

# Fordham Intellectual Property, Media and Entertainment Law Journal

---

Volume 27 *Volume XXVII*  
Number 3

Article 2

---

2016

## Trademark Trial and Appeal Board, Meet the Constitution

David S. Welkowitz

*Whittier Law School*, [dwelkowitz@law.whittier.edu](mailto:dwelkowitz@law.whittier.edu)

Follow this and additional works at: <https://ir.lawnet.fordham.edu/iplj>



Part of the [Intellectual Property Law Commons](#)

---

### Recommended Citation

David S. Welkowitz, *Trademark Trial and Appeal Board, Meet the Constitution*, 27 Fordham Intell. Prop. Media & Ent. L.J. 509 (2017).

Available at: <https://ir.lawnet.fordham.edu/iplj/vol27/iss3/2>

This Article is brought to you for free and open access by FLASH: The Fordham Law Archive of Scholarship and History. It has been accepted for inclusion in Fordham Intellectual Property, Media and Entertainment Law Journal by an authorized editor of FLASH: The Fordham Law Archive of Scholarship and History. For more information, please contact [tmelnick@law.fordham.edu](mailto:tmelnick@law.fordham.edu).

---

## Trademark Trial and Appeal Board, Meet the Constitution

### Cover Page Footnote

Professor of Law, Whittier Law School; J.D., New York University; A.B., Princeton University.

# Trademark Trial and Appeal Board, Meet the Constitution

David S. Welkowitz\*

*For many years, the Trademark Trial and Appeal Board has refused to address constitutional claims raised in the course of registration or cancellation proceedings. A recent example involves the Washington Redskins trademark, which is the subject of a cancellation proceeding now before a U.S. Court of Appeals. The Board's refusal to address constitutional issues rests on the assumption that the Board lacks the authority to make constitutional decisions. That may seem odd, given the fact that the Board is an arm of the federal government, and its members are bound to uphold the Constitution. This Article examines the basis of the Board's claim of incapacity. Although the Board's claim is not without precedent, it is argued that the better reading of current law is that the Board does have the capacity to address constitutional claims and that it should do so. The Article further examines ways in which the Board can decide constitutional issues without overstepping its bounds as an administrative agency. In particular, the Article examines the possible use of a familiar constitutional principle of avoidance as a means of allowing the Board to incorporate constitutional principles into its decision-making without having to rule on the constitutionality of the provisions of the federal trademark statute.*

INTRODUCTION.....	510
I. THE TTAB'S REFUSAL TO ADDRESS CONSTITUTIONAL ISSUES.....	512
II. THE AUTHORITY OF NON-JUDICIAL GOVERNMENTAL ENTITIES TO CONSTRUE THE CONSTITUTION .....	518

---

\* Professor of Law, Whittier Law School; J.D., New York University; A.B., Princeton University.

<i>A. The Jurisprudence of Agency Competence to Address Constitutional Issues</i> .....	518
<i>B. Agency Willingness to Address Constitutional Issues</i> ..	523
<i>C. Does Independence Affect Agency Willingness to Hear Constitutional Claims?</i> .....	532
III. ADDRESSING CONSTITUTIONAL CONCERNS AND THE AVOIDANCE PRINCIPLE.....	534
<i>A. As-Applied vs. Facial Constitutional Challenges</i> .....	534
<i>B. The Avoidance Principle</i> .....	536
<i>C. The Avoidance Principle and the TTAB</i> .....	540
<i>D. The TTAB's Constitutional Choices</i> .....	542
1. Boldly Going Where the TTAB Has Not Gone Before: Making a Constitutional Decision.....	542
2. The Softer Approach: Avoidance and the TTAB.....	548
CONCLUSION.....	554

## INTRODUCTION

The Washington Redskins mark has been the subject of controversy and cancellation proceedings for more than two decades.<sup>1</sup> Twice, the Trademark Trial and Appeal Board (the “TTAB” or “Board”), an administrative tribunal within the United States Patent and Trademark Office (“USPTO”), has canceled the mark’s registration on the grounds that it violated the prohibition on registering disparaging trademarks contained in the federal trademark law.<sup>2</sup> Both times, the football team claimed that cancellation would

<sup>1</sup> See Theresa Vargas, *U.S. Patent Office Cancels Redskins Trademark Registration, Says Name Is Disparaging*, WASH. POST (June 18, 2014), [https://www.washingtonpost.com/local/us-patent-office-cancels-redskins-trademark-registration-says-name-is-disparaging/2014/06/18/e7737bb8-f6ee-11e3-8aa9-dad2ec039789\\_story.html](https://www.washingtonpost.com/local/us-patent-office-cancels-redskins-trademark-registration-says-name-is-disparaging/2014/06/18/e7737bb8-f6ee-11e3-8aa9-dad2ec039789_story.html) [https://perma.cc/JNN3-HCXD].

<sup>2</sup> *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705 (T.T.A.B. 1999), *rev'd*, 284 F. Supp. 2d 96 (D.D.C. 2003). The TTAB canceled the registration of Redskins, but a district court later reversed that decision. *See id.* The registration was again canceled in *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080 (T.T.A.B. 2014), *aff'd*, 112 F. Supp. 3d 439 (E.D. Va. 2015), *appeal docketed*, No. 15-1874 (4th Cir. Aug. 6, 2015). The provision preventing the registration of disparaging marks is contained in section 2(a) of

violate its First Amendment rights.<sup>3</sup> And, both times, the response from the TTAB—an arm of the government—was essentially the same: “Such a finding [of a First Amendment violation] is beyond the Board’s authority to make.”<sup>4</sup> Regardless of the merits of the team’s First Amendment claims, the TTAB’s response—essentially saying it is not capable of applying the U.S. Constitution to the issue of registration—is a strange one.<sup>5</sup> Moreover, it is one that the TTAB has given on several occasions, and not just in First Amendment situations.<sup>6</sup> This Article contends that the TTAB, clearly a governmental actor,<sup>7</sup> is incorrect to ignore constitutional restraints on government action. Even assuming that, as an administrative agency and not an Article III court, the Board cannot formally declare a federal law unconstitutional, as an arm of the federal government it is empowered to determine whether its actions comport with the Constitution, and it ought to do so. This Article

---

the Lanham Act (the federal trademark law), which is codified at 15 U.S.C. § 1052 (2012). The relevant portion of the statute states:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—  
(a) Consists of or comprises immoral, deceptive, or scandalous matter; or *matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute . . . .*

§ 1052(a) (emphasis added). As discussed later, subsequent to the district court’s decision in *Blackhorse*, the Court of Appeals for the Federal Circuit ruled that the prohibition against disparaging marks in section 2(a) was unconstitutional on its face. *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016). However, the appeal of *Blackhorse* will be decided by the Court of Appeals for the Fourth Circuit, not the Federal Circuit.

<sup>3</sup> See *Blackhorse v. Pro-Football, Inc.*, 98 U.S.P.Q.2d 1633, 1638 (T.T.A.B. 2011); *Harjo*, 50 U.S.P.Q.2d at 1710.

<sup>4</sup> *Harjo v. Pro Football, Inc.*, 30 U.S.P.Q.2d 1828, 1832–33 (T.T.A.B. 1994). Here, the Board struck the football team’s First Amendment defenses from its answer, interpreting the First Amendment defense as a request to declare section 2(a) of the Lanham Act unconstitutional and beyond the Board’s authority. See *id.* A similar result occurred in *Blackhorse*. See 98 U.S.P.Q.2d at 1638 (noting that the TTAB lacks authority to address facial and as-applied constitutional challenges).

<sup>5</sup> See *Blackhorse*, 98 U.S.P.Q.2d at 1638; *Harjo*, 30 U.S.P.Q.2d at 1832–33.

<sup>6</sup> See *infra* Part I.

<sup>7</sup> See generally *Trademark Trial and Appeal Board (TTAB)*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks-application-process/trademark-trial-and-appeal-board-ttab> [<https://perma.cc/RQQ2-JZN5>] (last visited Nov. 4, 2016).

seeks to demonstrate why and how the TTAB should meet this commitment. Part I reviews cases in which the TTAB has refused to entertain constitutional arguments. Part II considers the authority of non-judicial governmental officials to apply the Constitution to their actions. Part III offers a framework in which the TTAB can entertain constitutional arguments without the need to declare laws unconstitutional. Part III relies partially on well-established norms of *avoiding* constitutional problems by preliminarily addressing them and then acting in a manner that avoids the potential constitutional issue.

It is important to note that it is not this Article's purpose to resolve the underlying constitutional issues themselves—particularly the First Amendment issues.<sup>8</sup> This Article's goal is simply to demonstrate that the TTAB ought to address them in registration proceedings, subject to proper review by the courts.

#### I. THE TTAB'S REFUSAL TO ADDRESS CONSTITUTIONAL ISSUES

In several recent cases, including *Harjo v. Pro-Football, Inc.*,<sup>9</sup> the TTAB has refused to consider the argument that the application of the Lanham Act, in particular cases, would violate the Constitution.<sup>10</sup> The most notable of these cases involves First Amendment challenges to the Lanham Act's bar to registration on the grounds that the proposed mark is immoral, scandalous, or disparaging.<sup>11</sup> Thus, in *Blackhorse v. Pro-Football, Inc.*, the second case challenging the Redskins trademark, the Board struck down several affirmative defenses raising constitutional issues, stating: "Simply put the Board does not have the authority to determine constitutional claims."<sup>12</sup>

---

<sup>8</sup> However, this Article offers some comments about those issues in passing.

<sup>9</sup> 50 U.S.P.Q.2d 1705 (T.T.A.B. 1999), *rev'd*, 284 F. Supp. 2d 96 (D.D.C. 2003).

<sup>10</sup> Lanham Act § 2(a), 15 U.S.C. § 1052(a) (2012).

<sup>11</sup> *Id.*

<sup>12</sup> 98 U.S.P.Q.2d 1633, 1638 (T.T.A.B. 2011). The Board specifically referenced both facial and as-applied challenges. *Id.*

Similarly, in the case *In re Brunetti*,<sup>13</sup> where the TTAB refused the registration of the term “Fuct” under section 2(a) of the Lanham Act on the grounds that it was scandalous or immoral, the Board rather forcefully refused to entertain a First Amendment argument:

Finally, we readily recognize the statutory limitations of this tribunal. It is abundantly clear that the Trademark Trial and Appeal Board is not the appropriate forum for re-evaluating the impacts of any evolving First Amendment jurisprudence within Article III courts upon determinations under [s]ection 2(a) of the Lanham Act, or for answering the Constitutional arguments of legal commentators or blog critics.<sup>14</sup>

The TTAB’s refusals to engage in constitutional applications are not limited to First Amendment claims. In the case *In re The Government of the District of Columbia*, the Board refused to rule on an argument that section 2(b) of the Lanham Act—which prevented a city from registering its municipal seal as a trademark—was a violation of equal protection.<sup>15</sup> Additionally, in *Zirco Corp. v. American Telephone & Telegraph Co.*,<sup>16</sup> the TTAB refused to entertain an argument that applying the constructive use provision of

---

<sup>13</sup> Brunetti, No. 85310960, 2014 WL 3976439, at \*1 (T.T.A.B. Aug. 1, 2014), *appeal docketed*, No. 15-1109 (Fed. Cir. Oct. 28, 2014).

<sup>14</sup> *Id.* at \*5. The *Brunetti* case is currently on appeal to the Federal Circuit. As mentioned above, and discussed in more detail below, the Federal Circuit has already ruled that section 2(a) is unconstitutional insofar as it prohibits the registration of marks that may be disparaging. *See In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016). The Justice Department, acting in conjunction with the USPTO, has notified the Federal Circuit in the *Brunetti* case that, despite disagreeing with the Federal Circuit’s reasoning, it would nevertheless make the section 2(a) prohibition on registering scandalous or immoral marks—the basis for the refusal in *Brunetti*—unconstitutional as well. Letter Brief for U.S. Dep’t of Justice & U.S. Patent & Trademark Office at 2, *In re Brunetti*, No. 15-1109 (Fed. Cir. Jan. 21, 2016) [hereinafter Letter Brief].

<sup>15</sup> 101 U.S.P.Q.2d 1588, 1602 (T.T.A.B. 2012) (“[W]e cannot rule on applicant’s constitutional arguments.”). The TTAB did, however, respond to the merits in a footnote, citing Federal Circuit precedent. *See id.* at 1602 n.24.

<sup>16</sup> 21 U.S.P.Q.2d 1542 (T.T.A.B. 1991).

the Lanham Act<sup>17</sup> to an intent-to-use application prior to actual use and registration violates the Commerce Clause.<sup>18</sup> Moreover, the Board does not distinguish between as-applied and facial constitutional claims.<sup>19</sup> In *Harjo*, the football team argued that it was not asking the Board to declare the statute unconstitutional, but only to apply it in a constitutional manner. However, the TTAB rejected this argument, largely reiterating its previous rationale.<sup>20</sup>

On rare occasions, the Board will, in passing, address the Constitution. In *Research in Motion Limited v. Defining Presence Marketing Group, Inc.*, the applicant claimed that its proposed mark, Crackberry, was a parody of the Blackberry mark.<sup>21</sup> The Board peremptorily dismissed this argument:

Furthermore, when federal courts are dealing with questions of alleged infringement, the protective penumbra of free speech may well support the pre-

---

<sup>17</sup> See Lanham Act § 7(c), 15 U.S.C. § 1057(c) (2012). This provision deems the applicant's first use, and thus its priority in the mark, to be the earlier of its first actual use or the date of the filing of the application to register. *Id.* Effectively, this means that someone applying before actual use (based on *intent* to use the mark) can claim priority dating back to its application filing date. However, the constructive use provision by its terms only applies if the applicant is successful in obtaining a registration, which requires actual use at some point.

