

Insights: Alerts

Strategies for Cultivating Protectable Rights in, and Registering, Generic.com Marks After *United States Patent and Trademark Office v. Booking.Com B.V.*

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On June 30, 2020, the U.S. Supreme Court affirmed the potential registrability in the U.S. Patent and Trademark Office (“PTO”) of a claimed trademark or service mark consisting of a generic word and a generic top-level domain such as .com (a “generic.com,” in the Court’s terminology).¹ In doing so, the Court rejected the bright-line legal rule applied by some circuits that generic.coms are necessarily generic and therefore ineligible for federal trademark registration despite factual evidence to the contrary adduced by their owners. The Court did not, however, hold that *all* generic.coms are necessarily protectable and registrable. Consequently, claimants to generic.coms as marks should work with their trademark counsel to assemble proper evidentiary records in support of the protectability of their claimed marks, including, ideally, favorable survey evidence. This alert contains suggestions for making the required showings.

The Litigation

The designation at issue before the Court, BOOKING.COM, was adopted in 2006 and had been used extensively in commerce when Booking.com B.V. filed four applications to register it in 2012. The PTO rejected the applications on the grounds that the mark was generic, or, in the alternative, merely descriptive and lacking acquired distinctiveness, or “secondary meaning.” Bound by Federal Circuit authority,² the Trademark Trial and Appeal Board (“TTAB”) affirmed the refusal of each application after finding the applied-for mark generic and therefore ineligible for trademark registration.

Booking.com appealed to the U.S. District Court for the Eastern District of Virginia.³ In doing so, it proffered in particular the results of a *Teflon*-style survey, which documented that 74.8 percent of respondents identified BOOKING.COM as a brand name. Based largely on those results, the district court concluded as a matter of law that “Booking.com”—unlike “booking” standing alone—was not generic. Specifically, the court found it undisputed that the consuming public “primarily understands that BOOKING.COM does not refer to a genus, rather it is descriptive of services involving ‘booking’ available at that domain name.”⁴ Having determined that “Booking.com” is descriptive, the district court additionally found it undisputed that the term had acquired secondary meaning as to hotel-reservation services.⁵

The Fourth Circuit affirmed in an opinion upholding the district court’s reliance on Booking.com’s survey evidence and creating an arguable split not only with the treatment of the same issue by the Federal Circuit but

with that of the Ninth Circuit as well.⁶ That split led the Supreme Court's agreement to resolve the following question presented: "Whether the addition by an online business of a generic top-level domain (".com") to an otherwise generic term can create a protectable trademark." The Court's opinion answering that question in the affirmative turns on how consumers perceive the designation, not on how the PTO characterizes the mark: "Because 'Booking.com' is not a generic name to consumers, it is not generic."⁷ The Court rejected the PTO's argument that generic.coms "are ineligible for trademark protection as a matter of law" regardless of how consumers understand the term. "Sufficient to resolve this case is the undisputed principle that consumer perception demarcates a term's meaning."⁸

Rejecting the PTO's argument that the ".com" portion of Booking.com's mark was equivalent to a "Co." or "Inc." or other corporate suffix, the Court reasoned that *only one entity* can own a particular Internet domain name at a time, so consumers familiar with the domain-name system will infer that BOOKING.COM refers to one specific entity. In this regard, the "exclusivity" of "generic.com" terms sets them apart from terms like "generic, Inc." The Court noted that "[t]he PTO's own past practice appears to reflect no such comprehensive rule. See, e.g., Trademark Reg. No. 3,601,346 ('ART.COM' on principal register for, inter alia, '[o]nline retail store services' offering 'art prints, original art, [and] art reproductions'); Trademark Reg. No. 2,580,467 ('DATING.COM' on supplemental register for 'dating services')."¹⁰ "Existing registrations inconsistent with the rule the PTO now advances," the Court observed, "would be at risk of cancellation if the PTO's current view were to prevail."¹¹

