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In the  
**Supreme Court of the United States**

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**UNITED STATES PATENT AND  
TRADEMARK OFFICE, ET AL.,**  
*Petitioners,*

v.

**BOOKING.COM B.V.,**  
*Respondent.*

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

**BRIEF OF *AMICUS CURIAE*  
THE ASSOCIATION OF AMICUS COUNSEL  
IN SUPPORT OF RESPONDENT**

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**IDENTITY AND INTEREST OF  
*AMICUS CURIAE*<sup>1</sup>**

The Association of Amicus Counsel (“AAC”) submits this brief as amicus curiae in support of Respondent.

The AAC is an independent organization whose members are attorneys having diverse affiliations and law practices. By training, scholarship, experience, and discernment in their respective areas of the law, coupled with niche expertise in other disciplines pertinent to specific cases, member of the AAC possess the requisite abilities in preparing and submitting amicus briefs that merit and invite the confidence and attention of courts and other tribunals as being helpful in avoiding errors of fact or law when deliberating and deciding issues of contention in cases of controversy. Amicus briefs of the AAC seek to accomplish their purpose by calling attention to pertinent matters, including legitimate viewpoints and concerns, in addition to those previously recognized or likely to be addressed by the decision-maker(s), by the parties, or by other amici curiae.

Neither the AAC, nor any of its members listed on this brief, has represented a party in this litigation or has a direct financial stake in the outcome. Rather, as practitioners, said members have a professional interest in the present subject matter and as such

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<sup>1</sup> In accordance with S. Ct. R. 37.6, no party or its counsel in this litigation nor any person other than the members of the AAC whose names are listed on this brief authored same in whole or in part. No such party, counsel, or person made a monetary contribution intended to fund in whole or in part its preparation or submission. The parties were provided proper written notice and have consented to the filing of this brief.

they wish to express their views aimed at facilitating the correct interpretation and application of the law apposite to this precedent-setting litigation whose outcome will affect the interests and concerns of the parties and of others similarly situated, and of the public at large.

In sum, the core mission of the AAC is to advance the science of jurisprudence through the submission of amicus briefs in this and in other cases of controversy with the intention of advocating, promoting, and assisting in the judicial development of the law in the time-honored tradition of *amici curiae* -- “friends of the court”.

### INTRODUCTION

In February 2019 the court of appeals for the Fourth Circuit affirmed, on the defendants’ USPTO et al. (the present Petitioners’) appeal, the October 2017 decision of the district court for the Eastern District of Virginia on the plaintiff’s Booking.Com B.V. (the present Respondent’s) *successful* 15 U.S.C. § 1071(b) civil action for de novo review of the TTAB’s adverse administrative ruling on the registrability of plaintiff’s BOOKING.COM service marks. *Booking.Com B.V. v. United States Patent and Trademark Office. et al.*, 915 F.3d 171 (4<sup>th</sup> Cir. 2019), *reh’g denied*, No. 172458 (4<sup>th</sup> Cir. Apr. 5, 2019). That affirmance led to the defendants’ petition for, and this Court’s granting of, the present writ of certiorari.

In April 2019 the same court of appeals stayed the issuance of the mandate in its adverse decision on plaintiff’s cross-appeal of the district court’s obligatory adherence to the holding in an earlier 15 U.S.C. § 1071(b) civil action, *Shammas v. Focarino*, 784 F.3d 219 (4<sup>th</sup> Cir. 2015), *cert. denied sub. nom.*

*Shammas v. Hirshfeld*, 136 S. Ct. 1376 (2016). (In *Shammas*, the same district court (E.D. Va.) awarded reimbursement, on the prevailing defendant USPTO's motion, of the cost of attorney services that the agency had paid in salaries to its legal staff who worked on the defense of the case, as part of "all the [USPTO's] expenses of the proceeding" under 15 U.S.C. § 1071(b)(3)). The stay was predicated on this Court's then-pending decision on the legal costs awardability issue in an unrelated civil action against the same agency under a different statute, viz., *Peter v. NantKwest, Inc.*, No. 18-801 (cert. granted March 4, 2019) in the patent application context of 35 U.S.C. § 145.

