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By Kyle Jahner

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- Walmart, Costco appealing massive trademark verdicts

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**'Dot-Com' Dispute to Lead Pack of U.S. Trademark Appeals in 2020**

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One of this year's top trademark cases may yield specifics about what generic means when the U.S. Supreme Court decides if a company can register a generic or descriptive word with dot.com added as a trademark.

The Patent and Trademark Office is fighting a decision that said Booking.com has a distinctive name that identifies a source for consumers, which generally allows marks to qualify for registration even if they merely describe a product. The government said the word "booking" is generic—meaning synonymous with an entire class of products—and adding .com can't overcome that.

*USPTO v. Booking.com B.V.* is the most interesting case heading into 2020, according to G. Warren Bleeker, a partner in Lewis Roca Rothgerber Christie LLP's intellectual property practice group. If the high court affirms that Booking.com must be registered, that could scare competitors away from use of the word "booking," a term central to their business, even if they have a good argument that it doesn't infringe.

"If the Supreme Court upholds the decision and allows the registration, there's a lot more risk involved with a URL that has 'booking,'" Bleeker said. "You may have some good defenses, but there's still cost and risk, and companies would avoid using those marks."

The government has blocked trademarks for phrases such as Advertising.com partly due to an 1888 Supreme Court ruling that adding "company" doesn't overcome the prohibition on generic trademarks. But .com is at least somewhat different because only one entity can own each address, intellectual property attorney Paul J. Reilly of Baker Botts LLP said.

"The Supreme Court may say it's a fact issue to be taken case-by-case with no fine line," Reilly said.

Another Supreme Court trademark case will clarify a question of damages in trademark cases. The justices in *Romag Fasteners Inc. v. Fossil Inc.* will decide whether a trademark owner must prove a noncompetitor willfully infringed a trademark to collect the infringer's profits, or if "callous disregard" can be enough. Romag won its case but had a \$6.7 million profits award tossed because the jury didn't find Fossil willfully infringed its mark. Circuit courts are split on whether proving willfulness is necessary.

Some attorneys say awards without willfulness are rare, lessening the case's importance. But Anna Kurian Shaw, intellectual property partner at Hogan Lovells, whose clients have included Nutella, Tic Tac, and Merck & Co. Inc., said clients and attorneys seriously consider the potential to win a profit award when deciding whether to devote time and money to enforcing trademark rights.

"It will be interesting to see how the Supreme Court guidance will impact that," she said.

**Non-SCOTUS Headliners**

Other federal courts will see several high-profile trademark battles play out in the coming year:

Walmart Inc. will return to the U.S. Court of Appeals for the Fourth Circuit to fight a \$95.5 million award to Variety Stores Inc. for infringing its "Backyard BBQ" trademark. Walmart had won a new trial by appealing a \$35 million verdict in a previous trial.

Meanwhile, Costco Wholesale Corp. has asked the U.S. Court of Appeals for the Second Circuit to slash Tiffany Inc.'s \$19.3 million win over the sale of "Tiffany" rings. Costco said "Tiffany" settings are generic within the industry, and it didn't use Tiffany marks on rings or packaging, making the jury's counterfeit finding inappropriate. Tiffany noted that in-store "Tiffany" signs were identical to signs labeling genuine, branded products.

"They're kind of outliers," trademark attorney Robert J. Kenney of Birch Stewart Kolasch & Birch LLP said of the Costco and Walmart awards. "They're going to be looked at carefully."

A dispute between AM General LLC and video game company Activision Blizzard Inc. will probe the boundary of trademark use in art such as a video game or movie. The military contractor says Activision crossed the line by "slavishly" copying Humvee trade dress, harnessing the Humvee brand in promotions, and over-using the trademark in several editions of its "Call of Duty" video game franchise.

Activision says no consumers have been misled into believing AM General endorses the game, especially given that AM General's primary customer is the U.S. government. It also says granting the contractor control over realistic portrayal of a foundational element of modern combat would violate the First Amendment.

The parties have finished briefings and oral arguments over competing bids for summary judgment in the U.S. District Court for the Southern District of New York. If neither side achieves complete victory or the case isn't settled, a jury may decide the outcome.

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