



## 1 Jul 2020 “A victory for any brand owner that has invested to build a brand”: Booking.com and legal experts react to Supreme Court decision

The US Supreme Court opinion in [USPTO v Booking.com](#) has handed down a verdict in favour of Booking.com, ruling 8-1 that the USPTO was incorrect when it denied a trademark application for the name of the travel company. In doing so, the Supreme Court rejected the USPTO’s ‘sweeping rule’ that the combination of a generic word and ‘.com’ is automatically generic.

WTR covered the ruling in detail [here](#). As with all Supreme Court cases, the result has stirred up a range of reactions from within the trademark community. We have compiled some of the immediate responses below and will continue to update this article as commentary comes in.

### “The ruling is a victory for any brand owner that has invested to build a brand”

Booking.com is very pleased with the Supreme Court’s ruling today. The court’s ruling demonstrates that US legal system has the capacity to evolve in order to reflect the digital world we are all living in – and clarifies that companies’ names with a generic word and ‘.com’ are entitled to trademark protection when consumers perceive a term to be a brand name. The ruling is a victory for any brand owner that has invested to build a brand.

*Spokesperson for Booking.com*

### “The majority expressed little concern for the potential anticompetitive effects of granting Booking.com trademark rights”

The majority’s decision pivoted in part on its reasoning that, unlike ‘Inc’ or ‘Co’, the fact that only one company can control a domain name using a specific word or arrangement of words with ‘.com’ favours a finding that consumers will identify the domain name site with a specific company, even if the domain name uses a word that would otherwise be considered generic for the services provided at the web site.

This reasoning stood on its head the trademark office’s arguments that ‘monopoly’ granted to Booking.com by virtue of registering its domain name should abrogate the need for Booking.com to have a trademark registration as well. Likewise, the majority expressed little concern for the potential anticompetitive effects of granting Booking.com trademark rights in the domain name, noting that the risks of monopolization and the availability of defences against infringement claims brought by Booking.com would be no different than for when any other marks are registered.

*Mitchell Stein, partner at Sullivan & Worcester*

### “The court leaves open... how a mark’s significance should be analysed and weighted”

The court provides important certainty to marketers and practitioners by rejecting a near *per se* rule that all ‘generic.com’ marks are generic and by confirming the established touchstone that each mark’s primary significance to the relevant public determines whether or not it is generic.

Critically, however, in limiting its decision to this narrow question, the court leaves open the pivotal question of how particular evidence regarding a mark’s significance should be analysed and weighted. As both Justice Sotomayor’s concurrence and Justice Breyer’s dissent intimate, this will not necessarily be simple and straightforward and is bound to lead to future appeals.

*Daniel Frohling, co-chair, retail and consumer brands at Loeb & Loeb*

### “The bar for proving acquired distinctiveness has not been lowered”

Some will attempt to argue (and some already are arguing) that this decision stands for the proposition that, whether a mark is registrable or ownable, depends entirely on consumer perception. That interpretation is not clear on the face of the decision. The Supreme Court’s decision does not strike the general rule that a generic term cannot be rescued from genericness no matter how voluminous the proffered

evidence may be. I read Footnote 3 of the decision to convey that the majority was expressly declining to address whether a generic term – which, at some point, garnered no consumer perception – can become ownable or registrable over time because the “primary significance” of the term has become a source identifier.

Whether the USPTO perceives that a term is generic or descriptive may depend largely on its meaning to consumers at the time the applicant seeks to register it. And, although inconsistent with our general recommendation to file early to obtain priority, applicants seeking to register borderline generic/descriptive marks may wish to delay doing so until they can come prepared with evidence (survey or otherwise) to demonstrate that the primary significance of the term has become a source identifier.

Importantly, the bar for proving acquired distinctiveness has not been lowered as a result of this decision, and the majority did not overrule the basic principal that a generic term is “ineligible for registration”. So, I do not see this decision opening the flood gates to registrations beyond the narrow ‘generic.com’ (or ‘generic.gTLD’) applicant that can also prove that the mark has acquired distinctiveness.

