



Archetype IPSM

Federal Circuit Friday

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June 2020

When the US Supreme Court hands down an intellectual property law decision, Federal Circuit Friday temporarily becomes “Supreme Court Friday.”

On June 30, the Supreme Court decided *United States Patent & Trademark Office v. Booking.com*, holding that combining an otherwise generic term (like “booking”) with the generic top-level domain “.com” does *not necessarily* yield a generic mark for purposes of federal trademark registration.

Background: Facts & The Issue

Booking.com sought registration for its name as a trademark. The United States Patent & Trademark Office (“PTO”) denied registration on the grounds that the mark was generic because the word “booking” denotes “making travel reservations,” the “.com” denotes “a commercial website,” and “customers would understand the term BOOKING.COM primarily to refer to an online reservation service for travel, tours, and lodgings.” The PTO also determined that even if “booking.com” were descriptive, rather than generic, it was unregistrable because it had not acquired secondary meaning.

Based in part on “new evidence of consumer perception” provided by Booking.com, the district court and court of appeal found that “booking.com” was descriptive and had acquired secondary meaning, and therefore was registrable. The PTO appealed the issue of whether “booking.com” was generic – and therefore unregistrable regardless of consumer perception – rather than descriptive.

Background: Relevant Black Letter Law

1. Purpose of trademark law.
 - a. Trademarks and service marks identify the source of goods or services and thereby distinguish competitors' similar or identical goods and services.¹
2. Distinctiveness of marks:
 - a. In general, a mark is registrable and entitled to protection only if it is distinctive, *i.e.*, is capable of distinguishing the goods or services of one from those of another.²
 - b. Distinctiveness is judged from the perspective of the relevant consumer.³
 - c. A range of distinctiveness of marks is commonly recognized in the case law: ⁴
 - i. Generic: The genus of product or service of which the product or service at issue is a species.⁵ Can also be thought of as the “class” of a product or service, as opposed to a word or term indicating a particular person or business entity as the source.

¹ *E.g.*, 15 USC § 1127 (any “word, name, symbol, or device” may be treated as a “trademark” if it “is used by a person” to “identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods.”).

² *See, e.g.*, 15 USC §§ 1127 (n.1, above), 1052 (“No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . .”).

³ *E.g.*, *Real Foods Pty Ltd. v. Frito Lay North America*, 906 F.3d 965, 974 (“When determining whether a mark is merely descriptive, the [TTAB] must consider the commercial impression of a mark as a whole,” “viewed through the eyes of a consumer.”)(quoting *DuoProSS Meditech Corp. v. Invivo Med. Devices, Ltd.*, 695 F.3d 1247, 1252 (Fed. Cir. 2012)).

⁴ In general, from *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10– 11 (2d Cir. 1976)(J. Friendly).

⁵ *E.g.*, *Princeton Vanguard, LLC v. Frito-Lay N. Am., Inc.*, 786 F.3d 960, 964 (Fed. Cir. 2015)(“A generic term is the common descriptive name of a class of goods or services” and is “by definition incapable of indicating a particular source of the goods or services.”); *see also Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992)(generic marks “refer to the genus of which the particular product is a species”); 15 USC § 1064

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- Not registrable; not entitled to any scope of protection.
 - *E.g.*, "elevator", "wine", "corn thins."
 - ii. Descriptive: Merely conveys information concerning a feature, quality, or characteristic of the goods or services.⁶
 - Registrable **if** has acquired "secondary meaning";⁷ usually entitled to relatively weak scope of protection.
 - *E.g.*, "Park 'N Fly" (airport parking), "First Tuesday" (scratch off lottery tickets new versions of which become available on the first Tuesday of the month).
 - iii. Suggestive: "[R]equires imagination, thought and perception to reach a conclusion" about the nature of the goods or services;⁸ suggests rather than describes the product's features.
 - Registrable because "inherently distinctive;" scope of protection increases with actual marketplace recognition.
 - *E.g.*, "Tide" (laundry detergent), "Tumblebus" (mobile gymnastics instruction services).
 - iv. Arbitrary or fanciful: "[C]oined, arbitrary or fanciful words or phrases that have been added to rather than withdrawn from the human vocabulary by their owners";⁹ can also be a known word used in an unexpected or uncommon way.
 - Registrable because "inherently distinctive;" entitled to strong scope of protection.
 - *E.g.*, "Exxon", "Kodak", "Archetype IP", "Apple" (for computers), "Camel" (for cigarettes).
3. Compound terms.
- a. Distinctiveness is a function of the mark as a whole, not the individual components.¹⁰

What Booking.com Clarifies:

The Supreme Court held that "booking.com" is not generic and is therefore eligible for federal trademark registration as a descriptive mark. The Court based this holding on the evidence that (i) the consuming public "primarily understands that BOOKING.COM does not refer to a genus, rather that it is descriptive of services involving 'booking' available at that domain name"; and (ii) "the term has acquired secondary meaning as to hotel-reservation services."

