Debunking Humphrey’s Executor

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ABSTRACT

The Supreme Court’s 1935 Humphrey’s Executor decision paved the way for the modern administrative state by holding that Congress could constitutionally limit the President’s powers to remove heads of regulatory agencies. The Court articulated a quartet of features of the Federal Trade Commission’s (“FTC”) statutory design that ostensibly justified the Commission’s constitutional independence. It was to be nonpartisan and apolitical, uniquely expert, and performing quasi-legislative and quasi-judicial, rather than executive, functions. In recent years, the staying power of Humphrey’s Executor has been called into question as a matter of constitutional design. This Essay reconsiders Humphrey’s Executor from a different angle. At the end of a one-hundred-year natural experiment, the Commission bears almost no resemblance to the Progressive-technocratic vision articulated by the Court. The Commission is not politically independent, uniquely expert, or principally legislative or adjudicative. Rather, it is essentially a law enforcement agency beholden to the will of Congress. This finding has potentially important implications for agency design, constitutional doctrine and theory, and understanding of agency functioning.

INTRODUCTION ................................................. 1836

I. HUMPHREY’S EXECUTOR IN CONTEXT .................. 1840
   A. Myers, Humphrey’s Executor, and the Progressive Vision for Technocratic Independence ............. 1840
   B. Presidential Control After Humphrey’s Executor.. 1846
   C. Why Reconsideration? The FTC and Progressivism at One Hundred .............................. 1850

II. HUMPHREY’S EXECUTOR DEBUNKED ................... 1851
   A. Nonpartisan and Politically Independent ............ 1852
   B. Uniquely Expert ................................... 1856
   C. Quasi-Legislative .................................. 1859
   D. Quasi-Judicial .................................... 1863

III. THE COMMISSION’S PREDOMINANTLY EXECUTIVE CHARACTER ................................. 1868

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INTRODUCTION

In *Humphrey's Executor v. United States*, the United States Supreme Court paved the way for the modern administrative state by holding that Congress could constitutionally limit the President’s power to remove the heads of administrative agencies for political reasons. The Court held that President Franklin Roosevelt’s removal of Federal Trade Commissioner William E. Humphrey without cause contravened the Federal Trade Commission Act, which constitutionally limited the President’s removal power to “for cause” termination. Although the immediate stakes in the case were picayune—some $3,000 in back pay for the deceased Commissioner—the implications for the constitutional, administrative, and political order were immense. Broadly speaking, that decision served to legitimize the modern regulatory state and remains one of the iconic judicial pillars of the technocratic, independent administrative system.

In *Humphrey's Executor*, Justice Sutherland’s affirmation regarding the constitutionality of FTC Commissioner immunity from presidential removal for political reasons rested on a quartet of broad assertions concerning the character of the FTC. According to the Court, the Federal Trade Commission (FTC) is (1) nonpolitical and nonpartisan, (2) uniquely expert, (3) “quasi-legislative,” and (4) “quasi-judicial,” rather than executive. Together, these four qualities ostensibly lent the FTC a character different from that of ordi-

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2 *Id.* at 629.
4 *See id.* § 41; *Humphrey’s Ex’r*, 295 U.S. at 629.
7 *See Humphrey’s Ex’r*, 295 U.S. at 628.
nary law enforcers, hence the legitimacy of insulating commissioners from the President’s constitutional responsibility to “take Care that the Laws be faithfully executed.” At its core, *Humphrey’s Executor* rests on the assertion that the FTC is something other than a conventional law enforcement agency and thus merits a different position in the political order than executive departments like the Justice Department that also enforce laws concerning antitrust and consumer protection.

Unitary executive proponents and critics of the modern regulatory state have sharply criticized the Court’s assumptions in *Humphrey’s Executor*. They have argued that, contrary to the Court’s assertion, the FTC serves quintessentially executive functions and that it impairs the President’s ability to cohesively and consistently enforce the laws. In a recent concurring opinion, Judge Brett Kavanaugh of the D.C. Circuit launched a vigorous assault on *Humphrey’s Executor*, arguing that the decision deserved the same overruling as the company it kept during the 1935 term. Despite a rising tide of

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8 U.S. CONST. art. II, § 3.

10 Miller, *supra* note 6, at 93 (“It was nonsense to assert that the FTC did not act in an executive role.”).


unitary executive sentiment, reflected most recently in the Supreme Court’s *Free Enterprise Fund v. PCAOB* decision,\(^\text{13}\) *Humphrey’s Executor* remains a bedrock precedent for the administrative state.\(^\text{14}\)

In 2014, the FTC celebrated its centennial anniversary. With the demise of the Interstate Commerce Commission (ICC) in 1992,\(^\text{15}\) the FTC is the surviving agency prototype for the alphabet soup of New Deal agencies that would follow. The Supreme Court’s examination of the FTC’s character and validation of its independence served to bless an entire category of agencies that followed the FTC blueprint.\(^\text{16}\) With a hundred years of natural experiment, it is worth pausing to consider the actual experience of the FTC and ask whether the Court’s quartet of assumptions in *Humphrey’s Executor* were correct.

In fact, they were largely incorrect—or, at least, fail to capture the dominant character of the FTC over time. First, the FTC’s independence and nonpartisanship are overstated.\(^\text{17}\) Work in political science and economics has shown that the FTC tends to be compliant to the will of Congress and particular congresspersons.\(^\text{18}\) This may create some separation of powers between the FTC and other executive branch agencies that pursue similar goals under the will of the President, but separation of powers is a different justification than the sort of technocratic independence suggested in *Humphrey’s Executor*. Second, the FTC is not uniquely expert.\(^\text{19}\) For much of its history, presidents appointed Commissioners as a matter of political patronage rather than expertise in competition and consumer protection.\(^\text{20}\) Even as the FTC grew into a more professional and expert agency in the last several decades, it enjoyed no comparative advantage in expertise over purely executive agencies, like the Justice Department’s Antitrust Division, which fulfills almost identical

\(^{13}\) *Free Enter. Fund v. Pub. Co. Accounting Oversight Bd.*, 561 U.S. 477, 492 (2010) (holding unconstitutional provisions of Sarbanes-Oxley Act creating accounting oversight board where members of board could only be removed for cause by Securities and Exchange Commission, whose Commissioners also could only be removed for cause).


\(^{15}\) See infra notes 99–101 and accompanying text.


\(^{17}\) See infra Part II.A.

\(^{18}\) See infra note 114 and accompanying text.

\(^{19}\) See infra Part II.B.

\(^{20}\) See infra note 146 and accompanying text.
functions.\textsuperscript{21} Third, the description of the FTC as “quasi-legislative” has been more wrong than right.\textsuperscript{22} In its original antitrust capacity—the sole capacity it had at the time of \textit{Humphrey’s Executor}—the FTC has not been legislative at all, issuing virtually no substantive rules.\textsuperscript{23} It has issued some consumer protection rules in the last few decades, although rulemaking remains a very limited portion of its docket.\textsuperscript{24} Finally, adjudication is a very small part of what the agency does.\textsuperscript{25} A new empirical study, reported in this Essay, shows that the FTC’s predominant mode of law enforcement is through consent decrees, which involve no adjudication, and that the FTC is more prone to sue in federal district court as a plaintiff than to adjudicate matters administratively in the event there is adjudication.

