

United States Patent & Trademark Office v. Booking.com B.V. 140 S. Ct 2298 (2020)

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BACKGROUND

A trademark is a valuable form of intellectual property in which a mark distinguishes a producer's goods or services from another. One of the primary requirements of a trademark is its ability to identify and distinguish the good or product to which the trademark is attached. The more distinctive marks—those that are arbitrary, fanciful, or suggestive—are “inherently distinctive” and eligible for registration in the USPTO. Descriptive marks are not eligible for trademark registration without having “acquired distinctiveness,” and generic terms are ineligible for registration because they refer to the name of an entire group of goods or services, and are thus incapable of distinguishing between others' goods.

Booking.com is a popular online hotel reservation and travel services provider. Booking.com is both the name of the company as well as the name of its website. When Booking.com attempted to register four marks that included the term “Booking.com,” it was denied by the United States Patent and Trademark Office (“PTO”) for having failed to meet the requirement of distinctiveness. The PTO found that both the terms “Booking” and “.com” were generic—“‘Booking,’ the Board observed, means making travel reservations, and ‘.com’ signifies a commercial website.”¹ While Booking.com admitted that the term “booking” was generic, it asserted that “Booking.com” was a qualifying descriptive mark and challenged the PTO's decision.

PROCEDURAL HISTORY

The Trademark Trial and Appeal Board (“TTAB”) determined that Booking.com was a generic term for travel services and was unregistrable. The TTAB found both the term “booking” and the term “.com” to signify general categories, specifically travel reservations and commercial websites. The TTAB held alternatively that even if “Booking.com” were descriptive, it lacks secondary meaning, and is therefore still unregistrable. On review in front of the U.S. District Court for the Eastern District of Virginia, Booking.com introduced new evidence of consumer perception of the mark

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1. USPTO v. Booking.com B.V., 140 S. Ct. 2298, 2303 (2020).

Booking.com. Relying on this new evidence, the Eastern District of Virginia found that Booking.com, unlike the term “booking,” was not generic. Instead, Booking.com was descriptive and had acquired secondary meaning, meeting the Lanham Act’s distinctiveness requirement. The PTO appealed only the issue of whether Booking.com was generic, and the Court of Appeals for the Fourth Circuit upheld the Eastern District of Virginia’s ruling.

ISSUE

Whether the combination of a generic top-level domain (“.com”) with a generic term (“booking”) yields a generic composite that is ineligible for trademark registration.

DECISION

The majority held that Booking.com was not a generic term for purposes of trademark registration. Furthermore, it rejected the PTO’s proposed per se rule that every generic word plus “.com” would form a generic, unregistrable mark.

REASONING

In the majority opinion, the late Justice Ginsburg, writing for an eight-justice majority in one of her final decisions for the Court, laid out three guiding principles for evaluating whether a mark is generic. First, a generic term refers to a whole class of goods or services rather than any aspect of that class. Second, the mark must be evaluated as a whole, not in its individual parts. Third, the relevant meaning of a mark is what it means to consumers. Therefore, the central question was whether “Booking.com,” as a single indivisible term, signifies to consumers a broad class of online hotel reservation services. As Justice Ginsburg put it: “Thus, if ‘Booking.com’ were generic, we might expect consumers to understand Travelocity . . . to be a ‘Booking.com.’”² Relying largely on the survey evidence utilized by the lower courts, the majority found that consumers clearly understood “Booking.com” as a specific service provider rather than the representation of online hotel booking services as a class.

