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## Genericness Dot “Yeah!”

*By Kevin R. Casey*



In *U.S. Patent and Trademark Office v. Booking.com B.V.*, No. 19-46 (June 30, 2020), the U.S. Supreme Court considered whether “the addition by an online business of a generic top-level domain (‘.com’) to an otherwise generic term can create a protectable trademark” and answered “yes.” The Court heard oral arguments on May 4, 2020, for the first time by teleconference (with streaming live audio available) given the pandemic. Justice Ginsberg delivered the 8-1 opinion, with only Justice Breyer dissenting (he characterized the majority’s decision as “inconsistent with trademark principles and sound trademark policy”).

The case involves the online hotel reservation service, Booking.com, which seeks to register its website name as a trademark with the U.S. Patent and Trademark Office (PTO). Booking.com launched its famous “Booking.yeah” brand campaign in 2013, attempting to transform the word “booking” from a simple transaction and company name into an adjective for the sheer, unbridled joy and satisfaction when a traveler opens the door to their accommodation and know they got it right.

Under U.S. trademark law, a designation is generic and cannot be protected as a trademark if its primary significance to the relevant public is the goods or services it covers. 15 U.S.C. § 1064(3); *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938). The Trademark Trial and Appeal Board recognizes a two-part test for genericness: (1) what is the genus of goods or services at issue; and (2) does the relevant public understand the designation primarily to refer to that genus of goods and services? To register a designation as a trademark, the designation must be “distinctive,” i.e., capable of

distinguishing the applicant’s goods or services from those of others. Courts typically measure distinctiveness on an ascending scale from non-protectable to strong: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). Generic designations refer to “the genus of which the particular product is a species” and cannot distinguish the goods or services of an applicant and, therefore, cannot be registered. The issue in *Booking.com* is whether adding “.com” to the end of an otherwise generic term can transform the combination into the kind of distinctive source-designator that trademark law protects.

The PTO refused registration based on its conclusion that the term “booking” is generic for the services identified in the application for registration and that the addition of the generic top-level domain “.com” did not create a protectable mark. *Booking.com* challenged that decision in court. The company prevailed in 2017, when the district court in Virginia held that even though the word “booking” is generic for the services, adding the top-level domain “.com” entitled the company to trademark protection. The PTO appealed to the U.S. Court of Appeals for the Fourth Circuit, which also sided with *Booking.com* - but for slightly different reasons. The appellate court reasoned that “*Booking.com*” must be assessed as a whole, rather than considering “booking” and “.com” separately. The court held that the PTO failed to offer any evidence showing that consumers believe “*Booking.com*” refers in general to online hotel reservation services. The court further held that the mark is not generic because the “primary significance” of “*Booking.com*” to consumers – as evidenced by a consumer survey – is as a brand name, not as a category of services. The PTO then asked the U.S. Supreme Court to review the judgment.



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The PTO contended that the judicial ruling was contrary to prior decisions which held that generic terms cannot be trademarked even with “.com” after their names. In 2009, the U.S. Court of Appeals for the Federal Circuit held that “hotels.com” and “mattress.com” were not entitled to trademark protection (although the PTO registered “art.com” for art prints and “dating.com” for dating services as well as “weather.com,” “answers.com,” and “ancestry.com”). The PTO further contended that “.com” is akin to entity designations such as “Co.” or “Inc.,” which also cannot transform generic terms into protectable trademarks. *See, e.g., Goodyear’s India Rubber Clove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888). *Booking.com* countered with “overwhelming evidence” that consumers view the term *Booking.com* as a company name, noting a survey that it said indicates nearly 75% of consumers recognize *Booking.com* as a brand and not a generic service. Perhaps the dispute reduces to the following: the PTO contended that “*Booking.com*” falls under the generic term classification because “booking” and “.com” are both generic terms, while *Booking.com* responded that the term “*Booking.com*” is not generic as a whole.

The American Intellectual Property Law Association’s amicus brief cautioned against a per se rule that any generic term combined with a generic gTLD yields an

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unprotectable designation, suggesting instead that the Court adopt the Trademark Manual of Examining Procedure's current guidance: review each mark combining a generic term with a generic gTLD on a case-by-case basis. The brief argued that, in some cases, adding a gTLD to a generic term may create a compound term that merely describes the product or service being offered, but is not itself a generic term. In that situation, an applicant should be afforded the opportunity to show that the term has acquired secondary meaning and become distinctive and source-identifying for the applicant's goods or services. The IP Owners Association filed an amicus brief in support of Booking.com arguing that (1) a generic term added to a generic top-level domain should not be considered generic per se, and (2) granting trademark protection to a generic term added to a generic TLD will not necessarily result in overly broad marks. Others, including the PTO, opined that allowing registrations for "generic.com" (i.e., generic URL) terms would have the anticompetitive effect of preventing competitors from using the same term to refer to similar goods and services at a different web address (e.g., "ebooking.com," "hotelbooking.com"). Booking.com said those fears are unfounded, and that companies with similar dot-com names must be able to protect their brands.

The Supreme Court rejected "the PTO's sweeping rule" in favor of relying on consumer perception. The Court explained that (1) "generic" terms are those that name a "class" of goods or services, rather than any particular feature of the class; (2) "for a compound term, the distinctiveness inquiry trains on the term's meaning as a whole, not its parts in isolation"; and (3) the relevant meaning of a term is its meaning to consumers. Thus, "[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." In this case, consumers did not "perceive the term 'Booking.com' to signify online hotel-reservation services as a class"; rather, they perceived that the term was "descriptive of services involving 'booking' available at that domain name" and had acquired secondary meaning as to hotel reservation

services. "That should resolve this case: Because 'Booking.com' is not a generic name to consumers, it is not generic."

The Court rejected the PTO's argument that trademark protection for a term like "Booking.com" would hinder competitors. The Court noted that this concern exists with any descriptive mark, and that trademark law restricts the scope of such marks because a "competitor's use does not infringe a mark unless it is likely to confuse consumers." Booking.com B.V. itself conceded that the descriptive nature of its mark makes it harder to show a likelihood of confusion and that close variations are unlikely to infringe. With respect to survey evidence, the Court held that sources such as dictionaries, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term's meaning may also inform whether a mark is generic or descriptive. Interestingly, in her concurring opinion, Justice Sotomayor agreed with the dissent's observation "that consumer-survey evidence 'may be an unreliable indicator of genericness.'"

**Takeaways:** Although the rejection of the PTO's proposed bright-line rule will allow brand owners to register similar generic domains as trademarks, such designations will not automatically be deemed distinctive. Booking.com may prove to be an exception, supported by ample evidence of consumer perception.

The decision in *Booking.com* essentially maintains the status quo. A per se rule created by the U.S. Supreme Court that any generic term combined with a generic gTLD yields an unprotectable designation would have expanded the scope of unprotectable generic terms and could have had a significant impact on online commercial activities. Well-known domain names would have lost protection under such a rule, and companies might have had to reconsider the use of such names in the future. The Court's decision avoids such consequences.