

No. 18-

IN THE
Supreme Court of the United States

BOOKING.COM B.V.,

Petitioner,

v.

UNITED STATES PATENT AND TRADEMARK
OFFICE; ANDREW IANCU, IN HIS OFFICIAL
CAPACITY AS UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR
OF THE UNITED STATES PATENT AND
TRADEMARK OFFICE,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Applicants for trademark registration dissatisfied with a decision of the Trademark Trial and Appeal Board can commence a civil action seeking de novo review in a United States District Court. 15 U.S.C. § 1071(b)(3).

1. Does the presumption under the American Rule that “[e]ach litigant pays his own attorneys’ fees, win or lose, unless a statute or contract provides otherwise,” *Baker Botts LLP v ASARCO LLC*, 135 S.Ct 2158, 2164 (2015), apply to Section 1071(b)(3)?

2. Is the language “all expenses of the proceeding” sufficiently “specific and explicit” to demonstrate Congressional intent to depart from the American Rule?

3. Are fixed costs of the government attorneys that would have been paid irrespective of any specific litigation sufficiently “of the proceeding” to be encompassed by Section 1071(b)(3)?

4. Does requiring litigants seeking to vindicate their statutory rights under Section 1071 to pay the government’s attorneys’ fees, win or lose, infringe their rights under the First Amendment to

petition the government for redress of
grievances?

RULE 29.6 STATEMENT

Plaintiff-Appellee Booking.com B.V. is a wholly owned subsidiary of Booking Holdings, Inc., f/k/a The Priceline Group, Inc.

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OPINIONS BELOW

The opinion of the Court of Appeals (Appendix A, App. at 1a-48a) is reported at 915 F.3d 171 (4th Cir. 2019). The order of the Court of Appeals denying the government's motion for rehearing en banc (Appendix E, App. at 147a-49a) is not reported. The order of the Court of Appeals deconsolidating the USPTO's appeal and Petitioner's cross-appeal and staying the mandate on Petitioner's cross-appeal (Appendix B, App. at 49a-50a) is not reported. The opinion of the district court on the registrability of Booking.com's marks (Appendix D, App. at 81a-146a) is reported at 278 F. Supp. 3d 891 (E.D.Va 2017). The district court's memorandum opinion awarding attorneys' fees (Appendix C, App. at 51a-80a) is not reported.

JURISDICTION

The judgment of the Court of Appeals was entered on February 4, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). (The Court of Appeals also denied the government's request for rehearing en banc On April 5, 2019.)

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

15 U.S.C. § 1071(b) provides:

Civil action; persons
entitled to; jurisdiction of court;
status of Director; procedure

(1) Whenever a person authorized by subsection (a) of this section to appeal to the United States Court of Appeals for the Federal Circuit is dissatisfied with the decision of the Director or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said United States Court of Appeals for the Federal Circuit, have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Director appoints or as provided in subsection (a) of this section. The court may adjudge that an applicant is entitled to a registration upon the application involved, that a registration involved should be canceled, or such other matter

as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Director to take any necessary action, upon compliance with the requirements of law. However, no final judgment shall be entered in favor of an applicant under section 1051(b) of this title before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 1057(c) of this title.

* * *

(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Director, and, unless the court finds the expenses to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not. In suits brought hereunder, the record in the United States Patent and Trademark Office

shall be admitted on motion of any party, upon such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of any party to take further testimony. The testimony and exhibits of the record in the United States Patent and Trademark Office, when admitted, shall have the same effect as if originally taken and produced in the suit.

The United States Constitution, Amendment I, provides:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

INTRODUCTION

On March 4, 2019, this Court granted certiorari in *Iancu v. NantKwest, Inc.*, 898 F.3d 1177 (Fed. Cir. 2018) (en banc), which concerns statutory language essentially identical to the language at issue here allowing “all expenses of the proceeding” to the PTO under the Patent Statute. The Patent Statute, like the Lanham Act, permits a patent applicant dissatisfied with a decision of the Patent Trial and Appeal Board (as distinct from the Trademark Trial and Appeal Board) to commence a civil action seeking *de novo* review in the United States District Court for the Eastern District of Virginia. 35 U.S.C. § 145. In *NantKwest*, the Court of Appeals for the Federal Circuit expressly rejected a prior decision of the Court of Appeals for the Fourth Circuit, *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015), *cert. denied*, 136 S. Ct. 1376 (2016), ruling en banc that the language “all expenses of the proceeding” does not encompass attorneys’ fees. In petitioning for certiorari in *NantKwest*, the PTO relied primarily on *Shammas v. Focarino*.

In the present case, the Fourth Circuit ruled in favor of Booking.com on the merits, finding BOOKING.COM to be a protectable mark, 915 F.3d at 187; App. at 27a, thus

affirming a similar decision on the merits by the district court and later denying the government's request for rehearing en banc. However, on the issue of attorneys' fees, the Fourth Circuit found itself bound by its own prior ruling in *Shammas*. As a result, although the Fourth Circuit acknowledged that developments subsequent to its ruling in *Shammas* (in particular, this Court's ruling in *Baker Botts L.L.P. v. ASARCO LLC*, 135 S. Ct. 2158 (2015), and the Federal Circuit's ruling in *NantKwest*), "suggest that the American Rule's requirement that Congress 'clearly and directly' express an intent to deviate from that rule may apply to § 1071(b)(3)," it nonetheless deemed *Shammas* controlling, and affirmed the district court's decision awarding attorneys' fees to the PTO. 915 F.3d at 188; App. at 28a-29a.

The Fourth Circuit's decision on attorneys' fees appears at odds with this Court's own decisions applying the American Rule, including *Baker Botts*. Statutory exceptions to the American Rule that each party pay its own attorneys' fees must be specific and explicit. For reasons addressed at length in the *NantKwest* petition for certiorari, the language of Section 1071(b)(3) that "all the expenses of the proceeding shall be paid by the party bringing the case," is

neither and does not overcome the presumption of the American Rule. Furthermore, entirely beyond the arguments raised in *NantKwest*, even if “all the expenses of the proceeding” was sufficiently specific and explicit to overcome the presumption of the American Rule, interpreting 15 U.S.C. § 1071(b)(3) to require intellectual property owners to pay the government’s attorneys’ fees, win or lose, simply to attempt to vindicate their rights, violates the First Amendment right to petition the government for redress of grievances, permitting the agency to exact a price, even from successful litigants such as Booking.com, forced to incur not only their own costs and fees to correct the government’s erroneous decisions but also the government’s. And finally, because the attorneys’ fees the government seeks to recover under Section 1071(b)(3) are simply a percentage of fixed attorney salaries that the government would have paid regardless of any proceeding, as a matter of statutory construction, they do not constitute expenses “*of the proceeding*.”

Of all the cases (including *NantKwest*) decided since *Shammas* held in 2013 that the term “all expenses of the proceeding” in Section 1071(b)(3) fell outside the American Rule and thus authorized awarding

attorneys' fees, there have been four cases under the Lanham Act and Patent Statute applying this language.¹ Of these five cases in total, only petitioner, Booking.com, has had the good fortune to have prevailed on the merits of its case (in both the district court and the Fourth Circuit). Nonetheless, despite prevailing on the merits and demonstrating that the PTO had erred in denying trademark protection, Booking.com was ordered to pay \$51,472.53 in PTO attorneys' fees (together with other expenses of \$25,401.08) simply to correct the PTO's own apparent error in denying registration in the first place.

As the only party in a proceeding to have been ordered to pay the government's claimed attorneys' fees despite having prevailed on the merits, Booking.com is able to provide an invaluable complement to the position of respondent NantKwest in the

¹ *Halozyme, Inc. v. Iancu*, No. 1:16-CV-1580, 2018 WL 5270329, at *3 (E.D. Va. Oct. 23, 2018); *Realvirt, LLC v. Lee*, 220 F. Supp. 3d 695, 704 (E.D. Va. 2016), vacated sub nom. *Realvirt, LLC v. Iancu*, 734 F. App'x 754 (Fed. Cir. 2018); *Taylor v. Lee*, No. 115CV1607LMBJFA, 2016 WL 9308420, at *2 (E.D. Va. July 12, 2016); *Nankwest, Inc. v. Lee*, 162 F. Supp. 3d 540, 546 (E.D. Va. 2016), aff'd sub nom. *Nantkwest, Inc. v. Iancu*, 898 F.3d 1177 (Fed. Cir. 2018).

case in which the Court has already granted certiorari. Although Booking.com submits that NantKwest should no more be responsible for the PTO's fees than should it, the mere fact that Booking.com was ordered to pay attorneys' fees despite prevailing on the merits in the district court and on appeal makes all the more compelling the inequity of the PTO's new interpretation of Sections 145 and 1071(b)(3). This new interpretation comes after 175 years of understanding that the phrase "all expenses of the proceeding" merely concerned witness fees, travel expenses and the like. Moreover, Booking.com raised additional arguments not considered in *NantKwest*, including that the First Amendment precludes such burdens on a specified statutory right; that the government's fixed costs are not "of the proceeding," and that the specific history of the Lanham Act demonstrates why Section 1071(b)(3) does not support an award of fees. Whatever the ultimate outcome, the cases should be resolved consistently.

As shown below, Booking.com therefore believes that it would be appropriate to consolidate this case with *NantKwest* in this Court. *See* Rules of the Supreme Court 27 ("The Court, on its own motion or that of a party, may order that two or more cases involving the same or related

questions be argued together as one case”); *see also* Fed. R. Civ. P. 42(a) (“If actions before the court involve a common question of law or fact, the court may (1) join for hearing or trial any or all matters at issue in the actions; (2) consolidate the actions”); *see, e.g., Abbott v. U.S.*, 562 U.S. 8, 15 (2010) (“To resolve the division among the Circuits on the proper construction of § 924(c)’s ‘except’ clause, we granted certiorari in both cases and consolidated them for argument.”); *Zadvydas v. Davis*, 533 U.S. 678, 687 (2001) (“We consolidated the two cases for argument; and we now decide them together.”); *U.S. v. Eichman*, 494 U.S. 1063 (1990) (consolidating review).

STATEMENT

A. The Lanham Act

The Trademark Act of 1946 (“Lanham Act”) was enacted to prevent consumer confusion by protecting names and symbols that consumers recognize as trademarks. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-164 (1995) (“[B]y preventing others from copying a source-identifying mark, [trademark law] reduce[s] the customer’s costs of shopping and making purchasing decisions” by assuring them they can rely on known marks). For the government to

sustain its burden of proving that the mark BOOKING.COM is generic and hence unprotectable, seminal Supreme Court precedent and the statute itself expressly required the PTO to prove by *clear evidence* that the “*primary significance*” of the name among *actual consumers* is as a generic name for such travel services in general. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938); 15 U.S.C. § 1064(3) (defining genericness as “primary significance” to the “relevant public”). Genericness is a question of fact, *In re Reed Elsevier Props., Inc.*, 482 F.3d 1376, 1378 (Fed. Cir. 2007), and the PTO had the burden to prove such facts by clear evidence. *In re Merrill, Lynch, Pierce, Fenner & Smith, Inc.*, 828 F.2d 1567, 1571 (Fed. Cir. 1987).

Claimed trademarks are classified as (i) generic, (ii) descriptive, (ii) suggestive or (iv) arbitrary or fanciful. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir.1976). The latter two categories are automatically registrable.² However,

² See *H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987, 991 (Fed. Cir. 1986) (FIRE CHIEF protectable for a magazine *for* firefighters, as distinct from “fire chiefs” themselves); *In re Seats, Inc.*, 757 F.2d 274, 277-78 (Fed. Cir. 1985) (trademark SEATS may be generic for actual chairs)

marks that are descriptive (such as “AMERICAN AIRLINES”) can also be protected upon proof of acquired reputation or secondary meaning. By contrast, generic terms can never be protected. For example, one can use a “computer” (a generic term encompassing brands such as Dell, Lenovo or Apple) to log on to an online “travel agency” (also a generic term encompassing Expedia or Travelocity or Booking.com).³ The primary significance test distinguishes between marks that are descriptive and those whose primary meaning to consumers is to designate an entire class of goods or services.

In 2004, the Federal Circuit ruled in *In re Oppedahl & Larson*, 373 F.3d 1171 (Fed. Cir. 2004), concerning the mark

but *cannot* be generic or even descriptive for reservation *services*, because it is simply a word for a possible outcome (a seat), not the *service itself*.

³ There is a quantum legal difference between generic terms, such as “computer” or “travel agency,” whose actual *primary meaning* to consumers is to represent an entire class of goods or services (and which cannot be protected), and descriptive terms, such as AMERICAN AIRLINES (clearly communicating “an airline in America”) or PATENTS.COM (clearly communicating information about patents), *Oppedahl & Larson, supra*. The latter simply require proof of secondary meaning to be protected.

PATENTS.COM, that it would be “legal error” to preclude registration where secondary meaning is proven, *id.* at 1175-76, in addition to allowing registration without such proof if the mark has some inherent distinctiveness (citing the hypothetical “Tennis.net”).⁴ *Id.* at 1175. However, without overruling *Oppedahl & Larson*, the Federal Circuit more recently has affirmed PTO rejections of other similar marks, such as “HOTELS.COM.” *In re Hotels.com, L.P.*, 573 F.3d 1300 (Fed. Cir. 2009); *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359 (Fed. Cir. 2009).⁵ The district court distinguished these cases as having been decided on their facts and the different standards of review there at issue. 278 F. Supp. 3d at 906-09; App. at 105a-113a.

B. Factual Background

⁴ See also *In re Steelbuilding.com*, 415 F.3d 1293, 1301 (Fed. Cir. 2005) (reversing T.T.A.B. holding that STEELBUILDING.COM was generic); *In re Microsoft Corp.*, 68 U.S.P.Q.2d 1195, 1203 (T.T.A.B. 2003) (OFFICE.NET merely descriptive). Likewise, *Elliot v. Google Inc.*, 860 F.3d 1151 (9th Cir. 2017), held that “GOOGLE” can be generic for internet searching (a verb) but not for “internet search engines.”

⁵ But see *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341 (Fed. Cir. 2001) (“Dial-A-Mattres” not used generically, hence not generic).

The record in this case confirms that Booking.com is one of the best-known travel and accommodations services in the United States (and the world), with unparalleled recognition and millions of active followers and users⁶). Although the mark BOOKING.COM was initially approved for registration, the Patent and Trademark Office (“PTO”) changed course, withdrawing such approval and beginning a dispute that has lasted since 2012.

In 2016, the PTO’s administrative tribunal, the Trademark Trial and Appeal Board (“TTAB”) concluded that it was grammatically and logically impossible to use the name BOOKING.COM as a generic term for travel agency services. Although

⁶ For instance, among the evidence expressly cited by the courts below, as of September 2016, over 5 million Facebook members voluntarily liked Booking.com, and approximately 5.4 million U.S. customers freely chose to download its mobile application since 2014. *Booking.com*, 278 F. Supp. 3d at 920-22; App. at 139a, 141a. Extensive other evidence cited by the courts show brand recognition. *See* 278 F. Supp. 3d at 919-22; App. at 135a-42a. For example, Petitioner’s BOOKING.COM branded website generates billions of dollars in U.S. revenues and transactions, and over 1,200 U.S. news articles referenced BOOKING.COM between January 2015 and September 2016 alone. *See* 278 F. Supp. 3d at 920-21; App. at 138a-39a.

there was also no evidence that consumers had ever used the term generically (as in “I logged on to my ‘booking.com’ to make a reservation), the TTAB nonetheless concluded that the name should be deemed generic.

Booking.com thereafter sought de novo review under Section 1071 in the District Court for the Eastern District of Virginia. *Booking.com*, 278 F. Supp. 3d at 895; App. at 81a-82a. In that proceeding, it presented an unrebutted consumer survey confirming that 74% of consumers of travel services recognize BOOKING.COM as a trademark. 278 F. Supp. 3d at 915-18; App. at 125a-34a. It also presented evidence of the vast extent of consumer use and recognition of the brand for travel services. (*Supra* note 6.) It showed that the BOOKING.COM travel service was recently picked by the research and analytics firm, JD Power and Associates, as having the highest customer satisfaction rate of any travel site in the United States. 278 F. Supp. 3d at 920; App. at 137a. The PTO offered no evidence to challenge Appellee’s showing that BOOKING.COM enjoys unparalleled consumer loyalty in the travel industry and has *never* been used generically for such services. *See* 278 F. Supp. 3d at 914, 922; App. at 122a-24a, 142a. Nor did the PTO challenge the evidence submitted by

the Princeton-based linguistics expert that as a matter of linguistic science, it is impossible for terms to have meanings entirely independent of use. *See* 278 F. Supp. 3d at 914 n.12; App. at 123a n.12. Booking.com further argued that to deny protection to BOOKING.COM would subvert the very purpose of the Lanham Act of protecting consumers by inviting competing businesses to deceive customers by falsely advertising who they are and stripping Booking.com of its power to prevent such piracy.

The District Court agreed with Booking.com that its mark is protectable. 278 F. Supp. 3d at 923; App. at 145a. The PTO appealed to the Fourth Circuit, which, on February 4, 2019, affirmed that BOOKING.COM is a protectable trademark. *Booking.com*, 915 F.3d at 187; App. at 27a. In that proceeding, the PTO conceded that BOOKING.COM enjoys secondary meaning. *Id.*

Despite succeeding on the merits in the district court and on appeal, the district court ordered petitioner to pay \$51,472.53 as the PTO's claimed attorneys' fees (plus other expenses of \$25,401.08). (App. at 59a-60a, 74a, 79a-80a). When the PTO appealed this decision to the Fourth Circuit, Booking.com

cross-appealed the attorneys' fee award. The Court of Appeals affirmed both district court rulings, finding that the mark BOOKING.COM is registrable, but concluding as well that it must award fees to the PTO because it is bound by its prior decision in *Shammas* that Section 1071(b)(3) falls outside the American Rule insofar as it awards expenses regardless who is the prevailing party. *Booking.com*, 915 F.3d at 188; App. at 29a.

ARGUMENT

As an alternative to direct appeal to the Federal Circuit, the Lanham Act has permitted parties dissatisfied with PTO decisions to seek *de novo* review in the United States District Courts. 15 U.S.C. § 1071(b)(3) provides that “all the expenses of the proceeding shall be paid by the party bringing the case,” but for 175 years (applying the same language under the Patent Statute⁷), when the PTO sought recovery from intellectual property owners of any of “the expenses of the proceeding,” it never sought to include attorneys' fees, instead (at most) occasionally seeking

⁷ The 1952 Patent Act, 35 U.S.C. § 145 contains a virtually identical provision that traces to the Patent Act of 1836.

narrow expenses such as travel costs or expert witness fees. Five years ago, however, the PTO began to seek recovery of attorneys' fees as "expenses." *Shammas v. Focarino*, 990 F. Supp. 2d 587, 590 (E.D. Va. 2014) (noting that "[t]he question whether 'all expenses of the proceeding' includes attorney's fees appears to be one of first impression"), *aff'd*, 784 F.3d 219 (4th Cir. 2015), *cert. denied*, 136 S. Ct. 1376 (2016).

Shortly after *Shammas* adopted the PTO's new interpretation of "expenses," this Court, in *Baker Botts*, unequivocally reaffirmed the breadth of the so-called "American Rule," prohibiting fee-shifting in the absence of "specific and explicit" authority from Congress. 135 S. Ct. at 2161. Soon thereafter, the Virginia District Court declined to follow *Shammas* as irreconcilable with *Baker Botts*. *NantKwest, Inc. v. Lee*, 162 F. Supp. 3d 540, 545-46 (E.D. Va. 2016), affirmed sub nom. *NantKwest, Inc. v. Iancu*, 898 F.3d 1177 (Fed. Cir. 2018) (en banc). In its July 27, 2018 opinion, the Court of Appeals for the Federal Circuit in *NantKwest* concluded *en banc* that *Shammas* was indeed irreconcilable with *Baker Botts* and affirmed the district court's judgment. 898 F.3d 1177, 1180 (Fed. Cir. 2018). On March 4, 2019, this Court granted the PTO's petition for certiorari,

which primarily cited the conflict between *NantKwest* and *Shammas*.

Because this Court has already granted certiorari in *NantKwest*, and because most of the arguments raised by *NantKwest* and most of the reasoning set forth in the Federal Circuit's en banc decision have already been considered by this Court in deciding to grant certiorari, the present petition only summarizes those arguments, focusing instead on the additional arguments it presented below that were not addressed in *NantKwest*.

A. This Case Is A Proper Companion to NantKwest

In language virtually identical to the provision of the Patent Statute, at issue in *NantKwest*, 35 U.S.C. 145, the Lanham Act, 15 U.S.C. § 1071(b)(3), permits de novo review of PTO decisions in the United States district courts, further providing, however, that: “unless the court finds the expenses to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.”

The Fourth Circuit's reading of Section § 1071(b)(3) in this case and in *Shammas* is inconsistent with the American

Rule as articulated by *Baker Botts* and other like precedents for at least four reasons: (i) *Shammas* turns on an unduly narrow statement of the American Rule itself, which applies to all cases, not just those where the prevailing party seeks fees. *Baker Botts*, 135 S. Ct. at 2164 (“Each litigant pays his own attorney’s fees, win or lose, unless a statute or contract provides otherwise.”). *Accord, Hardt v. Reliance Standard Life Ins. Co.*, 560 U.S. 242, 253 (2010). (ii) The word “expenses” is not an “explicit” or “specific” fee-shifting authorization; indeed, it is less specific in authorizing fee shifting than the provision in *Baker Botts* allowing “reasonable compensation” for attorneys, which this Court held could not justify a fee award. (iii) Basic rules of statutory construction require reading the term “expenses” narrowly because the PTO’s proposed interpretation is in derogation of common law and because the Lanham Act (and the Patent Statute, which includes the same text) uses the terms “expenses” and “attorneys’ fees” in specific ways at odds with the new reading of the old laws. Finally, (iv) although legislative history would be entitled to little if any weight in understanding the actual statutory text, there is no relevant indication of legislative intent to include “attorneys’ fees” in the non-specific phrase “expenses of the proceeding,” and the history

of the twin statutory provisions strongly counsels against the new statutory interpretation. These four issues were all presented to the Court in the context of the *NantKwest* petition for certiorari and are only summarized here.

However, this case presents additional reasons for construing the statutory language narrowly (reasons not present in *NantKwest*), and this case is more directly tied to *Shammas*, which applied the Lanham Act (not the Patent Statute) and is the very source of the controversy raised in *NantKwest*. Indeed, this Court has already held that the Lanham Act permits no implied right to attorneys' fees outside its explicit "meticulously detailed" text. *Fleischmann Distilling Co. v. Maier Brewing Co.*, 386 U.S. 714, 719 (1967). As such, this Court concluded that "§ 35 of the Lanham Act ... mark[s] the boundaries of the power to award monetary relief in cases arising under the Act," and that "[a] judicially created compensatory remedy in addition to the express statutory remedies [stated there] is inappropriate" *Id.* at 721. Although Congress amended the Lanham Act many times since 1967, including adding three provisions authorizing attorneys' fee awards

(all for culpable misconduct⁸), it never amended Section 1071(b)(3) to provide expressly for attorneys’ fees. *Fleischmann*, concededly, did not specifically address Section 1071(b)(3). Nonetheless to conclude now that Section 1071(b)(3) *impliedly* allows such a remedy conflicts with *Fleischmann Distilling* in a specific historical respect not raised in *NantKwest* under the Patent Statute. It would have been simple for Congress to have said specifically and explicitly in Section 1071(b)(3) that a plaintiff must pay attorneys’ fees, as it did in amending other sections of the same statute. It did not. This is particularly revealing given that *Baker Botts* clarified that a statutory departure from the American Rule must “specifically” and “explicitly” so provide. 135 S. Ct. at 2164.

A further unique aspect of the history of Section 1071(b)(3) (far clearer than under the Patent Statute) is that Trademark Trial

⁸ The statute employs the term “attorneys’ fees” explicitly only concerning exceptional conduct warranting punitive measures. 15 U.S.C. § 1114(2)(D)(iv) (“costs and attorney’s fees” for knowing and material misrepresentation to domain name registrar, etc.); 15 U.S.C. § 1117(a) (“attorney fees to the prevailing party” in “exceptional cases”); 15 U.S.C. § 1122(c) (“costs and attorney’s fees” as a remedy).

and Appeals Board regulations expressly confirm the PTO's own understanding of the meaning of "expenses." Until 2014 the TTAB Manual of Procedure contemplated at most that the PTO might seek recovery of expert witness fees and travel expenses. As of 2014, TBMP § 903.07, *Special Provisions For Ex Parte Cases* (2014), provided only that expenses include "expert witness fees and travel," but in 2015 it was changed to provide that expenses include "expert witness fees, copying, travel, and expenses for personnel time spent in defense of the action." TBMP § 903.07 (2015).

Furthermore, Booking.com presented in the district court and in the Fourth Circuit two additional arguments not addressed in *NantKwest*. Specifically, beyond the confines of the American Rule, interpreting Section 1071(b)(3) to award attorneys' fees in all cases would violate the First Amendment right to petition for redress of grievances. Controlling precedent of this Court requires breathing space to allow even unsuccessful litigants freedom to seek vindication of their rights.

Moreover, as a factual matter, the PTO's request for attorneys' fees in this case (and others) was based simply on taking a percentage of the government attorneys'

fixed salaries, which would have been paid regardless whether there had been a “proceeding.” As a matter of statutory construction, the PTO’s attempt to recoup a portion of the fixed salaries it would have paid to its attorney staff regardless whether any action for de novo review had been commenced is not sufficiently “of the proceeding” to satisfy the literal statutory language.

Thus, because this case includes not only the legal issues raised in *NantKwest*, but also presents additional compelling facts and additional arguments not there addressed, the Court should, as a matter of justice and judicial economy, grant certiorari to this matter and consolidate this case with *NantKwest* under Rules of the Supreme Court 27. *See, e.g., Abbott v. U.S., supra; Zadvydas v. Davis, supra; U.S. v. Eichman, supra.* Consolidating the cases ensures they will be resolved consistently.

B. The PTO’s New Interpretation of Expenses Violates the American Rule

In addition to those issues already addressed in the briefing on the petition for certiorari in *NantKwest*, which need not be repeated here, this case must be seen through the lens of the history of the

Lanham Act, as colored by this Court's ruling in *Fleischmann Distilling Co.*, adding an additional layer of meaning not found in the history of the Patent Statute. So too, the history of PTO regulations under the Lanham Act gives added meaning to the seemingly arbitrary departure from history when, in 2013, Trademark Trial and Appeals Board regulations were suddenly amended to permit recovery for the first time of attorneys' fees in addition to expert witness fees and travel expenses. Compare TBMP § 903.07, Special Provisions For Ex Parte Cases (2014) with TBMP § 903.07 (2015). Two other arguments presented below also merit consideration in resolving the identical question presented by this case and *NantKwest*.

C. As Interpreted by the PTO, Section 1071(b) Is Unconstitutional

The First Amendment to the Constitution provides that "Congress shall make no law . . . abridging . . . the right of the people . . . to petition the Government for a redress of grievances." U.S. Const. amend. I. "[T]he right of access to the courts is an aspect of the First Amendment right to petition the Government for redress of grievances." *Bill Johnson's Restaurants, Inc. v. NLRB*, 461 U.S. 731, 741 (1983); *accord*

BE&K Construction Co. v. NLRB, 536 U.S. 516, 524-25 (2002) (“We have recognized this right to petition as one of ‘the most precious of the liberties safeguarded by the Bill of Rights,’ . . . and have explained that the right is implied by ‘the very idea of a government, republican in form.’” (citations omitted)).

Applying the “right to petition” clause to the National Labor Relations Act, the Supreme Court held in *BE&K Construction* that the NLRB’s standard for imposing liability, under which it could penalize unsuccessful but reasonably-based suits brought for retaliatory motive, unconstitutionally burdened this fundamental First Amendment right. The Court thus reversed an award of attorneys’ fees.⁹ 536 U.S. at 524, 532-33.

As now construed by the PTO, 15 U.S.C. § 1071(b) reaches far more broadly than the NLRA in penalizing even successful

⁹ In reviewing an award of attorneys’ fees, the Court noted that this did not affect the power of courts to enter sanctions under Rule 11 or to penalize losing plaintiffs in appropriate circumstances. 536 U.S. at 537. Likewise, nothing here suggests that a party guilty of litigation misconduct in a proceeding under 35 U.S.C. § 145 and 15 U.S.C. § 1071(b) should be immune from appropriate sanctions.

litigants and chilling the right of all to seek redress from questionable or incorrect PTO decisions. Indeed, the very act of seeking such independent review of PTO decisions is now swept together with other punitive provisions of the Lanham Act (and Patent Statute) where Congress determined that exceptional misconduct warrants fee awards. As the Supreme Court noted in *BE&K Construction*:

even unsuccessful but reasonably based suits advance some First Amendment interests. Like successful suits, unsuccessful suits allow the “public airing of disputed facts,” *Bill Johnson’s, supra*, 461 U.S. at 743 (citation omitted), and raise matters of public concern. They also promote the evolution of the law by supporting the development of legal theories that may not gain acceptance the first time around. Moreover, the ability to lawfully prosecute even unsuccessful suits adds legitimacy to the court system as a designated alternative to force.

536 U.S. at 532. *BE&K* thus noted that courts must give adequate “breathing space” essential to the fruitful exercise” of the right to petition. *Id.* at 531 (quoting *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 342 (1974)).

BE&K Construction followed from similar jurisprudence under the so-called *Noerr-Pennington* doctrine,¹⁰ which exemplifies why monetary sanctions such as attorneys’ fees cannot be awarded where doing so would risk chilling this important First Amendment right. *Professional Real Estate Investors, Inc. v. Columbia Pictures Industries, Inc.*, 508 U.S. 49 (1993), summarized key aspects of the doctrine, noting that “[t]hose who petition the government for redress of grievances are generally immune from antitrust liability.” *Id.* at 56. The Court further noted there that we do not “impute to Congress an intent to invade” the First Amendment right to petition.” *Id.* at 56 (citing *Eastern Railroad Presidents Conference v. Noerr Motor Freight Inc.*, 365 U.S. 127, 138 (1961)). *California Motor Transport Co. v. Trucking Unlimited* extended the *Noerr-Pennington*

¹⁰ See *Eastern Railroad Presidents Conference v. Noerr Motor Freight Inc.*, 365 U.S. 127 (1961); *United Mine Workers of Am. v. Pennington*, 381 U.S. 657 (1965).

doctrine to encompass “the approach of citizens . . . to administrative agencies and to the courts.” 404 U.S. 508, 510 (1972). *California Motor Transport* explained:

The same philosophy governs the approach of citizens or groups of them to administrative agencies (which are both creatures of the legislature, and arms of the executive) and to courts, the third branch of Government. Certainly, the right to petition extends to all departments of the Government. The right of access to the courts is indeed but one aspect of the right to petition.

