U.S. Supreme Court Rules in Favor of Booking.com in Trademark Case

By Evi T. Christou

On June 30, the U.S. Supreme Court decided by a vote of 8-1, that generic words coupled with ".com" may be eligible for federal trademark registration so long as consumers do not perceive such words as generic. U.S. Patent and Trademark Office v. Booking.com B. V., No. 19-46, 591 U.S. ___ (2020).

Background

In 2011 and 2012, Booking.com, a digital travel company, sought to federally register "Booking.com" for hotel reservation services with the U.S. Patent and Trademark Office ("USPTO"). The USPTO denied Booking.com registration under the longstanding rule that generic words (the name of a class of products or services) are not eligible for federal trademark registration. The USPTO's Trademark Trial and Appeal Board affirmed, concluding that "Booking.com" was generic because consumers would understand its "primary significance" as "an online reservation service for lodgings" generally.

Booking.com sought review of the USPTO's decision in the U.S. District Court for the Eastern District of Virginia and introduced consumer survey evidence and evidence of Booking.com's reputation, marketing and commercial success to demonstrate that consumers do not view "Booking.com" as a generic name for hotel reservation services, but rather, identify it with Booking.com's brand. The district court agreed, holding that Booking.com was not generic for hotel reservation services and was therefore entitled to federal registration. The U.S. Court of Appeals for the Fourth Circuit affirmed.

Discussion

A longstanding and fundamental doctrine in trademark law provides that generic words are not entitled to trademark protection. Unlike a trademark, which identifies the source of a good or service, a generic term names a "class" of products or services. The doctrine protects competitors' ability to use the terms they need to describe their competing products. Therefore, even when a long period of exclusive use or an extensive advertising campaign has persuaded consumers to understand a generic term as a brand name, the USPTO has set forth a categorical rule against federal registration of such terms.

In this case, the parties did not dispute that the word "booking" was generic for hotel-reservation services. Therefore, the question before the Court was whether the combination of a generic word (in this case, "booking") and ".com" is generic. The Court ultimately ruled that "Booking.com" as a whole was not generic because consumers do not perceive "Booking.com" to signify a class of online hotel reservation services. According to

the evidence presented by Booking.com in the lower courts, 74.8% of respondents in a consumer survey identified Booking.com as a brand rather than a generic term. Respondent's Brief, at 12. The Court also rejected the USPTO's categorical rule that adding ".com" to a generic term does not convey additional meaning that would distinguish one provider's services from those of other providers. As the Court noted, because only one entity can occupy a particular domain name at a time, a consumer who is familiar with that aspect of the domain name system can infer that "Booking.com" refers to some specific entity and can distinguish it from other online hotel reservation providers.

The Court also rejected the USPTO's principal concern that affording protection for a term like "Booking.com" would hinder competitors' ability to use generic marks. The Court reasoned that anticompetitive harms would be mitigated because trademark infringement requires the trademark owner to show a likelihood of confusion, and consumers would be less likely to be confused by similarities between the generic or highly descriptive components of a generic.com mark and other businesses' uses of similar words or symbols. Moreover, the Court noted that even if a trademark owner of a mark comprising a generic term and ".com" sued a competitor whose domain name incorporated the generic term, doctrines such as the fair use doctrine could be replied on in attempt to shield the competitor from liability.

Key Takeaway

- Carefully designed consumer surveys, dictionary definitions, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term's meaning are central to showing how the public perceives trademarks comprising generic words and ".com."

Posted: July 2, 2020