

IN THE SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY APPEALS

BETWEEN:

HEALTHWARD CANADA

Appellant

-and-

VAXCO LTD.

Respondent

FACTUM OF THE APPELLANT

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PART I - OVERVIEW

1. This case is about protecting consumers and guarding the integrity of vaccine rollouts through upholding the principles of official marks. The Appellant, Healthward Canada (“Healthward”), is a registered, government-supported Canadian charity that owns the official mark “FLUSTOPPER” and offers vaccines to the public among other services. The respondent, Vaxco Ltd. (“Vaxco”), is a U.S. based corporation who is applying for trademark protection for the trademark “FLUSTOPPA” and accompanying design.
2. Healthward’s official mark and the protections it is afforded will have a direct impact on the government’s ability to achieve broader public policy objectives in rolling out and administering vital vaccines, particularly relevant in today’s unprecedented times.
3. The purpose of the *Trademarks Act* (*Act*) is to protect consumers by regulating trademarks and official marks. Once the Registrar of Trademarks has given public notice of an official mark, the *Act* determines that no other party may adopt an official mark or a mark that so nearly resembles an official mark.¹
4. Official marks exist within the trademarks regime and provide organizations with broader protections. Public authorities can adopt and use official marks in Canada. The distinct status of official marks demonstrates the legislative intent to provide marks of public authorities with unique protections.
5. Healthward is entitled to their official mark. Healthward cleanly fits the definition of a public authority and Vaxco’s mark nearly resembles the official mark. Alternatively, Healthward has prior title and Vaxco cannot register its trademark in Canada.
6. Finding for Healthward is also aligned with public health policy. First, confirming

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

Healthward’s status as a public authority is consistent with the legislative intent behind granting official marks. Second, this case demonstrates the importance of maintaining public faith in government-affiliated marks, especially those in relation to goods and services in healthcare. Vaccination rollout is a pressing issue now more than ever given the ongoing COVID-19 pandemic. It is pivotal that consumers receive their desired vaccinations and maintain faith in government-affiliated marks. Allowing the registration of a mark likely to cause consumer deception runs counter to that. Ruling in favour of Healthward is critical not only in upholding the law, but also in upholding public health in these unprecedented times.

PART II - STATEMENT OF FACTS

1. Parties

7. The Appellant, Healthward Canada, is a registered Canadian charity and non-profit organization, operating in the fields of public health and vaccination. They offer goods, including vaccinations and medical supplies, and services, such as educational programs and mobile health clinics. One of Healthward’s affiliates is Healthward Industries Corp. (“Industries”), a for-profit Canadian corporation. Healthward authorized Industries to use its “FLUSTOPPER” official mark, as per s. 9(2) of *Act*. The Respondent, Vaxco Ltd., is a U.S. corporation, headquartered in Detroit, Michigan. Vaxco manufactures, distributes, and sells flu vaccines and provides services including sharing educational information about the importance of vaccines.²

2. Chronology of Events

8. In 2014, Healthward began operations in Canada, lobbying the Federal Government about the importance of vaccination for public health. In 2015, Healthward entered into a funding

² *Vaxco Ltd v Healthward Canada*, 2020 TCCIP 1222 at paras 4, 9, 11, 13 [*Vaxco Trial*].

agreement with the Health Canada, an entity of the Canadian federal government. This agreement provided that Health Canada fund nearly 75% of Healthward's annual operating expenses. In return, Health Canada was to be consulted on curriculum and messaging for Healthward's educational program and was to appoint two seats on Healthward's five-seat board of directors. The agreement included that Healthward provide mobile clinic services to underserved communities that Health Canada identified. If Healthward was unable to accommodate the specified communities, Health Canada could take back a portion of their provided funding. Both parties can terminate the agreement upon reasonable notice.³

9. At this time, Vaxco had been manufacturing, distributing and selling flu vaccines using its "FLUSTOPPA" trademark exclusively in the U.S. for more than 20 years. Vaxco's website (www.vaxco.com) was targeted towards Canadians that could access it to book appointments to receive the vaccine at Vaxco clinics after travelling into the U.S. Vaxco advertised in Canadian cities through print and billboard advertising only along the U.S. border.⁴

10. In January 2019, the Registrar of Trademarks gave public notice of adoption and use of Healthward's "FLUSTOPPER" official mark. In February 2019, Vaxco received Health Canada approval to begin selling its "FLUSTOPPA" vaccine in Canada. Prior to February 2019, Vaxco had not sold its "FLUSTOPPA" vaccines in Canada. In March 2019, Vaxco applied for its "FLUSTOPPA" & Design trademark, refused by the Registrar pursuant to s. 12(1)(e) of the *Act*, citing Healthward's official mark.⁵

3. Procedural History

11. Vaxco appealed the decision of the Registrar, seeking to overturn the Registrar's decision

³ *Ibid* at para 9-11.

