

## GENERIC.COM – REGISTRABLE IN CANADA?

By Colleen Spring Zimmerman and Catherine Hart

The U.S. Supreme Court recently confirmed that a "generic.com" term may be eligible for federal trademark registration in the U.S., in certain circumstances. We will review the relevant decisions, discuss the Canadian legal framework with respect to registration of such mark and consider the implications of seeking registration of a "generic.com" or a "generic.ca" mark in Canada.



[Colleen Spring Zimmerman](#)  
Partner

t: 416.941.8884  
[cspringzimmerman@foglers.com](mailto:cspringzimmerman@foglers.com)

### The Relevant Decisions

In [United States Patent and Trademark Office v. Booking.com B.V.](#), the travel reservation company Booking.com B.V. ("**BBV**") sought to register four marks, each containing the term "Booking.com", with the United States Patent and Trademark Office ("**USPTO**"). BBV offers its travel reservation services under the brand "Booking.com" and operates a website with the same domain name.

**Catherine Hart**  
Associate

t: 416.864.7612  
[chart@foglers.com](mailto:chart@foglers.com)

The USPTO refused to register the marks on the basis that they represented a generic name for online hotel-reservation services. A generic name, being a name which identifies a class of goods or services, cannot be registered on the principal register and protected under U.S. trademark law<sup>1</sup>.

Rather, a mark must be distinctive so that the goods or services of one business may be distinguished from the goods or services of another<sup>2</sup>. Distinctiveness is often expressed on an increasing scale from generic, descriptive, suggestive, arbitrary or fanciful.<sup>3</sup> Marks which are found to be inherently distinctive may be registered with the USPTO, as well as descriptive marks which have acquired distinctiveness or secondary meaning "in the minds of the public".<sup>4</sup>

BBV sought initial review of the USPTO's decision - the District Court for the Eastern District of Virginia (the "**District Court**") held that "Booking.com" was not generic. The District Court found that the consuming public "primarily understands that BOOKING.com does not refer to a genus, rather it is descriptive of services involving 'booking' available at that domain name".<sup>5</sup> The District Court went on to find that "Booking.com" was descriptive but had acquired secondary meaning

<sup>1</sup> Slip Opinion, [U.S. Patent & Trademark Office v. Booking.com](#), No. 19-46 (U.S. June. 30, 2020) at 1.

<sup>2</sup> *Ibid* at 3.

<sup>3</sup> *Ibid*.

<sup>4</sup> *Ibid*.

<sup>5</sup> *Ibid* at 5.

as to hotel-reservation services, and ultimately held that the marks met the distinctiveness requirement for registration.<sup>6</sup>

Then, on appeal, the Court of Appeals for the Fourth Circuit upheld the District Court's determination that the marks were not generic and confirmed that there was no error in the District Court's assessment of how consumers perceived the term "Booking.com".<sup>7</sup>

Subsequently, the U.S. Supreme Court granted certiorari and affirmed the lower courts' decisions. In its decision, the Supreme Court recognized certain guiding principles:

1. A "generic" term names a "class" of goods or services, rather than any particular feature or exemplification of the class;
2. With respect to the distinctiveness inquiry, a court must look at the term's meaning as a whole; and
3. The relevant meaning of a term is its meaning to consumers.<sup>8</sup>

The Supreme Court held that "whether any given 'generic.com' term is generic, depends on whether consumers in fact perceive that term as the name of a class or, instead, as a term capable of distinguishing among members of the class".<sup>9</sup>

Upholding the lower courts' decisions, the majority recognized that the courts found that consumers did not perceive "Booking.com" as a generic name, and that the USPTO did not contest this determination. The Court held that this finding alone should be determinative of the matter.<sup>10</sup>

However, the Supreme Court went on to consider and reject the USPTO's submission that a mark that includes a generic term combined with a generic top-level domain like ".com" is generic, absent exceptional circumstances.<sup>11</sup> In contrast to the USPTO's position, the Court opined that a "generic.com" term may act as a source identifier because only one entity can occupy a particular Internet domain name at a time.<sup>12</sup>

As well, the USPTO submitted that businesses like BBV had other legal protections available to it, such as unfair-competition law, and that it did not require statutory trademark protection to protect its brand. Notably, the Supreme Court rejected this position and held that (i) BBV should not be denied the additional protections afforded to registered trademark owners; and (ii) the exclusive connection

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<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

<sup>8</sup> *Ibid* at 6.

<sup>9</sup> *Ibid* at 11.

<sup>10</sup> *Ibid* at 7.

<sup>11</sup> *Ibid* at 8.

