

**WHAT TO DO WITH A DESCRIPTIVE MARK?  
BOOKING.COM & THE PTO**

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**CHAPTER 4**

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## WHAT TO DO WITH A DESCRIPTIVE MARK? BOOKING.COM & THE PTO

### I. INTRODUCTION

Over one hundred and thirty years have elapsed since the seminal decision in *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888). By taking up the matter of the *United States Patent and Trademark Office et al. v. Booking.com BV*, Case Number 19-46 (“*Booking.com*”), the Supreme Court is now confronted with whether to apply this age-old wisdom to resolve a comparable issue in the online marketplace, *i.e.*, the registrability and protectability of BOOKING.COM. Specifically, addressing an apparent Circuit split, the Supreme Court must determine whether the combination of a generic term with a generic top-level domain (“TLD”), such as “.com,” may result in a protectable trademark. The answer may well be – “It depends.”

This article will explore the series of administrative and federal court decisions relating to the registrability of BOOKING.COM, as the mark journeyed from examination in the Trademark Office up to review at the Supreme Court and conclude with some important lessons that may be learned along the way.

### II. WHAT IS A TRADEMARK?

Before getting to the meat of the matter, a brief discussion on the protectability of trademarks and the categorization of terms on the spectrum of distinctiveness is helpful to set the table. A trademark is “any word, name, symbol, or design, or any combination thereof, used in commerce to identify and distinguish the goods of one producer or seller from those of another and to indicate the source of the goods.” 15 U.S.C. § 1127. While most trademarks generally consist of words and symbols, a seller may also identify its goods using shapes, sounds, fragrances and colors. *See Qualitex Co. v. Jacobsen Products Co., Inc.*, 514 U.S. 159 (1995). Matter that may serve as a source identifying mark is wide ranging, but the focus here will be on words and TLDs.

#### A. The Twin Purposes of the Lanham Act.

The Lanham Act, enacted by Congress in 1946 and subsequently amended, provides for a national system of trademark registration. The Act has two general purposes. The first is to prevent consumer confusion regarding the source of goods and services. In other words, the Act seeks to “quickly and easily assure[] a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items [or services] that he or she liked (or disliked) in the past.” *Qualitex Co.*, 514 U.S. at 163-64.

Second, the Act incentivizes a business’ investment into its brand by assuring the seller “that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product [or service],” *id.* at 164, thereby allowing the owner of the mark to secure the goodwill of its business. *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985). The Act “simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer’s inability quickly to evaluate the quality of an item offered for sale.” *Qualitex Co.*, 514 U.S. at 164. The Lanham Act reflects the notion that “[n]ational protection of trademarks is desirable...because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation.” *Park ‘N Fly, Inc.*, 469 U.S. at 198.

The goals of the Lanham Act and trademark law generally, however, may be less likely achieved or more difficult to attain when the claimed mark lacks distinctiveness. Accordingly, when selecting a mark, consideration of the spectrum of distinctiveness is necessary.

#### B. The Protectability of Trademarks.

Not all terms are capable of functioning as a trademark, and not all terms that are capable of functioning as a trademark possess equal inherent strength. Steve Meleen, *Trademark Infringement Remedies*, Ch. 1.III.A.1. at 6 (3d ed. 2017). Two basic requirements must be met for a mark to be eligible for trademark protection: 1) it must be used in commerce; and 2) it must be distinctive.

As to the first requirement, the Lanham Act – because it is constitutionally based on the congressional power to regulate interstate commerce – requires that a trademark be used in commerce in order to achieve registration. *See* 15 U.S.C. § 1127. If a mark is not in use in commerce at the time of filing an application for registration, an applicant may file an intent-to-use application, claiming a bona fide intention to use the mark in commerce at a future date. *See* 15 U.S.C. § 1051. However, the registration will not be granted unless and until the applicant files a verified statement and specimen, showing that the mark has been used in U.S. commerce. *Id.*

The second requirement, that a mark be distinctive, addresses a trademark’s capacity for identifying and distinguishing particular goods or services as emanating from one producer or source and not another. *See, e.g.*, 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 3:1 (5<sup>th</sup> ed. 2019). Under trademark law,

“[i]f the designation performs that role [*i.e.*, identifying the source of one seller’s goods or services and distinguishing that source from other sources], then the law deems it to be ‘distinctive’ and legally protectable.” *Id.*

### C. The Framework of Distinctiveness.

As first established by Judge Friendly in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976), courts evaluate whether a term distinguishes the goods/services of a particular source using several categories that form a spectrum of distinctiveness, *i.e.*, a continuum, if you will, ranging from marks that are highly distinctive and afforded a high degree of trademark protection, to marks that are indistinctive and afforded no significance in terms of trademark protection. The spectrum reflects both the “eligibility to trademark status and the degree of protection accorded.” *Abercrombie & Fitch Co.*, 537 F.2d at 9. In general, the higher a mark is on the spectrum, the stronger it is in terms of the owner's ability to enforce its rights against third party uses of similar marks. *Abercrombie & Fitch Co.* established the building blocks for evaluating the protectability of a mark which is still used today by the United States Patent & Trademark Office (“PTO”) and the courts when assessing this factual question.

At the top of the spectrum are fanciful and arbitrary marks. A “fanciful” or “coined” mark consists of invented or made up words having no meaning apart from use as a trademark. 2 McCarthy at § 11:5. Examples include EXXON and CLOROX. *Id.* Marks in this category are inherently distinctive and protectable upon first use. Because of their high degree of distinctiveness, fanciful marks generally are afforded the broadest scope of protection against third party use. An “arbitrary” mark, however, consists of a word or words “in common linguistic use but which, when used with the goods or services in issue, neither suggest nor describe any ingredient, quality, or characteristic of those goods or services.” 2 McCarthy at § 11:11. In other words, an arbitrary mark is generally a known word used in an unexpected or uncommon way. Good examples of such marks might include APPLE for computers, or SHELL for gasoline. *Id.* Marks in this category are also inherently distinctive and protectable immediately upon use of the designation, and are afforded a broad scope of protection.

The next category in the spectrum are suggestive marks. A “suggestive” mark connotes a quality or characteristic of the product or service, but requires a mental leap, or some modicum of imagination, thought or perception to connect the mark with the product and service. “Suggestive marks [are the] middle ground between purely fanciful marks and descriptive marks.” 2 McCarthy at § 11:64. COPPERTONE suntan lotion is a prime example. Suggestive marks have a broader scope of protection than descriptive marks. While suggestive marks are deemed inherently distinctive, it may be difficult to predict whether certain terms or words will be considered suggestive or descriptive.

A “descriptive” mark, next in the lineup, “directly and immediately conveys some knowledge of the characteristics of a product or service.” 2 McCarthy at § 11:16. Typically, a descriptive mark merely describes an ingredient, quality, characteristic, function, feature, purpose or use of a product or service. Also, in this category are laudatory terms, geographic designations, and surnames. A descriptive term is not inherently distinctive and is therefore not immediately protectable as a mark. However, descriptive marks may acquire distinctiveness (also known as “secondary meaning”) and become protectable over time through consistent use in a trademark manner, thereby attaining recognition in the minds of consumers as a brand. Examples of such descriptive marks include AMERICAN AIRLINES, CHAP STICK, BED & BATH, and 5-HOUR ENERGY, among others. Descriptive marks, while generally not as distinctive as suggestive or arbitrary marks, can attain substantial commercial strength, exclusivity and protection over unauthorized uses (although in many cases, descriptive marks are afforded a narrow scope of protection). *See, e.g.*, 2 McCarthy at § 11:43 (noting that a defendant can overcome a presumption of secondary meaning).