The upshot is that the FTC has essentially become the executive agency that the \textit{Humphrey’s Executor} Court denied it was. The FTC functions primarily by enforcing the antitrust and consumer protection laws as a plaintiff, no more expert than the executive branch agencies doing the same thing. The principal structural difference from the executive branch agencies is that the FTC is beholden to Congress rather than to the President.

One may doubt the relevance of these findings for two reasons, one legal and one functional. First, post-\textit{Humphrey’s Executor} decisions on the constitutionality of limiting the President’s removal power have not relied on the justifications discussed above. After \textit{Morrison v. Olson},\textsuperscript{26} which allowed the independence of the independent counsel—an obviously executive function—\textit{Humphrey’s Executor}’s reliance on the FTC’s ostensibly nonexecutive character to justify independence seems quaint. Second, a substantial body of literature has shown the President’s removal power and executive control over administrative agencies are too easily conflated.\textsuperscript{27} The President has many devices to control agencies other than the removal power—and even where removal power is present, other structural features may create substantial independence.

In light of these considerations, the burden of this Essay is not to urge reconsideration of \textit{Humphrey’s Executor} on the narrow ground...

\textsuperscript{21} See infra text accompanying notes 153–54.
\textsuperscript{22} See infra Part II.C.
\textsuperscript{23} See infra text accompanying notes 168–70.
\textsuperscript{24} See id.
\textsuperscript{25} See infra Part II.D.
of its holding—that certain structural features of an agency justify its constitutional independence from presidential removal—but rather to debunk the case’s Progressive-technocratic narrative in light of a century of experience. As an archetypal case study, the FTC’s history shows the tendency of an agency over time to shift away from its ostensible statutory design as a politically detached, technocratic, rulemaking, and adjudicatory body toward a politically engaged law enforcement organization. This finding potentially has important implications for agency design, constitutional doctrine and theory, and understanding of agency functioning.

This Essay’s organization is as follows. Part I situates Humphrey’s Executor in the broader story of Progressive era technocratic experimentation, contestation between the executive, legislative, and judicial branches, and constitutional doctrine. Part II engages Humphrey’s Executor’s four-pronged justification for independence and shows that it is inconsistent with the historical reality of the FTC. Finally, Part III considers the implications of the FTC’s observed performance as a law enforcement agency for its ongoing competition and consumer protection missions.

I. Humphrey’s Executor in Context

A. Myers, Humphrey’s Executor, and the Progressive Vision for Technocratic Independence

In constitutional history, Humphrey’s Executor assumes the role of counterpoint and correction to the earlier unitary executive decision in Myers v. United States and the beginning of a line of cases establishing the constitutional legitimacy of independent agencies. In Myers, Chief Justice Taft held that the President enjoyed the constitutional power unilaterally to remove a postmaster appointed by the President with the advice and consent of the Senate. The Court reasoned that the President’s constitutional obligation to take care that the laws be faithfully executed necessarily assumed the power to remove executive officers for whose performance the President had ultimate responsibility. Myers articulated a hierarchical vision of the executive branch with the President atop, wielding plenary removal powers over officers of the United States.

29 Id. at 176.
30 Id. at 117 (holding that the President must have some “power of removing those for whom he can not continue to be responsible”).
31 See id.
The run-up to Humphrey’s Executor began in 1925, not only because that was the year of Myers, but also because in 1925 Calvin Coolidge appointed William E. Humphrey as a commissioner of the FTC.\footnote{See Marc Winerman & William E. Kovacic, The William Humphrey and Abram Myers Years: The FTC From 1925 to 1929, 77 ANTITRUST L.J. 701, 701–02, 715 (2011).} In 1931, Herbert Hoover appointed him to a second, seven-year term on the Commission.\footnote{Humphrey’s Ex’r v. United States, 295 U.S. 602, 618 (1935).} From the outset, Humphrey proved a most controversial commissioner. He made vociferously clear his opposition to almost any coercive action by the FTC to reign in business and lambasted the FTC’s interventionist agenda. Humphrey decried the FTC’s “old policy of litigation” that had ostensibly rendered the FTC “an instrument of oppression and disturbance and injury instead of a help to business.”\footnote{William E. Kovacic, The Federal Trade Commission and Congressional Oversight of Antitrust Enforcement: A Historical Perspective, in PUBLIC CHOICE AND REGULATION: A VIEW FROM INSIDE THE FEDERAL TRADE COMMISSION 63, 105 n.93 (Robert J. Mackay et al. eds., 1987) (citing E. Pendleton Herring, Public Administration and the Public Interest 125 (1936)).} He vowed not to approve any Commission action that did not have as its goal to “help business help itself.”\footnote{Id. at 78.} Humphrey pushed a policy of behind-the-scenes negotiation with industry to resolve matters quietly and without the imposition of legally enforceable sanctions.\footnote{See Winerman & Kovacic, supra note 32, at 702, 713, 725 (noting that Humphrey “was skeptical about much enforcement activity” and “generally sought a relatively limited government role, preferably as a facilitator for business,” and that under Humphrey the FTC expanded its trade practice conference program and restored its settlement process).} He went so far as to threaten criminal prosecution against other commissioners who publicly dissented, contrary to new FTC rules.\footnote{Marc Winerman, The FTC at Ninety: History Through Headlines, 72 ANTITRUST L.J. 871, 878–79 (2005).} When the FTC voted to investigate ties between DuPont, U.S. Steel, and General Motors, Humphrey, displaying his usual tact, called his fellow commissioners men “drunk with their own greatness.”\footnote{Id. at 879.}

Needless to say, Humphrey made some enemies. Congressmen who favored an interventionist FTC introduced legislation to abolish the agency altogether.\footnote{Kovacic, supra note 34, at 78.} The newly inaugurated Franklin Delano Roosevelt, however, had a better idea. On July 25, 1933, a few months into his first term, Roosevelt wrote Humphrey, politely requesting his resignation.\footnote{Humphrey’s Ex’r v. United States, 295 U.S. 602, 618 (1935).} Humphrey demurred, and Roosevelt wrote
again—more forcefully—on August 31, 1933. This time, the President explained that he had no problem with Humphrey personally but still made his concerns clear, stating, “You will, I know, realize that I do not feel that your mind and my mind go along together on either the policies or the administering of the Federal Trade Commission, and, frankly, I think it is best for the people of this country that I should have a full confidence.” Humphrey again demurred. On October 7, 1933, Roosevelt wrote Humphrey once more, this time simply firing him.

Humphrey died just five months later, on February 14, 1934, but his passing did not moot the controversy concerning the legality of the President’s removal of an FTC commissioner for political reasons. The executor of Humphrey’s estate, Samuel F. Rathbun, brought suit on Humphrey’s behalf for the five months of salary that Humphrey allegedly should have earned between his unlawful removal and his death. That suit gave rise to the Supreme Court’s Humphrey’s Executor decision.

