

US Supreme Court Opens Doors to Generic.Com Trademarks

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On June 30, 2020, the U.S. Supreme Court [ruled](#) that Booking.com was not a generic term and could be eligible for federal trademark registration.[1] This 8-1 ruling overturned the “sweeping rule” of the U.S. Patent and Trademark Office (“USPTO”) that the combination of a generic word and .com is generic and thus not eligible for trademark registration under US trademark law. The Court instead held, in an opinion penned by Justice Ginsberg: “A term styled ‘generic.com’ is a generic name for a class of goods or services only if the term has that meaning to consumers.” According to lower court determinations that the USPTO had not contested, consumers did not view Booking.com as a generic term for online hotel reservation services in general.

This ruling not only paves the way for additional “.com” trademarks, it also opens the door for arguments that any generic term can become a trademark if consumers perceive it to designate a particular source of goods or services—a ruling that uproots long-embedded trademark principles.

The Court’s opinion stressed that consumer perception is the critical element in determining whether a given term is generic, and that the relevant question was whether consumers perceived “Booking.com” to signify online hotel reservation services as a class. Because consumers did not perceive Booking.com to have that meaning, the Court held that the term was not generic. The Court cautioned against a blanket rule, however, and specified that the proper determination for a “generic.com” term was whether consumers perceived the term as identifying a class in general or a specific member of that class. If consumers perceived the generic.com term to identify a class, the term would be generic.

In discarding the USPTO’s view that the combination of a generic term and a top-level domain (such as .com) is generic, the Court distinguished the 1888 ruling in *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*,[2] on which the USPTO heavily relied. In that case, the Supreme Court ruled that adding the word “company” to a generic term did not give rise to a protectable trademark. In the current case, the Supreme Court noted that domain names, unlike company names, were necessarily one-of-a-kind, as only one entity may be assigned a particular domain name. As a result, the Court observed, consumers understand that a particular domain name could identify a unique source, rather than only identifying a generic class of goods or services. The Court also noted that the USPTO’s understanding of *Goodyear* was “flawed” because it excluded consumer perception as a factor in determining whether a term is generic.

The dissent, authored by Justice Breyer, highlighted the potential anti-competitive effect of the majority ruling. Justice Breyer described the competitive advantages associated with short, generic domain names, which are easy to remember and locate on the Web. *Booking.com*, No. 19-46 (Breyer, J., dissenting) at 10-11. As a result, the dissent found that granting protection to terms such as *Booking.com* could “nudge the economy in an anticompetitive direction,” as owners of those registrations would be able to exclude others from using similar domain names.

The dissent also observed that *Goodyear’s* principle, that addition of a corporate designation did not suffice to distinguish one firm’s goods or services from another’s, was “sound as a matter of law and logic.” In Justice Breyer’s view, a .com or other top-level domain is akin to the corporate designation in *Goodyear*, and should not turn a generic term into a potentially protectable trademark. The dissent therefore concluded that the term *Booking.com* “as a whole is just as generic as its constituent parts.” Justice Breyer rejected the majority’s reliance on survey evidence, which he viewed as having “limited probative value in this context” because evidence of a consumer’s perception of a term does not negate the generic nature of a term.

The majority’s response to the dissent stated that the USPTO did not object to exclusive use of *Booking.com* as a mark, but to giving a trademark owner “undue control” over similar terms, such as “booking” that competitors and others should be free to use without fearing infringement. The Court pointed to other doctrines that should protect against anticompetitive actions or monopolistic uses of basic terms. Those doctrines include the trademark fair use doctrine which permits the use of trademarks terms in their generic/descriptive sense, as well as the basic trademark tenet that “weak” marks will not be given a broad scope of protection in an infringement challenge. The majority also noted that *Booking.com* itself had acknowledged that federal registration of its mark would not prevent competitors from using “booking” to describe their services.

The Takeaway: *Booking.com* is likely to usher in a new age of trademark registrations for domain names that would previously have been rejected as generic. It may also foster registration of “generic” trademarks that, due to monopolies or strong market identification, have become associated with a specific source of goods or services. Such results may well lead to increased infringement litigation or intimidation tactics, and/or a new age of competitive lawsuits over domain name trademarks, as Justice Breyer predicted. Some commentators foresee increased litigation by trademark “bullies” seeking to expand the scope of their .com trademarks. The odds of these results remain in the bookies’ hands, for now.

[1] *USPTO v. Booking.com*, No. 19-46 (S. Court, June 20, 2020).

[2] 128 U. S. 598 (1888).

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National Law Review, Volumess X, Number 188

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