This Court's merits decision in *NantKwest*, \_\_\_ U.S. \_\_\_ (2019), unanimously holding that the USPTO cannot recoup its legal costs under 35 U.S.C. § 145, was issued December 11, 2019 and judgment was entered January 13, 2020.

In consequence of the resultant separation of the issues respecting the award of the defendant Petitioners' legal costs and the registrability of plaintiff Respondent's service marks, and prior to this Court's decision in *NantKwest*, Respondent in April 2019 filed a petition for certiorari styled *Booking.Com B.V. v. United States Patent and Trademark Office et al.*, No. 18-1309 on the legal costs issue in the present case. That petition, which is currently pending and supported by the AAC in an amicus brief filed May 16, 2019 has been briefed by the parties.

## SUMMARY OF ARGUMENT

The AAC urges the Court to grant the Respondent's petition for certiorari in No. 18-1309 and to consolidate and decide jointly, pursuant to S. Ct. R. 27.3, the legal costs and service mark registrability issues in this case. Together, they present an exceptional question of statutory construction affecting 15 U.S.C. § 1071(b) civil actions which cuts to the heart of the registrability of the service marks currently at issue, and which only this Court can – and should -- definitively resolve together. While the registrability of Respondent's BOOKING.COM and its variants has been argued at the present stage of the proceedings by the parties and amici (correctly by Respondent. and supporting amici), no party or amicus has addressed the impact of the present issue of legal costs in paragraph (3) of 15 U.S.C. § 1071(b) on the viability of civil actions as a procedural vehicle for proving distinctiveness through survey evidence of secondary meaning in support of registrability.

The problem of construing the expense-shifting (reimbursement) provision in 15 U.S.C. § 1071(b)(3) boils down to mapping and navigating the contours of the phrase “all the expenses of the proceeding(s)” *within the statutory context*. In that regard, the AAC supports the position and adopts the substance of the arguments set forth in Booking.Com B.V.'s pending petition for certiorari (No. 18-1309) in the present case.

**ARGUMENT:  
THE REGISTRABILITY ISSUE IN THIS CASE  
COMPELS THE GRANT OF CERTIORARI ON  
THE AWARABILITY OF LEGAL COSTS IN  
NO. 18-1309**

**I.**

**Options For Judicial Review Of The USPTO's  
Adverse Rulings On Trademark / Service Mark  
Applications**

Congress provided applicants for trademark and service mark registrations, who were unsuccessful at the administrative stage, with the right to choose between two optional, mutually exclusive avenues of recourse to judicial review. It accomplished this by enabling (i) direct appellate review by the Federal Circuit, and, alternatively, (ii) adversarial adjudication in U.S. district court, of USPTO refusals to register their marks.

Booking.Com B.V. exercised that right when the TTAB affirmed the examiner's rejections of four of its service mark applications based on administrative determinations that the "BOOKING.COM" word mark is generic or at least descriptive without secondary meaning, and hence unregistrable. *Booking.Com B.V. v. Matal*, 278 F. Supp. 3d 891, 896-97 (E.D. Va. 2017).

**a. Direct Appeal To The Federal Circuit**

Under 15 U.S.C. §§ 1071(a)(1) and (a)(4), the Federal Circuit "review[s] the decision [of the USPTO based solely] on the record [of the issues, evidence, and arguments that were presented] before [and decided by] the [agency]". The scope of review is cabined by the administrative record even though the

issue(s) and evidence may not have been fully developed. 15 U.S.C. § 1071(a)(3). On that basis, the court decides the appeal in accordance with the highly deferential “substantial evidence” court/agency standard of direct appellate review of final agency action. Because of these constraints, direct appeals to the Federal Circuit are not only often futile, but are also capable of setting unduly broad precedents arising from decisions based on administrative fact-findings grounded on attenuated evidence.