Humphrey won a final battle from the grave when the Supreme Court ruled in his favor, thus establishing the principle that the President may not remove FTC commissioners for political reasons, but only for good cause (defined in the statute as “inefficiency, neglect of duty, or malfeasance in office”). The crucial turn in the Court’s opinion comes from several paragraphs describing the character of the FTC as something other than a conventional executive law-enforcement body. Rather, according to the Court, the FTC is a staunchly independent, objective, and technocratic body detached from the hurly-burly of politics and formulating industrial policy in the clear light of the public interest. For analytic convenience, the Court’s account of the FTC’s nonexecutive character can be distilled into four components—what this Essay will refer to as the Humphrey’s Executor quartet.

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41 Id. at 619.
42 Id.
43 Id.
44 Id.
45 Id. at 618.
46 Id.
47 See id.
48 Id. at 619.
49 See id. at 624 (”[The FTC’s] duties are neither political nor executive, but predominantly quasi-judicial and quasi-legislative.”).
50 See id.
First, the Court characterized the FTC as a politically independent and nonpartisan body. In the opinion, Justice Sutherland stated that the FTC is “a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the government.”51 The FTC’s independence, the Court asserted, stemmed in part from its nonpartisan nature, emphasizing that “[t]he commission is to be non-partisan; and it must, from the very nature of its duties, act with entire impartiality.”52 One might observe that the “non-partisan” description was facially incorrect, because the only statutory requirement imposed by the FTC Act was—and is—that not more than three (out of five) Commissioners be appointed from the same party.53 But the Court qualified its explanation by observing that, in addition to its composition, the FTC’s statutory mandate was devoid of partisan taint, as “[i]t is charged with the enforcement of no policy except the policy of the law.”54

The idea that the law expresses some politically and ideologically neutral policy was surely subject to grave doubts at the time of Humphrey’s Executor, by which time legal realism had swept the elite law schools55 and had made serious inroads on the judiciary.56 The Court was thus compelled to offer a qualification about the type of “law” the FTC would practice, which contains the second ingredient in the Court’s characterization of the FTC—expertise. “Like the Interstate Commerce Commission, [the FTC’s] members are called upon to exercise the trained judgment of a body of experts appointed

51 Id. at 625–26.
52 Id. at 624.
53 15 U.S.C. § 41 (2012) (“Not more than three of the Commissioners shall be members of the same political party.”).
54 Humphrey’s Ex’r, 295 U.S. at 624. For discussion on congressional intent that the FTC be insulated from politics, see ROBERT E. CUSHMAN, THE INDEPENDENT REGULATORY COMMISSIONS 188–95 (1972).
by law and informed by experience.” Further, in support of the bill that would become the Federal Trade Commission Act, the Senate Committee on Interstate Commerce emphasized:

The work of this commission will be of a most exacting and difficult character, demanding persons who have experience in the problems to be met—that is, a proper knowledge of both the public requirements and the practical affairs of industry. It is manifestly desirable that the terms of the commissioners shall be long enough to give them an opportunity to acquire the expertise in dealing with these special questions concerning industry that comes from experience.

The expertise claim came straight from the Progressive-technocratic playbook, which called for the separation of politics from economic and social administration and the entrustment of decisionmaking to neutral experts—economic engineers capable of improving the performance of the market through planning based on objective scientific principles. As Woodrow Wilson famously put it, regulators would be experts in the “science of administration” that operated “outside the proper sphere of politics.”

Justice Sutherland swallowed the final two prongs of his FTC characterization in a single sentence: “Its duties are neither political nor executive, but predominantly quasi-judicial and quasi-legislative.” Because the FTC was not acting as a law enforcer, but instead as a judge and legislator, the President did not need to control FTC Commissioners in order to perform his constitutional obligation to see that the laws were faithfully executed. Like expertise and independence, the idea of administrative agencies blurring the traditionally Montesquieuan demarcations between the three branches of government and commingling executive, legislative, and judicial functions in order to achieve more efficient decisionmaking was central to Progressivism.

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57 Humphrey’s Ex’r, 295 U.S. at 624 (quoting Illinois Cent. R.R. Co. v. Interstate Commerce Comm’n, 206 U.S. 441, 451 (1907)) (internal quotation marks omitted).
58 Id. (quoting S. Rep. No. 63-597, at 10–11 (1914)).
59 See William E. Akin, Technocracy and the American Dream: The Technocrat Movement, 1900–1941 ix–xi (1977) (summarizing the rise and fall of the technocratic movement); see also James M. Landis, The Administrative Process 7–8 (1938) (arguing for technocratic-administrative solutions to improve over the laissez-faire economic system).
61 Humphrey’s Ex’r, 295 U.S. at 624.
A final piece of important context concerns the company that the *Humphrey’s Executor* decision kept. The decision was announced on Roosevelt’s “Black Monday,” May 27, 1935, in the midst of a sweep of cases in 1935–1936 in which the conservative Supreme Court waged combat against Roosevelt, and on the same day as the *Schechter Poultry* decision, which invalidated crucial aspects of the National Industrial Recovery Act on nondelegation and commerce clause grounds. It is striking that this decision, ostensibly reflecting the “heyday of the progressive model within the judiciary,” came from a predominantly conservative Court intent on reigning in the power of the New Deal presidency. The conventional account has the Progressive takeover of the Supreme Court beginning in 1937 with the repudiation of the classical liberal and laissez faire doctrines favored by the Sutherland wing of the Court, so it is odd to think of *Humphrey’s Executor* as symbolizing the heart of Progressive-technocratic ideology. The *Humphrey’s Executor* decision was unanimous (as was *Schechter Poultry*), with McReynolds writing separately only to point back to his dissenting opinion in *Myers*, which had argued from a constitutional history standpoint for limitations on the President’s removal power. That Justices Stone, Cardozo, and Brandeis joined without comment points to an anticentralization ideological strand in the decision—the Court’s progressives in 1935 remained more in the Jeffersonian-Jacksonian camp that feared large aggregations of power, whether in the private sector or government, than later New Deal appointees who were more comfortable with the expansion of the federal government and executive branch power.

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63 See supra note 12 and accompanying text.  
64 See generally Miller, supra note 6, at 92–94 (discussing context of *Humphrey’s Executor* decision).  
66 Id. at 541–42, 550–51.  
67 Lawrence Lessig & Cass R. Sunstein, The President and the Administration, 94 COLUM. L. REV. 1, 100 (1994).  
68 See Christopher S. Yoo et al., The Unitary Executive During the Third Half-Century, 1889–1945, 80 NOTRE DAME L. REV. 1, 88 (2004).  
72 An anecdote recounted by Peter Irons concerning the day of the *Schechter Poultry* and *Humphrey’s Executor* decisions is telling: “Before Tommy Corcoran could depart, a Supreme Court page tapped him on the shoulder and said that Justice Brandeis would like to see him in the justices’ robing room. Brandeis wanted Corcoran to convey a message to the White House:...
Because the coalition that decided *Humphrey’s Executor* was a mixed bag of conservative classicists and populist anticentralizationalists, it is perhaps best to understand the decision as accidentally or opportunistically Progressive rather than embodying true-belief Progressivism. Nonetheless, the decision articulated the heart of the Progressive vision for administrative agencies—politically detached and independent, uniquely expert and objective, and acting through a combination of political decisional modes, particularly those conventionally associated with legislatures and courts.

