

**SUPREME MOOT COURT FOR INTELLECTUAL
PROPERTY APPEALS**

(ON APPEAL FROM COURT OF APPEAL INTELLECTUAL PROPERTY DIVISION)

BETWEEN

HEALTHWARD CANADA

Appellant

-AND-

VAXCO LTD.

Respondent

FACTUM FOR RESPONDENT

Team 8R
Harold G. Fox Moot Competition 2021

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PART I – OVERVIEW

[1] At a time where access to vaccines and healthcare is ever more pressing, efforts should be spent on facilitating—not impeding—foreign healthcare providers’ expansion into the Canadian market. In this context, can we tolerate the abuse of the Canadian official marks regime to the detriment of honest healthcare businesses? This question is at the core of the case at bar.

[2] This case is about the coexistence of two healthcare providers’ brands: FLUSTOPPER and FLUSTOPPA. The Respondent, Vaxco Ltd., is a US corporation that makes and sells vaccines and provides related clinical and educational services. The Appellant, Healthward Canada, is a charity that provides vaccination-related clinical and educational services and collaborates extensively with Healthward Industries Corp, a Canadian corporation that makes and sells vaccines. While Vaxco looks to enter the Canadian market and increase access to vaccination, Healthward is not only using its FLUSTOPPER mark—which it claims is an official mark—to limit the spread of the flu, but also to limit the expansion of its competitors. Should Healthward prevail in this dispute, Vaxco will be unable to use or register its well-known FLUSTOPPA trademark to promote its brand in Canada and increase health services in the country. This would be unjust.

[3] The official marks regime was designed to remove marks used by public authorities from the field of commerce. Healthward is not a public authority, but a competitor.

[4] The Court of Appeal shared these concerns in finding in favor of Vaxco, and this Court should follow suit. Contrary to Healthward’s assertions, the Court of Appeal made no error in finding that FLUSTOPPER is an invalid official mark and that Vaxco’s FLUSTOPPA trademark is thus registrable. It also correctly found that Vaxco could continue using its trademark in Canada as it had already been doing long before Healthward even began its operations in the country. Healthward’s appeal should be dismissed.

PART II – STATEMENT OF FACTS

1. Factual Background

[5] For over 20 years in the United States, the Respondent, Vaxco Ltd. (“**Vaxco**”), has been using its well-known FLUSTOPPA trademark to manufacture, distribute, and sell vaccines and provide various related services. Vaxco is a for-profit corporation. It features the trademark on its website providing educational information, a vaccination reservation service at its various clinics, and advertising Vaxco’s products and services. The website specifically targeted Canadians, who used it to research Vaxco’s services and book appointments to receive their vaccine in the United States. Vaxco also invested in billboard advertisements near the Canadian and American border for the same reason.¹

[6] Vaxco received Health Canada approval to sell its FLUSTOPPA vaccines in Canada in February 2019, and promptly started doing so. To protect its brand, Vaxco applied to register its FLUSTOPPA trademark in March 2019.²

[7] The Appellant, Healthward Canada (“**Healthward**”), is a registered charity and non-profit organization. It is the Canadian charity arm in a global network of affiliated organizations specializing in public health issues relating to vaccination. Its operations are diverse and include providing free mobile vaccination clinics and educational programs on the importance of vaccination.³

[8] The Registrar published a notice for adoption and use of Healthward’s FLUSTOPPER official mark in January 2019, per subparagraph 9(1)(n)(iii) of the *Trademarks Act* (“**TMA**”).

[9] Healthward has authorized its affiliate, Healthward Industries Corp (“**Industries**”), to use its

¹ See *Vaxco Ltd. v Healthward Canada*, 20 TCCIP 1222 [Trial Decision] at paras 1, 4-5.

² *Ibid* at paras 6-7.

³ *Ibid* at para 1.

FLUSTOPPER official mark as well and is paid royalties on FLUSTOPPER products Industries sells to third parties.⁴ In addition to their shared use of the FLUSTOPPER official mark, Healthward and Industries share “Healthward” branding.⁵ Indeed, Healthward first appeared in Canada as Industries, a mid-1990s-born, for-profit Canadian corporation. Industries manufactures and sells vaccines and medical supplies to hospitals and other vaccination providers, including Healthward’s clinics. Industries directly competes with Vaxco and knew of Vaxco’s FLUSTOPPA trademark and Vaxco’s pending regulatory approval for expansion into Canada.⁶

[10] The Healthward charity started operations in 2014 by lobbying the Canadian government for public funding. This resulted in a funding agreement with Health Canada in 2015 covering roughly 75% of Healthward’s budget, with the remainder coming from private donations, licensing revenue from at least Industries, and returns from a sizable endowment fund.⁷

[11] Under the funding agreement, Health Canada can appoint two of five seats on Healthward’s board of directors and direct Healthward to provide mobile clinic services to certain underserved communities. Funding is contingent on compliance with Health Canada’s directions, which Healthward has yet to challenge. Healthward and Health Canada can both terminate this agreement upon reasonable notice to the other party.⁸

2. Procedural History

[12] The Trial Court refused Vaxco’s trademark registration application, finding that Healthward, as a public authority, was entitled to its official mark and that the two marks were

⁴ *Ibid* at paras 8, 13.

