

Nos. 17-2458; 17-2459

IN THE UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

BOOKING.COM B.V.,

Plaintiff-Appellee,

v.

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.

On Appeal from the United States District Court
for the Eastern District of Virginia

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INTRODUCTION

Trademark law reserves for public use those common words that the public has adopted, denying any one competitor the right to monopolize those words “by expropriating them from the public ‘linguistic commons.’” *America Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 821 (4th Cir. 2001). A trademark applicant therefore cannot register generic terms—such as, for instance, “Convenient Store” retail stores—as trademarks. The Supreme Court held in 1888 that a company cannot circumvent this rule and transform a generic term into a protectable trademark by adding a designator of corporate identity such as “Company” or “Co.” See *Goodyear’s Rubber Manufacturing Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888). Thus “Convenient Store, Inc.” remains generic. The question in this appeal is whether a trademark applicant, by adding “.com” to a generic term, can accomplish what cannot be accomplished by adding “Inc.” or “Co.”: removing a generic term from the linguistic commons and preventing competitors from using that term to describe their own services.

The Trademark Trial and Appeal Board (the Board) of the United States Patent and Trademark Office (the USPTO) refused to register four trademark applications filed by plaintiff Booking.com B.V. The Board concluded, *inter alia*, that plaintiff’s proposed mark “booking.com” was generic for the online booking services covered by plaintiff’s applications. On review of the Board’s decision, the district court concluded that “booking.com” was not generic and reversed the USPTO’s decision.

The court agreed with the Board that the term “booking” was generic for the Internet hotel and travel reservation services described in plaintiff’s applications. But the court concluded that “booking.com” was nonetheless not generic because the combination of a generic term and a generic top-level domain such as “.com” is “usually a descriptive mark eligible for protection” if a trademark applicant can make certain additional showings. JA 1,147. In so holding, the district court declined to follow decisions of the Federal Circuit and the Ninth Circuit (the only courts of appeals to have considered this question), which have held that a trademark applicant cannot render a generic term capable of being a mark merely by adding the top-level domain “.com.”

The district court’s decision runs counter to established principles of trademark law. A member of the consuming public encountering the term “booking.com” in connection with the applied-for services would understand that it referred to an online reservation service—that is, the term is generic for plaintiff’s services. And just as a trademark applicant cannot transform a generic term into a registrable mark by adding “Inc.” or “Co.,” an applicant cannot do so by adding “.com.” To hold otherwise would grant the user of a domain name rights over far more than the domain name itself, harming competition in contravention of the purposes of trademark law. The decision of the district court should be reversed.

STATEMENT OF JURISDICTION

Plaintiff invoked the jurisdiction of the district court under 15 U.S.C. § 1071(b) and 28 U.S.C. § 1331. On August 9, 2017, the district court granted in part and denied in part plaintiff's motion for summary judgment, and granted in part and denied in part the USPTO's motion for summary judgment. JA 1098-1148. The USPTO timely moved to alter or amend the judgment under Federal Rule of Civil Procedure 59(e). JA 8. On October 26, 2017, the district court granted that motion in part and denied it in part. JA 1151-1172. The court also granted the USPTO's motion for expenses pursuant to 15 U.S.C. § 1071(b)(3). *See* JA 1172. On December 22, 2017, the government filed a notice of appeal within sixty days of the district court's order disposing of the motion to alter or amend the judgment. JA 1176; *see* Fed. R. App. P. 4(a)(4)(A). On December 26, 2017, plaintiff filed a notice of cross-appeal. JA 1179. This Court has jurisdiction under 28 U.S.C. § 1291.

STATEMENT OF THE ISSUE

Whether the district court erred in concluding that the combination of two generic terms, "booking" and ".com," is not generic for the services in plaintiff's trademark applications.

PERTINENT STATUTES AND REGULATIONS

Pertinent statutes and regulations are reproduced in the addendum to this brief.

STATEMENT OF THE CASE

A. Statutory Background

In the Trademark Act of 1946 (Lanham Act), 15 U.S.C. § 1051 *et seq.*, Congress created a national trademark-registration system and established a framework for protecting trademarks against infringement, dilution, and unfair competition. Under the common law of unfair competition, a person acquires rights in a trademark—generally, a word or symbol used to identify goods or services—through the use of the mark in commerce; those rights enable the trademark owner to exclude others from using similar marks in a manner that may confuse consumers. 1 Anne Gilson LaLonde, *Gilson on Trademarks* § 3.02 [2][a] (2014). The Lanham Act confers additional benefits on trademark owners who federally register their marks. *See Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 209 (2000). A trademark owner may apply to the USPTO to register the mark on the “principal register.” 15 U.S.C. § 1051(a)(1); 35 U.S.C. § 2(a)(1). The application must include a description of the goods or services in connection with which the applicant uses the mark. 15 U.S.C. § 1051(a)(2); 37 C.F.R. § 2.32(a)(6), (c). Registration by the USPTO operates as “prima facie evidence . . . of the [registrant’s] exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the [registration] certificate, subject to any conditions or limitations stated in the certificate.” 15 U.S.C. §§ 1057(b), 1115(a).

The USPTO may register marks only if they meet the requirements of the Lanham Act, which requires that a proposed mark “identify and distinguish” the applicant’s goods and services from those of others and “indicate the source of the goods [or services].” 15 U.S.C. §§ 1052, 1127; *see Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (holding that a mark “must be capable of distinguishing the applicant’s goods from those of others”). This Court has recognized four categories of protection, listed in increasing order: “(1) generic, (2) descriptive, (3) suggestive, (4) arbitrary or fanciful.” *Ale House Management, Inc. v. Raleigh Ale House, Inc.* 205 F.3d 137, 140 (4th Cir. 2000) (adopting the classification advanced by Judge Friendly in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976)).

Generic terms “refer[] to the genus of which the particular product is a species,” and “are not registrable” as trademarks. *Park ’N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985); *see also Ale House*, 205 F.3d at 140; *Glover v. Ampak, Inc.*, 74 F.3d 57, 59 (4th Cir. 1996) (explaining that a mark is generic where “the primary significance of the mark to the relevant public is to identify the class of product or service to which the mark relates”). In fact, “to say ‘generic mark’ is to utter an oxymoron.” *Retail Services, Inc. v. Freebies Publishing*, 364 F.3d 535, 549 (4th Cir. 2004). Examples of generic terms include “Dry Ice” solid carbon dioxide, “Convenient Store” retail stores, “Crab House” seafood restaurants, and “Warehouse Shoes” retail stores. *See Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir.

1996); *Hunt Masters, Inc. v. Landry's Seafood Restaurant, Inc.*, 240 F.3d 251, 254 (4th Cir. 2001); *Mil-Mar Shoe Co. v. Shonac Corp.*, 75 F.3d 1153, 1161 (7th Cir. 1996).

