CLIENT ALERT

Supreme Court Finds that "Generic.com" Terms Can Be Trademarks

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On June 30, 2020, in *U.S. Patent and Trademark Office v. Booking.com*, the Supreme Court of the United States held 8-1 that "Booking.com" can function as a trademark eligible for federal registration because consumers perceive the term to identify the hotel-reservation services available at that domain name. The Court affirmed the Fourth Circuit holding that the term is not, as the United States Patent and Trademark Office (USPTO) had previously found, "a generic name for online hotel-reservation services."

Justice Ginsburg, writing for the majority, explained 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." In reaching its conclusion, the Court relied on the following principles:

a. a generic term names a class of goods or services, rather than any particular feature or exemplification of the class;
b. for a compound term, inquiry regarding whether the term is sufficiently distinctive to function as a trademark turns on the term's meaning as a whole, not its parts in isolation;
c. the relevant meaning of a term is its meaning to consumers; and
d. eligibility for registration turns on the mark's capacity to distinguish goods in commerce.

Applying these principles, the Court stated that whether "Booking.com" is generic turns on whether the term, taken as a whole, signifies to consumers the class of online hotel-reservation services. Significantly, the lower courts determined that consumers do not, in fact, perceive "Booking.com" that way. Because consumers understand that "Booking.com" identifies the hotel-reservation services available at that domain name, the term has sufficient acquired distinctiveness or "secondary meaning" to be eligible for registration.

The Court rejected the USPTO's contention that the combination of a generic top-level domain such as ".com" with a generic term like "booking" is *necessarily* generic, absent special circumstances. The Court noted that, in contrast to the pairing of a generic term with another generic term like "Company", only one entity can occupy a particular Internet domain name at a time. Therefore, a "generic.com" term "could convey to consumers a source-identifying characteristic: an association with a particular web site" or its proprietor.

The Supreme Court noted that evidence of how consumers perceive a term may include "consumer surveys . . . dictionaries, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term's meaning." However, because the USPTO did not contest the lower courts' analysis of consumer perception, the Supreme Court did not reconsider the issue.

In his dissent, Justice Breyer echoed the USPTO's concern that if the Court allowed the addition of a top-level domain name to transform a generic term into a protectable trademark, there would be a risk of harming competition because the trademark holder could keep competitors from using the generic term – such as the term "booking" – to describe the relevant class of

products or services. The majority disagreed, finding this concern misplaced. The Court explained that registration of "Booking.com" would not give its holder a monopoly on the term "booking", noting that "Booking.com" would be a weak and descriptive mark, which would make it difficult for the mark owner to demonstrate that any other use of the word "booking", even a close variation, was likely to cause confusion with the registered trademark. Moreover, the doctrine of fair use allows competitors to use descriptive terms in good faith and "otherwise than as a mark" to describe their own goods or services.

This ruling represents a win for any entity seeking trademark protection for an otherwise generic term that, when combined with a top-level domain name, demonstrably functions as a source identifier. The ruling greatly expands the potential for registration of domain names and emphasizes the importance of consumer surveys and other evidence to demonstrate secondary meaning. However, it may, in certain cases, also present a challenge for companies who wish to use a generic or descriptive term to identify their goods or services without fear of an infringement claim from the owner of a "generic.com" trademark registration.

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