⁵ See Moot Problem Clarifications, Harold G Fox Moot 2021, Question 16 [*Clarification Questions*].

⁶ *Trial Decision*, *supra* note 1 at paras 12-13.

⁷ *Ibid* at paras 10-11.

⁸ *Ibid*.

confusingly similar. The Trial Court also found that the FLUSTOPPA mark infringed on the FLUSTOPPER official mark and granted Healthward an injunction preventing further use.⁹

[13] Vaxco successfully appealed the decision to the Court of Appeal Intellectual Property Division, which unanimously found that Vaxco’s mark did not resemble Healthward’s official mark, that Healthward’s official mark was invalid under s. 9(1)(n)(iii) of the *TMA*, and that Vaxco could continue using its FLUSTOPPA mark in Canada given its prior use.¹⁰

PART III – POINTS IN ISSUE

[14] There are three issues before the Court:

1. Did the Court of Appeal err in deciding that Healthward’s FLUSTOPPER official mark was invalid?

No. The FLUSTOPPER official mark is invalid, because Healthward is not a “public authority” per subparagraph 9(1)(n)(iii) *TMA* entitled to own an official mark.

2. Did the Court of Appeal err in finding that Vaxco’s FLUSTOPPA & Design trademark was registrable?

No. The trademark is registrable because it does not resemble the FLUSTOPPER official mark—which in any event is invalid.

3. Did the Court of Appeal err in finding that Vaxco’s use of their FLUSTOPPA & Design trademark does not infringe Healthward’s FLUSTOPPER official mark?

⁹ *Ibid* at para 15.

¹⁰ See *Vaxco Ltd v Healthward Canada*, 2020 CAIP 333 [*Appeal Decision*]

No. Even if Healthward’s official mark is valid, which is denied, Vaxco used its trademark before public notice of the official mark per subsection 4(2) and can thus continue doing so. Such use does not constitute expanded use.

PART IV – ARGUMENTS IN BRIEF

1. The FLUSTOPPER official mark is invalid

[15] Subparagraph 9(1)(n)(iii) *TMA* codifies the easily misused “official marks” regime, which grants any “public authority” the power to prohibit others from using or registering as a trademark any “badge, crest, emblem or mark” identical to or “so nearly resembling as likely to be mistaken for” the official mark.¹¹ This power is so broad that once public notice of an official mark’s adoption and use has been given, it becomes “virtually unexpungeable”.¹² Despite the expansive protection it confers, an official mark is easily obtained once public authority status is established, as it “need not serve to distinguish wares or services” to be valid, and can even be merely descriptive or confusing with another mark.¹³

[16] Vaxco does not dispute Healthward’s adoption and use of the official mark, nor its compliance with formalities in the application for public notice. Nevertheless, it contends that Healthward is abusing this expansive regime. The Federal Court in *Techniquip* explains that s. 9 is meant to remove well known public symbols from the trade of business and prevent others from capitalizing on them for private gain.¹⁴ The regime’s purpose is therefore certainly not to create a new form of easily registrable pseudo-trademark with the capacity to “injure [...]

¹¹ *Trademarks Act*, RSC 1985, c T13, ss 9(1)(n)(iii), 12(1)(e) [*Trademarks Act*]; Donna L Davis, “Too Much Protection, Too Little Gain: How Official Marks Undermine the Legitimacy of Intellectual Property Law” (2009) 14 *Appeal: Rev Current L & L Reform* 1 at 1-2.

¹² *Mihaljevic v British Columbia* (1988), 23 CPR (3d) 80 at para 17.

¹³ *Association of Architects (Ontario) v Association of Architectural Technologists (Ontario)*, 2002 FCA 218 at para 63 [*Ontario Architects*].

¹⁴ *Techniquip Ltd v Canadian Olympic Assn*, 1999 CarswellNat 2511, [1999] FCJ No 1787 (FCA) at para 13 [*Techniquip*].

trademark owners”, yet Healthward’s use of its FLUSTOPPER official mark does exactly that.¹⁵

[17] To prevent misuse of the regime, a narrow interpretation of “public authority” should be preferred; one that Healthward does not fit into.¹⁶ Against this backdrop, Healthward cannot meet the *Ontario Architects* two-part test to qualify as a public authority: it does not act for the “public benefit” (1.1) and it is not subject to ongoing significant government control (1.2).¹⁷ Consequently, Healthward’s FLUSTOPPER official mark is invalid, rendering Vaxco’s FLUSTOPPA trademark registrable.¹⁸ The Court of Appeal’s decision should be maintained.¹⁹

1.1 Healthward does not act for the “public benefit”

[18] Healthward fails the first prong of the public authority test—namely, that its activities be in the public interest—because the private benefit received from its activities far outweighs their public health benefit to Canadians.²⁰ True enough, receipt of a private benefit is not a fatal objection to finding that public authorities under subsection 9(1)(n)(iii) *TMA* act in the public interest.²¹ However, the jurisprudence has established implicit limits to the level of private benefits which may be received without widening the intended scope of the “public benefit” requirement. Healthward has exceeded these limits.

[19] Indeed, in *Ontario Architects*, the Federal Court of Appeal found the respondent to be a public authority despite it profiting its members as well as the public.²² But unlike Healthward, the respondent in *Ontario Architects* was a professional self-regulatory body, established with

¹⁵ *Ontario Architects*, *supra* note 13 at para 64; *Davis*, *supra* note 11 at 2.

