

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

BETWEEN:

**Healthward Canada**

Appellant

– and –

**Vaxco Ltd.**

Respondent

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**FACTUM OF THE APPELLANT**

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## PART I - OVERVIEW

[1] The Appellant, Healthward Canada (“Healthward”), respectfully submits the Court of Appeal erred in finding that Healthward’s FLUSTOPPER official mark was invalid due to Healthward not meeting the test for a public authority.<sup>1</sup> The Court of Appeal also erred in finding that Vaxco Ltd’s (“Vaxco”) FLUSTOPPA & Design trademark had a prior use in Canada which would permit Vaxco to continue use of the mark in Canada.<sup>2</sup>

[2] Healthward seeks to have Vaxco enjoined from using its American trademark FLUSTOPPA & Design in Canada as such use would infringe Healthward’s intellectual property rights. Section 12(1)(e) of the *Trademarks Act* (“the Act”) states that a trademark is not registrable if it is a sign prohibited by section 9 of the Act.<sup>3</sup> Section 9(1) prevents the adoption of trademarks in Canada that closely resemble official marks, while Section 9(1)(n)(iii) protects the official marks of public authorities.<sup>4</sup> The provision was made to protect official marks such as Healthward’s FLUSTOPPER from the adoption of Vaxco’s mistakenly similar FLUSTOPPA & Design trademark in Canada.

[3] Healthward is a public authority. Healthward meets the threshold test to be deemed a public authority through both the government control exerted on Healthward and its clear public function. Health Canada’s government control on Healthward is illustrated through Health Canada’s provided funding and ongoing supervision, as well as its decision-making power regarding each of the communities that would receive mobile clinics and free vaccinations as

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<sup>1</sup> *Vaxco Ltd v Healthward Canada*, 2020 CAIP 333 at para 8 [Court of Appeal].

<sup>2</sup> *Ibid* at para 11.

<sup>3</sup> *Trademarks Act*, RSC 1985, c T-13, s 12(1)(e) [*Trademarks Act*].

<sup>4</sup> *Ibid*, s 9(1)(n)(iii).

well as the messaging in the education materials. Healthward also benefits the public by providing underserved communities with free vaccinations and health care education.

[4] Healthward’s adoption and use of its official mark FLUSTOPPER restricts Vaxco from adopting a similar mark in Canada despite previous use in the United States. Use of a trademark in Canada cannot be established by shipping products through Canada, advertising American services in Canada, or through a website that provides no meaningful benefits to Canadian citizens. Accordingly, Vaxco has failed to establish a proper use of its mark in Canada and cannot rely on section 4 of the Act.

## **PART II- STATEMENT OF FACTS**

### **A. Healthward’s Public Presence in Canada**

[5] Healthward is a non-profit registered charity headquartered in Toronto, Canada. In 2014, Healthward began operations in Canada as the Canadian representative in a global network of affiliated organizations that provide diverse public health services.<sup>5</sup> Since its inception, Healthward has strived to educate the Canadian populace on the importance of vaccination in addition to providing free vaccinations in mobile health clinics.<sup>6</sup>

[6] In 2015, Healthward and Health Canada entered a funding agreement (the “Funding Agreement”). Pursuant to the Funding Agreement, Health Canada is responsible for 75% of Healthward’s yearly operating expenses, with the remainder of Healthward’s costs being covered by private donations, licensing revenue, and returns from an endowment fund.<sup>7</sup>

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<sup>5</sup> *Vaxco Ltd v Healthward Canada*, 2020 TCCIP 1222 at para 9 [*Trial*].

<sup>6</sup> *Ibid* at para 2.

<sup>7</sup> *Ibid* at para 10.