A descriptive term, by contrast, “describe[s] a function, use, characteristic, size, or intended purposes” of a product or service, such as the Yellow Pages telephone directory. *Retail Services*, 364 F.3d at 539. Descriptive terms “may acquire the distinctiveness which will allow them to be protected under the Act,” *Two Pesos*, 505 U.S. at 769, only if they have “have acquired a ‘secondary meaning,’ that is, if 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,” *Sara Lee Corp.*, 81 F.3d at 464 (quotation marks omitted). Fanciful and arbitrary marks, such as Kodak and Google, are inherently distinctive and thus receive the greatest protection against infringement. *See id.*

Applications for federal trademark registration are reviewed by examining attorneys at the USPTO. An applicant refused registration by an examining attorney may appeal to the Board, which renders the agency’s final decision. If the Board affirms the refusal to register the mark, the dissatisfied applicant may appeal directly to the United States Court of Appeals for the Federal Circuit. 15 U.S.C. § 1071(a). Because there is a right of direct appeal to the Federal Circuit, the Board follows the precedent of the Federal Circuit as its primary reviewing court. *See* Trademark Trial and Appeal Board Manual of Procedure § 101.03 (2017) (available at <https://go.usa.gov/xnhYY>). Alternatively, the disappointed applicant may file a civil

action in district court, where the parties can present additional evidence and the court will review de novo any Board finding for which new evidence is admitted. 15 U.S.C. § 1071(b); *see Shammas v. Focarino*, 784 F.3d 219, 225 (4th Cir. 2015).

B. Factual Background and Prior Proceedings

1. Because this case involves a proposed trademark that also functions as an Internet web address, it is useful to discuss two features of the Internet's architecture: IP addresses and domain names. IP addresses are sequences of digits used to locate and identify devices that communicate with other devices using the Internet. In general, each computer connected to the Internet is assigned a unique IP address. A domain name is a string of text used to look up the IP address for a particular site or resource on the Internet. The most fundamental part of a domain name is the top-level domain, which is the right-most portion of a domain name (*e.g.*, “.com,” “.net,” “.org,” and “.gov”). *See Sporty's Farm LLC v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 492 (2d Cir. 2000). Associated with each top-level domain (for instance, “.gov,”) may be multiple second-level domains (*e.g.*, “uscourts.gov.”). Second-level domains may in turn have associated third-level domains (*e.g.*, “ca4.uscourts.gov”), and so on. In the case of “booking.com,” “.com” is the top-level domain and “booking” is the second-level domain.

The domain-name system relies on a global network of dedicated computers that enable the translation of a domain name into an IP address. A particular file, which serves in effect as the Internet's master directory, specifies the current IP

addresses of the servers for each top-level domain on the Internet. Each of those servers, in turn, stores the IP addresses of the servers for the next level of domains. A computer can thus “look up” the address of another computer anywhere in the world by querying servers in the order denoted by the domain name.¹

2. Plaintiff is a Dutch company that operates a website on which customers can book travel and accommodations. JA 12 (Compl. ¶¶ 1, 6). It has referred to itself as “Booking.com” since 2006; before that time it used the name “Bookings.nl.” JA 12 (Compl. ¶ 7). Between December 2011 and November 2012, plaintiff filed four federal trademark applications for various graphical representations of the term “booking.com.” JA 1099-1100 (Op. 2-3). One application was for the word mark, two were for stylized versions of the mark, and one was for the word mark plus a design. JA 37-42, 190-95, 196-201, 366-73. The applications identified two categories of services as to which registration was sought: Class 39, which includes “travel and tour ticket reservation services” and “online travel and tourism services”; and Class 43, which includes “online hotel reservation services.” JA 366-67.

Plaintiff’s applications were refused registration by the USPTO examining attorney on two grounds: (1) the proposed mark “booking.com” is generic; and (2) in the alternative, “booking.com” is merely descriptive and has not been shown to have

¹ See generally GAO-15-642, *Internet Management* 4-12 (Aug. 2015), <http://www.gao.gov/assets/680/672055.pdf> (describing the Internet domain name system). The summary in this brief is simplified for present purposes.

acquired distinctiveness. JA 79-85, 267-75, 374-79. The Board, in three substantively identical decisions, affirmed, agreeing that “booking.com” was generic as applied to the services identified in plaintiff’s applications. JA 151-89, 326-64, 380-417. The Board identified the relevant public as “all persons having an interest in arranging a reservation for a room in a hotel, resort, or other lodging.” JA 384. The Board then reviewed dictionary definitions, as well as excerpts from websites that compete with plaintiff, and ultimately concluded that “relevant customers would understand the term BOOKING.COM to refer to an online reservation service for lodgings.” JA 412. The Board also examined other websites whose domain names include the phrase “booking.com” or were similar to it, such as “hotelbooking.com,” “roomsbooking.com,” “ebooking.com,” “francehotelbooking.com,” and “Bookit.com.” JA 391-92. The Board acknowledged that plaintiff had compiled evidence showing “the success that [plaintiff] has achieved in marketing its services,” but concluded that that evidence did not answer the crucial question whether “booking.com” is a generic term. JA 405.

In so concluding, the Board relied on decisions of the Federal Circuit, which has held that the addition of a top-level domain such as “.com” to an otherwise generic term “does not convert the generic term . . . into a brand name.” *E.g., In re Hotels.com, LP*, 573 F.3d 1300, 1301 (Fed. Cir. 2009). Finally, the Board concluded that even if plaintiff’s proposed marks qualified as merely descriptive, rather than

generic, they had not acquired a secondary meaning and thus were not entitled to registration.² JA 412-17.

3. In April 2016, plaintiff filed this action under 15 U.S.C. § 1071(b), seeking review of the Board's decision. In addition to the administrative record before the Board, both plaintiff and the USPTO introduced new evidence. Relevant to this appeal, plaintiff offered for the first time a so-called "Teflon survey" which is used to measure consumer understanding of a term. JA 1102.

The district court reversed the Board's holding that "booking.com" is generic. The court acknowledged that "the word 'booking' is generic for the classes of hotel and travel reservation services recited in plaintiff's application." JA 1115. But it concluded that "when combined with [a second-level domain], a [top-level domain] generally has source identifying significance" JA 1121, and that the addition of the top-level domain ".com" to the term "booking" created a descriptive term in this case, JA 1147. In so holding, the court relied heavily on the fact that consumers do not refer to online booking websites as "booking.coms," and emphasized that "booking.com" functions as a domain name corresponding to a particular web

² The Board noted that if the design and color elements of plaintiff's proposed marks were found to be distinctive, registration would be permissible so long as plaintiff disclaimed the exclusive right to use the term "booking.com." JA 358. The Board concluded, however, that plaintiff had not indicated willingness to disclaim use of the word marks, and in any event had failed to submit evidence focusing on the design or color elements of the marks. JA 358-60. One application includes an inherently distinctive design element, and would be registrable if plaintiff agreed to enter a disclaimer. JA 417.

address. JA 1122-32. The district court acknowledged that it was departing from decisions of the Federal Circuit and Ninth Circuit, which it rejected as unpersuasive. JA 1116-29.

Having concluded that plaintiff's marks were not generic, the district court next found that plaintiff had met its burden of showing that "booking.com," as a merely descriptive term, had acquired secondary meaning as to Class 43 (hotel reservation services), but that plaintiff had failed to establish secondary meaning as to Class 39 (travel agency services). JA 1138-46. The court ordered the USPTO "to register BOOKING.COM as to the class 43 services" for two of plaintiff's four applications, and it remanded the remaining two applications for further fact-finding regarding design and color elements of the marks. JA 1147-48.