The final category in the spectrum are generic marks. A “generic” mark is the common name of a product or service itself which is not protectable as a mark. As the Supreme Court held long ago in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938), a term is not generic if the primary significance of the term in the minds of the consuming public is not the product but the producer. The Lanham Act itself resonates the primary significance test for determining genericness. See 15 U.S.C. §1064(3). That said, the generic name of a product “can never function as a trademark to indicate origin.” 2 McCarthy at § 12:1. “To allow trademark protection for generic terms, *i.e.*, names which describe the genus of goods being sold, even when [they] have become identified with a first user, would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are.” *In re Merrill Lynch, Pierce, Fenner and Smith, Inc.*, 828 F.2d 1567, 1569 (Fed. Cir. 1987). Since the Lanham Act “is carefully crafted to prevent commercial monopolization of language that otherwise belongs in the public domain,” generic terms cannot be protectable under trademark law. *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 573 (1987).

### D. The Registrability of Trademarks.

The Lanham Act provides for two separate registers for trademarks with the PTO: Principal and Supplemental. Where a given term or mark falls on the spectrum of distinctiveness determines not just whether the designation is protectable and registrable as a mark but may also impact on which of the two registers it may be placed by the PTO.

### 1. The Principal Register.

The Principal Register is the site for the registration of marks that are distinctive, either by virtue of their inherently distinctive characteristics or by attaining secondary meaning based on sufficiently long, continuous and substantially exclusive use. 3 McCarthy at § 19:10. Registration on the Principal Register provides the registrant with, among other things, the presumption of the validity of the mark, prima facie evidence of ownership of the mark, acknowledgment of the mark's continuous and exclusive use, constructive priority date of first use dating back to the application date, and the opportunity to stop the importation of articles with an infringing mark. 3 McCarthy at § 19:9. Without question, registration on the Principal Register provides the trademark owner with valuable legal advantages. Further, after five years of continuous, uninterrupted use from the date of registration, a mark on the Principal Register may achieve incontestable status, which may limit the grounds under which third parties may attempt to cancel the mark. *Id.*

### 2. The Supplemental Register.

The Supplemental Register is a secondary site maintained by the PTO generally for trademarks and service marks that do not qualify for the Principal Register. Any mark may be placed on the Supplemental Register as long as it is in use in commerce, non-functional, not generic, and is capable of distinguishing an applicant's goods or services from those of others. See 15 U.S.C. § 1091(c); 3 McCarthy at § 19:32. Registration of a mark on the Supplemental Register is not prima facie evidence of distinctiveness; in fact, when securing registration on the Supplemental Register, the mark is at best merely descriptive. See *In re James Haden, M.D., P.A.*, Serial No. 87169404 (Trademark Tr. & App. Bd. Dec. 4, 2019) (citing *Quaker State Oil Refining Corp. v. Quaker Oil Corp.*, 453 F.2d 1296 (CCPA 1972)). Still, the Supplemental Register does accord certain important advantages. 3 McCarthy at § 19:32. Key benefits of registration on the Supplemental Register include: 1) the ability of the registrant to use the "R" in a circle registration symbol; 2) appearance of the registration on the federal public record for searchers seeking clearance to use similar marks; and 3) the ability of a USPTO Examiner to cite *ex parte* against applications of confusingly similar marks. 3 McCarthy at § 19:37. Accordingly, a Supplemental Registration can help support efforts to establish a mark that is registrable on the Principal Register over time.

## III. THE BOOKING.COM SAGA

With that background, *Booking.com* now comes into focus. The *Booking.com* case has spanned eight years of review by four administrative and judicial bodies—and it's not over yet. The matter boils down to essentially one issue: whether the addition of a top-level domain (TLD) such as ".com" to a generic second level domain (SLD) like "booking" results in a protectable mark. Stated differently, is BOOKING.COM generic for hotel reservation services, or it is descriptive for such services, having achieved secondary meaning to render it a distinctive, protectable and registrable mark? As you will see, the PTO determined it was not protectable, but the Eastern District of Virginia and the Fourth Circuit held that BOOKING.COM is a protectable mark that may be registered on the Principal Register.

### A. The Trademark Office's Review.

Amsterdam-based Booking.com B.V. (hereinafter, "Applicant" or "Booking.com") filed four applications to register the mark, BOOKING.COM, with the United States Patent Trademark Office ("PTO") beginning in December 2011. These applications included a standard character version of the mark, along with three stylized versions of the mark. All four of the applications were filed in International Class 43 generally relating to hotel reservation services based on Applicant's foreign registrations under Section 44(e) and 66(a), and during prosecution of the applications, Applicant claimed use of the mark, BOOKING.COM, for many years.<sup>1</sup>

The Class 43 applications were reviewed by various Examining Attorneys but followed substantially the same procedural history. The applications were initially rejected based on mere descriptiveness in view of Booking.com's services and the PTO required that "BOOKING.COM" be disclaimed apart from the marks as shown in certain of the applications. In response to Booking.com's argument that the marks were inherently distinctive, and in the alternative, had acquired distinctiveness under Section 2(f), the Examining Attorney issued rejections of the marks based on genericness as applied to Applicant's hotel reservation services, and in the alternative, based on mere descriptiveness and a lack of secondary meaning. Booking.com's response was unavailing and final refusals issued. Following its notice of appeal, Applicant further sought, but the Examining Attorney denied, reconsideration of the rejections in each of the applications. As a result, Booking.com moved forward with its appeals to the Trademark Trial and Appeal Board ("TTAB" or "Board"), after requesting consolidation of the appeals on its four applications.

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<sup>1</sup> Two other applications were filed in International Class 39 generally relating to travel agency services; however, the Class 39 applications were subsequently abandoned and will not be discussed in this article.

Consolidation streamlined the issues, and indeed, the administrative and judicial decisions which followed similarly reduced the issues to essentially one – the protectability of the word elements of BOOKING.COM for hotel reservation services in Class 43.

## B. The TTAB's Review.

### 1. The Applicant's Arguments.

In its appeal of the PTO's refusal to register the BOOKING.COM mark, Applicant's principal arguments were that the mark is not generic, is at minimum descriptive, and has acquired distinctiveness under Section 2(f) of the Lanham Act.<sup>2</sup>

With respect to genericness of the mark, Applicant's primary argument before the TTAB was that the Examining Attorney wrongfully examined "BOOKING" and ".COM" as independent terms and concluded that each one is generic, *i.e.*, booking is generic as to hotel or travel reservations and ".com" is a generic term used to indicate a commercial site on the internet or an e-commerce site. See Applicant's Consolidated Appeal Brief at 7, *In re Booking.com*, 2016 WL 1045674 (Trademark Tr. & App. Bd., Feb. 18, 2016) (hereinafter, "Applicant's Appeal Brief"). The correct approach, argued the Applicant, is to evaluate BOOKING.COM in its entirety, and when viewed as such, BOOKING.COM is not a generic term for any service. *Id.* at 12. In fact, continued the Applicant, BOOKING.COM is not even a word in the English language, and therefore cannot be a generic term or the genus for Applicant's services. *Id.* (noting that "ordinary consumers would never say 'I called my booking.com to get a reservation' or 'I logged on to my booking.com to find a hotel.'") Applicant also argued that because the URL "booking.com" points to a single, specific entity, the mark BOOKING.COM *cannot* be a generic term which identifies a *class* of goods and services. *Id.* at 14.