More broadly, the court held that "[w]hether any given 'generic.com' term is generic . . . depends on whether consumers in fact perceive that term as the name for a class [of goods or services] or, instead, as

(providing that a registered mark may be canceled "if the registered mark becomes the common descriptive name of an article or substance" – *i.e.*, becomes generic).

⁶ *E.g.*, *In re North Carolina Lottery*, 866 F.3d 1364, 1367 (Fed. Cir. 2017) ("A mark is merely descriptive if it immediately conveys information concerning a feature, quality, or characteristic of the goods or services for which registration is sought").

⁷ "Secondary meaning, required to register a descriptive mark, occurs when, in the minds of the public, the primary significance of a mark is to identify the source of the product rather than the product itself." *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211 (2000) (internal quotation marks, brackets, and citation omitted). A descriptive mark may be placed on the "secondary" register to provide notice of its use until such time as it acquires secondary meaning and can be placed on the "principal" register and enforced.

⁸ *E.g.*, *In re North Carolina Lottery*, 866 F.3d 1364, 1367 (Fed. Cir. 2017) ("a suggestive mark requires imagination, thought and perception to reach a conclusion" about the nature of the goods or services") (quoting *DuoProSS Meditech Corp. v. Inviro Med. Devices, Ltd.*, 695 F.3d 1247, 1252 (Fed. Cir. 2012)).

⁹ *Real Foods Pty Ltd. v. Frito-Lay N. Am., Inc.* 906 F.3d 965, 973 (Fed. Cir. 2018).

¹⁰ *E.g.*, *Estate of Beckwith v. Commissioner of Patents*, 252 U.S. 538, 545-46 ("The commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety"); see also *Real Foods Pty Ltd. v. Frito Lay North America*, 906 F.3d 965, 974 ("When determining whether a mark is merely descriptive, the [TTAB] must consider the commercial impression of a mark as a whole").

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a term capable of distinguishing among members of the class." The Court expressly rejected the PTO's "nearly *per se* rule" that "the combination of a '.com' with a generic term like 'booking' is *necessarily* generic." *Booking.com* therefore eliminates a PTO rule of trademark examining practice and clarifies and reinforces the role of consumer perception and fact-finding in determining whether a mark is generic or descriptive.

The Supremes addressed the PTO's concerns and contentions as follows:

- The Court noted up-front that the PTO's past practice did not conform to the PTO's proposed *per se* rule – e.g., the PTO had previously allowed registration of "generic.com" marks like ART.COM and DATING.COM. While not dispositive, this inconsistency undermined the PTO's position (e.g., if the issue was so clear-cut and significant as to justify a near *per se* rule, then why didn't the issue, and the rule, arise earlier?).
- The PTO cited an existing *per se* rule that "a generic corporate designation added to a generic term [e.g., "Wine Company"] does not confer trademark eligibility" and argued, by analogy, that "adding '.com' to a generic term – like adding 'Company' – conveys no additional meaning that would distinguish [one provider's] services from those of other providers."¹¹
 - The Court found the premise of the PTO's argument flawed because, unlike the "generic word" + "generic corporate designation" situation, "[a] 'generic.com' term might also convey to consumers a source-identifying characteristic: an association with a particular website" which would effectively identify the website and its proprietor – *i.e.*, act as a source-identifier.
 - The Court also found the PTO's argument legally flawed because "whether a term is generic depends on its meaning to consumers," a "bedrock principle" of trademark law that "is incompatible with an unyielding legal rule that entirely disregards consumer perception." The Court then restated the existing rule regarding use of generic corporate designations: "A compound [mark, consisting] of generic elements is generic if the combination yields no additional meaning *to consumers* capable of distinguishing the goods or services." (italics in original).
- The PTO was concerned that registering "generic.com" marks would hinder competition by allowing the registrant to prevent others from using generic descriptive terms (e.g., "booking") or adopting similar domain names (e.g., "ebooking.com" or "hotel-booking.com").
 - The Court stated that this issue "attends any descriptive mark" and explained how trademark law already "hems in the scope of [descriptive] marks short of denying trademark protection altogether" by requiring assessment of the likelihood of confusion (which is more difficult to show with respect to weaker, descriptive marks) and through the doctrine of "classic fair use," which insulates certain uses of descriptive terms in connection with describing one's own goods.
- The PTO argued that owners of "generic.com" brands do not *need* trademark protection because they already have a competitive advantage by holding an easily-found descriptive domain name and are adequately protected by existing unfair competition law. The Court disagreed, pointing out that the "easy-to-find" competitive advantage exists for all descriptive marks and explaining that trademark law provides benefits exceeding those of unfair competition law and there was "no cause to deny Booking.com the same benefits Congress accorded other marks qualifying as non-generic."

¹¹ The seminal case on this point is *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 US 598 (1888). The issue was whether "Goodyear Rubber Company" was a legitimate trademark – *i.e.*, was it sufficiently distinctive to designate the source of goods? Given that the first part, "Goodyear Rubber," was not distinctive (because it corresponded to the well-known and broad class of goods made using the chemical process invented by Goodyear for vulcanizing rubber), the addition of the word "Company" had no legal effect because it "only indicates that parties have formed an association or partnership to deal in such goods."