Id.; see also *Sosa v. DIRECTV, Inc.*, 437 F.3d 923, 931 (9th Cir. 2006) (applying the right to petition for redress of grievances to RICO claims: “we must construe federal statutes so as to avoid burdening conduct that implicates the protections afforded by the Petition Clause unless the statute clearly provides otherwise.”); *White v. Lee*, 227 F.3d 1214, 1221 (9th Cir. 2000) (Fair Housing Act investigation by HUD “unquestionably chilled plaintiffs” First Amendment rights to petition.)

The district court and the Fourth Circuit declined to find any constitutional infirmity. However, the only precedent cited below directly addressing the issue, *Premier Electrical Construction Co. v. National Electrical Contractors Ass’n, Inc.*, expressly acknowledged that that case was “an unvarnished effort to enforce a private price-fixing agreement. The first amendment does not protect efforts to enforce private cartels, in court or out.” 814 F.2d 358, 376 (7th Cir. 1987). By contrast, both 15 U.S.C. § 1071(b)(3) and 35 U.S.C. § 145 concern a government agency adjudicating statutory rights granted or denied with the public interest in mind. Whether a trademark owner can challenge a government administrative decision that he or she is entitled to a registration, a public grant of rights,¹¹ could scarcely be more different from a private price-fixing agreement. *Premier Electrical*, was also decided in 1987, fifteen years before *BE&K Construction* in 2002 and five years before *Professional Real Estate Investors, Inc.* Indeed, although the District Court declined to follow *BE&K Construction* and *Professional Real Estate Investors* on grounds that those cases

¹¹ See *Matal v. Tam*, 137 S. Ct. 1744, 1753 (2017).

involved a federal agency penalizing an individual or entity for filing a lawsuit, that is *exactly* the premise of the PTO's interpretation of 15 U.S.C. § 1071(b): namely, that applicants should pay a penalty to the PTO, a federal agency, for seeking *de novo* review, as Congress allowed, rather than appealing to the Federal Circuit.

Under the PTO's new construction of the term "expenses," reviewing even erroneous PTO decisions penalizes even successful parties, such as Booking.com, to pay the government for its own errors. This departure from the American Rule inverts logic. Wherever a small start-up or patent inventor – or indeed any party, large or small – is the victim of a dubious or plainly incorrect PTO decision-making, the First Amendment demands that such parties be able to vindicate their rights by exercising the statutory right of *de novo* review without signing a blank check to the government, which the government can redeem later when it determines what "expenses" it has incurred.

The government's argument, taken to its logical extreme, might even permit the PTO to decline normal cooperation in discovery and other matters and needlessly multiply proceedings, yet still demand at the

end of the day that all the “expenses of the proceedings” be paid by the applicant. There is already a vast disparity between the resources of the government and private litigants such as an intellectual property owner forced to seek appellate review to vindicate its rights and correct the PTO’s own errors. *Cf. E.E.O.C. v. Great Steaks, Inc.*, 667 F.3d 510, 519–20 (4th Cir. 2012) (“Congress, cognizant of the vast disparity of resources between the government and private litigants, enacted the EAJA out of concern that the expense involved in litigating against unreasonable government action might deter private litigants from vindicating their rights in civil actions and administrative proceedings in which the United States is a party.”) This disparity need not be amplified by giving the government a blank check for all attorneys’ fees.

The District Court also suggested there could be some line-drawing in noting that, if taken to its logical conclusion, a finding that mandatory fee-shifting violates the First Amendment would call into question the constitutionality of all filing fees and court costs. (App. at 68a). However, this disregards the specific holding of *BE&K Construction*, 536 U.S. at 524, finding unconstitutional an award of

attorneys' fees (not filing fees or other costs). Moreover, there is a difference of kind, not merely degree, in paying a few hundred dollars in predetermined filing fees versus tens or even hundreds of thousands of dollars in attorneys' fees varying with the needs of the case.¹² Moreover, other court costs typically are imposed only in favor of a prevailing party, whereas the PTO's new interpretation of 15 U.S.C. § 1071(b) authorizes attorneys' fees in all cases. Parties with meritorious cases as well as frivolous filers are punished equally, simply to chill the right to seek redress of grievances – not to discourage meritless cases.

Finally, the District Court noted that the PTO is funded by user fees, and that finding 15 U.S.C. § 1071(b) unconstitutional would somehow impact the PTO's funding. However, a finding that the provision is unconstitutional would not affect the PTO's

¹² Judge Brinkema cited examples of courts and other government entities permitted to charge fees without violating the First Amendment (e.g. \$300 license fee for parades or processions, *Cox v. New Hampshire*, 312 U.S. 569, 576-77 (1941) or \$340 for handgun licenses, *Kwong v. Bloomberg*, 723 F.3d 160, 165-66 (2d Cir. 2013). These are orders of magnitude different from entirely variable sums of tens or hundreds of thousands of dollars for attorneys' fees in recent 1071(b) and 145 cases, including here.

funding provisions, as overall filing fees can be adjusted based on overall office costs (including completely unrelated legal costs, rents, utilities and so forth); whereas the purpose of the new policy is directly targeted only at discouraging *de novo* review. Indeed, because the statute contemplates that all expenses be paid from filing fees, awarding attorneys' fees on top of the filing fees incurred in any given case would indeed represent a *double-recovery*. Moreover, focusing on the issue of funding only calls more attention to the fact that Congress, in enacting the Lanham Act, did not explicitly define "expenses" to mean attorneys' fees.

Although the majority in *NantKwest* did not address this specific argument, its decision supports Booking.com's position in noting how disproportionate are the attorneys' fees in any given case to the application fees:

A back-of-the-envelope calculation elucidates the minuscule impact of these proceedings on the overall cost of a patent application. Although neither party could provide an exact tally of the § 145 proceedings, at the panel stage the PTO estimated that

there were four to five of these proceedings in the last three years. ... If we were to take a conservative estimate of ten \$ 145 actions per year (five times the rate estimated by the PTO) and assume that the PTO expended \$100,000 in attorneys' fees defending each action (\$20,000 more than the amount the PTO incurred in this case), the total expense for fiscal year 2018 would be \$1 million. The PTO estimates that it will receive more than 627,000 patent applications during this same time period. When spread amongst the 627,000+ applications, the \$1 million price tag amounts to less than \$1.60 per application.

898 F.3d at 1195-96.

In short, as against the accepted jurisprudence regarding the broad right to petition government for redress of grievances, 15 U.S.C. § 1071(b), as recently reinterpreted by the PTO, fails to provide the “breathing space essential to [the] fruitful exercise” of the right to petition district courts to review PTO decisions. *BE&K*

Construction., 536 U.S. at 531. It unfairly inhibits even reasonably-based suits, creating obstacles to the airing of matters of public concern and impairing the evolution of the law by allowing development of legal theories that may not gain acceptance the first time around. As newly reinterpreted by the PTO, 15 U.S.C. § 1071(b)(3) should thus be deemed unconstitutional.

D. The Requested Fees Are Not “Of This Proceeding”

In permitting recovery of “expenses,” Section 1071(b)(3), limits recovery to “expenses of the proceeding.” Laying aside whether attorneys’ fees are recoverable at all, the PTO failed to show its claimed fees are “of the proceeding.” Rather, it concedes that the claimed fees are derived simply by taking the attorneys’ annual salaries and dividing this by the percentage of hours worked on this matter. (See App. at 74a-75a). Applying basic accounting principles, the attorneys’ salaries are “fixed costs” of the U.S. government that are no more “of this proceeding” than are utility expenses. The attorneys would have been paid the same amount regardless of whether they had worked on this case. In the context of determining profits in patent cases, for example, courts routinely employ an

“incremental profits” analysis, under which *fixed costs* that would have been paid regardless are excluded from determining profits; only relevant *variable costs* are included. *See State Indus., Inc. v. Mor-Flo Indus., Inc.*, 883 F.2d 1573, 1580 (Fed. Cir. 1989); *GuideTech, Inc. v. Brilliant Instruments, Inc.*, No. C 09-5517 CW, 2014 WL 4182340, at *6 (N.D. Cal. Aug. 22, 2014). If salaries would have remained the same regardless of the infringing activity, then those salaries are fixed costs and not used to analyze profits. *See, e.g., King Instrument Corp. v. Perego*, 737 F. Supp. 1227, 1242 (D. Mass. 1990) (excluding “fixed costs, such as management salaries”), *aff’d sub nom.* 65 F.3d 941 (Fed. Cir. 1995); *see also Stewart Title Co. of Memphis v. First Am. Title Ins. Co.*, 44 F. Supp. 2d 942, 957-58 & n.40 (W.D. Tenn. 1999) (excluding fixed costs such as “base salary or rent” in measuring profits for breach of contract claim). Under no known accounting principle can such fixed costs can be deemed expenses “of this proceeding.”

Nor is there any known rule of statutory construction under which salaries paid regardless of whether this proceeding had ever occurred can be deemed “of this proceeding.” Indeed, given the heavy burden under *Baker Botts L.L.P.* that a statute “specifically and explicitly” authorize fee-

shifting, it is incongruous to suppose that Congress meant to authorize payment of a portion of attorneys' annual salaries by expressly limiting expense shifting to expenses "of the proceeding." Because Congress only "expressly and specifically" contemplated a simple flat fee for an initial application to go into a general fund for office staff, it permits no inference that variable, unpredictable and potentially substantial attorneys' fees can be imposed on any single applicant. Just the opposite: the vast conceptual difference between modest fixed filing fees (a blended average of overall costs) and large variable attorneys' fees tied to a specific matter, and the orders of magnitude by which such costs differ, tends to show affirmatively that in using only the general term "expenses of the proceeding" Congress no more contemplated billing litigants for attorneys' fees at the end of the proceeding than it did billing applicants for the actual time of a trademark or patent examiner at the end of the application process. Because the statute contemplates that all expenses be paid from registration fees, *In re Tam*, 808 F.3d 1321, 1353 (Fed. Cir. 2015), as corrected (Feb. 11, 2016), *aff'd sub nom. Matal v. Tam*, 137 S. Ct. 1744 (2017), attorneys' fees incurred in any given case simply represent a double-recovery.

As a matter of basic statutory interpretation, Congress's chosen words make explicit that the only expenses that can be recovered must be "of the proceeding." Only by disregarding the literal wording of the statute can annual salaries, fixed costs that would have to be paid even if there never were "a proceeding" be charged to the plaintiff under Section 1071. By the same logic, Booking.com or other parties could be charged a percentage of the utility expenses or rental charges. The very fact that the government would shift to a litigant seeking to vindicate its legitimate rights and correct an erroneous TTAB decision the salaries of its attorneys that it would have paid anyway demonstrates the extraordinary tension with the First Amendment.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Dated: April 10, 2019

Respectfully submitted,

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APPENDIX

1a

**APPENDIX A — OPINION OF THE UNITED
STATES COURT OF APPEALS FOR THE FOURTH
CIRCUIT, DATED FEBRUARY 4, 2019**

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 17-2458

BOOKING.COM B.V.,

Plaintiff-Appellee,

v.

THE UNITED STATES PATENT AND
TRADEMARK OFFICE; ANDREI IANCU, IN HIS
OFFICIAL CAPACITY AS UNDER SECRETARY
OF COMMERCE FOR INTELLECTUAL
PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,

Defendants-Appellants.

AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION,

Amicus Curiae.

No. 17-2459

BOOKING.COM B.V.,

Plaintiff-Appellant,

2a

Appendix A

v.

THE UNITED STATES PATENT AND
TRADEMARK OFFICE; ANDREI IANCU, IN HIS
OFFICIAL CAPACITY AS UNDER SECRETARY
OF COMMERCE FOR INTELLECTUAL
PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,

Defendants-Appellees.

AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION,

Amicus Curiae.

Appeals from the United States District Court for the
Eastern District of Virginia, at Alexandria. (1:16-cv-425-
LMB-IDD). Leonie M. Brinkema, District Judge.

October 31, 2018, Argued
February 27, 2019, Amended
February 4, 2019, Decided

Before KING, DUNCAN, and WYNN, Circuit Judges

Affirmed by published opinion. Judge Duncan wrote the
opinion, in which Judge King concurred. Judge Wynn
wrote a separate opinion concurring in part and dissenting
in part.

Appendix A

DUNCAN, Circuit Judge:

The United States Patent and Trademark Office (the “USPTO”) and Booking.com (“Booking.com”) both appeal the district court’s summary judgment ruling regarding the protectability of the proposed trademark BOOKING.COM.¹ The USPTO appeals on the ground that the district court erred in concluding that BOOKING.COM is a protectable mark. Booking.com cross appeals, arguing that it should not be required to pay the USPTO’s attorneys fees under 15 U.S.C. § 1071(b)(3). For the reasons that follow we affirm as to both the appeal and the cross-appeal.

I.

Before we recount the facts of this case, we briefly discuss the legal trademark context in which it arises. Trademark law protects the goodwill represented by particular marks and serves the twin objectives of preventing consumer confusion between products and the sources of those products, on the one hand, and protecting the linguistic commons by preventing exclusive use of terms that represent their common meaning, on the other. *OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334, 339-40 (4th Cir. 2009).

In order to be protectable, marks must be “distinctive.” To determine whether a proposed mark is protectable,

1. Throughout this opinion, we use Booking.com to refer to the Plaintiff-Appellant and BOOKING.COM to refer to the proposed mark.

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courts ascertain the strength of the mark by placing it into one of four categories of distinctiveness, in ascending order: (1) generic, (2) descriptive, (3) suggestive, or (4) arbitrary or fanciful. *George & Co. v. Imagination Entm't Ltd.*, 575 F.3d 383, 393-94 (4th Cir. 2009). Marks falling into the latter two categories are deemed inherently distinctive and are entitled to protection because their intrinsic nature serves to identify the particular source of a product. In contrast, descriptive terms may be distinctive only upon certain showings, and generic terms are never distinctive. This dispute concerns only the first two of these four categories, with Booking.com arguing the mark is descriptive and the USPTO arguing it is generic.

A term is generic if it is the “common name of a product” or “the genus of which the particular product is a species,” such as LITE BEER for light beer, or CONVENIENT STORE for convenience stores. *OBX-Stock, Inc.*, 558 F.3d at 340. Generic terms do not contain source-identifying significance--they do not distinguish the particular product or service from other products or services on the market. *George & Co.*, 575 F.3d at 394. Accordingly, generic terms can never obtain trademark protection, as trademarking a generic term effectively grants the owner a monopoly over a term in common coinage. If protection were allowed, a competitor could not describe his goods or services as what they are. *CES Publishing Corp. v. St. Regis Publications*, 531 F.2d 11, 13 (2d Cir. 1975).

In contrast, descriptive terms, which may be protectable, describe a “function, use, characteristic, size,

Appendix A

or intended purpose of the product,” such as 5 MINUTE GLUE or KING SIZE MEN’S CLOTHING. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996). In order to be protected, a descriptive term must have acquired secondary meaning. *Hunt Masters, Inc. v. Landry’s Seafood Rest., Inc.*, 240 F.3d 251, 254 (4th Cir. 2001). Secondary meaning indicates that a term has become sufficiently distinctive to establish a mental association in the relevant public’s minds between the proposed mark and the source of the product or service. *George & Co.*, 575 F.3d at 394.

Against this background, we consider the facts before us.

II.

Booking.com operates a website on which customers can book travel and hotel accommodations. It has used the name BOOKING.COM since at least 2006. In 2011 and 2012, Booking.com filed four trademark applications for the use of BOOKING.COM as a word mark and for stylized versions of the mark with the USPTO. Booking.com sought registration for, inter alia, Class 43 services, which include online hotel reservation services.²

2. The applications also identified Class 39 services, which include “travel and tour ticket reservation services” and “online travel and tourism services.” *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 896-97 (E.D. Va. 2017). Because the district court found that the marks were only protectable as to Class 43 services and remanded with respect to Class 39 services, and Booking.com does not challenge this ruling on appeal, we consider only whether BOOKING.COM is protectable as to Class 43 services.

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The USPTO examiner rejected Booking.com’s applications, finding that the marks were not protectable because BOOKING.COM was generic as applied to the relevant services. In the alternative, the USPTO concluded that the marks were merely descriptive and that Booking.com had failed to establish that they had acquired secondary meaning as required for trademark protection. After the examiner denied Booking.com’s motion for reconsideration, Booking.com appealed to the Trademark Trial and Appeal Board (the “TTAB”).

The TTAB affirmed the USPTO’s four refusals of registration in three separate opinions. These opinions all concluded that BOOKING.COM was a generic term for the services offered, and therefore ineligible for trademark protection, because “booking” generically refers to “a reservation or arrangement to buy a travel ticket or stay in a hotel room” or “the act of reserving such travel or accommodation”; “.com” indicates a commercial website; and consumers would understand the resulting composite BOOKING.COM to primarily refer to an online reservation service for travel, tours, and lodging, which are the services proposed in Booking.com’s applications. *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 896 (E.D. Va. 2017) (summarizing the TTAB’s findings). In the alternative, the TTAB concluded that BOOKING.COM is merely descriptive of Booking.com’s services and that Booking.com had failed to demonstrate that the mark had acquired secondary meaning, as required for trademark protection.

Booking.com appealed the TTAB’s decisions by filing this civil action under 15 U.S.C. § 1071(b) against the

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USPTO and the USPTO’s director in the Eastern District of Virginia in April 2016.³ It argued that BOOKING.COM was a descriptive or suggestive mark eligible for protection. In support of its argument, Booking.com submitted new evidence to the district court. This evidence included a “Teflon survey,”⁴ indicating that 74.8% of consumers recognized BOOKING.COM as a brand rather than a generic service.

The district court held that although “booking” was a generic term for the services identified, BOOKING.COM *as a whole* was nevertheless a descriptive mark. The district court further determined that Booking.com had met its burden of demonstrating that the proposed mark had acquired secondary meaning, and therefore was protectable, as to the hotel reservation services described in Class 43. The court therefore partially granted Booking.com’s motion for summary judgment, ordering the USPTO to register two of the marks and remanded for further administrative proceedings as to the other two.

The USPTO subsequently filed two motions. Pursuant to Federal Rule of Civil Procedure 59(e), the USPTO sought to amend the court’s order requiring the USPTO to register the two trademarks, requesting instead that

3. As we discuss further below, Booking.com could have appealed to the Federal Circuit but declined to do so.

4. Teflon surveys are the “most widely used survey format to resolve a genericness challenge.” 2 *McCarthy on Trademarks* at § 12:16. These surveys explain the distinction between generic names and trademark or brand names and then ask survey respondents to identify a series of names as common or brand names.

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the court remand for further administrative proceedings. It also filed a motion for expenses pursuant to 15 U.S.C. § 1071(b)(3), which would require Booking.com to pay \$76,873.61 of the USPTO's expenses under 15 U.S.C. § 1071(b)(3). These expenses included the salaries of the PTO's attorneys and paralegals that worked on the defense action. The district court denied the USPTO's motion to amend as to the two marks, reasoning that they were registerable as trademarks and that no further administrative proceedings were necessary. However, the district court granted the USPTO's motion for expenses. Both the USPTO and Booking.com appealed. The USPTO and Booking.com challenge, respectively, whether BOOKING.COM is protectable, and whether Booking.com must pay the USPTO's attorneys fees.

III.

We turn first to the USPTO's contention that the district court erred in concluding that BOOKING.COM is a protectable trademark. According to the USPTO, BOOKING.COM is a generic, not a descriptive, term that can never be protected.

We review a district court's grant of summary judgment based on the conclusion that a mark is sufficiently distinctive to warrant trademark protection de novo. *Retail Servs. Inc. v. Freebies Publ'g*, 364 F.3d 535, 541-42 (4th Cir. 2004). The question of whether a proposed mark is generic is a question of fact that is subject to deferential review. *See Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 155 (4th Cir. 2014) (citing *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1533 (4th Cir. 1984)).

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Critically to our analysis, the USPTO concedes that if BOOKING.COM may properly be deemed descriptive, the district court's finding that it has acquired secondary meaning was warranted. Rather, the USPTO only challenges the district court's determination that BOOKING.COM is not generic. Therefore, the limited question on appeal is whether the district court erred in finding that BOOKING.COM is not generic. For the reasons that follow, we conclude that the district court did not err in finding that there was no genuine issue of material fact on the issue of genericness and that, on these facts, BOOKING.COM is a protectable trademark.

Before undertaking our analysis, two issues pertinent to the genericness inquiry bear further elaboration: first, who bears the burden of proving genericness, and second, the framework for determining whether a proposed mark is generic.

A.

We have never directly addressed the issue of which party bears the burden of proving genericness on appeal when registration of a mark is denied.⁵ However, the

5. In trademark infringement proceedings, we have held that the burden of proof lies with the party claiming that a previously registered mark is generic because there is a presumption of validity. *See Glover v. Ampak, Inc.*, 74 F.3d 57, 59 (4th Cir. 1996). Where a mark is not registered, however, and the alleged infringer asserts genericness as a defense, the plaintiff bears the burden of proving that the mark is not generic. *See Ale House Mgmt. Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137, 140 (4th Cir. 2000).

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Federal Circuit has long held, and we agree, that in registration proceedings, the USPTO “always bears the burden” of establishing that a proposed mark is generic. *In re Cordua Rests., Inc.*, 823 F.3d 594, 600 (Fed. Cir. 2016); *see In re Merrill Lynch, Pierce, Fenner, and Smith, Inc.*, 828 F.2d 1567, 1571 (Fed. Cir. 1987) (explaining that the burden of proving genericness “*remains* with” the PTO) (emphasis added). This is so because finding a mark to be generic carries significant consequence, as it forecloses an applicant from any rights over the mark--once a mark is determined to be generic, it can never receive trademark protection. *See* 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 12:12 (5th ed. 2018) (explaining that finding a mark to be generic is a “fateful step” as it may result in the “loss of rights which could be valuable intellectual property”).

We therefore hold here that the USPTO bears the burden of proving that BOOKING.COM is generic in the instant case.

B.

We next discuss the framework for determining whether a mark is generic. As we have discussed, generic terms are the “common name of a product or service itself.” *Sara Lee*, 81 F.3d at 464. To determine whether a term is generic, we follow a three-step test: (1) identify the class of product or service to which use of the mark is relevant; (2) identify the relevant consuming public; and (3) determine whether the primary significance of the mark to the relevant public is as an indication of the

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nature of the class of the product or services to which the mark relates, which suggests that it is generic, or an indication of the source or brand, which suggests that it is not generic.⁶ *Glover v. Ampak, Inc.*, 74 F.3d 57, 59 (4th Cir. 1996).

Once a term is deemed generic, it cannot subsequently become non-generic. A term may be generic if, for example, it was previously determined to be generic by a court. *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 117, 59 S. Ct. 109, 83 L. Ed. 73, 1939 Dec. Comm'r Pat. 850 (1938) (finding that “shredded wheat” was generic because a court had already deemed it to be so). A term may also be deemed generic where evidence suggests that a term was “commonly used prior to its association with the

6. The Lanham Act codifies the primary significance test as the test for determining whether a registered trademark has become generic in *cancellation* of registration proceedings. 15 U.S.C. § 1064(3) (“The primary significance of the registered mark to the relevant public . . . shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.”); *see Glover*, 74 F.3d at 59. However, we and the Federal Circuit have also applied the primary significance test to determine genericness in registration proceedings. *See In re 1800Mattress.com IP, LLC*, 586 F.3d 1359, 1362-63 (Fed. Cir. 2009) (applying a two-step genericness inquiry, asking in part whether the term sought to be registered is “understood by the relevant public to refer to that genus of goods or services”) (citation omitted); *In re Reed Elsevier Props., Inc.*, 482 F.3d 1376, 1378 (Fed. Cir. 2007) (same); *see also America Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 822 (4th Cir. 2001) (determining that a mark was generic because the evidence “d[id] not reveal that the *primary significance* of the term” was the source rather than its generic meaning) (emphasis added).

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products [or services] at issue.” *Hunt Masters*, 240 F.3d at 254-55. In such cases of common usage, a court may find that a term is generic even without looking to evidence of consumer recognition. *Id.* For example, in *Hunt Masters*, we found that the term “crab house” was commonly used, as there were many restaurants called “crab houses” across the country, *id.* at 254 n.1, and concluded, therefore, that the district court did not err in declining to consider consumer survey evidence.

If a term is deemed generic, subsequent consumer recognition of the term as brand-specific cannot change that determination. *See Retail Servs., Inc.*, 364 F.3d at 547. Indeed, courts have explained that “no matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification,” that user cannot claim the exclusive right through trademark protection to call the product or service by its common name. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

In this case, neither party disputes the district court’s finding at the first step: that the mark is used to identify the class or product to which it belongs--here, making hotel reservations for others. Nor do they disagree as to step two: that the relevant purchasing public consists of consumers who use hotel reservation services offered via the internet or in person. Instead, the dispute arises at the third step: the public’s understanding of what the term BOOKING.COM primarily refers to.

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To ascertain the public's understanding of a term, courts may look to "purchaser testimony, consumer surveys, listings and dictionaries, trade journals, newspapers, and other publications." *Glover*, 74 F.3d at 59. For example, in determining that the term "ale house" was generic for a facility that serves both food and beer, we considered newspaper articles and restaurant reviews that referred to such facilities as "ale houses," as well as the lack of evidence suggesting that it was not a generic term for such institutions. *Ale House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137, 140-41 (4th Cir. 2000).

In assessing whether a term is understood by the relevant public to primarily refer to the service or the source, we look to the proposed mark *as a whole*, see *Hunt Masters*, 240 F.3d at 254 ("[A] mark must be considered as a whole to determine its validity."). Even where a proposed mark is a phrase or a compound term, such as "crab house" or "ale house," the relevant inquiry is the public's understanding of the entire mark, not its understanding of the mark's separate components independently. *Estate of P.D. Beckwith, Inc. v. Comm'r of Patents*, 252 U.S. 538, 545-46, 40 S. Ct. 414, 64 L. Ed. 705, 1920 Dec. Comm'r Pat. 471 (1920).

With this framework for genericness in mind, we turn to the USPTO's contention on appeal that the district court erred in finding that BOOKING.COM is a descriptive, rather than a generic, mark.

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C.

We hold 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. Because the USPTO concedes that, if the mark is descriptive, it is protectable, this ends our inquiry. In affirming the district court's finding, we reject the USPTO's contention that adding the top-level domain (a "TLD").com to a generic second-level domain (an "SLD") like booking can never yield a non-generic mark. We turn first to the district court's finding on genericness before addressing the USPTO's proposed rule.

i.

Genericness is a question of fact to which the district court, as the trier of fact, is accorded great deference.⁷ *See Swatch AG*, 739 F.3d at 155. Here, in finding that the public's understanding of BOOKING.COM, taken as a

7. Specifically, we defer to the district court's factual finding regarding the primary significance of the mark to the public—a finding for which the court applied the proper legal analysis—and *not* the court's determination as to the trademark significance of the fact that a domain name like "booking.com" necessarily refers only to a single source. In fact, we conclude that the court erred in this latter determination, discussed *infra*; but contrary to the Dissent's position, such error does not affect the court's *separate* factual finding as to primary significance. *See Booking.com B.V.*, 278 F. Supp. 3d at 913-18.

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whole, establishes it as a descriptive mark rather than a generic term, the district court relied on two main factors: the USPTO's lack of evidence demonstrating that the public uses "booking.com" generically, and Booking.com's Teflon survey. We conclude that the district court did not err in finding that the evidence weighed in favor of finding BOOKING.COM to be non-generic.

First, the district court found "highly relevant" the absence of evidence by the USPTO that consumers commonly refer to online hotel reservation services as "bookings.com." *Booking.com B.V.*, 278 F. Supp. 3d at 914. Instead, the court determined that the USPTO's evidence demonstrated that such services are referred to as "booking website(s)," or "booking site(s)." *Id.*

While the USPTO identified other domain names that contain "booking.com"-- such as "hotelbooking.com" and "ebooking.com"--to support its argument that the relevant public understands BOOKING.COM to refer to online hotel booking services, the district court did not err in finding this evidence less probative of common usage. It is true that some courts have found the use of a proposed mark in longer domain names to be evidence in support of finding that term generic. *See, e.g., Advertise.com, Inc. v. AOL Advertising, Inc.*, 616 F.3d 974, 980-81 (9th Cir. 2010) (finding that the way in which ADVERTISING.COM was used in other domain names was evidence of genericness); *In re Hotels.com, L.P.*, 573 F.3d 1300, 1304 (Fed. Cir. 2009) (same for HOTELS.COM); *In re Reed Elsevier Props., Inc.*, 482 F.3d 1376, 1380 (Fed. Cir. 2007) (same for LAWYERS.COM). We note, however, that

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although those courts recognized that the inclusion of the proposed mark in longer domain names was strong evidence of genericness, they nonetheless remained open to considering consumer surveys to determine the public's understanding of the proposed mark. See, e.g., *In re Hotels.com*, 573 F.3d at 1304-05 (finding that the TTAB did not err in determining that the term was generic, citing in part concerns arising from the methodology of the applicant's consumer survey). Moreover, using the characters "booking.com" or "bookings.com" in a longer domain name does not necessarily mean that BOOKING.COM is generic. Unlike "hotels" or "lawyers," "booking" is used to describe a plethora of reservation services, including, for example, theatrical or musical engagements. See *Booking.com B.V.*, 278 F. Supp. 3d at 904 (quoting Random House: Unabridged Dictionary (2d ed. 1993)). Including booking.com in a longer domain name therefore does not necessarily demonstrate that consumers would understand BOOKING.COM to identify any website that provides hotel reservation services. In fact, the record evidence demonstrates the opposite.