**B. Presidential Control After Humphrey’s Executor**

Despite its symbolic importance as an expression of Progressive-technocratic values, the importance of *Humphrey’s Executor’s* four-prong justification as a matter of constitutional law has eroded over time for two reasons—one doctrinal and one practical. The first reason has to do with subsequent doctrinal developments on presidential control over the removal of officers of the United States. In subsequent cases, the Supreme Court expanded *Humphrey’s Executor* well beyond the limited frame presented in the 1935 opinion.

The first important decision was *Wiener v. United States*, a 1958 decision involving President Eisenhower’s removal of a Truman appointee to the War Claims Commission ("WCC"). Unlike the FTC tenure statute, which limited removal to for cause situations, the WCC statute was silent on removal. Nonetheless, finding the War Claims Commissioner’s three-year terms to imply protection against political removal, Justice Frankfurter’s unanimous opinion for the Court held the President’s removal unlawful. The opinion pivoted from *Humphrey’s Executor*, which had treated *Myers* as the background rule and articulated tailored reasons for departing from it. *Wiener* suggested instead that *Myers* was a “short-lived” and narrow aberration and that *Humphrey’s Executor’s* flexible and functional approach should be understood as the more general rule. Only a duo—political independence and adjudicatory functions—of the *Humphrey’s Ex-

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'This is the end of this business of centralization, and I want you to go back and tell the President that we’re not going to let this government centralize everything. It’s come to an end.' *Peter H. Irons, The New Deal Lawyers* 104 (1982).

74 *Id.* at 349–50.
75 *Id.* at 350.
76 *Id.* at 350, 356.
77 *Id.* at 352.
executor quartet made appearances to justify the Commissioner’s tenure in office.\footnote{78}{See id. at 354–55 (discussing the Commissioners’ political independence from the executive and legislative branches and discussing the Commission’s judicial functions).}

Unitary executive proponents saw a glimmer of hope for Myers in 1986 with the Court’s decision in Bowsher v. Synar,\footnote{79}{Bowsher v. Synar, 478 U.S. 714 (1986).} which held that the Gramm-Rudman-Hollings Act’s\footnote{80}{Balanced Budget and Emergency Deficit Control Act of 1985, Pub. L. No. 99-177, 99 Stat. 1038 (codified as amended at 2 U.S.C. §§ 900–907d, 922 (2012)).} delegation of budget-reduction duties to the Comptroller General, over whom Congress held the removal power, was unconstitutional on separation of powers principles.\footnote{81}{Bowsher, 478 U.S. at 726.} Myers re-emerged as favored, along with a renewed focus on the executive character of the removed actor: “Congress cannot reserve for itself the power of removal of an officer charged with the execution of the laws except by impeachment.”\footnote{82}{Id.} But the glimmer was short-lived, as just two years later in Morrison v. Olson,\footnote{83}{Morrison v. Olson, 487 U.S. 654 (1988).} the Court cast Bowsher as a case about congressional self-aggrandizement rather than presidential prerogative.\footnote{84}{Id. at 685–86.}

Morrison, in which the Court upheld the constitutionality of the independent counsel provisions of the Ethics in Government Act of 1978,\footnote{85}{Ethics in Government Act of 1978, Pub. L. No. 95-521, 92 Stat. 1824 (codified in scattered sections of 2, 5, and 28 U.S.C.)} cast serious doubt on the continuing relevance of the Humphrey’s Executor quartet.\footnote{86}{Morrison, 487 U.S. at 689–91.} Prosecution is manifestly a core executive function,\footnote{87}{See id. at 706 (Scalia, J., dissenting) (“[P]rosecution of crimes is a quintessentially executive function.”).} so the central thrust of Humphrey’s Executor—re-casting the FTC as something other than a law-enforcement agency—had to be abandoned. On the statute’s restriction of the Attorney General’s power to remove the independent counsel, Justice Rehnquist’s opinion explicitly jettisoned the “quasi-legislative, quasi-judicial” criteria:

We undoubtedly did rely on the terms “quasi-legislative” and “quasi-judicial” to distinguish the officials involved in Humphrey’s Executor and Wiener from those in Myers, but our present considered view is that the determination of whether the Constitution allows Congress to impose a “good
cause”-type restriction on the President’s power to remove an official cannot be made to turn on whether or not that official is classified as “purely executive.”

Rather than the *Humphrey’s Executor* quartet, removability analysis would turn on whether the removal restriction “unduly interfer[es] with the role of the Executive Branch.”

The Court’s most recent removal decision, *PCAOB*, renewed unitary executive theorists’ hopes of a *Myers* revival—indeed, in contradistinction to *Wiener*, which attempted to bury *Myers*, Justice Roberts’s opinion in *PCAOB* refers to *Myers* as a “landmark case.” The 5-4 decision invalidated the Public Company Accounting Oversight Board’s (“PCAOB”) “dual for-cause” limitation, which gave for-cause removal of PCAOB members to the Securities and Exchange Commission (“SEC”) and gave for-cause removal of SEC Commissioners to the president. The Court distinguished *Humphrey’s Executor* as a case that, unlike *Morrison* and *PCAOB*, did not involve “inferior officers” of the United States. The opinion focused on the multiple layers of protection issue, declined to reconsider *Humphrey’s Executor*, and left untouched its quartet of rationales.

After the line of cases ending in *PCAOB*, *Humphrey’s Executor* occupies an uncertain position. Unitary executive advocates hope to scrap it altogether and find support in *Myers*, *Bowsher*, and *PCAOB*—whereas advocates of independent agencies have largely moved on from *Humphrey’s Executor’s* quartet to the authority of *Wiener* and especially *Morrison*. As demonstrated by the line of *PCAOB* cases, the quartet argument found in *Humphrey’s* has little remaining bearing on contemporary discussions of the removal power as a question of constitutional law.

This Part now turns to the practical reasons as to why the importance of *Humphrey’s* four-prong justification has eroded over time. Beyond doctrinal considerations, a second reason to be skeptical about the continuing relevance of the *Humphrey’s Executor* quartet is the now widely accepted understanding that removal power is less im-

88 Id. at 689 (majority opinion).
89 Id. at 693.
91 See id. at 486–87.
92 Id. at 493.
93 Id. at 483 (explaining that none of the parties had asked the Court to reconsider *Myers*, *Humphrey’s Executor*, *Morrison*, or United States v. Perkins, 116 U.S. 483 (1886), and that the Court would not do so on its own initiative).
important in achieving practical control than is often assumed. The formal power to fire may be structurally less important to controlling an agency or department than other mechanisms, such as the power to appoint members or the chair, budgetary control, or even less formal mechanisms like ex parte contacts. In a recent case study of presidential control over administrative agencies in the financial sector, Lisa Bressman and Robert Thompson show that the executive branch exercises considerable influence through such mechanisms as statutory consultation and coordination obligations. This strand of scholarship suggests that the President has effective tools for influencing administrative agencies even without the removal power, which diminishes the relevance of the direct legal question presented in Humphrey’s Executor and Wiener.

