



IP NEWS QUARTERLY



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GETTING A TRADEMARK ON “GENERIC”.COM

Introduction

On June 30, 2020, the United States Supreme Court affirmed, by an 8-1 vote, that “Booking.com” was able to be registered for a trademark, as the term had sufficient acquired distinctiveness. This issue of IP News Quarterly will look at the background of this case, the arguments presented, the Supreme Court’s decision, and how this decision could affect other “generic.com” trademarks.

Background

On July 5, 1946, Congress passed the Trademark Act of 1946, otherwise known as the Lanham Act. The Lanham Act states that a Trademark should be granted when “the goods of the applicant may be distinguished from the goods of others” (15 United States Code § 1052). Trademarks are often broken into 5 categories of distinctiveness, namely (1) arbitrary, (2) fanciful, (3) suggestive, (4) descriptive, and (5) generic. Arbitrary and fanciful trademarks are typically the most distinctive, and are usually eligible for trademark registration, barring confusion with similar marks, while descriptive and generic trademarks are typically the least distinctive, and ineligible for trademark registration.

While generic terms cannot be trademarked, descriptive marks can overcome their ineligibility by showing that they have “acquired distinctiveness, or ‘secondary meaning,’ that is, proof that it has become distinctive as applied to the applicant’s goods or services in commerce.” (Trademark Manual of Examining Procedure, Section 1212). In other words, the applicant must show that the primary meaning of the term is not the good itself which the descriptive trademark is describing, but rather the producer of that specific good. For example, the trademark “Digital Instruments” for scientific instruments merely describes a type of instrument used. However, the owner of the mark was able to show that consumers saw the name “Digital Instruments” not as describing a scientific instrument, but rather as a company or brand which sells these instruments (see *In Re Veeco Instruments, Inc.*, No. SERIAL 76383240, 2006 WL 867925 (Mar. 22, 2006)). Proving acquired distinctiveness is typically completed by showing previous registration of the mark, long term use of the mark, “commercial and advertising expenditures in connection” with the mark, “letters or statements from the trade or public” about the mark, or surveys which show public opinion about the mark (37 Code of Federal Regulations §2.41).

In 2001, Hotels.com, L.P. applied for the trademark “Hotels.com” but was rejected by the USPTO as being a generic term. On appeal to the Trademark Trial and Appeal Board, the Board sided with the examiner and stated that “hotels” and “.com” were both generic, leading to a generic combination, because the company did not show enough evidence to show that “Hotels.com” had any acquired distinctiveness. This decision was affirmed by the Federal Circuit (*In re Hotels.com, L.P.*, 573 F.3d 1300 (Fed. Cir. 2009)). Similar decisions were made by the Federal circuit for other “generic.com” trademark applications. See *In re 1800Mattress.com OP, LLC*, 586 F.3d 1359 (Fed. Cir. 2009) and *In re Reed Elsevier Props. Inc.*, 482 F.3d 1376 (Fed. Cir. 2007).

During 2011-2012, Booking.com B.V. applied to the United States Patent and Trademark Office (USPTO) for several trademarks on its name and website domain, “Booking.com” (Serial Numbers 85485097, 79122366, and 79114998 among others). Relying upon *In re Hotels.com, L.P.*, 573 F.3d 1300 (Fed. Cir. 2009), these trademark applications were rejected by the USPTO as generic. This decision was appealed, as Booking.com B.V. argued it had acquired distinctiveness. The appeal eventually made its way to the Supreme Court in 2020.

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Did You Know?

The first “.com” trademark to be filed was EZ.COM, which was filed on June 4, 1982 (serial number 73368067). This mark was abandoned for failure to respond to an Office Action, and thus the first “.com” trademark to be registered was THE AGRI.COM SERIES, which was filed September 13, 1982 (serial number 73384906) and registered on December 27, 1983 (registration number 1262278). Both of these marks are now inactive, making the oldest live “.com” trademark EQUINELINE.COM, which was filed December 27, 1988 (serial number 73771485) and was registered September 12, 1989 (registration number 1556299).