The Applicant continued by asserting that policy dictates the protection of its mark. Specifically, Applicant took the position that "[r]efusing to protect Applicant's mark defeats the very purposes of the Lanham Act as it encourages third parties to trade on Applicant's singular reputation and will lead to consumer confusion. 'The trademark laws exist not to 'protect' trademarks, but ... to protect the consuming public from confusion concomitantly protecting the trademark owner's right to a non-confused public.'" *Id.* at 19 (citing *James Burroughs, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7<sup>th</sup> Cir. 1976)).

Applicant further argued that BOOKING.COM is, at minimum, descriptive and has acquired distinctiveness based on many years of use and a host of quantitative evidence demonstrating consumer recognition of BOOKING.COM (*e.g.*, 625,000 room nights reserved daily, \$8 billion total value of transactions, 30 million worldwide visitors to its website, 2.2 million U.S.-based subscribers to its newsletter, 20 million American consumers reached through movie theater commercials, 19 million American consumers reached through internet commercials, various awards including a J.D. Power & Associates ranking of "First in Consumer Satisfaction", etc.) See Applicant's Appeal Brief at pp. 28-33.

### 2. The Trademark Office's Arguments.

The apparent crux of the PTO's argument is that "Applicant improperly argues that the addition of the top-level domain '.com' to the generic term 'booking' somehow saves its 'mark' from genericness." See Examining Attorney's Appeal Brief at 5, *In re Booking.com*, 2016 WL 1045674 (Trademark Tr. & App. Bd., Feb. 18, 2016) (hereinafter, "Examining Attorney's Appeal Brief"). Analogizing BOOKING.COM to HOTELS.COM considered by the TTAB in its decision in *In re Hotels*, the PTO further posited "the TTAB explicitly stated '[t]he term HOTELS.COM is no more registrable than the generic word 'hotels' alone.' ... It is therefore clear that that if "BOOKING" alone is unregistrable as generic, the composite mark BOOKING.COM would be no more registrable beneath this line of case law unless the combination resulted in a new or incongruous meaning." Examining Attorney's Appeal Brief at 5 (citing *In re Hotels, L.P.*, 2008 TTAB Lexis 60 at \*14 (Trademark Trial & App. Bd., Mar. 24, 2008) (affirmed by *In re Hotels.com, L.P.*, 91 USPQ.2d 1532 (Fed. Cir. 2009)). Moreover, argued the PTO, the Federal Circuit has provided a general rule that "the addition of a TLD to an otherwise unregistrable wording does not add source-indicating significance except in unique or exceptional cases." Examining Attorney's Appeal Brief at 6 (citing *In re Oppedahl & Larsen LLP*, 373 F.3d 1171, 1175-77 (Fed. Cir. 2004)). As such, Applicant's argument that BOOKING.COM points to a single entity and therefore cannot be generic "flies in the face of this jurisprudence, in which domain names have in fact been found generic when the root term is generic and their TLD fails to add further source-identifying significance." Examining Attorney's Appeal Brief at 9.

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<sup>2</sup> Applicant maintained on appeal that the mark BOOKING.COM was inherently distinctive due in part to the multiple meanings of the term "Booking". The Board, however, quickly disposed of that argument pointing out that a word may have more than one generic meaning. *In re Booking.com, B.V.*, 2016 WL 1045674, at \*9 (Trademark Tr. & App. Bd. Feb. 18, 2019).

The PTO further contended that competitive necessity is a policy factor which militates toward the finding of a term as being descriptive or generic. To that end, the PTO cited evidence from third party articles in which phrases such as “booking website(s)” and “booking sites” were used to describe sites of Applicant’s competitors. The PTO also introduced evidence of competitors’ use of BOOKING.COM in their own website names (e.g., www.hotelbooking.com; www.bookingbuddy.com, www.securebooking.com) for similar services. Examining Attorney’s Appeal Brief at p. 9. The PTO leveraged such evidence to show the import of rendering the term BOOKING.COM as a generic term available for use by others for the making of reservations. *Id.*

Finally, the PTO maintained that even if BOOKING.COM is not generic, the mark is highly descriptive and Applicant has failed to show acquired distinctiveness under Section 2(f), notwithstanding Booking.com’s many years of use, visitors to its web site, room nights booked and transaction value of reservations. See also, Examining Attorney’s Appeal Brief at 13 (noting that the applicant in the HOTELS.COM case provided significantly more evidence, including 60 declarations from consumers, vendors, and competitors, as well as a consumer survey “to show consumer recognition of a domain name as a brand rather than merely identifying the commercial domain for the named ‘booking’ services.”)

### 3. The Board’s Opinion.

On February 18, 2016, the TTAB rendered a decision affirming the PTO’s refusal to register BOOKING.COM on the ground that BOOKING.COM is generic as applied to Applicant’s services and on the ground that BOOKING.COM is merely descriptive of the Applicant’s services and has not been shown to have acquired distinctiveness. *In re Booking.com, B.V.*, 2016 WL 1045674, at \*19 (Trademark Tr. & App. Bd. Feb. 18, 2019) (Serial No. 85485097 consolidated with Serial Nos. 79122365, 79122366 and 79114998).

The Board began by setting forth the two-step test for determining whether a mark is generic. First, a determination must be made as to the genus of goods or services at issue. Second, a determination must be made as to whether the term sought to be registered is understood by the relevant public primarily to refer to that genus of goods or services. *Id.* at \*2 (citing *H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987 (Fed. Cir. 1986)). Identifying the genus of Applicant’s services based on Applicant’s recitation of services in Class 43 (i.e., making hotel reservations in person and via the internet, providing related information and consultation, and providing online reviews of hotels), *In re Booking.com, B.V.*, 2016 WL 1045674, at \*2, the Board turned next to the public’s understanding of the term BOOKING.COM.

While the Board agreed with Applicant that the mark must be viewed its entirety, it further noted that the Trademark Office’s approach (using the *Hotels.com* framework) was not improper. Citing Federal Circuit precedent, the Board noted:

In all of these cases, the [Federal Circuit] held to be generic marks that were similar in structure to the wording of Applicant’s mark on the basis of evidence highly similar to that now before us. The fact that “booking” and “.com” appear in dictionaries separately, but not together, does not mean that their combination cannot be generic. The relevant analysis under *Marvin Ginn* is to determine what relevant customers would understand from the combination of these two terms. As the Court stated in *Hotels.com*, “the generic term ‘hotels’ did not lose its generic character by placement in the domain name HOTELS.COM.”

*Id.* at \*9. Moreover, “*Marvin Ginn* does not require that the public use a term to designate the genus; only that the public understand the term to refer to the genus. *Marvin Ginn* does not require that a term literally be the name of the genus; only that it be understood primarily to refer to the genus.” *Id.* at \*10.

Applying the foregoing analysis to the facts at hand, the Board found that the PTO’s “contentions as to the public’s understanding of the combination BOOKING.COM are supported by the dictionary evidence; the Internet evidence showing how third parties use the words ‘booking’ and the suffix ‘.com’; and, perhaps most importantly, the evidence of how third parties use the combination ‘booking.com’ as a component of domain names and trade names in the field of travel and hotel reservations.” *Id.* at \*11. Balancing this evidence against Applicant’s evidence of consumer perceptions, including a J.D. Power survey of consumer satisfaction, the Board stated:

[W]e find that it is at best a very indirect demonstration of what relevant customers understand “booking.com” to mean. The [J.D. Power] press release tells us that survey subjects were asked about seven factors - pricing; information provided; booking options; the online “store”; ease of booking; sales and promotions; and customer service - with respect to specific travel websites. These are not the types of questions that would be posed to subjects of a typical genericness survey (e.g., a “Teflon” or “Thermos” survey), which would test whether subjects perceive a term as a brand or a generic term.