There is a further potential twist on the removal power question concerning the scope of the remedy for a wrongful removal by the President. In the two independent agency cases in which the Supreme Court held that the Commissioner was wrongfully removed—Wiener and Humphrey’s Executor—the suit was merely for back pay, not for reinstatement (which would have been a moot question in Humphrey’s Executor given the Commissioner’s death). The implication is that a presidential order terminating the commissioner of an independent agency is effective though unlawful, which would sug-

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94 See infra notes 95–96 and accompanying text.
95 See Neal Devins & David E. Lewis, Not-So Independent Agencies: Party Polarization and the Limits of Institutional Design, 88 B.U. L. REV. 459, 469–77 (2008) (showing empirically that the President exercises weak control over independent agencies through appointment of members, at least until a majority of commissioners are appointed from the President’s own party); Elliott Karr, Independent Litigation Authority and Calls for the Views of the Solicitor General, 77 GEO. WASH. L. REV. 1080, 1087–90 (2009) (focusing on ability of Solicitor General to shape federal policy before the Supreme Court as an example of a presidential check on agency independence); Peter L. Strauss, The Place of Agencies in Government: Separation of Powers and the Fourth Branch, 84 COLUM. L. REV. 573, 587–91 (1984) (suggesting that the President influences agencies through appointment of members and chairs and through assistance with budgetary negotiations); Paul R. Verkuil, Jawboning Administrative Agencies: Ex Parte Contacts by the White House, 80 COLUM. L. REV. 943, 943–44 (1980) (describing President’s power to influence administrative agencies through informal contacts); see also Rachel E. Barkow, Insulating Agencies: Avoiding Capture Through Institutional Design, 89 TEX. L. REV. 15 (2010) (discussing ways to achieve agency insulation from “interest groups and partisan pressure” other than removal limitations).
97 Wiener brought a quo warranto action challenging the legality of his removal, but it was dismissed, and he proceeded to the Supreme Court solely on his back pay claim. Wiener v. United States, 357 U.S. 349, 351 n.* (1958).
98 See, e.g., Steffan v. Perry, 41 F.3d 677, 720 n.27 (D.C. Cir. 1994) (Wald, J., dissenting)
gest that a President could freely fire independent agency Commissioners of whom he disapproved so long as he was willing to keep paying their salary—a relatively inconsequential check given the political stakes often at issue.

C. Why Reconsideration? The FTC and Progressivism at One Hundred

In light of the considerations discussed in the previous Section, Humphrey’s Executor may be already operationally defunct—the quartet of justifications no longer fits into contemporary doctrinal and functional debates over agency independence, and the very question of the removal power has less efficacy than long assumed. Nonetheless, it is worth revisiting Humphrey’s Executor’s assumptions in light of the FTC’s historical experience. Not only is the FTC one hundred years old, but with the demise of the Interstate Commerce Commission in 1995,99 the Commission is the sole remaining archetype of the Progressive-era agency that inspired the alphabet soup of subsequent New Deal agencies in the 1930s100 and other regulatory agencies in the second half of the twentieth century.101 Thus, to examine the actual conduct of the FTC’s first century is to examine the template for the modern administrative state—to consider its foundational justifications as endorsed in real time by the judiciary.

Further, Humphrey’s Executor does more than justify insulation from the presidential removal power. As Geoffrey Miller has put it, the decision serves as the “fundamental constitutional charter of the


100 HAROLD H. BRUFF, BALANCE OF FORCES: SEPARATION OF POWERS LAW IN THE ADMINISTRATIVE STATE 423 (2006) (reporting that the FTC served as the model for later independent agencies); LANDIS, supra note 59, at 111 (noting “the rise of the independent, regulatory administrative agency” due to a “desire to have the fashioning of industrial policy removed to a degree from political influence,” thereby increasing professionalism and more permanent policies); Marshall J. Breger & Gary J. Edles, Established by Practice: The Theory and Operation of Independent Federal Agencies, 52 ADMIN. L. REV. 1111, 1130–36 (2000) (discussing the importance of the ICC and FTC in giving “the basic organizational model for the modern multi-member independent agency”).

independent regulatory commissions.”

Despite whether the quartet remains important to the removal question, it succinctly articulates the Progressive-technocratic vision for market administration through apolitical experts regulating through legislative and judicial modalities rather than through the adversarial, individualized method of executive law enforcement in a common law system. It is thus relevant—highly relevant—to ask at the FTC’s centennial anniversary whether the agency has acted in conformity with Humphrey’s Executor’s description. If it has not, then the bedrock Progressive case for independent agencies requires reconsideration.

II. Humphrey’s Executor Debunked

Before turning to an evaluation of the Humphrey’s Executor quartet in historical perspective, a word on the historical mission of the FTC will set the stage. The FTC Act was one of two 1914 statutes (the other being the Clayton Act) designed to improve on the Sherman Act through simultaneous specificity and generality. The specificity came through the Clayton Act’s enhanced precision over the Sherman Act’s vague prohibitions on contracts in “restraint of trade” and “monopolizing.” Instead of an amorphous rule of reason, there would be direct prohibitions on anticompetitive price discrimination, tying, exclusive dealing, mergers, and interlocking directorates. But if the Clayton Act added specificity, the FTC Act went in the opposite direction with a single organic prohibition on “unfair methods of competition,” a phrase even more indefinite and open-textured than the Sherman Act’s prohibitory language. The FTC Act’s bite was not in its prohibition, but in the institution it created to administer the prohibition—the five-member Commission wielding the broad investigatory and equitable powers described in Humphrey’s Executor.

102 Miller, supra note 6, at 94.


106 The Senate Interstate Commerce Committee’s Report on the Federal Trade Commission Act explained its choice of an open-ended mandate for the FTC as follows:

The committee gave careful consideration to the question as to whether it would attempt to define the many and variable unfair practices which prevail in commerce and to forbid [them] . . . or whether it would, by a general declaration condemning unfair practices, leave it to the commission to determine what practices were unfair.
Following *Humphrey’s Executor*, in 1938, the Wheeler-Lea Act\(^\text{107}\) added a new clause to the organic prohibition text of the FTC Act—a prohibition on “unfair or deceptive acts or practice.”\(^\text{108}\) This amendment delegated a new consumer protection mission to the FTC.\(^\text{109}\) As such, after 1938, the Commission continued to enforce the antitrust laws in parallel with the Justice Department but also assumed a completely separate responsibility for consumer protection, without a distinct executive department analog until the creation of the Consumer Financial Protection Bureau in 2011.\(^\text{110}\) Hence, the Commission that Justice Sutherland described in 1935 would soon obtain a new mission, even while retaining its institutional organization.