[7] Further to the Funding Agreement, Health Canada is consulted on curriculum and messaging for Healthward’s educational programs, and is also entitled to appoint two of five seats on Healthward’s board of directors.<sup>8</sup> Health Canada also directs Healthward on the certain communities to receive Healthward’s mobile clinic services.<sup>9</sup> Pursuant to the Funding Agreement, Health Canada is entitled to reduce its funding if Healthward fails to provide services to Health Canada’s identified communities. In January 2019, Healthward gave notice of adoption and use of FLUSTOPPER.<sup>10</sup>

[8] One of Healthward’s affiliated organizations is Healthward Industries Corp (“Industries”), a for-profit Canadian corporation that manufactures vaccines and medical supplies.<sup>11</sup> Healthward supplies Industries with vaccines and medical supplies for Canadian hospitals and other vaccination providers.<sup>12</sup> Healthward has authorized Industries to use its FLUSTOPPER official mark and Industries pays royalties on FLUSTOPPER products.<sup>13</sup>

#### **B. Vaxco’s United States Trademark**

[9] Vaxco is a United States corporation that manufactures, distributes, and sells vaccines and related medical supplies.<sup>14</sup> Vaxco also provides services such as distributing educational materials, providing medical advice and operating vaccination clinics.<sup>15</sup>

[10] Vaxco has no physical presence in Canada. Vaxco has been manufacturing, distributing, and selling flu vaccines in the United States with the FLUSTOPPA & Design trademark for over

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<sup>8</sup> *Ibid* at para 11.

<sup>9</sup> *Ibid*

<sup>10</sup> *Ibid*

<sup>11</sup> *Ibid* at para 12.

<sup>12</sup> *Ibid*.

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

<sup>14</sup> *Ibid* at para 1.

<sup>15</sup> *Ibid*.

20 years, but has not offered these services in Canada.<sup>16</sup> At most, Vaxco has only shipped its vaccines through Canada on their way to the European market<sup>17</sup>, and has advertised its American vaccination services in Canadian cities along the border, which does not constitute trademark use.<sup>18</sup> Vaxco similarly claims trademark use through its website that advertises Vaxco’s products and services.<sup>19</sup> However, while Vaxco claims that Canadians have accessed the website, Canadians are not able to purchase and receive the FLUSTOPPA & Design vaccine in Canada.<sup>20</sup>

[11] In February 2019, Vaxco started selling its FLUSTOPPA & Design vaccines in Canada.<sup>21</sup> Vaxco applied for a Canadian trademark for FLUSTOPPA & Design in March 2019 in associations with goods and services.<sup>22</sup> The FLUSTOPPA Application was refused by the Registrar of Trademarks (“Registrar”) pursuant to subsection 12(1)(e) of the Act, due to Healthward’s official mark FLUSTOPPER.<sup>23</sup>

### **C. Procedural History**

#### ***i) Trial Court of Canada, Intellectual Property Division***

[12] Vaxco brought both an appeal and an application before the Court. The appeal sought to overturn the Registrar’s refusal of Vaxco’s application to register the trademark FLUSTOPPA & Design.<sup>24</sup> Vaxco’s application sought a judicial review to challenge the validity of Healthward’s official mark FLUSTOPPER.

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<sup>16</sup> *Ibid* at para 4.

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

<sup>18</sup> *Ibid* at para 5.

<sup>19</sup> *Ibid*.

<sup>20</sup> *Ibid*.

<sup>21</sup> *Ibid* at para 6.

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

<sup>23</sup> *Ibid* at para 8.

<sup>24</sup> *Ibid* at para 3.

[13] Healthward brought an application seeking a declaration that Vaxco's use of the FLUSTOPPA & Design trademark infringes Healthward's official mark FLUSTOPPER and sought injunctive relief.<sup>25</sup>

[14] The trial judge agreed with the Registrar's decision refusing to allow Vaxco's trademark. Justice Coff held that Healthward is a public authority based on the fact it is a registered charity and is subject to government control through the Funding Agreement with Health Canada.<sup>26</sup> Justice Coff also found that FLUSTOPPA & Design is confusingly similar to FLUSTOPPER, which prevents Vaxco from registering its trademark under Section 6(5) of the Act. Justice Coff was not satisfied that Vaxco had established trademark use in Canada as the online bookings on the Vaxco website were made for services that were solely provided in the United States only.