<sup>18</sup> See *Zirco Corp.*, 21 U.S.P.Q.2d at 1544; *cf. adidas AG v. Christian Faith Fellowship Church*, No. 92053314, 2015 WL 5882313 (T.T.A.B. Sept. 14, 2015), *rev'd*, 841 F.3d 986 (Fed. Cir. 2016). In a non-precedential case, the Board discussed case law relating to the constitutional standard of commerce and asserted that the applicant's use "does not affect commerce that Congress can regulate such that the transaction would constitute use in commerce for purposes of registration." *adidas*, 2015 WL 5882313, at \*7. Although the case did not address a constitutional challenge to the legislation or its application, this case at least indirectly addresses constitutional issues by referring to the interpretation of the interstate commerce standard. *See id.* On appeal, the Federal Circuit held that the registrant's activity *was* a "use in commerce" under the Lanham Act and reversed the Board's cancellation of the mark. *Christian Faith Fellowship Church v. adidas AG*, 841 F.3d 986, 990–95 (Fed. Cir. 2016).

<sup>19</sup> See *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705, 1710 (T.T.A.B. 1999), *rev'd*, 284 F. Supp. 2d 96 (D.D.C. 2003).

<sup>20</sup> *See id.* at 1710 ("[W]e find such arguments unpersuasive, as the Board has no authority to determine, either generally or with respect to respondent, whether [s]ection 2(a) is overbroad or vague, or to declare provisions of the Trademark Act unconstitutional.").

<sup>21</sup> 102 U.S.P.Q.2d 1187, 1191 (T.T.A.B. 2012). Apparently, users of Blackberrys often were thought to be addicted to their devices, leading to widespread use of the term "Crackberry" for Blackberry devices. *See id.*

mise that members of the public have a right to use words in the English language to interest and amuse other persons. However, when this Board is asked the narrower question of applicants' right to registration under [s]ection 2(d) of the Lanham Act [which bars registration if the applicant's mark would cause confusion with an existing mark], the First Amendment claim is not as strong as with issues of restraint on use. The center of balance changes even further when the risk of confusion of source, affiliation, approval, or endorsement by the source of the known expression outweighs the newcomer's claim to the right to adopt and register a humorous moniker.<sup>22</sup>

Although the Board gave short shrift to the argument, it is noteworthy that the Board thought to mention the First Amendment in a manner that appeared to concede its possible application in a registration proceeding.<sup>23</sup> However, the applicant did not actually raise a *constitutional* defense, as opposed to merely asserting that parodies obviate the likelihood of confusion.<sup>24</sup> Thus, the Board was not asked to decide a constitutional question, so it did not do so.<sup>25</sup>

The TTAB's rationale for ignoring these arguments is that, as an administrative tribunal, it lacks the power to declare the statute unconstitutional.<sup>26</sup> This stance is, on its face, a curious one. The TTAB, a tribunal of the USPTO, which itself is within the Department of Commerce, is part of the federal government.<sup>27</sup> Its ac-

---

<sup>22</sup> *Id.* at 1191–92.

<sup>23</sup> *See id.*

<sup>24</sup> *See* Applicants' Second Amended Trial Brief at 14–21, *Research in Motion, Ltd. v. Defining Presence Mktg. Grp., Inc.*, 102 U.S.P.Q.2d 1187 (T.T.A.B. 2012), 2011 WL 8609564.

<sup>25</sup> The Board's discussion in *Research in Motion* mirrors its general position that refused applications do not inhibit use and therefore do not implicate the First Amendment. *See Pro-Football Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 452 (E.D. Va. 2015), *appeal docketed*, No. 15-1874 (4th Cir. Aug. 6, 2015). *But cf. In re Tam*, 808 F.3d 1321, 1339–43, 1345–46 (Fed. Cir. 2015) (rejecting this assertion), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016).

<sup>26</sup> TBMP § 102.01 (Jan. 2017).

<sup>27</sup> *See id.*

tions are governmental actions.<sup>28</sup> The TTAB's administrative judges are officers of the United States—they are appointed by the Secretary of Commerce, the head of the department for which they work.<sup>29</sup> The tribunal is clearly bound by the limitations of the Constitution,<sup>30</sup> as are its constituent officers.<sup>31</sup> Indeed, one can appeal TTAB decisions to the Court of Appeals for the Federal Circuit or a U.S. district court, either of which will at least entertain a constitutional challenge to the TTAB's decision.<sup>32</sup> Moreover, as the next section discusses, the TTAB's stance seems out of step with that of other non-judicial branches of the government, which do consider the constitutionality of their actions.

The problem with the TTAB's position can be illustrated with a simple, if extreme (and unrealistic) hypothetical: Suppose Congress were to amend the Lanham Act and bar women (on behalf of themselves, or other entities, such as corporations) from registering trademarks. Using the TTAB's philosophy, the Board would refuse to allow a woman to register a trademark. An appeal would certainly succeed, with a declaration that the prohibition is unconstitutional. But it would require a waste of resources, both judicial and monetary. This hypothetical does present a conundrum for the TTAB. To prevent an obvious constitutional violation would actually require the Board to declare a part of the statute unconstitutional (or at least to refuse to follow it). Perhaps the Board would be unwilling to go that far. On the other hand, as discussed below, other executive branch officials have not been so timid.

---

<sup>28</sup> *Id.*

<sup>29</sup> U.S. CONST. art. II, § 2 (declaring that Congress may vest appointment power of officers of the United States in heads of departments); 15 U.S.C. § 1067(b) (2012) (stating that the Secretary of Commerce appoints administrative trademark judges).

<sup>30</sup> *See In re Tam*, 808 F.3d at 1321. At the very least, this is the implication of the Federal Circuit's decision in *Tam*, in which the court declared unconstitutional the portion of section 2(a) of the Lanham Act that bars registration of disparaging marks. *See id.*

<sup>31</sup> *See* U.S. CONST. art. VI, cl. 3 (“[A]ll executive and judicial officers, both of the United States and of the several states, shall be bound by oath or affirmation, to support this Constitution.”).

<sup>32</sup> *See In re Tam*, 808 F.3d at 1321, 1358; *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 454–56 (E.D. Va. 2015) (discussing, but rejecting, First Amendment challenges), *appeal docketed*, No. 15-1874 (4th Cir. Aug. 6, 2015).

There is, in fact, a provision of the Lanham Act that could raise this kind of issue. Section 2(c) bars the unconsented registration of the “name, signature, or portrait of a deceased President of the United States during the life of his widow.”<sup>33</sup> What happens if the President is a woman? Her husband would be a widower, not a widow. Clearly, applying the statute literally would violate the Equal Protection Clause.<sup>34</sup>

Consider then another hypothetical: Suppose Congress were to amend section 2(a) of the Lanham Act to bar registration of any trademark that “promotes lesbian, gay, bisexual, or transgender lifestyles including, but not limited to, same-sex marriage.” Such a viewpoint-based prohibition would appear to be a clear First Amendment violation.<sup>35</sup> Yet, the Board’s methodology would require it to ignore the First Amendment issue and only ask whether the proposed mark fits within the statutory prohibition.

The TTAB appears to assert its position as a lack of authority. As the next section discusses, although the case law is somewhat muddled on this point, the TTAB’s position seems to be an unnecessarily extreme, and possibly incorrect, reading of the cases and of the Board’s authority.

---

<sup>33</sup> Lanham Act § 2(c), 15 U.S.C. § 1052(c) (2012).

<sup>34</sup> A president in a same-sex marriage would lead to analogous issues, although somewhat in reverse. A male president’s spouse presumably would be deemed a widower, not a widow, while a female president’s spouse would be a widow.

<sup>35</sup> See, e.g., *In re Tam*, 808 F.3d at 1339–43, 1345–48 (rejecting both contentions and holding section 2(a) of the Lanham Act unconstitutional insofar as it applies to disparaging marks). The counter to this conclusion might be the approach of the district court in *Pro-Football, Inc. v. Blackhorse*. See 112 F. Supp. 3d at 439. In *Blackhorse*, the court held that registration constitutes government speech and therefore the statute could prevent the expression of disfavored viewpoints. *Id.* at 457–58. The court also held that, because a refusal to register does not bar actual use, there is no First Amendment problem. *Id.* at 455–57. The Supreme Court is set to resolve these issues when it decides the *Tam* case. See *In re Tam*, 808 F.3d at 1355–57. As of this writing, it is unclear whether the Fourth Circuit will choose to rule on the issue before the Supreme Court issues its ruling.

## II. THE AUTHORITY OF NON-JUDICIAL GOVERNMENTAL ENTITIES TO CONSTRUE THE CONSTITUTION

### A. *The Jurisprudence of Agency Competence to Address Constitutional Issues*

It might seem obvious that a federal agency must have the authority to interpret and apply federal constitutional principles to its actions.<sup>36</sup> After all, federal trademark judges are officers of the United States,<sup>37</sup> and, as such, take an oath to uphold the Constitution. However, case law has created a web of uncertainty around this issue.

The TTAB's position seems based on the principle that it lacks the authority to challenge the constitutionality of the trademark statute.<sup>38</sup> That principle finds support in some case law.<sup>39</sup> The most notable decision is probably *Johnson v. Robison*, where the Supreme Court stated: “[T]he principle that ‘[a]djudication of the constitutionality of congressional enactments has generally been thought beyond the jurisdiction of administrative agencies.’”<sup>40</sup> However, the Court did not explain why this would be so, and the cases cited in the Court's opinion to support the principle are not necessarily on point with regard to the authority of the TTAB.<sup>41</sup> One of those cases is *Oestereich v. Selective Services Board*, where

---

<sup>36</sup> One might say the same of a state agency. Interestingly, however, some state agencies are barred by state law from considering constitutional challenges. *See, e.g.*, CAL. CONST. art. III, § 3.5 (barring state agencies from refusing to enforce a statute on state or federal constitutional grounds (or federal statutory grounds) unless an *appellate* court has ruled that the statute is unenforceable or unconstitutional). For a discussion of state agency competence to decide constitutional issues, see generally Katherine Shaw, *State Administrative Constitutionalism*, 69 ARK. L. REV. 527 (2016).

<sup>37</sup> *See* 15 U.S.C. § 1067(b) (2012).

<sup>38</sup> TBMP § 102.01 (Jan. 2017) (stating that the Board, as an administrative tribunal, has no authority to declare laws unconstitutional).

<sup>39</sup> A law review note from almost forty years ago calls it “traditional wisdom” that agencies could not pass on the constitutionality of statutes. Note, *The Authority of Administrative Agencies to Consider the Constitutionality of Statutes*, 90 HARV. L. REV. 1682, 1684 (1977). However, more recent scholarship indicates that agencies frequently interpret the Constitution. *See, e.g.*, Gillian E. Metzger, *Administrative Constitutionalism*, 91 TEX. L. REV. 1897, 1897–98 (2013).

<sup>40</sup> 415 U.S. 361, 368 (1974) (quoting *Oestereich v. Selective Servs. Bd.*, 393 U.S. 233, 242 (1968) (Harlan, J., concurring)).

<sup>41</sup> *See id.*

Justice Harlan's concurring opinion set forth specific reasons why it would be inappropriate for Selective Services Boards to pass on the constitutionality of the governing statute:

[T]he composition of the boards, and their administrative procedures, render them wholly unsuitable forums for the adjudication of matters: local and appeal Boards consist of part-time, uncompensated members, chosen ideally to be representative of the registrants' communities; the fact that a registrant may not be represented by counsel in Selective Service proceedings seems incompatible with the Boards' serious consideration of such purely legal claims.<sup>42</sup>

None of those deficiencies plague the TTAB. Its members are lawyers—experts in their fields—and presumably at ease with constitutional concepts. Parties appearing before the Board may (and usually do) have counsel. Although TTAB proceedings are not formal adjudicatory hearings before an administrative law judge, its proceedings do emulate court proceedings—they use the Federal Rules of Civil Procedure and Evidence wherever possible,<sup>43</sup> and their factual findings may be given preclusive effect by Article III courts.<sup>44</sup>

Another case cited in *Johnson* (taken from Justice Harlan's opinion in *Oesterich*) is *Public Utilities Commission v. United States*, where the main issue was the ability of the United States to bypass California's administrative process and seek declaratory relief from a court as to its claims of preemption of state rules.<sup>45</sup> Thus, the Court's implications about the California agency's ability or willingness to entertain a constitutional challenge must be viewed in that context. Moreover, the California Constitution specifically prohibits state agencies from ruling on constitutional challenges to

---

<sup>42</sup> 393 U.S. 233, 242–43 (1968) (Harlan, J., concurring) (citation omitted).

<sup>43</sup> See TBMP § 101.02 (Jan. 2017) (citing 37 C.F.R. §§ 2.116, 2.122(a) (2016)) (describing use of the Federal Rules of Civil Procedure and Federal Rules of Evidence in inter partes proceedings). The TTAB Manual of Procedure also notes that the Federal Rules of Evidence are usually applied in ex parte appeals to the Board. *See id.*

<sup>44</sup> *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293 (2015).

<sup>45</sup> 355 U.S. 534, 539–40 (1958).

the enforcement of the agency's statutory directives.<sup>46</sup> The TTAB is a federal agency and there is no express statutory or constitutional bar to its examining constitutional arguments. Additionally, the job of the TTAB is somewhat different than the Public Utilities Commission—it is not regulatory in the same manner.<sup>47</sup>

The sweeping principle enunciated in *Johnson* is not well supported by the case law on which it relies, nor on the facts of the case itself. Nowhere does the Court justify such a principle by an appeal to a constitutional limitation, either express or implied. Moreover, in *Johnson*, the precise question was whether a statutory bar to judicial review of Veterans Administration determinations included a bar to judicial review of constitutional questions.<sup>48</sup> The Court, without expressly endorsing the Veterans Administration's refusal to entertain constitutional challenges, held that the statutory bar did *not* apply to constitutional questions.<sup>49</sup> Thus, the thrust of *Johnson* and *Oestereich* was the availability of *judicial* consideration of constitutional questions. The issue of agency authority was, at best, incidental to the main issue. Furthermore, unlike the circumstances in *Johnson* and *Oestereich*, it is clear that Article III judicial review of TTAB decisions is available.

In the subsequent case of *Thunder Basin Coal Co. v. Reich*, the Supreme Court made it clear that *Johnson* should not be read as endorsing a broad principle that agencies per se lack authority to hear constitutional issues.<sup>50</sup> The issue in *Thunder Basin* (analogous to the other cases discussed above) was the availability of pre-enforcement review in a federal district court of a challenge to the Mine Safety and Health Amendments Act of 1977, without first

---

<sup>46</sup> See CAL. CONST. art. III, § 3.5(b).

