

## **Insights**

## GENERIC.COM MAY NOT BE GENERIC: SUPREME COURT AFFIRMS REGISTRABILITY OF BOOKING.COM

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On June 30, 2020, the U.S. Supreme Court held that BOOKING.COM is not a generic term, and is therefore eligible for trademark registration with the U.S. Patent and Trademark Office ("USPTO"). *USPTO v. Booking.com B.V.*, \_\_ U.S. \_\_ (2020).

In an 8-1 decision authored by Justice Ginsburg, the U.S. Supreme Court affirmed the lower courts, rejecting the USPTO's argument that as a bright-line rule, "combining a generic term with '.com' yields a generic composite." The Supreme Court ruled that "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." In other words, adding ".com" to a generic term may create a protectable trademark if consumers view the composite term as a distinctive indicator of source. The Court noted, however, that "[w]hile we reject the rule proffered by the PTO that 'generic.com' terms are generic names, we do not embrace a rule automatically classifying such terms as nongeneric." Instead, the Court's fact-driven, case-by-case approach focuses on how consumers perceive the term.

The USPTO and Trademark Trial and Appeal Board had previously concluded that BOOKING.COM is generic for the relevant services, the Board holding that "customers would understand the term BOOKING.COM primarily to refer to an online reservation service for travel, tours, and lodgings." The U.S. District Court for the Eastern District of Virginia, and later the Court of Appeals for the Fourth Circuit, disagreed, relying on Booking.com's consumer perception survey. According to the survey, 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." As a descriptive term—rather than a generic term—BOOKING.COM was capable of achieving acquired distinctiveness, which the district court held that it had established as to hotel reservation services.

The USPTO urged the Supreme Court to adopt a near *per se* rule that, absent exceptional circumstances, every "generic.com" term would be generic and therefore not registrable, regardless of acquired distinctiveness. The USPTO expressed concerns that "protection for a term like 'Booking.com' would hinder competitors[]' for example, excluding use of "ebooking.com" or "hotel-

booking.com." The Court dismissed these concerns, noting that existing trademark doctrines "guard against the anticompetitive effects" the USPTO identified.

In reaching its decision, the Court relied on three guiding principles. "First, a 'generic' term names a 'class' of goods or services, rather than any particular feature or exemplification of the class." "Second, for a compound term, the distinctiveness inquiry trains on the term's meaning as a whole, not its parts in isolation." "Third, the relevant meaning of a term is its meaning to consumers." Under these principles, and based on the evidence of record, the Court concluded that consumers do not perceive the term BOOKING.COM as a generic term, and affirmed.

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