The Court also was unconvinced by the PTO's concern that trademark protection for a term like "Booking.com" would hinder competitors. The PTO feared that trademark protection for "Booking.com" could exclude or inhibit competitors from using the term "booking" or adopting domain names like "ebooking.com" or "hotel-booking.com." The Court dismissed that concern, noting that it "attends any descriptive mark. Responsive to it, trademark law hems in the scope of such marks short of denying trademark protection altogether. Notably, a competitor's use does not infringe a mark unless it is likely to confuse consumers."¹² In this regard, the Court noted that the scope of protection afforded a weak – descriptive – mark is narrow, and the doctrine of "classic fair use" protects from liability anyone who uses a descriptive term "fairly and in good faith." It therefore concluded that "[t]hese doctrines guard against the anticompetitive effects the PTO identifies, ensuring that registration of 'Booking.com' would not yield its holder a monopoly on the term 'booking.'"¹³

Establishing the Distinctiveness of Generic.coms

The Supreme Court's opinion is not a windfall for users of generic.coms in commerce but instead merely a roadmap for the successful acquisition of trademark rights in them. As the Court warned, "[w]hile we reject the rule proffered by the PTO that 'generic.com' terms are generic names [per se], we do not embrace a rule automatically classifying such terms as nongeneric. Whether 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."¹⁴ "Evidence informing that inquiry," the Court held, "can include not only consumer surveys, but also dictionaries, usage by consumers and competitors, and any other source of evidence bearing on how consumers perceive a term's meaning."¹⁵ Owners of generic.com domain names who seek trademark rights to them therefore should be prepared to document the source-identifying function of their claimed marks to avoid a finding of genericness and unprotectability.

Based on Booking.com's success before the district court and Fourth Circuit, that documentation ideally should include favorable results from a consumer survey using one of two commonly accepted formats. The first, the so-called *Teflon* format, which arises from *E.I. du Pont de Nemours & Co. v. Yoshida Int'l, Inc.*,¹⁶ was used by Booking.com's survey expert. The original *Teflon* survey used the following methodology:

I'd like to read 8 names to you and get you to tell me whether you think it is a *brand* name or a common name; by brand name, I mean a word like *Chevrolet* which is made by one company; by *common* name, I mean a word like *automobile* which is made by a number of different companies. So if I were to ask you, "Is Chevrolet a brand name or a common name?," what would you say?

Now, if I were to ask you, "Is washing machine a brand name or a common name?," what would you say?

[If respondent understands continue. If not understand, explain again.]

Now, would you say _____ is a brand name or a common name?¹⁷

The second primary type of genericness survey arises from litigation over the validity of the THERMOS mark for vacuum bottles in *King-Seeley Thermos Co. v. Aladdin Indus.*¹⁸ The salient portion of the *Thermos* Format survey in that litigation has been summarized in the following manner:

Are you familiar with the type of container that is used to keep liquids, like soup, coffee, tea and lemonade, hot or cold for a period of time?

If you were going to buy one of these containers tomorrow— that is, the type that keeps food and beverages hot or cold—what type of store would you select to make your purchase?

What would you ask for—that is, what would you tell the clerk you wanted?¹⁹

Whatever the format chosen, a net positive response rate of 50% or higher among survey respondents is generally sufficient to establish that a claimed mark is not generic. Nevertheless, it is rare for either the *Teflon* or the *Thermos* format to be imported wholesale into cases with different underlying facts; rather, both formats are often modified to take into account the particular marks (or claimed marks) at issue, as well as the circumstances under which the goods and services associated with those marks are sold. Outside trademark counsel can help determine which format may be most effective in a given case, as well as work with survey experts to tailor the format chosen to the facts and circumstances of the case.

Outside trademark counsel also can advise owners of generic.com domain names on how best to cultivate the secondary meaning necessary to support a claim of trademark rights to a descriptive mark. On this issue, it is critically important that Booking.com's victory in convincing the district court to overturn the PTO's finding that its marks were generic did not automatically entitle the marks to registration. Instead, the district court's determination that the marks were descriptive obligated Booking.com to demonstrate secondary meaning for its marks, a showings that succeeded only in part.

An effective strategy for establishing secondary meaning can have many components, including the submission of *direct* evidence and testimony in the form of:

- survey evidence;²⁰

- direct consumer testimony; and, in some jurisdictions,
- actual confusion between the claimant's mark and that of another party.