**b. De Novo Adjudication By Civil Action In District Court**

The other option, which informs the context of the present controversy, is ‘de novo’ review by civil action against the USPTO in district court under the Federal Rules of Civil Procedure and the Federal Rules of Evidence. Such civil actions – which entail a more robust proceeding than appellate review by the Federal Circuit -- are adjudications in which the court “may adjudge that an applicant is entitled to receive a trademark registration . . . as the facts in the case may appear . . . .” 15 U.S.C. § 1071(b)(1). This and other courts have consistently recognized the important role of the right of civil action under 15 U.S.C. § 1071(b) as noted inferentially in *Kappos v. Hyatt*, 566 U.S. 431 (2012). The issue(s) on which the court may entertain additional evidence beyond that which was considered at the administrative stage include, e.g., distinctiveness evincing a secondary meaning of an otherwise presumptively descriptive mark. *Booking.Com B.V.* chose this avenue in order to be able to supplement the administrative record with additional evidence in the form of a “Teflon” consumer survey showing the distinctiveness and hence the secondary meaning and consequent registrability of the mark.

Therefore, the district court in these cases is not solely a ‘reviewing court’. Rather, it functions as law-giver and dispute resolver by adjudicating anew the merits of a registration application in light of the administrative record coupled with new evidence from either party. In doing so, the court must arrive at its own act-findings and determine for itself, based on the administrative record coupled with new evidentiary submissions, what the operative law is separate from and independent of the conclusions reached by the USPTO. The adjudication is thus de novo as to both the facts and the law, without deference to the USPTO’s administrative fact-findings and legal conclusions.

After the trial, the court judges the case holistically, taking into account the issues, arguments, and all of the evidence. If the plaintiff-applicant prevails, then it might have been entitled, under the 1980 Equal Access to Justice Act (“EAJA”), 28 U.S.C. § 2412(d), to seek an award, pursuant to Fed. R. Civ. P. 54(d) [“Costs; Attorney’s Fees”], of litigation costs under (d)(1) [“Costs Other than Attorney’s Fees”] *were it not for the explicit statutory expense-shifting in favor of the USPTO* in Section 1071(b)(3). Said plaintiff might also have been entitled to seek reimbursement of its legal costs under (d)(2) [“Attorney’s Fees”] *but for the USPTO’s contention that such costs are part of “all the expenses of the proceeding” and as such are mandatorily awarded to the agency in every instance.*

**II.****The BOOKING.COM Service Mark**

During the years 2011 and 2012, Booking.Com B.V., a Dutch company not domiciled in the United States, filed a series of applications in the USPTO to register several variants of its BOOKING.COM service mark. The applications were rejected by the examining attorney, and the TTAB affirmed the rejection on grounds of descriptiveness devoid of secondary meaning. Booking.Com B.V. sought judicial recourse by commencing a 15 U.S.C. § 1071(b) civil action in the Eastern District of Virginia (the default venue for foreign plaintiff-applicants) for de novo review in order to make additional evidentiary submissions with which to challenge the administrative ruling. Based on those submissions, Booking.Com B.V. prevailed in the civil action on the merits of registrability. *Booking.Com B.V. v. United States Patent and Trademark Office*, 915 F.3d 171 (4<sup>th</sup> Cir. 2019), *reh'g denied*, No. 172458 (4<sup>th</sup> Cir. Apr. 5, 2019).

On April 10, 2019, Booking.Com B.V. filed a petition in this Court (No. 18-1309) for writ of certiorari aimed at overturning that portion of the Fourth Circuit's February 4, 2019 decision affirming the district court's granting of the USPTO's post-trial motion for an award, inter alia, of the agency's legal costs in the form of salaries allocated to the time spent by the USPTO's in-house attorneys and paralegal assistants who worked on the case. Citing the divided-panel holding of the Fourth Circuit in *Shammas* as binding precedent under the rule of stare decisis, the district court acceded to the USPTO's assertion that such costs are awardable to

the agency as “part of all the expenses” it incurred in defending the civil action, said “expenses” being statutorily shifted in all instances to plaintiff-applicants regardless of the outcomes – even in this case where the agency lost and Booking.Com B.V. won on the merits of registrability. The Fourth Circuit affirmed the district court’s award of legal costs because a three-judge panel of the court of appeals cannot overrule the holding of an earlier three-judge panel of the same court on the same issue in another case involving the same statute.