The USPTO challenges the court's weighing of this evidence, contending that the district court erred in emphasizing that the public does not *use* "booking.com" to refer to the relevant services, and instead should have evaluated whether the public would *understand* the term to refer to those services. We agree with the USPTO that the ultimate inquiry in determining whether a term is generic is what the public *understands* the proposed mark to mean. *Glover*, 74 F.3d at 59. Nonetheless, courts have considered usage to be probative of the public's

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understanding. *Compare In re Dial-A-Mattress*, 240 F.3d 1341, 1346 (Fed. Cir. 2001) (finding that a mark was not generic where there was no evidence that the relevant public referred to the class of shop-at-home mattress retailers as “1-888-M-A-T-R-E-S-S”), *with Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 124 U.S.P.Q.2d 1184 at *6-10 (TTAB 2017) (finding “pretzel crisp” to be generic where the record evidence, including newspaper articles and food blogs, used the term to refer to the genus of snack products rather than a particular brand), *and Ale House Mgmt.*, 205 F.3d at 140-41 (finding “ale house” to be generic for facilities that serve food and beer where newspaper articles and restaurant reviews referred to such facilities as “ale houses”). It is therefore not error for a court to consider, as the court did here, evidence of the public’s use of a term in evaluating its primary significance to the public.⁸ And in any event, as we will discuss, the consumer surveys in this record suggest that the public primarily *understands* BOOKING.COM to indicate the company rather than the service.

Second, the district court also considered Booking.com’s Teflon survey, which demonstrates that 74.8% of respondents identified BOOKING.COM as a brand name, rather than as a general reference to hotel reservation websites. Such consumer surveys are the “preferred method of proving genericness.” *Princeton Vanguard*,

8. Because the relevant inquiry is what the mark’s primary significance is to the public, we do not consider the district court’s suggestion, relying on Booking.com’s linguistic expert, that “linguistic understanding” cannot be divorced from use. *Booking.com B.V.*, 278 F. Supp. 3d at 914 (alteration and citation omitted).

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LLC v. Frito-Lay N. Am., Inc., 786 F.3d 960, 970 (Fed. Cir. 2015) (citation omitted). Indeed, courts have recognized that “[c]onsumer surveys have become almost de rigueur in litigation over genericness.” *Berner Int’l Corp. v. Mars Sales Co.*, 987 F.2d 975, 982-83 (3d Cir. 1993) (internal quotation marks and citation omitted). Accordingly, where, as here, the district court found that the survey was methodologically sound, the survey is strong evidence that the public does not understand BOOKING.COM to refer to the proposed mark’s generic meaning.

On appeal, the USPTO does not contest the validity of the survey or its methodology. Instead, it relies on dicta in *Hunt Masters* to argue that the district court erred in considering the survey at all. 240 F.3d at 254-55. Its reliance is misplaced; our reasoning in that case does not apply here. In *Hunt Masters*, we considered whether the owners of “the Charleston Crab House,” who sought to enjoin a competitor from using the name “The Crab House,” had a protected proprietary interest in the term “crab house.” We declined to find such an interest because we determined that “crab house” was a generic term referring to a class of restaurants that serve crabs. *Id.* at 254. In so determining, we held that the district court did not err in declining to consider the plaintiff’s consumer survey. We explained that there are two ways in which terms may be classified as generic--“(1) where the term began life as a ‘coined term’” that had become generic through common usage, and “(2) where the term was commonly used prior to its association with the products at issue”--and that while consumer surveys are relevant to determining whether a term is generic in the former

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scenario, they are not in the latter. *Id.* at 254-55. Contrary to the USPTO's contention, *Hunt Masters* does not control where, as here, the district court determined based on the dearth of evidence in the record that the proposed mark was not commonly used. As such, the proposed mark does not fall within the category of terms for which survey evidence is irrelevant.

Weighing the evidence before it, the district court did not err in finding that the USPTO did not satisfy its burden of showing that BOOKING.COM is generic. It is axiomatic that determinations regarding the relative weight of evidence are left for the trier of fact. See *In re Hotels.com*, 573 F.3d at 1305-06 (finding that the trier of fact, the TTAB, could reasonably have given controlling weight to dictionary definitions and similar uses of "hotels" with a .com suffix over a consumer survey with questionable methodology). Here, the district court, acting as the trier of fact in reviewing Booking.com's trademark application de novo, did not err in placing greater weight on the consumer survey over other evidence, like dictionary definitions, in assessing the primary significance to the public. See *Mars Sales Co.*, 987 F.2d at 982-83 (explaining that direct consumer evidence, e.g., consumer surveys and testimony, "is preferable to indirect forms of evidence" like dictionaries and trade journals).

We therefore conclude that the district court did not err in finding that BOOKING.COM is a descriptive, rather than generic, mark.

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ii.

The USPTO nevertheless contends that adding the top-level domain “.com” to a generic second-level domain like “booking” is *necessarily* generic, and that the district court therefore erred in finding that BOOKING.COM was non-generic. The USPTO advances two theories as reasons for adopting a per se rule against protecting terms like BOOKING.COM. For the reasons that follow, we decline to adopt such an approach under either theory.

First, the USPTO relies on an 1888 Supreme Court case to argue that, as a matter of law, adding .com to a generic SLD like booking can never be nongeneric. In *Goodyear’s Rubber Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598, 602-03, 9 S. Ct. 166, 32 L. Ed. 535, 1889 Dec. Comm’r Pat. 257 (1888), the Court held that the addition of commercial indicators such as “Company” to terms that merely describe classes of goods could not be trademarked, like “Grain Company” or, as the Dissent provides, “The Grocery Store.” According to the USPTO, “.com” is analytically indistinct from “company,” as it is a generic identifier for an entity operating a commercial website, and therefore its addition to a generic term can never be protected. However, *Goodyear* was decided almost sixty years before the Lanham Act and, crucially, did not apply the primary significance test. No circuit has adopted the bright line rule for which the USPTO advocates--indeed, sister circuits have found that when “.com” is added to a generic TLD, the mark may be protectable upon a sufficient showing of the public’s understanding through consumer surveys or other evidence. *See, e.g., Advertise.*

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com, Inc., 616 F.3d at 982; *In re Hotels.com*, 573 F.3d at 1304-05. We similarly decline to do so here.

Second, the USPTO argues that the proposed mark is per se generic because it is nothing more than the sum of its component parts. It contends that “booking” is a generic term for hotel reservation services, that “.com” is generic for an online company, and that when combined the resulting composite is generic for the online booking services at issue here because a member of the relevant public would understand BOOKING.COM to name an online booking website. Therefore, the USPTO contends, BOOKING.COM is generic. We disagree that it is necessarily so.

We begin by discussing the genericness inquiry as it applies to compound terms. When confronted with a compound term like PRETZEL CRISPS, courts may consider as a first step the meaning of each of the term’s component marks; but as we explained in *Hunt Masters*, the ultimate inquiry examines what the public primarily perceives the term *as a whole* to refer to. 240 F.3d at 254. For example, in determining whether PRETZEL CRISPS is generic, a court may first determine based on dictionary definitions and other competent sources that PRETZEL is primarily understood to refer to the genus of pretzels, and that CRISPS would be understood as primarily referring to crackers. *Frito-Lay N. Am., Inc.*, 124 U.S.P.Q.2d 1184 at *4, 21. But the court must also consider evidence--such as use in newspaper articles or food blogs--to determine whether the term PRETZEL CRISPS is perceived primarily to refer to a crispy pretzel or to a particular source. *Id.* at *22.

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Where the proposed mark is a composite that includes .com, we clarify that, contrary to the district court’s suggestion, .com does not itself have source-identifying significance when added to an SLD like booking.⁹ See, e.g., *In re Hotels.com*, 573 F.3d at 1304 (explaining that the generic term “hotels” did not lose its generic character by placement in the domain name HOTELS.COM); *McCarthy on Trademarks*, § 7:17.50 (explaining that a TLD like .com “has no source indicating significance and cannot serve any trademark purpose”). Merely appending .com to an SLD does not render the resulting domain name non-generic because the inquiry is whether the public primarily understands the term *as a whole* to refer to the source or the proffered service.¹⁰

For the same reason, neither is it the case, as the USPTO would have it, that assuming booking and .com

9. The district court concluded that a TLD like .com generally has source-identifying significance when added to an SLD like booking, and that a mark composed of a generic SLD like booking together with a TLD is usually a descriptive mark eligible for protection upon a showing of secondary meaning. We decline to adopt a rule that goes so far. Such a rule would effectively make *any* domain name distinctive, which oversteps the focus of our trademark jurisprudence on a mark’s primary significance to the public. However, because we find other evidentiary bases to affirm the district court, as discussed *supra*, our rejection of this approach does not alter the outcome of our inquiry.

10. Because we do not adopt the district court’s approach to the addition of TLDs to SLDs, we need not address the USPTO’s contention that the district court impermissibly relied on BOOKING.COM’s functional role as a web address to establish non-genericness, where functional features are precluded from trademark protection.

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are each generic terms according to their respective dictionary definitions, and that together they describe the service provided, this necessarily ends the genericness inquiry. Within this inquiry, dictionary definitions, though “relevant and sometimes persuasive” to the genericness inquiry based on the assumption that such definitions generally reflect the public’s perception of a word’s meaning, are not necessarily dispositive or controlling. *Retail Servs., Inc.*, 364 F.3d at 544-45. Instead, where, as here, the court found that the term was not previously commonly used, it may consider additional evidence like consumer surveys in making its genericness determination.¹¹ This is particularly true where the mark involves a domain name. Unlike general terms such as “crab house,” *see Hunt Masters*, 240 F.3d at 254-55, looking to the component parts of a domain name may not unambiguously represent the primary significance of the term as a whole given that the relevant public may recognize domain names to indicate specific locations on the internet. *See In re Hotels.com*, 573 F.3d at 1305 (acknowledging that “consumers may automatically equate a domain name with a brand name”) (citation omitted). Thus, even where the domain-name-as-mark

11. As we have discussed, once a term has been deemed generic, consumer recognition will not save it from being generic. *See Retail Servs., Inc.*, 364 F.3d at 547. Here, BOOKING.COM was not already deemed generic because it had not been so determined by a prior court, and the district court expressly found that it was not commonly used. Accordingly, the USPTO’s reliance on cases where terms like “You Have Mail” and “Freebies” were found to be commonly used to argue that consumer recognition cannot render BOOKING.COM non-generic, is misplaced. *See America Online*, 243 F.3d at 822 and *Retail Services, Inc.*, 364 F.3d at 547.

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technically describes the service provided, it does not necessarily follow that the public commonly understands the mark to refer to the service broadly speaking.

We therefore decline to adopt a per se rule and conclude that when “.com” is combined with an SLD, even a generic SLD, the resulting composite may be non-generic where evidence demonstrates that the mark’s primary significance to the public as a whole is the source, not the product.

This approach comports with that taken by our sister circuits, who have similarly declined to adopt a per se rule against protecting domain names, even where they are formed by combining generic terms with TLDs. *See, e.g., Advertise.com Inc.*, 616 F.3d at 978-79; *In re Steelbuilding.com*, 415 F.3d 1293, 1299 (Fed. Cir. 2005). These courts have left open the possibility that in “rare circumstances” a TLD may render a term sufficiently distinctive to be protected as a trademark. *See In re Steelbuilding.com*, 415 F.3d at 1299.

Tellingly, even where courts have found that the individual components of a domain name mark are independently generic, and that when added together the resulting composite merely describes the genus of the service provided, courts still considered other evidence such as consumer surveys in determining whether the mark was generic. For instance, in determining whether ADVERTISING.COM was generic, the Ninth Circuit explained that even though both “advertising” and “.com” were generic, and that ADVERTISING.COM conveyed

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only the genus of the services offered, it was possible “that *consumer surveys or other evidence* might ultimately demonstrate that [the] mark is valid and protectable.” *Advertise.com, Inc.*, 616 F.3d at 982 (emphasis added); see *In re Hotels.com*, 573 F.3d at 1304-05 (considering a consumer survey regarding the public’s understanding of HOTELS.COM even though it determined that “hotels” and “.com” were independently generic and that the combination did not produce new meaning). While these courts have generally found the resulting composite of adding “.com” to certain SLDs to be generic,¹² they have nonetheless acknowledged that on rare occasions such marks may be non-generic. Here, the district court did not err in determining that this case presents one such rare occasion where the record evidence supported a finding that the USPTO failed to meet its burden of proving that the public primarily understood BOOKING.COM to refer to the genus of online hotel reservation services, rather than the company or brand itself.

We are not unsympathetic to the USPTO’s concerns that granting trademark protection over BOOKING.

12. See, e.g., *In re Hotels.com*, 573 F.3d at 1304 (HOTELS.COM); *In re 1800Mattress.com IP, LLC*, 586 F.3d at 1364 (MATTRESS.COM); *In re Reed Elsevier Props., Inc.*, 482 F.3d at 1378 (LAWYERS.COM). We note, however, that on appeal from the TTAB, the Federal Circuit applies a more deferential standard of review--reviewing factual findings for substantial evidence--than that applied by the district court, which reviews the TTAB’s decision de novo. See *Shammas v. Focarino*, 784 F.3d 219, 225 (4th Cir. 2015). Given this deferential standard of review, the Federal Circuit may affirm a genericness holding where the district court, reviewing the extant evidence and any new evidence de novo, may have reached a different conclusion.

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COM may prevent other companies from using the mark. *See OBX-Stock, Inc.*, 558 F.3d at 339-40 (noting trademark law's twin concerns). However, these concerns are assuaged by two considerations. First, because trademarks only protect the relevant service--here, the district court granted protection as to hotel reservation services but not travel agency services--protection over BOOKING.COM would not necessarily preclude another company from using, for example, carbooking.com or flightbooking.com.¹³ Second, the purported overbreadth of the mark can be addressed in proceedings regarding the scope of the trademark's protection. To enforce a mark, a plaintiff must prove in a trademark infringement suit that there is a "likelihood of confusion"--that is, whether "the defendant's actual practice is likely to produce confusion in the minds of consumers about the origin of the goods or services in question." *George & Co.*, 575 F.3d at 393 (citation omitted); *Pizzeria Uno*, 747 F.2d at 1527. Infringement plaintiffs often must show "actual confusion." *George & Co.*, 575 F.3d at 393. Given that domain names are unique by nature and that the public may understand a domain name as indicating a single site, it may be more difficult for domain name plaintiffs to demonstrate a likelihood of confusion.

13. As the district court noted, WORKOUT.COM, ENTERTAINMENT.COM, and WEATHER.COM are registered marks that have not precluded domain names such as MIRACLEWORKOUT.COM, WWW.GOLIVE-ENTERTAINMENT.COM, and CAMPERSWEATHER.COM. *Booking.com B.V.*, 278 F. Supp. 3d at 911 & n.6 (taking judicial notice of such marks in the public record).

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In sum, adding “.com” to an SLD can result in a non-generic, descriptive mark upon a showing of primary significance to the relevant public. This is one such case. Based on the record before it, the district court properly found that the USPTO did not meet its burden of proving that “booking.com” is generic. We therefore affirm the court’s finding that BOOKING.COM is descriptive. Because the USPTO does not challenge the district court’s finding that BOOKING.COM has acquired secondary meaning where the mark is deemed descriptive, we affirm the district court’s partial grant of summary judgment finding that BOOKING.COM is protectable as a trademark.

IV.

We turn now to Booking.com’s contention that it should not be required to pay the USPTO’s attorneys fees under 15 U.S.C. § 1071(b)(3). Under the Lanham Act, a dissatisfied trademark applicant may seek review of an adverse ruling on his trademark application either by appealing the USPTO’s ruling to the Federal Circuit, 15 U.S.C. § 1071(a)(1), or by commencing a de novo action in a federal district court, *id.* § 1071(b)(1). If the applicant chooses to appeal to the Federal Circuit, the appeal is taken “on the record” before the USPTO, *id.* § 1071(a)(4), and the court defers to the USPTO’s factual findings unless they are unsupported by substantial evidence. *Shammas v. Focarino*, 784 F.3d 219, 225 (4th Cir. 2015). In contrast, if he chooses to appeal in a district court, the parties may conduct discovery and submit evidence beyond the record before the USPTO, which the district

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court reviews de novo as the trier of fact. *Id.* Crucially, if the applicant decides to challenge the USPTO’s ruling in the district court, the applicant must pay “*all the expenses of the proceeding* . . . whether the final decision is in favor of such party or not.” 15 U.S.C. § 1071(b)(3) (emphasis added).

Pursuant to this statute, the district court granted the USPTO’s motion requiring Booking.com to pay \$76,873.61 of its expenses, \$51,472.53 of which constituted the prorated salaries of its attorneys and paralegals who worked on the matter. In reaching this decision, the district court relied on our precedent in *Shammas*, which held that “all the expenses of the proceeding” under §1071(b)(3) includes attorneys fees. *Id.* at 224.

In so holding in *Shammas*, we first concluded that the “American Rule”--the bedrock principle that each litigant pays his own attorneys fees unless Congress has specifically and explicitly provided otherwise--was inapplicable to the provision because the rule applies “only where the award of attorneys fees turns on whether a party seeking fees has prevailed to at least some degree.” 784 F.3d at 223. Accordingly, we interpreted the phrase “all the expenses of the proceeding” for “its ordinary meaning without regard to the American Rule,” and concluded that it included attorneys fees. *Id.* at 224.

Whether the American Rule applies to § 1071(b)(3), however, has since been called into question. Relying on our decision in *Shammas*, the Federal Circuit previously held that a nearly identical provision of the Patent Act, 35 U.S.C. § 145, included attorneys fees. *Nantkwest, Inc. v.*

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Matal, 860 F.3d 1352, 1355 (Fed. Cir. 2017). Subsequently, however, the Federal Circuit reversed its decision en banc, squarely rejecting our reasoning in *Shammas*; it now holds that attorneys fees are not covered under that provision. *NantKwest, Inc. v. Iancu*, 898 F.3d 1177, 1185 (Fed. Cir. 2018) (en banc). Moreover, the year after we decided *Shammas*, the Supreme Court applied the American Rule to a bankruptcy statute that did not mention a prevailing party. *See Baker Botts L.L.P. v. ASARCO LLC*, 135 S. Ct. 2158, 2165, 192 L. Ed. 2d 208 (2015).

These subsequent developments suggest that the American Rule’s requirement that Congress “clearly and directly” express an intent to deviate from that rule may apply to § 1071(b)(3)--a statute that, if read to include attorneys fees, anomalously requires an appealing party to pay the prorated salaries of government attorneys.

Nonetheless, *Shammas* remains the law in this circuit, and as long as we continue to be bound by that precedent we must affirm the district court’s grant of attorneys fees.

V.

For the foregoing reasons, we affirm the district court’s partial grant of summary judgment to Booking.com as to the protectability of its trademark applications, and we affirm the district court’s grant of the USPTO’s motion for expenses.

AFFIRMED

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WYNN, Circuit Judge, concurring in part and dissenting in part:

This case addresses a problem that Booking.com chose to bring upon itself. Because trademark law does not protect generic terms, an online business, like Booking.com, has two options in choosing its domain name. On the one hand, it can choose to operate under a generic domain¹ that describes the nature of the services it offers, and thereby attract the wealth of customers who simply search the web for that service. However, in electing that benefit, the entity accepts a trade-off. It must forego the ability to exclude competitors from using close variants of its domain name. On the other hand, the entity can choose to operate under a non-generic domain name—and thereby potentially limit, at least before it has built consumer awareness of its branding, the universe of potential customers who will find its business. Trademark law affords an entity that selects this latter option a special benefit. It can bar competitors from trading on any goodwill and recognition it generates in its domain name.

Booking.com chose the former approach—to operate under a generic domain name and forego the ability

1. A domain name, the string of text used to look up the internet protocol address for a particular internet site, is made up of a Top Level Domain and a Secondary Level Domain. The Top Level Domain is the final portion of the web address—such as “.com,” “.gov,” or “.edu”—that signifies the category of website: i.e. commercial, government, or educational. The Secondary Level Domain is the preceding part of the web address. Well-known Secondary Level Domains include “facebook,” “amazon” and “google.” Thus, in the domain name <http://www.booking.com>, “.com” is the Top Level Domain, whereas “booking” is the Secondary Level Domain.

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to exclude competitors from using close variants of its domain name. But in the face of recognizing that “booking” is a generic term, the district court creatively decided that combining the generic term “booking” with the generic top-level domain “.com” rendered it non-generic. In doing so, the district court’s judgment—which the majority opinion concedes was grounded in legal error, but nonetheless declines to set aside—allows Booking.com to have its cake and eat it too. Booking.com gets to operate under a domain that merely describes the nature of its business *and* exclude its competitors from doing the same.

Booking.com maintains that such a result is warranted to prevent “unscrupulous competitors [from] prey[ing] on its millions of loyal consumers,” Appellee’s Br. at 38. But to the extent Booking.com fears that its competitors are using the terms “booking” and “.com” in ways that might confuse its customers, “this is the peril of attempting to build a brand around a generic term.” *Advertise.com, Inc. v. AOL Adver., Inc.*, 616 F.3d 974, 980 n.6 (9th Cir. 2010). Accordingly, although I agree with much of the analysis in the majority opinion,² I part ways with my

2. I agree with much of the analysis in the majority opinion. The majority opinion is correct that in determining whether a proposed trademark is a generic term not subject to protection, courts must “look to the proposed mark *as a whole*.” *Ante* at 12, 20 (emphasis retained). Accordingly, I join my colleagues and our sister circuits in declining “to adopt a per se rule against protecting domain names, even where they are formed by combining generic terms with [Top Level Domains].” *Ante* at 23. Also like my colleagues, I believe that on only “*rare* occasion[s]” should the combination of a generic Secondary Level Domain and a Top Level Domain result in a protectable trademark. *Ante* at 24 (emphasis added). And like my

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colleagues’ decision to nevertheless affirm the district court’s judgment that BOOKING.COM is a protectable trademark.

That decision rests upon my colleagues’ determination that the district court’s factual findings pertaining to genericness should be “accorded great deference,” *Ante* at 13, regarding whether a proposed mark is generic—*i.e.*, whether a proposed mark is nothing more than the “common name of a product or service itself,” *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996)—which is a question of fact generally subject to clear error review, *see Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 155 (4th Cir. 2015). But “we owe no deference to the district court’s findings if they are derived as a result of the court’s misapplication of the law.” *Sara Lee*, 81 F.3d at 464 (citation omitted); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1526 (4th Cir. 1984) (“[T]he clearly erroneous rule [will not] protect findings which have been made on the basis of the application of incorrect legal standards or made in disregard of applicable legal standards, such as burden of proof” (citations omitted)).

colleagues, I conclude the district court committed legal error in holding that “a [Top Level Domain] like .com generally has source-identifying significance when added to a[] [Secondary Level Domain] like booking, and that a mark composed of a generic [Secondary Level Domain] like booking together with a [Top Level Domain] is usually a descriptive mark eligible for protection upon a showing of secondary meaning.” *Ante* at 21 n.9. I also join my colleagues in the portion of the majority opinion affirming the district court’s granting of attorneys’ fees to the U.S. Patent & Trademark Office (“PTO”). *Ante* at 27. In particular, I agree that *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015), remains the controlling precedent in this circuit.

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When a finding derives from a district court’s “application of an improper standard to the facts, it may be corrected as a matter of law.” *United States v. Singer Mfg. Co.*, 374 U.S. 174, 194 n.9, 83 S. Ct. 1773, 10 L. Ed. 2d 823, 1963 Dec. Comm’r Pat. 547 (1963). In such cases, the clearly erroneous standard is no longer applicable. *See United States v. Rodriguez-Morales*, 929 F.2d 780, 783 (1st Cir. 1991) (“Of course, if the lower court applies the wrong legal standard, no deference attaches, and we must proceed to correct the error.”).

Here, the district court rendered the legal “conclu[sion]” that “when combined with a[] [Secondary Level Domain], a [Top Level Domain] generally has source identifying significance and the combination of a generic [Secondary Level Domain] and a [Top Level Domain] is generally a descriptive mark that is protectable upon a showing of acquired distinctiveness.” *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 909 (E.D. Va. 2017). Put differently, the district court concluded that, as a matter of law, “the combination of a generic [Secondary Level Domain] and a [Top Level Domain]” is *presumptively descriptive* and protectable upon a showing of acquired distinctiveness. *Id.*

Notably, in adopting this presumption, the district court expressly rejected the approach taken by the Federal Circuit in cases, like the instant case, involving a proposed trademark that combines a generic Secondary Level Domain with a Top Level Domain. *See id.* at 908-10. The majority opinion rejects that legal presumption but nevertheless defers to the district court’s factual finding that BOOKING.COM is descriptive, and therefore

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protectable, on the theory that that finding was *not tainted* by the district court's legal error. *See Ante* at 21 n.9. But a close examination of the district court's opinion reveals that the district court's legal error did play a role in the court's ultimate determination that BOOKING.COM is descriptive.

In particular, because the district court *presumed* that “the combination of a generic [Secondary Level Domain] and a [Top Level Domain]” is descriptive, *Booking.com*, 278 F. Supp. 3d at 909, it subjected the registrant to a less onerous evidentiary burden for establishing descriptiveness than the law demands. This is evident for two reasons.

First, the district court's ultimate determination—that the proposed mark BOOKING.COM is descriptive—conflicts with the determination that *every other court* has reached in cases, like the instant case, involving the registration or enforcement of a proposed mark composed of a generic Secondary Level Domain and a Top Level Domain.³ For instance, the Federal Circuit found that the

3. The district court found—and I agree—that “by itself, the word ‘booking’ is generic for the classes of hotel and travel reservation services recited in plaintiff’s applications.” *Booking.com*, 278 F. Supp. 3d at 905. Likewise, courts and commentators have long stated that a Top Level Domain is not protectable. For instance, the PTO has long stated that Top Level Domains “generally serve no source-identifying function.” TMEP § 1209.03(m) (5th ed. 2007). This position has been consistently held in federal courts. *See Advertise.com*, 616 F.3d at 978 (finding that a Top Level Domain merely reflects an online commercial organization). Additionally, the leading treatise on trademark law has stated that a Top Level Domain has no ability

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generic term “hotels” “did not lose its generic character by placement in the domain name HOTELS.COM.” In *re* Hotels.com, 573 F.3d 1300, 1304 (Fed. Cir. 2009). Instead, consumers would “immediately understand that HOTELS.COM identifies a website” that provides “information about hotels or making reservations at hotels.” *Id.* The Federal Circuit also affirmed the finding of the Trademark Trial and Appeal Board (the “Trademark Board”) that many other websites that used the word “hotels” in their domain names, such as “all-hotels.com” and “web-hotels.com,” demonstrated “a competitive need for others to use [the term] as part of their own domain names.” *Id.*

Likewise, in *In re Reed Elsevier Properties*, the Federal Circuit found it to be “abundantly clear” that the proposed mark in question, “LAWYERS.COM,” was generic because “the relevant public would readily

to distinguish one source from another. 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 7:17.50 (5th ed. 2018) (“The ‘.com’ portion of the domain name has no trademark significance and is essentially the generic locator for all names in that top level domain.”). In this way, a Top Level Domain is similar to other common web address components, such as “http://www.” and “.html.” *Id.* Because all websites must contain some form of Top Level Domain, such as “.com” or “.gov,” there is no unique source-identifying information. Similarly, in trademark infringement analyses, Top Level Domains have long been considered irrelevant to the strength of one’s mark, as they only demonstrate, *inter alia*, a website’s commercial, governmental, or organizational nature. See *Brookfield Commun., Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1055 (9th Cir. 1999) (refusing to consider the “.com” portion of the web address when comparing marks in a case of potential infringement).

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understand the term to identify a commercial web site providing access to and information about lawyers.” 482 F.3d 1376, 1379-80 (Fed. Cir. 2007) (internal quotation marks omitted).

Similarly, in *In re 1800Mattress.com IP, LLC*, the Federal Circuit affirmed the Trademark Board’s decision that the proposed mark MATTRESS.COM was generic because customers would naturally recognize the mark as referring to a commercial website providing retail services featuring mattresses. 586 F.3d 1359, 1364 (Fed. Cir. 2009). Notably, the Federal Circuit rejected the applicant’s argument—which Booking.com also advances in this case and on which the district court relied, see *Booking.com*, 278 F. Supp.3d at 914—that the term could not be generic because consumers did not refer to the stores as “mattresses.com[s],” *id.* (quoting *In re 1800Mattress.com IP, LLC*, 586 F.3d at 1362). Instead, the court agreed with the Trademark Board that the relevant public would understand MATTRESS.COM to be “no more than the sum of its constituent parts”—an online provider of mattresses. *Id.* at 1363.

Like the Federal Circuit, the Ninth Circuit has found that a generic Secondary Level Domain combined with a Top Level Domain does not generally amount to a protectable mark. In *Advertise.com*, the court considered whether AOL’s claimed mark ADVERTISING.COM was protectable. 616 F.3d at 977. The district court below enjoined *Advertise.com*, a putative competitor of AOL’s *Advertising.com*, from using its trade name or any other name confusingly similar to ADVERTISING.

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COM, concluding that AOL would likely succeed on its claim that the standard text mark ADVERTISING.COM was descriptive. *Id.* The Ninth Circuit held that the district court abused its discretion in entering the injunction because—like in the instant case—the district court applied an incorrect legal standard in determining whether a mark composed of a generic Secondary Level Domain and Top Level Domain is enforceable. *Id.* at 982. Engaging in its own analysis under the appropriate legal standard, the court held that AOL was unlikely to succeed on the merits because “ADVERTISING.COM still conveys only the generic nature of the services offered.” *Id.* at 981-82.

Lower courts have followed *Hotels.com*, *Reed-Elsevier Properties*, *1800Mattress.com*, and *Advertising.com* and refused to award trademark significance to proposed marks, like BOOKING.COM, combining a generic Secondary Level Domain with a Top Level Domain. *See, e.g., Borescopes R US v. 1800Endoscope.com, LLC*, 728 F. Supp. 2d 938, 952 (M.D. Tenn. 2010) (finding that the use of the term “borescopes” in companies’ domain names “generically describes the class of product each sells”); *Image Online Design, Inc. v. Core Ass’n*, 120 F. Supp. 2d 870, 878 (C.D. Cal. 2000) (noting that “a [Top Level Domain] and other non-distinctive modifiers of a URL like ‘http://www’ have no trademark significance”); *In re Eddie Z’s Blinds & Drapery, Inc.*, 74 U.S.P.Q.2d 1037 at *6 (T.T.A.B. 2005) (determining that BLINDSANDDRAPERY.COM was not one of the “exceptional circumstances” that should forestall a finding of genericness); *In re Martin Container*, 65 U.S.P.Q.2d 1058 at *5 (T.T.A.B. 2002), *appeal dismissed*,

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56 Fed. App'x. 491 (Fed. Cir. 2003) (finding CONTAINER.COM generic because the combination of “container” and a Top Level Domain “does not result in a compound term that has somehow acquired” the ability to function as an indication of source).

