

Blog Post

The Parameters of Generic Marks: Booking.com before the Supreme Court

May 15, 2020

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The Lanham Act (Act) makes it clear that generic terms cannot be registered as trademarks. But can an online business create a protectable trademark by adding a generic top-level domain (e.g., “.com”) to an otherwise generic term? The Supreme Court will answer this question in USPTO *v. Booking.com*, No. 19-46.

The legal battle between Booking.com and the U.S. Patent and Trademark Office (USPTO) began almost a decade ago. In 2011 and 2012, Booking.com, a leading hotel accommodations company, filed four trademark applications for BOOKING.COM. Booking.com sought to register both the word mark and stylized versions of the mark. The USPTO examiner rejected these applications, finding the marks generic. Alternatively, the examiner concluded that the marks were descriptive and Booking.com had not shown that the marks had acquired secondary meaning, and the marks were merely descriptive.

The Trademark Trial and Appeal Board (TTAB) affirmed these rejections. Booking.com appealed the TTAB’s decision to the district court for the Eastern District of Virginia and introduced additional evidence that consumers understand BOOKING.COM as a brand name, not a generic term. The district court held that BOOKING.COM is not

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generic for hotel-reservation services, and further held that BOOKING.COM is entitled to registration on the principal register because consumers associate it with Booking.com specifically.

The USPTO appealed to the Fourth Circuit, urging the court to find that adding a generic top-level domain like “.com” to an otherwise generic term could never generate a non-generic mark. The Fourth Circuit affirmed the district court in a divided opinion, relying in part on evidence showing consumers recognized BOOKING.COM as a brand rather than a generic service.

The USPTO filed a petition for certiorari, which was granted. On May 4, 2020, the Supreme Court heard telephonic oral arguments – a historic first necessitated by the Covid-19 pandemic. The decision is expected later this term.

In its opening brief, the USPTO focused on arguing that appending a top-level domain (*e.g.*, “.com”) to a generic term does not create a protectable mark. The USPTO relied heavily on *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), which, more than 130 years ago, held that the addition of an entity designation like “Company” or “Inc.” to a generic term like “wine,” “cotton,” or “grain” does not create a protectable mark. The USPTO argued that the same principle applies to proposed marks, like BOOKING.COM, that are formed by adding a top level domain “.com” to a generic term that signifies the goods or services provided. The USPTO concluded that the addition of “.com” does not create a protectable mark, because it conveys only that respondent operates a commercial website via the Internet. Thus, the USPTO reasoned, just as no company could federally register “Booking Company” or “Booking Inc.” as a trademark, respondent should not be permitted to federally register “BOOKING.COM.”

The USPTO pointed out that the Fourth Circuit’s decision threatens significant anticompetitive

consequences because it permits individuals or entities to monopolize language by obtaining the contractual rights to “generic.com” domain names and then leveraging those domain names into protected trademarks. It explained that the online context makes trademark registration of “generic.com” terms particularly problematic, where under the domain-name system, only one entity can have contractual rights to use a particular domain name at a given time. That functional feature of the Internet, claimed the USPTO, *already* gives significant competitive advantages to entities that obtain “generic.com” domain names. Indeed, the USPTO argued, treating BOOKING.COM as a protectable trademark would allow a single entity to monopolize the term “booking” with respect to the relevant online services and impede Booking.com’s competitors from using it in their own domain names. The USPTO concluded that such protection threatens to preclude competitors from calling their products and services by their common names, thereby diminishing competition and harming consumers.

The USPTO also argued that *Goodyear* is still applicable, even though it predated the Act’s enactment, explaining that the purpose of the Act was to codify and unify the common law of unfair competition and trademark protection, not to abrogate this Court’s longstanding precedents.

The USPTO also noted that trademark protection is not necessary to protect Booking.com’s investment in the name BOOKING.COM. It reasoned that other legal rules protect Booking.com from third parties’ attempts to trade on its reputation or mislead consumers, such as unfair competition laws prohibiting third parties from passing off their goods or services as Booking.com’s. The USPTO further noted that Booking.com also remains free to register as trademarks stylized elements of its brand identity that distinguish it from its competitors.

The USPTO further argued that the Fourth Circuit's reliance on Booking.com's survey, which purported to show that a significant percentage of consumers identified BOOKING.COM as a brand name, rather than as a general reference to websites offering hotel reservation services, was misplaced. The USPTO argued that in relying on the survey evidence, the Fourth Circuit disregarded a fundamental distinction between generic and descriptive terms: generic terms are not registrable as trademarks, even upon a showing of secondary meaning, whereas descriptive terms may be registered based upon such evidence. *See* 15 U.S.C. 1052(f). The USPTO concluded that that distinction ensures that generic terms cannot be monopolized even by entities that devote substantial resources to creating a public association between a generic term and a particular brand.

Booking.com's brief focuses on consumers. It opens with a statement, "[u]nder the Lanham Act, 15 U.S.C. § 1051 *et seq.*, the consumer is king," and quickly notes that "trademark protection turns on whether a mark permits consumers to distinguish one brand of products from another." Booking.com argues that the Act prescribes one test only for whether a mark is generic: whether its "primary significance... to the relevant public" is the category of goods or services to which the mark applies. 15 U.S.C. §1064(3). Booking.com further notes that while the primary-significance test appears in the provision governing cancellation, it also controls initial registration of trademarks and applies to all marks, including domain names.