¹⁶ *Ontario Architects*, *supra* note 13 at para 64.

¹⁷ *Ibid* at para 52.

¹⁸ *Trademarks Act*, *supra* note 11, s 12(1)(e).

¹⁹ *Appeal Decision*, *supra* note 10 at para 7.

²⁰ *Ontario Architects*, *supra* note 13 at para 52; *Trial Decision*, *supra* note 1 at para 20; *Appeal Decision*, *supra* note 10 at para 9.

²¹ *Ontario Architects*, *supra* note 13 at para 69.

²² *Ibid*.

a mandate to protect the public, and whose activities (such as professional education) benefit not only its members but also the public who must trust and rely upon the competencies of the members of the profession.²³

[20] Likewise, the Federal Court in *See You In* found the Canadian Olympic Committee (“COC”) to be a public authority, because its only privately beneficial act was to merely attempt to take away the applicant’s trademark.²⁴ The facts of these cases are not comparable to the case at bar.

[21] Crucially, Healthward is licensing its official mark to Industries, to the detriment of Vaxco, a prospective Canadian trademark owner and business. This commercial dynamic is an essential fact absent from *See You In* and *Ontario Architects*.²⁵ Industries is a direct competitor of Vaxco: the use of the FLUSTOPPER official mark on Industries products supplied to Canadian hospitals and vaccination providers, presumably the same clientele that Vaxco wishes to target, undermines Vaxco’s brand by unjustly monopolizing the market.²⁶ It prevents Vaxco from using its trademark and promoting its brand in this sector of the Canadian market.

[22] Neither *Ontario Architects*, nor *See You In* contemplated this scenario. Healthward’s licensing of its official mark to its affiliated private corporation goes a step beyond merely claiming, as had been done in *See You In*, that Vaxco’s trademark is unregistrable.²⁷ Similarly, the private benefit to a self-regulatory body’s members was not made to the detriment of another private entity in *Ontario Architects*, thus justifying the body’s public authority status

²³ *Ibid.*

²⁴ *See You In – Canadian Athletes Fund Corporation v Canadian Olympic Committee*, 2007 FC 406 at para 64 aff’d 2008 FCA 124 [*See You In*].

²⁵ *Trial Decision*, *supra* note 1 at para 12.

²⁶ *Ibid* at paras 1, 4, 13.

²⁷ *See You In*, *supra* note 24 at para 64.

in that case.²⁸

[23] Here, both Healthward and Vaxco use their marks for similar commercial aims; the difference being that Healthward is structured to pass for a “public authority” while earning revenue by allowing its for-profit partner Industries to benefit from a powerful official mark when competing against other for-profit corporations. Healthward’s potential reinvestment of licensing revenue into its public health-related activities cannot excuse private gain if the latter intentionally compromises profit-earning competitors’ (such as Vaxco’s) business.²⁹ As a charity, Healthward had other options available to it to increase revenue, such as fundraising campaigns, rather than damage Vaxco’s business by licensing its official mark to a direct competitor.³⁰

[24] Given the jurisprudential meaning of “public benefit”, the nature and level of privately beneficial activities tolerated to satisfy this limb of the public authority test should not and does not encompass Healthward’s licensing of the FLUSTOPPER mark to its direct competitor, to the detriment of Vaxco’s. Allowing otherwise would create a loophole whereby private service providers in areas of public interest could enjoy the strong protection of official marks to fend off competition by assigning some of their activities to affiliated, partly government-funded non-profits.³¹ Healthward therefore does not act in the “public benefit” within the legal meaning of the phrase, and fails the first prong of the public authority test.

1.2 Healthward is not subject to significant ongoing government control

[25] Healthward also fails the second prong of the public authority test, which requires that the

²⁸ *Contra Ontario Architects*, *supra* note 13 at para 69.

²⁹ *Trial Decision*, *supra* note 1 at paras 10, 12.

³⁰ *Ibid* at para 2.

³¹ *Davis*, *supra* note 11 at 2.

public authority be subject to significant ongoing government control.³² While such control need not be “absolute” and can be indirect, a public authority’s decision-making and governance must be supervised on an ongoing basis and to a sufficiently significant degree.³³ Factors establishing the “government control” requirement must be considered contextually and cannot be determinative on their own.³⁴

[26] Although Health Canada *prima facie* controls Healthward to some extent, there is no evidence demonstrating that such control is both sufficiently significant and ongoing. Rather, four factors demonstrate the opposite: Healthward’s power to unilaterally terminate the funding agreement, lack of evidence as to regular supervision, lack of evidence as to control over a significant portion of Healthward’s operations, and minority government representation on Healthward’s board of directors.³⁵

[27] First, Healthward’s power to unilaterally terminate the funding agreement demonstrates significant independence from Health Canada.³⁶ If Healthward disagrees with Health Canada’s directions as to the provision of mobile clinics, it has the freedom to terminate the agreement and ignore such directions. The fact that Healthward has yet to oppose these directions does not mean that it cannot do so in the future.³⁷ Although Health Canada funds 75% of Healthward’s yearly operating expenses and may claw back a non-specified “portion” of its funding if Healthward challenges its directions, such a sanction would not significantly affect Healthward’s decision-making given its numerous other sources of revenue.³⁸ Healthward

³² *Ontario Architects*, *supra* note 13 at paras 60-62.