A second indication that the district court's incorrect legal framework tainted its ultimate determination that BOOKING.COM is protectable is that BOOKING.COM is not like the types of marks courts have recognized as among the “rare” occasions when adding a generic Secondary Level Domain to a Top Level Domain does not create a generic mark. Because Top Level Domains generally convey only that a business is web-based, it is “only in rare circumstances” that the combination of a generic Secondary Level Domain, on its own incapable of source identification, and “.com” will produce a composite mark that “expand[s] the meaning of the mark.” See, e.g., *Advertise.com*, 616 F.3d at 979 (quoting *In re Steelbuilding.com*, 415 F.3d 1293, 1299 (Fed. Cir. 2005)).

As an example of the “rare circumstance” in which a Top Level Domain could provide additional non-functional information, the Federal Circuit considered the possibility of a brick-and-mortar company that sold tennis equipment and operated under the name “tennis.net.” *In re Oppedahl & Larson Llp*, 373 F.3d 1171, 1175 (Fed. Cir. 2004). The court noted the “witty double entendre related to tennis nets” created by the combination of “tennis” and “.net” rendered such a usage distinguishable from a standard proposed mark combining a generic Secondary Level Domain with a Top Level Domain. *Id.*

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Following *Oppendahl*'s reasoning, if we were presented with a situation in which the “.com” was used in a way that played upon or expanded the meaning of its ordinary use as a Top Level Domain, registration might be appropriate. For instance, a website cataloguing and discussing romantic comedy movies of the 1980s, 1990s, and 2000s called “rom.com” might expand upon the ordinary meaning of the Top Level Domain, as it would both describe the commercial nature of the website, as well as convey the subject matter of the website.⁴

The tennis.net and rom.com examples are readily distinguishable from the instant case. The district court did not find—nor has Booking.com ever argued—that the combination of “booking”—a generic term—and “.com” amounts to a “witty double entendre” that expands the ordinary meanings of the proposed mark's component parts. Rather, BOOKING.COM is a run-of-the-mill combination of a generic term with a Top Level Domain that creates a composite mark concerning the subject or business encompassed by the generic term—precisely the type of mark that the courts in *Hotels.com*, *Reed Elsevier Properties*, *1800Mattress.com*, and *Advertise.com* found

4. “Rom com” is a common abbreviation for the “romantic comedy” genre of movies, whose plots revolve around the humorous developments and lighthearted tensions that occur in a romantic couple's burgeoning relationship, while typically culminating in a happy ending. See <https://www.merriam-webster.com/dictionary/rom-com>. Although rom.com differs from tennis.net in that the Secondary Level Domain arguably is not a generic term, as “rom” is a shorthand reference for romantic, the domain name rom (dot) com is, as a composite term, both a generic descriptor and a “witty” play on that descriptor.

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did not amount to the “rare circumstance” that warranted affording the domain name trademark protection.

BOOKING.COM’s mark differs substantially from the types of proposed marks fitting into the “rare circumstances” in which a generic Secondary Level Domain and a Top Level Domain are protectable. This provides further evidence that the district court’s incorrect legal test tainted its ultimate factual determination. Because the district court erroneously believed that marks combining a generic Secondary Level Domain and Top Level Domain are presumptively protectable, it never examined—as it should have—whether BOOKING.COM amounted to one of the “rare circumstances” when such marks are protectable.

The district court’s incorrect legal test—the application of which my colleagues leave in place—upsets the careful balance the law has struck between assisting consumers to identify the source of goods and preserving the linguistic commons. Presumptively allowing protection of domain names composed of a generic Secondary Level Domain and Top Level Domain conflicts with the law’s longstanding refusal to permit registration of generic terms as trademarks.

Fundamentally, the proscription against allowing generic terms to be trademarked stems from considerations regarding the monopolization of language. To permit generic terms to be trademarked “would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are.” *CES Publishing*

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Corp. v. St. Regis Publications, 531 F.2d 11, 13 (2d Cir. 1975). This Court has long sought to foreclose such a result, holding that no single competitor has the right to “corner the market” on ordinary words and phrases, thereby enclosing the “public linguistic commons.” *Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 821 (4th Cir. 2001); *see, e.g., Ashley Furniture Indus. v. Sangiacomo N.A.*, 187 F.3d 363, 369 (4th Cir. 1999) (noting that the trade name “Pet Store” for a shop that sold pets would be generic).

Importantly, the law forbids trademarking generic terms, even when a putative mark holder engages in successful efforts to establish consumer recognition of an otherwise generic term. “[N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise *and what success it has achieved in securing public identification*, it cannot deprive competing manufacturers of the product of the right to call an article by its name.” *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (emphasis added). Therefore, even advertising, repeated use, and consumer association will not warrant affording trademark protection to a generic term. *See Am. Online*, 243 F.3d at 821 (“[T]he repeated use of ordinary words . . . cannot give [a single company] a proprietary right over those words, even if an association develops between the words and [that company].”); *see also Surgicenters of Am., Inc. v. Med. Dental Surgeries, Co.*, 601 F.2d 1011, 1017 (9th Cir. 1979) (finding that even if a generic term becomes identified with a first user, trademark protection will not be available in the generic term).

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The policy considerations underlying trademark law’s refusal to protect generic terms apply regardless of whether the putative mark holder is a traditional brick-and-mortar business or located in cyberspace. As the PTO argues, a grocery business called The Grocery Store would—and should—never receive trademark protection because the name is generic—regardless of whether consumers associated the name with a particular entity. However, under the district court’s erroneous approach—the consequences of which the majority leaves in place—if enough consumers recognized an online grocery business called “grocerystore.com,” that business would be entitled to trademark protection. There is no basis in law or policy for drawing such a distinction. Just as competing brick-and-mortar grocery stores need to make use of the term “grocery” to inform customers of the nature of their businesses, so too do competing internet grocery providers need to make use of the term “grocery” in their domain names.

The district court’s treatment of marks combining generic Secondary Level Domains and Top Level Domains as presumptively protectable also conflicts with precedent foreclosing protection of marks that combine a generic term with a generic commercial designation (e.g., “Company,” “Corp.,” or “Inc.”). More than a hundred years ago, the Supreme Court held that the addition of commercial designations like these does not transform otherwise generic terms into protectable marks. *See Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598, 602-03, 9 S. Ct. 166, 32 L. Ed. 535, 1889 Dec. Comm’r Pat. 257 (1888).

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Under *Goodyear's*, a brick-and-mortar reservation service operating under the term The Booking Company would not be able to receive a trademark in that name, regardless of the degree of brand recognition it generated or the number of consumers who identified it as a brand. *See Am. Online*, 243 F.3d at 821; *Abercrombie*, 537 F.2d at 9. Yet, under the district court's approach, the term BOOKING.COM is presumptively protectable. Compare *Advertise.com*, 616 F.3d at 982 ("That '.com,' when added to a generic term, 'indicates a commercial entity' does not suffice to establish that the composite is distinctive, much as AOL would not have created a protectable mark by adopting the designation 'Advertising Company.'").

The district court concluded that "*Goodyear's* reasoning regarding corporate designators does not apply with equal force to domain names" because "adding a [Top Level Domain] such as '.com' to a generic [Secondary Level Domain] does more than indicate that a company offers services via the internet; it indicates a unique domain name that can only be owned by one entity." *Booking.com*, 278 F. Supp. 3d at 910. But as the Federal Circuit has explained, "[a]lthough not a perfect analogy, the comparison of [Top Level Domains] (i.e., '.com,' '.org,' etc.) to entity designations such as 'Corp.' and 'Inc.' has merit." *Oppedahl*, 373 F.3d at 1175. "The commercial impression created by '.com' is similar to the impression created by 'Corp.' and 'Co.', that is, the association of a commercial entity with the mark." *Id.*

Additionally, the difference between an entity designation such as "Corp." and a Top Level Domain

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recognized by the district court is attributable to the functional nature of the internet. Although most Top Level Domains do suggest a relationship with the internet, a domain name “serves the purely technological function of locating a Web site in cyberspace.” *McCarthy on Trademarks*, § 7:17.50. Functional features, however, cannot be the basis for trademark protection: “[E]ven if a functional feature has achieved consumer recognition (secondary meaning) of that feature as an indication of origin, the feature cannot serve as a legally protectable symbol.” *Am. Online, Inc.*, 243 F.3d at 822-23. Yet that is precisely what the district court’s legal test—the application of which my colleagues in the majority leave in place—does.

It is particularly important that we ensure that the district court’s ultimate finding that BOOKING.COM is descriptive, and therefore protectable, was not tainted by its erroneous legal test because, as the PTO argues, trademark registration will provide Booking.com with a weapon to freeze out potential competitors. As explained above, trademark law’s proscription on the registration of generic terms prevents firms from monopolizing language and allows competitors to “describe [their] goods as what they are.” *CES Publ’g*, 531 F.2d at 13.

I believe that this Court’s affirmance of the district court’s judgment—even as it rejects the district court’s legal analysis—unjustifiably empowers Booking.com to monopolize language, thereby enclosing the linguistic commons and adversely affecting competitors in precisely the manner that trademark law seeks to forestall. Put

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simply, the majority opinion's judgment will directly disadvantage Booking.com's competitors by taking away their ability to use the term "booking" in their own website domain names. Indeed, any competitors that attempt to use the term "booking" will face the risk of a costly, protracted, and uncertain infringement lawsuit.

Booking.com and the majority opinion assert that the potential harm to competitors—and therefore consumers—is minimal because: (1) the doctrine of descriptive fair use will prevent Booking.com from monopolizing the term; (2) the protection of BOOKING.COM extends only to *hotel* reservations, not to other reservation services; and (3) domain names are unique. I find none of these assertions persuasive.

Descriptive fair use is an affirmative defense that allows a competitor to use words contained in a trademark in their ordinary sense to describe the competitor's own goods or services to consumers. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-22, 125 S. Ct. 542, 160 L. Ed. 2d 440 (2004). According to Booking.com, affording BOOKING.COM trademark protection will not adversely affect competition by depriving putative competitors from describing the nature of their business because such protection "will have no effect on competitors' right to make descriptive fair use of the word 'Booking.com.'" Appellee's Br. at 38. The district court agreed, noting that even if Booking.com were to successfully assert a *prima facie* case of trademark infringement by showing a likelihood of confusion between BOOKING.COM and a competitor's

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domain, the competitor could make use of the descriptive fair use doctrine to avoid liability.

For several reasons, I fear that the doctrine of descriptive fair use will provide Booking.com's competitors cold comfort. I am not convinced that the descriptive fair use defense will provide significant protection to competitors using the term "booking" in their own domain names. As the Ninth Circuit has explained, "granting trademark rights over a domain name composed of a generic term and a [Top Level Domain] grants the trademark holder rights over far more intellectual property than the domain name itself." *Advertise.com*, 616 F.3d at 980. Such trademark protection "would potentially reach almost any use of the generic term in a domain name." *Id.* at 981 (noting that any one of the thirty-two other domain names containing some form of the word "advertise" would be placed at risk of a lawsuit). Thus, notwithstanding the doctrine of descriptive fair use, a firm that obtains a trademark in a domain name that describes the service the firm provides, like Booking.com, may have the power "to foreclose competitors from using a vast array of simple, easy to remember domain names and designations that describe [such] services." *Id.*

Additionally, descriptive fair use is an affirmative defense, not an immunity from suit. Any online reservation business that chooses to include "booking" in its domain name will face the risk of defending an expensive infringement lawsuit. As a result, commercial competitors seeking to avoid litigation risk and expenses—even if they might ultimately prevail on descriptive fair use grounds—will be chilled from using the term.

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My colleagues in the majority also emphasize that the district court awarded Booking.com protection for the mark *only* for Class 43 hotel services, not Class 39 travel agency services, meaning that “protection over BOOKING.COM would not *necessarily* preclude another company from using, for example, carbooking.com or flightbooking.com.” *Ante* at 24 (emphasis added). But even assuming my colleagues’ optimism that Booking.com could not preclude competitors from using domain names containing the word “booking” is well-founded—a decidedly uncertain question, see *Advertise.com*, 616 F.3d at 980-81—I see no reason why Booking.com should be entitled to monopolize the generic term “booking” in the online hotel reservation industry by precluding competitors from using domain names like hotelbooking.com or ehotelbooking.com,⁵ which likewise describe such competitors’ services “as what they are.” *CES Publ’g*, 531 F.2d at 13. Put simply, there is no reason why monopolization of language should be allowed in the internet domain name context for *any* class of services when trademark law has consistently maintained that generic terms such as “booking” should be available in the public linguistic commons for all competitors to use.

Finally, my colleagues in the majority seek to assuage concerns that granting trademark protection over BOOKING.COM will prevent other companies

5. Several hotel booking websites have domain names combining, in various ways, “booking” with “.com,” including “bookingcenter.com,” “ebookers.com,” “bookingwhiz.com,” “hotelbooking.com,” “bookit.com,” and “bookingbuddy.com.” J.A. 337-39.

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from using variants of the mark by emphasizing that, to enforce the mark, Booking.com will have to prove that there is a “likelihood of confusion” with the allegedly infringing mark. *Ante* at 25. According to the majority, “[g]iven that domain names are unique by nature and that the public may understand a domain name as indicating a single site, it may be more difficult for domain name plaintiffs to demonstrate a likelihood of confusion.” *Id.* Even accepting my colleagues’ assumption that Booking.com will have difficulty proving likelihood of confusion—again, an uncertain question—affording protection to BOOKING.COM would still likely chill competition in the online booking space. Put simply, putative competitors may—and likely will—choose not to operate under domain names that include the word “booking”—even if that term best describes the service they offer—because they do not want to incur the expense and risk of defending an infringement action.

In sum, the district court’s opinion reveals that its incorrect understanding of the governing legal framework likely tainted its finding that BOOKING.COM is distinctive, and therefore protectable. Because the district court’s erroneous legal test factored into its ultimate factual determination as to descriptiveness, I cannot concur in my colleagues’ decision to affirm the district court’s judgment. Accordingly, with great respect for my good colleagues in the majority, I dissent.

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**APPENDIX B — ORDER OF THE UNITED
STATES COURT OF APPEALS FOR THE
FOURTH CIRCUIT, FILED APRIL 5, 2019**

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 17-2459
(1:16-cv-00425-LMB-IDD)

BOOKING.COM B.V.,

Plaintiff-Appellant,

v.

THE UNITED STATES PATENT AND
TRADEMARK OFFICE; ANDREI IANCU, IN HIS
OFFICIAL CAPACITY AS UNDER SECRETARY
OF COMMERCE FOR INTELLECTUAL
PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,

Defendants-Appellees.

AMERICAN INTELLECTUAL
PROPERTY LAW ASSOCIATION

Amicus Curiae.

ORDER

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Plaintiff Booking.com has moved to stay issuance of the mandate in its cross-appeal (No. 17-2459) pending the Supreme Court's decision in *Iancu v. NantKwest, Inc.*, No. 18-801, *cert. granted* (U.S. Mar. 4, 2019).

Upon consideration of the motion, the court deconsolidates Appeal Nos. 17-2458 and 17-2459 and stays the issuance of the mandate in Appeal No. 17-2459 pending the Supreme Court's decision in *Iancu*.

Entered at the direction of Judge Duncan with the concurrence of Judge King and Judge Wynn.

For the Court

/s/ Patricia S. Connor, Clerk

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**APPENDIX C — MEMORANDUM
OPINION OF THE UNITED STATES
DISTRICT COURT FOR THE EASTERN
DISTRICT OF VIRGINIA, ALEXANDRIA
DIVISION, FILED OCTOBER 26, 2017**

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

1:16-cv-425(LMB/IDD)

BOOKING.COM B.V.,

Plaintiff,

v.

JOSEPH MATAL, PERFORMING THE
FUNCTION AND DUTIES OF THE UNDER
SECRETARY OF COMMERCE FOR
INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES
PATENT AND TRADEMARK OFFICE, *et al.*,

Defendants.

October 26, 2017, Decided
October 26, 2017, Filed

MEMORANDUM OPINION

This case involves plaintiff Booking.com B.V.'s
("Booking" or "plaintiff) appeals of the United States

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Patent and Trademark Office’s (“USPTO” or “defendants”) refusal to register four marks consisting of or containing the term BOOKING.COM,¹ which were affirmed by the Trademark Trial and Appeal Board (“TTAB”) in three separate opinions. *See* Mem. Op. at 4-5 [Dkt. No. 87]. The parties submitted the issues on cross motions for summary judgment, which were partially granted in plaintiff’s favor by an order directing the USPTO to register plaintiffs marks in the ’998 and ’097 Applications, and remanding the ’365 and ’366 Applications for further administrative proceedings consistent with the Memorandum Opinion [Dkt. No. 88]. That decision is at issue in defendants’ Motion to Amend Judgment [Dkt. No. 94] and defendants’ Motion for Expenses Pursuant to 15 U.S.C. § 1071(b)(3) [Dkt. No. 98] which are before the Court. The motions have been fully briefed. Finding that oral argument will not assist the decisional process, the motions will be resolved on the materials submitted.

I. DISCUSSION**A. Defendants’ Motion to Amend Judgment****1) Standard of Review**

Motions to alter or amend final judgments under Fed. R. Civ. P. 59(e) are discretionary and “need not be granted unless the district court finds that there has been an

1. The four trademark applications at issue were Serial No. 85485097 (the “’097 Application”); Serial No. 79114998 (the “’998 Application”); Serial No. 79122365 (the “’365 Application”); and Serial No. 79122366 (the “’366 Application”).

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intervening change of controlling law, that new evidence has become available, or that there is a need to correct a clear error or prevent manifest injustice.” *Robinson v. Wix Filtration Corp.*, 599 F.3d 403, 411 (4th Cir. 2010). Reconsideration “is an extraordinary remedy that should be applied sparingly.” *Mavfield v. Nat’l Ass’n for Stock Car Auto Racing, Inc.*, 674 F.3d 369, 378 (4th Cir. 2012). “[M]ere disagreement does not support a Rule 59(e) motion.” *United States ex rel. Becker v. Westinghouse Savannah River Co.*, 305 F.3d 284, 290 (4th Cir. 2002) (quoting *Hutchinson v. Staton*, 994 F.2d 1076, 1082 (4th Cir. 1993)).

2) Analysis

The USPTO seeks a modification to the Order issued on August 9, 2017 [Dkt. No. 88], which required the USPTO to “register plaintiff’s marks in the ’998 Application and ’097 Application as to the Class 43 services.” It argues that the Court does not have authority to direct the USPTO to register a trademark because that duty is imposed on the Director of the USPTO by statute. *See* Def.’s Mot. to Amend at 3 (citing *Gould v. Quigg*, 822 F.2d 1074, 1079 (Fed. Cir. 1987)). Further, it points out that the USPTO cannot statutorily register a mark without publishing the application for opposition, under 15 U.S.C. § 1062(a). *Id.* It requests that the Court alter its judgment to remand the ’998 and ’097 Applications to the USPTO for “further administrative proceedings consistent with the findings and conclusions of the Court’s memorandum opinion.” *Id.*

Booking agrees that the Court cannot order the USPTO to register the mark, but responds that there

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are no further “administrative proceedings,” and the only course of conduct open to the USPTO is to publish the marks for opposition. Pl.’s Partial Opp. to Mot. Amend at 2 [Dkt. No. 97]. Booking argues that because the Court addressed all issues of fact and law with respect to the two Applications, there is nothing left for the agency to consider and it must follow its statutory mandate to publish the marks for opposition. *Id.* at 2-3.

Booking has the better argument. Under 15 U.S.C. § 1062(a), once an examiner determines that a trademark application appears to be entitled to registration, “the Director *shall* cause the mark to be published in the Official Gazette of the Patent and Trademark Office.” 15 U.S.C. § 1062(a) (emphasis added). Moreover, the USPTO’s Trademark Manual of Examining Procedure (“TMEP”) § 1708, provides that “[t]he Director has no authority to waive or suspend the requirement of a rule that is also a requirement of the statute.” TMEP § 1708. The clear statutory requirement, based on this Court’s determination that the ’998 and ’097 Applications are entitled to protection is to move forward and publish the marks for opposition.

This view as to the appropriate procedure is supported by the Federal Circuit’s decision in *In re Wella A.G.*, 858 F.2d 725 (Fed. Cir. 1988). In that case, the Federal Circuit reversed the refusal of the TTAB to register a trademark because the court found that the TTAB had misinterpreted § 2(d) of the Trademark Act and held that “the only issue for the [TTAB] to consider on the remand is whether, considering all the circumstances, there is a likelihood

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of confusion between the mark sought to be registered and the four Wella U.S. marks which under section 2(d) would warrant refusal of registration.” *Id.* at 726. After the case was remanded, the TTAB denied registration on a new and separate ground that the applicant was not the owner of the mark, based on “additional views” of another judge appended to the opinion. *Id.* at 727. The applicant appealed again, and the court held that in refusing the mark on a new ground that had not been raised in the prior administrative proceeding or in the first appeal, the TTAB failed to carry out the court’s instructions. *Id.* at 728.

In this case, the Court has gone further than the Federal Circuit did by determining that both the ’998 and ’097 Applications are eligible for protection under the Trademark Act. *See* Mem. Op. at 50; *see also Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 155 (4th Cir. 2014) (finding that in *de novo* review of USPTO decisions, the district court acts as trier of fact). Given those conclusions, the USPTO may not reconsider the factual findings or try to determine new grounds to refuse registration of the marks, but must proceed with the next statutory step in the registration process by publishing the two marks for opposition. 15 U.S.C. § 1062(a).

The issues involved in the cases defendants cite for the proposition that the Court’s authority is limited to remanding the Applications to the agency for further action consistent with the corrected legal standards are distinguishable. For example, in *PPG Industries, Inc. v. United States*, the D.C. Circuit explained that there is no principal of administrative law that restricts an agency

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from reopening proceedings to take new evidence after the grounds on which it relied are found to be invalid. 52 F.3d 363, 365, 311 U.S. App. D.C. 214 (D.C. Cir. 1995). The court held that the agency should be allowed to take new evidence to determine whether its jurisdictional decision was valid. *Id.* at 366. Here, there is no new evidence for the USPTO to take on the issue of eligibility for registration of the '998 or '097 Applications. As agreed by the parties, the Court resolved all factual disputes in making its ruling on summary judgment. *See* Mem. Op. at 6 & n.2 (“[I]n a civil action under § 1071(b), the district court reviews the record de novo and acts as the finder of fact.”).

In certain situations, remand for further administrative action is appropriate, as when the agency in question is vested with discretion in its chosen course of conduct. *See NLRB v. Food Store Emps. Union, Local 347*, 417 U.S. 1, 10-11, 94 S. Ct. 2074, 40 L. Ed. 2d 612 (1974) (holding that remand is proper “when a reviewing court concludes that an agency invested with broad discretion to fashion remedies has apparently abused that discretion by omitting a remedy justified in the court’s view by the factual circumstances”). *See also FCC v. Pottsville Broadcasting Co.*, 309 U.S. 134, 60 S. Ct. 437, 84 L. Ed. 656 (1940), in which the plaintiff initially appealed the FCC’s denial of its application to construct a broadcasting station. *Id.* at 139-40. The D.C. Circuit reversed the FCC’s decision and remanded the matter back to the agency for further proceedings. *Id.* at 140. On remand, the FCC decided to hear argument on plaintiff’s application along with argument on two other applications that had been filed after the plaintiff’s to determine which, “on a comparative

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basis in the judgment of the Commission will best serve [sic] public interest.” *Id.* Although the plaintiff objected that the FCC’s conduct violated the remand and sought a writ of mandamus ordering the FCC to consider its application irrespective of the other two applications, the Supreme Court rejected this argument, holding that the only questions that had been determined in the original proceedings were legal questions and that the FCC was statutorily charged with “the duty of judging application[s] in the light of ‘public convenience, interest, or necessity.’” *Id.* at 145. The Court held that it was improper for a court to make these decisions whereas the FCC was duty bound to enforce the legislative policy committed to its charge. *Id.* In contrast with the duty of the FCC in *Pottsville Broadcasting*, the only option available to the USPTO based on the findings of this Court is to publish the marks for opposition because all factual issues of eligibility have been resolved, and therefore the “legislative policy” of the USPTO is to publish the marks. *See* 15 U.S.C. § 1062(a).

Indeed, the USPTO has not identified any other proceeding or administrative procedure that it would need to undertake before publishing the marks. Its only argument is that the agency still has discretion to determine the manner and timing of further proceedings. *See* Def.’s Reply at 3. Defendants argue that the agency still retains discretion to “determine the manner and timing” of its own proceedings, citing 37 C.F.R. § 2.67, which allows the USPTO to suspend its actions “for a reasonable time for good and sufficient cause.” *See* Def.’s Mot. to Amend at 5. “The fact that a proceeding is pending before the Patent and Trademark Office or a court which

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is relevant to the issue of registrability of the applicant's mark . . . will be considered prima facie good and sufficient cause." 37 C.F.R. § 2.67. The USPTO claims that it does not act on orders involving applications or registrations until the time for an appeal has elapsed, and that this constitutes sufficient cause for it to delay publication of the marks at issue. Def.'s Reply [Dkt. No. 101] at 3.

This argument is unpersuasive. The regulation only states that actual pendency of a proceeding before the Patent and Trademark Office constitutes sufficient cause. Until the USPTO or the Solicitor General chooses to file an appeal, there is no pending proceeding. The USPTO points to no authority which holds that the government's own internal deliberations constitute "proceedings" within the meaning of the regulation. Should the USPTO file an appeal to the Fourth Circuit, there would be a pending proceeding sufficient to justify delaying any action by the agency.

In its opposition, Booking argues that the judgment should be amended to order USPTO to publish all four Applications, including the '365 and '366 Applications, for opposition. This ignores the Court's findings with respect to those two separate Applications. Section 1062(a) only requires the USPTO to publish marks for opposition after the examiner has determined that it appears the mark is "entitled to registration, or would be entitled to registration upon the acceptance of the statement of use." Here, the Court did not find that the '365 and '366 Applications were entitled to registration. Instead, the Court specifically remanded those Applications to the

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USPTO for administrative proceedings “to determine whether the design and color elements in those two applications, in combination with the protectable word mark, are eligible for protection as to the Class 43 services.” *See* Mem. Op. at 50-51 & n.23.² There was no determination that these Applications should be registered. Because Booking offers no argument as to why the judgment with respect to the ’365 or ’366 Applications should be amended, the Court declines to amend the judgment in this manner.

Further, as the USPTO points out, if Booking’s response is intended as a separate motion to amend the judgment under Rule 59(e), it is untimely. Rule 59(e) allows for a motion to amend to be filed no later than 28 days after the entry of the judgment; under Rule 6, this time may not be extended. The judgment was entered on August 9, 2017. [Dkt. No. 88]. Booking filed its response on September 13, 2017, which is over the 28 day time period to file such a motion. For these reasons, defendants’ Motion to Amend Judgment [Dkt. No. 94] will be granted only as to amending the judgment to direct that the ’998 and ’097 Applications be immediately published in the Official Gazette of the Patent and Trademark Office and denied in all other respects.

B. Motion for Expenses

The USPTO has also moved for an order pursuant to 15 U.S.C. § 1071(b)(3) requiring Booking to pay \$76,873.61,

2. Both the ’365 and ’366 Applications include design elements that the TTAB concluded were “not in themselves, distinctive and that they therefore do not justify registration of the mark.” A2122.

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which reflects the USPTO’s “expenses of the proceeding.” Def.’s Mot. Expenses at 1-2.³ The USPTO argues that these “reasonable expenses” include “the salaries of the PTO’s attorney and paralegals attributed to the defense of the action,” payments to expert witnesses, printing expenses, and travel expenses. *Id.* at 5. Section 1071(b) (3) provides that “all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.” The Fourth Circuit has interpreted this statute to include all of the reasonable expenses of the USPTO, including its personnel expenses, incurred during the litigation. *See Shammass v. Focarino*, 784 F.3d 219, 222-27 (4th Cir. 2015).

Booking objects to the motion, arguing that the motion for expenses violates the “American Rule;” that § 1071(b) (3) violates the First Amendment right of access to the courts; that the requested fees are not of this proceeding and are not reasonable; and that there is no basis to require it to pay the USPTO’s expert witness fees. Pl.’s Opp. to Mot. Expenses at 2-4 [Dkt. No. 102].

1. The American Rule

Booking first argues that the term “expenses” as used in § 1071(b)(3) is not specific enough to warrant departure from the American Rule, which provides that “each litigant pays his own attorney’s fees, win or lose, unless a statute or contract provides otherwise.” *Hardt*

3. This total amount consists of: \$1,660.05 in court reporter and transcription expenses; \$21,750.00 in expert fees; and \$51,472.53 in attorney/paralegal fees.

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v. Reliance Standard Life Ins. Co., 560 U.S. 242, 252-53, 130 S. Ct. 2149, 176 L. Ed. 2d 998 (2010); *In re Crescent City Estates, LLC*, 588 F.3d 822, 825 (4th Cir. 2009).