*Id.*

Moreover, with respect to Applicant's argument that it is impossible for a term in the form of a domain name, like "booking.com," to identify an entire class or genus of goods or services because "a specific URL can identify only one entity," the Board disagreed. *Id.* at \*13. According to the Board, a URL does not point to an entity, but to an Internet address "which can be occupied by any entity that secures the address by entering into an arrangement with the registrar of that address." *Id.* Furthermore, since domain name registrations are not perpetual, Applicant may be replaced as the registrant or may voluntarily transfer its domain name registration to another. *Id.* Likewise, Applicant's argument ignores the use of "booking.com" by third parties to identify their internet addresses. *Id.* at \*14. The Board concluded its analysis by pointing to an important policy for excluding generic terms from protected status as marks. "To allow trademark protection for generic terms, *i.e.*, names which describe the genus of goods being sold, even when these have become identified with a first user, would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are." *Id.* at \*14 (citing *In re Merrill Lynch*, 828 F.2d at 1569).

Finally, noting that its finding of genericness may be reversed on appeal, the Board further considered the Trademark Office's refusal of BOOKING.COM on the alternative ground that it is merely descriptive of Applicant's services and that Applicant has failed to demonstrate that it has acquired distinctiveness. Specifically, the Board concluded that in view of the highly descriptive nature of BOOKING.COM and its actual use in the marketplace by third parties, a very strong demonstration of acquired distinctiveness would be required to render the term registrable. It found that "Applicant's demonstration of its business success to be insufficient for this purpose, especially because it does not focus on demonstrating actual market recognition of BOOKING.COM as a source indicator." *In re Booking.com, B.V.*, 2016 WL 1045674, at \*18.

As a result, the Board affirmed the Trademark Office's refusal to register Booking.com's mark on the ground that BOOKING.COM is generic as applied to Applicant's services, and on the ground that BOOKING.COM is merely descriptive of Applicant's services and has not been shown to have acquired distinctiveness.

### C. Booking.com's Appeal.

#### 1. Two Options for Appeals from the TTAB.

A trademark applicant unsatisfied with the decision of the Board, like Booking.com, has two avenues by which to appeal under the Lanham Act. It can either "appeal to the United States Court of Appeals for the Federal Circuit," *See* 15 U.S.C. § 1071(a), or file a civil action against the USPTO Director in federal district court, *see* 15 U.S.C. § 1071(b). An appeal to the Federal Circuit is taken on the record before the PTO and the PTO's factual findings will be upheld if they are supported by substantial evidence. *See, e.g., Recot, Inc. v. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000). In contrast, in a district court action under § 1071(b), the applicant and the PTO may conduct discovery and introduce additional evidence beyond the record of the PTO, which the district court reviews *de novo*. *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1301 (2015). An appeal from the district court's decision in such a proceeding is heard by the appropriate regional court of appeals. 28 U.S.C. 1291.<sup>3</sup>

#### 2. The District Court's Opinion.

After receiving an adverse ruling by the TTAB, Booking.com sought review of the Board's decision under § 1071(b) by filing an action in the Eastern District of Virginia. Strategically, this allowed Applicant to amplify the record by introducing for the first time a Teflon survey, which "is the most widely used survey format for measuring consumer opinion in a genericness challenge." *Booking.Com B.V. v. Matal*, 278 F.Supp.3d 891, 898 (E.D. Va. 2017); *see also In re Booking.com, B.V.*, 2016 WL 1045674, at \*11 (wherein the Board suggested to the Applicant that a Teflon survey would better test whether consumers perceive a term as a brand or a generic term).

The ultimate issue before the District Court was one of fact: "where along the generic-descriptive-suggestive-fanciful continuum the [BOOKING.COM] mark is situated." *Booking.Com B.V.*, 278 F.Supp.3d at 900. Like the TTAB, the District Court's analysis focused on the word elements of the mark. *Id.* To establish that its term is a valid trademark as opposed to a generic term, Applicant had to show that the primary significance of the term in the minds of the relevant consuming public is "not the product but the producer." *Id.* at 903.

Observing that the burden of proving genericness by clear evidence rests with the party seeking to establish genericness (which here was the PTO), the District Court began by setting forth a three-step test for genericness. *Id.*

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<sup>3</sup> Notably, if an applicant opts to challenge the TTAB ruling in district court, the applicant must pay all of the expenses of the proceeding, "whether the final decision is in favor of such party or not." 15 U.S.C. § 1071(b)(3). On appeal, the Fourth Circuit affirmed the District Court's order that Booking.com pay the PTO's attorneys' fees under 15 U.S.C. 1071(b)(3). The Supreme Court recently determined that a similar provision in the Patent Act did not include the PTO's attorneys' fees. *Peter v. NantKwest Inc.*, No. 18-801, 2019 WL 6719083 (U.S. Dec. 11, 2019). Booking.com did not seek Supreme Court review of the Fourth Circuit's determination of this issue, and this article will not go into further detail on the attorney's fees in trademark appeals.

at 902. First, the relevant class of product or service to which the mark is used must be identified. Second, the relevant purchasing public of the relevant class of product or service must be identified. Finally, a determination is made as to whether the primary significance of the mark to the relevant public is to identify the class of product or service to which the mark relates. *Id.* As to the first inquiry, the District Court determined the relevant class according to the broadest services described in Applicant's applications in Class 43, namely "making hotel reservations for others." *Id.* at 903. As to the second inquiry, the Court determined that the relevant purchasing public comprised consumers who use travel, tour, and hotel reservation services. *Id.*

The Court's decision truly turned on the third inquiry, the "primary significance" test. In assessing the primary significance of the term, the District Court indicated that while the mark should be considered in its entirety, it is not precluded from considering the meaning of individual words to determine the meaning of entire mark. *Id.* at 904. As such, the District Court first considered the meanings of the terms "booking" and ".com" separately, before considering them in combination.

The Court found that the word "booking" is generic for the classes of hotel and travel reservation services recited in the applications. *Id.* at 904-905 (considering dictionary definitions and noting that "booking" is used by Applicant and its competitors on their websites as a noun to describe a reservation and as a verb to describe the making of a reservation). Next, as to the top-level domain (TLD), the ".com" element, the Court observed a "tension" within Federal Circuit precedent as to the treatment of TLDs. On the one hand, the Federal Circuit appeared to suggest that a *per se* rule that the addition of TLDs to descriptive SLDs *cannot* be source identifying would be legal error; but on the other hand, the actual outcomes of many cases indicate that the TTAB's guidance on TLDs operate as a *per se* rule. *Id.* at 908.

Declining to follow Federal Circuit precedent, and treating the issue as one of first impression, the District Court held: "when combined with [a second-level domain (SLD)], a TLD generally has source identifying significance and the combination of a generic SLD and a TLD is generally a descriptive mark that is protectible upon a showing of acquired distinctiveness." *Id.* at 908-09. The District Court distinguished Federal Circuit precedent based, in part, on the fact that its review of TTAB cases was conducted under the deferential substantial evidence standard, while the District Court is required to conduct a *de novo* review. In reaching this conclusion, the District Court referred to the Federal Circuit's decision in *In re Dial-a-Mattress* (decided before the Federal Circuit's line of TLD cases), where the mark 1-888-M-A-T-R-E-S-S was found protectable because, although area codes have no source identifying significance by themselves and the term "mattress" was generic, the combination of an area code and a generic term was deemed source-identifying. Specifically, it resulted in a descriptive term, indicating that "a service relating to mattresses [was] available by calling the telephone number." *Id.* at 909 (citing *In re Dial-a-Mattress*, 240 F.3d 1341, 1346 (Fed. Cir. 2001)). Applying the same reasoning to the present matter, the District Court contended that, "[a]lthough a TLD, like an area code, has no source identifying significance by itself, in combination with a SLD, it indicates a domain name, which, like a telephone number, is unique. Moreover ... the combination of a TLD and a generic SLD creates a descriptive mark by indicating that services relating to the generic SLD are available by accessing the domain name. Finally, whether such a mark is entitled to trademark protection depends on whether the applicant can demonstrate that it has acquired distinctiveness." *Booking.Com B.V.*, 278 F.Supp.3d at 909.