³³ *Ibid* at para 62; *See You In*, *supra* note 24 at para 60.

³⁴ *See Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia*, 2013 FC 287 at para 38 [*Chinese Medicine*].

³⁵ *Trial Decision*, *supra* note 1 paras 10-11.

³⁶ *Ibid* at para 10.

³⁷ *Ibid*.

³⁸ *Ibid*.

licenses its official mark to Industries, and uses the royalties to fund its operations.³⁹ It may seek support from other entities of the “global network” with which it is affiliated to curb the losses flowing from termination.⁴⁰

[28] Furthermore, although the Federal Court in *See You In* had considered a lower government funding level (30%) to be substantial, this was only because finding replacement funding for an event as time-sensitive as the Olympic Games (the object of the funding) would be unfeasible, thus threatening the Games’ viability.⁴¹ Healthward’s activities are not placed under such time constraints, allowing it to operate freely without similar significant financial pressure. Healthward therefore has an effective choice to act against Health Canada’s wishes, thus greatly diminishing the significance of Health Canada’s control over it.

[29] Second, regular and frequent government supervision over Healthward cannot be proven. There is no evidence as to how often Health Canada directs Healthward to provide mobile clinics to select communities, nor as to how frequently Health Canada is consulted on the curriculum and messaging for Healthward’s educational programs and whether such consultations are binding on Healthward.⁴² It is therefore impossible to assert that Health Canada’s control over Healthward was ongoing, regular and systematic like in *Chinese Medicine*, as opposed to “limited and arcane”.⁴³

[30] Third, there is no evidence that Health Canada’s oversight of Healthward’s educational programs and mobile clinics constitutes control over a significant portion of its operations. Indeed, Healthward’s operations are “diverse” and presumably include other activities over

³⁹ *Ibid* at paras 10, 13.

⁴⁰ *Ibid* at para 9.

⁴¹ *See You In*, *supra* note 24 at para 61.

⁴² *Contra Trial Decision*, *supra* note 1 at paras 10-11.

⁴³ *Chinese Medicine*, *supra* note 34 at para 39.

which Healthward retains full control.⁴⁴ Healthward and its affiliates’ specialize in “public health issues related to vaccination”, a mandate that is broad enough that vaccination research for example may constitute the bulk of Healthward’s operations.⁴⁵ Absent any evidence to the contrary, it is unreasonable to assume that the provision of educational programs and mobile clinics embody a significant part of Healthward’s mandate.

[31] Healthward’s situation differs from that of the COC in *See You In* and *Canadian Olympic Association*, whose main purpose at the time of collaboration with the government (i.e. the organization of the Olympic Games) had been clearly proven, and was controlled by the latter.⁴⁶ There is simply not enough evidence to demonstrate Health Canada’s allegedly significant control over Healthward’s operations as a whole.

[32] Fourth, Health Canada may only appoint a minority of seats on Healthward’s board of directors (two out of five).⁴⁷ Although this proportion of government-appointed directors was deemed an indicium of government control in *Chinese Medicine*, it was merely one among many other factors signaling significant ongoing control over the respondent’s daily activities, such as the fact that the government had to approve any changes made by the respondent, or that it could disallow the latter’s bylaws, thus playing “an active role” in its “day-to-day operations”.⁴⁸ Previously noted factors disprove the existence of similar significant and ongoing control; given this context, a minority of government-appointed directors cannot be determinative on its own.⁴⁹ Accordingly, Healthward is not subject to significant ongoing

⁴⁴ *Trial Decision*, *supra* note 1 at para 2.

⁴⁵ *Ibid.*

⁴⁶ *See You In*, *supra* note 24 at para 61; *Canadian Olympic Association v Canada (Registrar of Trademarks)*, [1983] 1 FC 692 (FCA) at paras 2, 5 [*Canadian Olympic Association*].

⁴⁷ *Trial Decision*, *supra* note 1 at para 11.

⁴⁸ *Chinese Medicine*, *supra* note 34 at paras 37-39.

⁴⁹ *Ibid* at para 38.

government control.

[33] In sum, Healthward satisfies neither the “public benefit” nor the “government control” components of the public authority test under subparagraph 9(1)(n)(iii) *TMA*.⁵⁰ Because Healthward is not a public authority, the FLUSTOPPER official mark is invalid and Vaxco’s trademark is registrable.⁵¹

2. Vaxco’s trademark does not resemble Healthward’s official mark

[34] Even if Healthward’s official mark is valid, Vaxco’s FLUSTOPPA trademark remains registrable because it is not likely to be mistaken for the FLUSTOPPER official mark. Per paragraph 12(1)(e) *TMA*, a trademark is unregistrable if prohibited by s. 9 — that is, a mark “consisting of, or so nearly resembling as to likely be mistaken for” an official mark.⁵²

[35] Per *Techniquip*, the official marks resemblance test is much narrower than the regular trademark confusion analysis, in addition to being the most restrictive test among s. 9 prohibited marks.⁵³ Indeed, resemblance is defined as “whether a person who, on a first impression, knowing one mark and only and having an imperfect recollection of it, would likely be deceived or confused”.⁵⁴ Unlike the trademark confusion analysis, this is not a test of straight comparison, nor are the factors listed in paragraph 6(5)(e) *TMA* applicable to the resemblance test.⁵⁵ The latter are used at most as an interpretive tool without much weight.⁵⁶

[36] As such, even if FLUSTOPPA and FLUSTOPPER could be considered confusing if they were both trademarks, it does not mean they resemble each other according to the official

⁵⁰ *Ontario Architects*, *supra* note 13 at paras 51-52.