Based on Fourth Circuit precedent, this argument fails. In *Shammas v. Focarino*, the Fourth Circuit examined a fee petition under § 1071(b)(3) and found that “in ordinary parlance, ‘expenses’ is sufficiently broad to include attorneys fees and paralegals fees,” relying, in part, on definitions and explanations that standard legal dictionaries and treatises provide for the term “expense.” 784 F.3d at 222. Those resources include *Wright & Miller on Federal Practice and Procedure* which defines “expenses” as “includ[ing] all the expenditures actually made by a litigant in connection with the action,” including “attorney’s fees.” 10 Charles Alan Wright et al., *Federal Practice and Procedure* § 2666 (3d ed. 1998). Similarly, Black’s Law Dictionary defines “expenses” as “expenditure[s] of money, time, *labor*, or resources to accomplish a result.” Black’s Law Dictionary 698 (10th ed. 2014) (emphasis added). As the Fourth Circuit pointed out, the statute also “modified the term ‘expenses’ with the term ‘all,’ clearly indicating that the common meaning of the term ‘expenses’ should not be limited.” *Shammas*, 784 F.3d at 222. Furthermore, “even though the PTO’s attorneys [are] salaried,... the PTO nonetheless incur[s] expenses when its attorneys [are] required to defend the [PTO] in the district court proceedings, because their engagement divert[s] the PTO’s resources from other endeavors.” *Id.* As a result, the Fourth Circuit held that “§ 1071(b)(3) requires a dissatisfied . . . trademark applicant who chooses to file an action in district court

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challenging the final decision of the PTO, to pay, as ‘all expenses of the proceeding,’ the salaries of the PTO’s attorneys and paralegals attributed to the defense of the action.” *Id.* at 227; *see also Robertson v. Cooper*, 46 F.2d 766, 767, 769, 1931 Dec. Comm’r Pat. 692 (4th Cir. 1931) (holding that, under a previous version of 35 U.S.C. § 145, the analogous patent provision, the word “‘expenses’ [includes] more than that which is ordinarily included in the word ‘costs,’” and as a result the PTO could recover an attorney’s travel expenses).

Moreover, the Fourth Circuit decided that “the American Rule [] applies only where the award of attorneys fees turns on whether a party seeking fees has prevailed to at least some degree.” *Shammas*, 784 F.3d at 223. The court went on to conclude “[t]hus a statute that mandates the payment of attorneys fees without regard to a party’s success is not a fee-shifting statute that operates against the backdrop of the American Rule.” *Id.* The Fourth Circuit relied, in part on the history of the Lanham Act to reach this conclusion, recognizing that § 1071(b)(3) originated from a similar provision in the Patent Act of 1836, and an amendment to that Act which established “a fund for the payment of the *salaries of the officers and clerks* herein provided for, and *all other expenses* of the Patent Office.” *Id.* at 226 (citing Act of July 4, 1836, ch. 357, § 9, 5 Stat. 117, 121) (emphasis added). That provision demonstrates that Congress intended that the term “expenses,” as used in the Patent Act and later in the Lanham Act, contemplated that “expenses” should include the salaries of the agency employees. *See id.* at 226-27 (explaining that the Lanham Act incorporated the

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provisions of the Patent Act and allowed judicial review “under the same conditions, rules, and procedure[s] as are prescribed in the case of patent appeals or proceedings”).

Booking contends that the Fourth Circuit’s analysis in *Shammas* has been overruled by the recent Supreme Court decision in *Baker Botts L.L.P. v. ASARCO LLC*, 135 S. Ct. 2158, 192 L. Ed. 2d 208 (2015), which addressed the proper interpretation of § 330(a)(1) of the Bankruptcy Code. That case involved determining whether the phrase “reasonable compensation for actual, necessary services,” which unquestionably allows attorneys to be compensated for services rendered in connection with the administration of a bankruptcy estate, also permits the attorneys to recover fees incurred in successfully defending their fee application. 135 S. Ct. at 2162-63. The Supreme Court held that the phrase did not authorize recovery of the fees the attorneys incurred in defending their compensation claim against the losing party, finding that deviations from the American Rule require “explicit statutory authority.” *Id.* at 2163 (quoting *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep’t of Health & Human Res.*, 532 U.S. 598, 602, 121 S. Ct. 1835, 149 L. Ed. 2d 855 (2001)).

Baker Botts is not directly on point because it only interpreted provisions of the Bankruptcy Code, not the Trademark Act, *see* 135 S. Ct. at 2162, and its narrow holding is that § 330(a)(1) of the Bankruptcy Code does not permit a bankruptcy court to award attorneys’ fees for work performed in defending a fee application. *Id.* In contrast, the Fourth Circuit decision in *Shammas* is

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directly addressed whether 15 U.S.C. § 1071(b)(3) allows for the award of attorney fees and concluded that it does. 784 F.3d at 222. Because *Baker Botts* is not clearly contrary to the Fourth Circuit’s decision, it cannot be said that *Baker Botts* overruled *Shammas*. See *Shammas v. Lee*, 187 F. Supp. 3d 659, 663 (E.D. Va. 2016) (reaching the same conclusion).⁴

Moreover, the Supreme Court has interpreted “expenses” to be a more broad term than “costs.” See, e.g., *Taniguchi v. Kan Pacific Saipan, Ltd.*, 566 U.S. 560, 132 S. Ct. 1997, 2006, 182 L. Ed. 2d 903 (2012). In *Taniguchi*, the Court specifically distinguished “expenses” from the more limited term “costs,” explaining that “costs” represents only a fraction of “expenses,” relying specifically on the 1998 Wright & Miller treatise:

Although costs has an everyday meaning synonymous with expenses, the concept of taxable costs . . . is more limited Taxable costs are limited to relatively minor, incidental expenses[;] . . . such items as clerk fees, court reporter fees, expenses for printing and

4. Both the plaintiff and the USPTO in the *Shammas* case addressed the impact of *Baker Botts* while the Fourth Circuit considered rehearing, and again before the district court on a motion to vacate. See, e.g., *Shammas v. Lee*, 187 F. Supp. 3d 659, 662 (E.D. Va. 2016); Petition for Rehearing and Rehearing En Banc, *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015) (Dkt No. 42). The Fourth Circuit summarily denied the petitions for rehearing and summarily affirmed the district court’s denial of the motion to vacate, impliedly rejecting the argument that *Baker Botts* affected its reasoning. See *Shammas v. Lee*, 683 F. App’x 195 (4th Cir. 2017) (unpublished).

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witnesses, expenses for exemplification and copies, docket fees, and compensation of court-appointed experts *Taxable costs are a fraction of the nontaxable expenses borne by litigants for attorneys, experts, consultants, and investigators.* *Id.* at 2006 (emphasis added).

No party has identified any contrary authority in which the Supreme Court has held that the term “expense” categorically excludes attorneys’ fees.

Booking relies on the district court opinion in *Nantkwest, Inc. v. Lee*, 162 F. Supp. 3d 540, 543 (E.D. Va. 2016) to support its interpretation of *Baker Botts* and its effect on *Shammas*. In that case, which involved 35 U.S.C. § 145, the analogous fee-shifting statute for patent cases, the court found that the statute did not explicitly allow for the award of attorneys’ fees under the Supreme Court’s rationale in *Nantkwest, Inc.*, 162 F. Supp. 3d at 543. The *Nantkwest* court reasoned that if Congress intends to provide for an award of attorneys’ fees, it either explicitly states so using the language “attorney’s fees,” or when using a broad term like “costs” or “expenses,” modifies the term to clarify its meaning. *See id.* (citing 11 U.S.C. § 363(n) (authorizing recovery of “any costs, attorneys’ fees, or expenses incurred”); 12 U.S.C. § 1464(d)(1)(B) (vii) (at the court’s discretion, obligating federal savings associations to pay “reasonable expenses and attorneys’ fees” in enforcement actions); 26 U.S.C. § 6673(a)(2)(A) (requiring lawyers who cause excessive costs to pay “excess costs, expenses, and attorneys’ fees”); Fed. R. Civ. P. 37(a)(5)(A) (requiring party at fault to pay “reasonable

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expenses . . . including attorney’s fees”). This decision has been reversed by a panel of the Federal Circuit, which expressed serious doubts about whether the American Rule applied to § 145 when, like § 1071(b)(3), the provision makes no reference to prevailing parties. *See Nantkwest, Inc. v. Matal*, 860 F.3d 1352,1355 (Fed. Cir. 2017). The panel decision, in turn, has been vacated, pending *en banc* review by the Federal Circuit. *See Nantkwest, Inc. v. Matal*, 869 F.3d 1327 (Fed. Cir. 2017). Although the issue of whether attorneys’ fees are recoverable is unclear as to § 145, the law in this circuit, reflected in the Fourth Circuit’s *Shammas* decision, compels the Court to find that defendants’ attorneys’ fees are recoverable under § 1071(b)(3).⁵

2. The Constitutionality of § 1071(b)(3)

Plaintiff further contends that § 1071(b)(3) violates the First Amendment by interfering with the right to access the courts. Essentially, it argues that by imposing the USPTO’s expenses on even a successful party, the statute unconstitutionally burdens an applicant’s right to seek judicial review of USPTO decisions. Although the Supreme Court has recognized that “the right of access to the courts is an aspect of the First Amendment right to petition the Government for redress of grievances,” *Bill*

5. Although the Federal Circuit’s *en banc* decision in *Nantkwest v. Matal* would be persuasive authority on the question presented here, the USPTO correctly points out that it would not be controlling in this context. *See* Def.’s Mot. Expenses at 8 n.1. Only the Fourth Circuit sitting *en banc* or the Supreme Court could directly overrule *Shammas*.

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Johnson's Restaurants, Inc. v. NLRB, 461 U.S. 731, 741, 103 S. Ct. 2161, 76 L. Ed. 2d 277 (1988), this right is not unrestricted, but rather is subject to Congress's power to set limits on the jurisdiction of the federal judiciary. Congress is neither "constitutionally required to create Article III courts to hear and decide cases within the judicial power of the United States," nor to vest those courts that are created "with all the jurisdiction it was authorized to bestow under Article III." *Palmore v. United States*, 411 U.S. 389, 400-01, 93 S. Ct. 1670, 36 L. Ed. 2d 342 (1973). Congress may constitutionally limit access to certain courts, and may constitutionally impose some costs on a litigant's access. *See United States v. Kras*, 409 U.S. 434, 450, 93 S. Ct. 631, 34 L. Ed. 2d 626 (1973) (refusing to adopt an "unlimited rule that a [litigant] at all times and in all cases has the right to relief without the payment of fees.").

The Seventh Circuit directly addressed the question of whether fee-shifting statutes are constitutional under the First Amendment's Petition clause in *Premier Electrical Construction Co. v. National Electrical Contractors Ass'n*, which concluded that "the proposition that the first amendment, or any other part of the Constitution, prohibits or even has anything to say about fee-shifting statutes in litigation seems too farfetched to require extended analysis." 814 F.2d 358, 373 (7th Cir. 1987). That court correctly recognized that the imposition of costs or expenses to exercise a right cannot, in and of itself, violate the First Amendment. *Id.* ("The exercise of rights may be costly, and the first amendment does not prevent the government from requiring a person to pay the costs

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incurred in exercising a right.”). Indeed, extending Booking’s argument to its logical conclusion would also call into question the constitutionality of filing fees, statutory costs under 28 U.S.C. § 1920, costs for discovery requests, and other expenses that necessarily place a burden on a litigant’s access to a court. It is well-settled that these types of reasonable expenses are constitutional. *See, e.g., Roller v. Gunn*, 107 F. 3d 227, 238 (4th Cir. 1997) (“If we were to adopt Roller’s argument, all filing fees would be unconstitutional, which, of course, they are not.”); *Whittington v. Maes*, 655 F. App’x 691, 698-99 (10th Cir. 2016) (holding that mandatory court filing fees do not violate the First Amendment).⁶

Additionally, the USPTO is funded by user fees. *See Leahy-Smith America Invents Act*, Pub. L. No. 112-29, § 10, 125 Stat. 284, 316 (2011) (recognizing the USPTO as exclusively an applicant-funded agency); *Figueroa v. United States*, 466 F.3d 1023, 1028 (Fed. Cir. 2006). If it

6. The Supreme Court has struck down filing fee requirements in certain state court cases involving domestic disputes; however, these cases address situations where a filing fee presents an insurmountable barrier to the protection of certain fundamental rights. For example, in *M.L.B. v. S.L.J.*, 519 U.S. 102, 117 S. Ct. 555, 136 L. Ed. 2d 473 (1996), the Supreme Court held that Mississippi could not condition an appeal from the termination of parental rights on the payment of a record preparation fee. Similarly, in *Boddie v. Connecticut*, 401 U.S. 371, 91 S. Ct. 780, 28 L. Ed. 2d 113 (1971), the Court held that Connecticut could not deny a married couple access to divorce proceedings due to an inability to pay court fees. The Court has made clear that in “the mine run of cases” which do not involve “state controls or intrusions on family relationships” filing fees may be required. *See M.L.B.*, 519 U.S. at 123.

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were required to defend each of its denial decisions in a *de novo* civil action, each applicant's fees would have to be substantially increased. Section 1071(b)(3) was intended to be a "straightforward funding provision, designed to relieve the PTO of the financial burden that results from an applicant's election to pursue the more expensive district court litigation." *Shammas*, 784 F.3d at 226; *see also Hyatt*, 625 F.3d at 1337. As these types of economic decisions are well within the constitutional authority of Congress, Booking's constitutional argument fails. *See Cox v. New Hampshire*, 312 U.S. 569, 577, 61 S. Ct. 762, 85 L. Ed. 1049 (1941) (holding that a governmental decision to impose fees on the exercise of First Amendment rights is constitutional if the fee is designed "to meet the expense incident to the administration of the act and to the maintenance of public order"); *Kwong v. Bloomberg*, 723 F.3d 160, 165 (2d Cir. 2013) (discussing Supreme Court cases regarding the constitutionality of governmental fees assessed in connection with activities protected by the First Amendment).

Plaintiff relies on *BE & K Construction Co. v. NLRB* and the *Noerr/Pennington* doctrine to support its position. In *BE & K Construction*, the Supreme Court held that, under the First Amendment, an employer's unsuccessful retaliatory lawsuit against unions could not serve as a basis for the NLRB to impose an administrative penalty, absent a finding that suit was also objectively baseless. 536 U.S. 516, 524, 122 S. Ct. 2390, 153 L. Ed. 2d 499 (2002); *see also Darveau v. Detecon. Inc.*, 515 F.3d 334, 341 (4th Cir. 2008) (stressing that *BE & K Construction* affirms that "only those lawsuits that are retaliatory in intent and baseless in

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fact or law do not implicate First Amendment... concerns”). Similarly the *Noerr/Pennington* doctrine safeguards the First Amendment right to “petition the government for a redress of grievances” by immunizing citizens from antitrust liability that may attend the exercise of that right. *See Eastern R.R. Presidents Conference v. Noerr Motor Freight*, 365 U.S. 127, 138, 81 S. Ct. 523, 5 L. Ed. 2d 464 (1961); *Waugh Chapel S., LLC v. United Food & Commercial Workers Union Local 27*, 728 F.3d 354, 362 (4th Cir. 2013). The Supreme Court has since extended the *Noerr/Pennington* doctrine to encompass “the approach of citizens . . . to administrative agencies and to the courts.” *Cal. Motor Transp. Co. v. Trucking Unlimited*, 404 U.S. 508, 510, 92 S. Ct. 609, 30 L. Ed. 2d 642 (1972). Plaintiff argues that under these precedents, § 1071(b)(3) fails to provide “the breathing space essential to [the] fruitful exercise” of the right to petition. *See* Pl.’s Opp. to Mot. Expenses at 16 (quoting *BE & K Construction Co.*, 536 U.S. at 531).

This argument is unpersuasive. As an initial matter, there is an obvious distinction in context. The *Noerr/Pennington* doctrine and *BE & K Construction Co.*, address the ability of federal agencies or individuals to penalize an entity for filing a lawsuit (to which the agency was not a party). *See, e.g., BE & K Construction*, 536 U.S. at 524; *Cal. Motor Transp. Co.*, 404 U.S. at 510 (addressing whether a group of highway carriers could maintain an allegation of conspiracy to monopolize against competitors who organized to institute state and federal court proceedings to defeat applications by the plaintiffs). Nothing in that jurisprudence addresses

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whether Congress can constitutionally decide to require a party to pay “expenses” as part of filing a civil action in a district court. Indeed, as addressed above, multiple courts have held that Congress can impose such requirements as part of its constitutional power over the jurisdiction of federal courts. *See*

Further, Booking fails to properly recognize that, in this context, Congress has provided a means to access the federal courts for review of USPTO decisions that does not require the applicant to reimburse expenses. To avoid paying the USPTO’s expenses, an applicant may appeal directly to the Federal Circuit. *See* 15 U.S.C. § 1071(a). Both the Fourth Circuit and Federal Circuit have recognized that this alternative is the essence of the judicial review scheme created by Congress for disappointed applicants in both the trademark and patent contexts. *See Shammass*, 784 F.3d at 225 (“If the dissatisfied applicant does not wish to pay the expenses of a *de novo* civil action, he may appeal the adverse decision of the PTO to the Federal Circuit.”); *Hyatt v. Kappos* 625 F.3d 1320, 1337 (Fed. Cir. 2010). Indeed, the Federal Circuit stated that the alternative review scheme was enacted to “deter applicants from exactly this type of procedural gaming.” *Hyatt*, 625 F.3d at 1337. Although review in the Federal Circuit of agency action is subject to a more deferential standard than in the district court, the agency’s decision is still subject to robust judicial scrutiny. Given the clear weight of authority, the Court finds that requiring disappointed applications who opt to have *de novo* review of the USPTO’s decision to pay the USPTO’s expenses incurred in defending its decision does not violate the First Amendment.

*Appendix C***3. Reasonableness of Expenses**

Plaintiff further claims that, even if § 1071(b)(3) does include the USPTO's attorneys' fees, those fees are "fixed costs . . . little different from utility expenses," because the USPTO would have paid the attorney's salaries regardless of whether this proceeding occurred. Pl.'s Opp. to Mot. Expenses at 17. Therefore, salaries cannot be "of this proceeding" as required under § 1071(b)(3). *Id.*

This argument fails. Courts have awarded similar relief in the context of other salaried attorneys. *See Shammass*, 784 F.3d at 223 (recognizing that the USPTO "incurred expenses when its attorneys were required to defend the Director in the district court proceedings, because their engagement diverted the PTO's resources from other endeavors"); *Raney v. Fed. Bureau of Prisons*, 222 F.3d 927, 935 (Fed. Cir. 2000) (awarding salaried union attorneys an apportionment of their salaries because the litigation required the lawyers to divert their time away from other pending matters); *Wisconsin v. Hotline Indus., Inc.*, 236 F.3d 363, 365-66 (7th Cir. 2000) (holding that salaried government employees could recover their fees as they relate to the government's opposition to an improper removal of a state court case).

Moreover, Booking cannot credibly dispute that the USPTO attorneys and paralegals dedicated time and resources to defend this litigation when they could have otherwise applied those resources to other matters. Booking essentially endorses a rule that would theoretically permit an award if the USPTO retained

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outside counsel to defend its interests but not if it elected to proceed on its own. Logically, the meaning of “of the proceedings” cannot turn on the *type* of attorneys retained to defend the government’s interests. As the Federal Circuit has recognized, courts “must equally regard salaried attorneys’ time” and “tak[e] into account the opportunity costs involved in devoting attorney time to one case when it could be devoted to others.” *Nantkwest, Inc. v. Matal*, 860 F.3d 1352, 1360 (Fed. Cir. 2017) (quoting *Raney*, 222 F.3d at 934-35). Here, the USPTO attorneys and paralegals were diverted from other tasks and activities as a result of this litigation, therefore, the costs associated with their time are properly considered “expenses of this proceeding.”

Booking also challenges the USPTO’s request on the basis that the amount sought is not reasonable. A party seeking to recover fees bears the burden of demonstrating that those fees are reasonable. *See Hensley v. Eckerhart*, 461 U.S. 424, 437, 103 S. Ct. 1933, 76 L. Ed. 2d 40 (1983). A reasonable fee request should exclude “hours that are excessive, redundant, or otherwise unnecessary.” *Id.* Booking’s primary argument is that the documentation submitted by the USPTO is insufficient to demonstrate that its request is reasonable. Courts have rejected fee requests on the basis of inadequate descriptions, where such descriptions have failed to provide sufficient information to determine why the time was necessary or relevant. *See, e.g., Zhang v. GC Servs., LP*, 537 F. Supp. 2d at 814-15 (E.D. Va. 2008); *Pinpoint IT Servs. LLC v. Atlas IT Exp. Corp.*, No. 2:10-cv-516, 2012 U.S. Dist. LEXIS 140687, 2012 WL 4475334, at *6 (E.D. Va. Sept.

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27, 2012) (refusing to grant attorneys' fees for tasks that had a general description such as "formulate response").

With its motion, the USPTO submitted a salary chart for each of the employees who worked on this matter:

USPTO employee	(hours & hourly rate)	Personnel expense
Mary Beth Walker, Attorney	(418 hours) (\$75.69/hr.)	\$31,638.42
Molly R. Silfen, Second Chair	(89.5 hours) (\$76.81/hr.)	\$6,874.46
Christina J. Hieber, Senior Counsel for Trademark	(29 hours) (\$81.43/hr.)	\$2,361.47
Thomas L. Casagrande, Deposition Counsel	(26 hours) (\$76.81/hr.)	\$1,997.06
Marynelle Wilson, Associate	(137 hours) (\$52.17/hr.)	\$7,147.29
Macia Fletcher, Paralegal	(31.75 hours) (\$45.79/hr.)	\$1,453.83
Total USPTO Personnel Expenses		\$51,472.53

See Def's Mot. Expenses at 9. Each employee provided a sworn declaration stating their annual salary at the

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time of the litigation and the number of hours spent on this civil action and, in its reply memorandum, the USPTO supplemented the record with more detailed explanations of each employee's tasks, based upon review of "contemporaneously created records." Def.'s Reply Supp. Mot. Expenses at 17.

Booking argues that the time records attached to the USPTO's motion do not include sufficient information, containing only generic descriptions such as "[l]itigate and support IP legal actions — dist ct — Sect 1071(b)." *See* Pl.'s Opp. to Mot. Expenses at 20; Def.'s Mot. Expenses, Ex. D. at 5. Additionally, it contends that some of the arguments developed by the USPTO, such as the standard of review that should apply, were found by the Court to be "indefensible," *see* Mem. Op. at 6 n.2 [Dkt. No 87], and the USPTO should not be reimbursed for time spent developing such arguments. Similarly, Booking points out that there is evidence of "over-staffing" because there were six individuals recording time on this matter. *See* Pl.'s Opp. Mot. to Expenses at 23; *see also Pinpoint IT Servs., LLC*, 2012 U.S. Dist. LEXIS 140687, 2012 WL 4475334, at *7 (discounting attorney fee award due to "overconferencing").

A similar challenge to the nature of documentation that the USPTO has submitted to support its personnel expenses has been rejected in this district. In *Realvirt LLC v. Lee*, the court found that "the level of specificity" requested "is not required because the PTO attorneys and paralegals are salaried government employees." 220 F. Supp. 3d 695, 703 (E.D. Va. 2016) As such, the

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USPTO must use “the actual salaries of the lawyers and paralegal[s] instead of prevailing market rates” to calculate the attorneys’ fees, thereby allowing the PTO to be reimbursed for “the portion of its attorneys’ [and paralegals’] salaries that were dedicated to this proceeding.” *Id.* at 703-04. The court concluded that the “sworn declarations stating annual salaries and the hours spent on the case . . . adequately support[ed] the PTO’s requested” fees. *Id.*

Further, the records submitted demonstrate that there was a reasonable amount of time spent on each of the various discovery motions, depositions, and briefing. The USPTO explains that its personnel system does not allow for individual entries for the specific “tasks performed” or other specific time records like private law firms, *id.* at 16, and points out that it attempted to minimize the expenses in this litigation, for example by offering a briefing schedule limited to two briefs per side, rather than the three insisted upon by plaintiff. *See id.* at 18. The USPTO’s attorneys’ declarations do not show any cumulative time spent on the same task by multiple attorneys. Based on this analysis, the documentation submitted is sufficient to justify awarding the USPTO the full amount of the attorneys’ fees requested.⁷

7. Booking does not argue that the attorneys’ hourly rates are unreasonable. Indeed, the hourly rate being charged is far lower than the reasonable rates that have been adopted in this district for private attorneys. *See Vienna Metro LLC v. Pulte Home Corp.*, No. 1:10-cv-502. Dkt. No. 263, 2011 U.S. Dist. LEXIS 158648 (E.D. Va. Aug. 24, 2011) (finding that, in 2011, reasonable rates included \$130-350/hr for paralegals; \$250-435/hr for lawyers with 1-3 years

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Booking further contends that there is “no statutory basis” on which to award the USPTO its expert fees, citing 28 USC § 1920, which allows a recovery of expert witness fees only where the expert is court appointed. *See* Pl.’s Opp. to Mot. Expenses at 24-25. It also argues that the USPTO’s citation to *Taniguichi* is not supportive because that case “merely distinguished the statutory meaning of ‘costs’ from the normal everyday meaning of ‘expenses.’” *Id.* at 25.

This argument is plainly incorrect. As discussed above, in *Shammas*, the Fourth Circuit broadly interpreted the term “expenses” as used in § 1071(b)(3) to be consistent with its ordinary meaning, and to include fees for both attorneys and experts. *Shammas*, 784 F.3d at 222. This broad application is supported by Congress’s decision to include “all” as a modifier to the word “expenses,” suggesting it did not intend to limit the type of “expenses” recoverable by the USPTO. *See id.* Moreover, although the direct question in *Tanimiichi* was whether the term “interpreter” applied to translations of written materials so as to allow a party to recover the “costs” of document translation, the Supreme Court recognized that the statutory use of “expenses” includes substantially more

of experience; \$350-600/hr for lawyers with 4-7 years of experience; \$465-640/hr for lawyers with 8-10 years of experience; \$520-770/hr for lawyers with 11-19 years of experience). Here, the rate being charged for the attorney with the most experience—\$81.43 per hour for Ms. Hieber—is almost \$50 dollars below the lowest rate for paralegals. Had the USPTO hired outside counsel, or even charged the comparable market rate, Booking would be facing much higher expenses.

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than the limited term “costs.” *See Taniguchi*, 132 S. Ct. at 2006 (“Taxable costs are a fraction of the nontaxable expenses borne by litigants for attorneys, experts, consultants, and investigators.”); *see also Arlington Cent. School Dist. Bd. of Educ. v. Murphy*, 548 U.S. 291, 297, 126 S. Ct. 2455, 165 L. Ed. 2d 526 (2006) (distinguishing the statutory term “costs” from the broader term “expenses”). Indeed, courts have routinely awarded expert witness fees to the USPTO in both § 1071(b)(3) and § 145 actions as “part of the expenses of the proceeding.” *See, e.g., Realvirt*, 220 F. Supp. 3d at 704 (E.D. Va. 2016) (awarding \$50,160.00 in expert witness expenses); *Hitachi Koki Co. v. Dudas*, No. 2007-1504 (D.D.C. Mar. 30, 2017) (Dkt. No. 66) (awarding the USPTO \$59,866.43 in expert expenses); *Taylor v. Lee*, No. 1:15-1607, 2016 U.S. Dist. LEXIS 191677 (E.D. Va. July 12, 2016) (requiring a plaintiff to post a \$40,000 bond to cover “anticipated expert expenses” among other expenses); *Sandvik Aktiebolag v. Samuels*, No. 89-3127-1FO, 1991 U.S. Dist. LEXIS 1811, 1991 WL 25774, at *2 (D.D.C. Feb. 7, 1991) (ordering plaintiffs to pay USPTO expert expenses).

Booking also argues that the USPTO’s expert fees are unreasonable because it provided only a single invoice from its expert, Dr. Edward Blair, stating that he worked 43.5 hours at a rate of \$500/hr. *See* Pl.’s Opp. Motto Expenses at 18; Def.’s Mot. Expenses, Ex. C. In *Sandvik Aktiebolag v. Samuels*, a D.C. district court allowed the USPTO to recover expert fees, but analyzed the hours submitted for reasonableness. *See* 1991 U.S. Dist. LEXIS 1811, 1991 WL 25774, at *2. Although Dr. Blair submitted only a single invoice, the total of 43.5 hours does not

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appear to be excessive given the nature of this case. The record demonstrates that Dr. Blair's work included, after evaluating the four trademark applications at issue, the three separate TTAB opinions affirming the denial of registration, and plaintiff's expert report, preparing his own 30-page expert report and being deposed by Booking. *See* [Dkt. No. 61], Ex. B. at 3-6. Based on this record, the Court finds that the hours Dr. Blair billed were not unreasonable.

Finally, Booking claims that any expenses awarded should be offset against its own recoverable costs under Fed. R. Civ. P. 54(d)(1) as it is the prevailing party in this action. Pl.'s Opp. to Mot. Expenses at 25. The USPTO does not directly address this argument other than to point out that expert expenses are not a part of the compensable costs generally awarded to a prevailing party. Reply at 20; *see also* 28 U.S.C. § 1920 (listing the costs recoverable in a bill of costs); *id.* § 2412(a) (allowing an award for costs enumerated in § 1920 against the United States or a U.S. agency). There is nothing in this record prohibiting Booking, as the prevailing party, from submitting a bill of costs, which may offset some of the payment that it will owe to the USPTO.

II. CONCLUSION

For the above stated reasons, in an order to be issued with this Memorandum Opinion, defendants' Motion to Alter Judgment [Dkt. No 94] will be granted only to the extent that the Judgment Order will be amended to provide that the '998 and '097 Applications will be

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remanded to the United States Patent and Trademark Office to be immediately published in the Official Gazette of the Patent and Trademark Office, pursuant to 15 U.S.C. § 1062(a) and defendants' Motion for Expenses [Dkt. No. 98] will be granted.

Entered this 26th day of October, 2017.

Alexandria, Virginia

/s/ Leonie M. Brinkema
Leonie M. Brinkema
United States District Judge

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**APPENDIX D — MEMORANDUM OPINION
OF THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA,
ALEXANDRIA DIVISION, FILED AUGUST 9, 2017**

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

1:16-cv-425 (LMB/IDD)

BOOKING.COM B.V.,

Plaintiff,

v.

JOSEPH MATAL, PERFORMING THE FUNCTIONS
AND DUTIES OF THE UNDERSECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY
AND DIRECTOR OF THE UNITED STATES
PATENT AND TRADEMARK OFFICE, AND THE
UNITED STATES PATENT AND
TRADEMARK OFFICE,

Defendants.

August 9, 2017, Decided
August 9, 2017, Filed

MEMORANDUM OPINION

Plaintiff Booking.com B.V. (“Booking.com” or
“plaintiff”) filed this civil action challenging the denial

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by the Trademark Trial and Appeal Board (“TTAB”) of the United States Patent and Trademark Office (“USPTO”) of four trademark applications involving the mark “BOOKING.COM” for services in Classes 39 and 43. One of the applications was for the word mark and three were for stylized versions of the mark. For each of the applications, the TTAB found plaintiff’s marks ineligible for registration as trademarks because it concluded that BOOKING.COM is generic for the services identified in the applications or, alternatively, that it is merely descriptive and lacks acquired distinctiveness.

