians. Although Canadians can book appointments, they cannot purchase the vaccine itself online. This distinguishes Vaxco from other cases involving retail services.<sup>79</sup>

[40] Vaxco’s website provided the ability to book appointments, yet these are separate and distinct services, as dictated in Vaxco’s trademark application.<sup>80</sup> As a result, Vaxco has not established sufficient use in relation to the provision of educational information about the

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<sup>77</sup> *Miller Thompson*, *supra* note 76 at para 147.

<sup>78</sup> Kelly Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4<sup>th</sup> ed (Toronto, ON: Thomson Reuters, 2002) at Chapter 3.5(c)(iv) “proper analysis”.

<sup>79</sup> *Trial Decision*, *supra* note 1 at para 5; *MJB Marketing Inc v Provide Gifts Inc*, 2013 TMOB 46 at para 29 [*MJB Marketing*], 2900319 *Canada Inc v Dollar General Corp*, 2017 TMOB 46 at para 56 [*Dollar General Corp*].

<sup>80</sup> *Trial Decision*, *supra* note 1 at para 7.

importance of vaccines, and its vaccine specifically, as this information was provided passively and lacked a sufficient degree of interaction between the user and Vaxco.

#### B. Prior Use by Vaxco’s Advertisement and Performance of Service in Canada

[41] In regard to Vaxco’s attempted registration for “retail, wholesale and distribution services online and in-store in the field of vaccination,” Vaxco has not shown that this service has been used in a manner satisfying section 4(2).<sup>81</sup> The evidence inferring that Canadians accessed and were targeted by Vaxco’s website and conventional advertising is insufficient to constitute “use” in the legal sense. No metrics were provided as to how many Canadians accessed the website or saw the billboards. Further, there were no analytics showing success, and it is impossible to draw that inference on the evidence before the Court.

[42] In *Marineland Inc v Marine Wonderland & Animal Park Ltd* it was held that even if Canadians can purchase access to a service provided in a foreign country, because travel outside of Canada is required to enjoy the actual service, the service and trademark cannot be said to be used in Canada.<sup>82</sup> This principle has been consistently been applied; recent cases affirm this.<sup>83</sup>

[43] Although the Trial Judge accepted that Canadians paid to book appointments, this is not the same as paying for the actual service that Vaxco is providing for several reasons.<sup>84</sup> First, Vaxco has not registered its mark for services of “reservation and booking.” In *Fetherstonhaugh* it was held that retail services have generally allowed websites to constitute “use” in relation to services not performed in Canada. However, these are distinguishable. Retail websites provide the ability to enjoy the entire experience without leaving the home, and allow for the

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<sup>81</sup> *Trial Decision*, *supra* note 1 at para 7; TMA, *supra* note 30 s 4(2).

<sup>82</sup> *Marineland Inc v Marine Wonderland & Animal Park Ltd*, [1974] 2 FC 558, 1974 FCJ No 163 at para 65 (FC).

<sup>83</sup> *Porter v Don the Beachcomber* [1966] EX.C.R. 982; 48 C.P.R. 280 at 17; *Fetherstonhaugh & Co v Supershuttle International Inc*, 2014 TMOB 155 at para 5 (aff’d 2015 FC 1259) [*Fetherstonhaugh*]; See *Strikeman Elliot LLP v Millenium & Copthorne International Ltd*, 2017 TOMB 34 at para 41.

<sup>84</sup> *Trial Decision*, *supra* note 1 at para 26.

delivery of goods.<sup>85</sup> Conversely, Vaxco only provides the ability to make an appointment. The actual vaccination is only available after travelling outside Canada, at which point the service is completed. Equating reservations for a service with the actual performance of the service “is contrary to common sense.”<sup>86</sup>

[44] The Trade-Marks Opposition Board stated in *Ridout & Maybee LLP v Sfera 39-E Corp* that booking a service in advance is a type of benefit.<sup>87</sup> Yet, the benefit of a reservation is not equivalent to the benefit of receiving the actual service, and does not constitute “use”.<sup>88</sup> The Board in *Ridout* found that the ability of Canadians to book hotel rooms did not constitute use of “hotel services” – such a conclusion “would conflate requesting and paying for a service with receiving the performance or benefit of that service.”<sup>89</sup> This distinction is corroborated in *Fetherstonhaugh*.<sup>90</sup> Where a foreign trade-mark attempts to satisfy the requirements of “use” or registration in Canada in association with services, “it should generally mirror the performance of those services in Canada; merely casting the shadow of those services is insufficient.”<sup>91</sup>

[45] Ultimately, although Vaxco has provided Canadians the ability to book appointments, this does not substantively entail performance and “use” for the vaccination service. Canadians are unable to enjoy the actual services offered to them by Vaxco (administration of the FLUSTOPPA vaccine) and the benefit derived from the services (immunization) without first leaving Canadian soil. Vaxco provides “a” service in Canada, not “the” service customers desire and pay for. Vaxco fails to administer its vaccines in Canada, and therefore is not “using” its

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<sup>85</sup> *Fetherstonhaugh*, *supra* note 83 at para 28; *MJB Marketing*, *supra* note 79 at para 29; *Dollar General Corp*, *supra* note 79 at para 56.