⁴ *Ibid* at para 4, 5.

⁵ *Ibid* at para 4, 6, 8.

to refuse Vaxco's application to register their "FLUSTOPPA" & Design trademark and to challenge the validity of Healthward's official mark "FLUSTOPPER". In response, Healthward sought a declaration that Vaxco's use of its mark infringed Healthward's official mark.⁶

12. The Trial Court of Canada Intellectual Property Division (TCCIP) found in favour of Healthward on all matters. Coff J rightly found that Healthward was subject to governmental control through the funding agreement and its activities constituted a clear public health benefit and, so, was a public authority as defined under s. 9(1)(n)(iii).⁷

13. The Court used the s. 6(5) confusion factors to determine that Vaxco's trademark and Healthward's official mark are confusingly similar, using the degree of resemblance as a starting point. Vaxco's claim of prior use was unsuccessful as it was found that Vaxco had not been using its mark in Canada prior to Healthward's public notice of its mark. The Trial Court dismissed Vaxco's claims that the access of its website by Canadians to educate themselves and book appointments in the U.S. constituted prior use of the "FLUSTOPPA" trademark in Canada.⁸

14. The Court of Appeal Intellectual Property Division (CAIP) overturned the trial decision and held in favour of Vaxco. Justice Ailes found that the lower court should not have conducted a s. 6(5) analysis, stating that official marks are entitled to narrower protections, and instead used a test of straight comparison. The CAIP also held that the lower court failed to consider the distinguishing effect of the design component of Vaxco's trademark. The CAIP disagreed with Coff J and stated that Healthward was not a public authority due to a lack of substantial governmental control and a failure to demonstrate public benefit. Further, the CAIP found that even if Healthward was deemed to be a public authority, its mark did not resemble Vaxco's mark

⁶ *Ibid* at para 3.

⁷ *Ibid* at para 15, 18-20.

⁸ *Ibid* at 15, 19, 17, 22.

enough to prohibit its use under s. 9(1)(n)(iii).⁹

15. Healthward now appeals the CAIP's decision, seeking an injunction against Vaxco's mark and for this Court to uphold the refusal of the Registrar to register the "FLUSTOPPA" trademark.

PART III - POINTS IN ISSUE

16. The present appeal raises three issues:

1. Is Healthward a public authority for the purposes of s. 9(1)(n)(iii) and entitled to the protections of an official mark?
2. Does Vaxco's mark so nearly resemble the official mark as set out in s. 9(1)(n)(iii) so as to be caught by the registrability bar under s. 12(1)(e)?
3. In the alternative, if Healthward is not entitled to the protections of an official mark, is Healthward entitled to registration based on prior use following s. 16(1)(a)?

PART IV - ARGUMENTS IN BRIEF

1. Healthward is entitled to an official mark

A. Healthward meets the criteria of a public authority

17. Not all trademarks are registrable. Section 12(1)(e) of the *Act* states that a trademark is unregistrable if it is prohibited either by s. 9 or s. 10.¹⁰ This includes official marks such as the Appellant's. Applicable to this case, s. 9(1)(n)(iii) prohibits the adoption of a mark which is likely to be mistaken for an official mark used by a public authority. The provision states:

"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 to be mistaken for, (...) any ... mark (...) adopted and used by any public authority, in Canada as an official mark for goods or services (...)"¹¹

⁹ *Vaxco Ltd v Healthward Canada*, 2020 CAIP 333 at paras 4, 6, 8, 11 [*Vaxco Appeal*].

¹⁰ *Trademarks Act*, *supra* note 1 at s 12(1)(e).

¹¹ *Ibid* at s 9(1)(n)(iii).

18. Healthward meets the test of a public authority and its mark qualifies as an official mark, entitled to all relevant advantages. Designating a mark as an official mark comes with significant advantages compared to ordinary trademarks.¹²

19. To qualify for an official mark, the party seeking such qualification must be a “public authority”.¹³ This term is not defined in the *Act*. As such, the test to determine whether an entity is a public authority is set out in jurisprudence.

20. In *Ontario Association of Architects*, the Federal Court of Appeal set out a 2-part test to determine whether an entity qualifies as a public authority.¹⁴ First, a *significant* degree of control must be exercised by the appropriate government authority over the activities of the body. Second, the activities of the body must benefit the *public*. The Federal Court affirmed that the entity seeking to qualify as a public authority must be under a significant degree of control by a Canadian government, rather than any country worldwide.¹⁵

i. Health Canada has an ongoing influence on Healthward’s governance and decision-making.