#### ***ii) Court of Appeal***

[15] The Court of Appeal overturned the Trial Court's decisions. Justice of Appeal Ailes held that Healthward was not a public authority, although he agreed that Healthward did meet the public benefit requirement.<sup>27</sup> Justice of Appeal Ailes found that a confusion analysis under 6(5) of the Act was not applicable because official marks require a narrower protection.<sup>28</sup> He also held that Vaxco did achieve a prior trademark use in Canada by using the trademark on its website and in Canadian advertisements.<sup>29</sup>

### **PART III - POINTS IN ISSUE**

This appeal raises two issues:

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<sup>25</sup> *Ibid.*

<sup>26</sup> *Ibid* at para 19 and 20.

<sup>27</sup> *Court of Appeal, supra* note 1 at para 9.

<sup>28</sup> *Ibid* at para 4.

<sup>29</sup> *Ibid* at para 12.

1. The Court of Appeal erred in concluding that the FLUSTOPPER official mark is invalid.
2. Vaxco established no prior use of the FLUSTOPPA & Design trademark prior to the adoption and use of the FLUSTOPPER Official Mark.

#### **PART IV - ARGUMENTS IN BRIEF**

##### **ISSUE 1: COURT OF APPEAL ERRED BY FINDING THAT VAXCO WAS ENTITLED TO REGISTER THE FLUSTOPPA & DESIGN TRADEMARK**

[16] Vaxco's mark is not entitled to registration under 12(1)(e) of the Act because it is prohibited by section 9(1)(n)(iii) of the Act. Section 12(1)(e) of the Act states<sup>30</sup>:

12 (1) Subject to subsection (1), a trademark is registrable if it is not  
(e) a sign or combination of signs whose adoption is prohibited by section 9 or 10.

[17] Further to Section 12, section 9(1)(n)(iii) of the Act states<sup>31</sup>:

9 (1) 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,  
(n) any badge, crest, emblem or mark  
(iii) adopted and used by any public authority, in Canada as an official mark for goods or services.

##### **A. The FLUSTOPPER Official Mark is Valid**

[18] Healthward's FLUSTOPPER official mark is entitled to protection because Healthward is a "public authority" under section 9(1)(n)(iii) of the Act. The term "public authority" is not defined in the Act but the Federal Court in *Canada Post Corp v United States Postal Service* used the wording in subparagraph 9(1)(n)(ii) to develop a test for determining whether a party is

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<sup>30</sup> *Trademarks Act*, *supra* note 3, s 12(1)(e).

<sup>31</sup> *Ibid*, s 9(1)(n)(iii).



a public authority,<sup>32</sup> “first, [it] must be determined whether the entity in question is subject to government control. Next, the Court must determine the extent to which the organization’s activities benefit the public”.<sup>33</sup>

[19] Similarly, the case of *Canada (Registrar of Trade Marks) v Canada Olympic Association* uses the definition in Halsbury’s Laws of Canada stating, “A public authority may be described as a person or administrative body entrusted with functions to perform for the benefit of the public and not for private profit”.<sup>34</sup> Pursuant to *Canada Post* and *Olympic*, Healthward respectfully submits it is a public authority as it is subject to governmental control and is a registered charity that serves a benefit to the public.

**i) Healthward is subject to government control**

[20] The Federal Court of Appeal in *Olympic* states that government control “could be through government appointed directors and/or officers, or direct government supervision of the activities or assets of the body, or other means of control”.<sup>35</sup> In applying the test set out in *Olympic*, the Federal Court in *Canadian Jewish Congress v Chosen People Ministries Inc*, applied the facts in *Olympic* to the test for government control further found that,

“a substantial portion of the Canadian Olympic Association's funding came from the federal government with the disposition of that funding being monitored by the government, the federal government had been able to prevail upon the Canadian Olympic Association to not participate in the 1980 Olympic Games”.<sup>36</sup>

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<sup>32</sup> *Canada Post Corp v United States Postal Service*, 2005 FC 1630 at para 5 [*Canada Post*].

<sup>33</sup> *Ibid* at para 10.

<sup>34</sup> *1 Hals*, 4th ed, pp 9-10, para 6.

