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Supreme Court Rules That Booking.com Is Not Generic and Declines to Impose a “Nearly *Per Se*” Rule of Genericness for “Generic.com” Trademarks



By Eric R. Moran

Today, the U.S. Supreme Court issued a much-anticipated opinion in a trademark case directed toward what it means for a trademark to be generic, and hence not subject to registration, in *United States Patent and Trademark Office v. Booking.com B.V.*¹ The question presented to the Court was whether an online business’s addition of a generic top-level domain (i.e., “.com”) to an otherwise generic term can create a protectable trademark.² The Court declined to impose a *per se* rule on this question, as urged by the U.S. Patent and Trademark Office (“USPTO”), and instead held that “[w]hether any given ‘generic.com’ term is generic . . . 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.”³ Here, lower court determinations established that Booking.com was not generic.⁴

Background of the case:

Booking.com provides online travel reservation services under the Booking.com brand and via its website residing at the Booking.com domain name.⁵ Booking.com attempted to register four “Booking.com” trademarks with the U.S. Patent & Trademark Office, all incorporating the term “Booking.com.”⁶ For each, a USPTO Examining Attorney refused registration, finding the marks generic for “an online reservation service for travel, tours, and lodgings.”⁷ After the Trademark Trial and Appeal Board affirmed the refusals, Booking.com appealed to the U.S. District Court in the Eastern District of Virginia.⁸

Because Booking.com appealed the USPTO decision to the district court, it was allowed to submit new evidence, including evidence of consumer perception of the Booking.com mark.

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The district court, “[r]elying in significant part” on this new evidence, “concluded that ‘Booking.com’—unlike ‘booking’—is not generic.”⁹ Consumers, according to the court, primarily view Booking.com as being descriptive of booking services available at the Booking.com domain name, rather than as referring to a genus (or generic term) for those services.¹⁰ The district court also found that the term has “acquired secondary meaning as to hotel-reservation services” and was registrable as a trademark.¹¹

The USPTO appealed the district court’s determination on the issue of genericness to the Court of Appeals for the Fourth Circuit, which found no error. In so doing, “the appeals court rejected the PTO’s contention that the combination of ‘.com’ with a generic term like ‘booking’ ‘is necessarily generic.’”¹²

The U.S. Supreme Court granted *certiorari* to address “whether there is a nearly *per se* rule against trademark protection for a ‘generic.com’ term.”¹³

The Court’s opinion:

Justice Ginsburg wrote the opinion for the Court and began by identifying issues on which the parties agreed. As an initial matter, the Court noted that a generic term is the “name of a class of products or services” and is “ineligible for federal trademark registration” because it cannot serve to distinguish one party’s goods or services from another party’s goods or services.¹⁴ Here, the parties did not dispute that “booking” is generic for “hotel-reservation services.”¹⁵

The parties also did not dispute that:

- “a ‘generic’ term names a ‘class’ of goods or services, rather than any particular feature or exemplification of the class”;
- “for a compound term, the distinctiveness inquiry turns on the term’s meaning as a whole, not its parts in isolation”;
- “the relevant meaning of a term is its meaning to consumers”; and
- “[e]ligibility for registration . . . turns on the mark’s capacity to ‘distinguish[h]’ goods ‘in commerce.’”¹⁶

The Court then addressed the proper test for precluding a generic term from registration—an issue that was discussed at length during briefing and at oral argument. Although the Court declined to rule on that issue, it seemed to endorse Booking.com’s position that the proper test was found in 15 U.S.C. § 1064(3):

The primary significance of the registered mark to the relevant public . . . shall be the test for determining whether the registered mark has become the generic name of goods or services.¹⁷

In doing so, the Court appeared to reject the USPTO’s position that the primary significance test should be confined to potential cancellation of registered marks (as the test is found in that particular section of the Lanham Act).