[Hope Hamilton](#), partner at *Holland & Hart*

#### **“I believe the USPTO’s fear is unwarranted for several reasons”**

The USPTO, during oral arguments, raised the concern that allowing registration to ‘generic.TLD’ marks will effectively flood the US trademark register, such that it becomes a sort of domain name registry. The court’s decision certainly does open the door to registration of more domain names, and I do expect applications for such domain name marks to increase. However, I believe the USPTO’s fear is unwarranted for several reasons.

As the lower courts found and the USPTO conceded, consumers would not consider a domain like ‘travelocity.com’ to be a type of ‘booking.com’. If evidence to the contrary existed, the court’s decision reasonably could have held BOOKING.COM to be generic, but the underlying reasoning and holding likely would have been no different. As Justice Sotomayor stated in her concurrence, whether BOOKING.COM is generic was not before the court. That is, even if BOOKING.COM were a recognised category of booking businesses or websites, it does not follow that, say, ‘furniture.com’ or ‘flowerservice.com’ necessarily has categorical meaning to consumers. Ultimately, as the court has clarified, the inquiry must be a case-by-case one.

[David Bell](#), chair of *Haynes and Boone’s trademark practice group*

#### **“The decision could open up the register to a select group of similarly situated marks”**

The USPTO voiced concern that there would be a flood of applications for purported trademarks consisting solely of combinations of generic terms. However, I suspect that this concern may be a bit overstated. The rule in *Booking.com* would likely be applied in fairly limited circumstances, namely where such ‘generic term’ marks can only lead to a single source of products. Indeed, the USPTO has already granted registrations for similarly situated marks, such as ART.COM for art print sales and DATING.COM for dating services. Applicants for such marks would still need to prove that the primary significance of the applied-for mark is a source identifier and not a generic term. That remains a fairly significant threshold requirement that would almost certainly rule out basing the application on anything other than ‘use in commerce’ under Section 1(a) of the Lanham Act. And, it is unclear whether, and to what extent, such generic combination marks could make use of the supplemental register.

However, I do think that the decision could open up the register to a select group of similarly situated marks that have become well-known brand names that were previously rejected by the USPTO, such as HOTELS.COM. Further, the flood of applications may also be cut off by the difficulty of gathering convincing evidence of consumer perception. Applicants can always submit survey evidence (and indeed this decision may be a boon to survey experts), but such surveys can be expensive and, as Justice Sotomayor pointed out, are often flawed and unconvincing.

[Brett Heavner](#), partner at *Finnegan*

#### **“Notably, Booking.com conceded that BOOKING.COM is a weak mark”**

The USPTO urged the court to set a *per se* rule that would render marks like BOOKING.COM ineligible for registration regardless of consumer perception. In its refusal to affirm such a rule, the court cited several examples of the USPTO’s past practice of registering ‘generic.com’ marks on both the principal and supplemental registers, including ART.COM and DATING.COM. Experienced trademark practitioners and owners are familiar with the principle that each trademark application is considered by the USPTO on its own record for registrability purposes. That the court specifically called out and relied on the USPTO’s previous treatment of similar trademarks is in notable contrast to current USPTO practice.

The court also addressed the USPTO’s concern that trademark protection for terms like BOOKING.COM could exclude competitors from using the term ‘booking’ or from adopting domain names like ‘ebooking.com’. In doing so, the court discussed one of the relevant likelihood of confusion factors – the strength of the mark.

Notably, in this case, Booking.com conceded that BOOKING.COM is a weak mark and is descriptive. Moreover, the court also addressed the

USPTO’s monopolisation concern by discussing the classic fair use doctrine, which is a defence for those who use a descriptive term, in good faith, for its descriptive meaning to describe their offerings. Here, while Booking.com will have an upper-hand when it comes to establishing the validity of its mark, it will have to contend with both the weakness of its mark and potential fair use issues when considering enforcement activities.