<sup>47</sup> See *Eng'rs Pub. Serv. Co. v. Sec. & Exch. Comm'n*, 138 F.2d 936, 952 (D.C. Cir. 1943), *vacated as moot*, 332 U.S. 788 (1947) (parties jointly moved to vacate). This decision, also cited in the *Johnson* opinion, noted that the Securities and Exchange Commission ("SEC") refused to rule on the "constitutionality of the Act which it is called upon to administer." *Id.* However, the court remarked that agencies are sometimes called upon to make rulings on factual issues, such as "interstate commerce," that bear on constitutional issues. *Id.* at 953. Moreover, as this Article discusses later, the SEC, at least more recently, has addressed constitutional issues.

<sup>48</sup> *Johnson v. Robison*, 415 U.S. 361, 366–67 (1974).

<sup>49</sup> *Id.* at 367–74.

<sup>50</sup> 510 U.S. 200, 215 (1994).

going through the agency process.<sup>51</sup> In passing, the Court stated: “[W]e agree that ‘[a]djudication of the constitutionality of congressional enactments has generally been thought beyond the jurisdiction of administrative agencies.’”<sup>52</sup> However, the Court went on to state the following: “*This rule is not mandatory, however, and is perhaps of less consequence where, as here, the reviewing body is not the agency itself but an independent commission established exclusively to adjudicate Mine Act disputes . . . . The Commission has addressed constitutional questions in previous enforcement proceedings.*”<sup>53</sup>

In *Thunder Basin*, the Court cited its decision in *Califano v. Sanders*, which stated (without citation to authority): “Constitutional questions obviously are unsuited to *resolution* in administrative hearing procedures and, therefore, access to the courts is essential to the decision of such questions.”<sup>54</sup> But, as the quoted language makes clear, the focus of *Califano* was on the availability of judicial review of the agency’s decision in an Article III court. (The same issue was at the heart of *Thunder Basin* and the other cases cited above as well.) Thus, “resolution” of constitutional questions may well be best handled in full-fledged Article III courts, provided that a party wishes to bring the case to those courts. But there is no reason to preclude an agency, particularly one with primary jurisdiction, from addressing such questions in the first instance. That may obviate the need for a party to seek redress in Article III courts, saving judicial resources and party money. In fact, the Court’s language in *Thunder Basin* makes it clear that agencies may do just that.<sup>55</sup> Moreover, since factual issues resolved by the TTAB

---

<sup>51</sup> *Id.* at 202.

<sup>52</sup> *Id.* (quoting *Johnson*, 415 U.S. at 368).

<sup>53</sup> *Id.* (emphasis added) (citation omitted).

<sup>54</sup> 430 U.S. 99, 109 (1977) (emphasis added); *see also* *Weinberger v. Salfi*, 422 U.S. 749 (1977). In *Weinberger*, the Court stated, in passing, that “once the Secretary has satisfied himself that the only issue is the constitutionality of a statutory requirement, a matter which is beyond his jurisdiction to determine . . . .” *Weinberger*, 422 U.S. 749 at 765. But the Court cited no support for this proposition. Moreover, it was not essential to the decision, which turned on an issue of proper judicial review.

<sup>55</sup> *See, e.g.*, *Bonnichsen v. U.S. Dep’t of the Army*, 969 F. Supp. 628, 650–51 (D. Or. 1997) (noting that *Thunder Basin* indicates that agencies may address constitutional arguments and that, in any case, agencies may construe statutes to avoid constitutional issues).

may now be deemed preclusive in subsequent proceedings in Article III courts, it is essential that they be made in the proper context, including the constitutional context.

The Supreme Court's opinion in *Elgin v. Department of the Treasury*,<sup>56</sup> which was decided after *Thunder Basin*, illustrates how the issue of agency authority to interpret and apply the Constitution can become entangled with the issue of availability of review by Article III courts, with concomitant confusion for the authority issue.<sup>57</sup> In *Elgin*, the plaintiffs wanted to challenge their dismissal from their jobs by the Treasury Department because of their failure to register with the Selective Service.<sup>58</sup> They alleged that the dismissal violated the Equal Protection Clause (because only males are subject to registration), and that the law mandating their dismissal constituted a bill of attainder.<sup>59</sup> However, rather than use the statutorily mandated administrative process for challenges to personnel actions—a hearing before the Merit Systems Protection Board (“MSPB”), with review available by the Court of Appeals for the Federal Circuit—the *Elgin* plaintiffs brought an action in federal district court to adjudicate their claims.<sup>60</sup> Chief among the plaintiffs' arguments in favor of district court power to hear the action was that the MSPB lacked the authority to address their constitutional claims, and that the Federal Circuit's power was derivative of the MSPB, thereby depriving the appellate court of the power to hear the claims.<sup>61</sup> Although it disagreed with this argument—instead finding that the statute did not deprive the Federal Circuit of authority to hear constitutional claims—the Supreme Court did note that the MSPB does refuse to hear certain types of constitutional claims.<sup>62</sup> But the Court expressly declined to rule on

---

<sup>56</sup> 132 S. Ct. 2126 (2012).

<sup>57</sup> *See id.*

<sup>58</sup> *Id.* at 2129.

<sup>59</sup> *See id.* at 2131. The bill of attainder argument was apparently a claim that the statutory exclusion from employment legislatively punished men aged twenty-six and older due to past conduct—i.e., not registering for Selective Service. *See Elgin v. U.S. Dep't of Treasury*, 641 F.3d 6, 18–20 (1st Cir. 2011) (Stahl, J., concurring), *aff'd*, 132 S. Ct. 2126 (2012).

<sup>60</sup> *Elgin*, 132 S. Ct. at 2132.

<sup>61</sup> *Id.* at 2136–37.

<sup>62</sup> *Id.* at 2136.

the correctness of the MSPB's refusal, since it was not necessary to determine the issue at bar.<sup>63</sup>

The Court's jurisprudence on the issue of agency competence to address constitutional claims leaves much to be desired. However, it does appear to recognize the power of agencies to at least hear and determine some kinds of constitutional arguments, particularly where the agency's determination is subject to review by an Article III court.<sup>64</sup>

### B. *Agency Willingness to Address Constitutional Issues*

Although the Supreme Court has been less than clear on this issue, the Court's reticence to clarify the matter has not entirely deterred agencies and other non-judicial governmental actors from

---

<sup>63</sup> See *id.*

<sup>64</sup> In patent law, parties have challenged the reexamination procedures of the Patent Office (and, lately, the Patent Trial and Appeal Board, or PTAB) on the ground that, among other things, patent cancellation requires an Article III court action and is subject to a jury trial right under the Seventh Amendment. See TBMP § 102.01 (Jan. 2017) (stating that the Board lacks jurisdiction to hear infringement or unfair competition claims); see also *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 603–05 (Fed. Cir. 1985) (rejecting Article III and Seventh Amendment challenges to reexamination proceedings). Thus far, these challenges have been rejected based, to a large degree, on a public versus private rights distinction. See, e.g., *Joy Techs. V. Manbeck*, 959 F.2d 226, 228–29 (Fed. Cir. 1992). It is unclear whether trademark registrations should be treated like patents in this regard. Although patents and trademarks are both forms of intellectual property rights, a trademark *registration*, which is all that the TTAB oversees, is not the sole source of trademark rights, which also derives from common law. Patents, on the other hand, are granted only by the USPTO. See 35 U.S.C. § 2(a)(1) (2012) (providing that the USPTO is “responsible for granting and issuing of patents”). But, if the issue is whether trademark registrations have independent value, the decision in *Tam* indicates that trademark registrations should be regarded as valuable apart from the common law rights in a trademark. See *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016). Ascribing independent value to registrations tends to favor viewing registrations as public rights, not requiring Article III courts to make decisions. The Supreme Court's decision in *B & B Hardware v. Hargis Industries, Inc.*, allowing preclusive use of TTAB findings, also suggests that the TTAB has sufficient status to be treated as a kind of court—albeit an Article I court. See 135 S. Ct. 1293 (2015); see also *Commodity Futures Trading Comm'n v. Schor*, 478 U.S. 833, 852–53 (1986) (noting that the Commodities Exchange Act gave the Commodity Futures Trading Commission power in a limited area of law, with review by Article III courts, and upholding the Commission's power to hear a counterclaim raising only private rights). Like the Commodity Futures Trading Commission (“CFTC”), the TTAB has jurisdiction over a limited area of law. But, unlike the CFTC, the TTAB cannot exercise jurisdiction over “private rights” counterclaims.

addressing constitutional claims. In contrast to the TTAB, other non-judicial arms of the government (i.e., agencies and Executive Branch departments) regularly examine the constitutionality of their actions.

The recent Supreme Court case *Zivotofsky v. Kerry* provides an interesting example.<sup>65</sup> Congress passed a law requiring the State Department to allow people born in Jerusalem to put “Israel” as their place of birth on their passports.<sup>66</sup> However, both Presidents George W. Bush and Barack Obama viewed the statute (which was signed into law by President Bush) as an unconstitutional intrusion on their power to conduct foreign affairs.<sup>67</sup> Thus, when Zivotofsky’s parents invoked the statute and requested that his passport state his place of birth as Israel, the State Department refused, which led to a lawsuit.<sup>68</sup> Although the Supreme Court ultimately upheld the State Department’s position, it is the initial refusal that is significant.<sup>69</sup> The President and Secretary of State acted on their own interpretation of the Constitution. Thus, an Executive Branch department refused to apply a clearly applicable statute based on its own determination that the statute was unconstitutional. Although it took a Supreme Court decision to actually *declare* the statute unconstitutional, this did not prevent the State Department from acting on its own determination of constitutional power.<sup>70</sup>

Another interesting example is *Matter of Compean*, an interim decision by the Attorney General.<sup>71</sup> For a number of years, the Board of Immigration Appeals (“BIA”) analyzed claims of ineffective assistance of counsel in deportation proceedings according to a

---

<sup>65</sup> 135 S. Ct. 2076, 2078 (2015).

<sup>66</sup> See *id.* at 2082 (discussing section 214(d) of the Foreign Relations Authorization Act).

<sup>67</sup> *Id.* (noting the signing statement of President Bush); Steven D. Schwinn, *Zivotofsky v. Kerry: A Study in Law, Politics, and Foreign Affairs*, 79 SOC. EDUC., no. 1, Jan./Feb. 2015, at 30, 32 (describing the Obama administration’s position that section 214(d) “impermissibly interferes with the president’s exclusive power”).

<sup>68</sup> See *Zivotofsky*, 135 S. Ct. at 2083.

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> 25 I. & N. Dec. 1, 2 (A.G. 2009). (Thank you to my colleague, Stewart Chang, who pointed me to this decision.).

framework established by the BIA in a 1988 decision.<sup>72</sup> The BIA's framework was overruled by the Attorney General at the end of President George W. Bush's Administration on the ground that there was no constitutional right to effective assistance of counsel in deportation proceedings.<sup>73</sup> After President Obama took office, the new Attorney General reviewed the *Compean* decision and reversed it (while directing the Executive Office for Immigration Review to institute rulemaking proceedings on the subject).<sup>74</sup> For this Article's purposes, the back and forth between the Attorney General's Office and the Bureau of Immigration Appeals illuminates the issue posed by the TTAB's position. The Board of Immigration Appeals, a non-Article III tribunal, was willing to entertain (and even on occasion uphold) a constitutional argument—ineffective assistance of counsel—and even provided its own framework for analyzing the issue. Two Attorney Generals—Executive Branch officials—also addressed the issue, making their own constitutional arguments (albeit both operating as reviewing officials of the BIA). But, one might say, the BIA is operating in an almost criminal situation, namely deportation and removal proceedings. The stakes are much different than a trademark registration—not that this really should make it more appropriate as a matter of sheer power for one agency to refuse to entertain constitutional arguments.

But quasi-criminal proceedings are not the only situations in which agencies assert power to address constitutional issues. Other agencies with quasi-judicial power, such as the Federal Trade Commission (“FTC”) and the Federal Communications Commission (“FCC”), do not shrink from addressing the constitutional implications of their proceedings. One of the important functions of the FTC is to police false and misleading advertising.<sup>75</sup> Clearly, this task implicates First Amendment concerns as it involves regulating the content of a form of speech: advertising. Although advertising may not always enjoy full First Amendment protection, it

---

<sup>72</sup> See *Lozada*, 19 I. & N. Dec. 637 (B.I.A. 1988), *overruled by* *Compean*, 25 I. & N. Dec. 1 (A.G. 2009).

<sup>73</sup> *Compean*, 25 I. & N. Dec. at 2.

<sup>74</sup> *Id.*

<sup>75</sup> See 15 U.S.C. § 45(a) (2012) (giving the FTC the power to regulate “unfair or deceptive acts or practices”); *id.* § 52 (prohibiting false advertising for “food, drugs, devices, services, or cosmetics”).

still can claim significant constitutional protection.<sup>76</sup> The FTC is empowered to bring quasi-judicial proceedings against those who use false or misleading advertising.<sup>77</sup> These proceedings reflect the understanding that constitutional issues are implicit in such regulation. Forty years ago, in a case involving advertising for eggs, the FTC recognized a constitutional distinction between pure commercial promotion and other forms of advertising:

These advertisements, [relating to health aspects of eggs], do not carry the strong promotional message concerning eggs that the other challenged advertisements convey. The principal thrust of CX 171-173 is information concerning eggs and cholesterol, a matter of public concern. CX 175-176 also seem to fall in the category of advertisements concerned primarily with conveying a message on matters of public concern, including comment on governmental action. CX 171-173 and CX 175-176 were disseminated subsequent to issuance of the complaint herein, and may warrant First Amendment protection. Accordingly, no finding of a violation of the Federal Trade Commission Act is predicated on these documents.<sup>78</sup>

In the same case, the Commission further addressed the constitutional aspects of the commercial/non-commercial divide.<sup>79</sup>

Ten years later, in an antitrust action against the District of Columbia Superior Court Trial Lawyers Association, whose members had refused to accept criminal defense appointments unless fees were increased, the FTC addressed a defense that the lawyers' ac-

---

<sup>76</sup> See *In re Tam*, 808 F.3d 1321, 1364 (Fed. Cir. 2015), *cert. granted sub nom.* Lee v. Tam, 137 S. Ct. 30 (2016); see also *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 561-62 (1980).

