



Isn't It Generic: Supreme Court to Consider Whether Web Addresses Using Generic Terms May Be Trademarked

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What can be trademarked? On May 4, 2020, in its first telephonic oral argument ever, the Supreme Court heard arguments addressing this question. Generally, trademarks [protect](#) the goodwill that a company has built in a “distinctive” name or mark. Whether a mark is distinctive can depend on a number of factors, but, under long-standing trademark principles, a “generic” mark is [never](#) distinctive and therefore may not be protected under trademark law. A mark is [generic](#) if it is the “common name of a product” or “the genus of which the particular product is a species.” For example, one could not [trademark](#) the name “LITE BEER for light beer, or CONVENIENT STORE for convenience stores.”

Booking.com, a hotel reservation company, [applied](#) to the U.S. Patent & Trademark Office (PTO) for a trademark on its business name, BOOKING.COM. The PTO denied the application, but the U.S. Court of Appeals for the Fourth Circuit (Fourth Circuit) [held](#) that BOOKING.COM is a protectable mark. In *PTO v. Booking.com*, the Supreme Court is poised to address the question [whether](#) combining two generic terms can result in a protectable, distinctive trademark. Specifically, the case [presents](#) the question whether “the addition by an online business of a generic top-level domain (‘.com’) to an otherwise generic term can create a protectable trademark.” This Sidebar will discuss the relevant legal background before addressing potential implications for Congress.

Legal Background

Trademark law “[protects](#) the goodwill represented by particular marks.” These protections allow customers to recognize and [distinguish](#) between particular product sources. Because trademark law restricts the words and images that can be used in commerce, however, it also implicates concerns regarding free expression and fair competition. Trademark law protects this “linguistic commons” by not offering [protection](#) for words that “do not identify goodwill attached to products or product sources but rather are used for their common meaning or meanings not indicative of products and product sources.”

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To determine whether a term is distinctive, courts generally [analyze](#) whether the term falls into one of a number of established categories, in descending level of distinctiveness: (1) fanciful; (2) arbitrary; (3) suggestive; (4) descriptive; or (5) generic.

Certain categories of terms are considered inherently distinctive. [Fanciful](#) terms “are made-up words that are invented to describe the product or source,” such as [KODAK](#) film. [Arbitrary](#) terms “are based on existing words used in ways unconnected with their common meaning,” such as [CAMEL](#) cigarettes. [Suggestive](#) terms connote, without describing, some attribute or feature of the product; for example, [TIDE](#) laundry detergent. Arbitrary, fanciful, and suggestive terms are considered inherently distinctive and may be eligible for trademark protection without further evidence, so long as they meet certain other [requirements](#).

By contrast, descriptive terms are not automatically trademark eligible. [Descriptive](#) terms describe “the qualities or characteristics of a good or service.” Descriptive terms may only be protected under trademark law if the proponent can establish that the mark has established “[secondary meaning](#)” in customers’ minds; in other words, that customers recognize it as relating to a particular product or company. For [example](#), “KENTUCKY fried chicken and AMERICAN airlines are geographically descriptive marks that have established secondary meanings in consumers’ minds, causing consumers to recognize a brand or source of fried chicken or air travel, rather than the places, Kentucky and America.”

[Generic](#) terms, however, may not be protected as trademarks where they are the “common name of a product” or “the [genus](#) of which the particular product is a species,” because in that case they “do not distinguish the particular product or service from other products or services on the market.” (Whether a term is generic may depend on the relevant company’s market; for example, “Apple Company” may be generic if the company sells fruit, but may not be if the company sells computers.) If generic terms were protectable, “a competitor [could not](#) describe his goods or services as what they are.” Accordingly, even a showing of secondary meaning [does not](#) necessarily render a generic term protectable as a trademark.

Case Background

Booking.com [operates](#) a website on which customers can book travel and hotel accommodations. In 2011 and 2012, it [applied](#) to the PTO for trademark protection of its company name, BOOKING.COM. The PTO [rejected](#) the applications, concluding that “booking” is a generic term for reserving travel or accommodations, “.com” is a generic term for a company website, and customers would understand the combination to be “an online reservation service for travel, tours, and lodging”—the services that Booking.com offers. The PTO also [determined](#) that even if BOOKING.COM is descriptive, the company has not established secondary meaning.

Booking.com [appealed](#) the PTO’s decision by filing a civil action in the U.S. District Court for the Eastern District of Virginia (the district court). The company argued that BOOKING.COM is descriptive or suggestive, and [submitted](#) survey evidence that 74.8% of consumers recognize the mark as a brand. The district court agreed that BOOKING.COM could be protected, holding that although “booking” is a generic term for services, BOOKING.COM as a whole is a descriptive mark which the company [established](#) had acquired secondary meaning.