The USPTO filed a Rule 59(e) motion to amend the judgment, arguing that the district court had erred in requiring the immediate registration of plaintiff's marks, and that the district court should instead remand plaintiff's applications to the USPTO for further administrative proceedings. JA 1152-53. The district court largely declined to amend its judgment because it reasoned that its decision left no discretionary actions to warrant a general remand. JA 1154-55. The district court did, however, amend its judgment to require the USPTO to publish the two applications for opposition in the Official Gazette, rather than to simply register the marks. JA 1172. And the court noted that should the USPTO appeal its decision, the USPTO would have good cause to delay any further action on plaintiff's applications. JA 1156.

The USPTO also moved for expenses under 15 U.S.C. § 1071(b)(3), which requires a dissatisfied applicant who elects to proceed in district court to pay all the “expenses of the proceeding.” *See Shammas*, 784 F.3d at 222-27. The district court granted the expenses motion in its entirety, noting that “the law in this circuit, reflected in the Fourth Circuit’s *Shammas* decision,” makes clear that all the USPTO’s expenses—including its personnel expenses—are recoverable. JA 1162. The court further concluded that the amount of expenses sought by the USPTO was both substantiated by the record and reasonable. JA 1168-72.

SUMMARY OF ARGUMENT

1. The question in this case is whether an applicant may transform a generic term into one capable of functioning as a mark merely by adding the generic top-level domain “.com.” The district court properly recognized that the term “booking” is generic for the services described in plaintiff’s applications—that is, for the making of hotel and travel reservations. And there should be no dispute that the term “.com” is similarly generic, serving as a top-level domain, evincing a connection to the Internet, and indicating that a particular term forms a website address. The compound of those terms, “booking.com,” is equally generic, and would be understood by relevant consumers as a website offering online lodging and travel reservations.

The only two circuits to have considered this question have held that the combination of a generic term with the top-level domain “.com” generally remains a generic term. *See, e.g., In re Hotels.com LP*, 573 F.3d 1300 (Fed. Cir. 2009); *Advertise.com*,

Inc. v. AOL Advertising, Inc, 616 F.3d 974 (9th Cir. 2010). Both circuits recognize that such a combined term would be understood by the public as a website at which the named good or service is available—in other words, the term is generic for an internet seller offering that good or service.

Those holdings accord with the Supreme Court’s decision in *Goodyear’s Rubber Manufacturing Co. v. Goodyear Rubber Co. (Goodyear’s)*, 128 U.S. 598 (1888). There, the Court held that a business cannot gain trademark rights in an otherwise generic term by adding an indication of corporate identity such as “Company.” Thus “Grain, Inc.” or “Grain Co.” is as generic for a grain seller as the term “grain” itself. The Supreme Court based its ruling on the basic principle that competition would be harmed if sellers could monopolize the use of otherwise generic terms simply by adding a corporate designation. The same principle applies here, and recognizing a trademark in “grain.com” would raise monopoly concerns similar to those that drove the Supreme Court to conclude that “the Grain Company” would be generic.

The evidence in this case demonstrates that the concerns that underlay the *Goodyear’s* decision are fully implicated here. Many of plaintiff’s competitors include variations on “booking.com” in their own corporate names or domain names. The existence of websites such as “hotelbooking.com,” “ebooking.com,” and “francehotelbooking.com,” as well as the frequent use by plaintiff and its competitors of the terms “book” or “booking” to describe their services, underscore the risk that plaintiff’s proposed trademark would lead to capture of a generic term. *See, e.g., In re*

Reed Elsevier Proprs., Inc., 482 F.3d 1376, 1380 (Fed. Cir. 2007) (finding that third-party websites containing “lawyer.com” or “lawyers.com” in their domain names supported the finding that “lawyers.com” was generic). Plaintiff underscored precisely that risk when it notified the USPTO that it “considers the use . . . of EBOOKING.COM to be a potential infringement.” JA 207.

2. The district court nonetheless concluded that plaintiff’s proposed mark was protectable because, in its view, the combination of a generic term with “.com” generally creates a descriptive term eligible for registration upon a showing of secondary meaning. In effect, the court created a per se rule that a domain name can never be a generic term. That conclusion was erroneous for three reasons. First, the district court applied the wrong test for genericness. The court appeared to assume that because consumers do not refer to the class of online booking websites as “booking.coms” or “booking dot-coms,” the term “booking.com” cannot be generic. But as the Federal Circuit has explained, that is incorrect: Even if the public would not refer to an online mattress store as a “mattress.com,” for instance, the correct test “is whether the relevant public would understand . . . that [the term] refers to online mattress stores.” *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359, 1364 (Fed. Cir. 2009). And the Board’s decision in this case found that whether or not the public would use “booking.coms” to refer to online booking websites, the public would *understand* that “booking.com” likely referred to a website offering online booking services. The term is therefore generic for those services.

Second, the district court erred in its reliance on the proposed mark's function as a domain name. Because a domain name can be held by only one entity at a particular time, the district court reasoned that the Supreme Court's holding regarding terms such as "Booking Co."—a name which can be simultaneously held by multiple businesses—did not apply. But the Supreme Court did not base its decision in *Goodyear's* on whether or not multiple businesses could share the same name. Instead, the Court's decision was based on the threat that one market participant could gain an effective monopoly on an otherwise generic term. In fact, even where the public has come to associate a generic term with only one producer, the term nonetheless generally remains generic. *See Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938); *see also KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004) (noting that the law does not permit "anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first"). Moreover, the district court's reliance on the functional role of booking.com as a web address is in tension with underlying principles of trademark law: Because functional features are generally precluded from trademark protection, *see America Online, Inc.*, 243 F.3d at 822–23 (4th Cir. 2001), it is anomalous to rely on the functional role of "booking.com" to demonstrate that that term is entitled to trademark protection.

Finally, the primary record evidence that the district court relied on to support its conclusion that "booking.com" was not generic was plaintiff's "Teflon survey."

But such reliance directly contradicts this Court's decision in *Hunt Masters*, which held that Teflon surveys are inadmissible and irrelevant in cases such as this one.

STANDARD OF REVIEW

In an appeal from a district court action commenced under 15 U.S.C. § 1071(b), this Court reviews the district court's factual findings for clear error and its legal conclusions de novo. *Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 154-55 (4th Cir. 2014).

ARGUMENT

I. Plaintiff's Proposed Mark Is Generic For The Services Described In Its Applications

A. Generic Terms Fail to Function as Trademarks

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.’” *America Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 821 (4th Cir. 2001). Thus generic terms “are not registrable as trademarks.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); *see also In re Pennington Seed, Inc.*, 466 F.3d 1053, 1058 (Fed. Cir. 2006) (“Generic terms, by definition incapable of indicating source, are the antithesis of trademarks, and can never attain trademark status.”). To permit registration of generic terms would improperly exclude competitors from using the

generic term to market their own products and “would grant the owner of the mark a monopoly.” *In re Pennington Seed, Inc.*, 466 F.3d at 1058 (quotation marks omitted).