<sup>77</sup> See § 45(b).

<sup>78</sup> Nat'l Comm'n on Egg Nutrition, 88 F.T.C. 89, 162-63 (1976) (citation omitted). "CX 171-173" and the other numbered markers in the quoted paragraph refer to the ads at issue in the case. See *id.*

<sup>79</sup> *Id.* at 164-66 (addressing constitutional arguments and finding that other advertisements were commercial speech and were not protected by the First Amendment).

tions constituted a constitutionally protected political boycott.<sup>80</sup> Further evidence of the FTC's strong belief in its ability to address constitutional claims is provided by an interagency comment sent by the FTC to the U.S. Mint.<sup>81</sup> In that memorandum, the FTC touted its experience applying the First Amendment to advertisements as evidence that the Mint should welcome its assistance in promulgating regulations on the use of various words and symbols by entities other than the Mint when they produce Mint-like products.<sup>82</sup>

The FCC's regulatory actions similarly implicate First Amendment concerns as they directly regulate communication via broadcasting. And the FCC recognizes and addresses the constitutional implications of its regulation.<sup>83</sup> In the case *In re 21st Century Fax(es) Ltd.*, the FCC imposed a fine for willful violation of the Telephone Consumer Protection Act.<sup>84</sup> The respondent argued that the statute violated the First Amendment.<sup>85</sup> The Commission, noting that the Act had been upheld by federal courts, rejected the constitutional argument.<sup>86</sup> It further noted that "administrative agencies are to presume that the statutes that Congress directs them to implement are constitutional,"<sup>87</sup> indicating that the Com-

---

<sup>80</sup> Superior Court Trial Lawyers Ass'n, 107 F.T.C. 510 (1986) (opinion by an administrative law judge).

<sup>81</sup> Staff of the Bureau of Consumer Protection, Bureau of Economics and the Office of Policy Planning of the Federal Trade Commission, Comment on Assessment of Civil Penalties for Misuse of Words, Letters, Symbols, and Emblems of the United States Mint (Mar. 11, 2005), [https://www.ftc.gov/sites/default/files/documents/advocacy\\_documents/ftc-staff-comment-united-states-mint-concerning-civil-penalties-misuse-mint-words-letters-symbols/050315usmintcomment.pdf](https://www.ftc.gov/sites/default/files/documents/advocacy_documents/ftc-staff-comment-united-states-mint-concerning-civil-penalties-misuse-mint-words-letters-symbols/050315usmintcomment.pdf) [<https://perma.cc/H5VD-75VJ>] [hereinafter FTC Staff Comment].

<sup>82</sup> See *id.* at 2-3 (discussing the FTC's constitutional interpretations).

<sup>83</sup> See, e.g., *Rubber City Radio Grp.*, 17 FCC Rcd. 14745, 14745 (2002) ("The First Amendment, however, is a critical constitutional limitation that demands we proceed cautiously and with appropriate restraint."). For a discussion of another example of the FCC's use of constitutional principles, see Sophia Z. Lee, *Race, Sex, and Rulemaking: Administrative Constitutionalism and the Workplace, 1960 to the Present*, 96 VA. L. REV. 799, 810-21 (2010) (discussing the FCC's use of the state action doctrine).

<sup>84</sup> 17 FCC Rcd. 1384 (2002).

<sup>85</sup> *Id.*

<sup>86</sup> *Id.* at 1388.

<sup>87</sup> *Id.* Interestingly, in making this statement, the FCC cited *Johnson v. Robison* and quoted the portion of the case (from *Oestereich*) that seemed to deny agency power to hold the statute unconstitutional. See *id.* at 1388 n.26 (citing 415 U.S. 361, 368 (1974)).

mission believed it had the authority to find the statute unconstitutional if the presumption was rebutted. In an earlier decision in the case *In re Application of WGBH Educational Foundation*, which challenged the license renewal of WGBH-TV, the Commission stated: “With regard to ‘indecent’ or ‘profane’ utterances, the First Amendment and the ‘no censorship’ provision of [s]ection 326 of the Communications Act severely limit any role by the Commission and the courts in enforcing the proscription contained in [s]ection 1464.”<sup>88</sup> The Commission went on to discuss the Supreme Court’s then-recent decision in *FCC v. Pacifica Foundation*,<sup>89</sup> stating: “We believe that we should construe the *Pacifica* holding consistent with the paramount importance we attach to encouraging free-ranging programming and editorial discretion by broadcasters.”<sup>90</sup>

Another agency whose decisions implicate constitutional issues is the Securities and Exchange Commission (“SEC”). The most obvious constitutional issue for the SEC is the First Amendment, which is relevant to the SEC’s disclosure requirements. However, the SEC has also been willing to address more fundamental constitutional issues, such as questions that address the constitutionality of its composition. *In the Matter of Raymond J. Lucia Companies, Inc.*, the target of an SEC proceeding challenged the agency’s internal quasi-judicial proceeding on the ground that the administrative law judge was not properly appointed in conformance with the Appointments Clause of the Constitution.<sup>91</sup> The Commission re-

---

<sup>88</sup> 69 F.C.C.2d 1250, 1254 (1978).

<sup>89</sup> 438 U.S. 726 (1978).

<sup>90</sup> *WGBH Educ. Found.*, 69 F.C.C.2d at 1254; *see also* Rubber City Radio Grp., 17 FCC Rcd. 14745, 14746 (2002) (The agency concluded that a radio station violated the Commission’s indecency policy, stating: “The First Amendment, however, is a critical constitutional limitation that demands we proceed cautiously and with appropriate restraint.”). The FCC has noted, however, that its authority to hear constitutional issues is discretionary, and it has sometimes declined to hear such claims outside of the First Amendment context. *See, e.g.*, WXTC License P’ship, G.P., 15 FCC Rcd. 692 (2000) (declining to address argument that section 614 of the Communications Act is an unconstitutional taking).

<sup>91</sup> Exchange Act Release No. 75,837, Investment Advisors Release No. 4,190, Investment Company Release No. 31,806, 112 SEC Docket 6 (Sept. 3, 2015), *petition denied*, 832 F.3d 277 (D.C. Cir. 2016), *reh’g granted, vacated*, 2017 WL 631744 (D.C. Cir. Feb. 16, 2017).

jected the argument on the merits.<sup>92</sup> Moreover, the Commission specifically alluded to its authority to address such fundamental issues, and the desirability of its addressing the issues in the first instance, prior to review by the courts.<sup>93</sup> Furthermore, as its citations in *Lucia* made clear, the SEC is not shy about addressing constitutional issues in its proceedings.<sup>94</sup> It has also been noted that the Tax Court, from fairly early in the twentieth century, has ruled on the constitutionality of statutes.<sup>95</sup> Although other examples could be given, these examples suffice to demonstrate that federal agencies and federal non-judicial officials do not uniformly shy away from addressing the constitutional issues implicit in their actions.

On the other hand, the TTAB is not alone in its reluctance to adjudicate the constitutionality of its governing statutes. For example, in 2010, the Register of Copyrights was asked whether she, or a copyright royalty judge, has the authority to adjudicate the constitutionality of certain provisions of the Copyright Act relating to the use of settlements under the Webcaster Settlement Acts in proceedings before the Copyright Royalty Board. The Register responded that she was without such authority, citing the “general rule” that agencies are without authority to adjudicate the constitutionality of their governing statutes.<sup>96</sup> The Register cited the Supreme Court cases discussed above as the source of this “general rule.”<sup>97</sup>

As indicated in *Elgin*, the MSPB takes a somewhat limited view of its authority to address constitutional issues.<sup>98</sup> This is further illustrated in *Bayly v. Office of Personnel Management*, in which the Office of Personnel Management refused to address appellant’s contention that the statute (which “mandate[s] termination of survivor annuity benefits upon marriage prior to age 55”) constituted

---

<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> *Id.* (citing rulings on double jeopardy and the Seventh Amendment).

<sup>95</sup> Note, *supra* note 39, at 1687.

<sup>96</sup> The Register of Copyrights’ and the Copyright Royalty Judges’ Authority to Determine the Constitutionality of 17 U.S.C. § 114(f)(5), 75 Fed. Reg. 26,278, 26,280 (May 11, 2010).

<sup>97</sup> *Id.*

<sup>98</sup> *Elgin v. Dep’t of the Treasury*, 132 S. Ct. 2126, 2133 (2012).

a denial of equal protection.<sup>99</sup> However, the MSPB made a point of distinguishing the question presented in this case, which attacked the statute itself, from the situation in which a party only questions the constitutionality of the *application* of the statute.<sup>100</sup> Thus, an as-applied challenge may be addressed, even if a facial challenge to the statute would not. On the other hand, as demonstrated by the examples above, some agencies, such as the SEC, take the Court at its word in *Thunder Basin* that agencies are not without authority to address constitutional issues, even facial claims.<sup>101</sup>

The distinction between facial and as-applied challenges was addressed by the District of Columbia Circuit in *Continental Air Lines, Inc. v. Department of Transportation*.<sup>102</sup> In a dispute relating to the Department of Transportation's interpretation of a statute, the court stated:

[I]t cannot be gainsaid that, in carrying on its interpretive function, an agency must be mindful of the higher demands of the Constitution. To be sure, the Department is powerless to determine the constitutionality of the statute itself, as the Supreme Court plainly held in *Weinberger v. Salfi* . . . . As we see it, the agency was never given a shot at wrestling with the statute in a way that, in the agency's view, would comport with the demands of the First Amendment . . . .<sup>103</sup>

---

<sup>99</sup> 42 M.S.P.R. 524, 525 (M.S.P.B. 1990).

<sup>100</sup> *Id.* (citing *May v. Office of Personnel Mgmt.*, 38 M.S.P.R. 534, 538 (M.S.P.B. 1988)); *cf.* *Elgin v. U.S. Dep't of Treasury*, 641 F.3d 6, 11–12 (1st Cir. 2011), (citing *Bayly* for the proposition that the MSPB cannot “determine the constitutionality of [f]ederal statutes,” but noting that constitutional claims arise frequently in agency personnel discharge proceedings (quoting *Bayly*, 42 M.S.P.R. at 525–26)), *aff'd*, 132 S. Ct. 2126 (2012).

<sup>101</sup> *See, e.g.*, *Raymond J. Lucia Cos., Inc., Exchange Act Release No. 75,837, Investment Advisors Release No. 4,190, Investment Company Release No. 31,806, 112 SEC Docket 6* (Sept. 3, 2015), *petition denied*, 832 F.3d 277 (D.C. Cir. 2016), *reh'g granted, vacated*, 2017 WL 631744 (D.C. Cir. Feb. 16, 2017).

<sup>102</sup> 843 F.2d 1444 (D.C. Cir. 1988).

<sup>103</sup> *Id.* at 1455–56 (citations omitted). It may be worth noting that in *Weinberger v. Salfi*, the “plain” holding of the Court looks more like an aside (or two asides):

In the present case, the complaint seeks review of the denial of benefits based on the plain wording of a statute which is alleged to be

It seems clear that the D.C. Circuit assumed that an agency has the power to determine whether a particular application of a statute would comport with the Constitution, even if it might not have the power to rule a statute unconstitutional on its face.<sup>104</sup>

At least two things emerge from this discussion. First, many agencies and Executive Branch officials believe that they have the authority to rule on constitutional issues.<sup>105</sup> In some cases, they rule on issues fundamental to their authority.<sup>106</sup> The Supreme Court's decision in *Thunder Basin* lends support to these assertions of authority,<sup>107</sup> but some agency assertions of such power precede that decision.<sup>108</sup> Second, there may be a distinction between declaring a portion of a governing statute unconstitutional (as the Federal Circuit did in the case *In re Tam*),<sup>109</sup> and declaring a particular application of the law unconstitutional. However, it should be noted that in *Zivotofsky* the Executive Branch was not shy about ignoring a statutory command on constitutional grounds.<sup>110</sup> But an administrative judge of the TTAB, a creature of statute who does not di-

---

unconstitutional. That a denial on such grounds, which are beyond the power of the Secretary to affect, is nonetheless a decision of the Secretary for these purposes has been heretofore established.

422 U.S. 749, 764 (1975). The Court also stated: "Plainly these purposes have been served once the Secretary has satisfied himself that the only issue is the constitutionality of a statutory requirement, a matter which is beyond his jurisdiction to determine . . . ." *Id.* at 765. However, the Court did not cite any authority for the latter proposition. *See id.*

<sup>104</sup> *See* *Bonnichen v. U.S., Dep't of the Army*, 969 F. Supp. 628, 651 (D. Or. 1997) (stating that agencies may construe statutes to be consistent with the Constitution); *see also* *Marozan v. United States*, 852 F.2d 1469, 1492 n.4 (7th Cir. 1988) (Easterbrook, J., dissenting) ("Nothing about the constitutional hierarchy implies that *only* judges have the power to place the Constitution above mere law. Every governmental official has the duty to do this. The power of judicial review comes from the hierarchy of rules, with the Constitution superior to law; that same hierarchy applies to every other governmental actor, and each takes an oath of obedience to the Constitution.").

<sup>105</sup> *See, e.g., Zivotofsky v. Kerry*, 135 S. Ct. 2076, 2080 (2015); *see also* *Compean*, 25 I. & N. Dec. 1, 3 (A.G. 2009); Nat'l Comm'n on Egg Nutrition, 88 F.T.C. 89, 162-66 (1976); *Raymond J. Lucia Cos.*, 2015 WL 7785971.

<sup>106</sup> *See, e.g., Compean*, 25 I. & N. Dec. at 3.

<sup>107</sup> *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200 (1994).

<sup>108</sup> *See, e.g., Egg Nutrition*, 88 F.T.C. at 89.

<sup>109</sup> *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016).

<sup>110</sup> *Zivotofsky*, 135 S. Ct. at 2083.

rectly report to the President, might believe that caution is warranted in the constitutional sphere.