⁵¹ *Appeal Decision*, *supra* note 10 at para 7; *Contra Trademarks Act*, *supra* note 11, ss 9(1)(n)(iii), 12(1)(e).

⁵² *Contra Trademarks Act*, *supra* note 11, ss 9(1)(n)(iii), 12(1)(e).

⁵³ *Techniquip*, *supra* note 14 at paras 5, 30.

⁵⁴ See *Big Sisters Association of Ontario v Big Brothers of Canada*, [1997] FCJ No 627 (FC) aff’d (1999) 86 CPR (3d) 504 (FCA) at para 20 [*Big Sisters*].

⁵⁵ *Ibid*, at para 63.

⁵⁶ *Techniquip*, *supra* note 14 at para 14.

marks test under subparagraph 9(1)(n)(iii). For example, when comparing the marks “ENGINEER” and “ENGINEERED”, the Federal Court in *Engineered Wood* found that the mere addition of the suffix “ED” was sufficient to establish that they did not resemble each other.⁵⁷ By analogy, the difference in suffixes in FLUSTOPPA and FLUSTOPPER should be equally sufficient. The fact that these marks are associated with similar wares and services, vaccination and health-related products and services, is immaterial in finding resemblance.⁵⁸

[37] The syringe-shaped logo in the FLUSTOPPA trademark constitutes an integral part of the mark which cannot be found in the FLUSTOPPER official mark (a word mark), and which further distinguishes it.⁵⁹ It is of similar size to the word “FLUSTOPPA” and is an equally prominent component of the mark. This observation is consistent with the Trademark Opposition Board’s finding which ruled that the “Carbon Trust” trademark did not sufficiently resemble the “Pacific Carbon Trust” official mark due to the striking illustration of a foot integrated in the trademark.⁶⁰

[38] Additionally, the fact that the FLUSTOPPA trademark is used in a consistent font and with the same logo makes it easier to remember, even with an imperfect recollection of it. Conversely, the FLUSTOPPER official mark is used in various styles and fonts; the average person would not mistake it for the FLUSTOPPA trademark because she is aware of the latter’s fixed and unchanging design, different from its counterpart.⁶¹

[39] Case law considers these differences between marks as sufficient to fail the resemblance test, illustrating its narrowness. Thus, even if Healthward’s official mark is valid, which is

⁵⁷ See *Canadian Council of Professional Engineers v. Apa - The Engineered Wood Assn.*, 2000 CanLII 15543 (FC) at paras 72-73.

⁵⁸ *Ibid* at paras 68, 71.

⁵⁹ *Trial Decision*, *supra* note 1 at para 6.

⁶⁰ See *Carbon Trust v. Pacific Carbon Trust*, 2013 FC 946 at para 23.

⁶¹ See *Clarification Questions*, *supra* note 5, Question 22.

denied, Vaxco’s trademark does not resemble Healthward’s official mark per subparagraph 9(1)(n)(iii) *TMA*. The Court of Appeal was therefore correct in determining that Vaxco’s trademark was registrable.

3. Vaxco can continue using the FLUSTOPPA trademark in Canada based on “prior use”

[40] Even if the FLUSTOPPA trademark resembles the FLUSTOPPER official mark and the official mark is determined to be valid, which is denied, Vaxco is allowed to continue using the FLUSTOPPA trademark, as it was used in association with vaccination reservation services per subsection 4(2) *TMA* before the date of application for public notice of the FLUSTOPPER official mark in January 2019.⁶² Per the Federal Court in *Allied Corp.*, such “prior use”—that is, use of a trademark prior to the public notice of an official mark—allows Vaxco to continue using its trademark despite the existence of the FLUSTOPPER official mark.⁶³

[41] Indeed, Vaxco has already used the FLUSTOPPA mark as per subsection 4(2) in Canada (3.1) and in the normal course of business (3.2). Vaxco did not expand its use of the trademark as suggested by Healthward (3.3). Healthward has little choice but to admit that Vaxco established subsection 4(2) “use” (3.4) and that the request for an injunction lacks merit.⁶⁴

3.1 Vaxco met the requirement for “use” in association with services in Canada

[42] Healthward incorrectly argues that Vaxco can only prove “prior use” in the US, and not in Canada as required by subsection 4(2) *TMA*.⁶⁵ While Vaxco has not sold FLUSTOPPA vaccines in Canada prior to January 2019 (the date of publication of the official mark notice), it has extensively used its trademark in Canada in association with vaccination reservation

⁶² *Trial Decision*, *supra* note 1 at para 5.

⁶³ *Canadian Olympic Assn v Allied Corp* (1989), 28 CPR (3d) 161 at 166, [1990] 1 FC 769 (FCA) at para 8 [*Allied Corp*].

⁶⁴ *Appeal Decision*, *supra* note 10 at para 13.