<sup>12</sup> *Ibid* at 9.

between a domain name and its owner made trademark protection more appropriate in the circumstances, not less.<sup>13</sup>

## The Canadian Legal Framework

### *The Trademarks Act*

The *Trademarks Act*<sup>14</sup> (the "**Act**") sets out the requirements with respect to the trademark registration process in Canada. Like in the U.S., a trademark must be distinctive to comply with and obtain the protections of the Act. Under the Act, distinctive "in relation to a trademark, describes a trademark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or that is adapted so to distinguish them".<sup>15</sup>

Subsection 12(1)(b) of the Act provides that a trademark is registrable if it is not:

whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the goods or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin.

Marks in Canada may be somewhat descriptive or suggestive, however, they cannot be clearly descriptive pursuant to subsection 12(1)(b). Generic marks are generally viewed as unregistrable because of this requirement.

Whether or not a mark is clearly descriptive will be assessed on the first impression of the mark in the mind of an average consumer. The Canadian Intellectual Property Office ("**CIPO**") and the courts will consider the mark as a whole when determining whether or not it is registrable.

Although a mark may not be distinctive on its face, it may be registrable based on acquired distinctiveness through advertisement and use in Canada. Subsection 12(3) of the Act provides:

A trademark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it is distinctive at the filing date of an application for its registration, determined without taking into account subsection 34(1), having regard to all the circumstances of the case including the length of time during which it has been used.

While evidence of acquired distinctiveness may permit the registration of a mark, the mark's registration will be limited geographically to those areas where distinctiveness can be established at the time of filing the trademark application.

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<sup>13</sup> *Ibid* at 13

<sup>14</sup> RSC 1985, c. T-13.

<sup>15</sup> *Ibid*, s 2.

Importantly, the Act was recently amended and now permits CIPO to require applicants to adduce evidence of a mark's distinctiveness in certain circumstances. Subsection 32(1) of the Act provides:

An applicant shall furnish the Registrar with any evidence that the Registrar may require establishing that the trademark is distinctive at the filing date of the application for its registration, determined without taking into account subsection 34(1), if any of the following apply:

- a. the applicant claims that their trademark is registrable under subsection 12(3);
- b. the Registrar's preliminary view is that the trademark is not inherently distinctive;
- c. the trademark consists exclusively of a single colour or of a combination of colours without delineated contours;
- d. the trademark consists exclusively or primarily of one or more of the following signs:
  - i. the three-dimensional shape of any of the goods specified in the application, or of an integral part or the packaging of any of those goods,
  - ii. a mode of packaging goods,
  - iii. a sound,
  - iv. a scent,
  - v. a taste,
  - vi. a texture,
  - vii. any other prescribed sign.

As a result of this new provision, businesses may experience greater scrutiny by CIPO with respect to the distinctive nature of their pending marks and should expect that they may be required to furnish evidence of the distinctiveness of their marks.

## Domain Name Registration

The Canadian Internet Registration Authority ("**CIRA**") is a non-profit registry that manages Canadian domain names, being those domain names with the .CA top-level domain. A business or entity which qualifies may register a .CA domain for a period ranging from one to ten years and may renew any registration at any time prior to its expiration. Pursuant to Rule 3.5 of the General Registration Rules,

a domain name will not be registered if the requested domain name is an exact match in all respects to a domain name which is registered in the name of another registrant.<sup>16</sup>

### **Trademark Registration of a "Generic.com" or "Generic.ca" Mark in Canada**

Registering a "generic.com" or a "generic.ca" trademark in Canada may be cumbersome because of the evidence requirements provided for in subsection 32(1) of the Act. Nonetheless, businesses may be able to register their "generic.com" or their "generic.ca" marks in Canada, if they can establish that their mark has acquired distinctiveness or is inherently distinctive.

The Booking.com Decision may be a helpful tool for businesses seeking to challenge a CIPO finding that their "generic.com" or their "generic.ca" marks lack distinctiveness. Following the reasoning in the Booking.com Decision, the exclusive nature of a domain name including for the "generic.ca" domain name in Canada supports the position that the public will always understand a "generic.com" or "generic.ca" term to refer to a specific business. Correspondingly, a "generic.com" mark or a "generic.ca" mark is arguably distinctive and able to distinguish the goods or services of a business from the goods or services of another.

However, businesses should be aware that a "generic.com" or a "generic.ca" mark may present additional challenges. Obtaining evidence from the public, such as survey evidence, that demonstrates that a mark has a distinct meaning is a prohibitively costly exercise. As well, a "generic.com" or a "generic.ca" mark may be expensive to protect and enforce, as other businesses may also be inclined to adopt and use a mark that includes a variation of the same generic term. Although businesses may be legally permitted to register a "generic.com" or a "generic.ca" mark in Canada and the U.S., they should carefully consider the additional burdens which may be associated with such marks.

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<sup>16</sup> Canadian Internet Registration Authority, General Registration Rules (February 2019), online: CIRA <<https://www.cira.ca/policy/rules-and-procedures/general-registration-rules>>