The PTO appealed. The Fourth Circuit, in a divided opinion, found that the PTO had not met its [burden](#) of proving that BOOKING.COM is generic. In performing this analysis, the court [confirmed](#) that the proper analysis was evaluating how the public understands the proposed mark “as a whole,” rather than independently analyzing the separate parts of the proposed mark. Under this analysis, the court [held](#) that the PTO had not established that “the relevant public understood BOOKING.COM, taken *as a whole*, to refer to general online hotel reservation services rather than Booking.com the company.” The court [reasoned](#) that the PTO had not introduced evidence that members of the public used “booking.com” to

refer to booking websites generally, and found the survey evidence **strongly indicated** that the public understands BOOKING.COM “as a brand name, rather than a general reference to hotel reservation websites.” The court **rejected** the PTO’s argument that adding .com to a generic term like “booking” was necessarily generic. The Court **distinguished** *Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co. (Goodyear)*—an 1888 Supreme Court case that held that adding “Company” to a name did not allow for trademark protection—on the basis that it was decided before the current statute governing trademark law (the Lanham Act) was enacted. Judge Wynn dissented, **contending** that although proposed marks should be analyzed as a whole, BOOKING.COM is **generic**, not descriptive, and therefore not protectable.

Arguments Before the Supreme Court

Before the Supreme Court, the PTO **contends** that *Goodyear’s* principle controls; namely, that adding “.com” to a generic word like “booking” does not create a protectable mark. Just as BOOKING COMPANY **cannot** be trademarked, the PTO contends, neither should BOOKING.COM. Although *Goodyear* predates the Lanham Act, the PTO **continues**, the Lanham Act’s purpose was to codify existing trademark law, such as *Goodyear*. The PTO **notes** that other courts considering the issue have held adding .com to a generic term does not create a protectable mark. Moreover, the PTO **contends** that registering generic .com marks is not sound policy because it bars competitors from using language needed to market their products. For example, the PTO **argues**, many of Booking.com’s competitors use a website that uses the phrase “booking.com” or is similar to it, such as ebooking.com. The PTO also argues that Booking.com’s survey does not support registration because generic terms may *never* be protected as marks, **regardless** of whether the public associates the generic term with a particular company.

Booking.com responds that customer **perception** controls what can be trademarked. Thus, “whether a mark is generic depends on whether relevant consumers **believe** that the mark as a whole is the generic name for the class of goods or services.” In other words, if the term’s primary significance to consumers is as a name of a category of goods or services, then the term is generic. That rule controls the analysis of **all terms**, according to Booking.com, even domain names. Focusing on how consumers perceive the mark, Booking.com **contends**, “fosters competition and rewards investments in building brand recognition by encouraging enterprises to use marks that consumers consider meaningful in differentiating among brands.” Moreover, Booking.com contends that because the relevant inquiry is how the public views a term, **reliance** on survey evidence is proper. Finally, Booking.com argues that, in enacting the Lanham Act, Congress **replaced** *Goodyear* with a consumer perception standard.

If the Court adopts the PTO’s position, then trademarks of a “generic.com” format arguably may not be registered. Booking.com **argues** that this will lead to the cancellation of other similar marks that the PTO has already registered (e.g., WEATHER.COM and THE WIG COMPANY). The American Intellectual Property Law Association, which filed an amicus brief, **contends** that a per se rule risks barring future brands that make use of other website names. Another amicus contends that if these brand names are not protected, consumers will ultimately **suffer** due to increased confusion in differentiating companies.

If Booking.com prevails, then generic.com trademarks will be protectable (at least in certain circumstances, depending on how broadly the Court decides this case). One amicus brief, authored by several trademark law professors, **urges** the Court “to be cautious in resolving” the question, due to “the risks to competition of overassertion of registered marks that are largely or entirely comprised of generic elements.” In particular, the professors expressed **concern** that, if enforced aggressively, generic.com marks could result in anticompetitive infringement litigation. Another amicus, the Electronic Frontier Foundation (EFF), contends that allowing registration of generic.com trademarks would **impair** businesses’ ability to use domain names to describe their offerings.

Implications for Congress

A central question in this case is how Congress intended courts and the PTO to evaluate whether a proposed website-based trademark is generic. Accordingly, the decision raises questions as to whether the Court is interpreting the law as Congress intended. Should Congress disagree with the outcome of *Booking.com*, it could abrogate the decision statutorily by specifically setting forth whether and to what extent .com terms may receive trademark protection, or more clearly establishing how courts and the PTO should determine whether a proposed mark is generic.

Booking.com was argued on May 4, 2020. A decision is expected before the end of June.

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