In any case, the Court found that consumer perception prevails, and “whether ‘Booking.com’ is generic turns simply on whether that term, taken as a whole, signifies to consumers the class of online hotel-reservation services.”¹⁸ In finding that it does not, the Court noted that we would not expect consumers “to understand Travelocity—another such service—to be a ‘Booking.com’” or that “a consumer, searching for a trusted source of online hotel-reservation

services, could ask a frequent traveler to name her favorite 'Booking.com' provider."¹⁹ "Because 'Booking.com' is not a generic name to consumers, it is not generic."²⁰

The Court went on to refute a number of the USPTO's arguments, including the comprehensive, *per se* rule urged by the USPTO because it is inconsistent with the USPTO's own past practices of allowing registration of other "generic.com" marks.

In doing so, the Court found one of main cases cited by the USPTO, *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), inapplicable to Booking.com. The USPTO argued that *Goodyear's* supported the position that "a generic corporate designation added to a generic term does not confer trademark eligibility."²¹ The Court, however, stated that:

A "generic.com" term might also convey to consumers a source-identifying characteristic: an association with a particular website. As the PTO and the dissent elsewhere acknowledge, 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."²²

Accordingly, the Court instead limited *Goodyear's* application to the proposition that: "A compound of generic elements is generic if the combination yields no additional meaning to consumers capable of distinguishing the goods or services."²³

The Court also addressed the USPTO's argument that exclusive rights to the Booking.com mark would hinder Booking.com's competitors from using the term "booking." According to the Court, however, such concerns arise from the protection of any descriptive mark, and such protection cannot preclude descriptive uses of descriptive terms.²⁴ In addition, a likelihood of confusion analysis will assess the strength or weakness of descriptive marks and whether confusion is likely in light of the scope of protection afforded such marks. Further, if a mark exists in a "crowded field" of similar marks, "consumers 'may have learned to carefully pick out' one mark from another."²⁵

Accordingly, the Court declined to adopt a rule that a generic term combined with a ".com" necessarily yields a generic composite. And in so doing, the Court declined to adopt a position that would "open the door to cancellation of scores of currently registered marks."²⁶

Justice Sotomayor authored a concurring opinion emphasizing points related to the use of survey evidence and clarifying that the question before the Court was not whether the district court erred in finding that Booking.com was not generic.²⁷

Justice Breyer authored a dissenting opinion in which he would have held that "generic.com" marks are necessarily generic because they consist simply of a generic term and a corporate designation.²⁸ The majority's holding, according to Justice Breyer, risks a "proliferation of 'generic.com' marks" that would grant monopolies over easy-to-remember domain names to their owners.²⁹ Such a result would, he continued, "tend to inhibit, rather than to promote, free competition in online commerce."³⁰

Decided: June 30, 2020.

The opinion can be found at https://www.supremecourt.gov/opinions/19pdf/19-46_8n59.pdf.

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¹ *United States Patent and Trademark Office v. Booking.com B.V.*, No. 19-46 (S. Ct. June 30, 2020).

² See Petition for a Writ of Certiorari.

³ Opinion at 11.

⁴ *Id.* at 1.

⁵ *Id.* at 4.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* at 5.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ Concurrence at 1.

¹⁴ Opinion at 1, 4. As set forth by the Court, “Distinctiveness is often expressed on an increasing scale: Word marks ‘may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.’”

¹⁵ *Id.* at 1.

¹⁶ *Id.* at 6.

¹⁷ *Id.* at 6-7 and n.3.

¹⁸ *Id.* at 7.

¹⁹ *Id.*

²⁰ *Id.*

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- ²¹ *Id.* at 8.
²² *Id.* at 9.
²³ *Id.* at 10.
²⁴ *Id.* at 12.
²⁵ *Id.* at 12.
²⁶ *Id.* at 14.
²⁷ Concurrence at 1-2.
²⁸ Dissent at 5.
²⁹ *Id.* at 13.
³⁰ *Id.*