Booking.com explains that under the primary-significance test, whether a mark is generic depends on whether relevant consumers believe that the mark as a whole is the generic name for the class of goods or services. Booking.com reasons that, because that test requires assessing what consumers think, courts and the USPTO have long evaluated facts relevant to consumer perceptions—especially survey evidence—to resolve genericness case by

case. Thus, according to Booking.com, the Fourth Circuit properly asked whether consumers consider BOOKING.COM, as a whole, to signify the generic name for online hotel-reservation services; and the Court credited the district court's factual finding that the answer was no, citing (among other evidence) a survey showing that 74.8 percent of relevant consumers consider BOOKING.COM a brand, not a generic name, and the weakness of the USPTO's contrary evidence. Booking.com concludes that that analysis should end this case.

Booking.com points out that the USPTO's argument for a *per se* rule that a generic term like "cotton," "grain," or "reservation" coupled with a suffix like "Company," "Inc.," ".com," or "Store" is always generic for those goods or service, regardless of overwhelming evidence showing that consumers believe the mark as a whole is not generic, is based entirely on *Goodyear*, a decision it argues the Act repudiated. Indeed, Booking.com explains, the Act discarded that rule by adopting the primary-significance test for genericness and by mandating registration of any mark consumers consider distinctive, including GOODYEAR itself.

Booking.com then mentions multiple examples of many registered marks that defy the USPTO's *per se* rule, *i.e.*, the national grocery chain FOODS CO. is indeed a company selling foods, just as THE WIG COMPANY is a company selling wigs, THE FLAGPOLE COMPANY is a company selling flagpoles, LAWYERS ALLIANCE is an alliance of lawyers, IRRIGATION ASSOCIATION is an association for the irrigation industry, and the national chain THE CONTAINER STORE is a store for containers, *etc.* Booking.com then concludes that the USPTO's position would also decimate countless registered Generic.com marks, which pervade every aspect of our lives, *i.e.*, DATING.COM, TICKETS.COM, RESTAURANT.COM, FLIGHTS.COM, HOMES.COM, *etc.* The USPTO even registered COOKING.COM, points out Booking.com.

Booking.com also explains that the primary-significance test advances the Act's objectives of protecting consumers and rewarding trademark owners for building goodwill behind their brands. Specifically, different sets of consumers perceive different words in different ways, and different litigants marshal different evidence. Case by case determination whether relevant consumers consider a mark as the name for a class of goods or services winnows out marks that lack any source identifying function without indiscriminately rejecting marks that help consumers navigate the marketplace. Also, Booking.com notes, the primary-significance test is just the first hurdle for marks, *i.e.*, even if a mark passes the primary-significance test, the applicant must still show secondary meaning – that consumers associate the mark with a single source to obtain registration on the principal register. 15 U.S.C. § 1052(f). Booking.com then reasons that the primary-significance test makes particular sense for domain names, where the price of denying trademark protection is steep as domain names are readily susceptible to Internet-based fraud and confusion.

Booking.com further argues that because the primary-significance test looks to whether consumers believe a mark as a whole signifies the name of a class of goods or services, the test demands that courts assess what consumers actually think, and that the courts and the USPTO rely on a variety of probative evidence, among which, survey evidence often plays a starring role.

Lastly, Booking.com argues that adopting the USPTO's *per se* rule would usher in a mass extinction for registered trademarks. Booking.com explains that the USPTO has spent decades registering marks that violate the USPTO's rule that a generic root term, coupled with "Company" or ".com," can never be a trademark. The same would be true for coupling generic terms with "Association," "Partnership," "Society," "Alliance," "Group," "Foundation," or 1-800- hotlines.

Booking.com further notes that unfair-competition laws are no substitute for the rights the Act extends to mark-holders.

Twelve outside groups filed amicus briefs in support of Booking.com. Among the amici are the Intellectual Property Owners Association, the International Trademark Association, the Survey Scholars and Consultants, and Coalition of .Com Brand Owners, including Cars.com, Home.com, and Wine.com. The amici expressed concerns about a rigid rule and argued for a facts-based, case-by-case determination.

The first ever telephonic oral arguments went smoothly. Erica L. Ross, Assistant to the Solicitor General, argued for the USPTO and Lisa S. Blatt argued for Booking.com. As in its opening brief, the USPTO at oral argument largely relied on *Goodyear*. The USPTO argued that the term “booking” is generic and, under *Goodyear*, the addition of entity designations such as “Company” or “Inc.” does not create a protectable mark. The USPTO explained that the addition of “.com” is similar to the addition of an entity designation and, therefore, should not be eligible for federal trademark registration. The USPTO also raised concerns about whether affording additional protection in the form of trademark registration would effectively give Booking.com a monopoly.

Booking.com argued that the Act repudiated *Goodyear* in favor of a rule that asks what consumers believe the term signifies and, thus, the primary-significance test should apply. Booking.com further argued that survey and other evidence showed that consumers strongly identified BOOKING.COM with the company’s services, which was a critical issue under the Act. Booking.com further cited concerns about harm from third-party cyber scams and argued that it could not sufficiently combat such harmful behaviors without a registered trademark. Booking.com also insisted that the USPTO’s concerns about competitive advantage are

minimized by the fact that marks like Booking.com are relatively weak because they are a result of putting together two generic terms.

The Justices' questions largely focused on four issues: (i) the potential for abuse by granting monopolies rather than an advantage based on a commercial identification that the trademark law is intended to provide, (ii) comparisons to other acceptable forms of registered marks – such as 1-800 numbers or street addresses; (iii) whether the over-100-year-old *Goodyear* case should apply to trademark registrations in the Internet era; and (iv) survey evidence Booking.com had presented to the trial court to show that its name was not generic. A few Justices also indicated they were reluctant to adopt either side's bright-line rule and invited the advocates to propose a middle ground; however, neither offered one.

The Court should issue its decision before the end of this term in June.

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