Whether a proposed mark is generic cannot be determined in the abstract and instead “must be evaluated in relation to the particular goods for which registration is sought, the context in which it is being used, and the possible significance that the term would have to the average purchaser of the goods because of the manner of its use or intended use.” *In re Chamber of Commerce of the United States*, 675 F.3d 1297, 1300 (Fed. Cir. 2012) (quotation marks omitted); 15 U.S.C. § 1127. That is to say that while “Dry Ice” is generic for solid carbon dioxide, *see Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 464 (4th Cir. 1996), it would likely not be generic for a brand of sports drink or a line of clothing. The relevant goods or services are defined by what is disclosed in the trademark application. *See B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1300 (2015).

Courts therefore apply a two-part test for genericness: “First, what is the genus of goods or services at issue? Second, is the term sought to be registered . . . understood by the relevant public primarily to refer to that genus of goods or services?” *In re Reed Elsevier Props., Inc.*, 482 F.3d 1376, 1378 (Fed. Cir. 2007) (citing *H. Marvin Ginn Corp. v. International Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986)). The inquiry focuses on whether “the *primary* significance of the mark [is an] 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).

Although a proposed 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 Restaurant, Inc.*, 240 F.3d 251, 254 (4th Cir. 2001). Registration must be refused if the proposed mark is generic “of any of the goods or services for which registration is sought.” *In re Cordua Restaurants, Inc.*, 823 F.3d 594, 605 (Fed. Cir. 2016) (quoting 2 *McCarthy on Trademarks and Unfair Competition* § 12:57 (5th ed. updated Mar. 2018) (“*McCarthy on Trademarks*”).

B. “Booking” and “.Com” Are Generic in This Context, and Their Combination Is Equally Generic

The district court properly recognized that the term “booking” is generic for the service of providing hotel and travel reservations. JA 1115. In so recognizing, the court (like the Board) examined dictionary definitions, printouts of plaintiff’s website and the websites of competitors, and articles discussing hotel and travel bookings. The genus of plaintiff’s services is “hotel room reservation services and other lodging reservation services, with related information, advice and consultancy, including such services provided online.” JA 329 (Board decision); *see also* JA 1111 (district court decision) (defining services as “travel and tour ticket reservation services” and “[m]aking hotel reservations for others”). A plethora of dictionary definitions establish that “booking” is a generic term for such services. *See, e.g., American Heritage College Dictionary* (3d ed. 1997); *Webster’s Third New International Dictionary* (1993); JA 1112-13 (surveying dictionary definitions). Moreover, plaintiff and its competitors

routinely use the term “booking” to describe their own services. *See* JA 122-36; JA 1113-14; *see also Retail Services, Inc. v. Freebies Publishing*, 364 F.3d 535, 544-45 (4th Cir. 2004) (generic or descriptive use by the applicant and its competitors is strong evidence that consumers will not perceive the term as a source indicator).

The term “.com” is a similarly generic identifier for an entity operating a commercial website. The phrase “dot-com is used to refer generically to almost anything connected to business on the Internet.” *Dictionary.com*, <http://www.dictionary.com/browse/-com>; *see also In re Hotels.com, LP*, 573 F.3d 1300, 1303 (Fed. Cir. 2009) (citing the *American Heritage Dictionary of the English Language*’s definition of “.com” as “ABBREVIATION: commercial organization (in Internet addresses)”); *Advertise.com, Inc. v. AOL Advertising, Inc.*, 616 F.3d 974, 978 (9th Cir. 2010) (noting that “.com” refers “generically to almost anything connected to business on the Internet”). It also serves a utilitarian function as a top-level domain directing web traffic to a particular address. *See, e.g., Sporty’s Farm LLC v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000) (“The most common method of locating an unknown domain name is simply to type in the company name or logo with the suffix .com.”).

The district court erred in concluding that these two generic terms became non-generic when combined. To the contrary, the combined term is generic for precisely the online booking services as to which plaintiff seeks trademark protection. That is because a member of the relevant public—an individual seeking to make hotel

or travel reservations—hearing the term “booking.com” would understand it to name an online booking website. *Cf. Hotels.com*, 573 F.3d at 1304 (“[T]he composite term HOTELS.COM communicates no more than . . . that the applicant operates a commercial website via the Internet, that provides information about hotels, but adds nothing as an indication of source.”).

The only two courts of appeals to have examined the question have agreed that a generic term does “not lose its generic character by placement in [a .com] domain name.” *Hotels.com*, 573 F.3d at 1304; *see also Advertise.com*, 616 F.3d at 978. In a case squarely on point, the Federal Circuit—the court tasked most often with reviewing the Board’s trademark determinations under 15 U.S.C. § 1071—upheld the Board’s refusal of a trademark application for “hotels.com,” submitted by a company providing online lodging reservations. *Hotels.com*, 573 F.3d at 1302-06. The Board had found that “HOTELS.COM is a generic term for hotel information and reservations, and . . . the ‘dot-com’ shows Internet commerce and does not convert the generic term ‘hotels’ into a brand name.” *Id.* at 1301. The Federal Circuit agreed that the proposed mark communicated nothing more than that “the applicant operates a commercial website . . . that provides information about hotels.” *Id.* at 1304. Relying in part on competitors’ use of similar domain names such as “www.all-hotels.com,” the court also emphasized the “competitive need for others to use as part of their own domain names and trademarks, the term that applicant is attempting to register.” *Id.*

In 2009, the Federal Circuit again held that a generic term, when combined with “.com,” generally remains generic. In *In re 1800Mattress.com IP, LLC*, 586 F.3d 1359 (Fed. Cir. 2009), an online seller of mattresses sought to register the term “mattress.com.” The Federal Circuit upheld the Board’s determination 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 1364. The court rejected the applicant’s argument that the proposed mark was “not generic because the relevant public would not use the term ‘mattress.com’ to refer to online mattress retailers,” and explained that the correct test “is not only whether the relevant public would itself *use* the term to describe the genus,” but also “whether the relevant public would *understand* . . . that [the term] refers to online mattress stores.” *Id.* (emphasis added). The court’s conclusion was further buttressed by the presence of “mattress.com” in the domain names of several other online mattress retailers, indicating that “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. *See also Reed Elsevier Props.*, 482 F.3d at 1379-80 (holding that “lawyers.com” was generic because “the relevant public would readily understand [“lawyers.com”] to identify a commercial web site providing access to and information about lawyers”); *In re Steelbuilding.com*, 415 F.3d 1293, 1297 (Fed. Cir. 2005) (“Only in rare instances will the addition of a [top-level domain] indicator to a descriptive term operate to create a distinctive mark.”).