21. An organization must be subject to a significant degree of control by the Canadian government or a Canadian governmental agency to constitute a public authority.¹⁶ Significant control does not mean complete governmental authority and control. Rather, evidence of an ongoing influence by the government is sufficient.¹⁷ The test requires that the government be enabled, directly or through its nominees, to exercise a degree of ongoing influence in the body's

¹² *Association of Architects (Ontario) v Association of Architectural Technologists (Ontario)*, 2002 FCA 218 at para 4.

¹³ *Canadian Jewish Congress v Chosen People Ministries Inc*, [2002] CarswellNat 1184 at para 24, 214 DLR (4th) 553; *Maple Leaf Foods Inc v Consorzio del Prosciutto di Parma*, 2012 FC 416.

¹⁴ *Association of Architects*, *supra* note 12 at para 51.

¹⁵ *Maple Leaf Foods*, *supra* note 13 at para 26.

¹⁶ *Association of Architects*, *supra* note 12 at para 58; *Canada Post Corp v United States Postal Service*, 2007 FCA 10 at para 1.

¹⁷ *Association of Architects*, *supra* note 12 at para 62.

governance and decision-making.¹⁸ At the minimum, there should be some ongoing government supervision of the public authority's activities.¹⁹

22. The Canadian government can exercise a degree of influence over an organization's governance by having government authorities sit on the organization's board or committee.²⁰ The Ontario Superior Court of Justice has held that government representative members sitting on an organization's committee can, in part, lead to finding significant influence and control over the organization.²¹

23. Healthward's governing body consists of five board seats, two of which are reserved for Health Canada representatives.²² Similar to *Anne of Green Gables Licensing Authority*, the presence of government board members on Healthward's board indicates a degree of influence and control over Healthward. Health Canada having two of five board seats means that 40% of Healthward's board seats are reserved exclusively for appointment by the government. This gives the government considerable authority in the governance of the organization, including substantial influence if the rest of the board is divided on a matter since the Health Canada board members have the power to sway a decision to reflect the government's interests.

24. Further, the government has a significant influence on an organization's operations where a substantial portion of the organization's funding comes from the federal government.²³ "Substantial" portion does not mean that the government's contribution must cover more than 50% of an organization's funding. The Federal Court has held that a government contributing to cover

¹⁸ *Association of Architects*, *supra* note 12 at para 62.

¹⁹ *Ibid* at para 59.

²⁰ *Anne of Green Gables Licensing Authority Inc v Avonlea Traditions Inc*, [2000] OJ No 740 at para 170, [2000] CarswellOnt 731.

²¹ *Ibid*.

²² *Vaxco Trial*, *supra* note 2 at para 11.

²³ *Canadian Jewish Congress*, *supra* note 12 at para 56; *Canadian Olympic Association v Canada (Registrar of Trade Marks)*, [1983] 1 FC 692 at para 5.

even 30% of an entity's funding is sufficient to conclude that without the government's funding, the organization's activities would not be viable.²⁴

25. The majority of Healthward's funding comes directly from the federal government. Health Canada covers 75% of Healthward's annual funding and can even withdraw its funds on certain occasions. Healthward relies on this annual funding to continue covering its operating expenses.²⁵ Given this reliance, Healthward is under unique pressure to comply with Health Canada's interests, such as Health Canada's objective of identifying underserved communities and directing Healthward to provide mobile clinic services to those communities. If Healthward does not comply, Health Canada is entitled to take back a portion of their provided funding. Health Canada can also nullify its agreement and withdraw its funding just by providing reasonable notice to Healthward, further indicating governmental influence and control.²⁶

26. Whether a public authority is subject to ongoing monitoring by the government constitutes evidence of significant government control.²⁷ Health Canada must be consulted on the curriculum and messaging of Healthward's educational programs, and Healthward's decisions on these matters are always subject to review by Health Canada. While Healthward may not be required to *implement* Health Canada's suggestions on curriculum and messaging, the fact that Health Canada must be *consulted* on these matters shows the level of government supervision that Healthward is subject to and the lack of agency and power for Healthward to act independently of it.

ii.. Healthward's activities benefit the public

27. To constitute a public authority, the activities of the body must benefit the public.²⁸

²⁴ See *You In-Canadian Athletes Fund Corp v Canadian Olympic Committee*, 2007 FC 406 at para 61.

²⁵ *Vaxco Trial*, *supra* note 2 at para 10-11.

²⁶ *Ibid* at para 11.

²⁷ *Canadian Olympic Association*, *supra* note 23 at para 30.

²⁸ *Association of Architects*, *supra* note 12 at para 51.

Healthward is a charity with official designation as such. Although the traditional view is that some element of public benefit must be present to achieve charity status,²⁹ a charity designation alone does not automatically require courts to recognize that an organization is serving a public benefit.³⁰ While charities meet the definition of a public benefit in its legal sense,³¹ the object or purpose of an organization serving a public benefit is a determination for the courts.

