

Booking.com and Implications for Domain-Name Trademarks: Distinctiveness, Consumer Surveys, Functionality

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Booking.com

Hotels. Homes. Car Rentals. Experiences.

Is BOOKING.COM a trademark or *per se* generic?

Booking.com Timeline

Path to the U.S. Supreme Court





Applications filed

BOOKING.COM
Booking.com



- Class 39: travel agency services (transportation)
- Class 43: hotel reservation services (hospitality)



Applications refused

- BOOKING.COM is generic.
- “[T]he relevant public would understand this designation comprising generic wording and a TLD to refer primarily to the genus.”
- “[N]o amount of purported proof that a generic term has acquired secondary meaning can transform that term into a registrable trademark or service mark.”
- In the alternative, BOOKING.COM is merely descriptive and applicant’s evidence of acquired distinctiveness is insufficient.



Refusals affirmed

- Evidence reviewed:
 - Various definitions of “booking”
 - Websites using the term “booking” to describe Booking.com’s online services and similar services of others
 - Booking.com’s use of “booking” on its own website
 - Third-party domain names and trade names including “booking.com” (e.g., ebooking.com and hotelbooking.com)
 - A 2012 J.D. Power & Associates press release: “Booking.com Ranks Highest in Overall Satisfaction among Independent Travel Websites”
 - Applicant’s declaration regarding awards, commercial success of website, social media followers, website metrics, etc.



Refusals affirmed

- “The fact that ‘booking’ and ‘.com’ appear in dictionaries separately, but not together, does not mean that their combination cannot be generic.”
- “[T]he test is not whether the public can use the term in a grammatically correct sentence, but whether the public understands the term to refer to the genus.”
- “The fact that Applicant has served many customers, or that its advertising and other communications have reached many customers and potential customers, does not answer [whether customers perceive BOOKING.COM as a brand or a generic term].”



Refusals affirmed

- “[R]elevant consumers would understand the term BOOKING.COM primarily to refer to an online reservation service for travel, tours, and lodgings . . .
- . . . Applicant’s evidence of its business success and high level of customer satisfaction does not rebut this showing.”
- BOOKING.COM is generic for hotel reservation/travel agency services.
- Even if BOOKING.COM is not generic, it is merely descriptive and Applicant hasn’t proven acquired distinctiveness.

Prior Federal Circuit dot-com decisions

- PATENTS.COM merely descriptive (2004)
- STEELBUILDING.COM not generic, but merely descriptive (2005)
- LAWYERS.COM generic (2007)
- HOTELS.COM generic (2009)
- MATTRESS.COM generic (2009)

Booking.com Timeline

Path to the U.S. Supreme Court





USPTO ordered to grant registrations

- Noted that there was no Fourth Circuit precedent, and declined to follow Federal Circuit precedent:
 - “[PATENTS.COM w]as decided in 2004 when the internet was in its infancy and norms regarding domain names were just taking root”
 - “[T]ension between the Federal Circuit’s statement that a *per se* rule that TLDs cannot be source identifying would be ‘legal error’ . . . and the outcomes of these cases”
 - “Federal Circuit reviewed TTAB decisions under the deferential substantial evidence standard”



USPTO ordered to grant registrations

- Booking.com submitted a “Teflon survey.”
 - Conducted by Hal Poret
 - 74.8% of respondents identified BOOKING.COM as a brand name
- USPTO offered a rebuttal expert.
 - Underinclusive (did not include in-person services)
 - Not focused enough on dot-coms (brand names vs. common names)
 - Participants could use context clues (responses varied by order)
- “No survey is perfect.”



USPTO ordered to grant registrations

- “The 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.”
- “[I]n the words of Ludwig Wittgenstein, ‘meaning is use.’”



USPTO ordered to grant registrations

- “[A] mark composed of a generic SLD and a TLD is usually a descriptive mark eligible for protection upon a showing of secondary meaning.”
- BOOKING.COM is descriptive, not generic.
- Advertising evidence + Teflon survey + sales success + unsolicited media coverage + social media following = acquired distinctiveness (in Class 43 only)
- Booking.com’s motion for summary judgment granted in pertinent part.

Booking.com Timeline

Path to the U.S. Supreme Court





E.D. Va.'s Summary Judgment aff'd

- USPTO only challenged descriptiveness (rather than generic) finding, conceding if BOOKING.COM was merely descriptive, it had acquired secondary meaning.
- The USPTO always bears the burden of establishing that a proposed mark is generic.
- No *per se* rule that GENERIC + .COM is generic.
- Held: District court did not err in finding USPTO failed to satisfy its burden of proving BOOKING.COM, as a whole, refers “to general online hotel reservation services rather than Booking.com the company.”