Before the Court are plaintiff and defendants’ cross-motions for summary judgment. For the reasons that follow, plaintiff’s Motion for Summary Judgment [Dkt. No. 63] will be granted in part and denied in part; defendants’ Motion for Summary Judgment [Dkt. No. 60] will be granted in part and denied in part; and the USPTO will be ordered to register the mark BOOKING.COM as to the Class 43 services identified in plaintiff’s applications but not as to the Class 39 services.

I. BACKGROUND

On December 1, 2011, plaintiff filed a federal trademark application, Serial No. 85485097 (“’097 Application”), based on use, for the mark:



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A3166. The services identified in the application (as amended) were:

Class 39: Travel agency services, namely, making reservations for transportation; travel and tour ticket reservation services; travel agency services, namely making reservations for transportation for tourists; provision of travel information; providing consultation related to making reservations for transportation, and travel and tour ticket reservation; all of the foregoing services rendered in-person and via the internet.

Class 43: Making hotel reservations for others in person and via the internet; providing personalized information about hotels and temporary accommodations for travel in-person and via the Internet; providing on-line reviews of hotels; consultation services related to making hotel reservations for others, provision of personalized information about hotels and temporary accommodations for travel, and on-line reviews of hotels.

Moskin Decl. [Dkt. No. 65-5] ¶ 2.

On June 5, 2012, plaintiff filed Application Serial No. 7911498 (“998 Application”), for recognition in the United States of its International Registration (hereinafter referred to by the name of the authorizing treaty, “the Madrid Protocol”) for the mark:

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BOOKING.COM

A4. The services identified in the application (as amended) were:

Class 39: Arranging of tours and arranging of tours online; reservation and sale of travel tickets and online reservation and sale of travel tickets; information, advice and consultancy regarding the arranging of tours and the reservation and sale of travel tickets; provision of information relating to travel and travel destinations; travel and tour agency services, namely, travel and tour ticket reservation services; travel agency services; tourist agency services; providing online travel and tourism services, namely, providing online travel and tour ticket reservation services, online travel agency services, online tourist agency services and providing online information relating to travel and travel destinations.

Class 43: Making hotel reservations for others; holiday accommodation reservation services and resort reservation services, namely providing online hotel and resort hotel room reservation services; providing information about hotels, holiday accommodations and resort accommodations, whether or not based on the valuation of customers; providing

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information, advice and consultancy relating to making hotel reservations and temporary accommodation reservations; providing online information, advice and consultancy relating to making hotel reservations and temporary accommodation reservations.

Moskin Decl. [Dkt. No. 65-5] ¶ 3.

On November 7, 2012, plaintiff filed two federal trademark applications, Serial No. 79122365 (“365 Application”) and Serial No. 79122366 (“366 Application”), under the Madrid Protocol for the following marks:

The logo for Booking.com, featuring the word "Booking" in a dark blue serif font and ".com" in a light blue sans-serif font.

A2153, A1138. The services identified in the two applications (as amended) were limited to a subset of services in Class 43:

Hotel reservation services for others; holiday accommodation reservation services and resort reservation services, namely, providing hotel room reservation services and resort hotel

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reservation services and providing online hotel and resort hotel room reservation services; providing information about hotels, hotel accommodations and resort accommodations, whether or not based on the valuation of customers; information, advice and consultancy relating to the aforesaid services; aforesaid services also provided electronically.

Moskin Decl. [Dkt. No. 65-5] ¶ 4.

During review by the USPTO, all four applications followed the same procedural history. The examiner initially rejected each application on the ground that BOOKING.COM is merely descriptive of plaintiff's services and therefore unregistrable. A1074, A2089, A3765. After plaintiff objected that the mark BOOKING.COM had acquired distinctiveness, the examiner issued a new refusal, this time on the basis that the word mark is generic as applied to the relevant services and, in the alternative, that the mark is merely descriptive and that plaintiff had failed to establish acquired distinctiveness. A1074, A2089-90, A3766. For each application, plaintiff sought reconsideration of the new refusal and in each instance reconsideration was denied. A1075, A2090, A3766.

Plaintiff filed a Notice of Appeal for each application and requested consolidated briefing before the TTAB, which was granted. A3766. The evidence submitted to the TTAB included dictionary definitions of the words "booking" and ".com;" printouts of plaintiff's webpages;

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examples from news articles and travel websites of terms such as “online booking services” and “booking sites,” used to refer to hotel reservation and travel agency services; examples of eight third-party domain names that include “booking.com;” a 2012 JD Power & Associates press release and survey results, indicating that Booking.com ranked highest in overall customer satisfaction; and a declaration from plaintiff’s director listing awards won by plaintiff and figures regarding plaintiff’s sales success, advertising campaigns, followers on social media, and unsolicited news articles. *See* Def. Mem. at 6; A1089-92.

Following the hearing, the TTAB affirmed the four refusals of registration in three separate opinions. *See* A1073-111 (denying the appeal for the ’998 Application), A2088-126 (denying the appeals for the ’365 and ’366 Applications), A3764-801 (denying the appeal for the ’097 Application). Although there are minor differences among the three opinions, all share the same central conclusions that “booking” refers to “a reservation or arrangement to buy a travel ticket or stay in a hotel room” or “the act of reserving such travel or accommodation;” that “.com” indicates a commercial website, which does not negate the generic character of the term “booking;” and that the combined term BOOKING.COM would be understood by consumers “primarily to refer to an online reservation service for travel, tours, and lodging,” which is consistent with the services proposed in the applications, making the mark generic for the services offered. *See, e.g.*, A1092, A1096, A1107. In the alternative, the TTAB concluded that BOOKING.COM is descriptive of plaintiff’s services and that plaintiff “failed to demonstrate that the term has acquired distinctiveness.” *See, e.g.*, A1111.

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On April 15, 2016, plaintiff filed this civil action under 15 U.S.C. § 1071(b) against Michelle Lee, who was then the USPTO Director (“the USPTO Director”),¹ and the USPTO (collectively “defendants”), challenging the USPTO’s denial of registration of the four applications. The parties have filed the administrative record from the USPTO proceedings and both sides have produced new evidence on the questions of genericness and descriptiveness. Although the body of evidence before this Court is similar to what was before the TTAB, of significance, plaintiff has now submitted a “Teflon survey,” which, as will be discussed below, is the most widely used survey format for measuring consumer opinion in a genericness challenge, and defendants have provided a report by a rebuttal expert. By way of relief, plaintiff asks the Court to reverse the decisions of the TTAB and order the USPTO Director to publish each application in the Principal Register. Compl., [Dkt. No. 1] at 17.

II. DISCUSSION

A. Standards of Review

A trademark applicant “dissatisfied with the decision” of the USPTO has two remedies under the Lanham Act: either “appeal to the United States Court of Appeals for the Federal Circuit,” *see* 15 U.S.C. § 1071(a), or file a civil action against the USPTO Director in federal district court, *see* 15 U.S.C. §1071(b). Under § 1071(a), an appeal

1. The USPTO Director position has since been vacated and is currently being filled in an acting capacity by Joseph Matal.

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to the Federal Circuit is taken “on the record” before the USPTO, *id.* § 1071(a)(4), and the USPTO’s factual findings will be upheld if they are supported by “substantial evidence,” *see, e.g., Recot, Inc. v. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000). In contrast, in a civil action under § 1071(b), “the district court reviews the record de novo and acts as the finder of fact.” *Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 155 (4th Cir. 2014) (citing *Durox Co. v. Durox Paint Mfg. Co.*, 320 F.2d 882, 883-84 (4th Cir. 1963)).² Placement of a mark on the generic-

2. Defendants try to distinguish *Swatch AG*, arguing that it does not apply to cases where “a party submits new evidence on only some discrete questions of fact but not others.” Def. Opp. at 4-5. This reading of the case law is indefensible. *Swatch AG* explicitly held, “where new evidence is submitted, de novo review of the entire record is required because the district court ‘cannot meaningfully defer to the [USPTO’s] factual findings if the [USPTO] considered a different set of facts.’” 739 F.3d at 155 (citing *Kappos v. Hyatt*, 566 U.S. 431, 132 S. Ct. 1690, 1700, 182 L. Ed. 2d 704 (2012)) (alterations added). Indeed, the “dual capacity” standard of review endorsed by defendants—where the district court acts as appellate reviewer of facts found by the USPTO and fact-finder on issues for which there is new evidence—was held to be “erroneous” by the Fourth Circuit. *Id.* at 156. Were there any room for ambiguity about the applicability of *de novo* review, it was dispelled by the Fourth Circuit’s subsequent decision in *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015), which explained that § 1071(b) authorizes “[d]e novo civil actions” in which “[t]he district court reviews *all the evidence* de novo and acts as the trier of fact.” *Id.* at 225 (emphasis added) (citing *Swatch*, 739 F.3d at 155), *cert. denied sub nom. Shammas v. Hirshfeld*, 136 S. Ct. 1376, 194 L. Ed. 2d 360 (2016). Moreover, even if defendants were correct that substantial evidence review applies when no new evidence has been submitted on a particular question of fact, Def. Opp. at 4 (citing *Dome Pat., LP v. Rea*, 59 F. Supp. 3d 52, 78-79 (D.D.C. 2014)), there is no basis to apply that standard here; rather, both parties

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descriptive-suggestive-fanciful continuum is a question of fact. *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1344 (Fed. Cir. 2001).

Upon the motion of a party, the district court must admit the USPTO record and give it the “same effect as if originally taken and produced in the suit.” § 1071(b) (3). “[T]he district court may, in its discretion, ‘consider the proceedings before and findings of the [USPTO] in deciding what weight to afford an applicant’s newly-admitted evidence.’” *Kappos v. Hyatt*, 566 U.S. 431, 132 S. Ct. 1690, 1700, 182 L. Ed. 2d 704 (2012) (quoting *Hyatt v. Kappos*, 625 F.3d 1320, 1335 (Fed. Cir. 2010)). The district court also “has authority independent of the [USPTO] to grant or cancel registrations.” *Swatch AG*, 739 F.3d at 155 (citing § 1071(b)(1)).

Summary judgment is appropriate where the record demonstrates that “there is no genuine dispute as to any material fact and that the moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). Although the Court must view the record “in the light most favorable to the non-moving party,” *Dulaney v. Packaging Corp. of Am.*, 673 F.3d 323, 324 (4th Cir. 2012), “[t]he mere existence of a scintilla of evidence in support of the [nonmovant’s] position will be insufficient” to overcome a motion for summary judgment. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 252, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986); *see also Am. Arms Int’l v. Herbert*, 563 F.3d

acknowledge that genericness and descriptiveness determinations are questions of fact, Pl. Mem. at 10; Def. Mem. at 10, and the new evidence before the Court bears on both of those questions.

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78, 82 (4th Cir. 2009). Rather, a genuine issue of material fact exists only “if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Anderson*, 477 U.S. at 248. Summary judgment does not become disfavored simply because there is an “important, difficult or complicated question of law.” *Lewis v. Coleman*, 257 F. Supp. 38, 40 (S.D. W. Va. 1966); *Bradacs v. Haley*, 58 F. Supp. 3d 514, 521 (D.S.C. 2014).

The parties have “expressly agree[d] that if the Court determines after reviewing the briefs and evidence on summary judgment that any material issue of fact exists, the Court is authorized to resolve any such factual dispute.” [Dkt. No. 26] ¶ 4(B). Accordingly, the Court will make factual determinations as well as weighting decisions that are not normally appropriate on a motion for summary judgment.

B. Analysis

Although plaintiff filed four trademark applications, neither plaintiff nor defendants contend that the stylized elements described in those applications affect the protectability of the mark. Instead, the parties focus on the word mark BOOKING.COM and on where along the generic-descriptive-suggestive-fanciful continuum the mark is situated. Def. Mem. at 1-2; Pl. Mem. at 10-12. Therefore, rather than addressing each application individually, the Court will disregard the stylized elements and focus on the appropriate categorization of the word mark BOOKING.COM; however, because a multi-class application is regarded as a series of separate

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applications, the Court must independently assess the protectability of the mark for the two classes of services plaintiff claims in its applications, Classes 39 and 43. See 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 19:56.50 (4th ed.) (hereinafter *McCarthy on Trademarks*).

1. The Framework of the Lanham Act

The Lanham Act provides nationwide protection of trademarks. A trademark is “any word, name, symbol, or device, or any combination thereof” used “to identify and distinguish . . . goods [or services], including a unique product [or service], from those manufactured or sold by others and to indicate the source of the goods [or services], even if that source is unknown.” 15 U.S.C. § 1127. The Act has two purposes. The first is to prevent consumer confusion regarding the source of goods and services and to reduce consumers’ information costs by “quickly and easily assur[ing] a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items [or services] that he or she liked (or disliked) in the past.” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64, 115 S. Ct. 1300, 131 L. Ed. 2d 248 (1995) (emphasis in original). Second, the Act incentivizes brand investment by assuring the “producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product [or service],” *id.* at 164, thereby “secur[ing] to the owner of the mark the goodwill of his business,” *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198, 105 S. Ct. 658, 83 L. Ed. 2d 582 (1985).

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By allowing the producer to reap the benefits of consumer goodwill, trademark law “encourages the production of quality products [and services] and simultaneously discourages those who hope to sell inferior products [or services] by capitalizing on a consumer’s inability quickly to evaluate the quality of an item [or service] offered for sale.” *Qualitex*, 514 U.S. at 164 (internal quotation marks omitted). Thus, the Lanham Act reflects Congress’s conclusion that “[n]ational protection of trademarks is desirable . . . because [it] foster[s] competition and the maintenance of quality by securing to the producer the benefits of good reputation.” *Park ‘N Fly*, 469 U.S. at 198.

In keeping with these twin purposes, the Lanham Act identifies four categories of marks. “Arrayed in an ascending order which roughly reflects their eligibility [for] trademark status and the degree of protection accorded, these classes are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful.” *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). “A generic mark refers to the genus or class of which a particular product [or service] is a member and can never be protected.” *Ashley Furniture Indus., Inc. v. SanGiacomo N.A.*, 187 F.3d 363, 369 (4th Cir. 1999). Examples include Light Beer for ale-type beverages and Thermos for vacuum-insulated bottles. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996). A descriptive mark “describes a function, use, characteristic, size, or intended purpose” of the product or service, such as 5 Minute glue and the Yellow Pages telephone directory. *Id.* “Marks that are merely descriptive are accorded protection only if they have acquired a secondary meaning

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[also called ‘acquired distinctiveness’], that is, if in the minds of the public, the primary significance of a product [or service] feature or term is to identify the source of the product [or service] rather than the product [or service] itself.” *Id.* (internal citations omitted). Although eligible for protection in some instances, descriptive marks are considered weak marks. *Shakespeare Co. v. Silstar Corp. of Am.*, 110 F.3d 234, 239-40 (4th Cir. 1997). Suggestive marks, such as Coppertone for sunscreen and Orange Crush for orange flavored soda, “connote, without describing, some quality, ingredient, or characteristic of the product [or service].” *Sara Lee Corp.*, 81 F.3d at 464. Marks that are “comprised of words in common usage” but “do not suggest or describe any quality, ingredient, or characteristic of the goods [or services] they serve, are said to have been arbitrarily assigned.” *Id.* Examples of arbitrary marks include Tea Rose brand flour and Apple for computers. *Id.* Lastly, fanciful marks are “in essence, made-up words expressly coined for serving as a trademark,” such as Clorox for a bleach product and Kodak for photography-related products. *Id.* Because the “intrinsic nature” of suggestive, arbitrary, and fanciful marks “serves to identify a particular source of a product [or service],” these categories “are deemed inherently distinctive and are entitled to protection.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112 S. Ct. 2753, 120 L. Ed. 2d 615 (1992).

2. Genericness

Because a generic mark, which is statutorily defined as “the common descriptive name of an article or substance,”

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Federal Trade Commission Improvements Act of 1980, Pub. L. No. 96-252, § 18, 94 Stat. 374, 391, by definition neither signifies the source of goods or services nor distinguishes the particular product or service from other products or services on the market, it cannot be protected as a trademark nor registered as one. *Retail Servs., Inc. v. Freebies Publ'g*, 364 F.3d 535, 538 (4th Cir. 2004) (citing *Park 'N Fly*, 469 U.S. at 194). To permit otherwise “would grant the owner of the [generic] mark a monopoly since a competitor could not describe his goods [or services] as what they are.” *CES Publ'g Corp. v. St. Regis Publ'ns, Inc.*, 531 F.2d 11, 13 (2d Cir. 1975); see also *Renaissance Greeting Cards, Inc. v. Dollar Tree Stores, Inc.*, 405 F. Supp. 2d 680, 688 (E.D. Va. 2005), *aff'd*, 227 F. App'x 239 (4th Cir. 2007) (“[T]he goals of trademark protection . . . must be balanced by the concern that trademark protection not become a means of monopolizing language or stifling productive competition.”). To the contrary, such marks must remain in the public domain where they are free for all to use. See *Am. Online, Inc. v. AT & T Corp.*, 243 F.3d 812, 821 (4th Cir. 2001) (explaining that trademark law “protects for public use those commonly used words and phrases that the public has adopted, denying to any one competitor a right to corner those words and phrases by expropriating them from the public ‘linguistic commons’”); 2 *McCarthy on Trademarks* § 12:2.

“The rub . . . is in trying to distinguish generic marks from [protectable marks].” *Ashley Furniture Indus.*, 187 F.3d at 369. According to the test adopted by the Supreme Court in *Kellogg Co. v. Nat'l Biscuit Co.*, a plaintiff seeking to establish a valid trademark as compared to a generic

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mark “must show that the primary significance of the term in the minds of the consuming public is not the product but the producer.” 305 U.S. 111, 118, 59 S. Ct. 109, 83 L. Ed. 73, 1939 Dec. Comm’r Pat. 850 (1938). A mark is not generic simply because it plays some role in denoting to the public what the product or service is; rather, a mark may serve a “dual function—that of identifying a product [or service] while at the same time indicating its source.” S. Rep. No. 98-627, at 5 (1984). Hence, *Kellogg* focuses on whether “the *primary* significance of the mark [is] indication of the nature or class of the product or service, rather than an indication of source.” *Glover v. Ampak, Inc.*, 74 F.3d 57, 59 (4th Cir. 1996) (emphasis in original); *see also Retail Servs.*, 364 F.3d at 544 (explaining that a generic mark “neither signifies the source of goods nor distinguishes the particular product from other products on the market”).

Determining whether a mark is generic involves three steps: “(1) identify[ing] the class of product or service to which use of the mark is relevant; (2) identify[ing] the relevant purchasing public of the class of product or service; and (3) [determining whether] the primary significance of the mark to the relevant public is to identify the class of product or service to which the mark relates.” *Glover*, 74 F.3d at 59. Evidence of public understanding of the primary significance of a mark can come from “purchaser testimony, consumer surveys, listings and dictionaries, trade journals, newspapers, and other publications.” *Id.* The burden of proof rests with the party seeking to establish genericness, in this case the defendants, who must prove that the mark is generic by

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clear and convincing evidence. *In re Cordua Restaurants, Inc.*, 823 F.3d 594, 600 (Fed. Cir. 2016).

a. Classes of Services

The first step in analyzing the proposed BOOKING.COM mark is to determine the classes of services (sometimes referred to as “genera of services”) at issue in each application. *Glover*, 74 F.3d at 59. The defendants recognize that the services identified in each registration vary, but summarize the classes of services as “online travel agency services, namely the arrangement of transportation and tours,” for Class 39 and “online hotel and lodging services” for Class 43. Def. Mem. at 17-18. Plaintiff does not appear to understand that this is a class specific analysis and argues that the USPTO’s “inability to adopt a single genus . . . requires reversal.” *See* Pl. Reply at 16-17 & n.5. This argument is inconsistent with the longstanding principle that a single application to register multiple classes, *i.e.*, a combined application, is treated “as though it were a group of individual applications” requiring “separate analyses for each class of goods [or services].” *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 1102 (C.C.P.A. 1976).

Plaintiff further criticizes the defendants’ “new proposed genera” for “ignor[ing] most of plaintiff’s actual services,” including “the information and search (or research) services . . . and business oriented services . . . used by hotels and other travel services seeking to advertise and list their accommodations for rental.” Pl. Opp. at 28. This critique is baseless for several reasons.

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As an initial matter, plaintiff overlooks that it too has taken a reductivist view of the class of service by defining the relevant class of services or genus as “travel agency services.” Pl. Mem. at 13. Further, plaintiff’s suggestion that the class of services should include specific services, such as business consulting, stems from plaintiff’s argument that a granular approach that emphasizes services that would not be described with the word “booking” can save its mark from genericness. *See* Pl. Opp. at 28 n.18 (“[T]here is no reason a broad specification of services or goods cannot be held distinctive for some of the services and not so for others.”). Defendants, on the other hand, maintain that “registration is properly refused if genericness is found as to any service specified in the application.” Def. Reply at 9. On this issue, defendants have the better of the argument. Registration must be refused if a mark “is the generic name of any of the goods or services for which registration is sought.” *See Cordua Restaurants*, 823 F.3d at 605 (quoting 2 *McCarthy on Trademarks* § 12:57). Therefore, even though plaintiff provides business consulting services, its mark will fail if it is generic as to plaintiff’s hotel reservation services. Similarly, even if, as plaintiff argues, the appropriate genus is “travel agency services,” to the extent that this encompasses hotel reservation services, plaintiff’s mark is not entitled to protection if it is generic for hotel reservation services. *See Otokoyama Co. v. Wine of Japan Imp., Inc.*, 175 F.3d 266, 271 (2d Cir. 1999) (“Generic words for sub-classifications or varieties of a good are . . . ineligible for trademark protection.”).

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In addition, as defendants acknowledge, “[p]laintiff is the master of its application, including the identification of services covered by it” and “[i]t was from the identification of services provided by plaintiff that the TTAB derived its recitation of the services.” Def. Opp. at 10; *see also* A1076 (describing the genus of services as an “accurate[] summar[y]” of the recitation provided by the plaintiff); A3768 (same). Because “the question of registrability of an applicant’s mark must be decided on the basis of the identification of goods [and services] set forth in the application regardless of what the record may reveal as to the particular nature of an applicant’s goods,” *Octocom Sys., Inc. v. Houston Computer Servs., Inc.*, 918 F.2d 937, 942 (Fed. Cir. 1990), the identification of services in plaintiff’s applications “controls this analysis,” *In re Dayan*, 61 F. App’x 695, 696 (Fed. Cir. 2003). Although plaintiff’s applications reference a multitude of services, because “registration is properly refused if the word is the generic name of any of the goods or services for which registration is sought,” 2 *McCarthy on Trademarks* § 12:57, the Court need not analyze each service. Instead, it will focus on the broadest services described in plaintiff’s applications: “travel and tour ticket reservation services” for Class 39 and “[m]aking hotel reservations for others” for Class 43. Moskin Decl. [Dkt. No. 65-5] ¶¶ 2-4.

b. Relevant Purchasing Public

To define the relevant purchasing public, a court must look to the class of goods and services for which the trademark application was submitted. *Cf. Glover*, 74 F.3d at 59; *Retail Servs., Inc. v. Freebies Publ’g*, 247 F.

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Supp. 2d 822, 826 (E.D. Va. 2003), *aff'd Retail Servs.*, 364 F.3d at 535. Here, the applications sought registration for travel, tour, and hotel reservation services, including those offered online, making consumers who use travel, tour, and hotel reservation services offered via the internet or in person the relevant purchasing public.

c. Primary Public Understanding

The next consideration is whether “the primary significance of the term in the minds of the consuming public is not the product but the producer.” *Kellogg*, 305 U.S. at 118. The public’s primary understanding of a mark “is derived from it as a whole, not from its elements separated and considered in detail,” therefore, “it should be considered in its entirety.” *Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545-46, 40 S. Ct. 414, 64 L. Ed. 705, 1920 Dec. Comm’r Pat. 471 (1920). Although “a mark must be considered as a whole,” this “does not preclude courts from considering the meaning of individual words in determining the meaning of the entire mark.” *Hunt Masters, Inc. v. Landry’s Seafood Rest., Inc.*, 240 F.3d 251, 254 (4th Cir. 2001). Accordingly, this Court will consider the two elements “booking” and “.com” separately before considering them in combination.

i. “Booking”

Defendants’ argument that BOOKING.COM is generic rests primarily on its view of the meaning of “booking,” for which its primary sources are various dictionary definitions. “Although not controlling, ‘dictionary

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definitions are relevant and sometimes persuasive’ on the issue of genericness ‘based upon the assumption that dictionary definitions usually reflect the public’s perception of a word’s meaning and its contemporary usage.’” *Retail Servs.*, 364 F.3d at 544-45 (citing 2 *McCarthy on Trademarks* at § 12:13). The definitions in the record, which are nearly identical to those relied on by the TTAB, include:

1. An engagement, as for a performance. 2. A reservation, as for accommodations at a hotel. *American Heritage College Dictionary* (3d ed. 1997).

1. a contract, engagement or scheduled performance of a professional entertainer. 2. a reservation. 3. the act of a person who books. *Random House Unabridged Dictionary* (2d ed. 1993).

1: the act of one that books 2: an engagement or scheduled performance . . . 3: RESERVATION; esp one for transportation, entertainment, or lodging 4: ORDER. *Webster’s Third New International Dictionary* (1993).

1: the act of one that books 2: an engagement or scheduled performance 3: RESERVATION. *Merriam-Webster’s Collegiate Dictionary* (11th ed. 2008).

Plaintiff points out that the primary definition of “booking” in the definitions produced by the defendants

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refers to a performance, as in a theatrical engagement, and that the word has numerous other meanings. Pl. Mem. at 21. Although this observation is correct, it does not advance plaintiff's cause as "a word may have more than one generic use." *Abercrombie & Fitch*, 537 F.2d at 11.

Defendants also cite evidence that plaintiff and its competitors routinely use the word "booking" in reference to their services. For example, plaintiff's website uses "booking" as a noun, to describe a reservation, *see* A345 ("Sign in to manage your bookings."); *id.* ("Latest booking 10 minutes ago."), and as a verb, meaning to make a reservation, *see* A349 ("Our goal is to provide business and leisure travelers with the most accessible and cost effective way of discovering and booking the broadest section of accommodations in every corner of the world."), as do its confirmation notices, which refer to the reservation as a "booking" in the subject line, *see* Def. Ex. A, PTO-00011. Similarly, plaintiff's competitors use "booking" as both a noun and a verb in describing their services. For example, Hotwire, which provides services for making hotel, car, and flight reservations, advertises "easier booking," *id.* at PTO-00322, Hotels.com claims to be the preferred choice "when it comes to booking the perfect hotel," *id.* at PTO-000298, and Travelocity and Expedia offer services for "hotel booking," *id.* at PTO-00326; PTO-00313, "vacation package booking," PTO-00315, and "booking a rental car," PTO-00327. "Booking" is also a common component of descriptors for hotel reservation and travel agency services. A 2016 *New York Times* article regarding the impact of online reservation services on hotel loyalty programs referred to

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“Hotels.com, Hotwire.com, Trivago.com, and Travelocity.com” as “booking sites.” *Id.* at PTO-00261-64; *see also id.* at PTO-00286-92. And, Skift, an information platform for the travel sector, headlined an article discussing flight reservation services with reference to “booking sites.” *Id.* at PTO-00250-54. Finally, defendants identify fifteen third-party websites that include “booking.com” or “bookings.com” as components of their domain names. *See id.* at PTO-00148-65; A764-68, A772-81, A1085-86.

Plaintiff contends that this evidence is not enough to show that the word “booking” is “ever used as a generic term for travel agency services” and “has no relation whatsoever to plaintiff’s business consulting services.” Pl. Mem. at 21. This argument parallels plaintiff’s argument regarding the proper genus of services, which effectively contends that the term “booking” is too narrow to describe the broad “travel agency services” offered by plaintiff while simultaneously too general to capture plaintiff’s consulting services. But, this “heads I win, tails you lose” approach has no legal support. *See Nat’l Nonwovens, Inc. v. Consumer Prods. Enters.*, 397 F. Supp. 2d 245, 252 (D. Mass. 2005) (rebuffing plaintiff’s “subtle rhetorical move that attempts to abstract [the genus] to a higher level of generality”). As explained above, it is well-established that “[a] registration is properly refused if the word is the generic name of any of the goods or services for which registration is sought.” *Cordua Rests.*, 823 F.3d at 605 (citing 2 *McCarthy on Trademarks* § 12:57). This makes good sense. Otherwise, applicants could elude a finding of genericness by simply tailoring their recitation of the goods and services at issue to be broader or narrower than

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the linguistic scope of their generic or descriptive mark. Permitting such gamesmanship would defeat one of the central purposes of the Lanham Act, which “is carefully crafted to prevent commercial monopolization of language that otherwise belongs in the public domain.” *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 573, 107 S. Ct. 2971, 97 L. Ed. 2d 427 (1987) (Brennan, J., dissenting).

The evidence presented by the defendants establishes that, by itself, the word “booking” is generic for the classes of hotel and travel reservation services recited in plaintiff’s applications. The dictionary definitions include as a meaning of “booking” a reservation or the act of making a reservation. Even more tellingly, plaintiff and its competitors use the term in this manner. This definition is also consistent with public usage, as indicated by the news sources quoted in the record. In this respect, the word “booking,” standing alone, is the common descriptive name for both the act of making a reservation and the reservation itself. This conclusion is equally true for hotel reservations and the wider set of reservations offered by a travel agency service, because hotel, flight, and tour reservations are all referred to as “bookings,” just as the act of making these types of reservations is often called “booking.” Based on this evidence, the Court finds that the term “booking” is generic for these types of services.

ii. Top-Level Domains

The finding that “booking” is a generic term does not end the analysis because the mark at issue is BOOKING.