28. To determine whether a public benefit objective exists, the court can consider the organization's "objects, duties and powers".³² The main factor to look to is who the organization's activities benefit.³³ Further, the benefit must be available to a significant portion of the population, such as a community theatre available to the general public and used by a significant portion.³⁴ Healthward offers free vaccinations to the public, including underserved communities in accordance with Health Canada's directions, without a view to profit.³⁵ Vaccine rollouts undeniably serve a significant portion of the public even if not every member is willing or able to be vaccinated. Healthward also provides accessible educational programs on the importance of vaccination.³⁶ The significance of the educational aspect of Healthward's services is emphasized during unprecedented times of potential misinformation and widespread concern regarding vaccines from members of all demographics. Through Healthward's educational messaging, the public has access to accurate and complete information regarding vaccinations.

²⁹ *Laidlaw Foundation, Re* 1984 CarswellOnt 568, 13 DLR (4th) 491 at 517; *Cox, Re* 1951 CarswellOnt 42, [1951] 2 DLR 326.

³⁰ *Canadian Jewish Congress, supra* note 12 at para 53.

³¹ *National Anti-Vivisection Society v IRC* 1947 HL ER. 217 See also Halsbury's Laws of Canada (Online), Public Benefit Defined, "Charities, Associations and Not-for-Profit Organizations" II.2 at HCH-6 "Definition of Charitable"

³² *Association of Architects, supra* note 12 at para 52.

³³ *National Anti-Vivisection Society, supra* note 31. See also Halsbury's Laws of Canada (Online), Public Benefit Defined, "Charities, Associations and Not-for-Profit Organizations" II.2 at HCH-6 "Definition of Charitable"

³⁴ *Ibid.*

³⁵ *Vaxco Trial, supra* note 2 at para 2.

³⁶ *Ibid.*

29. Further, public benefit will be more easily found in organizations that serve vulnerable communities.³⁷ Healthward provides mobile clinic services, including free vaccinations, to underserved communities under Health Canada’s direction.³⁸ The clinic’s objective is to increase accessibility of vaccines in vulnerable communities, protecting vulnerable Canadians from falling prey to illness. This objective has been met, as the mobile clinics have improved the lives of those in these communities and saved lives.³⁹ In this instance, while the mobile clinics directly impact the vulnerable communities positively, the public, as a whole, benefits indirectly because the more members of a population receive a vaccine, the more protected the population is overall. This is evident now more than ever against the backdrop of the COVID-19 pandemic. Healthward’s activities benefit the public, fulfilling the second part of the two-part test.

30. The Court of Appeal erred in determining that Healthward is not a public authority for the purpose of s. 9(1)(n)(iii).⁴⁰ Official marks are part of the trademark regime in Canada, and as such the owner of the mark has the exclusive right to use the mark in Canada for goods and services.

2. Vaxco’s trademark is unregistrable under section 12(1)(e) of the *Act*

31. If Healthward is found to be a public authority, then its mark enjoys the protections of an official mark. Section 9(1)(n)(iii) of the *Act* stipulates that any mark that is “so nearly resembling as to be likely to be mistaken for” an official mark cannot be registered.⁴¹ Since Vaxco’s “FLUSTOPPA” & Design trademark so nearly resembles Healthward’s official mark, it is likely to be mistaken for Healthward’s official mark. The Registrar therefore did not err in refusing to allow Vaxco’s trademark registration.

³⁷ *News to You Canada v Canada*, 2011 FCA 192 at para 24.

³⁸ *Vaxco Trial*, *supra* note 2 at para 11.

³⁹ *Vaxco Appeal*, *supra* note 9 at para 9.

⁴⁰ *Ibid* at para 7-8.

⁴¹ *Trademarks Act*, *supra* note 1 at s 9(1)(n)(iii).

A. The Applicable Test

32. The Court of Appeal and the Trial Court erred in their application of the resemblance test. The Court of Appeal erroneously applied a straight comparison test. The Court of Appeal merely assessed the two marks, mentioned the design component as a distinguishing factor, and concluded that the marks do not so closely resemble each other.⁴² However, the “straight comparison” test between two marks has been rejected in the jurisprudence.⁴³

33. The Trial Court erred by conducting a full s. 6(5) confusion analysis.⁴⁴ A s. 6(5) analysis determines whether the similarity between two trademarks is confusing. While this analysis is appropriate for other considerations, including under s. 16(1)(a), the only applicable factor to determine similarity between an adopted mark and an official mark is resemblance.⁴⁵ Other considerations are irrelevant.⁴⁶

34. As noted in *Big Sisters Association of Ontario v Big Brothers of Canada*, “regard may be had to consider degree of resemblance in appearance, sound, and in the idea suggested by them.”⁴⁷ This echoes the language of s. 6(5)(e). The degree of resemblance is the most important factor in a s. 6(5) analysis, because absent a finding of resemblance, “it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion.”⁴⁸ Thus, s. 6(5)(e) resemblance factor are instructive and ought to inform the resemblance question under s. 9(1)(n)(iii).⁴⁹ In the context of official marks, this question “must be determined in the context of whether a person who, on a first impression, knowing one mark only and having an imperfect recollection of it,

⁴² *Vaxco Appeal*, *supra* note 9 at para 6.