The Ninth Circuit has similarly held that adding “.com” to a generic term does not render the combined term non-generic. In a trademark infringement case, the Ninth Circuit considered a district court’s finding that a defendant’s use of “advertise.com” had infringed “advertising.com.” *Advertise.com*, 616 F.3d at 976. The court of appeals cited the Federal Circuit’s holdings that “adding ‘.com’ or another [top-level domain] to an otherwise unprotectable term will only in rare circumstances result in a distinctive composite,” and further noted that under Ninth Circuit law, “in the context of likelihood of confusion, the addition of ‘.com’ to a mark generally does not strengthen the mark.” *Id.* at 979. Reversing the district court’s grant of a preliminary injunction in favor of the plaintiff, the Ninth Circuit held that “the use of ‘.com’ . . . only conveys the genus of the services offered under [the] mark”—that is, Internet advertising. *Id.* at 982.

So too here. Plaintiff’s proposed mark “communicates clearly and directly that [plaintiff] operates a commercial website that provides its customers with booking information and reservation booking services.” JA 401 (emphasis omitted) (quoting opinion of examining attorney). Like “advertising.com,” “hotels.com,” and “lawyers.com,” the generic term “booking” did not “lose its generic character by placement in the domain name [‘booking.com’].” *See Hotels.com*, 573 F.3d at 1304.

Consistent with Federal Circuit precedent—which governs all Board appeals and USPTO examination proceedings, because all Board decisions are appealable directly to that court, see 15 U.S.C. § 1071(a)—the USPTO’s longstanding practice

reflects that the combination of a generic term and a generic top-level domain is usually generic.³ See Trademark Manual of Examining Procedure § 1209.03(m) (2017), <https://go.usa.gov/xnSyc> (explaining that because generic top-level domains such as .com “generally indicate the type of entity using a given domain name,” their addition “to an otherwise unregistrable mark typically cannot render it registrable”); *In re CyberFinancial.Net, Inc.*, 65 U.S.P.Q. 2d 1789, 1792-94 (TTAB 2002). That practice reflects a pragmatic understanding of the way in which the public interprets domain names: A typical computer user knowing nothing else will often assume that a domain name represents the Internet address of a company whose name is itself the second-level domain name. See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1045 (9th Cir. 1999) (“Web users often assume, as a rule of thumb, that the domain name of a particular company will be the company name followed by ‘.com.’”). And it reflects a policy judgment regarding the need to prevent the user of a generic second-level domain from monopolizing similar domain names. See *infra* pp. 25-28.

³ That is not, however, a per se rule, as some combinations of a top-level domain with a generic term might create an additional meaning that is not generic. For instance, the Federal Circuit has suggested that the addition of the top-level domain “.net” to the generic term “tennis” would produce a “witty double entendre relating to tennis nets” and might enhance the prospects of registrability for that proposed mark. *In re Oppedahl & Larson LLP*, 373 F.3d 1171, 1175 (Fed. Cir. 2004). The USPTO also permits registrations of marks containing generic terms—including domain names—together with design elements, so long as the applicant disclaims any exclusive rights in the generic word element.

Academic commentators agree that the addition of a top-level domain does not change the status of an otherwise generic term. One leading treatise notes that “[t]he author agrees that a top level domain designation has no ability to distinguish one source from another and thus, has no trademark significance. Such a top level domain indicator . . . cannot serve any trademark purpose.” 1 *McCarthy on Trademarks* § 7:17.50; *see also* Eric J. Shimanoff, *The ‘Dot’ Times They Are A-Changin’: How New Generic Top Level Domains (GTLDS) Will Change Consumer Perception About The Internet*, 32 *Cardozo Arts & Ent. L.J.* 891, 892 (2014) (“Consumers traditionally have viewed [generic top-level domains] just as their classification suggests: generic, and incapable of conveying any source indicative information.”); Luke M. Rona, *Who Are You: Difficulties In Obtaining Trademark Protection For Domain Names*, 8 *Wash. J. L. Tech. & Arts* 61, 63 (2012) (“The addition of a [top-level domain] does not enhance the potential trademark protection of generic or descriptive domain names, but the possibility of new [top-level domains] such as ‘.sports’ or ‘.law’ will present new frontiers for possible trademark registration.”); 1 *Patent Law Fundamentals* § 5:27 (2d ed. updated Feb. 2018) (“Given that ‘.com’ is itself generic for any business activity conducted on the Internet, it will be rare that its combination with another generic term (*i.e.*, ‘advertising’) will produce a mark that is not itself generic.”).

C. Like “Inc.” and “Co.,” Adding “.Com” to a Generic Term Does Not Render It Capable of Functioning as a Mark

The Supreme Court in *Goodyear’s Rubber Manufacturing Co. v. Goodyear Rubber Co.*, 128 U.S. 598 (1888), decided the nineteenth-century analogue to the question presented here. There, the Court considered whether the addition of entity designations such as “Company” to an otherwise generic term created a protectable mark. The Court explained that it did not. “Names which are thus descriptive of a class of goods cannot be exclusively appropriated by any one,” the Court held, and the “addition of the word ‘Company’ only indicates that parties have formed an association or partnership to deal in such goods.” *Id.* at 602. Thus an entity could not have a trademark in the term “Wine Company” or “Grain Company,” because “all persons have a right to deal in such articles,” and the “incorporation of a company in the name of an article of commerce” does not “create any exclusive right to the use of the name.” *Id.* at 602-03. To hold otherwise would risk granting the holder of the mark “a monopoly in the sale of any goods other than those produced or made by himself,” and “the public would be injured . . . for competition would be destroyed.” *Id.* at 603. Under *Goodyear’s*, there can be little doubt that “The Booking Company,” “Booking, Inc.,” and similar names would not be entitled to trademark protection.

For the same reasons that it would be problematic to grant one entity the exclusive right to use “Booking Co.,” or “Internet Booking, Inc.,” no entity should be entitled to monopolize the term “booking.com.” 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. 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.” *In re Oppedahl & Larson LLP*, 373 F.3d 1171, 1175 (Fed. Cir. 2004). Significant policy concerns militate against permitting applicants to protect generic terms merely by inserting those terms into a domain name. “[G]ranting 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. For instance, if granted trademark registration, plaintiff might bring infringement suits against domain names such as “ebooking.com,” “hotelbooking.com,” or any of “a vast array of simple, easy to remember domain names and designations that describe the services provided” by a competitor. *Id.* at 981; *see also id.* at 980-81 (“For example, AOL might bring suit, alleging infringement of its ADVERTISING.COM mark, against any one of the owners of the thirty-two domain names using some form of ‘advertising.com,’” as well as potentially against “all combinations of the generic term with any [top-level domain].”).⁴

⁴ Registration of domain names such as plaintiff’s would also create an incentive to rush to the USPTO to register domain-name marks to prevent a competitor from registering a similar mark with the USPTO. That is because the

The policy concerns against affording trademark protection to [generic-word].com terms are borne out by the evidence in this case. That evidence included examples of numerous third-party websites whose domain names include some combination of “booking.com” or “bookings.com,” such as “hotelbooking.com,” “roomsbooking.com,” and “ebooking.com.”⁵ JA 163-67, 391-94. Plaintiff itself informed the USPTO that it “considers the use and registration of EBOOKING.COM to be a potential infringement.” JA 207 (plaintiff’s response to non-final refusal of registration). The examining attorney and the Board also pointed to news articles discussing various online “booking” websites, including plaintiff’s. JA 318-20, 388-91. Plaintiff is thus attempting, by seeking to protect a variant of the word “booking,” to appropriate an entire arena of online booking services. As the Board explained, “[i]f such businesses could not use ‘booking.com’ as a part of their domain names or trade names, they would be meaningfully hampered in their ability to communicate the nature of their online booking services.” JA 407; *see also* 2 *McCarthy on Trademarks* § 12:2 (“To grant an exclusive right to one firm of use of the

USPTO is prohibited from registering confusingly similar domain-name marks, even if an applicant were the rightful registrant of the similar domain name sought to be registered. *See* 15 U.S.C. § 1052(d) (requiring the USPTO to refuse registration to marks that “so resemble[] a mark registered . . . as to be likely . . . to cause confusion.”); JA 3110 (noting the existence of “bookit.com” as well as “booking.com”).

