

Intellectual Property & Technology



JULY 8, 2020 • NO. 10

What's It to You?: SCOTUS Looks to Consumers in Examining “Generic.com” Trademarks

In an 8-1 decision delivered by Justice Ginsburg, the Supreme Court declined to adopt a per se rule that combining a generic term with “.com” necessarily yields a generic mark ineligible for federal trademark registration.¹

PRIOR PROCEEDINGS

Respondent Booking.com sought registration of various marks containing the literal element BOOKING.COM in connection with its online hotel-reservation service offering. The United States Patent and Trademark Office (“USPTO”) refused registration on the basis that BOOKING.COM is generic. The Trademark Trial and Appeal Board (“TTAB”) agreed, noting that “Booking” indicates the process of making travel reservations and “.com” indicates a commercial website. The TTAB stated that even if the mark were descriptive, not generic, it was unregistrable for a lack of acquired distinctiveness.

Booking.com appealed to the Eastern District of Virginia and presented consumer evidence to the district court that was not before the TTAB. Specifically, the district court found, the evidence demonstrated that in the minds of consumers, BOOKING.COM “does not refer to a genus, rather, it is descriptive of services involving ‘booking’ available at that domain name.”² The district court then found that BOOKING.COM had acquired distinctiveness and, thus, was registrable.

On appeal to the Fourth Circuit, the USPTO only appealed the finding that BOOKING.COM is not generic. The Fourth Circuit affirmed the finding that BOOKING.COM is descriptive and also rejected the *per se* rule urged by the USPTO, that combining a generic term with “.com” is necessarily generic. The USPTO sought, and the Supreme Court granted, certiorari.

SUPREME COURT'S DECISION

The Supreme Court identified three guiding principles of trademark law to determine whether BOOKING.COM is generic: **(1) generic terms identify a “class” of goods/ services, not a particular feature of that class, (2) the distinctiveness inquiry for compound terms is based on the term as a whole, and (3) the relevant meaning of a term is its meaning in the minds of consumers.** The Court then held that because there was evidence that consumers perceive the term BOOKING.COM, as a whole, to be descriptive, not generic, “[t]hat should resolve this case: Because ‘Booking.com’ is not a generic name to consumers, it is not generic.”³

Though the opinion could have ended with the Court’s finding that BOOKING.COM was descriptive, not generic, the Court dedicated the majority of its opinion to the USPTO’s contention that a generic term combined with a “.com” is necessarily generic.

First, the Court noted that this argument was inconsistent with the USPTO’s own practice, which had permitted registration of marks such as ART.COM and DATING.COM.

Second, the Court dismissed the USPTO’s reliance on *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), in which the Supreme Court held that adding a generic corporate designation (such as

“company”) to a generic mark did not transform that mark to be trademark eligible. The USPTO used *Goodyear* to argue that “Generic.com” “is like ‘Generic Company’ and is therefore ineligible for trademark protection, let alone federal registration.” The Court rejected this premise as “faulty,” noting that unlike the addition of a generic corporate designation, “[a] ‘generic.com’ term might [] convey to consumers a source-identifying characteristic: an association with a particular website.” Next, the Court clarified that *Goodyear* does not establish a categorical rule, but rather “reflects a more modest principle harmonious with Congress’ subsequent enactment: A compound of generic elements is generic if the combination yields no additional meaning **to consumers** capable of distinguishing the goods or services.” (emphasis in original).

Finally, the Court dismissed the USPTO’s policy arguments that registration of the mark would have an anticompetitive effect and that owners of “generic.com” brands do not need trademark protection on top of the competitive advantages they gain from having exclusive rights to a particular domain name. As to the former, the Court noted this is a concern with any descriptive mark and there are various safeguards in place to prevent such anticompetitive effect. As to the latter, the Court noted that simply because Booking.com did not *need* a trademark registration was no basis, without more, to deny it the same.

Justice Breyer wrote a lengthy dissent, fundamentally disagreeing with the majority on nearly every point. The heart of his opinion is that BOOKING.COM is a generic term, and “[a] generic term is not eligible for use as a trademark...even if a particular generic term ‘has become identified with a first user’ in the minds of the consuming public.” In other words, no amount of consumer association of a generic term with a certain brand can transform the generic term into a nongeneric term.

KEY TAKEAWAYS

No doubt, the key takeaway from *Booking.com* is the Court’s rejection of a categorical rule in either direction: “While we reject the rule proffered by the USPTO that ‘generic.com’ terms are generic names, we do not embrace a rule automatically classifying such terms as nongeneric. Whether any given

‘generic.com’ term is generic, we hold, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class.”

But to practitioners, the above-mentioned trio of guiding principles is likely to have the most lasting effects:

1. Generic terms identify a “class” of goods/services, not a particular feature of that class: **IMPORTANT** because all too frequently trademark examination fails to establish the class at issue, blurring into an ordinary descriptiveness refusal. This decision reiterates the need to identify the class.
2. The distinctiveness inquiry for compound terms is based on the term as a whole: **IMPORTANT** because the dissection of trademarks in examination is one of the most common flaws during examination, and this decision recognizes it as improper.
3. The relevant meaning of a term is its meaning in the minds of consumers: **IMPORTANT** because trademark law is about consumer protection, and practitioners are reminded that the marketplace is arguably the venue that ultimately matters. The Court’s holding will give new import to the role of consumer evidence not only in “generic.com” cases, but likely in any case concerning a compound term involving a generic word. Practitioners should note Justice Sotomayor’s concurrence that “the Court’s opinion [does not] suggest that surveys are the be-all and end-all,” as other sources, such as dictionaries, can be a relevant source of evidence.

For additional information, please contact:

David M. Perry, Philadelphia Office
Partner and Co-Chair, Intellectual Property & Technology
215.569.5767 | perry@blankrome.com

Munira Jesani, Houston Office
Associate, Intellectual Property & Technology
713.632.8628 | mjesani@blankrome.com

1. *United States Patent and Trademark Office et al. v. Booking.com B.V.*, 591 U.S. ____ 2020.

2. *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 918 (2017).

3. Justice Ginsburg stated that if BOOKING.COM were generic, then consumers who were searching for an online hotel-reservation service might “ask a frequent traveler to name her favorite “Booking.com” provider.”