Importantly, the District Court in distinguishing the Supreme Court's century-old decision in *Goodyear's*, which held that adding terms such as Corp, Inc., and Co. to a generic term does not add any trademark significance to an otherwise unregistrable mark, *Id.* at 910, determined that adding a TLD to a generic SLD "does more than indicate that a company offers services via the internet; it indicates a unique domain name that can only be owned by one entity." *Id.*

Next, the District Court dismissed the argument that recognizing the source identifying significance of TLDs would create a *per se* rule that combining ".com" with any generic term renders it protectable, noting that it would only be protectable upon a showing of acquired distinctiveness. *Id.* The District Court similarly rejected the argument that granting trademark protection to domain names with a generic SLD would prevent competitors from using the generic term in their domain names, limiting their ability to communicate the nature of their services. *Id.* at 911. Specifically, the Court relied on other marks registered by the Trademark Office having descriptive SLDs (*e.g.*, WORKOUT.COM, ENTERTAINMENT.COM, etc.), none of which precluded registration of subsequent marks such as MIRACLEWORKOUT.COM, GOLIVE-ENTERTAINMENT.COM on the Principal Register. *Id.* Indeed, as explained by the District Court, the descriptive nature of the domain name marks "will significantly limit the protection they receive, thereby safeguarding competition and public use." *Id.* at 911. The District Court likewise dismissed the argument that granting trademark protection to domain names with generic SLDs would deprive competitors of the right to describe their goods and services because domain names are each unique and "no evidence in this record supports the view that domain names are used as descriptive terms for classes of services." *Id.* at 912-13 (noting that competitors of Applicant have no incentive to describe themselves as "booking.coms.")

Finally, in assessing evidence of the public's understanding of BOOKING.COM, the District Court perceived that "[t]he most striking feature of the evidence in this record is the absence of evidence that consumers or producers use the term "booking.com" to describe the genera of services at issue, that is, hotel and travel reservation services." *Id.* at 914. The PTO presented no purchaser testimony, consumer surveys, newspaper articles, websites, or other publications demonstrating that either the consuming public or Applicant's competitors refer to travel and hotel reservation services offered online as "booking.coms." *Id.* To that end, the Court dismissed evidence of use of generic terms having "booking" (such as "booking websites" or "booking sites"), as well as evidence of third-party websites with "booking.com" as part of its domain name. *Id.* at 914-15. Conversely, Applicant's introduction of the Teflon survey, showing that 74.8% of respondents identified BOOKING.COM as a brand name as opposed to a common name, was considered persuasive evidence that the consuming public considers BOOKING.COM to be a specific brand name for online booking services. *Id.* at 915-16 (comparing the survey results to *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F.Supp. 502, 527 (E.D.N.Y. 1975), where survey results indicating that 68% of consumers viewed Teflon a brand name was enough to rebut the claim the mark was generic). Citing Hal Poret, the survey expert who administered Applicant's Teflon survey, the Court was persuaded that the results of the survey "strongly establish that BOOKING.COM is not perceived by consumers to be a generic or common name." *Booking.Com B.V.*, 278 F.Supp.3d at 916.

Notably, the PTO submitted the rebuttal expert testimony of Dr. Edward Blair, who testified to at least three flaws in the methodology of Applicant's survey: 1) the survey population was under-inclusive because it was restricted to consumers who search for hotel or travel reservations online (Applicant's recitation of services also included in-person services); 2) the survey was insufficient as it did not focus on ".com" names and respondents were not tested on their ability to distinguish between ".com" brand names and ".com" common names (this was evidenced by the fact that 33% of respondents incorrectly identified WASHINGMACHINE.COM as a brand name); and 3) the survey responses varied based on the order in which the marks were presented, which indicates that respondents did not understand the distinction between ".com" brand names and common names, but were answering based on context rather than knowledge. *Id.* at 917-18.

The District Court, which was not persuaded, found that: 1) Poret's decision to limit the survey to online consumers was reasonable (Poret had explained that the survey focused on consumers who used online reservation services because the PTO determined that BOOKING.COM was generic for a *website service* and measuring consumer perception in the online context was the context in which the chance of consumers understanding a mark ending in ".com" to be generic was the greatest); 2) the method used to instruct respondents on the distinction between generic and brand names was sufficient (Poret explained that after removing the respondents who identified WASHINGMACHINE.COM as a brand name, of the remaining respondents, 65% identified BOOKING.COM as a brand name); and 3) the ordering effects are both expected and appropriately controlled for by the survey design (Poret explained that all Teflon surveys have order effects because it is well known that responses to terms vary in this manner and providing various orderings is designed to control for that). *Id.* at 917-18. The Court determined that Dr. Blair's critiques did not undermine the veracity of the survey and that it was reliable. Further, it was the only actual evidence of consumer understanding of BOOKING.COM.

As a result, the District Court concluded that the PTO failed to meet its burden of proving genericness by clear evidence, that the relevant consuming public understands BOOKING.COM not to refer to a genus, and that the mark is descriptive of Applicant's services. *Booking.Com B.V.*, 278 F.Supp.3d at 918.

After determining BOOKING.COM is a descriptive mark, the Court further held the Applicant carried its burden of showing that the mark acquired distinctive meaning as to services described in Class 43. *Id.* at 919-21 (finding that Applicant's advertising evidence, Teflon survey evidence, sales success, unsolicited media coverage, and its long and exclusive use was sufficient to show secondary meaning.)

#### **D. The Circuit Court's Review.**

##### **1. The Parties' Cross Appeals.**

Both the PTO and Booking.com appealed to the Fourth Circuit. The PTO appealed the District Court's decision on the grounds that it erred in concluding that BOOKING.COM was a protectable mark. Booking.com, as noted earlier, cross-appealed, arguing that it should not be required to pay the PTO's attorney's fees under 15 U.S.C. § 1071(b)(3). The Fourth Circuit reviewed the District Court's decision de novo.

##### **2. The Fourth Circuit's Opinion.**

With respect to the PTO's appeal, the limited issue before the Fourth Circuit was "whether the district court erred in finding that BOOKING.COM is not generic." *Booking.com B.V. v. United States Patent and Trademark Office*, 915 F.3d 171 (4<sup>th</sup> Cir. 2019).

As to the test for determining genericness, Fourth Circuit found that the parties disagreement concerned the final step, *i.e.*, whether the primary significance of the mark to the relevant public is an indication of the nature of the class of the product/services, or an indication of the source or brand. *Id.* at 180-81. The Fourth Circuit found that the District Court relied on two factors to reach its conclusion as to the primary significance of the mark to relevant public and that BOOKING.COM was a descriptive mark, rather than a generic one: 1) the PTO's lack of evidence demonstrating that the public uses "booking.com" generically, and 2) Booking.com's Teflon survey. *Id.* at 181-82.