<sup>35</sup> *Canada (Registrar of Trade Marks) v Canadian Olympic Association*, 1982 CanLII 3031 (FCA) at para 10 [*Olympic*].

<sup>36</sup> *Canadian Jewish Congress v Chosen People Ministries, Inc*, 2002 FCT 613 at para 56 [*Canadian Jewish Congress*].

[21] *Ontario Assn. of Architects v. Assn. of Architectural Technologists of Ontario* provides further instructions by holding, “the test of government control of an otherwise private organization calls for some ongoing supervision of the activities of the body claiming to be a public authority for the purpose of subparagraph 9(1)(n)(iii)”.<sup>37</sup> The Federal Court of Appeal in *Architects* clarified this test saying that mere supervision does not constitute government control but the following powers constituted a significant degree of governmental control:

- (1) The power to review the activities of the body;
- (2) The power to request that the body undertake necessary and desirable activities to implement the intent of its enabling legislation;
- (3) The power to advise the body on the implementation of the statutory scheme
- (4) The power to approve the exercise of the body’s regulation-marking; and
- (5) The power to appoint members to the board and various committees.<sup>38</sup>

[22] The facts pertaining to Healthward closely mirror those in *Olympic, Canadian Jewish Congress*, and *Architects* and should thus be treated in the same capacity, as an organization subject to government control. Namely, Healthward has the following mechanisms in place with Health Canada:

- 1) Health Canada is consulted on the curriculum and messaging for Healthward’s educational programs.
- 2) Health Canada may identify underserved communities and direct Healthward to provide mobile clinic services to those community members.

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<sup>37</sup> *Ontario Assn of Architects v Assn of Architectural Technologists of Ontario*, 2002 FCA 218 at para 59 [Architects].

<sup>38</sup> *Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia*, 2013 FC 287 at para 36.

3) If Healthward does not comply with Health Canada's requests, Health Canada can reduce its funding.

4) Health Canada appoints two of the five seats of Healthward's board of directors.

[23] The aforementioned powers of Health Canada not only constitute government supervision but significant government control.

[24] The Supreme Moot Court ought to overturn the Court of Appeal's decision regarding governmental control. The Court of Appeal erred in holding that Healthward was not subject to "substantial government control" because Healthward had the right to unilaterally terminate the Funding Agreement. Despite its ability to terminate the Funding Agreement, Healthward relied on the government for funding and was left with no practical choice but to comply with Health Canada's direction.

**ii) *Healthward has a duty to provide a public benefit***

[25] The Court of Appeal in *Architects* held that, "in determining whether a body's functions are sufficiently for the public benefit, a court may consider its objects, duties and powers, including the distribution of its assets".<sup>39</sup> Furthermore, the Court of Appeal in *Olympic* stated that in order to meet the standard for public benefit, there must be "evidence to show that it has a duty owed to the public for which the public through the government could hold it accountable".<sup>40</sup>

[26] Healthward's operations include providing public benefits such as educational programs on the importance of vaccination and running mobile health clinics offering free vaccinations. Health Canada is further consulted on this curriculum. Health Canada directs Healthward to provide vaccinations and mobile health clinics in certain underserved communities and failing to

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<sup>39</sup> *Architects*, *supra* note 37 at para 52.

<sup>40</sup> *Olympic*, *supra* note 35 at para 10.

do so results in a reduction in funding. There is a high degree of accountability to the government since its funding allows Healthward to run its operations.

[27] The Supreme Moot Court should uphold the decision of the lower courts concerning Healthward's public benefit. The Application Judge had correctly held that Healthward's operations "constitute a clear public health benefit".<sup>41</sup> On appeal, the Court of Appeal agreed with the lower court decision and stated, "Healthward's initiative provides a significant and important benefit to public health. It is beyond reproach that Healthward's mobile clinics have dramatically improved public health in underserved communities and saved many lives".<sup>42</sup>

[28] As set out above, the Appellant respectfully submits Healthward is a public authority and, accordingly, its official mark of FLUSTOPPER must be protected by section 9(1)(n)(iii) of the Act from Vaxco's infringement.

