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Supreme Court Clears the Way for Generic.com Trademark Registrations

By Jessica Lynn Falk and Lois Ahn

On June 30, 2020, the U.S. Supreme Court issued its opinion in *United States Patent and Trademark Office v. Booking.com B.V.* At issue was whether combining an otherwise generic term, such as “the name of a class of products or services,” with a generic top-level domain, such as “.com,” renders the resulting combination eligible for federal trademark registration. *Booking.com*, No. 19-46, at 1 (June 30, 2020). Specifically, Respondent Booking.com, a travel-reservation website, sought to register a trademark in “Booking.com” despite acknowledging that the word “booking” is generic for reservation services. *Id.* Petitioner, the U.S. Patent and Trademark Office (“USPTO”), had previously refused registration, stating that the combination of the generic word and “.com” is generic. *Id.* at 4-5. The U.S. District Court for the Eastern District of Virginia and the U.S. Court of Appeals for the Fourth Circuit both concluded that “Booking.com” was not generic, and the USPTO appealed that determination. *Id.* at 5.

Justice Ruth Bader Ginsburg, writing for an eight-justice majority, concluded “[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.” *Id.* at 1 (emphasis added). In holding that “Booking.com” is a protectable mark, the Court relied on the lower courts’ finding that survey evidence demonstrated that consumers recognized “Booking.com” as a brand name. *Id.* at 7. The lower courts determined that “Booking.com” was therefore descriptive and had acquired secondary meaning for hotel-reservation services. *Id.* at 5. Because consumers do not perceive the term “Booking.com” to signify the class of online hotel-reservation services, the Court held, “it is not generic.” *Id.* at 7.

The USPTO had argued that the Court’s holding in *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888)—that adding a generic corporate designation (e.g., Co.) to a generic term does not render the combined term trademark eligible for registration—meant that adding “.com” to an otherwise generic term, like adding “Company,” conveys no additional meaning to consumers capable of distinguishing the goods or services. *Id.* at 8-9. The Court disagreed and held that the USPTO’s reading of *Goodyear* was flawed and in contravention of the Lanham Act’s bedrock principle of consumer perception. *Id.* at 10. According to the Court, *Goodyear* does not stand for the proposition that terms that combine a generic term with a generic corporate designation are ineligible for trademark protection, *as a matter of law. Id.* Rather, the Court stated, *Goodyear* held that whether a term is generic depends on its meaning to consumers and “[a] compound of

generic elements is generic if the combination yields no additional [source-identifying] meaning to consumers.” *Id.* Furthermore, the Court reasoned that because each domain name is used exclusively by one entity at a time, it can be a source-identifier because “[c]onsumers could understand a given ‘generic.com’ term to describe the corresponding website or to identify the website’s proprietor.” *Id.* at 9. The Court therefore rejected the USPTO’s request for a “sweeping,” “nearly *per se* rule” that would render compound terms “ineligible for registration regardless of specific evidence of consumer perception.” *Id.* at 1, 7.

The Court dismissed the USPTO’s concerns that allowing a “generic.com” registration would hinder competition, as such risks exist with any descriptive mark and is addressed by examining the strength of the mark in a likelihood of confusion analysis and the defense of fair use. *Id.* at 12. The Court also credited Booking.com’s representations that it acknowledged its mark is “weak” and that it would not attempt to prevent competitors from using “booking” to describe their services. *Id.* at 13. Lastly, the Court expressed concern that adopting the USPTO’s *per se* rule would force the cancellation of numerous existing “generic.com” marks. *Id.* at 14.

Justice Sonia Sotomayor, while joining the majority opinion, wrote a concurrence to emphasize that the Court did not consider consumer surveys the “be-all and end-all” as to whether a particular mark is generic or descriptive, and that courts could also consider

“dictionaries, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term’s meaning.” *Booking.com*, No. 19-46, concurring slip op. at 1. Justice Stephen Breyer wrote a dissenting opinion, stating that the majority’s opinion is inconsistent with the principle that generic terms, which “merely convey the nature of the producer’s business,” are not protected by trademark law and “should remain free for all to use.” *Booking.com*, No. 19-46, dissenting slip op. at 3, 7. Justice Breyer also warned that the decision could have “serious anticompetitive consequences” by arming the owners of generic domain names, who already enjoy that competitive advantage, with trademark protection. *Id.* at 10-11.

The Court’s decision is in line with their prior reluctance to adopt *per se* rules in the intellectual property space. It also recognizes the importance of consumer perception under the Lanham Act. While “generic.com” marks will still face the challenge of demonstrating consumer association of the mark with the entity, the Court makes clear that this is a fact-intensive inquiry and such marks need not be rejected outright. Though the Court acknowledged that consumer surveys are not the only means of establishing consumer perception, the decision necessarily renders well-designed consumer surveys even more critical in trademark prosecution and litigation.

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