Chambers of Commerce and Standards of Review

Thomas G. Field, Jr.

Since 1999, courts reviewing PTO opinions have been obligated to focus on the quality of boards' articulated reasons rather than on extrinsic support for their judgments.

After the Chamber of Commerce of the United States of America (the Chamber or applicant) filed intent to use applications for the mark, NATIONAL CHAMBER, an examiner found the mark "merely descriptive," thus unacceptable under § 2(e)(1) of the Lanham Act. In re Chamber of Commerce of the U.S. (Chamber), 2012 WL 1088818 *1 (Fed. Cir.). On intramural appeal, the TTAB remanded twice but ultimately affirmed the examiner. *Id*. The Federal Circuit, in turn, affirms the board.

Why the Chamber filed at all or filed before using the mark is a mystery. According to one of its web pages, it holds registrations for "U.S. CHAMBER" and "U.S. CHAMBER OF COMMERCE." According to another, it also holds a registration for NCF, signifying the National Chamber Foundation, a part of the Chamber.

That the application was rejected may also seem mysterious. If the Chamber could register U.S. CHAMBER, why not NATIONAL CHAMBER? The first, as well as other two marks noted above may well have been registered based on acquired distinctiveness under § 2(f). Here, having filed without use, the applicant had resort to only naked words and prospectively associated services. *Chamber* at *2. Relying on dictionary definitions and applicant's web pages, the examiner and ultimately the board found the words "national" and "chamber" individually and collectively to merely describe two distinct, but closely related, subject services. *Id*.

The opinion does not address the point explicitly, but applicant's web pages are relevant in a second way intimately related to descriptiveness. A third page says, "The U.S. Chamber of Commerce is not a governing body, chartering agent, or a regulatory agency for chambers of commerce, and we have no say in how chambers decide to run themselves." Moreover, the first page linked above also mentions the "nearly 7000 chambers in the United States," and notes that the Chamber accredits only 221.

The court nevertheless writes: "On this record, substantial evidence supports the TTAB's determination that the designated business and regulatory data analysis services are within the scope of traditional chambers of commerce activities." *Chamber* at *4. That observation seems to acknowledge the main reason for excluding descriptive marks. Why should one firm be able to appropriate language competing national associations of chambers of commerce might need to identify themselves?

The Chamber protested deficiencies in the board's opinion, whether related to failure to make that point clearly or to something else is unclear. To that end, it cited Gechter v. Davidson, 116 F.3d 1454, 1457–58 (Fed.Cir.1997), holding that courts should not have to speculate about reasons behind board decision. *See Chamber* at *4.

Dismissing such criticism, the court says: "While the TTAB's decision would have been more helpful to us had it more explicitly tied its particular evidentiary findings to the individually recited services within the two applications, its reasoning in this case is sufficiently clear to permit us to understand why it believed that NATIONAL CHAMBER was descriptive." *Id*. Yet an unsettling observation follows; "as an appellate tribunal, 'we sit to review judgments, not opinions,' Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1540 (Fed.Cir.1983)." *Chamber* at *4. It is significant that *Stratoflex* reviews a decision of a district court, not the PTO. Moreover, both *Gechter* and *Stratoflex* predate

Dickinson v. Zurko, 527 U.S. 150 (1999).

Dickinson reversed In re Zurko, 142 F.3d 1447 (Fed. Cir. 1997) (en banc), an opinion that cites and rejects a PTO request for the court to apply standards set forth in § 706(2) of the Administrative Procedure Act (APA). Of most relevance here, it notes that the APA would "require that we review board decisions *on their own reasoning*." *Id.* at 1449 (emphasis supplied). The court then contrasts the challenged approach that "requires us to review board decisions *on our reasoning*," and provides several justifications for continuing that practice. *Id.* at 1450 (emphasis supplied).

In *Dickinson*, the Court first "[r]ecogniz[es] the importance of maintaining a uniform approach to judicial review of administrative action." 527 U.S. at 154. Next, seeking support for the circuit's preferred approach to reviewing the PTO, it finds none. The Court also rejects the circuit's apparent notion "that a change of standard could somehow immunize the PTO's fact-related 'reasoning' from review." *Id*. at 164.

Aside from a need to focus on PTO reasoning, *Dickinson* acknowledges that "the difference is a subtle one — so fine that (apart from the present case) we have failed to uncover a single instance in which a reviewing court conceded that use of one standard rather than the other would in fact have produced a different outcome. *Id*. at 162-63. The Court, however, does not indicate whether APA § 706(2)(E) (substantial evidence review) or § 706(2)(A) (arbitrary, capricious review) should apply.

Following *Dickinson*, In re Gartside, 203 F.3d 1305, 1313–15 (Fed. Cir. 2000), finds justification in 35 U.S.C. §§ 7 and 144 for applying APA § 706(2)(E). On-Line Careline, Inc. v. America Online, Inc., 229 F.3d 1080, 1085 (Fed. Cir. 2000), a trademark case, reaches the same conclusion with no statutory justification whatsoever.

Decided shortly thereafter, In re Lee, 277 F.3d 1338, 1342 (Fed. Cir. 2002), ignores arguably meaningless differences in those standards, and, instead, focuses on the board's reasons. Thus, to the extent that the board's *opinion* in *Chamber* was as understandable and well reasoned, as it seems to have been, affirmance was proper. Had the court, instead, despite finding ample facts, needed to cobble together justifications for the board's *judgment*, the case should have been remanded.

District court opinions are neither precedential nor focused on a narrow body of law, so resources are saved and little harm is done when appellate courts, for example, fill gaps in reasons behind judgments. Opinions written by PTO boards differ, however. *See* Why Parties Can Cite "Unpublished" PTO Opinions. Courts should therefore insist that those designated as precedential, if not others supported by facts and law, provide reasoned guidance for future parties.

Note: Excerpts from *Zurko*, *Dickinson*, and *Lee*, as well as brief discussions of *Gartside*, *On-Line Careline*, and related materials dealing with standards of review for the PTO are in my book, Introduction to Administrative Process, Chapter 5.B (2010). Those who might find the book useful may download it for non-profit reproduction.