⁵ Other domain names, such as “booking.org” and “bookings.com,” are used by plaintiff and redirect online visitors to “booking.com.”

generic name of a product would be equivalent to creating a monopoly in that particular product, something that the trademark laws were never intended to accomplish.”); *Reed Elsevier Prods.*, 482 F.3d at 1380 (concluding that evidence that multiple websites contained “lawyer.com” or “lawyers.com” in their domain names supported the finding that proposed mark of “lawyers.com” was generic).

The district court dismissed these concerns by speculating that a suit alleging infringement of a trademark such as “booking.com” would be unlikely to succeed. JA 1125-27. That is because the district court classified plaintiff’s proposed marks as descriptive, and such marks receive “circumscribed protection” from infringement. JA 1126. But that is cold comfort, even under the district court’s reasoning: Even if plaintiff—assuming it were granted registration for “booking.com”—were unlikely to succeed in an infringement suit, such a suit would be decided in a separate action, potentially long after the USPTO had registered the mark. Potential competitors might well be deterred from investing time and resources into developing a business using “ebooking.com” or “hotelbookings.com” if they faced the prospect of an infringement suit months or years in the future—indeed, the very sort of infringement litigation hinted at by plaintiff in these proceedings. *See* JA 207. The competitive harm would thus be done regardless of the outcome of a potential future suit.

II. The District Court Erred In Concluding That The Combination Of “.Com” And A Generic Term Is Always Non-Generic

Three fundamental errors underlie the district court’s decision in this case. First, the district court wrongly assumed that if members of the public would not refer to an online booking service as a “booking dot-com” or “booking.com,” then that term cannot be generic. JA 1130-32. Second, the court concluded that because plaintiff’s proposed mark also functions as a unique Internet domain name, it cannot be generic. JA 1123. Third, the district court erred in considering plaintiff’s “Teflon survey.” JA 1134-35.

A. The District Court Misunderstood the Genericness Test

The district court based its decision in part on its finding that the public does not “refer to travel and hotel reservation services offered online as ‘booking.coms.’” JA 1130. Citing philosopher Ludwig Wittgenstein, the court posited that “meaning is use,” and suggested that the absence of evidence “that the consuming public uses the term BOOKING.COM to refer to a class of services, is highly relevant” to whether the term is generic. JA 1130-31.

The Board correctly rejected that line of reasoning. The public does not refer to companies engaged in the business of selling grain as “Grain Incorporateds,” either. But there is no doubt that “Grain Incorporated” is a generic term not registrable as a trademark by a grain seller. *See Goodyear’s*, 128 U.S. at 602-03. A consumer would understand that “Grain, Incorporated” referred to a particular

commercial entity likely dealing in grain, just as that consumer would understand that “Booking.com” referred to a commercial entity likely offering online reservation services. Contrary to the district court’s reasoning, however, that is not evidence of distinctiveness, but rather of genericness: The fact that consumers understand the name to communicate the very goods or services offered by that commercial entity is the reason why the name is generic.

As the Board explained, “it might be true that ‘it is impossible to use BOOKING.COM in a grammatically coherent way to refer generically to anything’; or that ‘it is not at all logical to refer to a type of product or service as a ‘booking.com.’” JA 402-03 (quoting plaintiff’s brief to the Board). Nonetheless, “that does not mean that this term could not be understood primarily to refer to an online service for making bookings.” JA 403. As previously discussed, that is precisely how the public would understand “booking.com”: as a business offering hotel-booking services online. That consumer understanding—not usage alone—is the appropriate measure of genericness. The Federal Circuit has recognized as much, holding that the proper test for genericness “is not only whether the relevant public would itself *use* the term to describe the genus, but also whether the relevant public would *understand* the term to be generic. . . . Thus, it is irrelevant whether the relevant public refers to online mattress retailers as ‘mattress.com.’” *1800Mattress.com IP*, 586 F.3d at 1364 (emphasis in original) (citation omitted).

This Court too has focused on public understanding rather than usage, explaining that the key question in assessing genericness is 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 (emphasis added). Similarly, the Seventh Circuit has held that “Warehouse Shoes” is generic for a shoe retailer, not because individuals refer to such retailers as “warehouse shoes” but because the term signified “a particular type, category, or genus of retail stores.” *Mil-Mar Shoe Co. v. Shonac Corp.*, 75 F.3d 1153, 1160 (7th Cir. 1996).

The district court’s error appears to reflect a belief that a particular term must be used by the public or competitors as a name for a class of goods in order for that term to be generic. *See* JA 1128 (“[N]o evidence in this record supports the view that domain names are used as descriptive terms for classes of services.”). Language in some judicial opinions does suggest that generic terms are “names which describe the genus of goods being sold.” *In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1569 (Fed. Cir. 1987). But courts have been careful to clarify, when necessary, that the crucial question is not simply whether a term is used as a name, but instead whether the public would understand the term to identify a class of service to which the proposed mark relates. *See Glover*, 74 F.3d at 59; *see also Mil-Mar Shoe Co.*, 75 F.3d at 1158 (“[T]he argument that because ‘Warehouse Shoes’ or ‘Shoe Warehouse’ describe the retail establishments at issue . . . the terms cannot be deemed ‘generic,’ and must

be deemed ‘descriptive,’ simply misunderstands and oversimplifies the inquiry at stake for trademark purposes.”).

B. The Fact That “Booking.com” Functions as a Domain Name Does Not Make It a Mark

The district court similarly erred in concluding that because “booking.com” functions as a domain name corresponding to a particular Internet address, the term is descriptive. The court relied on the fact that “booking.com” creates a unique domain name to distinguish the Supreme Court’s decision in *Goodyear’s*, reasoning that whereas multiple entities could be named “Booking, Inc.” or “Booking Co.,” only one entity may use the domain name “booking.com.” JA 1123. It further held, as a blanket rule, that the combination of a top-level domain and a generic term “creates a descriptive mark by indicating that services relating to the generic [second level domain] are available by accessing the domain name.” JA 1122. Both lines of reasoning are flawed.

