

CLIENT ALERT

Supreme Court Rejects PTO “Generic Term” Rule

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This morning, an 8-1 majority of the Supreme Court held that “Booking.com” was not a generic term and was thus eligible for trademark registration. In doing so, the Court rejected a rule proposed by the U.S. Patent and Trademark Office (PTO) that the combination of a generic term and “.com” would necessarily be generic. Booking.com argued, and the Court agreed, that consumers understood Booking.com to be descriptive and to have met the distinctiveness requirement for registration. In the future, when determining whether a compound term like a domain name is generic, the PTO will have to consider consumer perception of the term as a whole, and will not be able to refuse registration to any domain name containing a generic term.

The case originated when Booking.com, the travel-registration website, sought to register “Booking.com” with the PTO. A generic name—the name of a class of products or services—is ineligible for federal trademark registration, and the parties did not dispute that “booking” is a generic name for hotel registration services. The PTO therefore concluded that “Booking.com” was also generic and refused registration.

After registration was refused, Booking.com sought review in federal district court in Virginia and introduced evidence about how consumers perceive the term. The court found that the “consuming public . . . primarily understands that BOOKING.COM does not refer to a genus, rather it is descriptive of services involving ‘booking’ available at that domain name.” The court also determined that, in addition to being descriptive, the term had acquired secondary meaning as to hotel-reservation services and therefore met the distinctiveness requirement for registration. The Fourth Circuit affirmed, rejecting the PTO’s argument that the combination of a generic term with “.com” was necessarily generic.

The Supreme Court affirmed. The PTO argued that the combination of a generic term and “.com” is necessarily generic and ineligible for registration as a matter of law, regardless of consumer perception. The Supreme Court disagreed, noting that this proposed rule would be at odds with the PTO’s past practice, in which domains like “Art.com” and “Dating.com” were registered. The Court also found that this proposed rule was incompatible with the Lanham Act’s “bedrock principle” that consumer perception determines whether a term is generic. Although Justice Breyer filed a dissent agreeing with the PTO’s proposed rule—and warning that the decision would lead to a proliferation of “generic.com” marks—the seven other justices joined Justice Ginsberg’s majority opinion.

As the majority recognized, federal trademark registration will offer Booking.com greater protection, and the same will be true for other companies seeking to register domains that include a generic term. The PTO will not be able to deny trademark protection categorically to these companies; it will have to consider consumer perception in deciding whether a particular compound term is generic. The Court's decision also provides clarity to companies seeking to register their domain names. While not every domain that includes a generic term will be eligible for protection, companies that can provide evidence of consumer perception in support of their applications may now be able to obtain trademark protection.

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