Booking.com Timeline

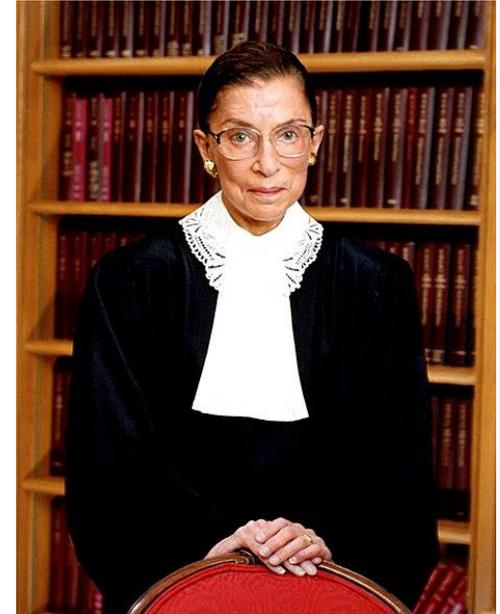
Path to the U.S. Supreme Court





USPTO v. Booking.com Overview

- Opinion issued June 30, 2020
- 8-1 decision
- Justice Ginsburg's last written opinion
- Concurring opinion by Justice Sotomayor
- Sole dissent by Justice Breyer
- Issues narrowed to the question of whether there is a *per se* rule against registration of GENERIC.COM marks





USPTO v. Booking.com Majority Opinion – no *per se* rule

- BOOKING.COM is unlike “Goodyear Rubber Company” because <booking.com> is a particular website/some specific entity.
- “[W]hether a term is generic depends on its meaning to consumers That bedrock principle of the Lanham Act is incompatible with an unyielding legal rule that entirely disregards consumer perception.”
- “[W]e do not embrace a rule automatically classifying such terms as nongeneric.”
- Fourth Circuit’s judgment that BOOKING.COM is eligible for trademark registration is affirmed.



USPTO v. Booking.com Concurring Opinion

- Observation #1: Surveys are not the be-all and end-all with respect to consumer perception.
- Observation #2: Dictionary + usage evidence may mean BOOKING.COM is generic, but that question is not before the Court.



USPTO v. Booking.com Dissenting Opinion

- *Goodyear* decision is still valid (Congress did not indicate it was overturning the decision in the Lanham Act; recognized as valid by TTAB, USPTO's TMEP, and treatises)
- Generic + Company/Corp./Inc. = Generic + .com conceptually
- .Com not transformative
- Survey evidence is unreliable indicator of genericness
- Serious anticompetitive consequences – burden of proof (LOC) and fair use defense are “cold comfort” – the threat of costly litigation may have chilling effect

The Path to Protection/Registration of “generic.com” Marks

- A “generic.com” must be a mark “by which the goods of the applicant may be distinguished from the goods of others.”
 - It must not be generic and must either be inherently distinctive or have acquired secondary meaning
 - The Burden is on the party claiming your “generic.com” is generic (i.e, the USPTO; Defendant)
- Determining if a “generic.com” is generic involves:
 - ~~“identifying the class of product or service to which use of the mark is relevant;~~
 - ~~identifying the relevant purchasing public of the class of product or service; and~~
 - “[determining 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.”

After BOOKING.COM, “generic.com” Marks Are Not Generic

- The Supreme Court rejects a rule that “generic.com” domain are *per se* generic but also declines to say all “generic.com” marks are nongeneric:

“While we reject the rule proffered by the PTO that “generic.com” terms are generic names, we do not embrace a rule automatically classifying such terms as nongeneric. Whether any given “generic.com” term is generic, we hold, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class.”

- This is in step with the District Court and 4th Circuit, but none of them offers even one hypothetical example of a “generic.com” mark that would be generic and two other analytical parameters make that outcome virtually impossible

Why “generic.coms” Are Not Generic

- The Supreme Court endorsed the idea that each “generic.com” must be analyzed as a whole, examining the generic SLD and the generic DOT-COM in tandem

“Second, for a compound term, the distinctiveness inquiry trains on the term’s meaning as a whole, not its parts in isolation.”