⁶⁵ *Trial Decision*, *supra* note 1 at para 23; *Trademarks Act*, *supra* note 11, s 4(2).

services before that date, per subsection 4(2) *TMA*.⁶⁶

[43] This section reads that “a trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services”.⁶⁷ To meet this requirement, the services advertised in Canada must be performed in Canada.⁶⁸ Vaxco has both displayed the FLUSTOPPA mark in the advertising of its services, *and* performed these services in Canada for 20 years before January 2019.⁶⁹

[44] First, Vaxco displayed the FLUSTOPPA mark in the advertising of its services in Canada. Display of a trademark on a website accessible to Canadians is sufficient to establish use in Canada as long as these services are available in Canada or have a nexus with it.⁷⁰ Per the Federal Court in *UNICAST*, several factors taken as a whole establish such a nexus, none of which are determinative on their own.⁷¹

[45] Despite Vaxco’s limited physical presence in Canada, its extensive advertising strategies in Canada and its Canadian clientele should demonstrate that its trademark usage in association with vaccination services has a definite nexus with Canada.⁷² Indeed, Vaxco’s website, which features the FLUSTOPPA trademark, was targeted at Canadians and was accessed by them.⁷³ Print and billboard advertising in Canadian cities (also bearing the trademark) was also used to encourage Canadian residents to receive FLUSTOPPA vaccinations in the US.⁷⁴ Moreover, there is evidence that Canadians have in fact booked appointments to receive such

⁶⁶ *Trial Decision*, *supra* note 1 at paras 4-5.

⁶⁷ *Trademarks Act*, *supra* note 11, s 4(2).

⁶⁸ *Porter v Don the Beachcomber*, 1966 CarswellNat 37, (1966) 48 CPR 280 (Ex Ct) at para 17 [*Porter*].

⁶⁹ *Trial Decision*, *supra* note 1 at paras 4-5.

⁷⁰ *Homeaway.com, Inc v Martin Hrdlicka*, 2012 FC 1467 at para 22 [*Homeaway.com*]; *UNICAST SA v South Asian Broadcasting Corp*, 2014 FC 295, at paras 17, 47 [*UNICAST*].

⁷¹ *UNICAST*, *supra* note 70 at para 65.

⁷² *Trial Decision*, *supra* note 1 at para 5.

⁷³ *Ibid.*

⁷⁴ *Ibid.*

vaccinations.⁷⁵

[46] Vaxco therefore possesses Canadian clients who are well aware of the FLUSTOPPA trademark. Its situation is the exact opposite of that in *UNICAST*, whereby the plaintiff, a radio station, failed to establish presence of advertisers or listenership in Canada in addition to lacking physical presence therein.⁷⁶ Vaxco's lack of physical presence in Canada should not be determinative given the plethora of other factors demonstrating that its services have a nexus with Canada.⁷⁷

[47] Second, Vaxco used the FLUSTOPPA mark in association with services performed in Canada. Although the vaccination service itself is not offered in Canada, the use of the trademark in the booking and reservation of vaccination appointments from Canada is sufficient to establish prior use in Canada.⁷⁸ As noted by the Federal Court in *TSA Stores* and *SNCF*, the *TMA* does not define the term "services", nor does it distinguish between primary, incidental and ancillary services: a liberal interpretation of this term should consequently be preferred.⁷⁹ The only requirement is that the consumer receive a tangible and meaningful benefit in Canada from the services.⁸⁰

[48] As such, Vaxco's vaccination service encompasses not only the act of giving a vaccine, but also any service ancillary to this act, such as the booking and reservation of a vaccination appointment. The latter service is available in Canada via Vaxco's Canadian-targeted website, which featured the FLUSTOPPA mark prior to January 2019, thus meeting the requirement

⁷⁵ *Ibid.*

⁷⁶ *UNICAST*, *supra* note 70 at paras 61-64.

⁷⁷ *Ibid* at paras 61-65.

⁷⁸ *Trial Decision*, *supra* note 1 at para 5.

⁷⁹ *TSA Stores Inc v Canada (Registrar of Trademarks)*, 2011 FC 273 at paras 16-17 [*TSA Stores*]; *Société Nationale des Chemins de Fer Français SNCF v. Venice Simplon-Orient-Express Inc.*, 2000 CanLII 16547 (FC) at para 8 [*SNCF*].

⁸⁰ *Ibid.*

for “prior use” in Canada.⁸¹ The Federal Court in *SNCF* similarly found that the reservation services of train trips are ancillary to the transport of passengers by train, and constitute performance of the service in Canada.⁸²

[49] Additionally, this service is tangibly and meaningfully beneficial in Canada because it is the only Canadian reservation service available to receive a vaccine still unavailable in Canada, therefore increasing access to healthcare.⁸³ Unlike in *Live! Holdings*, a case involving hotel reservation services which in the absence of physical hotels in Canada were not deemed to constitute a benefit, Canadians may only use a single, Canadian-targeted website (i.e. Vaxco’s website) to receive the unique Vaxco vaccine.⁸⁴ Conversely, travelers can use any hotel reservation service to book a stay at the same hotel.

