

SCOTUS REJECTS USPTO RULE ON GENERIC MARKS

On Tuesday, June 30, the U.S. Supreme Court held that the domain name BOOKING.COM had acquired distinctiveness, meaning consumers recognize the domain as an indicator of source, and now it is eligible for federal trademark registration. In doing so, the Supreme Court rejected the United States Patent and Trademark Office's (USPTO) rule that the combination of a generic word such as "booking" and the top-level domain ".com" is automatically generic. In trademark law, a generic term is a term that directly refers to the name of the product or service itself. Generic terms are never eligible for federal trademark registration, as the law dictates that parties should be free to describe the products or services they are selling.

The USPTO argued that "booking" means to make travel reservations and ".com" is a generic top-level domain, and therefore, allowing registration of the mark BOOKING.COM would hinder competition and prohibit competitors from using similar terms. However, the Supreme Court disagreed, sidestepping the concerns raised by the USPTO and ending the long-running battle over whether certain types of domain names can be eligible for trademark rights. The Supreme Court's holding does not, however, negate the requirement that trademark owners must use their marks as more than merely domain names, meaning they must also use the domain name on the corresponding website, in advertisements, and on the products or with the services offered to customers.

In reaching this decision, the Supreme Court relied heavily on extensive consumer survey evidence in which 74.8% of survey participants thought that BOOKING.COM is a brand name, whereas only 23.8% believed it was a generic name. So what does this mean for brand owners now? While the BOOKING.COM decision may open the floodgates for trademark applications of domain names, there remains the task of establishing that consumers recognize the domain name as an indicator of the source of products or services. Nevertheless, brand owners that use a strong domain name can now further strengthen their trademark portfolio and increase their competitive advantage in the marketplace. The attorney for Booking.com said that the Supreme Court ruling "demonstrates that the U.S. legal system has the capacity to evolve in order to reflect the digital world we are all living in."

PEOPLE

Donna Frazier Schmitt

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