Although as an agency the USPTO is subject to legislative limitations on its authority, there is nothing in the Lanham Act that precludes the TTAB from deciding constitutional questions.<sup>111</sup> That TTAB decisions can be appealed to an Article III court does not prevent the Board from deciding such questions on its own; indeed, it suggests that the Board *does* possess such authority, subject to review by a District Court or the Federal Circuit. The Board's statement in *Brunetti* that the TTAB is not a proper forum "for re-evaluating the impacts of any evolving First Amendment jurisprudence within Article III courts" on the interpretation of the Lanham Act<sup>112</sup> ignores its responsibility as a government agency to account for the possibly variable limitations *on its own authority* that result from constitutional decisions. After all, if the Federal Circuit, or another circuit court were to direct the TTAB to conduct a constitutional review of the application of the Lanham Act in the registration context, it would seem that the TTAB is bound to comply.

*C. Does Independence Affect Agency Willingness to Hear Constitutional Claims?*

The observation that the TTAB is composed of administrative judges could help explain the TTAB's reluctance to address constitutional issues. In the above discussion, the agencies most willing to address constitutional issues—the FTC, FCC, and SEC—all use administrative *law* judges ("ALJs"), not administrative judges ("AJs"), to conduct their adjudicative hearings.<sup>113</sup> AJs are employed and reviewed directly by the agency, whereas ALJs are

---

<sup>111</sup> See generally Lanham Act § 2, 15 U.S.C. § 1052 (2012).

<sup>112</sup> *Brunetti*, No. 85310960, 2014 WL 3976439 (T.T.A.B. Aug. 1, 2014), *appeal docketed*, No. 15-1109 (Fed. Cir. Oct. 28, 2014).

<sup>113</sup> See *Administrative Law Judges*, FED. COMM'N COMM'N, <https://www.fcc.gov/administrative-law-judges> [<https://perma.cc/RF9D-PTFN>] (last visited Nov. 4, 2016); *Office of Administrative Law Judges*, FED. TRADE COMM'N, <https://www.ftc.gov/about-ftc/bureaus-offices/office-administrative-law-judges> [<https://perma.cc/86GR-MAXP>] (last visited Nov. 4, 2016); *Office of Administrative Law Judges*, U.S. SEC. & EXCH. COMM'N, <https://www.sec.gov/alj> [<https://perma.cc/H27E-MJL9>] (last visited Nov. 4, 2016).

hired through the Office of Personnel Management.<sup>114</sup> ALJs are seen as more independent than AJs, in part because ALJ performance is not subject to direct control by the agency.<sup>115</sup> If this perception is accurate, and AJs are less independent than ALJs, then the relatively less independent AJ may be more reluctant to challenge the constitutionality of the agency's governing statute.

Similarly, independence could explain the State Department's willingness to challenge the constitutionality of Congress' direction to issue passports designating Jerusalem, Israel, as a birthplace.<sup>116</sup> Presumably, the decision to challenge the law was made at the highest levels of the State Department, thus insulating the decision maker from retribution within the agency.<sup>117</sup> The MSPB, which took a middle position, also takes the middle ground regarding hearing officers.<sup>118</sup> In some cases it uses AJs, while at other times it uses ALJs.<sup>119</sup>

In sum, there is some evidence that a willingness to address constitutional arguments is related to the relative independence of the decision maker. That, of course, should not determine whether there is *authority* to consider such arguments. Nevertheless, it suggests that the AJs of the USPTO may seek a cautious approach to constitutional arguments. The next Part considers how an agency like the USPTO might cautiously address constitutional issues.

---

<sup>114</sup> Kent Barnett, *Against Administrative Judges*, 49 U.C. DAVIS L. REV. 1643, 1647 (2016).

<sup>115</sup> *Id.* at 1654–56.

<sup>116</sup> Zivotofsky v. Kerry, 135 S. Ct. 2076, 2084 (2015).

<sup>117</sup> One of the examples of an agency addressing a constitutional issue came from the staff of the FTC, not a hearing officer. See FTC Staff Comment, *supra* note 84. But the FTC is an independent agency, unlike the USPTO, which is part of the Department of Commerce. TBMP § 102.01 (Jan. 2017). This independence may allow its staff to feel freer to address the issues.

<sup>118</sup> See *Elgin v. Dep't of the Treasury*, 132 S. Ct. 2126 (2012).

<sup>119</sup> See *How to File an Appeal*, U.S. MERIT SYSTEMS PROTECTION BOARD, <http://www.mspb.gov/appeals/appeals.htm> [<https://perma.cc/WKZ9-ZZ7S>] (last visited Nov. 4, 2016) (discussing use of AJs for appeals); *Jurisdiction*, U.S. MERIT SYSTEMS PROTECTION BOARD, <http://www.mspb.gov/About/jurisdiction.htm> [<https://perma.cc/ZD4Z-EVCE>] (last visited Nov. 4, 2016) (This page discusses the use of ALJs for certain original jurisdiction proceedings, stating: “Special Counsel cases and actions against administrative law judges are heard by the Board Administrative Law Judge, who issues an initial decision.”).

### III. ADDRESSING CONSTITUTIONAL CONCERNS AND THE AVOIDANCE PRINCIPLE

As discussed above, the TTAB's refusal to address constitutional issues stems from its assertion that, as an administrative body, it lacks power to declare laws unconstitutional.<sup>120</sup> This may be a logical corollary of the Supreme Court's statement in *Marbury v. Madison* that "[i]t is emphatically the province and duty of the judicial department to say what the law is."<sup>121</sup> However, as the Supreme Court indicated in *Thunder Basin*, agencies do have the power to address constitutional issues.<sup>122</sup> Even if one concedes a lack of power to formally declare laws unconstitutional (while noting that this has not prevented other Executive Branch agencies from considering such questions),<sup>123</sup> that does not justify the Board's refusal to entertain constitutional issues at all. As was the case of the Commission in *Thunder Basin*, the TTAB is well suited to do so as it is a quasi-judicial body, most of whose members do not otherwise participate in the USPTO's regulatory process.<sup>124</sup> The Board exercises quasi-judicial power.<sup>125</sup> Furthermore, the D.C. Circuit's *Continental Airlines* decision shows that an agency should be able to at least address an as-applied constitutional challenge (as opposed to a facial challenge) in the context of an agency proceeding.<sup>126</sup> Yet the TTAB refuses even to make the reasonable distinction that would permit it to address constitutional issues.

#### *A. As-Applied vs. Facial Constitutional Challenges*

One way that the TTAB could address constitutional issues would be to distinguish between a facial challenge to the statute and a challenge that only pertains to its application in a particular setting. A facial challenge asserts that the law cannot be applied in a

---

<sup>120</sup> See, e.g., *Harjo v. Pro-Football, Inc.*, 30 U.S.P.Q.2d 1828, 1832-33 (T.T.A.B. 1994).

<sup>121</sup> 5 U.S. 137, 177 (1803).

<sup>122</sup> *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 215 (1994).

<sup>123</sup> See sources cited *supra* note 105.

<sup>124</sup> See 15 U.S.C. § 1067(b) (2012). The Director of the USPTO, the Deputy Director of the USPTO, the Commissioner for Patents, and the Commissioner for Trademarks are members of the Board, although they are greatly outnumbered by appointed trademark judges. See *id.*

<sup>125</sup> See § 1067(a).

<sup>126</sup> *Cont'l Air Lines, Inc. v. Dep't of Transp.*, 843 F.2d 1444 (D.C. Cir. 1988).

constitutional manner as to any situation covered by the statute.<sup>127</sup> Such a challenge tests the limits of agency power because it forces the agency to, in some cases, declare a statute, or a portion of a statute, unenforceable.<sup>128</sup> An as-applied challenge only asserts that enforcement of the statute *in this particular context* would violate the Constitution.<sup>129</sup> It does not require a declaration that Congress has exceeded its power in enacting the statute.<sup>130</sup> It only requires a determination that the statute cannot be applied in this particular situation.<sup>131</sup>

As federal officers, members of the TTAB are bound to uphold the Constitution.<sup>132</sup> Refusing even to consider whether a *particular* action on their part would violate the Constitution seems to be contrary to the oath of office. Moreover, to the extent that *Johnson v. Robison* is still seen (after *Thunder Basin*) as a bar to the authority of an agency to find its governing statute unconstitutional, using as-applied analyses is perfectly consistent with that principle.<sup>133</sup> The agency is not called upon to challenge the legitimacy of its governing statute, which remains in force for all constitutionally legitimate purposes.<sup>134</sup>

The discussion in Section II.B demonstrates that, the great majority of the time, those issues involve as-applied challenges rather than challenges to the legitimacy of the governing statute.<sup>135</sup> Thus, the FTC's discussions of constitutional principles involved particular applications of the FTC's authority to advertising and the

---

<sup>127</sup> This was the conclusion of the Federal Circuit regarding the disparagement provision of the Lanham Act. See *In re Tam*, 808 F.3d 1321, 1328, 1358 (Fed. Cir. 2015), *cert. granted sub nom.* Lee v. Tam, 137 S. Ct. 30 (2016).

<sup>128</sup> See, e.g., Stefanie A. Lundquist & Pamela C. Corley, *The Multiple-Stage Process of Judicial Review: Facial and As-Applied Constitutional Challenges*, 40 J. LEG. STUD. 467, 475 (2011) (noting that an as-applied challenge is less of an institutional challenge to the legislature).

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Id.*

<sup>132</sup> See *Marozan v. United States*, 852 F.2d 1469, 1492 n.4 (7th Cir. 1988) (Easterbrook, J., dissenting).

<sup>133</sup> 415 U.S. 361, 370 n.12 (1974).

<sup>134</sup> *Id.* at 383.

<sup>135</sup> See generally Alex Kreit, *Making Sense of Facial and As-Applied Challenges*, 18 WM. & MARY BILL RTS. J. 657 (2010).

consequent interaction with First Amendment principles.<sup>136</sup> They did not implicate the FTC's authority to regulate advertising in general.<sup>137</sup> Similarly, the FCC's discussions of First Amendment limits on its authority were in the context of particular cases; the FCC did not purport to challenge the constitutionality of the governing statute.<sup>138</sup> Indeed, its statement that its authority should be read with the First Amendment in mind<sup>139</sup> is exactly the sort of principle that should guide the TTAB.

By contrast, in *Harjo* the Board dismissed the distinction between an as-applied challenge and a facial challenge to the statutory ban on registration of disparaging or scandalous marks.<sup>140</sup> The Board stated that it was "a distinction without a difference."<sup>141</sup> However, the Board's focus continued to be on its perceived lack of authority to declare laws unconstitutional.<sup>142</sup> It did not explain why it believed that declaring a failure to register a particular mark on the grounds of disparagement and/or scandalousness amounts to a declaration that a portion of the Lanham Act was unconstitutional.<sup>143</sup>

#### *B. The Avoidance Principle*

If the TTAB will not address constitutional issues directly, is there a way to allow it to address the Constitution in a manner that avoids the issue of agency power to declare laws or agency actions unconstitutional? The answer lies in the principle that courts (and, presumably, agencies) should seek to interpret statutes in ways that avoid constitutional decisions unless absolutely necessary.

The idea of avoiding constitutional decisions dates back to the nineteenth century,<sup>144</sup> but it is most commonly associated with Jus-

---

<sup>136</sup> *Id.*; see also Nat'l Comm'n on Egg Nutrition, 88 F.T.C. 89, 162-66 (1976).

<sup>137</sup> See *Egg Nutrition*, 88 F.T.C. at 162-66; see also FTC Staff Comment, *supra* note 81.

<sup>138</sup> See 21st Century Fax(es) Ltd., 17 FCC Rcd. 1384, 1388 (2002).

<sup>139</sup> *Id.*

<sup>140</sup> *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705, 1710 (T.T.A.B. 1999), *rev'd*, 284 F. Supp. 2d 96 (D.D.C. 2003).

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*

<sup>144</sup> See, e.g., *Liverpool & Phila. S.S. Co. v. Comm'rs of Emigration*, 113 U.S. 33, 39 (1885).

tice Brandeis's concurring opinion in *Ashwander v. Tennessee Valley Authority*.<sup>145</sup> Justice Brandeis set out seven (sometimes overlapping) principles, the last of which is particularly relevant here:

When the validity of an act of the Congress is drawn in question, and even if a serious doubt of constitutionality is raised, it is a cardinal principle that this Court will first ascertain whether the construction of the statute is fairly possible by which the question may be avoided.<sup>146</sup>

As many scholars have chronicled, the *Ashwander* avoidance principles have been widely cited by courts.<sup>147</sup> However, the avoidance principle is not a panacea, either for courts or agencies. Scholars have identified flaws in the doctrine. As noted constitutional scholar Frederick Schauer has pointed out, there are costs associated with avoiding constitutional decisions.<sup>148</sup> Courts may make strained interpretations of statutes that stray from the drafters' intent in order to avoid constitutional issues, for example.<sup>149</sup> It may not accurately reflect the will of Congress to assume that even a tortured interpretation of a statute is preferable to ruling it unconstitutional.<sup>150</sup> Avoidance also evades political accountability for odd interpretations of statutes, since Congress may not have the same incentive to amend a statute after a flawed construction that it has when a statute is struck down.<sup>151</sup> Avoidance is also somewhat of a misnomer, in that it does not truly avoid a constitutional decision; it simply changes the parameters of the analysis.<sup>152</sup> Thus, avoidance does not necessarily avoid constitutional discussions, because one must identify and discuss a serious constitutional issue as part

---

<sup>145</sup> 297 U.S. 288, 346–48 (1936) (Brandeis, J., concurring).

<sup>146</sup> *Id.* at 348 (citing *Crowell v. Benson*, 285 U.S. 22, 62 (1932)).

<sup>147</sup> *See, e.g.*, Frederick Schauer, *Ashwander Revisited*, 1995 SUP. CT. REV. 71, 73 (1995).

<sup>148</sup> *Id.* at 74.

<sup>149</sup> *Id.* at 74, 81–82.

<sup>150</sup> *See generally* Caleb Nelson, *Avoiding Constitutional Questions Versus Avoiding Unconstitutionality*, 128 HARV. L. REV. F. 331 (2015).

<sup>151</sup> *See generally* Neal Kumar Katyal, *Judges as Advicegivers*, 50 STAN. L. REV. 1709 (1998).