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COM. Therefore the Court must consider whether the term resulting from combining “booking” with “.com” remains generic. According to dictionary definitions, “.com” refers to a “commercial organization (in Internet addresses),” *American Heritage College Dictionary* (3d ed. 1997), or “[p]art of the internet address of many companies and organizations,” *Dictionary.com*, <http://www.dictionary.com/browse/-com> (last accessed Apr. 7, 2017). In addition, some dictionaries state that “the phrase dot-com is used to refer generically to almost anything connected to business on the Internet.” *Id.* Plaintiff argues that “.com” should be read as a top-level domain (TLD), in the same family as “.net,” “.org,” and “.edu.” Pl. Mem. at 22. A TLD can be contrasted with a second-level domain (SLD), which is the next level of organization in the domain name hierarchy. For example, in “booking.com,” “booking” is the SLD and “.com” is the TLD. According to plaintiff, the combination of “booking” and “.com” signals a domain name,³ which is a unique identifier capable of indicating the source of a product or service. *Id.* at 21, 23. The defendants, on the other hand, argue that “.com” is merely a term that denotes services offered via the Internet, and point to Federal Circuit cases holding that a TLD has no source identifying significance.

Although Federal Circuit case law on trademark is not controlling in this jurisdiction, it is persuasive authority. Because the parties acknowledge that there

3. A domain name is “any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet.” 15 U.S.C. § 1127.

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is no Fourth Circuit precedent regarding the source identifying significance of a TLD, Def. Mem. at 19 n.13, the reasoning of the Federal Circuit, which has addressed the role of TLDs in at least five cases, is a helpful starting point; however, it is important to appreciate that all of these opinions arose in § 1071(a) proceedings, in which the Federal Circuit reviewed the TTAB's decisions regarding genericness and descriptiveness for substantial evidence, which is a more deferential standard than the *de novo* review applicable in this civil action brought under § 1071(b).

The Federal Circuit first addressed the legal effect of combining a SLD consisting of a generic word (henceforth “generic SLD”) and a TLD in *In re Oppedahl & Larson LLP*, 373 F.3d 1171 (Fed. Cir. 2004). There, the USPTO found that PATENTS.COM was generic for software that allowed consumers to track the status of U.S. trademark and patent applications. This holding relied on the conclusion that “patents” was generic and the Trademark Manual of Examining Procedure’s instruction that “[b]ecause TLDs generally serve no source-indicating function, their addition to an otherwise unregistrable mark typically cannot render it registrable.” *Id.* at 1174-75 (citing 1209.03(m) Domain Names [R-2]). Before the Federal Circuit, the applicant argued that domain name marks were inherently distinctive and therefore all such marks were entitled to registration. *Id.* at 1176. The Federal Circuit rejected this argument and affirmed the USPTO, reasoning that “[t]elephone numbers and street addresses are also unique, but they do not by themselves convey to the public the source of specific goods or services.” *Id.* at 1176-77. Nevertheless, the

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Federal Circuit cautioned that “a bright-line rule that the addition of a TLD to an otherwise descriptive term will never under any circumstances affect the registrability [sic] of a mark” would “be a legal error,” concluding that the USPTO’s policy was not a bright-line rule. *Id.* at 1175.

The Federal Circuit’s next TLD case, *In re Steelbuilding*, 415 F.3d 1293 (2005), is the only case in which the Federal Circuit reversed the TTAB’s finding that a domain name was generic, although it ultimately sustained the USPTO’s denial of registration. In that case, the applicant sought registration of STEELBUILDING.COM for “computerized on-line retail services in the field of pre-engineered metal buildings and roofing systems.” *Id.* at 1296. On appeal, the Federal Circuit determined that the evidence did not support the TTAB’s genericness finding because “[t]he applicant’s web site permits a customer to first design, then determine an appropriate price, for its own unique design,” and that the TTAB “misunderst[ood] the proper genus.” *Id.* at 1298. With respect to the TLD, the court concluded that “[i]n [that] unusual case, the addition of the TLD indicator expanded the meaning of the mark to include goods and services beyond the mere sale of steel buildings” by “expand[ing] the mark to include internet services that include ‘building’ or designing steel structures on the web site and then calculating an appropriate price before ordering the unique structure.” *Id.* at 1299. Although it rejected the genericness finding, the Federal Circuit affirmed the TTAB’s alternative conclusion that the mark was descriptive for the online services specified in the application and that the applicant had failed to meet its burden of proving acquired distinctiveness. *Id.*

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at 1299-300. In a separate opinion that diverged from *Oppedahl & Larson*'s conclusion that TLDs generally serve no source identifying function, Judge Linn argued that "[i]n the Internet world, domain-name recognition is a form of source identification" and argued that the case should be remanded to the TTAB for a reassessment of the evidence. *Id.* at 1301 (Linn, J., concurring-in-part and dissenting-in-part).

The Federal Circuit's next case⁴ involved the mark HOTELS.COM, which the examiner concluded was descriptive for the class of services—"providing information for others about temporary lodging; travel agency services, namely, making reservations and bookings for temporary lodging for others by means of telephone and global computer network"—and had not acquired secondary meaning. *In re Hotels.com, L.P.*, 573 F.3d 1300, 1301 (Fed. Cir. 2009). The TTAB subsequently affirmed the rejection but on the alternative basis that HOTELS.COM is a generic term for hotel information and reservation services and that the addition of ".com" to "hotels" did not convert the generic term "hotels" into a protectable mark. *Id.* In reaching this conclusion, the TTAB relied on dictionary definitions of "hotel," computer printouts of the applicant's website featuring links to hotels, and the inclusion of the characters "hotel.com" in other domain names. *Id.* at 1301. The applicant presented rebuttal evidence, including sixty-four declarations from

4. The Federal Circuit briefly addressed domain name marks in 2007, but there the argument was not about the source identifying significance of TLDs but rather whether the USPTO properly determined the genus of services. *In re Reed Elsevier Props. Inc.*, 482 F.3d 1376 (Fed. Cir. 2007).

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customers, vendors, and competitors, who each stated that “the term HOTELS.COM is not the common, generic name of any product, service, or field of study,” as well as a Teflon survey drawn from 277 respondents in which 76% regarded HOTELS.COM as a brand name, both of which the TTAB declined to credit. *Id.* at 1304-05. On appeal, the Federal Circuit concluded that “on the entirety of the evidence before the TTAB, and with cognizance of the standard and burden of proof borne by the USPTO, the TTAB could reasonably have given controlling weight to the large number of similar usages of ‘hotels’ with a dot-com suffix, as well as the common meaning and dictionary definition of ‘hotels’ and the standard usage of ‘.com’ to show a commercial internet domain” and held that “Board’s finding that HOTELS.COM is generic was supported by substantial evidence.” *Id.* at 1305-06.

The USPTO also denied registration to MATTRESS.COM for services identified as “online retail store service in the field of mattresses, beds, and bedding” on the basis of genericness. *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359, 1361 (Fed. Cir. 2009). The Federal Circuit affirmed, rejecting the applicant’s argument that because consumers did not refer to such stores as “mattresses.com’s” the term could not be generic and instead holding that “substantial evidence . . . support[ed] the Board’s conclusion that ‘[c]onsumers would see MATTRESS.COM and would immediately recognize it as a term that denotes a commercial website rendering retail services featuring mattresses.” *Id.* at 1362, 1364. In addition, the court found that “[b]ecause websites operate under the term ‘mattress.com’ to provide mattresses, and they provide them online, the [TTAB] properly concluded that

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the relevant public understands the mark MATTRESS.COM to be no more than the sum of its constituent parts, *viz.*, an online provider of mattresses.” *Id.* at 1363.

Although the Court recognizes the persuasive force of Federal Circuit cases, a number of factors caution against crediting these precedents here. From a chronological perspective, the Federal Circuit’s first TLD case, *Oppenhahl & Larson*, which held that “TLDs generally serve no source-indicating function,” was decided in 2004 when the internet was in its infancy and norms regarding domain names were just taking root. *See* 373 F.3d at 1176. Subsequent opinions have undermined *Oppenhahl & Larson*’s reasoning by recognizing that a TLD indicates a domain name and “domain-name recognition is a form of source identification.” *Steelbuilding*, 415 F.3d at 1301 (Linn, J., concurring-in-part and dissenting-in-part). There also appears to be a tension between the Federal Circuit’s statement that a *per se* rule that TLDs cannot be source identifying would be “legal error,” *Oppenhahl & Larson*, 373 F.3d at 1177, and the outcomes of these cases, which show that the USPTO’s guidance on TLDs functions as a *per se* rule, *see Oppenhahl & Larson*, 373 F.3d at 1177; *Hotels.com*, 573 F.3d at 1306; *1800Mattress.com*, 586 F.3d at 1363. As discussed above, *Steelbuilding* is a notable exception, but as Professor McCarthy explains, this case “muddied the waters” and appears to be based on an “erroneous” characterization of STEELBUILDING.COM. 1 *McCarthy on Trademarks* § 7:17.50.

Beyond the tension within the cases, the Federal Circuit’s TLD precedents also demonstrate the difficulty of distinguishing between generic and descriptive marks,

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an indeterminacy evidenced both by the anomalous holding in *Steelbuilding* and the multiple cases in which examining attorneys denied registration based on descriptiveness only to be affirmed by TTAB decisions concluding that the mark was actually generic, *Oppedahl & Larson*, 373 F.3d at 1173; *Hotels.com*, 573 F.3d at 1301. As discussed below, because “categorizing trademarks is necessarily an imperfect science,” *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1033 (9th Cir. 2010), it would be imprudent to adopt a sweeping presumption denying trademark protection to a whole category of domain name marks in the absence of robust evidence that public ownership of this language is necessary for consumers and competitors to describe a class of products or services—evidence that does not appear in the Federal Circuit cases. Most importantly, in each of these TLD cases the Federal Circuit reviewed TTAB decisions under the deferential substantial evidence standard, a point that was repeatedly emphasized in the cases. *See, e.g., Hotels.com*, 573 F.3d at 1301. By contrast, under § 1071(b) this Court is required to conduct a *de novo* review. For all these reasons, this Court declines to rely on the Federal Circuit’s precedents regarding TLDs and will treat this question as an issue of first impression. And, for the reasons developed below, the Court concludes that, when combined with an SLD, a TLD generally has source identifying significance and the combination of a generic SLD and a TLD is generally a descriptive mark that is protectable upon a showing of acquired distinctiveness.

To illustrate this conclusion, it is helpful to consider the Federal Circuit’s reasoning in a case involving telephone numbers as marks. In 2001, before the Federal Circuit

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first confronted the issue of TLDs, it held that the mark 1-888-M-A-T-R-E-S-S was protectable as a descriptive mark. *In re Dial-A-Mattress*, 240 F.3d 1341, 1346 (Fed. Cir. 2001). In that case, the applicant applied to register 1-888-M-A-T-R-E-S-S as a service mark for “telephone shop-at-home retail services in the field of mattresses.” *Id.* at 1343. The examining attorney rejected the mark as generic for the relevant services or, in the alternative, as a descriptive mark with insufficient evidence of acquired distinctiveness. *Id.* at 1344. The TTAB affirmed both rationales. *Id.* On appeal to the Federal Circuit, Dial-A-Mattress conceded that the area code in the mark was devoid of source identifying significance by itself and that the word “mattress,” no matter how creatively spelled, was generic for retail services in the field of mattresses; however, it argued that, considered in its entirety, the mark was not generic. *Id.* at 1345. The Federal Circuit agreed, holding that although area codes have no source identifying significance by themselves and the term “mattress” was generic, the combination of an area code and a generic term (1-888-MATRESS) was source identifying. *Id.* at 1346. Specifically, it was descriptive, as it indicated that “a service relating to mattresses [was] available by calling the telephone number.” *Id.* Yet, even though the telephone mnemonic was source identifying, the Federal Circuit explained that the applicant still needed to establish “acquired secondary meaning” (also termed “acquired distinctiveness”) in order to register the descriptive mark. *Id.* at 1347.⁵

5. Defendants attempt to distinguish *Dial-a-Mattress* by arguing that unlike “888,” “.com” has a recognized generic meaning and that 1-888-MATRESS was a mnemonic while BOOKING.COM

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The reasoning in *Dial-a-Mattress* maps seamlessly onto TLDs. Although a TLD, like an area code, has no source identifying significance by itself, in combination with a SLD, it indicates a domain name, which, like a telephone number, is unique. Moreover, like the mnemonic phone number 1-888-M-A-T-R-E-S-S, the combination of a TLD and a generic SLD creates a descriptive mark by indicating that services relating to the generic SLD are available by accessing the domain name. Finally, whether such a mark is entitled to trademark protection depends on whether the applicant can demonstrate that it has acquired distinctiveness. In short, TLDs generally do have source identifying value when used in conjunction with an SLD and a mark comprised of a generic SLD and a TLD is generally a descriptive mark entitled to trademark protection if the mark holder can establish acquired distinctiveness.

Defendants resist this conclusion. Beyond invoking the Federal Circuit cases, defendants' argument that a TLD does not have identifying significance relies principally on the Supreme Court's 1888 decision in *Goodyear's Rubber Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598, 602, 9 S. Ct. 166, 32 L. Ed. 535, 1889 Dec. Comm'r Pat. 257 (1888), which held that adding terms such as "Corp.," "Inc.," and "Co." to a generic term does not add any trademark significance to an otherwise unregistrable

is not. Def. Mem. at 10. Neither of these distinctions is persuasive because the *Dial-a-Mattress* court recognized that "888" was an area code, just as the Federal Circuit later recognized that ".com" is a TLD and, even though a domain name is not a mnemonic, it can function like a mnemonic by describing the associated goods or services.

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mark. Def. Mem. at 13, 21. By analogy, defendants argue that “[a]dding ‘.com’ to a generic term does not create a composite that is capable of identifying source, just as Plaintiff would not have created a protectable mark by adopting the designation ‘Booking Company.’” *Id.* at 13. This analogy is unhelpful because *Goodyear*’s reasoning regarding corporate designators does not apply with equal force to domain names. As the Supreme Court explained in *Goodyear*, the use of a corporate designation had no source identifying value because it “only indicates that the parties have formed an association or partnership to deal in [particular] goods, either to produce or to sell them.” 128 U.S. at 602. By contrast, adding a TLD such as “.com” to a generic SLD does more than indicate that a company offers services via the internet; it indicates a unique domain name that can only be owned by one entity. In this respect, unlike a corporate designation, a TLD that functions as part of a domain name does have source identifying significance.

Defendants further argue that the public understands that a mark comprised of a generic SLD combined with a TLD is generic for that class of goods or services; however, they provide no evidence to support this position other than citations to the aforementioned Federal Circuit decisions. Def. Mem. at 13. As will be discussed below, defendants’ evidence shows that the public understands that such a mark represents a unique domain name indicating to consumers that the proprietor of the domain name provides goods or services relating to the generic term. Blair Rep. at 14 (arguing there is a “tendency for [some survey] respondents to think that any DOT-COM name is a brand”).

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Next, citing *Advertise.com, Inc. v. AOL Adver., Inc.*, 616 F.3d 974, 980 (9th Cir. 2010), defendants raise the policy argument that recognizing the source identifying significance of TLDs would create “a per se rule—in contravention of the Lanham Act—that the combination of ‘.com’ with any generic term renders it protectable.” Def. Mem. at 2, 17. In *Advertise.com*, the Ninth Circuit addressed AOL’s motion for a preliminary injunction against the registrant of ADVERTISE.COM on the basis that the mark was confusingly similar to AOL’s mark ADVERTISING.COM, ultimately holding that the combination of a generic SLD and a TLD was not eligible for protection. The Court understands defendants to be invoking *Advertise.com*’s conclusion to argue that, if trademark law recognizes TLDs as source identifying, the addition of a TLD to a generic SLD would always result in a protectable mark. This argument overreaches. Acknowledging that combining a TLD with a generic SLD can produce a source identifying domain name is not tantamount to finding that all domain name marks are protectable. Rather, a generic SLD combined with a TLD creates a descriptive mark that is eligible for protection only upon a showing of acquired distinctiveness. Importantly, acquired distinctiveness is a much higher bar than uniqueness and requires an evidentiary showing that “in the minds of the public, the primary significance of a . . . term is to identify the source of the product rather than the product itself.” *Inwood Labs., Inc. v. Ives Labs.*, 456 U.S. 844, 851 n.11, 102 S. Ct. 2182, 72 L. Ed. 2d 606 (1982). In the trademark context, “source” does not refer to the location where a good or service may be found, *e.g.*, at the website associated with a domain name, but to the

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“producer.” *Kellogg*, 305 U.S. at 118. Therefore, domain name marks composed of a generic SLD and TLD, will be eligible for protection only when the applicant can show that “the primary significance” of the mark in the minds of the relevant consumers is the producer. *Id.* Such a showing is only possible where the owner of the mark has developed strong brand recognition.

The second policy concern raised by defendants is that granting trademark protections to domain names with a generic SLD would prevent competitors from using the generic term in their domain names, hampering their ability to communicate the nature of their services. Def. Opp. at 25. This argument again echoes the Ninth Circuit’s analysis in *Advertise.com*, which reasoned that granting protection to such a mark would “grant[] the trademark holder rights over far more intellectual property than the domain name itself,” permitting mark holders to monopolize a wide swath of domain names, including those comprised of the generic SLD at issue and any other TLD (e.g., “advertise.net”; “advertise.biz”; “advertise.org”) as well other domain names that contain the generic word (e.g., “localadvertise.com”; “advertiseonline.com”). *See* 616 F.3d at 980-81. This argument, although initially alarming, does not withstand scrutiny.

The most obvious refutation of the monopolization concern is that domain names with a descriptive SLD, such as “steelbuilding,” are already eligible for protection upon a showing of secondary meaning. *Steelbuilding.com*, 415 F.3d at 1299; *Oppedahl & Larson*, 373 F.3d at 1173. Moreover, although the USPTO has registered

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marks with what it determined are descriptive SLDs, such as WORKOUT.COM, ENTERTAINMENT.COM, and WEATHER.COM, this has not stopped competitors from using the words “workout,” “entertainment,” or “weather” in their domain names. To the contrary, such related domain names abound and many, such as MIRACLEWORKOUT.COM, WWW.GOLIVE-ENTERTAINMENT.COM, and CAMPERSWEATHER.COM, have actually been afforded trademark protection by being registered on the Principal Register.⁶

In addition, the descriptive nature of domain name marks with a generic SLD will significantly limit the protection they receive, thereby safeguarding competition and public use. It is axiomatic that “descriptive terms qualify for registration as trademarks only after taking on secondary meaning . . . with the registrant getting an exclusive right not in the original, descriptive sense, but only in the secondary one associated with the markholder’s goods.” *KP Permanent Make-Up*, 543 U.S. at 122. Beyond the circumscribed protection afforded to descriptive marks, competitors are also protected by the likelihood of confusion standard. As the Supreme Court emphasized in *KP Permanent Make-Up*, the party charging infringement bears the burden of proving that a competitor’s use of a mark is likely to confuse consumers. *Id.* at 118. This is a heavy burden for a plaintiff because likelihood of confusion rests on nine factors, which include the source identifying

6. The Court may take judicial notice of information in the public record, *Sec’y of State for Defence v. Trimble Navigation Ltd.*, 484 F.3d 700, 705 (4th Cir. 2007), such as registrations in the Principal Register.

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strength of the plaintiff's mark, the degree of similarity between the marks, and the defendant's intent.⁷ *See, e.g., H. Jay Spiegel & Assocs., P.C. v. Spiegel*, 652 F. Supp. 2d 639, 650 (E.D. Va. 2009), *aff'd*, 400 Fed. Appx. 757 (4th Cir. 2010) (finding, on a motion for summary judgment, that the record was inconclusive as to whether SPIEGELAW.COM was confusingly similar to SPIEGELAW.COM). Likelihood of confusion is particularly difficult to prove for descriptive marks because they are considered "weak" marks, *see Shakespeare Co.*, 110 F.3d at 239-40, and "when the common element between two marks is a word which is 'weak,' the likelihood of confusion between the marks is reduced." *Pizzeria Uno Corp. v. Temple*, 566 F. Supp. 385, 396 (D.S.C. 1983), *aff'd*, 747 F.2d 1522 (4th Cir. 1984). Moreover, even if the party charging infringement succeeds in establishing likelihood of confusion, the accused party can defend itself by demonstrating fair use.⁸ *See KP Permanent Make-Up*, 543 U.S. at 121 ("some

7. The Fourth Circuit's likelihood of confusion doctrine instructs courts to examine the following factors: "(1) the strength or distinctiveness of the plaintiff's mark as actually used in the marketplace; (2) the similarity of the two marks to consumers; (3) the similarity of the goods or services that the marks identify; (4) the similarity of the facilities used by the markholders; (5) the similarity of advertising used by the markholders; (6) the defendant's intent; (7) actual confusion; (8) the quality of the defendant's product; and (9) the sophistication of the consuming public." *George & Co. LLC v. Imagination Entm't Ltd.*, 575 F.3d 383, 393 (4th Cir. 2009).

8. Fair use is "use, otherwise than as a mark, . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin" 15 U.S.C. § 1115(b)(4). Descriptive or classic fair use "applies when the [dilution] defendant is using a trademark in

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possibility of consumer confusion must be compatible with fair use”). As the Supreme Court has explained, “[i]f any confusion results” from descriptive fair use “that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase.” *Id.* (internal citation omitted). This principle is equally true in the context of domain names and will preclude holders of marks comprised of a generic SLD and a TLD from preventing competitors from using the generic term in other domain names.⁹

Defendants’ third policy concern, which again proves more imagined than real, is that granting trademark protection to domain names with generic SLDs would deprive competitors of the right to describe their goods and services as what they are. Def. Mem. at 11-12. As defendants elaborate, “Imagine being forbidden to describe a Chevrolet as a ‘car’ or an ‘automobile’ because Ford or Chrysler or Volvo had trademarked these generic words.” *Id.* at 12 (citing *Retail Servs.*, 364 F.3d at 538). Defendants appear to suggest that plaintiff’s competitors need to be able to describe themselves as “booking.coms.” Although concerns about monopoly are one of the animating forces behind the prohibition on registering

its primary, descriptive sense to describe the defendant’s goods or services,” whereas “nominative fair use comes into play when the defendant uses the famous mark to identify or compare the trademark owner’s product.” *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 169 (4th Cir. 2012) (quotation marks omitted).

9. At oral argument, plaintiff conceded that other domain names involving the word “booking” are protected under the fair use doctrine.

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generic marks, because each domain name is unique the Court is unpersuaded that the threat of monopoly applies with equal force to domain names.¹⁰ Further, the monopoly argument appears to assume that certain terms must be left in the public commons because they have descriptive value and are needed by consumers and competitors alike; however, no evidence in this record supports the view that domain names are used as descriptive terms for classes of services. To the contrary, the record is replete with evidence that consumers are predisposed to think that a domain name refers to a particular entity. Blair Rep. at 14; *In re Hotels.com*, 87 U.S.P.Q.2d 1100, 1109 (T.T.A.B. Mar. 24, 2008) (according to the TTAB, “consumers may automatically equate a domain name with a brand name”). By this same logic, plaintiff’s competitors, such as Expedia and Travelocity, have no incentive to describe themselves as “booking.coms” because this risks diverting customers to the website of their competitor. In short, there is no evidence in this record indicating that permitting registration of a domain names with a generic SLD would result in the monopolization of descriptive terms that must be left free for public use.

10. In rejecting plaintiff’s applications, the TTAB observed that “[a]s domain name registrations are not perpetual, [the plaintiff] may be supplanted as the registrant of that Internet address or may voluntarily transfer its domain name registration to another.” A1103. A practical problem might arise if the plaintiff let the domain name registration lapse or transferred it but wanted to continue using the mark; however, because a trademark right would only enhance plaintiff’s incentive to maintain its registration the Court need not concern itself with this remote possibility. In addition, this concern applies equally to personal names and alphanumeric telephone numbers, both of which are eligible for trademark protection. *See 1 McCarthy on Trademarks* §§ 7:13, 7:17.50, 13:1.

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Recognizing that the policy concerns regarding generic terms are a poor fit for marks comprised of a generic SLD and a TLD, the next question is whether the dual purposes of the Lanham Act—protecting consumers and incentivizing brand development—militate for or against protection. Generally, the consumer protection rationale favors trademark protection because brands minimize the information costs of purchasing decisions. *Qualitex*, 514 U.S. at 164. Although trademark rights are disfavored when they would cause consumer confusion or impede competition, *Am. Online*, 243 F.3d at 821, because domain names are inherently unique and the scope of protection afforded to a domain name with a generic SLD will be narrow, the risk of consumer confusion or anticompetitive monopolies is remote. Rather, the evidence in this record shows that consumers are primed to perceive a domain name as a brand which militates for, not against, trademark protection for domain names. In addition, because online goods and services are a significant and ever-growing part of the economy, granting trademarks to producers who primarily offer goods and services online and brand themselves based on their domain name favors the interest of consumers by limiting the prospect of deception and confusion. Incidentally, this also protects the good will generated by producers, often at great effort and expense, and thereby incentivizes brand development.¹¹ In sum, the rationales animating

11. At first glance, it may not be immediately apparent why plaintiff, which uses a unique domain name as its mark, needs trademark protection; however, in the absence of protection, competitors could capitalize on plaintiff's goodwill by expropriating its brand identifiers by, for example, adopting a similar domain name

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the Lanham Act are aligned with the conclusions that TLDs are generally source identifying and that a mark composed of a generic SLD and a TLD is a descriptive mark eligible for protection upon a showing of acquired distinctiveness.

**iii. Evidence of Public Understanding
Regarding Genericness**

The Court now considers evidence of the public's understanding of BOOKING.COM, which may include "purchaser testimony, customer surveys, dictionary listings, newspapers, and other publications." *Retail Servs.*, 247 F. Supp. 2d at 826. The most striking feature of the evidence in this record is the absence of evidence that consumers or producers use the term "booking.com" to describe the genera of services at issue, that is, hotel and travel reservation services. Pl. Mem. at 12. Defendants point to no purchaser testimony, consumer surveys, newspaper articles, websites, or other publications demonstrating that either the consuming public or plaintiff's competitors refer to travel and hotel reservation services offered online as "booking.coms." *See Dial-a-Mattress*, 240 F.3d at 1346. Instead, they rely

and using the stylized elements of plaintiff's mark or advertising with a hyperlink labeled "Booking.com" that opened a different domain name. Without trademark protection, plaintiff might have some recourse in unfair competition and related torts, but outcomes in this area of law are difficult to predict and leave much to judicial discretion, *see 1 McCarthy on Trademarks* § 1.11, increasing plaintiff's business risk and leaving consumers more vulnerable to misinformation regarding plaintiff's brand.

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heavily on a statement from the Federal Circuit that use “is irrelevant” and “the correct inquiry is whether the relevant public *would understand*, when hearing the term ‘mattress.com,’ that it refers to online mattress stores.” Def. Mem. at 13 (citing *1800Mattress.com*, 586 F.3d at 1364 (emphasis added)); *see also* Def. Opp. at 7, 18; Def. Reply at 13. In reaching this conclusion, the Federal Circuit cited *H. Marvin Ginn v. Int’l Ass’n of Fire Chiefs, Inc.*’s genericness test, which asks whether the “relevant public primarily *use or understand* the term sought to be protected to refer to the genus of goods or services in question.” 782 F.2d 987, 989-90 (Fed. Cir. 1986) (emphasis added). But *1800Mattress.com* is not controlling authority, and the Fourth Circuit has not adopted *H. Marvin Ginn*’s test for genericness. In addition, even under this test, whether a mark is used to refer to a genus is certainly relevant; it simply is not dispositive. Importantly, in this *de novo* proceeding, the evidence before the Court indicates that “[l]inguistic understanding is not some further mental condition”; rather, in the words of Ludwig Wittgenstein, “meaning is use.” Leslie Rep., Pl. Ex. 2 [Dkt. No. 64-2] ¶ 78 (citing *Philosophical Investigations* § 43 (1953)).¹² Accordingly, the absence of evidence indicating that the

12. Defendants contend that the report of plaintiff’s linguistics expert, Dr. Sarah-Jane Leslie, must be excluded because her research on generics in the field of linguistics has no bearing on generics in the domain of trademark and is therefore inadmissible under Rule 702. Def. Mem. at 27. Although Dr. Leslie’s opinion is not relevant as legal expertise, her robust knowledge of linguistics is certainly relevant to the ultimate inquiry, which, as explained by Judge Learned Hand, “is merely one of fact: what do buyers understand by the word for whose use the parties are contending?” *Bayer Co. v. United Drug Co.*, 272 F. 505, 509 (S.D.N.Y. 1921).

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consuming public uses the term BOOKING.COM to refer to a class of services, is highly relevant.

What evidence defendants have produced shows that the types of services offered by plaintiff are routinely referred to as “booking website(s),” “booking site(s),” etc. Def. Mem. at 21. According to defendants, “these same meanings are immediately conveyed by the term ‘booking.com,’” *id.* at 22; however, they offer no support for the argument that any composite term that communicates the same meaning as a generic term is itself generic. *Id.* Further, because domain names are unique, the Court is unpersuaded that BOOKING.COM has the same meaning as “a booking website” or “booking websites,” both of which could refer to any number of websites. *Cf. Dial-a-Mattress*, 240 F.3d at 1346 (“[A] phone number is not literally a genus or a class name.”).

Defendants also point to fifteen third-party websites that include “booking.com” or “bookings.com.” Def. Mem. at 23; PTO-0148-65 (identifying examples such as “dreamvacationbooking.com”; “vacationhomebooking.com”; and “bhutanbookings.com”). This evidence is unpersuasive because including the characters “b-o-o-k-i-n-g-.-c-o-m” in a longer domain name is not the equivalent of describing one’s service as a “booking.com.” Indeed, a brief review of these websites indicates that they do not describe themselves as such.¹³ Moreover, accepting the

13. Defendants only included printouts of the websites’ home pages in their exhibits. To understand the context of this evidence, the Court visited the websites and reviewed each page to see how the proprietors of the sites described their services. None of the sites

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defendants' logic would result in privileging trademark protection for long SLDs over short ones simply because a shorter domain name's set of characters is likely to be included in longer domain names. This is not the USPTO's practice, as evidenced by its registration of marks like WORKOUT.COM, ENTERTAINMENT.COM, and WEATHER.COM notwithstanding the multitude of other domain names that uses these strings of characters. Therefore, the Court finds that defendants' list of domain names does not constitute evidence that BOOKING.COM is used to refer to a genus of services.¹⁴

Conversely, plaintiffs have adduced persuasive evidence that the consuming public understands BOOKING.COM to be a specific brand, not a generic name for online booking services. In particular, plaintiff produced a Teflon survey which revealed that 74.8 percent of respondents identified BOOKING.COM as a brand name. Poret Rep. at 29. Teflon surveys, which are the "most widely used survey format to resolve a genericness challenge," 2 *McCarthy on Trademarks* at § 12:16, provide survey respondents with a primer on the distinction between the generic or common names and trademark or

describes their services as a "booking.com," rather they describe themselves using proper nouns, such as "Vacation Home Booking."