As to the first point, the Fourth Circuit determined that while "the PTO identified other domain names that contain booking.com ... to support its argument that the relevant public understands BOOKING.COM to refer to online hotel booking services, the district court did not err in finding this evidence less probative of common usage," particularly since "booking" is used to describe a host of reservation services including theatrical or musical engagements. *Id.* at 182. While the Appellate Court agreed with the PTO that the public does not have to *use* the term "booking.com," but would *understand* the term to refer to those services, the Court nevertheless stated that usage is probative of the public's understanding. *Id.* Moreover, explained the Fourth Circuit, the Teflon survey introduced by the Applicant suggests that the public *understands* BOOKING.COM to indicate the company rather than the services. *Id.* at 183. And, according to the Appellate Court, the District Court, acting as the trier of fact in reviewing Booking.com's application *de novo*, did not err in placing greater weight on the consumer survey than it did other evidence. *Id.* at 184.

With respect to the PTO's argument that, based on the Supreme Court's jurisprudence in *Goodyear's*, the addition of a top-level domain (such as ".com") to a generic second-level domain like "booking" is necessarily generic, the Fourth Circuit rejected the bright-line rule. *Id.* (noting that sister circuits have found that the addition of ".com" to a generic domain name *may* be protectable upon a sufficient showing of the public's understanding through consumer surveys or other evidence.) The Fourth Circuit further distinguished *Goodyear's*, finding that case "was decided almost sixty years before the Lanham Act and crucially, did not apply the primary significance test." *Id.*

The Court also rejected the PTO's argument that because each constituent element ("booking" and ".com") of the mark is generic, the composite mark must also be generic. According to the Appellate Court, even if "booking" and ".com" are both generic, putting them together does not end the genericness inquiry. "Tellingly, even where courts have found that the individual components of a domain name mark are independently generic, and that when added together the resulting composite merely describes the genus of the service provided, courts still considered other evidence such as consumer surveys in determining whether the mark was generic." *Id.* at 186 (citing federal appellate cases and noting that while these courts have generally found adding ".com" to a generic SLD to be generic, they have nonetheless acknowledged that on rare occasions such marks may be non-generic.) The Fourth Circuit, however, also rejected the District Court's suggestion that ".com" has source-identifying significance when added to an SLD like "booking": "Merely appending .com to an SLD does not render the resulting domain name non-generic because the inquiry is whether the public primarily understands the term *as a whole* to refer to the source or the proffered service." *Id.* at 185 (emphasis in original).

In sum, the Fourth Circuit deemed that adding ".com" to an SLD *can* result in a non-generic descriptive mark upon a showing of primary significance to the relevant public. As a result, the Appellate Court agreed with the District Court's finding that the PTO did not meet its burden of proving that BOOKING.COM is generic and affirmed that BOOKING.COM is descriptive. *Id.* at 187. Because the PTO did not challenge the District Court's finding that BOOKING.COM acquired secondary meaning, the Fourth Circuit affirmed the District Court's finding that BOOKING.COM is protectable as a trademark. *Id.*

Judge Wynn, however, dissented from the Fourth Circuit's majority opinion and leaned on precedent from other appellate courts. Specifically, he explained that the District Court erred in holding that, as a matter of law, the combination of a generic SLD and a TLD is presumptively descriptive and protectable upon a showing of acquired distinctiveness. *Booking.com B.V.*, 915 F.3d at 190. First, Judge Wynn argued that the District Court's determination "conflicts with the determination that *every other court* has reached in cases ... involving the registration or enforcement of a proposed mark composed of a generic [SLD] and a [TLD]. *Id.* (emphasis in original). Next, he discussed how BOOKING.COM is not the type of mark courts have recognized as falling within the "rare" occasion when adding a generic SLD to a TLD does not create a generic mark. *Id.* at 192 (noting, for example, that tennis.net for a brick-and-mortar company that sold tennis equipment qualifies as such a rare occasion). In that regard, Judge Wynn stressed the District Court's failure to even examine whether BOOKING.COM constituted one of those rare circumstances.

Judge Wynn further highlighted that the District Court's decision conflicts with one-hundred-year-old Supreme Court precedent that bars protection of marks that combine a generic term with a generic commercial designation such as "Company," "Corp.," or "Inc." *Id.* at 194. "Under *Goodyear's*, a brick-and-mortar reservation service operating under the term The Booking Company would not be able to receive a trademark in that name, regardless of the degree of brand recognition it generated or the number of consumers who identified it as a brand. Yet, under the district court's approach, the term BOOKING.COM is presumptively protectable." *Id.* This result is also contrary to Federal

Circuit precedent upholding the relevance of *Goodyear's* to the “.com” era. *Id.* at 195 (citing *Oppedahl*, 373 F.3d at 1175 (“The commercial impression created by ‘.com’ is similar to the impression created by ‘Corp.’ and ‘Co.’, that is, the association of a commercial entity with a mark.”))

As manifested by Judge Wynn’s dissent, the practical implications of the District Court’s decision (blessed by the Fourth Circuit) includes the empowerment of Booking.com to monopolize language and adversely impact competition. *Booking.com B.V.*, 915 F.3d at 195. “Put simply, the majority opinion’s judgment will directly disadvantage Booking.com’s competitors by taking away their ability to use the term ‘booking’ in their own website domain names. Indeed, any competitors that attempt to use the term ‘booking’ will face of a costly, protracted, and uncertain infringement lawsuit.” *Id.* at 195. Judge Wynn’s opinion followed closely the arguments raised by the PTO.

## E. The Petition to the Supreme Court.

### 1. The PTO’s Petition.

Faced with the dilemma of an applicant being able to essentially forum shop around PTO practice and Federal Circuit precedent, coupled with the apparent circuit split now created by the Fourth Circuit, the PTO’s only recourse was to file a Petition for a Writ of Certiorari to the Supreme Court, which it did in July 2019.

The PTO’s Petition presents two principal arguments. First, it contends that the Appellate Court erred in holding that “an applicant may obtain federal trademark protection for a generic term by adding ‘.com’ to that term, so long as the relevant public would understand the combination to refer to a specific business.” Petition for Writ of Certiorari at 12, *United States Patent and Trademark Office v. Booking.com B.V.*, No. 19-46 (Jul. 5, 2019). The PTO reasons that this contravenes principles of trademark law, the Supreme Court precedent in *Goodyear's*, and decisions of both the Federal and Ninth Circuits, the only other federal appellate courts that have considered the protectability of “generic.com” terms. *Id.* at 12-13. Importantly, argues the PTO, the Supreme Court’s precedential decision in *Goodyear's*, which held the addition of a corporate designation (such as “Company”) to a generic term does not render the combination non-generic, is instructive in the present matter. *Id.* at 12, 14. Just as the addition of the word like “Company” indicates that parties have formed an association or partnership to deal in the relevant class of goods or services, the addition of the TLD “.com” merely communicates that the Applicant operates a commercial website via the internet. *Id.* at 15. Interestingly, the District Court and the Court of Appeals did not disagree that the term “booking” is generic for hotel reservation services. Under *Goodyear's*, just as the Applicant could not register “The Booking Company” or “Booking Inc.,” the Applicant similarly should not be able to register BOOKING.COM. *Id.* at 15.

With respect to the PTO’s argument that the Fourth Circuit’s decision also conflicts with the decisions of other circuits, the PTO begins by noting that the Federal Circuit and the Ninth Circuit are the “only other courts of appeals that have considered the protectability of ‘generic.com’ terms.” *Id.* at 12. Resolution of this circuit split is critical as judicial review of TTAB decisions falls either within the purview of the Federal Circuit or an appropriate district court. *Id.* at 13. Since the PTO is located in the Eastern District of Virginia, that court, relying on Fourth Circuit precedent, will also be resolving these challenges. *Id.* at 13.

