

LAW WEEK COLORADO

Do Two Generics Make a Trademark?

U.S. Supreme Court mulls question in travel website case

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Can two common terms add up to something more distinctive than the sum of their parts?

On Monday, the U.S. Supreme Court heard oral arguments questioning whether the travel website Booking.com has established a brand recognizable enough to register a trademark for the name. The Lanham Act prevents trademarking generic terms, but the company claims that the addition of the “.com” domain to its brand name has created a descriptive term that’s distinctive enough in the minds of consumers to protect with a trademark. The Eastern District of Virginia and the 4th Circuit Court of Appeals have agreed with Booking.com, and now the Patent and Trademark Office has appealed to the Supreme Court.

The broad question before the Supreme Court is whether adding a top-level generic domain to a generic term can create a name protectable with a trademark.

Goodyear’s India Rubber Glove Manufacturing Company v. Goodyear Rubber Company from 1888 is the main piece of case law underlining the current case, which established the principle that adding another element to an otherwise generic term still doesn’t make it protectable.

“There, the court said that rule stands, and it doesn’t change even if the applicant has appended something to what would otherwise be a generic term, say ‘company’ or ‘inc.’ or something like that,” said Jim Sawtelle, a member at Sherman & Howard who heads the firm’s intellectual property group.

Lawyers said if the Supreme Court makes a decision in favor of Booking.com, the court will have a tightrope to walk in finding why the company’s situation is distinctive

enough to justify digressing from precedent.

“If the court were to find in favor of Booking.com, I think they would almost have to say that ... notwithstanding the holding in Goodyear and everything the PTO has done in the 100-plus years since then, we’re going to now find that you can append a suffix to an otherwise generic term, and it can then become a descriptive term and therefore protectable,” Sawtelle said. “That would certainly change the trajectory of trademark law going forward.”

Booking.com has relied on survey evidence to show consumers tend to associate the word with the “.com” domain attached with their specific brand rather than general travel booking websites. The U.S. District Court for the Eastern District of Virginia agreed with the survey evidence that consumers associate “Booking.com” with the specific source.

Amanda Marston, an associate at Holland & Hart who focuses on enforcement and prosecution within trademark law, said if the Supreme Court does address the survey evidence in its decision — whichever way it goes — taking that approach could mean a wider-reaching ruling than if the court just decides whether top-level domains can be a source-identifying element. The evidence gets at the primary significance test, used to determine whether the main association of a mark in the minds of consumers is just the generic description for the goods or services, or a specific source identifier.

“Currently when a term is generic, it’s just generic, and the applicant can’t show that they’ve done all this advertising and invested all this time and energy into the mark to remove it from genericness,” Marston said. “If they’re allowed to introduce these surveys to show the primary significance of a generic term has

become, essentially, a trademark, then that further muddies the waters between generic and descriptive marks, and it also gives brand owners, I think, a stronger argument to prove and establish some kind of distinctiveness to generic marks.” Parties appealing a trademark registration decision from the Patent and Trademark Office have a few paths to choose between. If they don’t like the ruling from the Patent Trial and Appeal Board, they can then go directly to the Federal Circuit Court of Appeals, which will decide the case based on the administrative record. Or they can appeal the PTAB’s decision in district court, the route Booking.com chose, in which parties can introduce new evidence.

Appealing from ground zero in district court may cost more, but it has had a few benefits for Booking.com. Ted Davis, a partner with Kilpatrick Townsend in Atlanta, said the company likely chose the district court route because of the ability to bring new evidence — namely, the survey evidence — and because the Fourth Circuit didn’t have case law working against the company. By contrast, the Federal Circuit has previously decided a top-level domain doesn’t make an otherwise generic term protectable.

“If you go the Federal Circuit appeal route, you are stuck with the existing record, and so I suspect Booking.com chose to go to the district court for two reasons,” he said.

“One, Federal Circuit authority looked very adverse, while if they went to the Eastern District of Virginia, there wasn’t any Fourth Circuit authority at that point. The other reason is taking a district court appeal allowed them to get in new evidence.”

Marston said the case highlights an inherent tension between the views of lawyers and brand owners on the ideal approach to choos-

ing a name. Attorneys will tend to advise clients to choose a brand name that’s distinctive enough to protect, but brand owners want a name that’s simple and descriptive enough for consumers to understand what the business does.

“I’m not surprised that brand owners took that path just because of their inclination to adopt these more descriptive, catchy marks, but it is an interesting tension between trademark attorneys and brand owners,” she said.

But Marston said outside the possibility of the Supreme Court addressing the survey evidence of Booking.com’s success in branding, she believes the decision will have limited practical impact. Because the PTO has thus far treated the “.com” domain as an element that doesn’t change a mark’s descriptiveness, lawyers will still advise clients to choose a name in front of it that is distinctive enough to be protectable.

Davis said the Supreme Court won’t likely make a bright-line rule about trademark protection for generic words with “.com” domains. Instead, he said, the court is more likely to either defer to the trial court’s factual findings or send the case back for a new finding if the Supreme Court makes a new standard. He noted the trial court and Fourth Circuit did not say any mark that includes a generic term with a domain tacked on are protectable, but that Booking.com has used its name in a way that creates a protectable descriptive term.

“The alternative to the bright-line rule saying that this category of claimed marks is never protectable is to say, if a claimant can prove as a factual matter that its claimed mark is protectable, then that particular mark is in fact protectable.” •

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