[50] Moreover, because vaccines have potentially permanent health-related effects, one is justifiably more sensitive to the type of flu vaccine chosen over another. The choice in vaccines (based on their quality, results, etc.) is a serious one; it cannot be compared to more leisurely hotel accommodation choices. Hence, the ability to book an appointment to receive a vaccine unavailable in Canada constitutes a benefit independently of the fact that the actual receipt of the vaccine occurs in the US. If a Canadian consumer specifically wishes to receive Vaxco’s vaccine over another flu vaccine, he or she may only do so by using the reservation service on its Canadian-targeted website.⁸⁵ Other similar reservation services for the receipt of Vaxco’s vaccine and the vaccine itself were unavailable in Canada prior to Vaxco’s Canadian market entry in February 2019.⁸⁶ There is therefore a tangible and meaningful health-related benefit

⁸¹ *Trial Decision*, *supra* note 1 at paras 4-5.

⁸² *SNCF*, *supra* note 79 at para 8.

⁸³ *Trial Decision*, *supra* note 1 at para 4.

⁸⁴ *Ibid* at para 5; *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2020 FCA 120 at para 13 [*Live Holdings!*].

⁸⁵ *Trial Decision*, *supra* note 1 at para 4.

⁸⁶ *Ibid* at paras 5-6.

derived from booking an appointment in Canada to receive one's vaccine of choice.

[51] Having used the mark both in the advertising and performance of its beneficial vaccination reservation service in Canada, Vaxco meets the requirement for "use" in Canada under subsection 4(2) *TMA*, and should be allowed to continue such use.

3.2 Vaxco's subsection 4(2) use of the trademark was in the "normal course of business"

[52] Subsection 4(2) *TMA* implicitly requires that use in association with a service take place "in the normal course of business", which Vaxco has demonstrated.⁸⁷ This requirement entails that Vaxco use the FLUSTOPPA mark in more than a single advertisement stunt, such as a one-off charitable event, and that the advertisements be accessed by Canadians and the services performed in Canada.⁸⁸ The latter was evidenced in subsection 3.1 of this Factum.

[53] Although free educational materials were provided on Vaxco's website, it also advertised its at-cost vaccination reservation services for twenty years.⁸⁹ Such ongoing advertising efforts combined with evidence that Canadians accessed the website and used it to pay for vaccination services, demonstrates that use of the FLUSTOPPA trademark before January 2019 was in the ordinary course of business.⁹⁰ The mark was not merely used in a single, inaccessible advertisement. Vaxco may therefore continue using it.

3.3 There is no expanded use of the trademark

[54] Vaxco has not expanded its usage of the FLUSTOPPA trademark after the adoption and notice of the FLUSTOPPER official mark, and is therefore entitled to continue using the trademark. While "protection under s. 9 for a prior user of an official mark does not extend to

⁸⁷ *Cornerstone Securities Canada Inc. v Canada (Registrar of Trademarks)* (1994), 58 C.P.R. (3d) 417 at para 7.

⁸⁸ *Ibid* at para 8; *Boston Pizza International v Boston Chicken*, 1998 CarswellNat 3078, 87 CPR (3d) 333 at para 12.

⁸⁹ *Trial Decision*, *supra* note 1 at paras 4-5.

⁹⁰ *Ibid* at para 5.

the marketing of a new and different product developed by the user after publication of the mark”, Vaxco’s prior use of the FLUSTOPPA trademark in association with vaccination services counts as use in association with vaccines themselves.⁹¹ The fact that Vaxco started selling its FLUSTOPPA vaccines in Canada in February 2019, after the publication of the FLUSTOPPER official mark, is irrelevant.⁹²

[55] This is because the benefit derived from a vaccine as a good is impossible without the provision of the associated vaccination service. A consumer cannot generally vaccinate herself, and must instead go to a vaccination clinic. The sale of vaccines themselves necessarily implies the sale of vaccination services. Therefore, the use of the FLUSTOPPA trademark in association with the latter implies use in association with the former.

[56] In this regard, vaccines are different from computers or software, for which the Ontario Court of Appeal in *Pro-C* rejected the adoption of a “holistic” approach to “use”, which would accept use of the trademark on a website advertising computers as use in association with the computers themselves.⁹³ Unlike vaccines which cannot be self-administered, it is possible to enjoy the benefits flowing from computers without using an additional, associated service. Since the good at issue in *Pro-C* is fundamentally different from that in this case, the “holistic” approach to “use” should apply here, such that trademark use in association with vaccination services imply use with the vaccines themselves. Vaxco has therefore not expanded its usage after publication of the FLUSTOPPER official mark. Consequently, Vaxco should be allowed to continue using the FLUSTOPPA trademark in association with its products and services,

⁹¹ *Royal Roads University v. R.*, 2003 FC 922 at para 16.

⁹² *Trial Decision*, supra note 1 at para 6.

⁹³ *Pro-C Ltd. v. Computer City Inc.*, 2001 ONCA 7375 at paras 1, 7, 8 [*Pro-C*].

and Healthward’s request for an injunction should be rejected.⁹⁴

3.4 Healthward is caught in a “catch-22”

[57] The Court of Appeal rightly found that Healthward is caught in a “catch-22”.⁹⁵ If Vaxco has “used” its trademark in association with vaccination reservation services under subsection 4(2) *TMA* before January 2019 (which also implies use in association with the vaccines themselves as explained in subsection 3.3 of this Factum), it may continue using it after the public notice. If Vaxco did not do so, then the injunction Healthward seeks is unwarranted: there cannot be official marks infringement without use of the trademark so infringing.