<sup>86</sup> *Ibid.*

<sup>87</sup> *Ridout & Maybee LLP v Sfera 39-E Corp*, 2017 TMOB 149 at para 97.

<sup>88</sup> *Ibid.*

<sup>89</sup> *Ibid.*

<sup>90</sup> *Fetherstonhaugh*, *supra* note 83 at para 28.

<sup>91</sup> *Ibid* at para 34.

trademark according to the services it has sought to register (retail, wholesale or distribution) in its trademark application.

#### **4. This Court should order an injunction to prohibit Vaxco’s use of the FLUSTOPPA trademark in Canada.**

[46] If this Honourable Court finds Vaxco’s website and billboard advertisement do constitute “use” within Canada of the FLUSTOPPA trademark, the Appellant submits that Vaxco should nevertheless be prohibited from using the mark, and respectfully urges this Court to exercise the wide discretion conferred upon it by subsection 53.2(1) of the *Trademarks Act* by granting a permanent, prohibitory injunction in favour of Healthward.<sup>92</sup>

[47] The legal test to be met in this case is set out by the Ontario Court of Appeal in *1711811 Ontario Ltd v Buckley Insurance Brokers Ltd*.<sup>93</sup> In order to obtain a permanent injunction, the Appellant must show “(1) [Healthward’s] legal rights; (2) that damages are an inadequate remedy; and (3) that there is no impediment to the court’s discretion to grant an injunction”.<sup>94</sup>

##### A. Healthward’s legal rights

[48] Healthward’s right to a protected official mark is established because it meets the common law definition of “public authority”. Its charitable operations provide a public benefit.

##### B. Damages are inadequate in this case

[49] Assuming this Honourable Court accepts that Healthward’s legal rights have been established, an award of damages would not be an appropriate remedy for Healthward in this case. In trademark law, “the starting point is that damages are meant to be purely compensatory

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<sup>92</sup> TMA, *supra* note 30, s 53.2(1).

<sup>93</sup> *1711811 Ontario Ltd v Buckley Insurance Brokers Ltd*, 2014 ONCA 125 at paras 77-80. Test aff’d in *Google Inc v Equustek Solutions Inc*, 2017 SCC 34 at para 66 [*Google*].

<sup>94</sup> *Google*, *supra* note 93 at para 66.

... the measure of damages is to be, so far as possible, that sum of money which will put the injured party in the same position as he would have been in if he had not sustained the wrong... [because] trademark infringement may result in reduced sales and profits”.<sup>95</sup> The “position” Healthward would be in, but for Vaxco’s use of FLUSTOPPA within Canada, would be to maintain its role and reputation as a government-connected entity providing crucial, charitable vaccination services to Canadians. A monetary award does not address the harm done to Healthward because it does not profit from its operations. Healthward must prioritize its reputation and goodwill as a public institution, and is able to maintain its charitable endeavours because Canadians rely on its reputation to seek and receive its free services.

[50] Healthward and Vaxco share nearly identical operations. Both provide educational materials on vaccines and operate vaccine clinics.<sup>96</sup> If Vaxco registers its FLUSTOPPA trademark in Canada, the similarity between FLUSTOPPER and FLUSTOPPA harms Healthward via continuing confusion. Healthward’s charitable goal of providing free vaccines and public health education is frustrated because Canadians would be confused, and likely induced into paying for Vaxco’s vaccines.

### C. There is no impediment to this court’s discretion to grant the injunction sought

[51] The final criteria Healthward must show is that there is no impediment to this Court’s discretion to grant a permanent, prohibitory injunction. Injunctions are discretionary, equitable remedies. Healthward satisfied the Trial Judge that an injunction was appropriate. It was an error for the Court of Appeal to interfere with this exercise of the Trial Judge’s discretion. Healthward is coming to this Court with clean hands. The relationship between Healthward and Industries should not affect the Court’s finding that an injunction is appropriate in this case.

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<sup>95</sup> *Louis Vuitton Malletier SA v Wang*, 2019 FC 1389 at paras 117 and 118.

<sup>96</sup> *Trial Decision*, *supra* note 1 at paras 1-2.