**B. Vaxco's FLUSTOPPA & Design Mark So Nearly Resembles Healthward's FLUSTOPPER Official Mark as to be Mistaken For It**

[29] The adoption of the mark FLUSTOPPA & Design is prohibited by section 9(1)(n)(iii) because it adopted a mark resembling and easily mistaken for a mark previously adopted and used by a public authority in Canada as an official mark. Healthward's FLUSTOPPER has been established to be an official mark due to the organization's classification as a public authority and its adoption of their FLUSTOPPER mark in January 2019.

[30] The Court of Appeal judge was correct in saying that official marks require a more narrow protection than the confusion analysis pursuant to section 6(5) of the Act.<sup>43</sup> The Trademarks Opposition Board in *Canadian Olympic Association v Shwauss* found that, "the test

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<sup>41</sup> *Trial*, *supra* note 5 at para 20.

<sup>42</sup> Court of Appeal, *supra* note 1 at para 9.

<sup>43</sup> *Ibid* at para 4.

of resemblance in section 9 is not the same as the test for confusion set out in section 6 of the Act”.<sup>44</sup> “Confusion” within the meaning of section 6 of the Act is not the same as “so nearly resembling as to be likely mistaken for” within the meaning of section 9. However, the Court of Appeal judge erred in his finding that FLUSTOPPA & Design did not so closely resemble Healthward’s official mark that one would be mistaken for it.

[31] According to the Federal Court in *Canadian Olympic Association v Olymel, Société en Commandite*, the test for resemblance within section 9 of the Act is, “whether a person having an imperfect recollection of one would be likely to mistake the other for it, or whether a person of imperfect recollection would likely be deceived or confused”.<sup>45</sup>

[32] The Trademark Opposition Board in *Duke University v SIR Corp* recognizes that section 6(5)(e) of the Act can be used as part of a section 9 analysis because determining resemblance can include the following factors; resemblance between the marks in appearance, sound, and idea.<sup>46</sup>

[33] Healthward’s FLUSTOPPER official mark could easily be mistaken for Vaxco’s FLUSTOPPA & Design trademark. FLUSTOPPER and FLUSTOPPA have a difference of two letters and when said aloud could easily deceive someone with imperfect recollection. The appearance of the two words resemble one another in that they share the same first 8 letters. The sound is virtually identical. FLUSTOPPA sounds extremely similar to “flu stopper”. An English speaker would be used to saying the word “stopper” and would need to pay special attention to indicate that they are ending the word with an “a”.

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<sup>44</sup> *Canadian Olympic Association v Schwauss*, [1995] TMOB No 56 at para 13.

<sup>45</sup> *Canadian Olympic Association v Olymel, Société en Commandite*, [2000] FCJ No 842 at para 32.

<sup>46</sup> *Duke University v SIR Corp*, 2016 TMOB 137 at para 24.

**i) Public Policy Considerations Regarding the Protection of Official Marks**

[34] *Quality Program Services Inc v Canada* states, “the purpose of the Registrar giving public notice of the adoption and use of an official mark is to alert the public to that adoption as an official mark by the public authority to prevent infringement of that official mark”.<sup>47</sup> It has been determined that Healthward is a public authority and can thus use its FLUSTOPPER official mark because of the significant government control it is under and its duty to benefit the public.

[35] From a policy perspective it is very important for official marks to be protected by section 9(1)(n)(iii) because they serve a beneficial role in society and are subject to substantial government control. The two-part test to establish a public authority ensures that any organization providing the good or service under the official mark is regulated by substantial government control and is thereby required to fulfill its duty to benefit the public. Trademarks of for-profit organizations have no such duty nor supervision and direction and thus not infringe on an official mark as to confuse the public of the service or good they are receiving.

**ISSUE 2: VAXCO DID NOT ESTABLISH PRIOR USE OF THE FLUSTOPPA & DESIGN TRADEMARK**

[36] In order to use the FLUSTOPPA & Design trademark in Canada based on a continuation of prior use, Vaxco must have established a use of its trademark in Canada prior to Healthward’s notice of adoption of its official mark in January 2019.