- The Court also embraced the notion that, given the nature of domain names, a generic SLD combined with DOT-COM indicates a unique domain name that can only be owned by one entity

“... only one entity can occupy a particular Internet domain name at a time, so “(a) consumer who is familiar with that aspect of the domain-name system can infer that BOOKING.COM refers to *some* specific entity.” ...

Thus, consumers could understand a given “generic.com” term to describe the corresponding website or to identify the website’s proprietor.”

Why “generic.coms” Are Not Generic

- This result is sealed by the fact the Trial Court, echoed by Justice Ginsberg, looks only at how BOOKING.COM is used when evaluating the marketplace evidence (e.g., purchaser testimony, listings and dictionaries, trade journals, newspapers, and other publications)

The trial judge stated:

“The most striking feature of the evidence ... 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.”

[emphasis added]

Justice Ginsberg states:

“[i]f “Booking.com” were generic, we might expect consumers to understand Travelocity—another such service—to be a “Booking.com.” We might similarly expect that a consumer, searching for a trusted source of online hotel-reservation services, could ask a frequent traveler to name her favorite “Booking.com” provider. ... That should resolve the case....”

Why “generic.coms” Are Not Generic

- Justice Breyer warned that looking at how a “generic.com” is used to the exclusion of how its understood when read will result in an essentially complete dearth of marketplace evidence

“The lower courts determined (as the majority highlights) that consumers do not use the term “Booking.com” to refer to the class of hotel reservation website in ordinary speech.... True, few would call Travelocity a “Booking.com.”

...

There will never be evidence that consumers literally refer to the relevant class on online merchants as “generic.coms.” Nor are “generic.com” terms likely to appear in dictionaries.”

Why “generic.coms” Are Not Generic

- Given the decisions on these three issues, and unless it conducts a survey, the USPTO is without tools to carry its burden of showing a “generic.com” is generic, i.e.:
 - It can not argue that a generic SLD and Dot-Com are both generic and, taken together, they are no more than the sum of the parts;
 - It must embrace the fact that a generic SLD combined with DOT-COM indicates a unique domain name that can only be only by one entity;
 - It will essentially never find use of a “generic.com” as a generic term in the marketplace

Lessons for Secondary Meaning Surveys

- The BOOKING.COM Survey was not Adequately Scrutinized

- The District Court did not apply its own conclusions on “generic.com” marks to the survey design or results, so they did not affect the validity or weight the Court gave the survey
- USPTO did not contest the validity or methodology of the survey on appeal
- The 4th Circuit deferred to the District Court’s treatment of the survey
- The Supreme Court only mentioned the survey results in passing

Lessons for Secondary Meaning Surveys

- Design of BOOKING.COM Survey

- The “tutorial” on “brand names” and “common names” did not address differences between traditional word marks and domain names, especially “generic.coms”
 - Brand names was defined as names used “to identify who a product or service comes from”
 - Common names was defined as names used “identify a type of product or service – in other words, what the product or service is, not who makes it.”
 - TOYOTA, CHASE and STAPLES.COM were the brand name examples
 - AUTOMOBILE, BANK and OFFICESUPPLIES.COM were the common name examples
 - Respondents’ grasp of the concepts “brand” and “common” was tested by asking them to categorize “KELLOGG” and “CEREAL;” no domain name terms were used

Lessons for Secondary Meaning Surveys

- Design of BOOKING.COM Survey

- Without more, the brand name definition “who a product or service comes from” must have confused respondents.
 - All domain names serve one master at a time
 - This is true of brand and common name domains
 - The respondents all knew this (very low risk assumption given that the survey was conducted online)
 - In respondents’ eyes, the “who a product or service comes from” could apply to all the domain names
- This could not be detected through the test questions since they did not involve domain names
- The confusion did materialize in the results.

Lessons for Secondary Meaning Surveys

- Confusion in the Results

- Assumed trademarks as compared to BOOKING.COM:

	BOOKING.COM	PEPSI	ETRADE.COM	SHUTTERFLY
Brand name	74.8%	99.3%	96.8%	96.8%
Common name	23.8%	0.8%	3.0%	3.0%
Don't know	1.5%	0.0%	0.3%	0.3%

	BOOKING.COM	SUPER-MARKET	SPORTING GOODS	WASHINGMACHINE.COM
Brand name	74.8%	0.0%	0.5%	33.0%
Common name	23.8%	100.0%	99.5%	60.8%
Don't know	1.5%	0.0%	0.0%	6.3%

Lessons for Secondary Meaning Surveys

- Confusion in the Results

- Essentially 40% of respondents thought WASHINGMACHINE.COM is a brand name or didn't know.
 - This is close to the generally accepted 50% threshold for a “not generic” finding
 - The 33% brand name response level is within the 30+% range that is often considered probative of secondary meaning

