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Can adding “.com” elevate a generic term to a trademark?

U.S. Patent and Trademark Office v. Booking.com BV

The U.S. Supreme Court will decide whether adding “.com” to a generic term can transform the combination into a federally protectable trademark under the Lanham Act (which proscribes the protection or registration of generic terms). Extending a proceeding that started five years ago before the Trademark Trial and Appeal Board (TTAB) and has since been ruled on by a federal district judge and the Fourth Circuit Court of Appeals, the Supreme Court granted the petition of the U.S. Patent and Trademark Office (USPTO) for review of the Fourth Circuit’s determination that travel website Booking.com is entitled to federally register “booking.com” for online hotel reservation services.

In seeking a grant of certiorari, the USPTO argued that the Fourth Circuit decision, if left standing, would hinder competition by permitting companies to reserve generic terms for themselves simply by adding the “.com” generic top-level domain (gTLD) extension. The case also involves the separate but important issue of whether and when an applicant must pay the USPTO’s costs and expenses.

USPTO Proceedings

In 2011 and 2012, Booking.com filed four applications to register trademarks containing the term “booking.com” for online hotel reservation services. The

USPTO refused registration, finding that booking.com is merely descriptive of the applicant’s hotel reservation services. Booking.com countered that the term had acquired secondary meaning. The USPTO rejected this argument, finding no distinctiveness and, in the alternative, that the term is generic.

The USPTO denied Booking.com’s request for reconsideration, and the company appealed to the TTAB. After a consolidated hearing on all four applications, the TTAB affirmed the refusals, holding that the term “booking” refers to “a reservation or arrangement to buy a travel ticket or stay in a hotel room” or “the act of reserving such travel or accommodation.” It reasoned that “.com” merely indicates a commercial website, combining “.com” with “booking” does not negate the fact that booking is generic, and consumers will understand the combined term (booking.com) “primarily to refer to an online reservation service for travel, tours, and lodging, which is consistent with the services proposed in the applications, making the mark generic for the services offered.” In the alternative, the TTAB reiterated that booking.com merely describes the applicant’s services, and the applicant had “failed to demonstrate that the term has acquired distinctiveness.”

Federal Court Proceedings

Booking.com appealed to the federal court in Virginia, which reversed the TTAB’s decision. After reviewing various definitions, the court found that

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while “booking” is generic, the term at issue was booking.com. In a 46-page opinion, the court dug deep into a discussion of top-level domains (TLDs) and second-level domains (SLDs), noting that in this case “booking” is the SLD and “.com” is the TLD, and applying Federal Circuit decisions it regarded as persuasive. The court reasoned: “TLDs generally do have source identifying value when used in conjunction with an SLD and a mark comprised of a generic SLD and a TLD is generally a descriptive mark entitled to trademark protection if the mark holder can establish acquired distinctiveness.”

The USPTO raised two policy arguments: first, that finding source identifying significance in TLDs would create a per se rule that combining “.com” with a generic word produces a non-generic, protectable mark and, second, that granting trademark protection to domain names with generic SLDs would exclude others from using the generic term to describe their services and provide too much protection to the registrant.

The court dismissed both arguments. As to monopolization of terms such as “booking,” the court reminded the USPTO that it had already issued registrations to other “.com” entities that established secondary meaning, and this had not prevented others from using the descriptive or generic SLD. The court also reasoned that granting registrations in these circumstances would give the registrants only limited protection while allowing for competition and public use. As an aside, the court noted that competitors such as travelocity.com would most likely not want to use “booking.com” to describe their services as it would generate confusion and make customers think of a competitor.

The court also found that Booking.com had established secondary meaning as to its hotel reservation services.

On the USPTO’s appeal to the Fourth Circuit, the court of appeals affirmed the district court’s decision

(even though it agreed with the dissenting judge that the lower court’s legal reasoning was flawed). The court declined the agency’s request that it establish a per se rule that combining a generic term with “.com” yields a generic term. The appellate court also pointed out that the USPTO failed to challenge the lower court’s secondary meaning finding, suggesting that such an argument might have led to a different outcome. Addressing the USPTO’s concern about extending too much protection to the term, the court stated that the issue could be resolved in infringement suits in which Booking.com would have to establish valid rights.

The USPTO’s petition for rehearing was denied.

The Fees Issue

The USPTO moved the Virginia district court for its costs and fees pursuant to 15 U.S.C. § 1071(b)(3). The court granted the motion, rejecting Booking.com’s arguments that the amount of attorney fees was unreasonable, costs should not include expert testimony or salaries, and the award should be offset by any recoverable costs to which Booking.com was entitled as the prevailing party. Booking.com’s cross-appeal to the Fourth Circuit on this issue was also unsuccessful.

Before the Supreme Court

In its petition for a writ of certiorari, the USPTO has renewed its argument that allowing generic terms to be registered as trademarks with the addition of “.com” will hinder competition and allow companies to register terms that should be free for public use. Booking.com has countered that denying it protection would allow competitors to use the term booking.com to attract its customers and falsely promote themselves as Booking.com.

As is customary, the Court gave no reasons for granting certiorari.

Takeaways

The *Booking.com* case pits consumer perception against the categorization of generic terms combined with gTLDs as unregistrable (and unprotectable). Here the appellate court ordered the USPTO to register trademarks that included the term booking.com based on evidence that consumers recognize it as a mark, not as a generic term for hotel services—booking—plus a domain name extension. The USPTO refused to register it because the term “booking” meets the statutory definition of a generic designation, which the Lanham Act defines as not registrable.

Time will tell if the Supreme Court decides to expand Lanham Act protections as it did in *Iancu v. Brunetti*, its recent decision striking down the Lanham Act’s ban on “immoral” and “scandalous” marks. A broad ruling here could provide guidance on how courts should analyze and decide registrability and protectability of combinations of generic terms and gTLDs or social media indicia such as @.

Related Professionals

For more information, please contact:

Daniel D. Frohling

dfrohling@loeb.com

Melanie J. Howard

mhoward@loeb.com

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