Is “Booking.com” Mark Registrable? SCOTUS Says Booking.com-pletely!

U.S. Supreme Court affirms that a mark composed of a generic term and “.com” does not automatically yield a generic and unregistrable composite.

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TAKEAWAYS

② A [generic].com mark is registrable if consumers do not perceive it as the name of a “class” of goods or services.

② Consumer surveys and popular usage are key to showing how the public perceives the [generic].com mark, as a whole.

② Current trademark doctrines still ensure that the owner of a [generic].com mark cannot monopolize the generic term.

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The backstory of the ruling in United States Patent and Trademark Office v. Booking.com B.V. issued yesterday by the U.S. Supreme Court began nine years ago when Booking.com B.V., a company based in Amsterdam that provides travel agency and hotel reservation services, filed six applications to obtain federal trademark registration for the trademark BOOKING.COM and related logos containing that term. The U.S. Patent and Trademark Office (USPTO) found the marks either to be “generic” (that is, the English term commonly used to name a general type of services, such as hotel booking services) or “descriptive” (meaning that the mark says something specific and literal about the services provided) and consequently refused to register the BOOKING.COM marks.
The company appealed the decision to the USPTO’s Trademark Trial and Appeal Board, but the Board agreed with the USPTO Examiner’s application of the USPTO’s standard generic combination rule that combining a generic term (in this case, “booking”) with another generic term (in this case, the top-level domain designation “.com”) necessarily results in a composite term that is generic and therefore unregistrable. Accordingly, the Board maintained the refusal to register.

Having exhausted its options at the USPTO, the company took the case to federal district court in the Eastern District of Virginia, where it was allowed to present evidence that consumers do not perceive BOOKING.COM as a generic term for a type of service, but instead view it as a brand that identifies the services of one company. The District Court agreed that BOOKING.COM is not generic, and, furthermore, found that although the mark is descriptive, it has acquired enough public awareness in connection with Booking.com’s hotel reservation services to be considered distinctive and thus registrable on the Principal Register at the USPTO.

Unhappy with having its determination reversed, the USPTO appealed the ruling on genericness to the Fourth Circuit Court of Appeals, but the Fourth Circuit agreed with the lower court’s findings and rejected the USPTO’s generic combination rule when it said that a mark comprising a generic term and “.com” is not always necessarily generic.

Concerned that its generic combination rule, a bedrock principle of USPTO trademark examining procedure, was in danger of crumbling, the USPTO appealed to the U.S. Supreme Court. In an 8-1 majority decision authored by Justice Ginsburg, the Court affirmed the Fourth Circuit ruling and rejected the USPTO’s “sweeping rule” that “the combination of a generic word and ‘.com’ is generic.”

The Court put the USPTO into the uncomfortable position of having to acknowledge that it has not applied its generic combination rule universally because [generic].com marks such as ART.COM have achieved federal registration, and that it has been misapplying a 130-year-old Court precedent (an 1888 case called Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.) which holds that “generic term + company” marks (analogous to [generic].com marks) “are ineligible for trademark protection as a matter of law regardless of how consumers would understand the term.” The Supreme Court emphatically holds the opposite in this case: consumer perception is the test of genericness. Thus, the Court ruled that, “Because BOOKING.COM is not a generic name to consumers, it is not generic.”

The Booking.com decision is clearly a “win” for brand owners, but a federal registration for a [generic].com mark should not be viewed as carte blanche to enforce what may otherwise be a very weak mark. The basic tenets of trademark law such as likelihood of confusion and classic fair use still ensure that competitors are free to use marks that do not cause consumer confusion and to use generic terms in a non-trademark manner. As Justice Ginsberg writes in the opinion, these doctrines guard against anticompetitive effects and ensure that granting a registration for a [generic].com mark does not give the registrant a monopoly on the generic term.
This decision also clarifies that the registrability of a [generic].com mark will turn on how consumers perceive the mark—an inquiry that could be fact-intensive and require substantial documentation. Consumers surveys, examples of popular usage, and other evidence showing how the public perceives the meaning of the [generic].com mark all could be relevant.

The Court cautions, however, that consumer surveys will not be a magic bullet. As Justice Sotomayor advises in her concurrence, a flawed survey will have limited probative value in determining whether consumers view a mark as generic. Thus, brand owners will need to take extra care in designing the methodology and analyzing the results of any consumer survey commissioned to test the perceived genericness of a mark.

Lastly, this decision may have implications for the protection of marks that incorporate other terms or symbols the USPTO has typically viewed as being merely descriptive or generic, most notably, hashtags.

Under Section 1202.18 of the USPTO’s Trademark Manual of Examining Procedure (TMEP), if a mark comprises a hashtag symbol (#) or the term HASHTAG and wording that is merely descriptive or generic, the entire mark must be refused as merely descriptive or generic.

Citing this section of the TMEP, USPTO Examining Attorneys have refused applications to register marks such as HASHTAG CLOTHING for “t-shirts, hats, jackets” and HASHTAG RECORDS for “musical recordings” by arguing that a hashtag symbol (or the word HASHTAG) generally serves no source-indicating function, and adding it to an otherwise unregistrable term does not render the composite mark registrable.

Just as the Supreme Court has refused to adopt a nearly per se rule against the registrability of [generic].com marks, the USPTO may now be forced to reconsider its position on marks similarly comprising a generic term and the hashtag symbol or word. If a brand owner can show that consumers perceive a #[generic] or HASHTAG [generic] designation as a source-identifying reference to the company or its products and services, the Booking.com decision may just give that refused hashtag mark new life.

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