Likewise, *circumstantial* evidence and testimony of secondary meaning can document:

- the claimant's use of its generic.com as a mark, *i.e.*, as an adjective modifying a generic noun, and not merely as the electronic address for a website;
- express claims of trademark rights such as the TM or SM symbol by the claimant;
- the volume of sales under the claimed mark;
- the length and degree of exclusivity of the claimed mark's use;
- advertising expenditures by the claimant;
- unsolicited media coverage of the goods or services sold under the mark; and, in some jurisdictions,
- intentional copying by a junior user.

The assembly of a showing of secondary meaning therefore can be a complex project, especially for a highly descriptive mark.

Conclusion

As the Supreme Court itself took pains to point out, its decision in *Booking.com* does not mandate findings of protectability and registrability for all generic.coms in which their owners claim trademark and service mark rights; instead, it merely opens the door to those findings. The owners of potential generic.com marks therefore are well-advised to advance their claims of mark status only after working with outside trademark counsel to lay the necessary groundwork for those claims.

Footnotes

¹ See *Booking.com B.V. v. United States Patent & Trademark Office*, No. 19-46, 2020 WL 3518365 (U.S. June 30, 2020). GINSBURG, J., delivered the opinion of the Court, in which ROBERTS, C. J., and THOMAS, ALITO, SOTOMAYOR, KAGAN, GORSUCH, and KAVANAUGH, JJ., joined. SOTOMAYOR, J., filed a concurring opinion. BREYER, J., filed a dissenting opinion.

² See, *e.g.*, *In re Hotels.com, L.P.*, 573 F.3d 1300 (Fed. Cir. 2009).

³ See *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 896 (E.D. Va. 2017), *amended*, No. 116CV425LMBIDD, 2017 WL 4853755 (E.D. Va. Oct. 26, 2017), *aff'd sub nom.* *Booking.com B.V. v. United States Patent & Trademark Office*, 915 F.3d 171 (4th Cir. 2019), *as amended* (Feb. 27, 2019), *aff'd*, No. 19-46, 2020 WL 3518365 (U.S. June 30, 2020).

⁴ *Id.* at 918.

⁵ *Id.* at 923. Nevertheless, the court found Booking.com's mark had *not* acquired distinctiveness for "travel agency services, namely, making reservations for transportation; travel and tour ticket reservation services; travel agency services, namely making reservations for transportation for tourists; provision of travel information; providing consultation related to making reservations for transportation, and travel and tour ticket reservation; all of the foregoing services rendered in-person and via the internet." *Id.* at 922-23.

⁶ See *Advertise.com, Inc. v. AOL Advertising, Inc.*, 613 F.3d 974 (9th Cir. 2010).

⁷ 2020 WL 3518365, at *5.

⁸ *Id.* at *4 n.3.

⁹ On this issue, the PTO relied on a common-law principle applied in *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), that a generic corporate designation added to a generic term does not confer trademark eligibility. In *Goodyear*, a decision predating the Lanham Act, the Court held that “Goodyear Rubber Company” was not “capable of exclusive appropriation.” (The “Goodyear Rubber” portion of the mark could not serve as a trademark because at the time it referred to “well-known classes of goods produced by the process known as Goodyear’s invention.”).

¹⁰ 2020 WL 3518365, at *5.

¹¹ *Id.*

¹² *Id.* at *7.

¹³ *Id.* at *8.

¹⁴ 2020 WL 3518365, at *7 (emphasis added).

¹⁵ *Id.* at *7 n.6.

¹⁶ 393 F. Supp. 502 (E.D.N.Y. 1975).

¹⁷ 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 12:16 (5th ed.).

¹⁸ 321 F.2d 577 (2d Cir. 1963).

¹⁹ 2 McCarthy, *supra* note 17, § 12:15.

²⁰ Some courts regard favorable results from a genericness survey as evidence of secondary meaning and, indeed, the district court cited the results of Booking.com’s *Teflon* survey as probative on this issue. *See* 278 F. Supp. 3d at 920. Claimants more commonly commission surveys specifically designed to measure secondary meaning, however.

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