Lessons for Secondary Meaning Surveys

- Confusion in the Results

- Meanwhile, if WASHINGMACHINE.COM's 33% is subtracted from BOOKING.COM's 74.8%, it nets to 41.8%
 - This below the 50% "not generic" threshold
 - The survey expert rejected this approach but language in his report hints otherwise.
 - One amicus brief supported, one rejected, this approach
- Using only domain name marks in the survey and addressing this issue up front would have been preferable
- The expert previously had endorsed this approach

IMPLICATIONS FOR ® – MORE QUESTIONS THAN ANSWERS

- “...if ‘Booking.com’ were generic, we might expect consumers to understand Travelocity—another such service—to be a ‘Booking.com”
- “That should resolve this case: Because ‘Booking.com’ is not a generic name to consumers, it is not generic” *RBG, June 30, 2020*
- NO PER SE RULE ALL GENERIC.COMs ARE GENERIC
- NO PER SE RULE ALL GENERIC.COMs ARE **NOT** GENERIC



WHERE DOES THIS LEAVE US?

- Inconsistent Examination
- ALL REGISTERED UNDER 2(f); no disclaimers of descriptive components
- Why did the PTO register these marks but not BOOKING.COM?
- Do Words Matter?
 - Booking.com argued “booking” has many meanings whereas “hotels” only has one.
 - But...Marriott is not a “hotels.com”; it is a hotel.
 - The meanings of words evolve. Maybe Travelocity could become a “booking.com”. Maybe Marriott will become a “hotels.com.”
- A “dot com” is generic for any company doing business on the Internet; why can’t a “booking.com” become generic for any online booking company?

ancestry.com

Answers.com

tutor.com

weather.com

Dictionary.com

register.com

TAKEAWAYS

1. Hundreds of previously registered GENERIC.COMs are no longer vulnerable.
2. All GENERIC.COMs are **capable** of acquiring distinctiveness with sufficient advertising, sales, and goodwill.
3. All GENERIC.COMs should be eligible for Supplemental Register.
4. Procuring registration not for the faint of heart or those without deep pockets.
 - PTO hates this decision; examining attorneys will continue to refuse and require applicants to prove their case to the TTAB.
 - Applicant's will need expensive survey evidence of acquired distinctiveness.
5. Victory for large companies, trademark attorneys and survey experts.
6. Floodgates have NOT opened.
7. How will decision affect applications to register @generic handles, #generic hashtags and 1-800-Generic telephone numbers?

IMPLICATIONS FOR ENFORCEMENT

- Why Bother? What Value?
 - Presumptions of ownership and validity.
 - Nationwide right.
 - To combat cybersquatting - Boobooking.com.
 - To combat phishing.
 - To combat counterfeits using tools provided by social media and marketplace platforms - Amazon Brand Registry, Facebook Commerce & Ads IP Tool, etc....
 - Legitimacy (e.g., CheapStuff.com UDRP) over common law rights.



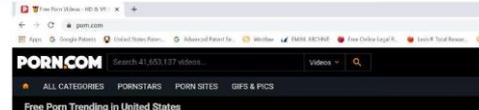
Indeed, why would a firm want to register its domain name as a trademark unless it wished to extend its area of exclusivity beyond the domain name itself? -Breyer

SCOPE OF PROTECTION

- PTO/Breyer concerned registration of GENERIC.COMs is anti-competitive
- Mitigated by:
 - Narrow scope of protection accorded to descriptive marks;
 - Classic fair use defense (HotelBooking.com)
 - Nominative fair use defense (“Reservationbooking.com is a much better booking service than Booking.com”)
 - Booking.com BV’s own statement that it knows its mark is weak and that it can be trusted to no overzealously enforce.
 - Strong language of the dissent, which inevitably will make its way into arguments before the courts

FILINGS SINCE DECISION

- WHEELCHAIR.COM
- 1-800-WHEELCHAIR.COM
 - September 17, use since 1997
- BLACKFILM.COM
 - September 12, use since 2000
- CHEAPSHIT.COM
 - September 11, ITU
- CALENDARS.COM
 - September 5, use since 1998
- CRUISE.COM
 - September 2, use since 1997
- PROPERTYTAX.COM
 - August 29, use since 1998
- ESCROW.COM
 - August 28, use since 2016
- PORN.COM
 - **June 30**, use since 2007



Thank You

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