⁴³ *Canadian Olympic Association v Health Care Employees Union of Alberta*, [1992] FCJ 1129 [*Health Care Employees*].

⁴⁴ *Canadian Olympic Association v Konica Canada Inc*, [1990] FC 703 at para 7 [*Konica*].

⁴⁵ *Big Sisters Association of Ontario v Big Brothers of Canada*, [1997] FCJ 627 at para 76 [*Big Sisters*].

⁴⁶ *Konica*, *supra* note 44 at para 7.

⁴⁷ *Big Sisters*, *supra* note 45 at para 76.

⁴⁸ *Masterpiece Inc v Alavida Lifestyles Inc*, [2011] 2 SCR 387 at para 49 [*Masterpiece*].

⁴⁹ *Ibid*.

would likely to be deceived or confused.”⁵⁰

B. Vaxco’s trademark so nearly resembles Healthward’s official mark in appearance, idea, and sound

35. In this case, a person upon first impression is likely to be deceived or confused between the two marks. Although the marks are not identical, the composite mark “so nearly resembles as to be mistaken for” the official mark because the dominant feature of the composite mark “FLUSTOPPA” is almost identical in appearance, sound, and idea, to the official mark “FLUSTOPPER”.

i. Appearance

36. The trademark is almost identical in appearance to the official mark. In analyzing the resemblance between a trademark and an official mark, the “striking or unique” portion of the mark can be emphasised.⁵¹ Also, “the first word or first syllable in a trademark is far the most important for the purpose of distinction.”⁵² Still, a particular word or syllable should not be considered in isolation as being of “arresting significance”.⁵³ The appearance of the marks is identical barring the ending. The first two syllables, “FLU” and “STOP”, are the same. Even if Vaxco’s “A” ending is given greater emphasis, the marks still resemble each other in appearance. Vaxco has merely changed the last letter of the word in a non-distinctive way.

37. This is similar to the applicant in *WWF v Incaha Inc*, who merely added the French term “Riz” to the distinctive term “Panda”.⁵⁴ There, the court ruled that merely adding a non-distinctive

⁵⁰ *Health Care Employees*, supra note 43; *Big Sisters*, supra note 45 at para 76; *The Queen v Kruger*, [1978] TMOB 109 at para 12.

⁵¹ *Masterpiece*, supra note 48 at para 64.

⁵² *Conde Nast Publications Inc v Union des éditions modernes*, [1979] FCJ 801 at para 34; *Sum-Spec Canada Ltd v Imasco Retail Inc/Société de Détail Imasco Inc (FCTD)*, [1990] FCJ 241.

⁵³ *Miss Universe Inc v Bohna*, [1995] 1 FC 614 at para 28.

⁵⁴ *WWF - World Wide Fund For Nature v Incaha Inc*, [1995] TMOB 69 at para 6 [*WWF*].

element does not mean that a mark no longer nearly resembles an official mark. Here, Vaxco did even less. This case is also distinguishable from *Insurance Corp of British Columbia v Stainton Ventures Ltd*, where the court held that the domain name “ICBCadvice.com” does not so nearly resemble the official mark ICBC.⁵⁵ In that case, the court relied on the “reasonable level of intelligence”⁵⁶ of the “relevant consumer”, who would know that a domain, which “contains the name of a business or its acronym will not necessarily be affiliated with or endorsed by that business...”⁵⁷ The difference to the case at hand, however, is that domain names are limited to short combinations of alphanumeric characters and within that an additional word can be distinguishable. Trademarks are not bound by this limitation and Vaxco merely changed the ending in a non-distinctive way. Therefore, the marks resemble each other in appearance.

ii. Idea

38. “FLUSTOPPA” and “FLUSTOPPER” are identical in idea. The fact that the ending of the words is different does not change the overall meaning of the word. In *Masterpiece Inc v Alavida Lifestyles Inc*, the dominant feature of the two marks was “Masterpiece”, which evoked the same idea: high quality retirement lifestyle.⁵⁸ Here, both marks indicate that they are related to a good or service which deals with the flu. They also indicate that they are doing the same action – stopping the flu.

iii. Sound

39. Given that vaccines are not available off the shelf, and must be requested at the counter, consumers will have to sound out the marks.⁵⁹ To determine how a composite mark is sounded,

⁵⁵ *Insurance Corp of British Columbia v Stainton Ventures Ltd*, [2014] BCJ 1892 at para 37-38.