[37] Vaxco never sold or administered its FLUSTOPPA & Design vaccines in Canada prior to Healthward’s notice of adoption. Vaxco has submitted that it has established trademark use in Canada through (i) shipping its products through Canada on the way to the European market, (ii)

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<sup>47</sup> *Quality Program Services Inc v Canada*, 2018 FC 971 at para 73.

advertising its services in Canadian cities bordering the United States; and (iii) allowing Canadians to access its website to book vaccination appointments in the United States. This submission is incorrect at law.

**A. Vaxco has Not Used Its Trademark in Association with Its Claimed Goods**

[38] Vaxco submitted its application for the following goods under the Act: Pharmaceutical preparations, diagnostic preparations and biological products for human use, namely, influenza vaccine; vaccine injectors; syringes; parts and fittings for vaccine injectors and syringes. Under subsection 4(1) of the Act, a trademark is deemed to be used in association with goods if the trademark is marked on the goods themselves or in any other matter associated with the goods at the time of the transfer of the property in the normal course of trade.<sup>48</sup> The goods which Vaxco wishes to use in association with its trademark are all related to the actual vaccination process such as the vaccine injectors and syringes. The trademark has not been used in association with these goods in Canada.

**i) Vaxco's advertisements do not constitute trademark use**

[39] The Federal Court of Canada in *BMW Canada Inc v Nissan Canada Inc* held that in order for advertising or promotional material to constitute use of a trademark in association with a good, that promotional material must accompany the goods at the time or transfer of property or possession.<sup>49</sup> The vaccines did not accompany the billboard or online advertisements, and therefore Vaxco's activities do not constitute trademark use under subsection 4(1) of the *Act*.

**ii) Trademark use in association with goods cannot be established through Vaxco's website**

[40] In Canada, a website used by a foreign corporation to advertise products does not constitute a trademark use in association with goods because no transfer of ownership is possible

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<sup>48</sup> *Trademarks Act*, *supra* note 3, s 4(1).

<sup>49</sup> *BMW Canada Inc v Nissan Canada Inc*, 2007 FCA at para 25.

through the medium.<sup>50</sup> Vaxco’s website does not offer any type of ownership transfer of the goods which they are registering for use, and therefore has no implications on its application for these goods in Canada.

**iii) *Shipping goods through Canada does not constitute trademark use***

[41] Vaxco’s products were shipped through Canada, but did not originate in Canada and do not meet the requirement under subsection 4(3) of being “goods...exported from Canada”. The purpose of subsection 4(3) is to enable Canadian producers who export their goods, but do not make local sales, to obtain registration in Canada for these goods. The decision in *Coca-Cola Ltd v Pardhan* confirms that subsection 4(3) is not intended to deem exportation through Canada as trademark use, and states that shipping a product through Canada does not have “the effect of creating a “use” within the meaning of the Act”.<sup>51</sup>

[42] Vaxco is not a Canadian producer. It is an American producer that is merely transporting its goods using Canada as an intermediary. The existing case law and legislation clearly refutes Vaxco’s claims that its shipments being exported through the country on their way to the European market constitutes trademark use in Canada.

**B. Vaxco has Not Used Its Trademark in Association with Its Claimed Services**

[43] Vaxco also did not establish any prior use of its FLUSTOPPA & Design mark in Canada in association with any of the services in its application; Vaxco incorrectly argues that it used the FLUSTOPPA & Design mark in Canada when it advertised services on billboards, and provided both educational services and booking services online.

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<sup>50</sup> *Pro-C Ltd v Computer City Inc*, [2001] OJ No 3600, at para 7 to 18.

<sup>51</sup> *Coca-Cola Ltd v Pardhan* (1999), 85 CPR (3d) 489 at para 22.