The present case is now teed up for final resolution and reconciliation with *NantKwest* on the singular issue they present. Going forward, the Court should grant the instant petition for certiorari and in order to consolidate the legal costs issue with the registrability issue pursuant to Supreme Court Rule 27.3 and Fed. R. Civ. P. 42(a) as Booking.Com B.V. had requested on pages 9-10 and 23-24 of its petition, by ordering that the two cases be argued together as one case, and deciding them jointly, thereby fostering the likelihood of correct and consistent outcomes.

### III.

#### **The Singularity Of The Legal Costs And Registrability Issues In This Case**

The legal implications, and the business and socioeconomic consequences of the Court’s forthcoming resolution of the singular issue currently at stake (in the event that Booking.Com B.V.’s petition for certiorari is granted) will be far-reaching and of exceptional, fundamental importance to the entire class of stakeholders in the U.S. trademark/service mark system.

The courts in *NantKwest* and in the present case have been tasked with mapping the contours and deciphering the contextual meaning and scope of the term “all the expenses” recoverable by the USPTO in defending Section 145 and Section 1071(b)(3) civil actions, and particularly whether “[a]ll the expenses of the proceeding(s)” encompasses the relevant salary amounts paid to the agency’s legal staff attorneys and paralegal assistants.

Having decided *NantKwest*, and in the event that it grants Booking.Com B.V.’s present petition for certiorari, the Court will have signaled its intention to decide specifically whether the American rule against fee-shifting is relevant when interpreting the phrase “[a]ll the expenses of the proceeding(s)” in 15 U.S.C. § 1071(b)(3).

The real-world financial implications of this Court’s forthcoming decision on the issue for brand owners in the worldwide business community for whom U.S. trademark/service mark registrations are valuable assets cannot be overstated. From a financial perspective, what is at stake here is the ability of applicants who need to rely on survey evidence in support of distinctiveness to pursue civil actions under 15 U.S.C. § 1071(b) to obtain and rely upon such evidence.

#### IV.

#### **The Split of Authority in the Circuits Compels the Grant of Certiorari in No. 18-1309**

This Court’s unanimous holding in *NantKwest* has set the stage for ultimate resolution of a binary, irreconcilable split of authority – both horizontal and vertical – between the Federal Circuit and the earlier,

Fourth Circuit panel decision in *Shammas*, and exacerbated in the present case in which a sharply divided three-judge panel of the Fourth Circuit acceded to the PTO's interpretation of the same language in 15 U.S.C. § 1071(b)(3) corresponding to 35 U.S.C. § 145. The vertical split stems from a judicial fault line separating the different appellate jurisdictions of the Fourth Circuit and the Federal Circuit over judgments of the Eastern District of Virginia under 15 U.S.C. § 1071(b) of the Trademark Act, and 35 U.S.C. § 145 of the Patent Act. Thus, the district court in trademark cases is currently bound to follow the Fourth Circuit panel decision in *Shammas*, whereas the same district court in *NantKwest* was not so bound because of the Federal Circuit's exclusive appellate jurisdiction over 35 U.S.C. § 145 patent cases.

Given this Court's decision in *NantKwest*, the present uncertainty in respect to 15 U.S.C. § 1071(b)(3) can – and should -- be laid to rest in the present case by granting Respondent's petition on the legal costs issue and re-consolidating it along with the registrability issue. Doing so would avoid future decisional anomalies between trademark/service mark cases and patent cases. Also, the Court's review – and potential reversal -- of the district court's decision on the legal costs issue in the present case and consequent overruling of the holding in *Shammas* would relieve trademark/service mark applicants from a significant financial disincentive against lawful recourse to civil actions to adduce new evidence in support of distinctiveness, thereby advancing the legitimate interests of the IP community.

## CONCLUSION

Given its unanimous decision in *NantKwest*, and the opportunity to grant Booking.Com B.V.'s pending petition for certiorari in No. 18-1309 and to consolidate the present legal costs and registrability issues, this Court is poised to decide an important dual, interrelated question of first impression. For the foregoing reasons, the Court should grant the petition and consolidate the legal costs and registrability issues in this case and reconcile the former with *NantKwest* to ensure nationwide consistency in the outcomes by ruling that the term "all the expenses of the proceeding" in 15 U.S.C. § 1071(b)(3) does not include legal costs.

Respectfully submitted,

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