Second, argues the PTO, the Fourth Circuit erred in extending the concept of secondary meaning to generic terms. *Id.* at 19. Specifically, because the Fourth Circuit improperly relied on Applicant’s Teflon survey evidence showing that consumers associate BOOKING.COM with its business, the PTO argues that the Fourth Circuit improperly affirmed that BOOKING.COM was not generic: “[t]hat approach effectively eliminates the established distinction between generic and descriptive terms, and the rule that only the latter can be eligible for trademark protection if they become associated in the minds of consumers with a particular brand.” *Id.* As a result, the District Court and Court of Appeals, posits the PTO, erred in relying on survey evidence to show that consumers associate a generic term with a particular producer. *Id.* at 21. It is axiomatic that trademark law does not protect generic terms, no matter how successful the generic term has been in securing public identification. *Id.* at 10-11.

### 2. Booking.com’s Opposition.

Booking.com raises two primary arguments in opposition to the PTO’s petition: 1) the PTO misstates the distinction between genericness and descriptiveness; and 2) denying registration of BOOKING.COM frustrates the purposes of the Lanham Act. Opposition to Petition for a Writ of Certiorari at 12-13, *United States Patent and Trademark Office v. Booking.com B.V.*, No. 19-46 (Jul. 5, 2019).

With respect to its first argument, Booking.com explained that a generic term is not just a term which refers to a genus of which a product is a species, but “one whose *primary significance* is identifying such a genus – such as ‘computer’ or ‘travel agent’ or ‘automobile.’” *Id.* at 25. According to Applicant, the fact that there are other generic terms for Applicant’s services (*e.g.*, travel agent, travel reservation services, etc.) and that these terms are facially distinguishable from BOOKING.COM, shows that BOOKING.COM is not generic. *Id.* Moreover, claims Applicant, even if the term BOOKING.COM communicates something about the travel reservation services that Applicant

provides, this at most proves descriptiveness. *Id.* The question of genericness is one of fact, and here, according to Applicant, the primary significance of Applicant's mark to relevant consumers was confirmed by consumer survey evidence, which is routinely accepted to show that a mark is not generic. *Id.* at 28-29 (citing federal district court and appellate decisions).

Next, Applicant distinguishes *Goodyear's* as inapplicable to the present facts. According to Booking.com, *Goodyear's*, which was "decided 60 years before the Lanham Act (and 110 years before the commercial internet), made no finding of genericness, [but] instead refer[ed] to 'Goodyear Rubber' as descriptive terms. Indeed, at that time, descriptive and generic terms were equally unprotectable under the common law." *Id.* at 11. Moreover, continues Applicant, even if *Goodyear's* referred to genericness, it did not apply the "primary significance test", which controls today. *Id.* at 12. Additionally, Applicant reasons that the Supreme Court has already distinguished decisions arising before the enactment of the Lanham Act, as the Act has changed the scope of protectable trademark matter. *Id.* at 11 (citing *Qualitex Co.*, 514 U.S. at 171).

Relying on the public policy underlying trademark law itself, Booking.com further articulates that denying registration of BOOKING.COM frustrates the twin purposes of the Lanham Act. "Refusing to protect BOOKING.COM defeats the very purposes of the Lanham Act by encouraging third parties to trade on [Applicant's] singular reputation and blatantly mislead consumers...." *Id.* at 38. Applicant explains that numerous providers of accommodations services compete with Applicant without using its name, e.g., TRAVELOCITY.COM, EXPEDIA.COM, KAYAK.COM, PRICELINE.COM, etc. *Id.* Likewise, registration of BOOKING.COM would have no effect on Applicant's burden in proving likelihood of confusion, and the PTO's claim that Booking.com might challenge names such as "roomsbooking.com" or "hotelbooking.com" is speculative given that such scenarios would involve their own set of facts. Finally, Applicant claims that registration of its mark would not impact descriptive fair use of the word "booking" for travel, theatrical engagements, or other uses. *Id.* at 40. Booking.com concludes that the only thing that denying registration will do is free competitors to "prey on its millions of loyal consumers by falsely advertising as 'Booking.com' or making deceitful direct promotions." *Id.*

In its reply brief, the PTO responded, among other things, that *Goodyear's* remains good law, and has not been overturned by the Supreme Court since enactment of the Lanham Act. Reply Brief for the Petitioners at 3, *United States Patent and Trademark Office v. Booking.com B.V.*, No. 19-46 (Jul. 5, 2019).

#### **F. The Potential Impact of Supreme Court Jurisprudence on the Decision.**

The Supreme Court's analysis of the *Booking.com* case and the protectability of the mark, BOOKING.COM, will likely underscore the exceedingly factual nature of determining where a mark lies on the continuum of distinctiveness. And because each case is fact-specific, the Supreme Court may not issue any sort of bright-line test to determine the protectability of "generic.com" marks. Nevertheless, its own precedent may prove instructive.

Based on the parties' arguments, the Supreme Court may well review whether the *Goodyear's* decision – that the addition of a business designation such as "Company" to a generic term is not enough to render the mark protectable – is equally applicable in "generic.com" cases. In conjunction with this analysis, the Court will also undoubtedly discuss the "primary significance" test and how it is to be applied in conjunction with *Goodyear's*, if the latter is found applicable to "generic.com" cases.

Importantly, though decided before the notion of the internet was even conceived, *Goodyear's* holding against protecting a "mark" consisting of a common term coupled with a business designation was based on policy:

The name of 'Goodyear Rubber Company' is not one capable of exclusive appropriation. 'Goodyear Rubber' are terms descriptive of well-known classes of goods produced by the process known as 'Goodyear's Invention.' Names which are thus descriptive of a class of goods cannot be exclusively appropriated by any one. The addition of the word 'Company' only indicates that parties have formed an association or partnership to deal in such goods, either to produce or to sell them. Thus parties united to produce or sell wine, or to raise cotton or grain, might style themselves 'Wine Company,' 'Cotton Company,' or 'Grain Company,' but by such description they would in no respect impair the equal right of others engaged in similar business to use similar designations, for the obvious reason that all persons have a right to deal in such articles, and to publish the fact to the world. Names of such articles cannot be adopted as trade-marks.

*Goodyear's*, 128 U.S. at 602-03 (emphasis added). Although the "primary significance" test for genericness was not overtly set out in the Court's opinion in *Goodyear's*, the underlying policy by necessity required that Court to consider whether the primary significance of a word was "well-known" and commonly understood by relevant consumers as being generic names for the product at issue. Accordingly, the ultimate policy upheld in *Goodyear's* was the preservation for commercial use of "well-known", common terms in the public domain.

#### IV. KEY TAKEAWAYS

The *Booking.com* saga offers some practical lessons for consideration by trademark practitioners and brand owners when selecting a mark, as well as for moving forward with a mark having a low degree of distinctiveness.

##### A. Counsel Against Highly Descriptive Marks.

While generic terms are plainly unprotectable, highly descriptive marks may be difficult to protect absent extensive, widespread use over a significant period of time, and it may be best to counsel against the adoption of such terms and select marks that are inherently distinctive.

Still, many business owners select descriptive marks for their goods and/or services, believing that descriptive marks allow consumers to immediately identify the product or service from the mark itself, thereby eliminating the need for expensive consumer education and/or advertising. While this may be a common approach, it will likely result in very weak marks that are difficult to protect and may end up costing more in the long run to market, build up goodwill, and protect. Indeed, Booking.com has expended substantial capital trying to build up goodwill in BOOKING.COM and vast resources litigating the registrability of its name and mark over these past eight or more years.

