Proskauer

Supreme Court Upholds Booking.com Trademark Registration

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In a decision issued on June 30, the U.S. Supreme Court held that a generic word combined with ".com," such as Booking.com, is entitled to federal registration if consumers perceive the combined mark as a non-generic brand name. We have been closely following this case not only because of its important implications for trademark owners, but also because we submitted an amicus brief on behalf of a group of Survey Scholars and Consultants that advocated for the very position the Supreme Court ultimately adopted.

The United States Patent and Trademark Office ("PTO") had refused to register the Booking.com mark because, in its view, the combination of a generic term with a generic top-level domain ("TLD") (e.g., ".com") necessarily results in a generic mark. Generic trademarks are not entitled to federal registration. Booking.com successfully challenged the PTO's decision in the district court, which found based on a consumer survey and other evidence that consumers perceive the Booking.com mark as a brand name, not a generic term. The Fourth Circuit affirmed the lower court's decision, and the PTO appealed to the Supreme Court.

In an 8-1 decision, the Supreme Court affirmed the Fourth Circuit's decision. Justice Ginsberg delivered the majority opinion, with a short concurrence from Justice Sotomayor and a dissent from Justice Breyer.[1]

Justice Ginsberg began by laying out some core principles of trademark law that will be familiar to many readers of this client alert:

- Trademarks exist on a continuum of distinctiveness with generic marks—the name of a class of products or services—being ineligible for registration and unprotected.
- Descriptive marks may be eligible for registration and for protection against infringement if they have sufficient consumer recognition (also known as secondary meaning).

- Whether a mark is generic or descriptive depends on how consumers perceive the mark as a whole.

Applying these principles to the case at hand, the Court held that the question of whether a domain name trademark is generic should be answered just as it would be for any other type of trademark: "Whether any '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." Slip op. at 11. The Court recognized that consumer surveys are "helpful evidence" in answering that question.

In the case of the Booking.com mark, it was undisputed that the record evidence, which included a consumer survey, demonstrated that consumers perceive it as a brand. The PTO did not contest that evidence and instead argued that an inquiry into consumer perception was unnecessary because the mark was per se generic.

The PTO's proposed per se rule derived from *Goodyear's India Rubber Glove Mfg. Co.* v. *Goodyear Rubber Co.*, 128 U. S. 598 (1888). There, the Court had found GOODYEAR RUBBER COMPANY was ineligible for trademark registration because adding a corporate designation to a generic phrase such as "Goodyear Rubber," which at the time referred to "well-known classes of goods produced by the process known as Goodyear's invention," did not make an otherwise generic term or phrase eligible for trademark registration. The PTO argued that ".com" is analogous to "Company" in that it conveys no additional meaning to distinguish one provider's services from those of other providers.

The Court disagreed with the PTO's attempt to extrapolate the century-plus-old *Goodyear* case to domain names because "a 'generic.com' term might also convey to consumers a source-identifying characteristic: an association with a particular website." Importantly, "only one entity can occupy a particular Internet domain name at a time." Slip op. at 9.

The Court also shot down the PTO's concern that permitting the registration of Booking.com would have anticompetitive effects by preventing competitors from using similar marks in domain names such as "eBooking.com" or "hotel-Booking.com." The Court noted that this concern already applies to the registration of all descriptive marks, and that existing trademark law protects against it. In particular, the Court pointed out that a trademark is infringed only if there is a likelihood of consumer confusion, and a key factor in that analysis is the strength of the senior user's mark. If a mark is weak—as Booking.com had conceded its mark was in this case—then it is harder to prove trademark infringement. Further, the law protects Booking.com's competitors through the doctrine of fair use, which "protects from liability anyone who uses a descriptive term 'fairly and in good faith' and 'otherwise than as a mark,' merely to describe her own goods." Slip op. at 12 (quoting 15 U.S.C. § 1115(b)(4)).

The Court's holding tracks the argument in a friend-of-the-court brief, authored by Brendan O'Rourke and Jeff Warshafsky from Proskauer's Trademark & False Advertising Group, and Mark Harris from Proskauer's Appellate Practice Group, on behalf of a group of academics who teach at leading colleges and universities throughout the United States and consultants who specialize in the analysis of consumer perceptions. Read our amicus brief here. We argued that the Court should reject the PTO's proposed per se rule for domain name trademarks in favor of analyzing such marks for genericness based on how consumers perceive the mark as a whole. That is exactly what the Court did in today's decision, resulting in a decision that accords with existing trademark law and affords the owners of domain name trademarks the same legal protections as owners of other types of trademarks.

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[1] Justice Breyer's dissent adopted the PTO's position, contending that the "company's name informs the consumer of the basic nature of its business and nothing more," making it generic.

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