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Arguments and Decision

In *United States Patent & Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298, 207 L. Ed. 2D 738 (2020), the Supreme Court analyzed the arguments and evidence from the USPTO and Booking.com B.V. The District Court in the Eastern District of Virginia had determined that while “booking” and “.com” on their own are generic, the term “booking.com” is not generic because “it is descriptive of services involving ‘booking’ available at that domain name” (*Booking.com B.V. v. Matal*, 278 F. Supp.3d 891, 918 (2017)). Further, “booking.com,” as a descriptive term, was found to have acquired distinctiveness in relation to hotel reservation services. Booking.com B.V. proved this acquired distinctiveness through a survey which showed that the public saw “booking.com” as “a specific brand, not a generic name for online booking services,” and the various advertising and other monetary efforts which went into marketing “booking.com” as a brand.

The USPTO did not appeal the decision that the term “booking.com” had acquired distinctiveness, but rather only appealed the fact that combining two generic terms, in this case “booking” and “.com” could make a descriptive term as opposed to simply being a generic term which would be ineligible for a trademark. Citing *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598, 9 S.Ct. 166, 32 L.Ed. 535, a case decided before the Lanham Act was passed, the USPTO argued for a general rule where adding generic terms together always forms a generic term, restricting any possibility of acquired distinctiveness. Allowing a combination of generic terms, in the USPTO's opinion, would limit the ability to operate in the generic space trademarked by a generic name, for example companies applying for the domain name “e-booking.com” or “hotel-booking.com.”

Citing the Lanham act and the USPTO's past actions (for example allowing “art.com” and “dating.com” to be registered for trademarks), the Supreme Court rejected the USPTO's proposal, upheld the District Court's decision, and allowed “booking.com” to be trademarked. Their analysis rested on the fact that “[w]hether any given ‘generic.com’ term is generic . . . depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class.” *United States Patent & Trademark Office v. Booking.com B.V.*, 140 S. Ct. 2298, 2307, 207 L. Ed. 2D 738 (2020). Addressing concerns about competition, that Court notes that “Booking.com” is a “weak” mark which similar variations would be unlikely to infringe upon. They further note that the Lanham act allows for descriptive marks and does not limit registrations based on competitive advantages.

Future Outlook

In his dissent, Justice Breyer states that “[u]nder the majority's approach, a ‘generic.com’ mark's eligibility for trademark protection turns primarily on survey data, which, . . . may be an unreliable indicator of genericness.” *Id.* at 2314. Breyer notes that generic domain names already give advantages to that company over their competitors by giving an air of authority, ease of memory, and ease of search. Further, domain names are enforceable worldwide. Giving these companies a trademark “confers additional competitive benefits on their owners by allowing them to exclude others from using *similar* domain names” and gives the ability to potentially “extend the boundaries of their marks through litigation” which would further increase their advantages over their competitors. Justice Sotomayor is careful to point out in her concurring section that she does “not read the Court's opinion to suggest that surveys are the be-all and end-all. As the Court notes, 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.” *Id.* at 2309. While this may be true, Justice Breyer's point stands that many “generic.com” companies now have an opportunity to obtain trademark protection on their domain name if they can show that the public thinks of this name as a specific brand or company as opposed to a generic term. Even if litigation is unlikely to succeed, as noted by the Court, the threat of a costly litigation would be enough for many smaller competitors to simply abandon their claim to their similar domain. This decision could “lead to a proliferation of ‘generic.com’ marks, granting their owners a monopoly over a zone of useful, easy-to-remember domains. This result would tend to inhibit, rather than to promote, free competition in online commerce.” *Id.* at 2315–16.



Learn more about us at
www.ipattorneysgroup.com



IP Attorneys Group, LLC

16 Oxford Road, 2nd Floor

Milford, CT 06460

Tel: 203 298 4830

Fax: 203 298 4832

E-mail: info@ipattorneysgroup.com