14. In support of their argument, defendants cite *Reed Elsevier*, 482 F.3d at 1380, in which the Federal Circuit found that eight third-party websites containing "lawyer.com" in their domain names supported the finding that LAWYERS.COM was generic. Def. Mem. at 23. Based on the reasoning set forth above, most notably the deferential standard of review applicable in the Federal Circuit, the Court finds *Reed Elsevier* unpersuasive.

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brand names, and then present respondents with a series of names, which they are asked to identify as common or brand names. Plaintiff's survey was conducted by Hal Poret, a statistician with experience administering over 200 consumer surveys regarding trademarks. The survey was administered online to 400 respondents from March to April 2016. Poret Rep., Pl. Ex. 1 [Dkt. No. 64-1] at 8, 18, 25.

The survey began by explaining the distinction between "brand names" and "common names" and provided consumers with examples of three brand names (TOYOTA, CHASE, and STAPLES.COM) and three common names (AUTOMOBILE, BANK, and OFFICESUPPLIES.COM). *Id.* at 9. The survey then tested consumer's understanding of the distinction between common and brand names by asking them to identify whether KELLOGG and CEREAL were common or brand names. *Id.* at 10. Respondents who correctly answered that KELLOGG is a brand name and CEREAL is a common name continued with the survey while those who did not were excluded. *Id.* at 11. Following that initial screening, respondents were shown a series of terms, one at a time, and for each term were asked to answer the following question:

- "Do you think this is a . . .
 - Brand name
 - Common name

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- Don't know"

Id. The list of terms and product descriptions shown to respondents were

- The term at issue:
 - "BOOKING.COM (Hotel and other lodging reservation services)"
- Three brand names:
 - "ETRADE.COM (Stock and investor broker services)"
 - "PEPSI (Cola and other soft drinks)"
 - "SHUTTERFLY (Photo-sharing and photo gift services)"
- Three common names
 - "SPORTING GOODS (Products used in sports and other physical activity)"
 - "WASHINGMACHINE.COM (Review and sales of washing machines)"
 - "SUPERMARKET (Retail sale of food and other groceries)"

Id. at 11-13. There were four separate rotations in which these terms were presented to the respondents, in each

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of which the terms were ordered differently and with BOOKING.COM placed in a different position on the rotation “so as not to bias the responses to the term BOOKING.COM.” *Id.* at 13-14. There were also two versions of the survey language, one in which the phrase “brand name” always preceded the phrase “common name” (*i.e.*, “This survey is about brand names and common names.”) and one in which this order was reversed. *Id.* at 9, 15. The following table displays the proportion of respondents who identified each trademark as a brand name versus a common name, compared to BOOKING.COM:

	BOOKING .COM	PEPSI	ETRADE .COM	SHUTTERFLY
Brand name	74.8%	99.3%	96.8%	96.8%
Common name	23.8%	0.8%	3.0%	3.0%
Don't know	1.5%	0.0%	0.3%	0.3%

Id. at 28. The following table displays the proportion of respondents who identified each generic term as a brand name versus a common name, compared to BOOKING.COM:

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	BOOKING.COM	SUPER-MARKET	SPORTING GOODS	WASHING-MACHINE.COM
Brand name	74.8%	0.0%	0.5%	33.0%
Common name	23.8%	100.0%	99.5%	60.8%
Don't know	1.5%	0.0%	0.0%	6.3%

Id. Poret concluded that in his opinion “these results strongly establish that BOOKING.COM is not perceived by consumers to be a generic or common name.” *Id.* at 29; *see also E. I. DuPont de Nemours & Co. v. Yoshida Int’l, Inc.*, 393 F. Supp. 502, 527 (E.D.N.Y. 1975) (finding that survey results indicating that 68% of consumers viewed Teflon as a brand name rebutted the claim that the mark was generic).

Defendants argue that plaintiff’s Teflon survey should be excluded pursuant to *Hunt Masters*, 240 F.3d at 255, where the Fourth Circuit held that in a genericness inquiry consumer surveys are not relevant “where a term was commonly used prior to its association with the products at issue” whereas surveys are relevant where the term at issue “began life as a ‘coined term.’” Def. Opp. at 12. Although “booking” is not a coined term, BOOKING.COM arguably is. More importantly, defendants have presented no evidence that BOOKING.COM is in the category of marks for which *Hunt Masters* forecloses reliance on consumer surveys, namely that it “was

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commonly used prior to its association with the products at issue.” *Id.* Moreover, the Court finds that because domain names marks are relatively new to trademark law, public understanding is highly relevant to understanding how these marks are perceived. As a result, this case is not on all fours with *Hunt Masters* and plaintiff’s Teflon survey, which sheds light on how the composite mark BOOKING.COM is understood by consumers, is highly relevant.¹⁵

Defendants next attack the methodological soundness of plaintiff’s survey as a basis for excluding the report. Def. Opp. at 13. Defendants rely primarily on a comment by Poret, posted in a blog by a colleague in 2009, in which he remarked that because consumers often assume that domain names have source identifying significance, surveys testing TLD marks should be composed exclusively or primarily of TLD marks. Def. Ex. A at PTO-00366. During his deposition, Poret explained that he has since revised his views. Recognizing that consumers conventionally encounter an array of marks, including TLD and non-TLD marks, Poret is now of the opinion that it is unnatural to test brand recognition with only TLD marks. Poret Tr., Pl. Ex. A [Dkt. No. 72-1] at 18:8-19:21. Defendants make much of this change of opinion

15. *Hunt Master’s* holding has been criticized by the leading trademark treatise, which argues that by categorizing marks as coined or non-coined before determining the relevance of survey evidence, “[t]he Fourth Circuit assumed that which was to be decided. . . . It is an audacious thing for a court to state that consumer perception is irrelevant when the issue is whether a designation is perceived by the consuming public as a generic name or not.” 2 *McCarthy on Trademarks* § 12:17.50.

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but point to no case law, scholarly authority, or principled justifications for conducting Teflon surveys comprised exclusively or even primarily of TLD marks. Def. Mem. at 26-27; Def. Opp. at 14-15.

Defendants also point to three alleged methodological flaws in Poret's survey identified by their expert, Dr. Edward Blair. Blair Rep., Def. Ex. B [Dkt. No. 61-3]. First, Dr. Blair contends that the survey population is under-inclusive because it was restricted to consumers who search for or make hotel or travel reservations online but plaintiff's trademark applications also reference services offered in person. *Id.* at 11-13. Poret's supplemental expert response explains that the survey focused on consumers who used online reservation services because the USPTO determined that BOOKING.COM was generic for a website service, thus "measuring consumer perception of BOOKING.COM in the online context squarely tested the context in which the chance of consumers understanding a mark ending in '.COM' to be generic was greatest." Poret Supp. Rep., Def. Ex. D [Dkt. No. 61-5] at 3.

Second, although Dr. Blair concedes that the survey explained and tested the distinction between dot-com brand names and common names, he contends that this educational component was insufficient because it did not focus specifically on dot-com names and respondents were not tested on their ability to distinguish between dot-com brand names and dot-com common names. Blair Rep. at 5-6, 14. Observing that 33% of respondents incorrectly identified WASHINGMACHINE.COM, one of the test terms, as a brand name, Dr. Blair contends

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that the educational portion of the survey was ineffective and respondents were predisposed to think that any dot-com name was a brand name. *Id.* Without conceding that this is a flaw in the survey design, Poret explains that one can control for this predisposition by removing the respondents who answered that WASHINGMACHINE.COM is a brand name. Poret Supp. Rep. at 4. Even with that adjustment, of the remaining respondents, 65 percent identified BOOKING.COM as a brand name. *Id.* at 5.

Dr. Blair's third critique is that the responses varied based on the order in which the marks were presented, which he posits is an indication that respondents did not understand the distinction between dot-com brand names and common names and were answering based on context rather than actual knowledge. Blair Rep. at 19. Poret acknowledges that the results exhibit order effects but explains that all Teflon surveys have order effects, irrespective of whether they test dot-com or other marks. Poret Supp. Rep. at 8. "[T]he very reason that [Teflon] surveys include various orderings of the terms," he elaborates, "is because it is well known and expected that responses to terms often vary in this manner" and "providing various orderings is designed to *control* for this phenomenon." *Id.* (emphasis in original).

The Court is persuaded by Poret's responses and finds that Dr. Blair's critiques do not undermine the veracity of the survey results. "[N]o survey is perfect." *Selchow & Righter Co. v. Decipher, Inc.*, 598 F. Supp. 1489, 1502 (E.D. Va. 1984). Poret's decision to limit the survey to online consumers was reasonable, the method used to instruct

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them on the distinction between generic and brand names was sufficient, and the ordering effects are, as Poret explains, both expected and appropriately controlled for by the survey design. In short, plaintiff's Teflon survey is reliable. It also provides the only actual evidence of consumers' understanding of BOOKING.COM, because defendants "had an equal opportunity to conduct [their] own survey but chose not to" do so. *Selchow & Righter*, 598 F. Supp. at 1503.

Numerous courts agree that "direct consumer evidence, *e.g.*, consumer surveys and testimony is preferable to indirect forms of evidence" such as dictionaries, trade journals, and other publications. *See, e.g., Berner Int'l Corp. v. Mars Sales Co.*, 987 F.2d 975, 982 (3d Cir. 1993). Even the Federal Circuit, the source of authority upon which the USPTO principally relies, has held that "consumer surveys may be a preferred method of proving genericness." *BellSouth Corp. v. DataNational Corp.*, 60 F.3d 1565, 1570 (Fed. Cir. 1995). Therefore, the Court declines defendants' invitation to rely on theoretical and indirect sources of consumer understanding, such as dictionary definitions, over plaintiff's Teflon survey.

In sum, defendants have not met their burden of proving by clear evidence that BOOKING.COM is generic. To the contrary, the Court finds that the relevant 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. *Dial-a-Mattress*, 240 F.3d at 1346 (finding that 1-8-8-8-M-A-T-R-E-S-S "immediately conveys the

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impression that a service relating to mattresses is available by calling the telephone number”). And, because “booking” is a broad enough term to refer to both hotel and travel reservation services, the Court finds that BOOKING.COM is descriptive of both the Class 39 and Class 43 services described in plaintiff’s applications.

3. Acquired Distinctiveness

As with any descriptive mark, BOOKING.COM is eligible for protection only upon a showing of secondary meaning or acquired distinctiveness. *See Steelbuilding.com*, 415 F.3d at 1299. To make this showing, the burden shifts to the applicant to demonstrate that “in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.” *Inwood Labs.*, 456 U.S. at 851 n.11. “Saying that a trademark has acquired secondary meaning is shorthand for saying that a descriptive mark has become sufficiently distinctive to establish a mental association in buyers’ minds between the alleged mark and a single source of the product.” *Retail Servs.*, 364 F.3d at 539 (citation and internal quotation marks omitted); *see also Sara Lee*, 81 F.3d at 464 (noting that “secondary meaning” exists when, “in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself” (internal quotation marks omitted)); *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 125 (4th Cir. 1990) (“Secondary meaning is the consuming public’s understanding that the mark, when used in context, refers, not to what the descriptive word ordinarily describes,

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but to the particular business that the mark is meant to identify.”).

Proof of secondary meaning requires a “rigorous evidentiary” showing and courts consider six factors: “(1) advertising expenditures; (2) consumer studies linking the mark to a source; (3) sales success; (4) unsolicited media coverage of the product; (5) attempts to plagiarize the mark; and (6) the length and exclusivity of the mark’s use.” *Perini*, 915 F.2d at 125. Secondary meaning exists if a “substantial portion” of the relevant consuming public associates the term with the particular business, *id.*, and the applicant bears the burden of proof, *U.S. Search, LLC v. U.S. Search.com, Inc.*, 300 F.3d 517, 525-26 (4th Cir. 2002).

As explained above, applications containing multiple classes are treated as separate applications, 3 *McCarthy on Trademarks* § 19:56.50; therefore, the Court’s analysis of the evidence of secondary meaning must assess Class 39 and 43 independently. But, in the interest of efficiency, the Court will begin by summarizing the evidence in the record.

a. Evidence of Acquired Distinctiveness

With respect to advertising, plaintiff has submitted evidence of the number of visual impressions of BOOKING.COM by consumers. Although the secondary meaning test refers to “advertising expenditures,” *Perini*, 915 F.2d at 125, the Court is satisfied that the number of visual impressions is equally, if not more, probative of secondary

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meaning because it more closely approximates the number of consumers who have been exposed to a brand. Plaintiff aired BOOKING.COM branded television commercials that received 1.3 billion visual impressions from U.S. customers in 2015 and 1.1 billion impressions in 2016. Pl. Ex. A, Dunlap Decl. ¶ 9a. Its internet advertisements during these years received 212 million and 1.34 billion visual impressions from U.S. customers, respectively. *Id.* ¶ 9c. And its 2015 movie theater advertisements received approximately 40 million visual impressions from U.S. customers. *Id.* ¶ 9b. This is compelling evidence of plaintiff’s advertising efforts and is considerably more wide-reaching than the evidence used to satisfy the first factor in other Fourth Circuit cases. *See Resorts of Pinehurst, Inc. v. Pinehurst Nat’l Corp.*, 148 F.3d 417, 421-22 (4th Cir. 1998) (finding that the markholder had made “considerable advertising efforts and expenditure of money toward developing a reputation and goodwill” for its mark through a “nationwide marketing campaign” that involved “placing advertisements in numerous national golf publications such as *Golf* and *Golf Digest* magazines” and aggressively “seeking out major professional golf tournaments”).¹⁶

16. In response, defendants argue that there “are no advertising materials that show how [p]laintiff has sought to replace, in the minds of consumers, the general descriptiveness of the term with an impression of a single-source identification.” *Id.* This argument is wholly without merit. First, there is no legal basis for requiring a plaintiff to produce the content of its advertising materials to prove that the public recognizes its mark as a brand. Second, this argument simply begs the question, because notwithstanding the “general descriptiveness of [a] term,” whether consumers associate “the term with an impression of a single-source identification” is the essence of the secondary meaning inquiry.

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As to the second factor, plaintiff cites two surveys. The first is a 2012 JD Power & Associates survey recognizing plaintiff as having the highest customer satisfaction rate of any travel site in the United States. Pl. Mem. ¶ 27; Pl. Opp. at 14. Defendants argue that the survey is entitled to little weight because it does not reveal anything about what consumers understand BOOKING.COM to mean. Def. Opp. at 26. Plaintiff contends that the survey is an admissible form of evidence, Pl. Opp. at 14, but admissibility is not the problem. Surveys such as the JD Power & Associates survey are designed to gauge the relative popularity of a product not the source identifying effect of the mark. As a result, defendants are correct in arguing that the JD Power & Associates survey is not probative of secondary meaning and is entitled to minimal weight. *Chase Fed. Sav. & Loan Ass'n v. Chase Manhattan Fin. Servs. Inc.*, 681 F. Supp. 771, 780-81 (S.D. Fla. 1987) (explaining that survey evidence is entitled to “slight weight” when it “derive[s] from questions that were not asked in a specific, limited and probative context, . . . and did not probe the primary significance of the term” (internal quotation marks omitted)).

Plaintiff also relies on the Teflon survey conducted by Poret, which indicated that 74.8 percent of consumers of online travel services recognize BOOKING.COM as a brand. Pl. Mem. ¶ 4; *id.* at 29. Although primarily used to determine whether a mark is generic, Teflon surveys are also a generally accepted way of measuring secondary meaning. *See, e.g., Firefly Digital, Inc. v. Google, Inc.*, No. CIV.A. 6:10-0133, 2011 U.S. Dist. LEXIS 73259, 2011 WL 6160222, at *5 (W.D. La. July 7, 2011) ; *Schwan's IP, LLC v. Kraft Pizza Co.*, 379 F. Supp. 2d 1016, 1024 (D. Minn.

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2005), *aff'd*, 460 F.3d 971 (8th Cir. 2006); *March Madness Athletic Ass'n L.L.C. v. Netfire, Inc.*, 310 F. Supp. 2d 786, 809 (N.D. Tex. 2003), *aff'd*, 120 Fed. Appx. 540, 2005 WL 147264 (5th Cir. 2005); *see also Innovation Ventures, LLC v. NVE, Inc.*, 90 F. Supp. 3d 703, 720 (E.D. Mich. 2015) (finding a Teflon survey probative of the strength of a protectable mark). In this Circuit, “survey evidence is generally thought to be the most direct and persuasive way of establishing secondary meaning.” *U.S. Search, LLC*, 300 F.3d at 526 n.13. And Professor McCarthy has identified survey evidence as one of a handful of types of direct evidence of consumer understanding—along with consumer testimony—as compared to the other secondary meaning factors, which offer circumstantial evidence of brand recognition. 2 *McCarthy on Trademarks* § 15:30. Because plaintiff’s Teflon survey is the only evidence in the record that speaks directly to how consumers understand plaintiff’s mark, it weighs heavily in the secondary meaning analysis and the survey’s finding that approximately three out of four consumers recognize BOOKING.COM as a brand indicates strong brand awareness. *See IDVN Am., Inc. v. S & M Brands, Inc.*, 26 F. Supp. 2d 815, 823 (E.D. Va. 1998) (holding that BAILEYS liqueurs had secondary meaning, based in part upon a “51% consumer awareness rating”).

The third factor, record of sales success, is also well-established. Plaintiff’s public filings reflect that its U.S. customers conduct billions of dollars’ worth of transactions each year, Pl. Mem. ¶ 13,¹⁷ and, as of 2013,

17. BOOKING.COM annual sales revenues and gross transaction value for the last three years were filed under seal

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plaintiff's total transaction value, both in the United States and abroad, was over \$8 billion, *see* Prakke Decl., A2522, which is substantially higher than the sales success in other cases where courts in this Circuit have found secondary meaning. *See, e.g., Worsham Sprinkler Co. v. Wes Worsham Fire Prot., LLC*, 419 F. Supp. 2d 861, 869-72 (E.D. Va. 2006) (citing annual revenues averaging \$18-20 million); *IDV N. Am., Inc.*, 26 F. Supp. 2d at 823 (finding that BAILEYS liqueurs' \$1 billion in sales over the course of a decade supported a finding of secondary meaning). In addition, plaintiff's mobile app, which can be used to search for hotels and make reservations, was downloaded approximately 1 million times in 2014, 1.9 million times in 2015, and 2.5 million times in 2016, Pl. Ex. A, Dunlap Decl. ¶ 7, which offers additional, circumstantial evidence of sales success and consumer brand recognition.

The fourth factor is unsolicited media coverage. In 2015 and 2016 the number of news articles published in the United States referencing BOOKING.COM was over 600 and 650, respectively. Pl. Ex. A, Dunlap Decl. ¶ 10. This compares very favorably to other cases where courts have found that media coverage demonstrated that a brand had achieved public prominence. *Washington Speakers Bureau, Inc. v. Leading Authorities, Inc.*, 33 F. Supp. 2d 488, 496-97 (E.D. Va. 1999), *aff'd*, 217 F.3d 843 (4th Cir. 2000) (relying on evidence that a "news database search

because this information is "competitively valuable and commercially sensitive, and its disclosure is likely to cause harm to the competitive position of Booking.com." [Dkt. No. 67] at 2. The Court is satisfied, based on its review of the sealed filings, that Booking.com has presented compelling evidence of sales success.

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offered by [the markholder] disclosed hundreds of articles specifically referring to [the service] and its activities”).

Plaintiff identifies no evidence of the fifth factor, attempts to plagiarize the mark. Pl. Mem. at 29. But, a party need not prove all six factors and the Fourth Circuit has concluded that secondary meaning can exist even when “no attempts to plagiarize the mark were shown.” *Perini*, 915 F.2d at 126.

With respect to the sixth factor, length and exclusivity of use, plaintiff, which has been offering “online hotel reservation service” since 1996, operated from “1996 to June 2006 using the mark BOOKINGS. In June 2006, [plaintiff] modified its mark to BOOKING.COM and has been providing services under that mark since then.” Prakke Decl. A2522. Eleven years of uninterrupted use, in conjunction with the other factors, weighs in favor of secondary meaning. *See Teaching Co. P’ship v. Unapix Entm’t, Inc.*, 87 F. Supp. 2d 567, 579-80 (E.D. Va. 2000) (finding that secondary meaning existed in a mark that had been used without interruption for eight years).

In addition, there is no evidence in the record that “any other party offering travel agency services refers to itself as a ‘Booking.com.’” Pl. Ex. C, Moskin Decl. ¶ 12. As previously discussed in the genericness evaluation, defendants point to fifteen third-party websites that include “booking.com” or “bookings.com,” Def. Mem. at 23, and one might argue that this is evidence that plaintiff has not enjoyed exclusive use. This argument fails because the mere existence of a registered domain name or even a

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website does not equate to its use as a “mark.” “[A] domain name does not become a trademark or service mark unless it is also used to identify and distinguish the source of goods or services.” 1 *McCarthy on Trademarks* § 7:17.50. Out of the millions of domain names, only a fraction play the role of a mark. *Id.* Indeed, the websites associated with the domain names cited by the defendants identify their services not by reference to their domain name but by phrases such as “Dream Vacation Booking” and “Vacation Home Booking.” Further, as explained above, these websites are not actually referring to themselves as “booking.com,” therefore they are not using the term either descriptively or as a mark.

Finally, plaintiff has adduced evidence of its substantial social media following. As of 2016, over 5 million consumers had “liked” BOOKING.COM on Facebook and over 100,000 “followed” BOOKING.COM on Twitter. Pl. Ex. A, Dunlap Decl. ¶ 12c.¹⁸ Although this evidence does not directly relate to any of the *Perini* factors, those factors are non-exhaustive, *Shammas v. Rea*, 978 F. Supp. 2d 599, 612 (E.D. Va. 2013), and, just as unsolicited media coverage offers circumstantial evidence of consumer awareness of a brand, the size of a producer’s social media following is indicative of the number of consumers who are familiar with a brand, interested in receiving additional information about it, and presumably tend to feel goodwill toward the producer.

18. This number likely includes a number of non-U.S. consumers, but even if only a fraction of these consumers were in the United States, this data point would still indicate widespread awareness among U.S. consumers.

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In the face of this evidence, defendants argue that “although [p]laintiff has provided documents related to its commercial success, they do not demonstrate actual market recognition of ‘booking.com’ as a source indicator.” Def. Mem. at 30. This argument ignores the direct evidence of consumer understanding established by plaintiff’s Teflon survey and appears to challenge the very nature of the secondary meaning test, which acknowledges that five of the six factors—advertising expenditures, sales success, media coverage, attempts to plagiarize, and exclusivity of use—are all circumstantial evidence.² *McCarthy on Trademarks* § 15:30. Professor McCarthy acknowledges direct evidence “is not a requirement and secondary meaning can be, and most often is, proven by circumstantial evidence.” *Id.* In addition, it defies logic to suggest that billions of consumer impressions through advertising, billions of dollars in sales, and over 1,000 newspaper articles have no bearing on whether consumers understand BOOKING.COM to be a source of reservation services.¹⁹

19. Defendants also argue that “[u]se of a company name does not demonstrate consumer recognition as a brand.” Def. Mem. at 30. Defendants identifies no legal basis for drawing a distinction between a company name and a brand, nor is the Court aware of any. *See Sara Lee*, 81 F.3d at 464 (recognizing that EXXON, POLAROID, and APPLE, all the names of major companies, are also brands). Such a distinction might make sense in certain contexts. For example, consumer recognition of the company name Procter & Gamble would not necessarily be probative of consumer recognition of its brands, such as DAWN for dish soap. But, here, the company name and the brand name BOOKING.COM are one and the same.

*Appendix D***b. Class Specific Analysis**

Having summarized the evidence of secondary meaning, the next step is to consider what this evidence means for the two classes of marks set forth in plaintiff's applications. Unfortunately, the evidence does not clearly differentiate between Class 39—travel agency services—and Class 43—hotel reservation services. Plaintiff's evidence often speaks simply of BOOKING.COM, and, where it does differentiate, it refers only to plaintiff's hotel reservation services. For example, the Dunlap Declaration, which is the source of plaintiff's evidence regarding advertising, sales success, and unsolicited media coverage, describes plaintiff as "the worldwide leader in online accommodation reservation services" and reports that plaintiff enables customers to make reservations at over "1,027,450 hotels and accommodation providers throughout the world." Pl. Ex. A, Dunlap Decl. ¶¶ 3, 5. Other than referencing Booking.com's receipt of the "World's Leading Online Travel Agency Website" award in 2014 and 2015, Dunlap's declaration makes no reference to travel agency services. In addition, the Prakke Declaration, which establishes the length and exclusivity of use, also portrays Booking.com as an "online hotel reservation service," explaining that since 1996 plaintiff has been "providing hotels and consumers alike with an online hotel reservation service through which hotels all over the world can advertise their rooms for reservation and through which consumers all over the world can make reservations." A2522. Likewise, plaintiff's Teflon survey characterized Booking.com as providing "[h]otel and other lodging reservation services." Pl. Ex. 1,

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[Dkt. No. 64-1] at B-000055. In light of the total absence of evidence that either the consuming public, or even Booking.com’s officers, associate BOOKING.COM with travel agency services, plaintiff has failed to carry its burden of establishing secondary meaning as to Class 39.²⁰

Conversely, the record demonstrates strong evidence of secondary meaning for Class 43 on five of the six secondary meaning factors: Plaintiff has established the existence of an extensive nationwide advertising campaign; a strong public perception that BOOKING.COM is a brand identifier, as evidenced by the Teflon survey; robust consumer sales; voluminous unsolicited media coverage; and a decade of exclusive use. This evidence is more than sufficient to demonstrate that “in the minds of the public, the primary significance of” BOOKING.COM “is to identify the source of the product rather than the product itself,” *Sara Lee*, 81 F.3d at 464, and that plaintiff’s mark is entitled to protection for the services identified in Class 43, as a descriptive mark.²¹

20. Plaintiff briefly argues that the mark BOOKING.COM is suggestive. Pl. Mem. at 28; Pl. Opp. at 11-2. A suggestive mark is one that is “partially descriptive and partially fanciful.” *Perini*, 915 F.2d at 124. Plaintiff does not make a serious attempt to substantiate this claim, therefore the Court has not addressed it.

21. Documents in the record indicate that plaintiff has trademark registrations in the United Kingdom and New Zealand that are only for Class 43, although there is no evidence as to whether plaintiff sought protection for Class 39. A1557-60. In the European Union, Booking has registered its mark in Classes 35, 39, and 43. A1548-53.

*Appendix D***III. CONCLUSION**

The question of whether a TLD has source identifying significance is a question of first impression in this Circuit. After carefully reviewing the Federal Circuit's precedent on this issue, the purposes of the Lanham Act, and the competition-protecting features built into the structure of trademark law, the Court has concluded both that a TLD generally has source identifying significance and that a mark composed of a generic SLD and a TLD is usually a descriptive mark eligible for protection upon a showing of secondary meaning. Applying these holdings to the facts of this case, the Court holds that BOOKING.COM is a descriptive mark and that plaintiff has carried its burden of demonstrating the mark's secondary meaning as to the hotel reservation services described in Class 43 but not as to the travel agency services recited in Class 39.

For these reasons, in an order to be issued with this Memorandum Opinion, plaintiff's Motion for Summary Judgment will be granted in part and denied in part, defendants' Motion for Summary Judgment will be granted in part and denied in part, the USPTO will be ordered to register BOOKING.COM as to the Class 43 services in the '998 Application and '097 Application,²² and

22. The '998 Application sought registration for BOOKING.COM in standard characters, as to the Class 43 services, therefore the Court's analysis of the wordmark is sufficient to conclude that it is entitled to protection. A1-6. The '097 Application involved design elements, specifically "a stylized depiction of the earth behind a briefcase," and the examiner and the TTAB both found that the stylized elements of the mark were registrable if plaintiff disclaimed

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the Court will remand applications '365 and '366 to the USPTO for further administrative proceedings consistent with the findings and conclusions of this Memorandum Opinion to determine whether the design and color elements in those two applications, in combination with the protectable word mark, are eligible for protection as to the Class 43 services.²³

Entered this 9th day of August, 2017.
Alexandria, Virginia

/s/ Leonie M. Brinkema
Leonie M. Brinkema
United States District Judge

the word mark. A3765-66, A3801. Inferring that this requirement demonstrates that the USPTO concluded that the stylized elements of the mark were eligible for protection, the USPTO will also be ordered to grant the '097 Application as to the Class 43 services.

23. Both the '365 Application and '366 Application include design elements. The '365 application includes a specific font, with "Booking" in dark blue and ".com" in light blue, A2088-89, and the '366 application includes the same font enclosed in a dark blue colored box with the word "Booking" in white and ".com" in light blue, *id.* The TTAB concluded that these design and color elements were "*not, in themselves*, distinctive and that they therefore do not justify registration of the mark." A2122 (emphasis added).

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**APPENDIX E — DENIAL OF REHEARING OF
THE UNITED STATES COURT OF APPEALS FOR
THE FOURTH CIRCUIT, FILED APRIL 5, 2019**

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 17-2458 (L)
(1:16-cv-00425-LMB-IDD)

BOOKING.COM B.V.,

Plaintiff - Appellee

v.

THE UNITED STATES PATENT AND
TRADEMARK OFFICE; ANDREI IANCU, IN HIS
OFFICIAL CAPACITY AS UNDER SECRETARY
OF COMMERCE FOR INTELLECTUAL
PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,

Defendants – Appellants.

AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION,

Amicus Curiae.

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No. 17-2459
(1:16-cv-00425-LMB-IDD)

BOOKING.COM B.V.,

Plaintiff - Appellant

v.

THE UNITED STATES PATENT AND
TRADEMARK OFFICE; ANDREI IANCU, IN HIS
OFFICIAL CAPACITY AS UNDER SECRETARY
OF COMMERCE FOR INTELLECTUAL
PROPERTY AND DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,

Defendants - Appellees.

AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION,

Amicus Curiae.

April 5, 2019, Filed

ORDER

The petition for rehearing en banc was circulated to the full court. No judge requested a poll under Fed. R. App. P. 35. The court denies the petition for rehearing en banc.

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For the Court

/s/ Patricia S. Connor, Clerk