As laid out in the *Booking.com* case, every descriptive mark is required to achieve secondary meaning in order to be registrable. Although the law ambiguously states that the type and amount of evidence necessary to establish that a mark has achieved secondary meaning depends on the nature of the mark and the specific factual circumstances of each case, practitioners are acutely aware that the required evidentiary showing is not insubstantial, particularly in cases involving a highly descriptive mark. Length of use, advertising, sales, third-party recognition, and survey evidence are typically required – all of which require significant investment. Certainly, when first faced with the disclaimer and descriptiveness issues raised by the PTO, Booking.com presented substantial evidence of use and acquired distinctiveness based on Section 2(f). While this was a reasoned and practical approach, it was still not enough and the PTO responded by rejecting BOOKING.COM as generic.

Next, an entity choosing a descriptive mark assumes the risk of entering a potentially crowded field. The mark may already be used by others to describe their products and therefore may only be afforded minimal protection against infringers. Even if the field is not initially crowded, a weak mark having any degree of commercial success is also more likely to invite copycats. Indeed, as noted in *Booking.com*, other entities are already using “Booking.com” as part of domain names and marks, e.g., U.S. Registration No. 4988037 for FISH & HUNT BOOKING.COM and Design (words disclaimed). Further, establishing infringement will be more difficult because the number and nature of similar marks in use on similar goods impacts a finding of likelihood of confusion (*i.e.*, the more crowded the field of similar marks, the less likely a court will find confusion). In such instances, survey evidence may be the only meaningful way to demonstrate a likelihood of confusion, but again this would have to be assessed on a case by case analysis.

On the issue of survey evidence, a strong consumer survey appears to be critical to proving secondary meaning and/or infringement for a highly descriptive mark. As shown in the *Booking.com* case, the Board noted that a 2-page J.D. Power & Associates press release (accompanied by a 1-page Customer Satisfaction Index Ranking showing Applicant’s score as compared to its competitors’ scores) was grossly insufficient to demonstrate what customers understand BOOKING.COM to be. In other words, a survey showing that customers are highly satisfied says little to nothing about what customers understand a given term to mean or refer. Booking.com, however, was able to address this claimed insufficiency by proceeding in the District Court and commissioning a Teflon survey to support its claimed rights in BOOKING.COM. The survey evidence ultimately changed the course for Booking.com, as the District Court and the Fourth Circuit relied on this evidence to find BOOKING.COM protectable. Given the facts of the *Booking.com* case, from a tactical and budgeting standpoint, it made sense not to present such expensive survey evidence during prosecution of the applications.

The weak nature of descriptive marks coupled with the high costs associated with their enforcement should compel practitioners to counsel clients against adopting highly descriptive marks, but rather to explore marks that are inherently distinctive. As evidenced by *Booking.com*, this may be equally applicable to “generic.com” marks. Assuming that the Supreme Court agrees with the PTO that “.com” functions merely to designate an online commercial organization and has no independent source-identify significance, practitioners should consider counseling clients seeking to register a “.com” mark to, at minimum, select a base term that is not common to the field in which its goods or services are provided. Thus, practitioners counseling a client on how to *select* marks may save the client significant time, effort and resources at the front end in developing a strong, distinctive brand identity that is protectable and enforceable against unauthorized colorable imitations.

## B. Adopting a Descriptive Mark.

For a brand owner who owns or is considering a descriptive mark (or a practitioner who is counseling an owner regarding a descriptive mark), all is not lost. Though descriptive marks are generally unfavorable, there are a number of steps that may be undertaken to protect the mark and ensure the value of the investment.

First, a practitioner should ascertain or assist the brand owner in developing an understanding of the current meaning of the mark under consideration. Relevant questions for this exercise may include: How is the term used by others in the relevant field? What is the relationship between the definition/use of the term and the products or services offered under the mark? For example, does the definition/use of the term relate to the nature, characteristics, or qualities of the products or services offered? If so, study what marketing or advertising messages and themes can be utilized to increase the gap between the two. Only the slightest mental leap or only a modicum of imagination or thought is required between the mark and the product/service to render the mark suggestive. In an everchanging market shaped minute-to-minute by the speed and access of information through the internet, a term having one meaning today may have a different one tomorrow. As discussed by Professor McCarthy, “The meaning as perceived by customers is the test for whether and how a word actually performs as a trademark.... Context of use supplies meaning.” 1 McCarthy at § 3:3.

For a word mark that is borderline descriptive, practitioners may consider counseling the client to combine the descriptive term with other matter to create a more suggestive mark. For example, a house mark, a distinctive logo, or distinctive font or stylization may be combined to create a new impression which may move the mark up in the spectrum of distinctiveness. (Though *Booking.com* did this in connection with certain of its applications, this did not play a significant role in the *Booking.com* case, which focused on the word portion of the marks.) If the mark is being examined before the Trademark Office, practitioners should avoid disclaiming the word element(s) to preserve rights in the term, as well as avoid registering the mark on the Supplemental Register, as both are an implied admission that the term is not distinctive. Additionally, although disclaimer and registration on the Supplemental Register do not preclude a showing of secondary meaning, they may increase the burden of showing secondary meaning. However, a Supplemental Registration does provide some benefits to trademark owners working to develop protectable rights in a descriptive term, as such a registration provides notice to others searching the Registry and may be cited by Examining Attorneys against subsequent applications, thereby potentially averting a more crowded register and marketplace.

## C. Defensive Position and Protection.

From a defensive posture, if a business seeks adoption of a potentially descriptive mark in a field that is perhaps already crowded or includes one or more existing registrants, one strategy is to adopt and use the descriptive designation for a period of time without filing an application for registration, and without using a “TM” designation, preserving it, perhaps, as a merely descriptive term. If, during that period, no objection is raised by a registrant or senior user and it is determined that the business/sales/etc. warrant pursuing the mark, the business may revisit the possibility of registration with the PTO, with what may even be a greater degree of confidence. Interestingly, *Booking.com* filed applications with the PTO several years after commencing use of *BOOKING.COM*, which enabled it to present fairly robust evidence of acquired distinctiveness, leading to a successful result before the District Court and the Fourth Circuit.

## D. Nominative Fair Use.

Finally, it is worth mentioning in this discussion on descriptive marks, the affirmative defense of nominative fair use. The nominative fair use doctrine recognizes the competitive need for a party to use a competitor’s mark, not for the purpose of indicating source, but to identify the competitor in a way that is not likely to confuse customers, *e.g.*, for comparative advertising, use in expressive works like motion pictures, use by independent dealers, and use in parodies. *See* 6 McCarthy at § 31:156.50. The test for ensuring a party’s use qualifies as nominative fair use includes a determination of: 1) whether the use was necessary to describe the party’s or its competitor’s product; 2) how much of the mark was used; and 3) whether the language or conduct of the using party reflects the true and accurate relationship between the parties. *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 228 (3d Cir. 2005).

A practitioner counseling a client on nominative fair use should carefully ensure that the mark is used in a descriptive (and not source-identifying) manner, is not substantial in size or appearance, and is used in a manner that achieves the descriptive function claimed by the party. Careful consideration and review of the context of such use of a competitor’s mark should be undertaken before embarking down this path.

## V. CONCLUSION

*Booking.com* presents a number of interesting issues for consideration by the Supreme Court. Does a top-level domain, such as “.com,” transform an otherwise generic term into a protectable mark? Does the fact that only one entity may own the resulting domain name inform this decision, *i.e.*, because a domain name owned by a single entity

would inherently point to a single source? What impact does the functionality of domain names have on the analysis of registrability? Would registrability of “generic.com” marks open the floodgates for a variety of internet-specific nomenclature trends (*e.g.*, hashtags, Instagram handles, and the like). Given the viral nature of the internet culture, the answer may well be that some of these marks are deemed protectable, albeit in limited fashion, if it can be shown that the consuming public does not primarily understand the term to identify a specific generic product or service, but a unique, distinctive source. Only time will tell.