

Supreme Court's Opinion in Booking.com Case Suggests Trademark Registration May be Available for Certain Generic.com Marks

If your company uses a “generic.com” domain name as a brand (e.g., consultants.com for financial consulting services), a recent Supreme Court opinion may provide an opportunity for your company to obtain a federal trademark registration for your “generic.com” mark. More specifically, if your company has used its “generic.com” domain name as a brand for an extended period of time, and you can show that consumers view it as a unique identifier associated only with your goods or services (and not just as an online location where your website can be found), then your company may be able to secure a federal trademark registration for the domain name as a mark and obtain the attendant benefits of a federal registration.

Using generic terms as part of domain names can be important for marketing and search engine optimization purposes, even if such terms and domain names also are used as trade names and brands, or as components of trade names and brands, in connection with goods and services. Until now, however, the United States Patent and Trademark Office (“USPTO”) generally would refuse registration for such “generic.com” marks based on its position that merely combining a generic term with *.com (or another common domain ending) results in a generic composite phrase identifying an online location where the generic goods or services are advertised or made available for purchase. While the Supreme Court’s opinion has opened the door for certain “generic.com” domain names to be registered as marks, entities like the Applicant in this case, Booking.com, must go through extended and prominent marketing efforts before their respective “generic.com” domain name could be deemed eligible for trademark registration.

“GENERIC.COM” DOMAIN NAMES MAY NOW BE ELIGIBLE TO BE FEDERALLY REGISTERED AS TRADEMARKS

In *U.S. Patent and Trademark Office et al. v. Booking.com B.V.*, No. 19-46 (S. Ct. June 30, 2020), the Supreme Court rejected the USPTO’s argument that any “combination of a generic word and ‘.com’ is generic.” In this opinion, the Court held that a “generic.com” domain name may not necessarily be generic (keeping in mind that generic words are incapable of serving as marks) – and that it might be possible to develop brand value for this combination depending on how consumers *perceive* this combined term based on the way it is used in the marketplace.

The USPTO primarily argued that a “generic.com” domain name is equivalent to a “Generic Company” designation and ineligible for trademark protection and registration because such generic terms need to be available for competitors to use to describe their goods and services.

The Court was not persuaded by this argument because of the difference between domain names and corporate designations. Unlike corporate designations, where multiple entities may have the same designation registered in different states, only a single entity can own a specific domain name at a time. Since most, if not all, consumers are

familiar with this aspect of the Internet's domain name system, the Court found it is more likely that consumers would associate a "generic.com" domain name with a specific source or entity (like the Applicant in this case – Booking.com) than they would a "Generic Company" designation. Therefore, it is now legally possible for a "generic.com" domain name to serve as a mark to identify a single source of goods and services, making such mark potentially eligible for a federal registration with the USPTO.

This is potentially good news for businesses and other entities that use "generic.com" domain names not only for their technical functionality and Internet search value, but also as brands and trade names. Yet, there are important limitations to keep in mind that still apply to the use of otherwise generic or highly descriptive terms as components of marks and domain names.

KEY LIMITATIONS

The *Booking.com* decision does not mean that all "generic.com" domain names can be federally registered as marks. Any "generic.com" domain name that is used as a mark must be used continuously and prominently enough by one entity in connection with specific goods or services so that relevant consumers are likely to associate the domain name or mark with that single entity and its goods or services. The USPTO uses this "acquired distinctiveness" standard for marks that are merely descriptive in connection with the applicable goods and services. It generally takes significant time and investment to acquire distinctiveness, which may require, for example, five years or more of substantially exclusive and continuous use. Accordingly, any start-up or new company looking to use a "generic.com" domain name as a brand needs to be aware that registration will not be immediately available and that substantial time and investment is required, as is a frequent and consistent brand strategy to ensure that the "generic.com" domain name can acquire distinctiveness in time. As a result, third parties will be able to use similar "generic.com" domain names to sell competitive goods or services until acquired distinctiveness in the company's mark can be established. Once acquired distinctiveness is achieved, there likely will be additional restrictions on the ability to enforce rights in "generic.com" marks in comparison to less descriptive or generic marks, particularly if there is a substantial period of co-existence with similar third-party domain names.

Even if a company or other entity is able to federally register a "generic.com" domain name as a trademark, there are further limitations on how the mark can be enforced against third parties. For example, the registration would not cover use of the generic component apart from the *.com mark as a whole. Further, the strength of any registered "generic.com" mark may be minimal and therefore only provide a limited basis to object to certain confusingly similar third party uses. As the Court stated, "[w]hen a mark incorporates generic or highly descriptive components, consumers are less likely to think that other uses of the common element emanate from the mark's owner." Due to the nature of any "generic.com" mark, it will be more difficult to establish that consumers are likely to be confused by a third party using a similar mark in connection with the same or related goods or services.

Finally, any issued registration will not be able to stop third parties from making fair use of generic terms to reference the applicable goods or services according to the ordinary definition of the applicable generic term. For instance, the owner of a trademark registration for "orange.com" could not prevent the term "orange" from being used in connection with the sale of oranges.

TAKEAWAY

If your company has used a “generic.com” domain name for an extended period of time and you believe that consumers now recognize the domain name as being exclusively associated with your company, consider whether it may be worthwhile to pursue federal registration for the domain name as a mark in connection with the specific goods or services to which the website is directed. While the registration may be limited in how it can be enforced against certain third-party uses, there is still substantial value in the presumptive rights granted by a federal trademark registration. To be clear, such a registration grants to the Registrant a legal presumption that the registered mark is valid and owned by the Registrant, and that the Registrant has the exclusive right to use the registered mark in connection with the goods or services specified in the registration.

This Legal Update is intended to keep readers current about developments in the law. It is not intended to be legal advice. If you have any questions about this development in trademark law, or if you have any other trademark-related questions, please contact authors Christina Frangiosa at 215-851-8432 or cfrangiosa@eckertseamans.com, Candace Lynn Bell at 716-835-0240 cbell@eckertseamans.com, Richard Peirce at 215-851-8398 or rpeirce@eckertseamans.com, or Roger LaLonde at 215-851-8503 or rlalonde@eckertseamans.com or any other attorney at Eckert Seamans with whom you have been working.