[58] The Court of Appeal was inspired by the Gillette Defence in patent infringement cases to highlight the contradictions in Healthward’s positions.⁹⁶ The Gillette Defence need not be limited to patent law: it is a concept based on logical reasoning, which the House of Lords had invoked from its own accord similar to the Court of Appeal in this case.⁹⁷ A similar “catch-22” may therefore theoretically apply in any legal claim, as it currently does in the case at bar.⁹⁸

PART V – ORDER REQUESTED

The Respondent respectfully requests that the Supreme Moot Court for Intellectual Property Appeals dismiss the appeal with costs.

Tuesday, January 26, 2021.

⁹⁴ *Trial Decision*, *supra* note 1 at para 3.

⁹⁵ *Appeal Decision*, *supra* note 10 at para 12.

⁹⁶ *Ibid*; *AB Hassle v Apotex Inc*, 2006 FCA 51 at para 15.

⁹⁷ *Appeal Decision*, *supra* note 10 at para 12; *Gillette Safety Razor Co v Anglo-American Trading Co Ltd* (1913) 30 RPC 465 (HL) at 477.

⁹⁸ *Appeal Decision*, *supra* note 10 at para 12.

PART VI – TABLE OF AUTHORITIES

LEGISLATION	SECTIONS
<i>Trademarks Act</i> , RSC 1985, c T13	4(2), 9(1)(n)(iii), 12(1)(e)

JURISPRUDENCE	PINPOINT
<i>AB Hassle v Apotex Inc</i> , 2006 FCA 51	para 15
<i>Association of Architects (Ontario) v Association of Architectural Technologists (Ontario)</i> , 2002 FCA 218	paras 51-52,60-63,64,69
<i>Big Sisters Association of Ontario v Big Brothers of Canada</i> , [1997] FCJ No 627 (FC) aff'd (1999) 86 CPR (3d) 504 (FCA)	para 20
<i>Boston Pizza International v Boston Chicken</i> , 1998 CarswellNat 3078, 87 CPR (3d) 333	para 12
<i>Canadian Council of Professional Engineers v. Apa - The Engineered Wood Assn.</i> , 2000 CanLII 15543 (FC)	paras 66,68,71
<i>Canadian Olympic Assn v Allied Corp</i> (1989), 28 CPR (3d) 161 at 166, [1990] 1 FC 769 (FCA)	para 8
<i>Canadian Olympic Association v Canada (Registrar of Trademarks)</i> , [1983] 1 FC 692 (FCA)	paras 2,5
<i>Carbon Trust v. Pacific Carbon Trust</i> , 2013 FC 946	para 23
<i>Council of Natural Medicine College of Canada v College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia</i> , 2013 FC 287	paras 37-39
<i>Cornerstone Securities Canada Inc. v Canada (Registrar of Trademarks)</i> (1994), 58 C.P.R. (3d) 417	paras 7-8
<i>Homeaway.com, Inc v Martin Hrdlicka</i> , 2012 FC 1467	para 22
<i>Gillette Safety Razor Co v Anglo-American Trading Co Ltd</i> (1913) 30 RPC 465 (HL)	para 12
<i>Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP</i> , 2020 FCA 120	para 13
<i>Mihaljevic v British Columbia</i> (1988), 23 CPR (3d) 80	para 17

<i>Porter v Don the Beachcomber</i> , 1966 CarswellNat 37, (1966) 48 CPR 280 (Ex Ct)	para 17
<i>Pro-C Ltd. v. Computer City Inc.</i> , 2001 ONCA 7375	paras 1,7-8
<i>Royal Roads University v. R.</i> , 2003 FC 922	para 16
<i>See You In – Canadian Athletes Fund Corporation v Canadian Olympic Committee</i> , 2007 FC 406	paras 60-61,64
<i>Société Nationale des Chemins de Fer Français SNCF v. Venice Simplon-Orient-Express Inc.</i> , 2000 CanLII 16547 (FC)	para 8
<i>Techniquip Ltd v Canadian Olympic Assn</i> , 1999 CarswellNat 2511, [1999] FCJ No 1787 (FCA)	paras 5, 13-14, 30
<i>TSA Stores Inc v Canada (Registrar of Trademarks)</i> , 2011 FC 273	paras 16-17
<i>UNICAST SA v South Asian Broadcasting Corp</i> , 2014 FC 295	paras 17, 47, 61-65
<i>Vaxco Ltd. v Healthward Canada</i> , 20 TCCIP 1222 [Trial Decision]	paras 1-2, 4-13, 15, 23
<i>Vaxco Ltd v Healthward Canada</i> , 2020 CAIP 333 [Appeal Decision]	paras 1-15

SECONDARY MATERIALS	PINPOINT
Donna L Davis, “Too Much Protection, Too Little Gain: How Official Marks Undermine the Legitimacy of Intellectual Property Law” (2009) 14 Appeal: Rev Current L & L Reform 1	1-2
Moot Problem Clarifications, Harold G Fox Moot 2021	Question 16, 22

PART VII - APPENDIX

Trademarks Act, RSC, 1985, c T-13

Prohibited marks

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,

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;

When trademark registrable

12 (1) Subject to subsection (2), a trademark is registrable if it is not

[...]

(e) a sign or combination of signs whose adoption is prohibited by section 9 or 10;

When deemed to be used

4(1) [...]

(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.