This Part will now evaluate each of the elements of the *Humphrey’s* quartet based on the past 100 years of experience. First, this Part assesses the claim that the FTC is nonpartisan and independent from any other branch of government. Second, this Part addresses Justice Sutherland’s notion of an FTC structure founded on expertise. Third, this Part evaluates whether the FTC has fulfilled its intended quasi-legislative purpose as a substantive rulemaking agency. Finally, this Part examines whether the FTC can accurately be described as quasi-judicial based on its powers regarding antitrust cases and its ability to hear matters administratively.

### A. Nonpartisan and Politically Independent

The leading edge of the *Humphrey’s Executor* quartet is the claim that the FTC is nonpartisan and independent from any other branch of government.\(^\text{111}\) As noted earlier, the idea of detached, objective, neutral administration undergirded the Progressive-technocratic vision.\(^\text{112}\) Independent regulatory commissions were to be politics-free zones.\(^\text{113}\) Given advances in public choice theory, it is unsurprising that the nonpolitical independence account does not reflect the FTC’s

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\(^\text{108}\) Id.
\(^\text{111}\) Humphrey’s Ex’r v. United States, 295 U.S. 602, 624 (1935).
\(^\text{112}\) See supra Part I.A.
\(^\text{113}\) See supra text accompanying notes 52–53.
historical reality. Although the Commission is operationally independent from the President, it has shown itself largely subservient to Congress’s purse strings in important ways.\textsuperscript{114}

That Congress exercises a high degree of control over the FTC is today largely a given.\textsuperscript{115} Congress deliberately structured the agency to be a congressional creature and left no doubt that it intended to remain in charge.\textsuperscript{116} As Senator Albert Cummins, a leading backer of the FTC Act, explained, the FTC was to be “a commission at all times under the power of Congress” and “always subordinate to Congress.”\textsuperscript{117} The relevant question is what kind of control Congress exercises over the FTC. Does Congress control the FTC ideologically by pushing the FTC to adopt policy positions favored by Congress, or is the control of a more venial nature with individual congressmen extracting rents in individual enforcement matters?\textsuperscript{118}

The answer is that both sorts of congressional influence show up in the historical record. Empirical work shows that Congress exerts its influence to control the FTC’s ideological trajectory, to push it in particular enforcement directions.\textsuperscript{119} For example, William Kovacic, who later went on to become the FTC’s chair, found in an empirical study analyzing FTC enforcement during the 1969–1979 period that the FTC consistently chose policy programs that followed the expressed will of the FTC’s oversight committees in Congress, particularly by embarking on more aggressive enforcement programs in response to congressional pressure.\textsuperscript{120}

The existence of the Department of Justice (“DOJ”)—a parallel agency in the executive branch with a nearly identical antitrust mission—provides a convenient natural experiment to gauge the magni-
tude of the difference in effects of presidential or congressional control. Particularly during periods of divided government when the White House and the House of Representatives have been controlled by different parties, the two agencies have clashed along ideological lines. The clearest example occurred during the last two years of President George W. Bush’s administration, when a snub by the Justice Department in 2005 set up an aggressive FTC counteroffensive following the 2006 Democratic takeover of the House. The FTC lost an enforcement action against Schering-Plough over pharmaceutical “reverse payment” settlements in the U.S. Court of Appeals for the Eleventh Circuit and sought a writ of certiorari in the Supreme Court. The Solicitor General and the Antitrust Division then filed their own brief recommending that the Court deny certiorari, which the Court did. Following the 2006 Democratic takeover of the House, the FTC struck back. In 2007, in a private lawsuit, the Ninth Circuit ruled for the plaintiff on a “price squeezing” issue and in response the Solicitor General and the Antitrust Division filed an amicus curiae brief supporting the defendant’s certiorari petition in the Supreme Court. The FTC then issued a lengthy press release explaining that it strongly disagreed with the Justice Department and refused to join the brief. A year later, the FTC refused to join a report on unilateral exclusionary conduct that the agencies had been working on jointly for several years. Instead, the FTC issued a harshly worded dissent, complaining that the report “would be a

122 See id. (discussing effect of divided government on DOJ and FTC enforcement).
123 See infra notes 124–32 and accompanying text.
124 Schering-Plough Corp. v. FTC, 402 F.3d 1056, 1076 (11th Cir. 2005).
128 linkLine Commc’ns, Inc. v. SBC Cal., Inc., 503 F.3d 876, 885 (9th Cir. 2007).
blueprint for radically weakened enforcement of Section 2 of the Sherman Act” and threatening that the FTC “stands ready to fill any Sherman Act enforcement void that might be created if the Department actually implements the policy decisions expressed in its Report.”

Although overall enforcement trends at the two agencies have moved in parallel, the FTC and DOJ have not been shy about expressing sharp differences of opinion, even during periods of unified government. In the leading instances of intra-agency public dispute during periods of unified Democratic government, the FTC has almost always taken the more aggressively pro-enforcement position, consistent with House of Representatives’ greater tendency toward populism. Similarly, during periods when Republicans controlled the White House and Democrats the House of Representatives, the FTC clashed with the Justice Department over the Commission’s advocacy of more aggressive antitrust norms.

Evidence that the FTC is responsive to the overall ideological will of Congress is hardly damning and may be democracy-enhancing, but it does contravene the Humphrey’s Executive objective independence narrative. The FTC’s independence from the President is bought at the price of dependence on Congress. This may contribute to checks and balances as between the executive and legislative branches, but it does not create a politically independent agency of the kind posited in the Progressive-technocratic narrative.

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134 Examples of public disagreement between the agencies during periods when the Democrats controlled both the White House and Congress include a 1963 disagreement between the agencies on cooperative price advertising and the application of functional discounts to cooperative buying groups. See H.R. Rep. No. 88-699, at 25–32 (1963) (appendix reprinting dueling opinion letters and statements from FTC and DOJ officials).
135 See A. Everette MacIntyre, The Status of Regulatory Independence, 29 Fed. B.J. 1, 8–9 (1968); see also supra notes 124–32 and accompanying text.
136 See Frederick M. Rowe, The Federal Trade Commission’s Administration of the Anti-Price Discrimination Law—A Paradox of Antitrust Policy, 64 Colum. L. Rev. 415, 422–23 (1964) (discussing FTC proposals—opposed by Justice Department—for legislative narrowing of the Robinson-Patman Act’s meeting competition defense); see also supra notes 124–32 and accompanying text.
137 See MacIntyre, supra note 135, at 19–20.
138 See id. at 7, 19.
The second type of congressional control—rent-seeking by particular congressmen—is also documented in the political science literature and is more troubling. In a broad empirical study, Roger Faith, Donald Leavens, and Robert Tollison found that case dismissals at the FTC were nonrandomly concentrated on defendants headquartered in the home districts of congressmen on committees and subcommittees with budgetary and oversight jurisdiction over the FTC, suggesting that influential congressmen leveraged their budgetary power over the FTC to shield powerful constituents from enforcement actions.\textsuperscript{139} In contrast, particularly after Watergate and the scandal over presidential meddling in law enforcement, antitrust enforcement by the Justice Department became highly independent from White House control.\textsuperscript{140}