However, the PTO argued that the court should not even reach consumer perception. Instead, it advocated for a per se rule where a generic word combined with a generic top-level domain forms a generic result. Thus, it argued, every “generic.com” term is generic and cannot qualify for federal trademark registration. The majority pointed out that this was inconsistent with the PTO’s own practices, as it had previously approved registration for ART.COM and DATING.COM. The PTO relied on the 1888 Supreme Court case, *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*,

2. *Id.* at 2304–05.

which held that the addition of the word “company” did not make a generic term protectable.³ The PTO likened “generic company” to “generic.com,” but the majority rejected that notion. Furthermore, it held that *Goodyear* did not create a per se rule at all; instead, it was a more nuanced ruling that merely said a compound of generic elements is generic if the combination does not create additional distinguishing meaning for consumers. By themselves, terms such as “generic company” and “generic.com” are neither necessarily generic nor necessarily non-generic. Instead, the key element is whether consumers perceive the term as a class or as a distinguisher among members of a class.

The PTO also argued that “Booking.com” should not be protected because it would hinder competitors. Its worry was that similar domain names like “ebooking.com” and “hotel-booking.com” could not be used. However, as Justice Ginsberg points out, this concern exists with all descriptive trademarks, not just “.coms.” The key determinant here is the likelihood of consumer confusion, which depends in part on how distinctive the mark is. It is much harder to show a likelihood of consumer confusion with marks that are suggestive, arbitrary, or fanciful. There are also additional safeguards against anticompetitive effects, such as the “fair use” doctrine, that would shield a person from liability for using a descriptive term.

The majority similarly dismissed the PTO’s suggestion that “generic.com” brands do not need trademark protection because they are easy for consumers to find and already have a domain name. For one, all descriptive marks are connected to a product or service by their name alone, making them easier to find through searches or directories. The exclusive connection between the domain name and the product or service underlies consumer understanding, which makes trademark protection more appropriate. Additionally, the Lanham Act does not bar registration on the premise that there is another form of existing competitive advantage. For similar reasons, the majority rejected the PTO’s argument that unfair competition law alone could prevent others from passing off their services as those of Booking.com.

CONCURRENCE

Justice Sotomayor concurred with the majority, finding that there is no per se rule making “generic.com” trademarks generic, but she added two observations. First, Justice Sotomayor agreed with Justice Breyer in his dissent that consumer survey evidence alone should not be the ultimate determinant of whether a mark is generic or descriptive. However, she noted that the majority opinion also did not suggest that consumer surveys should be the be-all and end-all on the distinctiveness of a mark. Second, she noted that “Booking.com” might in fact be a generic term based on dictionary and

3. 128 U.S. 598, 602 (1888).

usage evidence, but because the PTO did not raise that particular question, she would not address it.⁴

DISSENT

Justice Breyer found that adding “.com” to a generic term should not form a protectable trademark. Like the majority, he noted that the combination of multiple generic terms must be evaluated to see if the combination conveys some distinctive association with a particular product or service. However, he thought that adding “.com” to a generic term does not generate any greater meaning than that among its constituent parts. Relying upon the holding in *Goodyear*, he concluded that “.com” has no capacity to identify and distinguish goods, just like “company.” He argued that both were per se rules against registration, unlike the majority’s narrower interpretation of *Goodyear*. In a counterexample to the majority, he stated that one would not refer to a “Wine, Inc.” as a good or service generally, yet Wine, Inc. is generic because it clearly describes purveyors of wine. Likewise, Booking.com connotes the basic nature of the product: a website that provides booking services. Justice Breyer did note that there may rarely be an exception, such as for the expanded universe of domain names, like “.guru” and “.vip.” Justice Breyer was particularly worried about the majority’s holding effectively creating automatic trademark eligibility for every “generic.com” domain.

Justice Breyer also remarked that generic domain names have significant commercial advantages, such as being easy to remember and having domain name exclusivity. These benefits mean that providing “generic.com” websites trademark recognition could pose a significant anti-competitive risk. While the majority pointed to likelihood of confusion and fair use as constraints on “generic.com” marks growing too dominant, Justice Breyer observed that these legal defenses require costly litigation that will undoubtedly chill others from using similar marks.

4. Although it should be noted that the lack of appeal on that exact question did not prevent the majority from addressing it in the first part of the decision.