U.S. Insight: U.S. Supreme Court Holds That Adding ".com" To A Generic Word Can Make The Combination Eligible For Trademark Protection

On June 30, 2020, the United States Supreme Court held in *United States Patent and Trademark Office et al. v. Booking.com B.V.* that a generic term combined with ".com," such as "Booking.com," is eligible for trademark registration if consumers perceive the entire mark as a non-generic brand name. The Supreme Court's decision has important implications for trademark applicants and owners.

Case Background

Booking.com, a travel-reservation company that maintains a website under the same name, filed trademark applications for four marks relating to its business, all including the name "Booking.com." The U.S. Patent and Trademark Office ("PTO") refused registration, claiming that "Booking.com" is a generic term referring to online hotel-reservation services. When Booking.com sought judicial review, the United States District Court for the Eastern District of Virginia held that even though the term "booking" alone is a generic term, the combination of "booking" and ".com" is not. On appeal, the Fourth Circuit affirmed, rejecting the PTO's argument that combining a generic term with ".com" necessarily yields a generic composite.

The Supreme Court's Decision

In an 8-1 decision, the Supreme Court affirmed the Fourth Circuit's decision. The Court reiterated the well-established principle that a generic name, i.e., the name of a class of products or services, is ineligible for trademark protection. The determination of whether a compound term styled "generic.com" is generic "turns on whether that term, taken as a whole, signifies to consumers a class of goods or services." The undisputed record, which included a consumer survey, showed that consumers do not perceive the term "Booking.com" to refer to the generic service of hotel reservations. As such, the Court determined that "Booking.com" is not a generic term and is eligible for trademark protection.

The PTO argued that the exclusionary rule it advocated followed from the precedent established by the Supreme Court in *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), which held that a generic corporate designation, such as "Company," added to a generic term does not confer trademark eligibility. The Court rejected the PTO's argument, reasoning, *inter alia*, that a "generic.com" term can also convey to consumers a source-identifying characteristic: an association with a particular website. The Court clarified that it is not embracing a rule that would automatically classify "generic.com" styled terms as non-generic; the inquiry will turn 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."

The Court also rejected the PTO's policy concern that allowing the registration of "generic.com" terms would have an anticompetitive effect by giving the mark owner undue control over the use of generic language. The PTO argued that allowing the registration of "Booking.com" would prevent or inhibit competitors from adopting similar domain names, such as "hotel-booking.com" or "ebooking.com."[1] The Court rejected this argument, stating that trademark law is already responsive to these concerns; indeed, Booking.com conceded that "Booking.com" would be a "weak" mark because it is descriptive, thus making it more difficult to show a likelihood of confusion. The Court found that this, in addition to the doctrine of fair use, is sufficient to prevent the owner of a "generic.com" mark from gaining a monopoly on the use of the root generic term.

Finally, the Court held that even if other legal protections, such as unfair competition laws, would prevent others from passing off their services as Booking.com's, that is not a sufficient reason to deny the greater protection of trademark registration.

The Supreme Court's decision has important implications for clients, especially those with an internet presence, that wish to register marks composed of generic terms and top-level domain names (such as .com, .net, and .org).

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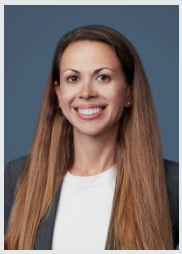

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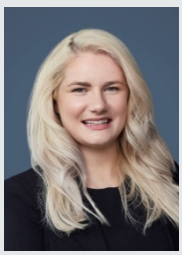

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[1] Justice Stephen Breyer, in the lone dissent, wrote that "by making such terms eligible for trademark protection, I fear that today's decision will lead to a proliferation of 'generic.com' marks, granting their owners a monopoly over a zone of useful, easy-to-remember domains."