⁵⁶ *Mattel Inc v 3894207 Canada Inc*, [2006] 1 SCR 772 at paras 56-58.

⁵⁷ *Insurance Corp of British Columbia v Stainton Ventures Ltd*, [2014] BCJ 1892 at para 37-38.

⁵⁸ *Masterpiece*, *supra* note 48 at para 64.

⁵⁹ *Imperial Tobacco Canada Ltd/Marlboro Canada Ltd v Philip Morris Brands Sàrl*, [2014] TMOB 5217 at para 47.

jurisprudence under s. 12(1)(b) is instructive.⁶⁰ Under s. 12(1)(b), a trademark is registrable if the dominant feature is not clearly descriptive or deceptively misdescriptive “whether depicted, written or sounded.”⁶¹ Here, the word mark is approximately double in length, written in large, bold, black letters, and towers over the design element. This element does not distinguish the mark. Easily found using a generic image search function, the syringe icon is at best a minimally modified stock photo and is therefore not inherently distinctive.⁶² When sounded out, the dominant element in the composite mark is the word “FLUSTOPPA”.

40. “FLUSTOPPA” and “FLUSTOPPER” are almost identical in sound. The only difference being the ending of the two words, which does not deny aural resemblance between the two marks. The court in *Starbucks (HK) Ltd v Rogers Broadcasting Ltd* held that there was a high degree of resemblance between the marks in sound because the applicant had adopted the opponent’s mark and merely added a non-distinctive “TV” to it.⁶³ Here, Vaxco has taken “FLUSTOPPER” in its entirety and only changed in a non-distinctive way. Only, when explicitly attempting to point out the difference between the marks would one specifically enunciate the ending of the word. However, a “consumer on first impression with an imperfect recollection” would not notice the difference in the ending.

41. Allowing Vaxco to register a mark, whose dominant feature is almost identical to an official mark, would be antithetical to the scheme of the *Act*. It is difficult to imagine any case being captured by the “nearly resembling” factor, if not in this case. If Vaxco’s mark was not captured, then any applicant could circumvent the *Act* by slightly altering the mark without

⁶⁰ *Best Canadian Motor Inns Ltd v Best Western International Inc.*, [2004] 3 FCR 114.

⁶¹ *Ibid*; *Trademarks Act*, supra note 1 at s. 12(1)(b).

⁶² This analysis is in line with the Federal Court’s finding in *Best Canadian Motor Inns v. Best Western International Inc.* Comparably to Vaxco’s composite mark, the font of the dominant word mark in that case is in large, bold, black letters, and significantly bigger than the design element. Also, the representation of the maple leaf was not distinctive of its source. Refer to Appendix A.

⁶³ *Starbucks (HK) Ltd v Rogers Broadcasting Ltd*, [2013] TMOB 5114 at para 31.

changing the distinctiveness of the mark.⁶⁴ This would leave the prohibition toothless.

3. In the alternative, Vaxco's mark is unregistrable in association with the goods and services

42. If Healthward is not recognized as a public authority and loses its official mark for "FLUSTOPPER", then the issue becomes whether Vaxco's composite mark should be granted general trademark registration in Canada. Vaxco's mark is unregistrable because Healthward's mark has entitlement to registration based on prior use under s. 16(1)(a).

A. Vaxco's mark is confusing with Healthward's

43. S. 16(1)(a) is concerned with entitlement between two trademarks that are confusing. The appropriate sections for confusion of two trademarks, regardless of whether they are registered, are found at s. 6(1) and s. 6(2) of the *Act*.⁶⁵ When conducting a confusion analysis, the factors under s. 6(5) are considered.⁶⁶

44. During the s. 6(5) analysis, "the question is whether, as a matter of first impression, the "casual consumer somewhat in a hurry" who sees the trademark, when that consumer has no more than an imperfect recollection of any one of the trade-marks or trade-name, would be likely to be confused that the marks represented the same source".⁶⁷ Applying the principle to this case, the Court needs to determine whether a consumer with no more than an imperfect recollection of the Healthward mark would think that Vaxco was the same *source* as Healthward.

45. Without conducting the full analysis, Vaxco's "FLUSTOPPA & Design" mark is confusing with Healthward's "FLUSTOPPER" mark, as per the reasons given by the TCCIP which are not

⁶⁴ *WWF*, *supra* 54 at para 6.

⁶⁵ *Trademarks Act*, *supra* note 1 at s 6(1), 6(2), 6(5).

