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Supreme Court Report

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Book it as Protectable: The Supreme Court Holds Booking.com Is a Protectable and Registerable Trademark

On June 30, 2020, in a nearly unanimous opinion, the Supreme Court held that Booking.com is not generic for online hotel reservation services and is protectable under the Lanham Act. The basic logic underlying the holding is that consumers do not view the term with its inclusion of .com as a generic phrase for online hotel reservation services, but rather as a sole source indicator of such services. While the term remains descriptive, it is not generic and there was sufficient evidence in the record to show the mark was perceived by consumers as an identifier of source and not just a descriptive phrase.

History of the Case

The Patent and Trademark Office examining attorney refused registration of four different marks containing the term Booking.com on the basis of the term Booking.com being generic for online hotel reservation services. This determination was affirmed by the Trademark Trial and Appeal Board. The applicant then took appeal to the U.S. District Court for the Eastern

District of Virginia where it introduced surveys as evidence that consumers do not perceive Booking.com to refer to an entire class of goods. Relying heavily on this evidence the District Court concluded the term is descriptive not generic and has achieved secondary meaning such that it is protectable as a trademark under the Lanham Act. The Patent and Trademark Office appealed only the determination that the mark was not generic to the Court of Appeals for the Fourth Circuit. The Patent and Trademark Office did not appeal the determination that consumer-perception evidence gave the mark the requisite secondary meaning. The Fourth Circuit affirmed the district court. The appeal to the Supreme Court followed.

Background

Generic terms are those that are the commonly used to identify particular goods or services. These terms are never registerable or protectable under the Lanham Act. Descriptive terms are those that describe a quality or characteristic of the goods or services but are not the generic term for the goods or services. Such terms are only protectable upon a showing of the term having gained secondary meaning in the perception of consumers as symbolizing a single source of origin of the goods or services.

With some rare exceptions, the Patent and Trademark Office has urged a rule of refusing registration to “generic.com” marks. A “generic.com” is a mark that combines a generic term for a class of

goods or services in combination with a generic Internet suffix such as “.com.” For example, a company that sells sneakers under the domain Sneaker.com would, under the Patent and Trademark Office’s policy, be refused registration of the term Sneaker.com on the basis of it being generic.

In setting and adhering to this policy the Patent and Trademark Office has relied upon the precedent set in an 1888 Supreme Court case, *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, that a generic corporate designation added to a generic term does not confer trademark eligibility. In *Goodyear*, a decision predating the Lanham Act, the court held that “Goodyear Rubber Company” was not “capable of exclusive appropriation.” *Id.*, at 602. Standing alone, the term “Goodyear Rubber” could not serve as a trademark because it referred, in those days, to “well-known classes of goods produced by the process known as Goodyear’s invention.” “[A]ddition of the word ‘Company’” supplied no protectable meaning, the court concluded, because adding “Company” “only indicates that parties have formed an association or partnership to deal in such goods.” Permitting exclusive rights in “Goodyear Rubber Company” (or “Wine Company, Cotton Company, or Grain Company”), the court explained, would tread on the right of all persons “to deal in such articles, and to publish the fact to the world.”

“Generic.com,” the Patent and Trademark Office maintained, is like “Generic Company” and is therefore ineligible for trademark protection, let alone federal registration. According to the Patent and Trademark Office, adding “.com” to a generic term—like adding “Company”—“conveys no additional meaning that would distinguish [one provider’s] services from those of other providers.” This

is also the position of the lone dissenting judge in this case.

The reasoning was deemed faulty for two reasons. First, a “generic.com” term might also convey to consumers a source-identifying characteristic: an association with a particular Web site. As the Patent and Trademark Office (and the dissent) acknowledged, only one entity can occupy a particular Internet domain name at a time, so “[a] consumer who is familiar with that aspect of the domain-name system can infer that Booking.com refers to some specific entity.”

Second, the Patent and Trademark Office understands Goodyear to hold that “Generic Company” terms “are ineligible for trademark protection as a matter of law” regardless of how “consumers would understand” the term. However, whether a term is generic depends on its meaning to consumers. That bedrock principle of the Lanham Act is incompatible with an unyielding legal rule that entirely disregards consumer perception. Instead, Goodyear reflects a more modest principle harmonious with Congress’ subsequent enactment: a compound of generic elements is generic if the meaning of the whole is no greater than the sum of its parts.

While the court rejects the rule proffered by the Patent and Trademark Office that “generic.com” terms are generic and not registerable, the court does not

embrace a rule automatically classifying such terms as not generic. Whether any given “generic.com” term is generic, it was held, 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. Consumer surveys, dictionaries, usage by the mark owner and competitors, and any other evidence showing consumer perception of the term at issue is useful evidence as to how consumers perceive the mark in question. Thus, while the Court’s holding is helpful to owners of domain names embodied as Generic.com, it is not automatic that the term is protectable—the mark still needs to be proven to be perceived as a mark by a consumer.

The Patent and Trademark Office also stated a concern over anti-competitive use of a federally protected mark such as Booking.com. The Court, however, dismissed this concern as being handled by various anticompetitive doctrines and also being no different than exists already with regard to descriptive marks. Not only does trademark law require a showing that consumers are likely to become confused as to the source of origin, the doctrine of classic fair use permits uses of a descriptive term by anyone who so uses the term “fairly and in good faith” and “otherwise than as a mark,” merely to describe her own goods. Thus, the trademark laws are

not of such monopolistic breadth to prevent uses of terms that either do not cause confusion or are used in a non-trademark sense to describe one’s goods and services.

Conclusion

In sum, the Booking.com decision has given hope to holders of domain names embodying the generic term of the goods or services offered on the Web site followed by a common Internet-domain suffix, such as.com, when the term is used as a trademark and the evidence shows consumers perceive the term as a source identifier. So, while it is not the case that marks embodied in the form “generic.com” will automatically be protected and registerable, when the proper evidence is marshaled and presented, such terms should not be refused on the basis of being generic or merely descriptive, and should be protectable and registerable, subject to the other requisite conditions being met.

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