In sum, \textit{Humphrey’s Executor} may have it exactly backwards, at least as the facts appear at the FTC’s centennial anniversary. Congressional influence over FTC enforcement decisions may create a greater opportunity for crony-capitalism and political influence peddling than exists at the Antitrust Division. At a minimum, the claims of apolitical independence are historically unfounded. The FTC has become the creature of Congress, just as its founders predicted.\textsuperscript{141}

\section*{B. Uniquely Expert}

Expertise is the second instrument in the \textit{Humphrey’s Executor} quartet. Consistent with Progressive belief in administration by the best and brightest of scientific experts, Justice Sutherland described an FTC structure founded on expertise.\textsuperscript{142} The relationship between independence and expertise is captured in the Court’s suggestion that independence was necessary to attract the best experts and that the Commissioners’ seven-year term, which required separation from the four-year presidential cycle, would allow the Commissioners to gain additional expertise through experience in office.\textsuperscript{143}

\begin{footnotesize}
\textsuperscript{139} Faith et al., \textit{supra} note 114, at 19, 22, 26.


\textsuperscript{141} 51 CONG. REC. 8857 (1914) (statement of Sen. Morgan) (“[I]t is unsafe for an administration in power, an administrative officer representing a great political party, to hold the power of life and death over the great business interests of this country . . . . Whatever we do in regulating business should be removed as far as possible from political influence.”).

\textsuperscript{142} Humphrey’s Ex’r v. United States, 295 U.S. 602, 624 (1935) (citing S. REP. No. 63-597, at 10–11 (1914)).

\textsuperscript{143} See \textit{id}.
\end{footnotesize}
In order for expertise to have purchase as a justification for independence, a comparative assessment must be made with executive branch agencies. Expertise can only justify independence if the commission model allows the agency to attract, retain, or deploy experts more advantageously than a purely executive branch agency under the control of the President. The historical record shows that the FTC cannot claim any historical expertise advantage over its closest executive branch analog—the Justice Department’s Antitrust Division—except in particular market sectors, where the expertise comes from the FTC’s historical experience based on an informal market-division arrangement with the Antitrust Division.144

Historically, FTC Commissioners have not been leading experts in their fields when appointed and have not stayed at the Commission long enough to acquire expertise.145 Bill Kovacic’s comprehensive study of the FTC Commissioners over time found a striking “paucity” in the quality of the appointments.146 Kovacic found that only a handful of appointees to the FTC had distinguished experience or training in competition or consumer protection.147 By contrast, the list of former Assistant Attorneys General for the Antitrust Division boasts a plethora of distinguished names including Justice Robert Jackson, Judge Thurman Arnold, Donald Turner, William Baxter, Judge Douglas Ginsburg, and many other leading antitrust professionals and academics, as well as other distinguished jurists, such as Stephen Breyer and Michael Boudin, who served in other top posts in the Antitrust Division.148 If the question is whether the political appointments to the “technocratic” FTC or the “political” DOJ have been more distinguished, at least until recent years, the DOJ clearly comes out ahead.

Moving beyond the Commissioner level, it has also not been the case that the FTC has held any lasting expertise advantage in its staff in the discipline where expertise should matter the most to the agency—economics. When the FTC came into being in 1914, it inherited the Economic Department (later transformed into the Economic Division and then the Bureau of Economics) of its predecessor—the

147 Id. at 916–17.
148 Justice Breyer served as special assistant to the Assistant Attorney General from 1965–67.
Bureau of Corporations.\textsuperscript{149} The Antitrust Division did not hire its first economist or create an economics unit until 1936.\textsuperscript{150} Until the early 1970s, economists played a relatively small role in the division—mostly in data gathering and statistical litigation support.\textsuperscript{151} The FTC's economics unit, by contrast, enjoyed earlier influence within the agency.\textsuperscript{152} Today, however, there is little distinction between the agencies on this score. At the Antitrust Division, a deputy assistant attorney general for economics—usually a prominent academic economist—heads a staff of approximately sixty Ph.D.-level economists.\textsuperscript{153} At the FTC, the Bureau of Economics features about seventy Ph.D. level economists (although they spend about a quarter of their time on consumer protection issues).\textsuperscript{154} The Bureau Director is also usually a prominent academic economist, and there is sometimes an economist among the Commissioners.\textsuperscript{155} In sum, while there was a period of time when the FTC enjoyed an expertise advantage over the Justice Department in economics, that advantage had nothing to do with the FTC's independent agency model, and the advantage soon dissipated.\textsuperscript{156}

The one kind of unique expertise the FTC may claim is expertise in particular industries. The agencies have historically divided up the cases they bring based on their prior work with particular markets.\textsuperscript{157} Thus, for example, the FTC has considerable experience with pharmaceuticals and health care, and the Antitrust Division has considerable experience with airlines and computer software.\textsuperscript{158} Again, however, that comparative expertise is not a product of the agency model, but of the need to accomplish a rational workload division given agency duplication. If the FTC were folded into the Antitrust Division, that expertise would not disappear. Further, if we are simply tallying “expertise points” between the FTC and Justice Department, for every line of FTC industry-specific expertise there is an


\textsuperscript{150} R. Hewitt Pate, \textit{Tribute, Robert H. Jackson at the Antitrust Division}, 68 ALB. L. REV. 787, 791 n.12 (2005).

\textsuperscript{151} White, \textit{supra} note 149, at 10–11.

\textsuperscript{152} \textit{Id.} at 10.

\textsuperscript{153} \textit{Id.} at 11, 13.

\textsuperscript{154} \textit{Id.}

\textsuperscript{155} \textit{See id.} at 11.

\textsuperscript{156} \textit{See id.}

\textsuperscript{157} \textit{See Crane, supra} note 140, at 1198–99.

\textsuperscript{158} \textit{See id.} at 1199.
equal and opposite industry-specific expertise at the Antitrust Division.\textsuperscript{159}

In sum, the FTC’s experience in its first century gives no reason to believe that expertise is an advantage of the independent commission model. If anything, the Justice Department has been more successful in attracting distinguished figures as leaders and has, for at least the last three or four decades, enjoyed an equivalent level of economic expertise at the staff level.

C. Quasi-Legislative

The assertion in \textit{Humphrey’s Executor} that the FTC has a “quasi-legislative” character springs from Progressive-era ambitions that the FTC could address competition problems through a regulatory approach rather than through conventional prosecutorial litigation.\textsuperscript{160} Much of the impetus behind the FTC Act was Progressive frustration with the sedulous pace, fact specificity, and conservative character of antitrust litigation in the federal courts. For example, President Woodrow Wilson’s January 20, 1914 message to Congress on antitrust legislation—the presidential precursor to the passage of the FTC Act—asserted that a federal trade commission could provide clear rules and direction for business that courts had been incapable of providing.\textsuperscript{161} Consistent with Progressive values, the FTC would serve as an indispensable instrument of information and publicity, as a clearinghouse for the facts by which both the public mind and the managers of great business undertakings should be guided. The FTC would also serve as an instrumentality for doing justice to business where the processes of the courts or the natural forces of correction outside the courts were inadequate to adjust the remedy to the wrong in a way that would meet all the equities and circumstances of the case.\textsuperscript{162}

\textsuperscript{159} See \textit{id.} (discussing division of expertise between FTC and Justice Department).