⁶⁶ *Masterpiece*, *supra* note 48 at para 44 – 49.

⁶⁷ *Ibid* at para 40-41.

to be disturbed.⁶⁸

B. Vaxco's activities do not constitute prior use or making known in Canada

46. In accordance with s. 16(1) of the *Act*, an applicant who has filed an acceptable application is entitled to registration of a trademark in respect of the goods or services specified in the application “unless at the filing date of the application or the date of first use of the trademark in Canada, whichever is earlier, it was confusing with (a) a trademark that had been previously used in Canada or made known in Canada by any other person...”.⁶⁹

i. Healthward has prior use in Canada

47. Regardless of whether Vaxco's trademark and Healthward's trademark are found to be confusing, Vaxco does not have prior use in association with goods and services in Canada. A mark is deemed to be used if it is marked or displayed in association with the goods and services in the normal course of trade.⁷⁰ Since 2014, Healthward has been providing educational programs and free mobile clinics (services), along with vaccines and medical supplies (goods) throughout the country.⁷¹ This constitutes use in association with the goods and services under s. 4(1) and s. 4(2) of the *Act* respectively, which satisfies the s. 16(1)(a) requirement.

48. In contrast, Vaxco's use prior to 2019 does not satisfy the use requirement for goods under s. 4(1) or services under s. 4(2). To satisfy s. 4(1), the trademark needs to be marked on the goods or packaging themselves in the normal course of trade.⁷² The evidence states that the “FLUSTOPPA” vaccines were shipped through Canada on their way to the European marketplace.⁷³ Although the normal course of trade can include transfers to intermediaries, there

⁶⁸ *Vaxco Trial*, *supra* note 2 at para 17.

⁶⁹ *Trademarks Act*, RSC 1985, c T-13, s 16(1)(a).

⁷⁰ *Trademarks Act*, RSC 1985, c T-13, ss 4(1), 4(2).

⁷¹ *Vaxco Trial*, *supra* note 2 at para 9, 11, 13.

⁷² *Trademarks Act*, *supra* note 1 at s 4(1).

⁷³ *Vaxco Trial*, *supra* note 2 at para 4.

is no evidence on the factual record that the trademark was marked on the shipment at all. Therefore, s. 4(1) is not satisfied.

49. To satisfy s. 4(2), the trademark must be used or displayed in the performance or advertising of the services.⁷⁴ It is recognized that the display of a mark on a website available in Canada in association with services offered in Canada will constitute use.⁷⁵ If the services are not provided in Canada, then advertising alone will prove insufficient to satisfy this requirement.⁷⁶ Vaxco used their mark in the U.S. on its website and on billboard and print advertising in Canadian cities along the border.⁷⁷ The services are not offered in Canada, and therefore, s. 4(2) is not satisfied.

ii. Vaxco's trademark was not made known in Canada

50. Section 16(1)(a) may also be satisfied if the trademark is made known in Canada.⁷⁸ Section 5 of the *Act* states that a trademark will be deemed to be made known in Canada if the goods are distributed in association with the mark in Canada or if the goods or services are advertised in association with the mark in printed publications or radio broadcasts in Canada.⁷⁹ In *Valle's Steak House c Tessier*, Justice Marceau of the Federal Court stated that “in order to be well known in Canada... it must be known in a substantial part of the country” and that the boundaries of some locality were not enough to be substantial”.⁸⁰ Vaxco advertising its mark in Canadian cities along the border would not likely constitute a substantial part of the country. Therefore, Vaxco's mark

⁷⁴ *Trademarks Act*, *supra* note 1 at s 4(2).

⁷⁵ *Homeaway.com Inc v Hrdlicka*, 2012 FC 1467 at paras 23-31.

⁷⁶ *Porter v Don the Beachcomber*, [1966] CarswellNat 37 at para 17. Also see *AT&T Intellectual Property II, LP v Lecours*, *Hebert Avocats Inc*, 2017 FC 734, *Express File Inc v HRB Royalty Inc*, 2005 FC 542, *United States Shoe Corp v Première Vision Inc.*, [1990] CarswellNat 1482, *Lorillard Inc v Fabriques de Tabac Réunies SA*, [1990] CarswellNat 1394, *Phar-Mor Inc v Phar Mor Super Drugs Inc*, [1990] CarswellNat 1406.

⁷⁷ *Vaxco Ltd v Healthward Canada*, 2020 TCCIP 1222 at para 5.

⁷⁸ *Trademarks Act*, *supra* note 1 at s 16(1)(a).

⁷⁹ *Ibid* at s 5.

⁸⁰ *Valle's Steak House c Tessier*, [1980] CarswellNat 108F at para 13.

is not made known in Canada under s. 5, and s. 16(1)(a) is not satisfied.

