

Trademark Law Update

SUPREME COURT TO DECIDE IF BOOKING.COM CAN RECEIVE TRADEMARK PROTECTION

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On May 4, 2020, the United States Supreme Court made an unprecedented move and broadcast an oral argument live for the first time.^[i] The case pits the United States Patent and Trademark Office (“USPTO”) against Booking.com.^[ii] The matter is before the Supreme Court as a result of the USPTO’s denial of Booking.com’s trademark applications. Lately, the average number of days between oral argument and getting to an opinion is around 90 days. So, we are expecting an opinion potentially in early August 2020. While we wait, here is a brief overview of the case.

In 2011 and 2012, Booking.com filed four trademark applications.^[iii] Their applications sought registration in Class 43, among others.^[iv] This Class includes online hotel and reservation services.^[v] Subsequent to their filing, the USPTO rejected their applications citing them as “generic” or, in the alternative, “descriptive” and stating it had not acquired secondary meaning.^[vi]

What does it mean for a mark to be “generic” or “descriptive?” When applying for a trademark, the USPTO generally categorizes the applied for mark into four different categories which are “generic,” “descriptive,” “suggestive,” and “arbitrary” or “fanciful.” Generic terms are not given trademark protection as this “[e]ffectively grants the owner a monopoly over a term in common coinage. If protection were allowed, a competitor could not describe his goods or services as what they are.”^[vii] The Trademark Manual of Examining Procedure (“TMEP”) explains, in detail, what is required to obtain a registered mark. Examples of generic marks are “Milk” for a dairy beverage or “Bicycle” for bicycles or retail bicycle stores.^[viii]

“Descriptive” marks tend to “describe a ‘function, use, characteristic, size, or intended purpose of the product.’”^[ix] If a mark is deemed “descriptive,” it must have acquired secondary meaning to receive protection.^[x] What then is “secondary meaning?” “The crux of the secondary meaning doctrine is that the mark comes to identify not only the goods but the source of those goods. To establish secondary meaning, it must be shown that the *primary* significance of the term in the minds of the consuming public is not the product but the producer. This may be an anonymous producer since consumers often buy goods without knowing the personal identity or actual name of the manufacturer.”^[xi] An

example of a descriptive mark would be “creamy” for yogurt.[xii]

“Suggestive” and “arbitrary” or “fanciful” are not at issue in the *Booking.com* matter but, suffice it to say, marks falling into these categories are more likely to receive protection.

Back to the case at hand. After receiving a rejection from the examining attorney, Booking.com appealed to the Trademark Trial and Appeal Board who affirmed the examining attorney’s rejection.[xiii] Booking.com then appealed by filing a civil action in the Eastern District of Virginia asserting that Booking.com was a suggestive mark or a descriptive mark with the necessary secondary meaning. In either instance, Booking.com contended its mark deserved protection.[xiv] Booking.com presented evidence in the form of a “Teflon survey”[xv] which revealed that 74.8% of consumers saw Booking.com as a brand instead of a generic service.[xvi] This in mind, the District Court held in favor of Booking.com.[xvii] It held that Booking.com was “as a whole” a descriptive mark that had acquired a secondary meaning and due trademark protection.[xviii] The USPTO appealed this ruling to the Fourth Circuit Court of Appeals.[xix]

On appeal, the USPTO limited its challenge only to the “district court’s determination that BOOKING.COM is not generic.”[xx] The Fourth Circuit affirmed the district court’s holding. In so holding, the Fourth Circuit stated that, “adding “.com” to a [Second Level Domain] [such as the word “booking”] can result in a non-generic, descriptive mark upon a showing of primary significance to the relevant public.”[xxi] In short, because the public views Booking.com as a brand, it should be entitled to trademark protection.

The USPTO continued its appeal to the Supreme Court. In oral argument, Chief Justice Roberts referenced other companies in the hotel booking space, such as Travelocity and Priceline, and countered the USPTO’s argument asserting that no one refers to those as “Booking.coms.”[xxii] His point concerns the main issue of whether “Booking.com” is a generic term for the services that are being provided. The Court also focused on the USPTO’s reliance on the case of *Goodyear’s Rubber Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888). The USPTO analogizes this case and *Goodyear*, contending that adding “.com” is similar to adding “Company” to a name in order to obtain a trademark. The USPTO asserts adding these identifiers is not enough to take a mark beyond the generic designation. *Goodyear* is the USPTO’s primary supporting case as the USPTO believes the case provides precedent to deny Booking.com’s registrations and supports the USPTO’s interpretation of the Lanham Act.

On the flip side, the Court raised concerns that allowing a trademark of Booking.com would, in fact, create a monopoly over the name. Counsel for Booking.com makes the point that in reality this is not true as there are other names that include booking, as well as similar examples in other industries, but lawsuits to stop the use of a similar name are scarce. She also represented that Booking.com would not have a problem with “ebooking.com” short of that company or site attempting to use the goodwill of Booking.com. All that to say, according to Booking.com, their requested trademark would not chill the use of “booking” in the hotel reservation industry. At the end of the day, Booking.com feels that it is not generic but entitled to registration.

With oral argument completed, the Supreme Court gets the final word. If the Court finds in favor of Booking.com, it will likely change the landscape of trademark applications and open previously closed avenues. Will Booking.com be able to register as a trademark or not?

[i] The audio can be found at https://www.supremecourt.gov/oral_arguments/argument_audio/2019.

[ii] United States Patent and Trademark Office, et al. v. Booking.com B.V., 19-46.

[iii] *Booking.com B.V. v. The United States Patent and Trademark Office*, 915 F.3d 171, 177 (4th Cir. 2019)

[iv] *Id.*

[v] *Id.*

[vi] *Id.*

[vii] *Id.* (citing *CES Publ'g Corp. v. St. Regis Publ'ns, Inc.*, 531 F.2d 11, 13 (2d Cir. 1975)).

[viii] <https://www.uspto.gov/sites/default/files/documents/BasicFacts.pdf>, p. 8.

[ix] *Booking.com B.V.*, 915 F.3d at 177 (quoting *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996)).

[x] *Id.*

[xi] T.M.E.P. § 1212 (quoting *Ralston Purina Co. v. Thomas J. Lipton, Inc.*, 341 F.Supp. 129, 133 (S.D.N.Y. 1972)).

[xii] <https://www.uspto.gov/sites/default/files/documents/BasicFacts.pdf>, p. 7.

[xiii] *Booking.com B.V.*, 915 F.3d at 178.

[xiv] *Id.*

[xv] “Teflon surveys are the ‘most widely used survey format to resolve a genericness challenge.’ These surveys explain the distinction between generic names and trademark or brand names and then survey respondents to identify a series of names as common or brand names.” *Id.* at n.4 (quoting 2 McCarthy on Trademarks at § 12:16).

[xvi] *Booking.com B.V.*, 915 F.3d at 178.

[xvii] *Id.*

[xviii] *Id.*

[xix] Booking.com also appealed as the District Court ordered it to pay the USPTO’s attorney fees.

[xx] *Id.*

[xxi] *Id.* at 187.

[xxii] Transcript of the Oral Argument, p. 8. The transcript can be found at https://www.supremecourt.gov/oral_arguments/argument_transcripts/2019/19-46_bq7d.pdf.