**i) *Billboard advertising does not establish trademark use***

[44] Vaxco made an effort to advertise its services in print and billboard advertising in Canadian cities, but these advertisements do not establish a use of the mark in Canada. The Federal Court judgement, which was upheld at the Federal Court of Appeal, from *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP* confirms that “Advertising in Canada or targeting services to people in Canada is not sufficient to show use in association with services where the services are offered, delivered or performed elsewhere”.<sup>52</sup>

[45] Vaxco used billboards in Canadian cities along the border to advertise its American vaccination services, which is clearly a service that is performed elsewhere and is not sufficient to show trademark use in Canada. In the alternative, if the Court was to find that Vaxco’s website qualifies as trademark use of its mark in Canada, which is expressly denied in the within submissions, Vaxco’s billboard advertising advertisements would not be in direct relation to those services because these advertisements encouraged Canadians to travel to the United States for vaccinations; they were not advertisements of Vaxco’s website services.

**ii) *Educational services are not provided in the normal course of trade***

[46] As stated by Justice Coff in the trial decision, the educational materials provided by Vaxco were made available without charge and therefore are not “provided in the normal course of trade”<sup>53</sup>, and therefore do not constitute prior use of the FLUSTOPPA & Design trademark. This reasoning was not opposed at the Court of Appeal. Although “normal course of trade” is only defined in 4(1) of the Act and not 4(2)<sup>54</sup>, it has also been a phrase used in case law to determine use in regard to services, such as in the decision of *Cornerstone Securities Canada Inc*

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<sup>52</sup> *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2019 FC 1042 at para 84 [*Live! Holdings*].

<sup>53</sup> *Trial*, *supra* note 5 at para 25.

<sup>54</sup> *Trademarks Act*, *supra* note 3, s 4.

*v Canada (Registrar of Trade Marks) (FCTD)* in which services were needed to be “in the normal course of business”.<sup>55</sup>

[47] The trial decision is supported by the persuasive decision in *British Columbia Automobile Assn v Office and Professional Employees' International Union*, in which Justice Sigurdson stated “the non-commercial provision of information alone is not a service as contemplated by section 4 of the Act”.<sup>56</sup> The educational materials provided by Vaxco on its websites would classify as a non-commercial provision of information, and therefore should not be considered a service under the Act. If these materials were considered an advertisement of Vaxco’s American vaccination services, they would also fail to constitute a use of the FLUSTOPPA & Design trademark in Canada, as established in the *Live! Holdings* decision.<sup>57</sup>

**iii) Vaxco’s website does not provide the benefits necessary to establish trademark use**

[48] The Federal Court of Appeal recently made a landmark decision in *Hilton Worldwide Holding LLP v Miller Thomson*<sup>58</sup> which found that trademark use in Canada can be established without actual physical presence of the corresponding good or service in Canada. It is essential that “some aspect of the services must be offered directly to Canadians or performed in Canada”<sup>59</sup>, and there must be a tangible benefit incurred by Canadians.

[49] In determining if there is use of a mark, there must be benefits provided at the actual time of booking online: “[t]here must, at a minimum, be a sufficient degree of interactivity between trademark owner and Canadian consumer to amount to use of a mark in Canada in conjunction

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<sup>55</sup> *Cornerstone Securities Canada Inc v Canada (Registrar of Trade Marks) (FCTD)*, 1994 FCJ No 1713 at para 7.

<sup>56</sup> *British Columbia Automobile Assn v Office and Professional Employees' International Union*, 2001 BCSC 156 at para 158.

<sup>57</sup> *Live! Holdings*, *supra* note 52, at para 84.

<sup>58</sup> *Hilton Worldwide Holding LLP v Miller Thomson*, 2020 FCA 134 [*Hilton*].

<sup>59</sup> *Ibid* at para 31.

with services over the [I]nternet”.<sup>60</sup> In the *Hilton* decision, Canadians were able to receive discounted rates when paying upfront online, and also were enrolled in a loyalty program in which they were rewarded with points and free stays at other Hilton hotels, including ones in Canada.<sup>61</sup>

[50] *Hilton* is entirely distinguishable from the facts at hand. Vaxco’s online services do not provide any extra benefits which can be taken advantage of by Canadians in Canada. The online system used by Vaxco allows Canadians to book vaccination services that would take place in the United States. It does not offer any extra benefits such as discounts or a loyalty program. The system does not provide any actual benefit to Canadians, it is merely a method of booking services that take place outside of Canada.