51. Given Healthward's prior use in Canada, Healthward has better entitlement to registration if it is found that Healthward is not a public authority. As such, Vaxco would be unable to register their composite mark in Canada due to confusion with Healthward's mark under s. 16(1)(a) and no sufficient evidence of use under s. 4(1) or s. 4(2), or being made known under s. 5.

4. Finding for Healthward is consistent with public policy objectives

52. Official marks are part of the trademark regime in Canada, and as such, Parliament intended for public authorities to benefit from the protections of the *Act*. Healthward has already achieved the public authority designation in Canada, including the level of public trust in the brand that goes with such designation. That trust is preserved by and based on the government's significant control in Healthward and must be protected for the public good.

A. Legislative intent of official marks

53. Public authorities are given unique protections not offered to other marks. Examples of such benefits include that confusion is not necessary to bar similar marks from registration: mere resemblance is sufficient to protect the official marks.⁸¹ Further, the courts have deemed that once a public authority designation is given, it is "virtually unexpungable".⁸² A public mark is also not subject to challenge as regular marks are under s. 32 of the *Act*.⁸³ They are not restricted by the boundaries set out in s. 12.⁸⁴ Given official marks are not subject to registration as regular marks, they are consequently exempt from s.18 restrictions as well.⁸⁵ Evidently, such high protections must only be given to marks that falls within the ambit of public authorities.

⁸¹ *Techniquip Ltd v Canadian Olympic Association*, 1999 FCJ 1787 para 17.

⁸² *Association of Architects*, *supra* note 12 at para 63.

⁸³ *Trademarks Act*, *supra* note 1 at s 32.

⁸⁴ *Ibid* at s 12.

⁸⁵ *Ibid* at s 18.

54. It is of the utmost importance that the legislative intent of the statute is met, and organizations who meet the public authority requirement are given the protections it provides. As set out in *Ciba-Geigy*, "the power of the court in such cases is exercised, not only to do individual justice, but to *safeguard the interests of the public*".⁸⁶ The degree of the state's involvement with Healthward is emblematic of precisely the kind of organization that legislation had in mind when drafting recognition of a public authority; with government members on the board, receiving significant state funding and following all suggestions set out by the government, Healthward is clearly under government control.

55. The lower court erred when suggesting that the licensing of the mark to a private entity, Industries, is against the spirit of a public authority.⁸⁷ Once a designation of an official mark has been made, the rights that come with said designation must be protected. These rights include the right to license out the mark under express consent of the public authority as set out in s. 9(2)(a).⁸⁸

B. Public trust in public health

56. Invalidating Healthward's official mark would diminish the trust that the public holds for the "FLUSTOPPER" vaccine and, by association, Health Canada. If Healthward's official mark status is revoked, companies not subject to government control would derive unearned benefit from public trust in the government-controlled "FLUSTOPPER" vaccine without being subject to the same level of scrutiny. Inconsistencies between the designation of official marks would fuel public mistrust for vaccines, especially detrimental in today's unprecedented global events. Official mark status should only be revoked where the circumstances clearly merit.

⁸⁶ *Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 SCJ 83 at para 49.

⁸⁷ *Vaxco Appeal*, *supra* note 9 at para 9.

⁸⁸ *Trademarks Act*, *supra* note 1 at s 9(2).

57. Public health is global public good. Vaccines represent a pillar in ensuring public health. According to the World Health Organization, vaccines have saved approximately 10 million lives from 2010 to 2015.⁸⁹ Public faith in vaccines is essential, especially evident in the current COVID-19 pandemic. In less than a year, nearly two million people died from COVID-19.⁹⁰ Widespread and coordinated vaccine rollouts will certainly reduce the spread and death rate of the virus.

58. Canadians would be put at risk if the public does not trust the marks used to represent its health institutions. The Court must protect Healthward's mark in order to prevent consumer confusion. The fact that Health Canada has already contributed so many resources to influence Healthward's direction is a clear recognition of their importance to Canada's public health strategy. To allow another mark to misdirect consumers and misdirect this strategy would be a miscarriage of public policy and justice.

PART V - ORDER REQUESTED

59. The Appellant respectfully requests this appeal be allowed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Signed this 12th day of January, 2021.

Team No. 6

Counsel for the Appellant

⁸⁹ World Health Organization. *Ten Years in Public Health 2007 - 2017: The power of vaccines: still not fully initialized*. Geneva: World Health Organization, 2017.

⁹⁰ Johns Hopkins Medical University *COVID-19 Dashboard by the Center for Systems Science and Engineering (CSSE)* (Jan 2020) Content: CoronaVirus Research Center <<https://coronavirus.jhu.edu/map.html>>.

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PART VII – APPENDIX

Appendix A

