

US Supreme Court Affirms 'Generic.com' Trademarks Eligible for Protection

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On June 30, 2020, the United States Supreme Court decided *United States Patent and Trademark Office et al. v. Booking.com B. V.*, handing down an important decision for those who have invested in a dot-com brand.

The issue in *Booking.com* was whether combining a generic term with a generic top-level domain (in this case, "booking" for a reservation service and ".com" as a web address) creates a trademark-ineligible generic composite, or whether the combined term can be sufficiently distinctive to be eligible for trademark protection. The Supreme Court held that, for "generic.com" trademarks, the answer depends on how consumers perceive the domain; in other words, whether consumers would find the "generic.com" term, as a whole, generic. The decision rejects a categorical rule against registration of "generic.com" trademarks and affirms the bedrock principle of the Lanham Act that consumer perception is an essential factor in United States trademark law.

Background

In 2012, Booking.com, a digital travel agency that provides hotel reservations and other services to consumers, applied to register stylized versions of the trademark "Booking.com." The United States Patent and Trademark Office (USPTO) rejected Booking.com's application. The Trademark Trial and Appeal Board (TTAB) agreed, concluding that the proposed mark was generic. The USPTO and TTAB reasoned that "booking" is a generic term that refers to "a reservation or arrangement to buy a travel ticket or stay in a hotel room," and the ".com" suffix is a generic top-level domain that did not add any source-indicating significance or otherwise change its meaning.

On appeal, the United States District Court for the Eastern District of Virginia reversed the TTAB's decision, considering the totality of evidence and including consumer surveys. The Fourth Circuit affirmed, finding that the public would associate the mark "Booking.com" with a specific source or brand and not with online hotel reservations generally.

The Supreme Court's decision

Before the Supreme Court, two countervailing principles of trademark law came head-to-head: the principle that generic terms are never eligible for trademark protection and the principle that trademarks are more than the sum of their parts. Also at issue was the role of consumer perception in determining whether a mark merits protection.

The USPTO argued that there is no trademark protection for composite marks consisting of a generic term added to another generic term, because allowing a single entity exclusive rights to these types of terms would hinder free market competition and prevent other entities offering similar goods or services from fairly and accurately describing their competing offerings. No single company can claim exclusive rights in names like "Wine Company," "Cotton Company" or "Grain Company," for example, because other entities that make or sell wine, cotton or grain may need to use the same words to describe themselves. The USPTO also argued that, since only a single entity can use a ".com" address at a time, owners of "generic.com" brands are already sufficiently protected and do not need additional protections through federal trademark registration. Finally, the USPTO challenged the weight the lower courts gave to consumer perception, claiming that mandating use of the consumer perception test during the examination

phase of a trademark application would lead to overreliance on potentially flawed consumer survey data and interpretations.

Booking.com, on the other hand, argued that the USPTO and courts have regularly used consumer perception in assessing whether a term or phrase is eligible for trademark protection. This assessment, Booking.com argued, need not rely heavily – or at all – on the use of consumer survey data, but rather can account for consumer perception through other means, such as dictionaries or use of the same or similar terms by consumers and competitors in the marketplace.

The Supreme Court sided with Booking.com, holding that consumer perception is the cornerstone of trademark law necessary for determining whether a generic term plus another generic term is generic.

All trademarks must serve a source-identifying function, distinguishing one producer's goods or services from another's, but each trademark case turns on its specific facts. If a combination of generic words provides no additional meaning for consumers to distinguish goods or identify their source, then the compound term does not qualify for trademark protection.

In this case, however, the Supreme Court found that ".com" suffixes may provide additional meaning when combined with other generic terms. Only one entity can occupy a particular internet domain name at a time. Emphasizing the "Lanham Act's focus on consumer perception," the court noted that a significant portion of the public would understand that domain names are "one of a kind" and can refer to a specific business. This exclusivity sets composite marks like "wine.com" apart from examples like "Wine Company," which can be used by multiple entities. The court also rejected the USPTO's concerns about hindering competition or monopolizing necessary descriptive terms, concluding that other aspects of trademark law, such as the likelihood of consumer confusion standard and the classic fair use doctrine will protect from liability others using terms fairly and in good faith to describe their own goods.

In light of these principles, the court held that the trademark Booking.com has sufficient additional, source-identifying meaning to be eligible for trademark protection. Booking.com is not generic; consumers do not believe Booking.com describes a generic class of hotel reservation services, as no consumer would describe another online reservation service as "a Booking.com."

Key takeaways

Certain brands that append a generic top-level domain may now be eligible for federal trademark registration. While not every dot-com domain is guaranteed a registration, the Supreme Court's decision provides clarification and guidance for businesses whose brands are comprised of highly descriptive or generic terms and a generic top-level domain name.

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