<sup>152</sup> *Id.* at 1766.

of the process of avoiding it.<sup>153</sup> Nevertheless, the avoidance principle is quite firmly embedded in the constitutional landscape.

Several cases have indicated that agencies do have the authority to interpret their governing statutes to avoid constitutional problems. For example, in *Bonnichsen v. U.S., Department of the Army*, the court raised the question of whether the Army Corps of Engineers could evaluate equal protection claims brought by the plaintiffs.<sup>154</sup> Citing *Thunder Basin*, the court indicated that the agency could actually adjudicate the claims on the merits, but further stated: “Even if the agency cannot directly declare a statute unconstitutional, there is authority that an agency may consider constitutional issues in construing and applying a statute or regulation.”<sup>155</sup> In support of this principle, the district court cited the Supreme Court’s opinion in *Ohio Civil Rights Commission v. Dayton Christian Schools, Inc.*<sup>156</sup> There, in an opinion ordering a district court to abstain in favor of a state agency determination of a sex discrimination complaint, the Court responded to an argument that the state agency could not hear the (religious school) employer’s First Amendment defenses:

[E]ven if Ohio law is such that the [Ohio Civil Rights] Commission may not consider the constitutionality of the statute under which it operates, it would seem an unusual doctrine, and one not supported by the cited case, to say that the Commission could not construe its own statutory mandate in the light of federal constitutional principles.<sup>157</sup>

Although the case involved a state agency, not a federal one, there is no reason to believe that the principle is not equally applicable to a federal agency.<sup>158</sup>

---

<sup>153</sup> *Id.* at 1789–90.

<sup>154</sup> 969 F. Supp. 628, 649–650 (D. Or. 1997).

<sup>155</sup> *Id.* at 651.

<sup>156</sup> 477 U.S. 619 (1986).

<sup>157</sup> *Id.* at 629; *see also* *Fieger v. Thomas*, 74 F.3d 740, 747 (6th Cir. 1996) (quoting *Ohio Civil Rights Comm’n*, 477 U.S. at 629) (The court found that the Michigan agency could hear constitutional claims or, if not, could “narrowly construe” the statute to avoid the issue.).

<sup>158</sup> For additional discussion of the legitimacy of the use of avoidance by agencies, *see Metzger, supra* note 39, at 1916–20.

One example of the Supreme Court's use of the avoidance principle involved both avoidance and an agency willing to address constitutional principles. In *National Labor Relations Board v. Catholic Bishop of Chicago* (which was cited in *Dayton Christian Schools*), the National Labor Relations Board ("NLRB") asserted jurisdiction over Catholic schools in the context of attempts to unionize the lay faculty and ordered the school to bargain collectively.<sup>159</sup> The Board rejected claims by the schools that asserting such jurisdiction would violate the Establishment and/or Free Exercise Clauses of the First Amendment.<sup>160</sup> After the Seventh Circuit reversed, the NLRB appealed to the Supreme Court.<sup>161</sup> The Court conceded that there were constitutional claims involved, but was reluctant to address them:

Although the respondents press their claims under the Religion Clauses, the question we consider first is whether Congress intended the Board to have jurisdiction over teachers in church-operated schools. In a number of cases the Court has heeded the essence of Mr. Chief Justice Marshall's admonition in *Murray v. Charming Betsy*, by holding that an Act of Congress ought not be construed to violate the Constitution if any other possible construction remains available. Moreover, the Court has followed this policy in the interpretation of the Act now before us and related statutes.<sup>162</sup>

The Court proceeded to interpret the relevant statute to preclude jurisdiction by the NLRB, thus avoiding the constitutional issue.<sup>163</sup>

---

<sup>159</sup> 440 U.S. 490 (1979).

<sup>160</sup> See *id.* at 493–95. The NLRB uses ALJs as its hearing officers, making its willingness to consider constitutional arguments consistent with the discussion of independence above.

<sup>161</sup> See *id.* at 490.

<sup>162</sup> *Id.* at 500 (citation omitted).

<sup>163</sup> See *id.* at 504–07. In a dissenting opinion, Justice Brennan did not deny the existence of the avoidance principle. *Id.* at 508–09 (Brennan, J., dissenting) (“The general principle of construing statutes to avoid unnecessary constitutional decisions is a well-settled and salutary one.”). Instead, he challenged the majority's construction of the statute. *Id.*

*C. The Avoidance Principle and the TTAB*

For the moment, put aside the costs and focus on some benefits of avoidance in the context of TTAB decision-making. If the TTAB is wary of declaring its own agency's actions—or its governing statute—unconstitutional, the avoidance principle may provide a way to address constitutional issues without actually making such a declaration. Although the purpose of that mechanism is to avoid a constitutional *decision*, it almost invariably requires a court to address the constitutional *issues* in order to determine whether a serious constitutional question exists.<sup>164</sup> Unlike an as-applied constitutional analysis, this canon of construction provides a means for the TTAB to address constitutional issues without having to declare laws—or even particular agency actions—unconstitutional.<sup>165</sup> It can seek a construction of the Lanham Act that avoids what would otherwise be serious constitutional problems with the USPTO's actions. Thus, for example, in recent cases such as *Pro-Football, Inc. v. Blackhorse* and *In re Tam*, which raised free speech questions about the application of section 2(a) of the Lanham Act (barring the registration of disparaging marks), the Board could have determined whether cancelling one registration (Washington Redskins) or denying another (Slants, by an Asian-American band) would raise serious free speech problems based on precedents from the Supreme Court and lower courts.<sup>166</sup> If the Board felt that granting relief or denying registration would create constitutional problems, it could seek an interpretation of “disparaging” that would obviate the problem.

The avoidance principle, with all of its faults, can be applied in a somewhat straightforward manner by a court. But the TTAB is not a court—it is a quasi-judicial arm of an administrative agency. Scholars have pondered issues relating to the application of constitutional avoidance in the agency context, although normally with-

---

<sup>164</sup> See, e.g., Lisa A. Kloppenberg, *Avoiding Serious Constitutional Doubts: The Supreme Court's Construction of Statutes Raising Free Speech Concerns*, 30 U.C. DAVIS L. REV. 1, 16–17 (1996).

<sup>165</sup> *Id.* at 11.

<sup>166</sup> *In re Tam*, 785 F.3d 567, 571 (Fed. Cir. 2015), *cert. granted sub nom.* Lee v. Tam, 137 S. Ct. 30 (2016); *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 477 (E.D. Va. 2015), *appeal docketed*, No. 15-1874 (4th Cir. Aug. 6, 2015).

out directly addressing how an agency might apply the doctrine. Some of that scholarship discusses the interaction between the avoidance principle and the doctrine established in *Chevron USA, Inc. v. National Resource Defense Council*, which mandates deference to an agency's reasonable interpretation of an ambiguous statute (or a statute that delegates interpretation to an agency).<sup>167</sup> Courts and commentators have debated whether avoidance mandates that a court override the agency's interpretation when it raises a constitutional question (i.e., even if the agency's statutory interpretation is not definitively unconstitutional; the fact that it raises a serious constitutional question may trigger avoidance).<sup>168</sup> Some have argued that *Chevron* deference should prevail over avoidance, subject to a definitive constitutional ruling on the agency's action.<sup>169</sup>

But those arguments do not capture the context of a TTAB proceeding. The TTAB is not operating as a rule maker in the usual administrative manner. The Board does not engage in note-and-comment rulemaking, which includes the possible influence of the political process on the decision.<sup>170</sup> Rather, it adjudicates individual cases mostly using the same rules of procedure and evidence that would be used in a court. The "rules" that the Board creates are its precedential opinions, setting forth its interpretations of applicable law in the registration context.<sup>171</sup> There is little direct accountability in the political sense; as noted earlier, most of the members of the TTAB are appointed as trademark judges, not general policy makers.<sup>172</sup> Although TTAB decisions are afforded a cer-

---

<sup>167</sup> 467 U.S. 837, 844 (1984).

<sup>168</sup> See generally Christopher J. Walker, *Avoiding Normative Canons in the Review of Administrative Interpretations of Law: A Brand X Doctrine of Constitutional Avoidance*, 64 ADMIN. L. REV. 139 (2012).

<sup>169</sup> *Id.*

<sup>170</sup> Such political influence may seem positive to those who view *Chevron* as reinforcing political accountability. See *id.* at 149–50 (discussing accountability and *Chevron*); see also *id.* at 177–79 (discussing separation of powers issues and *Chevron*).

<sup>171</sup> See TBMP § 101.03 (Jan. 2017); *id.* § 1203.02(f). The TTAB issues both precedential and non-precedential decisions. Precedential decisions are viewed as binding; non-precedential decisions, while citable, are not binding on the Board. § 101.03

<sup>172</sup> See 15 U.S.C. § 1067 (2012). The TTAB includes political policy makers such as the Director and Deputy Director of the USPTO, the Commissioner for Patents, and the Commissioner for Trademarks. Of course, as employees of the USPTO (and the Commerce Department), trademark judges may feel some obligation to adhere to the custom of the TTAB and the USPTO in refusing to address constitutional issues (and in

tain amount of factual deference if they are appealed to the Federal Circuit,<sup>173</sup> aggrieved parties are entitled to a de novo review in a district court if they so choose.<sup>174</sup>

Moreover, the availability of de novo review may suggest caution in applying *Chevron* deference to the TTAB, especially if it uses the avoidance principle to interpret the statute.<sup>175</sup> The fact that the Lanham Act emerged out of the common law of trademarks, and that it clearly contemplates courts as the primary enforcers (and, probably, interpreters) of the statute, similarly—or perhaps more strongly—counsels caution in making the TTAB the last word in the interpretation of a statute.<sup>176</sup>

#### *D. The TTAB's Constitutional Choices*

##### 1. Boldly Going Where the TTAB Has Not Gone Before: Making a Constitutional Decision

The *Thunder Basin* opinion shows that the TTAB does possess the authority to address constitutional issues.<sup>177</sup> Thus, its refusal to address those issues represents more of a policy choice than a matter of authority.<sup>178</sup> As a policy matter, the TTAB's choice is a questionable one. The members of the Board do not lack the expertise

---

other decisions as well). It would be naïve to assume that non-trademark judges exert no influence over policy. Moreover, when the TTAB issues a precedential decision, it is engaged in a form of statutory interpretation that may be entitled to deference. *See, e.g., Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 634–39 (7th Cir. 1993) (applying *Chevron* to TTAB proceedings).

<sup>173</sup> The Federal Circuit applies a “substantial evidence” review of TTAB factual decisions. *See, e.g., In re Inca Textiles, LLC*, 344 F. App'x 603 (Fed Cir. 2009); *On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1085 (Fed. Cir. 2000). Under this standard, the TTAB's decision is upheld if “a reasonable person might find that the evidentiary record supports the agency's conclusion.” *Id.*

<sup>174</sup> *See* 15 U.S.C. § 1071(b)(1) (2012); *CAE, Inc. v. Clean Air Eng'g, Inc.*, 267 F.3d 660, 674–75 (7th Cir. 2001).

<sup>175</sup> *CAE, Inc.*, 267 F.3d at 674–75.

<sup>176</sup> Where the statutory provisions uniquely deal with the technicalities of registration such caution would be less justified. *Cf.* Christopher J. Walker, *Chevron Deference and Patent Exceptionalism*, 65 *DUKE L.J. ONLINE* 149 (2016) (arguing that the Patent Trial and Appeal Board, or PTAB, should be given deference as to interpretations of patent law).

<sup>177</sup> *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 215 (1994); *see also supra* notes 50–55 and accompanying text.

<sup>178</sup> *Thunder Basin*, 510 U.S. at 215; *see also supra* notes 50–55 and accompanying text.

to address these issues.<sup>179</sup> They are lawyers, experts in trademark law, and presumably familiar with the constitutional issues that frequently arise in the trademark arena.<sup>180</sup> Although the TTAB's jurisdiction is limited to trademark registrations, the Supreme Court clearly views the Board as possessing authority somewhat like a federal court,<sup>181</sup> even when its decisions are not reviewed by an Article III court.<sup>182</sup> Given the Board's authority and expertise in trademark matters, there are several good reasons for why it should decide relevant constitutional issues.<sup>183</sup> First, it may streamline liti-

---

<sup>179</sup> Hope Hamilton, Note, *Parsing the Standard of Review Puzzle: How Much Deference Should Federal District Courts Afford Trademark Trial and Appeal Board Decisions?*, 12 FED. CIR. B.J. 489, 514 (2003).

<sup>180</sup> TBMP § 102.03 (Jan. 2017); John L. Welch, *Current Roster of TTAB Administrative Trademark Judges*, TTABLOG (Oct. 14, 2015), <http://thettablog.blogspot.com/2015/10/current-roster-of-ttab-administrative.html> [<https://perma.cc/9Y6M-GDPZ>].

<sup>181</sup> *B & B Hardware, Inc. v. Hargis Ind., Inc.*, 135 S. Ct. 1293, 1300 (2015) (“Opposition proceedings before the TTAB are in many ways ‘similar to a civil action in a federal district court.’” (quoting TBMP § 102.03)).

<sup>182</sup> *Id.* at 1305 (noting that a failure to appeal TTAB decisions does not deprive them of preclusive effect).

