

Blog Post

Genericness is in the Eye of the Beholder, i.e., the Public: BOOKING.COM is a Protectable Trademark

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On June 30, 2020, the U.S. Supreme Court (the “Court”), in an 8-1 decision, affirmed the Fourth Circuit’s holding that “BOOKING.COM” is a protectable trademark, thereby rejecting a sweeping rule that a protectable trademark cannot be created by adding “.com” to an otherwise generic term.

As explained in our [previous blog](#), the legal battle between a leading hotel accommodations and reservations company, Booking.com, and the U.S. Patent and Trademark Office (“USPTO”) began almost a decade ago, when the USPTO had refused registration of the BOOKING.COM trademark, finding that the mark was generic. The Trademark Trial and Appeal Board affirmed the USPTO’s decision. The appeals followed. The district court for the Eastern District of Virginia held that BOOKING.COM is not 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 Fourth Circuit affirmed the district court in a divided opinion, relying in part on evidence showing that consumers recognized BOOKING.COM as a brand rather than as a generic service. The USPTO filed a petition for *certiorari*, which was granted.

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The issue before the Court was “[w]hether the addition by an online business of a generic top-level domain (“.com”) to an otherwise generic term can create a protectable trademark.” The Court sided with Booking.com and, in an opinion penned by Justice Ginsburg, and joined by seven other justices, held that “[a] term styled ‘generic.com’ is a generic name for a class of goods or services only if the term has that meaning to consumers.” The Court explained that since the courts below determined, and the USPTO no longer disputed, that consumers did not perceive the term BOOKING.COM to signify online hotel-reservation services as a class, the term is not generic and can be eligible for federal trademark protection.

Justice Ginsburg’s opinion noted at the outset that eligibility for registration turns on a mark’s ability to distinguish goods or services in commerce and, thus, customer perception is determinative. Justice Ginsburg explained that if customers perceive a term to apply to a particular company, rather than an entire category of products or services, then the term can receive trademark consideration. Justice Ginsburg reasoned: “whether ‘BOOKING.COM’ is generic turns on whether the term, taken as a whole, signifies to consumers the class of hotel reservations services. Thus, if ‘BOOKING.COM’ were generic, we might expect consumers to understand Travelocity—another such service—to be a ‘BOOKING.COM.’” Justice Ginsburg then noted that the courts below determined that consumers do not perceive BOOKING.COM to be a generic term, and concluded, that “[t]hat should resolve this case: Because ‘BOOKING.COM’ is not a generic name to consumers, it is not generic.” Despite recognizing that such an agreement should resolve the case, Justice Ginsburg also addressed several arguments raised by the USPTO.

Justice Ginsburg rejected the USPTO’s nearly *per se* rule that when a generic term is combined with a generic top-level domain like “.com,” the resulting combination is generic, as well. She also noted that

such a comprehensive rule is inconsistent with the USPTO's past practice where it issued marks including ART.COM and DATING.COM.

Justice Ginsburg also rejected the USPTO's reliance on *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), a decision predating the Lanham Act, which held that adding a generic corporate designation to a generic term did not confer eligibility for trademark protection. The USPTO contended "'Generic.com' ... is like 'Generic Company' and is therefore ineligible for trademark protection, let alone federal registration," but Justice Ginsburg stated that that premise was "faulty."

Justice Ginsburg explained that a "generic.com" term might also convey to consumers a source-identifying characteristic: an association with a particular website and only one entity can occupy a particular internet domain name at a time. Accordingly, Justice Ginsburg concluded, "[a] consumer who is familiar with that aspect of the domain-name system can infer that BOOKING.COM refers to some specific entity." Justice Ginsburg also noted that USPTO's understanding of *Goodyear* to hold that "Generic Company" terms "are ineligible for trademark protection as a matter of law" regardless of consumer perception is incompatible with a bedrock principle of the Lanham Act, which is that the generic (or nongeneric) character of a particular term depends on its meaning to consumers.

Additionally, Justice Ginsburg rejected the USPTO's assertion that granting Booking.com a trademark would unfairly punish competitors. Justice Ginsburg noted that the USPTO's main concern is not that others seeking to offer hotel-reservation services need to call their services "BOOKING.COM," but rather that that it will inhibit competitors from using the term "booking" or adopting domain names like "ebooking.com" or "hotel-booking.com." However, Justice Ginsburg explained that that concern attends any descriptive mark and explained that "the trademark law hems in the scope of such

marks short of denying trademark protection altogether.” Further, Justice Ginsburg noted, a competitor’s use does not infringe a mark unless it is likely to confuse consumers and when a mark incorporates generic or highly descriptive components, consumers are less likely to think that other uses of the common element emanate from the mark’s owner. Indeed, Justice Ginsburg pointed out that Booking.com itself conceded that “BOOKING.COM” would be a weak trademark and that even close variations of the mark would be hard to prosecute.

Justice Ginsburg finally observed that the bright-line rule proposed by the USPTO that combining a generic term with “.com” yields a generic composite would “largely disallow registration of ‘generic.com’ terms and open the door to cancellation of scores of currently registered marks.”

Justice Sotomayor joined the majority but wrote separately to emphasize two points. First, she agreed with Justice Breyer (dissenting) that consumer-survey evidence “may be an unreliable indicator of genericness,” but she explained that the Court was not endorsing them as the most persuasive evidence. Second, she noted that the USPTO may have correctly concluded that BOOKING.COM was generic for online hotel reservation services based on dictionary and usage evidence, but that that question was not before the Court.

Justice Breyer dissented, and asserted that *Goodyear* should have been extended to “generic.com” terms because “[t]erms that merely convey the nature of the producer’s business should remain free for all to use.” Justice Breyer also argued that by making “generic.com” eligible for trademark protection “will lead to a proliferation of ‘generic.com’ marks, granting their owners a monopoly over a zone of useful, easy-to-remember domains, ... [which will] inhibit, rather than . . . promote, free competition in online commerce.” He

also noted that survey evidence has limited probative value because surveyed consumers might create an association between a “generic.com” term and a particular source due to extensive advertising, which does not transform the nature of a generic term.

While the Court struck down a bright-line rule against registering a generic word plus top-level domain combination, it has also not issued a bright-line rule that these marks will be found protectable. Instead, the Court simply reiterated the well-known rule that whether a term qualifies for federal trademark protection simply depends on consumers’ perception of the mark. The mischief, however, is placing the decision principally on survey evidence, which often will lead to unpredictability and a battle of competing experts.

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