

### **U.S. Supreme Court Determines Otherwise Generic Term When Combined With Generic “.com” Can Be A Registrable Trademark**

In a June 30 decision, the U.S. Supreme Court held that an otherwise generic term, when combined with the generic top-level domain “.com,” qualifies for trademark registration if consumers perceive the combination to identify a particular source for services.

As background, a “generic” term is used to indicate a general class of goods (e.g., “smartphone” or “bed”) or services (e.g., “accounting” or “advertising”). Generic terms generally cannot qualify as trademarks under the rationale that no single party should be given exclusive rights to a term that generally identifies a class of goods or services. This prohibition on generic trademarks applies even if they have gained “secondary meaning” – that is, even if the public has come to identify the generic term with a particular manufacturer or seller. (In contrast, “descriptive” terms – which *describe* a good or service, rather than merely *naming* that good or service – may qualify for registration once they have acquired secondary meaning.)

In this case, Booking.com, a digital travel company, applied to register BOOKING.COM as a trademark in connection with its hotel reservation booking and other travel-related services. The United States Patent and Trademark Office (“PTO”) refused to register the term on the basis that it is merely a combination of two non-registrable generic terms – “Booking” (meaning to make travel reservations) and “.com” (a generic top level domain) – and therefore subject to the prohibition on generic trademarks.

Booking.com sought review of the PTO’s decision in the district court. Upon presentation of consumer survey and other evidence that consumers perceived BOOKING.COM to identify a specific website offering travel-related services, the district court found that BOOKING.COM was not generic, but rather a descriptive term that had acquired secondary meaning. That is, consumers associated BOOKING.COM with a particular company offering travel reservation services rather than perceiving it as a generic term. The Fourth Circuit affirmed the lower court decision and the PTO appealed to the Supreme Court.

By a lopsided 8-1 vote, the Supreme Court affirmed the Fourth Circuit’s decision. Writing for the majority, Justice Ginsburg rejected the PTO’s bright-line rule that automatically classifies all “generic.com” terms as generic and unregistrable. In particular, the Court disagreed with the PTO’s view that adding “.com” to a term is the equivalent of adding the word “company,” which has long been considered insufficient to transform an otherwise generic term into a non-generic one. See *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888). The Court noted that, due to the architecture of the Internet, only one entity at a time can hold a given “.com” domain. Therefore, unlike a company name, a “generic.com” term may convey to consumers an association with one particular website. Similarly, the Court rejected the PTO’s argument that allowing trademark protection for a term like BOOKING.COM would inhibit competition by excluding others from using the term “booking” with respect to online hotel reservations. The Court reasoned that trademark law already addresses the PTO’s concern that competition may be hindered by giving descriptive trademarks a narrow scope of protection. This means that other domain names similar (but not identical) to BOOKING.COM (such as “hotelbooking.com”) would be unlikely to infringe.

In its analysis, the Court found the most critical factor to be consumer perception: “Whether any given ‘generic.com’ term is generic, we hold, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among the members of the class.” Slip op. at 11.

What implications for trademark owners arise from the *BOOKING.COM* decision?

1. The Court did not create a categorical rule that will automatically determine how domain-name trademarks will be handled. We will have to wait to see how PTO practice may change in analyzing consumer perception of a generic term followed by a top-level domain (e.g., .com, and possibly other domains such as .edu, .org) and in determining whether a specific “generic combination” can add sufficient distinctiveness to make the term registrable.
2. We do know that consumer perception will be critical in showing whether a particular “generic.com” mark will be able to function as a source identifier. Trademark owners will therefore need to acquire evidence that a particular combination is distinctive. The Supreme Court noted that this evidence can include consumer surveys, dictionaries, and usage by consumers and competitors. Slip op. at 11, note 6.

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