That plaintiff’s proposed mark functions as a domain name cannot serve to distinguish *Goodyear’s*. The Supreme Court’s stated objection in *Goodyear’s* to granting one entity exclusive rights to a term such as “the Grain Company” was not that consumers would understand the term to refer to an entire class of businesses, but rather that such protection would trench on competitors’ ability to describe their own goods. *Goodyear’s*, 128 U.S. at 602-03 (“Thus parties united to produce or sell wine, or to raise cotton or grain, might style themselves ‘Wine Company,’ ‘Cotton Company,’

or ‘Grain Company,’ but by such description they would in no respect impair the equal right of others engaged in similar business to use similar designations, for the obvious reason that all persons have a right to deal in such articles, and to publish the fact to the world. . . . [N]or will the incorporation of a company in the name of an article of commerce, without other specification, create any exclusive right to the use of the name.”). The *Goodyear’s* Court never so much as referred to the possibility that multiple companies would have identical names, much less relied on that possibility as a ground for its decision.

The district court’s reasoning is in tension with existing precedent even outside the realm of Internet domain names. It is after all a legal accident that multiple corporations can have identical names. Plaintiff is named “Booking B.V.”—the final two initials referring to a type of limited liability company under Dutch law. Dutch law could, hypothetically, restrict corporate registration so that only one entity could legally call itself “Booking B.V.” But under the *Goodyear’s* decision, the addition of “B.V.” to the generic term “booking” still would not create a trademark. Similarly, even if federal law in the future were to restrict registration of corporate names so that there could be only one “Grain, Inc.,” there is no reason to believe that *Goodyear’s* holding would be disturbed.

The same principle would apply if, as a matter of happenstance, only a single entity used a particular generic term. *America Online, Inc.*, 243 F.3d at 822 (“[T]he repeated use of ordinary words functioning within the heartland of their ordinary

meaning . . . cannot give [a single entity] a proprietary right over those words, even if an association develops between the words and [that entity].”). For instance, a single corporation could come to dominate the grocery industry such that, as a practical matter, the public associated the term “the grocery store” with that corporation. That would not entitle the business to register a trademark in the generic term “grocery store.” See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (“[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.”). Similarly, even if the public were to associate the term “booking.com” solely with plaintiff, that by itself would not render the term a trademark. See *In re Merrill Lynch*, 828 F.2d at 1569 (“To allow trademark protection for generic terms, i.e., names which describe the genus of goods being sold, even when these have become identified with a first user, would grant the owner of the mark a monopoly, since a competitor could not describe his goods as what they are.” (quotation marks omitted)).

The Supreme Court has confirmed that even where the public has come to associate a term with only one producer, that term can nonetheless be generic. In *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938), the National Biscuit Company had held a patent on “shredded wheat.” *Id.* at 117-18. Upon expiration of the patent, Kellogg began to sell a similar product—also named “shredded wheat”—and the

National Biscuit Company brought suit for trademark infringement. The Supreme Court concluded that “shredded wheat” was “the generic term of the article” being manufactured, and therefore “the original maker of the product acquired no exclusive right to use” the term. *Id.* at 116. That was so despite the fact that “due to the long period in which the plaintiff or its predecessor was the only manufacturer of the product, many people [had] come to associate the product, and as a consequence the name by which the product [was] generally known, with the plaintiff’s factory.” *Id.* at 118.

The district court also erred in dismissing the guidance of *Hotels.com* and the other cited decisions of the Federal Circuit merely because the Federal Circuit reviews the Board’s trademark-registration determinations for substantial evidence. JA 1121; *see* 15 U.S.C. § 1071. The Federal Circuit’s opinions do not suggest that the court would have reached a different conclusion on de novo review. To the contrary, the Federal Circuit commended the Board’s conclusion that “mattress.com” was generic, explaining that “the Board’s reasoning tracked our later reasoning in *In re Hotels.com*.” *1800Mattress.com*, 586 F.3d at 1363. And in any event, the Ninth Circuit in *Advertise.com* concluded that the mark at issue in that case was generic and overturned the district court’s grant of a preliminary injunction, even under a deferential abuse-of-discretion standard. *See Advertise.com*, 616 F.3d at 982.

The district court’s approach also raises several additional concerns. Most prominently, the court’s reliance on *booking.com*’s functional role as a web address to

establish non-genericness is in tension with basic principles underlying the Lanham Act. The district court relied heavily on the fact that “booking.com” grants access to a particular website hosted at a particular IP address when typed into an Internet browser—that is, the court relied on a *functional* characteristic of the term to establish that it was not generic. But as a general matter, functional features are precluded from trademark protection. As this Court has explained, “Even 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.” *America Online, Inc.*, 243 F.3d at 822-23 (quoting 1 *McCarthy on Trademarks* § 7:66); *see also TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 33 (2001) (“Functionality having been established, whether MDI's dual-spring design has acquired secondary meaning need not be considered.”); 1 *McCarthy on Trademarks* § 7:63 (If a feature “makes the product more useful for its purpose or contributes to economy of manufacture or use,” or if it “enables a product to operate,” then it is functional and “not capable of trademark protection” (quoting *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 857 (7th Cir. 2010))). It is therefore exceedingly odd to rely on the functional role of “booking.com” to establish the registrability of that term when, in other contexts, functionality is a complete bar to registrability.

The nature of domain names casts further doubt on the district court’s reasoning. As the Board recognized, a particular domain name “points not to an *entity*, but to one specific Internet *address*, which can be occupied by any entity that

secures the address by entering into an arrangement with the registrar of that address.” JA 408. Thus—unlike a trademark which be transferred only with the good will of the business to which it relates, *see* 15 U.S.C. § 1060(a)—a domain name can be freely transferred. There is accordingly no guarantee that plaintiff will be the registrant of the domain name “booking.com” in the future. Moreover, were plaintiff to register its proposed mark, it would gain significant advantages over potential competitors in the domain-name marketplace. Ordinarily if a domain registrant fails to pay the upkeep on a domain name, that domain name can be registered on behalf of another business or placed up for auction. *See* GoDaddy.com, *What Happens After Domain Names Expire*, <https://www.godaddy.com/help/what-happens-after-domain-names-expire-6700> (last visited March 3, 2018). Permitting plaintiff to register “booking.com” as a trademark would—particularly in light of the Anticybersquatting Consumer Protection Act discussed below—enable plaintiff to leverage trademark law to control the functioning of the Internet in a way never intended by Congress.

The district court’s decision is also in tension with the Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d)(1). The ACPA clearly contemplates that a business will first secure a trademark in a term and only then utilize the ACPA to prevent bad actors from using that trademark in an Internet domain. Under the ACPA, “the owner of a protected mark has a cause of action against anyone who registers, traffics in, or uses a domain name that is identical or confusingly similar to [the owner’s] trademark with the bad faith intent to profit from

the good will associated with the trademark.” *Retail Services, Inc.*, 364 F.3d at 549 (quotation marks omitted; alteration in original). Because the ACPA requires that a domain name registrant try to profit off a “protected mark,” this Court has held that “a prerequisite for bringing a claim under the ACPA” is establishing that an asserted mark is not in fact a generic term. *Id.* (“[A] generic term cannot function as a trademark; in fact, to say ‘generic mark’ is to utter an oxymoron.”). For instance, because the term “freebies” was generic, this Court concluded that the operator of “freebies.com” could not maintain an ACPA action against the operator of “freebie.com.” *Id.* at 537-549. But under the reasoning of the district court’s opinion, every domain name will be at least descriptive (and thus eligible for registration upon a showing of secondary meaning); that is, there will never be a generic domain name. To follow the district court’s decision here would thus render the genericness discussion in *Retail Services* meaningless.