[Virginia Marino](#), shareholder with Brinks Gilson & Lione

**“I think this is a good day for owners of ‘Generic.com’ brands and domainers”**

The USPTO argued that granting exclusive rights to marks such as BOOKING.COM would have anti-competitive effect. However, the Supreme Court blunted this argument by reasoning that a trademark owner’s need to prove likelihood of confusion and a defendant’s ability to rely on fair use of words in their descriptive sense as a defence ameliorated any anti-competitive effect of granting rights to marks like BOOKING.COM.

My hope following this decision, though certainly not an expectation, is that the USPTO will realise it is in the business of registering marks rather than denying them. Moreover, I hope the USPTO will make its examination practices more consistent and stop sending office actions indicating that examining attorneys are not bound by past practices of the trademark office. Trademark lawyers need to be able to advise their clients but the current and often inconsistent practice of the USPTO on all sorts of important issues such as distinctiveness and likelihood of confusion makes doing so very difficult.

This decision reminds me that original ‘Generic.com’ brands such as Drugstore.com and Beauty.com were effectively cheated from obtaining federal registration. This is a good decision for those ‘Generic.com’ brands that continue to exist. They can now file for federal registration and if they have been using for five or more years, they would likely have a presumption of acquired distinctiveness. What were formerly thought of as generic domain names (eg, ‘shoes.com’ and ‘vitamins.com’) just became a lot more valuable. I think this is a good day for owners of ‘Generic.com’ brands and domainers sitting on stockpiles of generic domain names.

[Eric T Fingerhut](#), office managing member of Dykema’s Washington DC office

**“Similarly situated applicants may not necessarily enjoy a clear path to registration”**

The opinion obviously opens the door for applications to register certain categories of claimed marks that the USPTO otherwise would reject out of hand, just as it initially rejected Booking.com’s applications. At the same time, however, Booking.com did not successfully appeal the USPTO’s rejection of certain of its applications to the district court, which confirms that similarly situated applicants may not necessarily enjoy a clear path to registration; moreover, they may also need to assemble the type of extensive factual showing, including survey evidence, proffered by Booking.com. In addition, the court’s reliance in part on the unique nature of electronic addresses may limit the decision’s effect on genericness doctrine outside the context of domain names.

[Ted Davis](#), partner at Kilpatrick Townsend

**“Trademark law has developed to ameliorate such anticompetitive results”**

In a lone dissent, Justice Breyer raised concerns that granting federal trademark registrations for ‘generic.com’ marks would inhibit competition and grant the trademark owners virtual monopoly over generic terms. But trademark law has developed to ameliorate such anti-competitive results. For example, to prevail in an infringement action, Booking.com would still have to show that an adverse mark is likely to confuse consumers. This analysis is predicated in part on the strength of the registered mark. Generic or highly descriptive marks are considered weak and consumers are less likely to be confused as to the source of the mark. In addition, under the classic fair use doctrine, a competitor that uses a descriptive term to describe its own goods is not liable for infringement.

[David Martinez](#), partner at Robins Kaplan LLP

**“You cannot take any generic term and add ‘.com’ to it and say you definitely have a registrable mark”**

What the case likely means is that there can be no automatic rejection of an application to register a mark that is simply a combination of a generic term such as ‘booking’ and a familiar TLD extension such as ‘.com’. It does not, however, mean that any such combination would necessarily be registered as a trademark. That is, you cannot take any generic term and add ‘.com’ to it and say you definitely have a registrable mark for any goods or services. Each case would still need to be examined on its own merits. The Supreme Court noted, for example, that ART.COM is already registered as a trademark but did not make a new rule that all such combinations are automatically registrable. What the case signifies is that, in the internet age, TLD extensions, when added to generic terms might well create registrable marks. And that is news – an important clarification from the Supreme Court of how old law applies to the new tricks of electronic commerce.

[Alan Behr](#), partner at Phillips Nizer

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