<sup>183</sup> Technically, the analysis set forth here could apply to trademark examiners as well as trademark judges. Examiners are government officials, charged with making decisions about registrations. However, requiring examiners to consider constitutional arguments (unless directed to do so by the courts) presents problems. Examiners need to act with reasonable speed and there are hundreds of thousands of trademark applications each year. See *Data Visualization Center*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/dashboards/trademarks/main.dashxml> [<https://perma.cc/8998-UJRM>] (last visited Nov. 4, 2016) (showing over 500,000 filed in fiscal year 2015). Applications made pursuant to the Madrid Protocol must obtain a USPTO ruling within eighteen months of the time that the applicant requests registration (technically an “extension of protection”), or else the request will be automatically granted. See 15 U.S.C. § 1141h (2012) (stating that the USPTO Director must notify the International Bureau within eighteen months of refusal, filing of opposition, or possibility of filing opposition); *id.* § 1141i (stating that extension of protection must be issued unless refusal is made pursuant to section 1141h). Thus, a prompt review of applications is very important. Forcing examiners to respond to constitutional arguments could encourage many constitutional claims, slowing the examination process. Given the number of applicants and the number of examiners, this also could lead to uneven application of the law. It makes more sense to consolidate authority to hear constitutional claims in the TTAB, where there is a greater likelihood of consistency (and the TTAB uses panels of at least three judges). Given the Supreme Court's implication that agencies have a certain amount of discretion about addressing constitutional arguments, limiting an applicant's ability to raise constitutional concerns to the TTAB level should not violate due process. The government's interest in effective management of trademark applications, combined with the applicant's ability to raise the issue within the agency process before the Board,

gation.<sup>184</sup> In a case like *In re Tam*, if the TTAB had allowed registration (or, more precisely, publication for opposition) the burden would be on someone else to come forward, claim harm, file an opposition, and be willing to take the case to the next level, if necessary.<sup>185</sup> If no opposition was filed, the case would end there.<sup>186</sup> Even if an opposition had been filed, the opposition proceeding would give the TTAB the opportunity to revisit its ruling based on a more complete record.<sup>187</sup>

This latter observation leads to a second policy favoring TTAB decision-making: creating a proper record.<sup>188</sup> The Supreme Court has noted (albeit outside of the trademark field) the potential importance of a factual record in a lower court in deciding constitutional issues.<sup>189</sup> Having the TTAB decide constitutional questions in the first instance permits parties to make a complete factual record before they have to make a decision to appeal.<sup>190</sup> Moreover, in the absence of TTAB decision-making, where a factual record is important to resolving the constitutional issue,<sup>191</sup> it virtually forces a party into a *de novo* appeal to a district court, where additional evidence can be presented, rather than to the Federal Circuit, which decides on the record before the TTAB.<sup>192</sup> In an *ex parte* proceeding such as those in the *Tam* or *Brunetti* cases, an appellant

---

should outweigh the applicant's interest in having examiners weigh the issue. This does not mean that examiners should not be sensitive to constitutional issues in the registration process, but they need not formally incorporate it into the examination process. The USPTO would seem to have ample authority to issue rules governing such matters.

<sup>184</sup> See generally *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016); see also Note, *supra* note 39, at 1687.

<sup>185</sup> See 15 U.S.C. § 1063 (2012).

<sup>186</sup> *Id.*

<sup>187</sup> In the examination process, only the applicant would introduce evidence. In an opposition proceeding, the opposing party may also introduce evidence. See TBMP § 102.03 (Jan. 2017) (describing the different proceedings held before the TTAB); *id.* § 1208 (discussing treatment of evidence in *ex parte* appeals to the TTAB).

<sup>188</sup> See, e.g., *Whole Woman's Health v. Hellerstedt*, 136 S. Ct. 2292, 2310 (2016).

<sup>189</sup> *Id.*

<sup>190</sup> See *Bonnichsen v. U.S., Dep't of Army*, 969 F. Supp. 628, 651 (D. Or. 1997) (The court directed the plaintiffs on remand to agency to "make any record below that is needed to support [the constitutional claims]," stating that "this procedure will help to simplify this case . . . by creating a single record for review instead of making a second record in this court.").

<sup>191</sup> See, e.g., *Whole Woman's Health*, 136 S. Ct. at 2310.

<sup>192</sup> Hamilton, *supra* note 179, at 492-98.

faces a significant penalty for choosing a de novo review, even if he or she wins.<sup>193</sup> This may chill the pursuit of constitutional issues by some litigants who need to make a factual record.<sup>194</sup>

In the *Brunetti* case, which dealt with the bar to registering scandalous and immoral marks, the Board offered another rationale for refusing to hear constitutional issues: the need to “[reevaluate] the impacts of any evolving First Amendment jurisprudence within Article III courts upon determinations under section 2(a) of the Lanham Act.”<sup>195</sup> This reason does not stand up to scrutiny. The Lanham Act has many provisions directly relating to registration—i.e., provisions that the TTAB must interpret and apply—that are subject to continuing interpretation by Article III courts.<sup>196</sup> For example, the line between “descriptive” marks and inherently distinctive marks is surely one that courts could reevaluate if they so choose. The Federal Circuit has already reevaluated the line between “primarily geographically deceptively misdescriptive” and primarily geographically misdescriptive.<sup>197</sup> The Federal Circuit has overturned TTAB precedent on the issue of what constitutes fraud on the USPTO (which cancels registrations ab initio—that is, from their inception).<sup>198</sup> The doctrine of functionality, which bars the registration of certain marks, has undergone significant doctrinal reevaluation, forcing the TTAB to accommodate a new and uncertain legal terrain.<sup>199</sup> Adapting to doctrinal changes in constitutional interpretation should pose no special difficulty for the Board.

---

<sup>193</sup> See 15 U.S.C. § 1071(b)(3) (2012) (stating that de novo appellant in a non-opposition proceeding must pay the costs and attorney’s fees of the USPTO, even if the appeal is successful); *Shammas v. Focarino*, 784 F.3d 219, 221 (4th Cir. 2015) (affirming decision of court below to impose all expenses on plaintiff in ex parte proceeding regardless of whether plaintiff won or lost), *cert. denied*, 136 S. Ct. 1376 (2016).

<sup>194</sup> See generally *Shammas*, 784 F.3d at 221.

<sup>195</sup> *Brunetti*, No. 85310960, 2014 WL 3976439, at \*5 (T.T.A.B. Aug. 1, 2014), *appeal docketed*, No. 15-1109 (Fed. Cir. Oct. 28, 2014).

<sup>196</sup> See generally Lanham Act, 15 U.S.C. §§ 1051–1141(n) (2012).

<sup>197</sup> *In re Cal. Innovations, Inc.*, 329 F.3d 1334, 1341–42 (Fed. Cir. 2003).

<sup>198</sup> *In re Bose Corp.*, 580 F.3d 1240, 1244–46 (Fed. Cir. 2009).

<sup>199</sup> See, e.g., *In re Becton, Dickinson & Co.*, 675 F.3d 1368 (Fed. Cir. 2012) (discussing the effect of more recent Supreme Court cases on the doctrine).

The TTAB's decision to address constitutional issues need not put the Board on a collision course with Congress.<sup>200</sup> As discussed earlier, agencies occasionally have decided issues fundamental to their governing structure, but more often their constitutional discussions occur in a specific factual context.<sup>201</sup> Although the TTAB has previously rejected a distinction between facial and as-applied challenges,<sup>202</sup> such a distinction makes sense from the perspective of agency authority. A full record—which may be more pertinent to as-applied challenges—would enhance and streamline constitutional decision-making, both at the TTAB and appellate levels. An as-applied challenge leaves open the issue of the general unconstitutionality of the statute.<sup>203</sup>

If the TTAB makes a distinction between those cases requiring a declaration that the law is unconstitutional generally, and those only requiring a finding that the law as applied in a particular case would be unconstitutional, the Board could address the constitutional issues in the latter directly. In such cases (which would include *Tam* and *Blackhorse*), the TTAB need not be concerned with whether a provision of the Lanham Act is constitutional on its face. In the case of section 2(a), all that would be required is a recognition that *some* disparaging marks are protected by free speech principles, while others are not.<sup>204</sup>

---

<sup>200</sup> Raymond J. Lucia Cos., Inc., Exchange Act Release No. 75,837, Investment Advisors Release No. 4,190, Investment Company Release No. 31,806, 112 SEC Docket 6 (Sept. 3, 2015), *petition denied*, 832 F.3d 277 (D.C. Cir. 2016), *reh'g granted, vacated*, 2017 WL 631744 (D.C. Cir. Feb. 16, 2017).

<sup>201</sup> *Id.*

<sup>202</sup> See *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705, 1710 (T.T.A.B. 1999), *rev'd*, 284 F. Supp. 2d 96 (D.D.C. 2003).

<sup>203</sup> It is, of course, possible that an appellate court would choose to make a facial ruling, as done in *Tam*. But the appellate court still could benefit from a full record.

<sup>204</sup> See *In re Tam*, 808 F.3d 1321, 1345 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016). After the Federal Circuit's decision declaring section 2(a) unconstitutional on its face with regard to disparaging marks, the more salient issue may be scandalousness, as discussed in a hypothetical below. *But see* Letter Brief, *supra* note 14, at 1 (asserting that *Tam*'s reasoning applies equally to scandalous and immoral marks). Still, the Federal Circuit's opinion in *Tam* will not be the final word on the matter, considering the Supreme Court's grant of certiorari in the case. *Blackhorse* will be reviewed by the Fourth Circuit, not the Federal Circuit. See *Pro-Football, Inc. v. Blackhorse*, No. 15-1874 (4th Cir. Aug. 6, 2015). The Supreme Court denied Pro-Football's request for certiorari before the Fourth Circuit could hear its appeal. Pro-

As-applied challenges are not, unfortunately, a panacea. One problem with this approach is that it forces the TTAB to distinguish between those disparaging or scandalous marks that are free-speech-worthy from those that are not. Because this may depend on the context of the actual use of the mark, the TTAB may not be in a good position to evaluate the issue as it is often adjudicated prior to actual use (and it must assume that all possible uses within the parameters of the application for registration are relevant). Unless the Federal Circuit gives good guidance to the TTAB, this may prove to be a difficult task.

The Federal Circuit might even force the issue upon the TTAB. The Board feels bound “to a large extent” by decisions of the Court of Appeals for the Federal Circuit.<sup>205</sup> But suppose the Federal Circuit—say, in deciding *In re Tam* (the attempt to register Slants)—had decided that, although an application that is the subject of the TTAB’s refusal is arguably within the realm of disparagement under section 2(a) of the Lanham Act, if applied in this context refusal to register would be unconstitutional. This mandates that the USPTO allow registration. That direction, presumably, binds the TTAB.<sup>206</sup> However, how does the TTAB decide the next case? Does the TTAB ignore the constitutional issues again and force an appeal to the Federal Circuit? That seems wasteful. And rule 1 of the Federal Rules of Civil Procedure admonishes courts “to secure the just, *speedy, and inexpensive* determination of every action and proceeding.”<sup>207</sup> Granted, the TTAB could take the position that administrative necessity commands it to ignore rule 1. But that hardly seems a sensible course of action. It would have a chilling effect on any potential registrant who lacks the resources to litigate the case vigorously through both an opposition proceeding (or an appeal to the TTAB from an examiner’s denial)

---

Football, Inc. v. Blackhorse, 137 S. Ct. 44 (2016) (mem.). One might also distinguish *Tam* from *Blackhorse* on the ground that the proposed use in *Tam* more directly implicates advocacy of a free speech principle—the band is trying to delegitimize Slant as a disparaging term for people of Asian descent.

<sup>205</sup> TBMP § 101.03 (Jan. 2017).

<sup>206</sup> Technically, it is only formally binding in that case. However, as precedent, the principle of the case would be binding in future cases. *See id.*

<sup>207</sup> FED. R. CIV. P. 1.

and an appeal to the Federal Circuit.<sup>208</sup> But then, suppose that the Federal Circuit *directs* the TTAB to consider the constitutional issues in individual registration cases. Would the TTAB simply refuse to accede to that direction? Does the Lanham Act delegate authority to the Board or the USPTO Director to decide to ignore such direction by the Federal Circuit? And, if so, does *Chevron* deference apply to such decisions?<sup>209</sup> These are not all easy questions. But at least they reach the heart of the issue—that the matter of constitutionality is not one of authority, but of policy. If the USPTO is going to avoid such issues on policy grounds, it would be best advised to articulate those grounds and issue proper guidance to the TTAB.

## 2. The Softer Approach: Avoidance and the TTAB

Assuming that the TTAB agrees to decide constitutional issues, but the Board is concerned about its authority to declare laws unconstitutional, or is concerned about its ability to make the necessary constitutional distinctions, how should the Board proceed?<sup>210</sup>

---

<sup>208</sup> A trial de novo in the district court may appear even more daunting in light of the USPTO's apparent determination to force ex parte litigants who choose that option to pay the USPTO's expenses, including attorney's fees. These expenses would be imposed if an applicant chooses a de novo appeal from a denial of registration not resulting from an opposition—i.e., the TTAB upholds the examiner's denial—which was the situation in *Tam*, and the fees and expenses are not waived even if the private litigant wins. See 15 U.S.C. § 1071(b)(3) (2012); see also *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015) (upholding the requirement that even a successful applicant must pay the USPTO's expenses), *cert. denied*, 136 S. Ct. 1376 (2016). The requirement to pay expenses only applies to appeals de novo to a district court, not direct appeals to the Federal Circuit.

<sup>209</sup> As to this, presumably not. The Federal Circuit would probably take the position that such an interpretation of the Board's authority was unreasonable, making *Chevron* deference unnecessary. On the other hand, following the Federal Circuit's decision in *Tam*, the USPTO issued an examination guide, suspending applications that would be refused on the grounds that the mark is disparaging, immoral, or scandalous. (The suspension will be lifted once the Supreme Court decides the case.) U.S. PAT. & TRADEMARK OFF., EXAMINATION GUIDE 01-16 (Mar. 2016) (on file with the Fordham Intellectual Property, Media & Entertainment Law Journal). Moreover, the availability of de novo review may countenance caution about applying *Chevron* deference to the TTAB, especially if it uses the avoidance.

<sup>210</sup> Note that it may be preferable to have the Board decide all issues, at least preliminarily, even if it lacks authority to declare laws unconstitutional.

One approach is for the TTAB to use a variant of the avoidance principle. As an arm of an agency, the TTAB theoretically is not subject to some of the counter-majoritarian restraints that have been used to support the avoidance principle.<sup>211</sup> On the other hand, as a quasi-judicial body, the Board does not necessarily reflect the political agenda of the incumbent administration.<sup>212</sup> Thus, the restraints of avoidance may be appropriate. Indeed, even if one believes that the avoidance principle should not be followed by courts, one might endorse a form of it at the TTAB. If an agency tribunal is without power to declare a law unconstitutional, then it cannot always decide the constitutional question. However, as a governmental body, it is bound by the Constitution. The avoidance principle allows it to address the issue without technically resolving it.

