



## ARE Trademark Law Alert: In Booking.com, the Supreme Court Holds that a “Generic.com” Term can be Eligible for Federal Trademark Protection

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On Tuesday, June 30, 2020, the Supreme Court held in an 8-1 decision that, “[a] term styled ‘generic.com’ is a generic name for a class of goods or series only if the term has that meaning to consumers.” *U.S. Patent and Trademark Office et al. v. Booking.com B.V.*, No. 19-46, Slip op. at 1 (U.S. Jun. 30, 2020).

This decision upholds the Eastern District of Virginia’s ruling, which was affirmed by the Fourth Circuit, that the primary significance of “Booking.com” to consumers was **not** as a generic term, but a term for a specific on line hotel reservation site, and that the addition of “.com” had the ability to evolve an otherwise generic term into something distinctive. The Court did, however, highlight that regardless of this ruling, it would not embrace a bright-line rule that automatically classifies all “generic.com” terms as non-generic. Rather, the decision in any given case depends on whether consumers perceive that particular term as a source indicator. Slip op. at 11.

### Background

In 2011 and 2012, Booking.com, an online travel and reservation company, filed federal trademark applications to register marks containing the term “Booking.com.” However, both the examining attorney at the U.S. Patent and Trademark Office (“PTO”) and the Trademark Trial and Appeal Board (“TTAB”) refused registration, concluding that “Booking.com” was a generic term when applied to online hotel-reservation services and was not registrable. Slip op. at 4. The TTAB further noted that “customers would understand the term BOOKING.COM primarily to refer to an online reservation service for travel.” Slip op. at 5. The TTAB went further, stating that even if “Booking.com” were descriptive and not generic, it would still be unregistrable because it lacked the requisite distinctiveness. Slip op. at 5.

Following this ruling, Booking.com sought review in the U.S. District Court for the Eastern District of Virginia, which reversed the TTAB. Slip op. at 5. In the District Court, Booking.com introduced new evidence in the form of a “Teflon” consumer survey, which concluded that roughly 75% of participants viewed “Booking.com” as a brand name, and not as a generic term for online hotel-reservation services.

Based on this evidence, the District Court concluded that “Booking.com” was not a generic term for online hotel reservations to the relevant consumers. Slip op. at 5. Additionally, the



District Court found that “Booking.com” had acquired secondary meaning regarding hotel-reservation services, and thus met the distinctiveness requirement for trademark registration. Slip op. at 5.

The PTO appealed to the U.S. Court of Appeals for the Fourth Circuit (“the Fourth Circuit”) but disputed only the District Court’s classification of “Booking.com” as not generic. Slip op. at 5. The Fourth Circuit affirmed, rejecting the PTO’s argument that the combination of “.com” with a generic term like “booking” is necessarily generic. *Booking.com B.V. v. United States Patent & Trademark Office*, 915 F.3d 171 (4th Cir. 2019).

The PTO then filed a Petition for Certiorari to the U. S. Supreme Court to resolve the issue of whether combining a generic term with “.com” yields a generic term as well. Slip op. at 6.

### **Majority Opinion of the Supreme Court**

Justice Ginsberg delivered the opinion of the Court, in which Chief Justice Roberts and Justices Thomas, Alito, Sotomayor, Kagan, Gorsuch and Kavanaugh joined. Justice Breyer filed a dissenting opinion.

The Court began by noting that whether “Boooking.com” is generic turns on whether that term, taken as a whole, signifies to consumers a class of online hotel-reservation services. Slip op. at 7. It concluded that because consumers do not perceive “Booking.com” in that manner, “Booking.com” is not generic. Slip op. at 7.

The Court also rejected the PTO’s proposal of a nearly *per se* rule that when a generic term is combined with a generic top-level domain like “.com” the resulting combination is generic as well. Slip op. at 7. This rule, if accepted, would have rendered “Booking.com” ineligible for registration, regardless of any surveys or other evidence of consumer perception. Slip op. at 7. The Court additionally found the PTO’s argument inconsistent with the PTO’s own past practices, which registered both “ART.COM” and “DATING.COM.” Slip op. at 8.

Although the PTO warned that a ruling in favor of Booking.com would grant the company and others like it a monopoly, the Court stated that those fears were exaggerated, emphasizing that trademark law had its own inherent safeguards to address such concerns. Slip op. at 12.

Further, in reaching its decision, the Court rejected the PTO’s reliance on the hundred and thirty-year-old *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U. S. 598, 602 (1888) case. That decision held that adding a generic corporate designation like “Company” to a generic term does not confer trademark eligibility. The Court found the analogy faulty because only one entity can occupy a particular Internet domain name at a time, so a “generic.com” term could convey to consumers an association with a particular website. Slip op. at 9. Moreover, “an unyielding legal rule that entirely disregards consumer perception” is incompatible with a bedrock principle of the Lanham Act. Slip op. at 10. It is questionable if *Goodyear* would



be decided the same way today.

## Concurring Opinion

Justice Sotomayor filed a concurring opinion focusing on the nature of the evidence required to demonstrate that a term may be generic.

## Dissenting Opinion

Justice Breyer filed the only dissenting opinion which gave more credence to the PTO's concerns about monopolization. He concluded that although the Lanham Act altered the common law in certain respects, "it did not disturb the basic principle that generic terms are ineligible for trademark protection." *U.S. Patent and Trademark Office et al. v. Booking.com B.V.*, No. 19-46, slip op. at 4 (U.S. Jun. 30, 2020) (Breyer, J., dissenting).

He also emphasized his fears that the majority "decision will lead to a proliferation of 'generic.com' marks, granting their owners a monopoly," and that "[t]his result would tend to inhibit, rather than to promote, free competition in online commerce." Slip op. at 13 (Breyer, J., dissenting).

## Practical Effect

In *Booking.com*, the Court's decision rejects a nearly *per se* rule against trademark protection for a "generic.com" term. Under the "mark as a whole" test adopted by the Court, it is likely that there will start to be a lot more applications for "generic.com", "generic.org" and the like trademarks. Once again, the Court's rejection of a *per se* rule in favor of a flexible approach will likely result in more disputes down the road to be resolved.

We will continue to monitor and report on developments in U.S. Trademark law. In the meantime, please feel free to contact us to learn more.

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