Furthermore, the ACPA assumes that the trademark status of a domain name should be assessed at the second-level domain: An entity that attempted in bad faith to profit from registration of “Pepsi.com,” for instance, could not argue that “Pepsi.com” was significantly different from the trademark “Pepsi.” *See* 15 U.S.C. § 1125(d)(1). But that is precisely the argument that plaintiff makes here—that “booking.com” has trademark status when “Booking” does not. *Cf. Advertise.com*, 616 F.3d at 981 (“[T]he primary reason that a consumer is likely to associate a domain name with a source is that the *second-level* domain indicator . . . is distinctive.”).

Moreover, the existence of the ACPA mitigates any policy concerns regarding the need to protect trademark owners from the use of confusingly similar domain names, because any owner of a valid trademark will have a cause of action against bad faith attempts to profit from similar domain names.

In sum, both established precedent and underlying principles of trademark law contradict the district court's creation of a blanket rule that a term "comprised of a generic [second-level domain] and a [top-level domain] is generally a descriptive mark entitled to trademark protection if the mark holder can establish acquired distinctiveness." JA 1123.

C. The District Court Erred in Considering Plaintiff's "Teflon Survey"

Finally, the district court erred in considering plaintiff's so-called "Teflon survey." *See* JA 1132-38. Teflon surveys ask consumers to identify whether they believe a particular term to be a brand name. *2 McCarthy on Trademarks* § 12:16. This Court has held that such surveys are relevant only in cases involving an inherently distinctive "coined term" that has allegedly become generic over time, such as "teflon" or "thermos." *See Hunt Masters, Inc.*, 240 F.3d at 255 (explaining that there are "two distinct ways in which terms may be classified as generic: (1) when the term began life as a 'coined term'; and (2) where the term was commonly used prior to its association with the products at issue," and holding that Teflon surveys are relevant

only to the first category, when they are used to show that a coined term has “become generic through common use”).

The district court nonetheless relied heavily on plaintiff’s Teflon survey, reasoning that such reliance was justified because “booking.com” is “arguably” a coined term. JA 1134. But “booking.com,” which is a combination of two common generic terms, is simply not in the category of terms—such as “thermos”—that were once coined and only later became generic through common use. Teflon surveys are therefore not relevant to the question of genericness in this case. *See Hunt Masters, Inc.*, 240 F.3d at 255. And although the district court asserted that it could consider plaintiff’s Teflon survey in part “because domain name marks are relatively new to trademark law,” JA 1135, the novelty of domain names did not displace this Court’s guidance in *Hunt Masters*.⁶

⁶ The government is not appealing the district court’s finding that plaintiff’s proposed marks, if they were descriptive, would have acquired secondary meaning. JA 1138-46. But the question of secondary meaning is irrelevant to the question of whether a term is generic. *See Retail Services*, 364 F.3d at 547 (declining to consider evidence that a business was well known and had millions of paying subscribers, because evidence of secondary meaning “has no relevance unless the mark in question has been found not to be generic”).

CONCLUSION

For the foregoing reasons, the judgment of the district court should be reversed.

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STATEMENT REGARDING ORAL ARGUMENT

This case has substantial implications for the federal trademark-registration system. Accordingly, the government respectfully requests oral argument.

CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limit of Federal Rule of Appellate Procedure 32(a)(7)(B) because it contains 10,383 words. This brief also complies with the typeface and type-style requirements of Federal Rule of Appellate Procedure 32(a)(5)-(6) because it was prepared using Microsoft Word 2013 in Garamond 14-point font, a proportionally spaced typeface.

s/ Tyce R. Walters

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CERTIFICATE OF SERVICE

I hereby certify that on March 12, 2018, I electronically filed the foregoing brief with the Clerk of the Court for the United States Court of Appeals for the Fourth Circuit by using the appellate CM/ECF system. Participants in the case are registered CM/ECF users, and service will be accomplished by the appellate CM/ECF system.

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ADDENDUM

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15 U.S.C. § 1071A1
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15 U.S.C. § 1071

§ 1071. Appeal to courts

(a) Persons entitled to appeal; United States Court of Appeals for the Federal Circuit; waiver of civil action; election of civil action by adverse party; procedure

(1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as provided in section 1058 of this title or section 1141k of this title, or an applicant for renewal, who is dissatisfied with the decision of the Director or Trademark Trial and Appeal Board, may appeal to the United States Court of Appeals for the Federal Circuit thereby waiving his right to proceed under subsection (b) of this section:

Provided, That such appeal shall be dismissed if any adverse party to the proceeding, other than the Director, shall, within twenty days after the appellant has filed notice of appeal according to paragraph (2) of this subsection, files notice with the Director that he elects to have all further proceedings conducted as provided in subsection (b) of this section. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under subsection (b) of this section, in default of which the decision appealed from shall govern the further proceedings in the case.

(2) When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the United States Patent and Trademark Office a written notice of appeal directed to the Director, within such time after the date of the decision from which the appeal is taken as the Director prescribes, but in no case less than 60 days after that date.

(3) The Director shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the United States Patent and Trademark Office. The court may request that the Director forward the original or certified copies of such documents during pendency of the appeal. In an ex parte case, the Director shall submit to that court a brief explaining the grounds for the decision of the United States Patent and Trademark Office, addressing all the issues involved in the appeal. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Director and the parties in the appeal.

(4) The United States Court of Appeals for the Federal Circuit shall review the decision from which the appeal is taken on the record before the United States Patent and Trademark Office. Upon its determination the court shall issue its mandate and opinion to the Director, which shall be entered of record in the United States Patent and Trademark Office and shall govern the further proceedings in the case. 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.

(b) 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.

(2) The Director shall not be made a party to an inter partes proceeding under this subsection, but he shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall have the right to intervene in the action.

(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.

(4) Where there is an adverse party, such suit may be instituted against the party in interest as shown by the records of the United States Patent and Trademark Office at the time of the decision complained of, but any party in interest may become a party to the action. If there are adverse parties residing in a plurality of districts not embraced within the same State, or an adverse party residing in a foreign country, the United States District Court for the Eastern District of Virginia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any

district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs.

15 U.S.C. § 1125(d)

§ 1125. False designations of origin, false descriptions, and dilution forbidden

(d) Cyberpiracy prevention

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person--

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that--

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of Title 18 or section 220506 of Title 36.

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to--

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c).

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if--

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and

(ii) the court finds that the owner--

- (I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or
- (II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by--
- (aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and
- (bb) publishing notice of the action as the court may direct promptly after filing the action.
- (B) The actions under subparagraph (A)(ii) shall constitute service of process.
- (C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which--
- (i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or
- (ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.
- (D)(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall--
- (I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and
- (II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.
- (ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.
- (3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.