The application of avoidance in the TTAB can operate as a rule of doubt or presumption of registrability. When a refusal to register would raise a serious constitutional question, the Board should only reject the application (at least on the grounds that raise the question) if it is very certain that the refusal is constitutional.

In the context of *ex parte* appeals, that approach would reduce the need for appeals to the Federal Circuit by allowing the registration to issue. This would not preclude the courts from hearing the issue. Anyone who may be harmed by the registration can bring a cancellation proceeding.<sup>213</sup> As the *Blackhorse* case illustrates, apart from laches considerations, there is no time limit for cancellation under section 2(a).<sup>214</sup> Alternatively, an aggrieved person may bring an opposition prior to registration.<sup>215</sup> Although the TTAB is unlikely to alter its view of the case in the second proceeding, it is possi-

---

<sup>211</sup> See Schauer, *supra* note 147, at 91–92.

<sup>212</sup> Eleven of the current trademark judges were appointed before President Obama took office in January 2009. Three of those judges were appointed before 2000. John L. Welch, *Current Roster of TTAB Judges*, TTABLOG (Oct. 3, 2016), <http://thettablog.blogspot.com/2016/10/current-roster-of-ttab-judges.html> [<https://perma.cc/ZM4B-HCDV>]. As noted earlier, the TTAB also includes the Director and the Deputy Director of the USPTO, as well as the Commissioner of Patents and the Commissioner of Trademarks. See *supra* note 124.

<sup>213</sup> 15 U.S.C. § 1064 (2012).

<sup>214</sup> § 1064(3). For some grounds, there is a statutory five-year time limit. *Id.*

<sup>215</sup> *Id.* § 1063(a).

ble to appeal that decision to an Article III court, which can definitively resolve any constitutional questions.

The *Catholic Bishop* case, discussed above, provides an example of how an agency could avoid a constitutional declaration. In *Catholic Bishop*, the NLRB could have chosen an interpretation of its statutory authority that precluded jurisdiction, in light of the constitutional issues that asserting jurisdiction would raise.<sup>216</sup> It would then be left to a reviewing Article III court to determine the correctness of the NLRB's interpretation and, if necessary, *resolve* the constitutional issues raised by a contrary interpretation of the NLRB's jurisdiction.<sup>217</sup>

Consider how the TTAB might apply this technique in the future. One likely area of use is the application of section 2(a) of the Lanham Act to "scandalous" marks.<sup>218</sup> The Federal Circuit in the *Tam* case held that section 2(a) was unconstitutional *on its face* with respect to *disparaging marks*—that is, section 2(a) could not constitutionally bar the registration of any mark deemed disparaging.<sup>219</sup> The Federal Circuit will not have the last word on this issue,<sup>220</sup> but the TTAB has said that it looks to the Federal Circuit for its guiding precedent (at least in the absence of Supreme Court precedent).<sup>221</sup> But *In re Tam* specifically limited its holding to disparaging marks and did not address the scandalousness bar.<sup>222</sup> For the sake of argument, assume that the scandalousness bar could be

<sup>216</sup> See generally *NLRB v. Catholic Bishop of Chi.*, 440 U.S. 490 (1979).

<sup>217</sup> This, of course, assumes that the constitutional issue would supersede any *Chevron* deference to which the NLRB's interpretation of its jurisdiction would be entitled. See Elizabeth V. Foote, *Statutory Interpretation or Public Administration: How Chevron Misconceives the Function of Agencies and Why It Matters*, 59 ADMIN. L. REV. 673, 712–13 (2007). A detailed examination of the intersection of *Chevron* and avoidance is beyond the scope of this Article.

<sup>218</sup> Lanham Act § 2(a), 15 U.S.C. § 1052(a) (2012).

<sup>219</sup> *In re Tam*, 808 F.3d 1321, 1328, 1358 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016). Although the Federal Circuit did not use the words "on its face," its opinion made clear that it intended to strike down section 2(a) completely, not just as it applied to the case at bar. See *id.*

<sup>220</sup> Obviously, the grant of certiorari gives the Supreme Court the last word; whether the Fourth Circuit will address the issue in the appeal of *Pro-Football, Inc. v. Blackhorse* prior to the Supreme Court is uncertain.

<sup>221</sup> See generally *Pro-Football, Inc. v. Harjo*, 284 F.Supp.2d 96 (D.D.C. 2003).

<sup>222</sup> *In re Tam*, 808 F.3d at 1358.

applied in some cases.<sup>223</sup> The most notable cases would involve marks that are legally obscene.<sup>224</sup> Obscenity does not merit First Amendment protection.<sup>225</sup> However, marks that are merely offensive or indecent merit some First Amendment protection. On the other hand, even offensive marks are subject to some regulation, as is evident from broadcasting jurisprudence.<sup>226</sup> A challenge to a refusal to register a scandalous mark presents the TTAB with several choices. The boldest position would be to declare the scandalous bar unconstitutionally vague.<sup>227</sup> However, this possibility, discussed above, is an unlikely choice for the TTAB. Although other agencies have taken equally bold steps, it does not appear that they are required to do so. The TTAB is likely to seek a solution that requires the least possible constitutional intervention, and this represents the *greatest* degree of intervention. Even after *In re Tam*, one could imagine that the TTAB could reiterate its position so that it would not address constitutional issues at all.<sup>228</sup> However, *In*

---

<sup>223</sup> The USPTO has effectively conceded that it cannot be applied constitutionally in light of *Tam*, having stated in a letter brief that the reasoning of *In re Tam* applies equally to scandalous marks as to disparaging marks. Letter Brief, *supra* note 14, at 2–4.

<sup>224</sup> Marks to be used on illegal *goods or services* would be refused registration by the USPTO on the ground that they are not in lawful use in commerce. See 37 C.F.R. § 2.69 (2016); TMEP § 907 (Jan. 2017). It also appears that the USPTO would refuse to register marks that independently violate federal law, apart from any section 2(a) issues. See TMEP § 907. That could be the case with legally obscene marks as well.

<sup>225</sup> See *Miller v. California*, 413 U.S. 15, 21 (1973). One could argue that the government has no legitimate interest in barring trademark registration even of obscene marks, given that obscene works are eligible for copyright protection. But it is not necessary to address that argument now.

<sup>226</sup> See *FCC v. Pacifica Found.*, 438 U.S. 726, 747–51 (1978) (finding indecent, but not obscene, monologue could be barred from broadcast under the circumstances of the case); cf. *FCC v. Fox Television Stations, Inc.*, 132 S. Ct. 2307, 2320 (2012) (The Court concluded that the FCC violated due process rights of broadcaster by not giving fair notice that “fleeting expletives” could be deemed indecent, but the Court did not rule on the constitutionality of such a bar.).

<sup>227</sup> Unlike disparaging marks, which target a specific person or group, and are thus susceptible to viewpoint discrimination, scandalous marks may offend a large, but nonspecific, group of the population. See Emily S. Kustina, Comment, *Discriminatory Discretion: USPTO Procedures and Viewpoint Discrimination Under Section 2(a) of the Lanham Act*, 164 U. PA. L. REV. 513, 547–49 (2016).

<sup>228</sup> Cf. *Bd. of Trs. of the Univ. of Ala. v. Pitts*, 115 U.S.P.Q.2d 1099 (T.T.A.B. 2015) (refusing to vacate opinion when parties stipulated to vacate as part of settlement), *rev'd sub nom.* *Bd. of Trs. of the Univ. of Ala. v. Houndstooth Mafia Enters.*, 163 F. Supp. 3d 1150 (N.D. Ala. Feb. 23, 2016) (ordering TTAB to vacate prior decision in order to

*re Tam* makes that position improvident. It is clear that the TTAB cannot—consistent with *In re Tam*—maintain that the First Amendment does not apply to trademark registrations. Ignoring the constitutional issue altogether virtually mandates an appeal in any case where the Board upholds a refusal to register a scandalous mark (including any case where registration of a scandalous mark is opposed and the opposition is sustained). That is wasteful. Thus, it makes sense to find a way to deal with the issue at the Board level to avoid the unnecessarily imposition on the Federal Circuit’s docket. A reasonable approach would be to recognize a distinction between as-applied and facial constitutional challenges, addressing the former but not the latter.<sup>229</sup> In that situation, the Board would address the constitutional challenge directly. There is no apparent impediment to the TTAB adopting this approach. It is straightforward and it has the advantage of clearly presenting the legal issues in the event of an appeal. If the TTAB has used an erroneous legal standard, the Federal Circuit (or another reviewing court, if a party elects to appeal to a district court) can clarify the standard, making it less likely that future appeals will be necessary. Once one accepts that First Amendment challenges (or challenges under other constitutional provisions, such as the Commerce Clause) are appropriate in trademark registration proceedings, this is the most logical approach. Thus, even after *In re Tam*, the scandalous mark provision may be susceptible to an as-applied challenge, which takes into account the context of the use.

However, as discussed above, the TTAB may be more averse to making constitutional decisions than agencies that use ALJs as adjudicators. If so, the Board could review rulings on scandalous marks with an eye toward avoiding a constitutional decision.<sup>230</sup>

---

complete the settlement agreed to by the parties). The TTAB subsequently acceded to the court’s order, but specifically reserved the right to appeal. *Bd. of Trs. of the Univ. of Ala. v. Pitts*, Opp. No. 91187103 (T.T.A.B. Mar. 3, 2016) (not precedential).

<sup>229</sup> As discussed earlier, the TTAB so far has refused to recognize this distinction. *See supra* Section III.A.

<sup>230</sup> In the wake of *In re Tam*, the USPTO issued a new examination guide that suspends all trademark applications where the examiner finds the mark to be disparaging, scandalous, or immoral until such time as the Federal Circuit issues its decision in *Brunetti* (this applies to scandalous or immoral refusals), or the decision in *Tam* becomes final and non-appealable, either by passage of time or by Supreme Court decision in the case. *See* EXAMINATION GUIDE 01-16, *supra* note 209. Thus, the USPTO is effectively

That review could come in different forms. The most drastic would be to interpret “scandalous” as applying only to those marks clearly outside of First Amendment protection, which might not be acceptable to the Federal Circuit as the proper legal standard.<sup>231</sup> A less drastic approach would ask whether the refusal to register the mark in question would raise serious constitutional questions (especially in light of *In re Tam*). If it does, then the TTAB should allow the mark to be registered. An interesting example of how this might work is the Board’s decision in the case *In re Luxuria*, where the applicant sought to register a bottle shaped like a raised middle finger as a trademark.<sup>232</sup> This application involved more than a simple word trademark; it was about a product configuration as a mark. Thus, the decision implicated the product as well as the mark. The product clearly had communicative value. It is reasonable to assume that the mark was denied registration because of its message. That arguably raises a serious constitutional question under *In re Tam* over whether the USPTO was engaging in viewpoint discrimination. Absent a compelling governmental interest, which would be very difficult to show, such an action would be unconstitutional. Under that analysis, the Board’s decision should have gone the other way, and a registration should have been allowed in order to avoid a constitutional question about the scope of the scandalousness bar.

---

removing itself from making any decisions regarding the constitutionality of applications under the scandalous, immoral, or disparaging provisions of section 2(a).

<sup>231</sup> As discussed above, one might argue that the *Chevron* doctrine would require deference to the TTAB’s interpretation. *See, e.g., Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 634–36 (7th Cir. 1993) (applying *Chevron* to TTAB proceedings). The term scandalous is arguably ambiguous, which would satisfy the first part of the test. But the Federal Circuit could find the limited interpretation to be unreasonable, especially in view of the many TTAB opinions taking a more expansive view of the term. *See, e.g., In re Bose*, 580 F.3d 1240, 1243–45 (Fed. Cir. 2009) (reviewing the TTAB’s legal standard de novo and deciding that the TTAB applied an incorrect standard as to fraud on the USPTO); *see also Edward J. DeBartolo Corp. v. Fla. Gulf Coast Bldg. & Constr. Trades Council*, 485 U.S. 568, 577 (1988) (concluding that *Chevron* deference is not applicable where agency’s construction raises serious constitutional questions and other interpretations not raising those questions are available); *Pro-Football, Inc. v. Harjo*, No. 99–1385 (CKK), 2000 WL 1923326, at \*1, \*5 (D.D.C. Dec. 11, 2000) (specifically applying de novo standard instead of *Chevron* deference).

<sup>232</sup> *Luxuria, s.r.o.*, 100 U.S.P.Q.2d 1146 (T.T.A.B. 2011).

## CONCLUSION

The TTAB's history of refusing to entertain constitutional arguments is premised on a flawed assumption of lack of authority. Not only do other agencies and executive departments address constitutional arguments, the Supreme Court, in the *Thunder Basin* decision,<sup>233</sup> has undercut the authority rationale for the TTAB's inaction. At most, the Board's refusal to address those issues should be seen as a policy decision. But this policy is unwise. First, if *In re Tam* is upheld,<sup>234</sup> it will be difficult to argue that trademark registration decisions are immune from constitutional attack. Thus, a continued failure to address the issues forces applicants (and registrants in cancellation proceedings) to appeal to courts to raise their constitutional issues. This is a poor way to funnel the issues. Although *Tam* struck down the disparagement bar to registration on its face,<sup>235</sup> future cases may recognize as-applied challenges to registration. Such issues—as well as many facial challenges—are best addressed with a proper factual record. Because the Federal Circuit decides appeals on the basis of the TTAB record, litigants will be forced to appeal to a district court to make a record, which, in some cases, will force them to pay the USPTO's expenses. Putting a penalty on constitutional decision-making is not only unwise; it may be a denial of due process. Although the Board may be wary of wading into the vagaries of constitutional law, trademark law is replete with changing doctrine and the Board should not let that be a roadblock to effective decision-making. To the extent that the TTAB wishes to avoid constitutional issues even in the face of these reasons, it should at least use the avoidance principle to determine whether an applicant or registrant has raised a serious constitutional issue, and attempt to interpret the statute in a manner designed to avoid the issue. Although these choices raise a number of non-trivial issues—the *Chevron* doctrine being only one—as government officers, the members of the TTAB should no longer avoid their obligation to uphold the Constitution in their decision-making processes.

---

<sup>233</sup> *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 202 (1994).

<sup>234</sup> *See In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (2016).

<sup>235</sup> *Id.* at 1336