

Fully Booked: The Fourth Circuit Confirms Booking.com is Protectable But Company Must Pay the USPTO's Fees on Appeal

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by Bryan M. McGarry

Dorsey's TMCA team has thoroughly covered the history of the dispute between the USPTO and Booking.com B.V., which started when the Trademark Trial and Appeals Board rejected the BOOKING.COM trademark as generic (covered [here](#)), and continued when the federal district court for the Eastern District of Virginia overturned the TTAB's genericness determination, and found instead that the mark BOOKING.COM, taken as a whole, was descriptive and had acquired secondary meaning, thus entitling it to protection (covered [here](#)). The district court also concluded that while Booking.com was the prevailing party, it was required to pay the USPTO's expenses – including the salaries of the USPTO attorneys and paralegals who worked on the action – because Booking.com had elected to file a *de novo* action in federal district court, rather than appeal the USPTO's ruling to the Federal Circuit (covered [here](#)).

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The story
does not
end there,
however.
The
USPTO



subsequently appealed the district court's conclusion that BOOKING.COM was descriptive (but did not appeal whether it had acquired secondary meaning), and Booking.com appealed the award of expenses. On February 4, 2019, the Fourth Circuit affirmed the district court's decision. In doing so, the Fourth Circuit outlined some important points that drove its conclusion.

First, the Fourth Circuit addressed an issue of first impression in the circuit: which party bears the burden of proving a mark is generic on appeal when registration of the mark is denied? Joining the Federal Circuit, the Fourth Circuit held that in registration proceedings, the USPTO "always bears the burden" of establishing that a proposed mark is generic.

After outlining the framework for determining whether a mark is generic, the Fourth Circuit concluded that the district court, in weighing the evidence before it, did not err in finding that the USPTO failed to satisfy its burden of proving that the relevant public understood BOOKING.COM, taken *as a whole*, to refer to general online hotel reservation services rather than Booking.com (the company).

The Fourth Circuit also rejected the USPTO's claim that adding the top-level domain ".com" to a generic second-level domain like "booking" is *necessarily* generic. To make this argument, the USPTO reached *waaaaay* back to an 1888 Supreme Court decision that held the addition of generic commercial indicators (e.g., "company") to generic terms that merely describe classes of goods could not be protected as a trademark (e.g. "Grain

Company”). The Fourth Circuit rejected such a bright line rule, and concluded that adding “.com” to a generic second level domain may be a protectable descriptive mark.

Finally, while the Fourth Circuit affirmed the district court’s grant of attorney fees to the USPTO, it did so reluctantly. 15 U.S.C. section 1071(b)(3) mandates that where an applicant appeals an adverse USPTO ruling by commencing a new action in federal district court (rather than appealing “on the record” to the Federal Circuit), the applicant must pay “all the expenses of the proceeding ... whether the final decision is in favor of such party or not.” The Fourth Circuit had previously held in *Shammas v. Focarino*, 784 F.3d 219, 225 (4th Cir. 2015) that “all expenses” included attorney fees. Notwithstanding, the court identified a subsequent Federal Circuit decision criticizing *Shammas*, and a subsequent Supreme Court decision that concluded a statutory provision similar to the one at issue in *Shammas* did not include attorney fees. Despite recognizing this subsequent and contrary authority, the Fourth Circuit held that *Shammas* remained controlling law in the circuit and affirmed the award of attorney fees as “expenses.”

In light of the conflicting subsequent authority, it will be interesting to see whether there is a request for *en banc* consideration of the attorney fees issue.