[52] Healthward and Industries have a business relationship. Generally, a public authority must act on its own behalf, not with a partner who is not a public authority.<sup>97</sup> However, in the context of obtaining an official mark, courts show flexibility where a public authority is partnered with a non-government entity if they share the same altruistic objective.<sup>98</sup> There is no evidence on the record to suggest that this relationship is inappropriate, nor that Healthward has used its official mark improperly. There has been recent commentary that “an increasing number of official marks are being filed to create, often unnecessarily, monopolies and obstacles to legitimate trademark use and registration in Canada”.<sup>99</sup> Any allegation of inappropriate conduct by Industries and Healthward is speculative and unfounded on the evidence before this Court.

[53] While often marginalized, the public’s interest is relevant when considering whether an injunction should be granted. Healthward is fulfilling an important public mandate through its charitable endeavors. The balance of convenience should fall in favour of an organization doing the public good. It is within the public’s interest to maintain the status quo and avoid confusion.

## **PART V: ORDER REQUESTED**

[54] For the foregoing reasons, the Appellant respectfully requests that this Honourable Court allow the appeal, set aside the judgement of the Court of Appeal, and restore the decision of the Trial Court.

Dated this 12<sup>th</sup> day of January 2021

Team 5A, Counsel for Appellant

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<sup>97</sup> *Wagon-Wheel Concessions Ltd v Stadium Corp of Ontario Ltd*, [1989] 3 FC 460, 23 CPR (3d) 381 (FC).

<sup>98</sup> *Anne of Green Gables Licensing Authority Inc v Avonlea Traditions Inc*, [2000] OJ No 740 at para 170, 4 CPR (4th) 289 (ONSC).

<sup>99</sup> Janice M Bereskin & Christina Capone Settimi, “Canada’s Official Marks Regime: Officially Time for a Change” (2016) 106:5 Trademark Rep 992 at 995.

## PART VI: TABLE OF AUTHORITIES

### LEGISLATION

*Trademarks Act*, RSC, 1985, c T13.

### JURISPRUDENCE

*1711811 Ontario Ltd v Buckley Insurance Brokers Ltd*, 2014 ONCA 125.

*2900319 Canada Inc v Dollar General Corp*, 2017 TMOB 46.

*Anne of Green Gables Licensing Authority Inc v Avonlea Traditions Inc*, [2000] OJ No 740, 4 CPR (4th) 289 (ONSC).

*Assn of Architects (Ontario) v Assn of Architectural Technologists Ontario*, 2002 FCA 218.

*Battle Pharmaceuticals v British Drug Houses Ltd*, 1946 SCR 50; 1 DLR 289.

*Big Sisters Assn of Ontario v Big Brothers of Canada*, 1997 CarswellNat 783, [1997] FCJ No 627 (FC).

*Canadian Olympic Assn v Canada (Registrar of Trademarks)*, 1981 CarswellNat 165, [1982] 2 FC 274 (FC).

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*FileNET Corp v Canada (Registrar of Trade Marks)*, 2002 FCA 418.

*Google Inc v Equustek Solutions Inc*, 2017 SCC 34.

*Heenan Blaikie LLP v Sports Authority Michigan Inc*, 2011 FC 273.

*Louis Vuitton Malletier SA v Wang*, 2019 FC 1389.

*Marineland Inc. v Marine Wonderland & Animal Park Ltd*, [1974] 2 FC 558, 1974 CarswellNat 114 (FC).

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*Parkinson Society Canada v Parkinson Society Alberta*, 2016 TMOB 154.

*Polysar Ltd v Gesco Distributing Ltd*, 1985 CarswellNat 910; 6 CPR (3d) 289 (FC).

*Porter v Don the Beachcomber*, [1966] Ex CR 982; 48 CPR 280.

*Prologic Systems Ltd v Prologic Corp*, 1998 CarswellNat 165, 1998 FCJ No 80 (FC).

*Ridout & Maybee LLP v Sfera 39-E Corp*, 2017 TMOB 149.

*See You In-Canadian Athletes Fund Corporation v Canadian Olympic Committee*, 2007 FC 406.

*Strikeman Elliot LLP v Millenium & Cophthorne International Ltd*, 2017 TOMB 34.

*Techniquip ltd v Canadian Olympic Assn* (1999), 3 CPR (4<sup>th</sup>) 298, [1999] FCJ No 1787 (FCA).

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*Thompson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134.

*Vaxco Ltd v Healthward Canada*, 20 TCCIP 1222.

*Vaxco Ltd v Healthward Canada*, 2020 CAIP 333.

*Wagon-Wheel Concessions Ltd v Stadium Corp of Ontario Ltd*, [1989] 3 FC 460, 23 CPR (3d) 381 (FC).

## SECONDARY MATERIALS

Janice M Bereskin & Christina Capone Settimi, “*Canada’s Official Marks Regime: Officially Time for a Change*” (2016) 106:5 Trademark Rep 992 at 995.

Kelly Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4<sup>th</sup> ed (Toronto, ON: Thomson Reuters, 2002).