[51] The decision in *Hilton* was also clear that such trademark cases required a high quality of evidence, which could include the number of Canadians who accessed the service, targeted advertisements to Canadian citizens, and sales figures of the good/service associated with the mark. Vaxco’s operations in Canada do not meet the requirements of this standard, as the quality of its evidence of use in Canada is much lower than what was provided in *Hilton*.<sup>62</sup> Although the Application Judge agreed that the website was accessed by Canadians, there is no evidence of a substantial number of Canadians buying the services associated with the mark.

### **C. Allowing Limited Benefits to Qualify as a Use Would Set a Dangerous Precedent**

[52] A strict standard must be met when determining whether accessing a website can be considered a deemed use of a mark in Canada. There are major concerns with the precedent that may be set in allowing basic website interactions to constitute trademark use within Canada as

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<sup>60</sup> *Ibid* at para 147.

<sup>61</sup> *Ibid* at para 133.

<sup>62</sup> *Ibid* at para 126.

there are countless foreign websites that are available to be viewed and used in Canada. If the Supreme Moot Court is to decide that the limited benefits provided by Vaxco can be qualified as a deemed use of its mark in Canada, it would invite countless foreign corporations to claim rightful use of their marks in Canada as well, which would yield catastrophic effects for the Canadian trademarking system. This concern is echoed by Justice Kane in her decision from *Live! Holdings*, with the following statement: “If online activities accessible to people in Canada but originate from anywhere in the world can constitute use of a trade-mark in Canada, without any nexus to Canada or ability to provide a tangible and meaningful benefit to people in Canada, the notion of use would change significantly”.<sup>63</sup>

#### **PART V - ORDER REQUESTED**

[53] Healthward is a public authority and has rights to the valid official mark FLUSTOPPER under section 9 of the Act. It has met the test for government control and public benefit by way of Health Canada’s funding, supervision, and decision making authority on which communities receive free vaccinations and educational materials. The Court of Appeal erred in determining that Vaxco’s mark did not closely resemble Healthward’s official mark. Vaxco’s FLUSTOPPA & Design mark could easily be mistaken for Healthward’s FLUSTOPPER official mark and is therefore unregistrable according to sections 12 and 9 of the Act.

[54] Vaxco has not established any prior use of its FLUSTOPPA & Design trademark in Canada under section 4 of the Act prior to Healthward’s adoption of its FLUSTOPPER mark in January 2019. Shipping goods through Canada does not constitute a use of the corresponding trademark, and neither does advertising American services to Canadian citizens. Vaxco’s website

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<sup>63</sup> *Live! Holdings*, *supra* note 52 at para 88.

allows Canadians to book vaccination services but does not provide any meaningful benefit to Canadians besides just the ability to book a service in the United States, and therefore does not constitute a use of the mark in Canada.

[55] The Appellant respectfully requests the Supreme Moot Court to allow the appeal, set aside the Judgment of the Court of Appeal, and restore the decision of the Trial Court.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Signed this 12<sup>th</sup> day of January, 2021.

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Team No. 7

Counsel for the Appellant

## PART VI - TABLE OF AUTHORITIES

| AUTHORITY  | PINPOINT                           |
|--|------------------------------------|
| <b>Legislation</b>   |                                    |
| <i>Trademarks Act</i> , RSC 1985, c T-13.  | 4, 6(5), 9(1)(n)(iii),<br>12(1)(e) |
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| <i>Duke University v SIR Corp</i> , 2016 TMOB 137.   | 24                                 |
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| <i>Live! Holdings, LLC v Oyen Wiggs Green &amp; Mutala LLP</i> , 2019 FC 1042.   | 84, 88                             |
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| <i>Pro-C Ltd v Computer City Inc</i> , [2001] OJ No 3600.  | 7 - 18          |
| <b>Secondary Sources</b>   |                 |
| 1 Hals, 4th ed   | pp 9-10, para 6 |
| Bourbonnais, Sylvie-Émanuelle and Bayo Odutola, <i>Odutola on Canadian Trade-mark Practice and Procedure</i> , Thompson Reuters, 2010. | Section 11.6    |