\textsuperscript{161} See President Woodrow Wilson, \textit{Address to a Joint Session of Congress on Trusts and Monopolies}, \textit{Am. Presidency Project} (Jan. 20, 1914), http://www.presidency.ucsb.edu/ws/?pid=65374 (“And the business men of the country desire something more than that the menace of legal process in these matters be made explicit and intelligible. They desire the advice, the definite guidance and information which can be supplied by an administrative body, an interstate trade commission.”).

\textsuperscript{162} \textit{Id.} See generally Sklar, supra note 160, at 325–27.
The 1914 statute gave the FTC the authority to “make rules and regulations for the purpose of carrying out the [FTC Act’s] provisions,”163 but it remained unsettled until 1973 whether this general provision applied only to procedural or noninvestigatory rulemaking, or whether it also applied to substantive rules fleshing out the open-ended prohibition of Section 5 of the FTC Act.164 In 1973, the U.S. Court of Appeals for the D.C. Circuit held that Section 46(g) gave the FTC the power to promulgate trade regulation rules with the effect of substantive law.165 Two years later, the Magnuson-Moss Warranty–Federal Trade Commission Improvement Act of 1975 (“Magnuson-Moss”)166 gave the FTC the power to frame substantive trade regulation rules in furtherance of its consumer protection mission, although with heightened notice and comment procedural requirements.167

Despite the Progressive ambitions for an actively legislative agency and eventual affirmation by the federal courts of its substantive rulemaking power, the FTC’s substantive rulemaking activity has been quite limited.168 For its first forty-nine years, until the passage of Magnuson-Moss, the FTC issued a few rules mostly related to discrete, industry-specific statutory grants of rulemaking authority under such statutes as the Wool Products Labeling Act of 1939,169 the Fur Products Labeling Act of 1951,170 and the Textile Fiber Products Identification Act of 1958.171 It promulgated few substantive rules related to its core mission under Section 5 of the FTC Act.172 Following Magnuson-Moss, the FTC embarked on a temporary surge of

165 Nat’l Petroleum Refiners Ass’n v. FTC, 482 F.2d 672, 673, 698 (D.C. Cir. 1973).
167 See id.
rulemaking activity regarding consumer protection, but continued to ignore completely its power to pass substantive antitrust rules.173

The antitrust side is arguably more relevant when evaluating the assertions made in \textit{Humphrey’s Executor}, because the FTC only had antitrust powers at the time the case was decided and would not receive its consumer protection mandate until the Wheeler-Lea Amendments three years later.174 Over the course of its first century, the FTC promulgated exactly one substantive antitrust rule (in 1968),175 which it apparently never enforced.176 In its original capacity and only capacity at the time of \textit{Humphrey’s Executor}, the FTC has not been quasi-legislative at all.

The reason for the FTC’s failure to live up to its rulemaking assignment may be that antitrust simply does not lend itself to rulemaking of this kind. During the 1970s, administrative law maven Kenneth Culp Davis argued that the FTC’s primary institutional advantage was its power to promulgate rules.177 During that period, the FTC searched earnestly for practices to regulate, considering such candidates as delivered pricing in the cement industry, shopping center lease restrictions, physician influence over health insurance payments, and mergers affecting potential competition.178 Despite its desire to regulate by rule, the FTC found no plausible candidates. Then the antitrust establishment hammered a nail into the coffin by weighing in against antitrust rulemaking. A 1989 American Bar Association (“ABA”) report on the FTC—which included the participation of the eminent administrative law scholar Cass Sunstein—concluded, “We

173 \textit{See id.} at 416–17 (noting that the FTC used its rulemaking ability to address unfair and deceptive practices, not antitrust).


are not optimistic about the chances that the FTC could codify anti-
trust-oriented prohibitions on specific types of business conduct.” 179

On the consumer protection side, the FTC has been more active
in rulemaking, although with important qualifications. The FTC has
issued twenty rules pursuant to specific Acts of Congress authorizing
the FTC to regulate particular industries or practices, such as the sale
of wool products or automotive fuel ratings. 180 These include some of
its most popularly known rules, such as the Do-Not-Call Registry
Rule 181 and the Children’s Online Privacy Protection Rule.182 It has
also promulgated a batch of rules concerning the Fair Credit Report-
ing Act, also pursuant to a specific delegation from Congress. 183 The
FTC has promulgated only sixteen trade regulation rules—rules de-
digned to implement the agency’s core organic mission to prevent de-
ceptive and unfair trade practices and unfair methods of competition.
Six of these rules were promulgated from 1965 to 1979, 184 including
five during the 1970s, a period that corresponded with the passage of
Magnuson-Moss and optimism that the FTC could address broad
swaths of the consumer protection landscape through regulation. 185 In
the late 1970s, the FTC’s rulemaking agenda suffered a serious set-
back as the ordinarily friendly Washington Post labeled the agency the
“national nanny” 186—a cruel label that stuck—over a series of pro-
posed consumer protection rules, culminating in its proposed “kidvid”
rules relating to advertising to children.187 As political will turned

179 Report of the American Bar Association Section of Antitrust Law Special Committee to
181 Telemarketing Sales Rule, 16 C.F.R. § 310.1 (2015) (implementing Telemarketing and
184 Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health
Hazards of Smoking, 16 C.F.R. pt. 408 (1965); Deceptive Advertising as to Sizes of Viewable
Pictures Shown by Television Receiving Sets, 16 C.F.R. pt. 410 (1971); Use of Prenotification
Negative Option Plans, 16 C.F.R. pt. 425 (1973); Power Output Claims for Amplifiers Utilized in
Home Entertainment Products, 16 C.F.R. pt. 432 (1975); Preservation of Consumers’ Claims and
460 (1979).
187 Children’s Advertising, 43 Fed. Reg. 17,967 (Apr. 27, 1978); see also J. Howard Beales
III, Advertising to Kids and the FTC: A Regulatory Retrospective that Advises the Present, 12

In sum, the report card on the FTC as a “quasi-legislative” body is historically a mixed bag, with the bottom line that the FTC’s rulemaking character has been considerably weaker than the Court suggested in 1935. As for the antitrust side of things—which currently makes up about half of the Commission’s activity and its only mandate at the time of \textit{Humphrey’s Executor}—the quasi-legislative claim has no historical support at all. The FTC proceeds through adjudication only (although, as this Essay demonstrates next, not primarily through agency adjudication). The FTC has been most active as a rulemaking authority when Congress passes tailored legislation directing the FTC to pass rules on a particular topic, such as telemarketing practices, although even that activity has amounted to only one rule for every five years of the FTC’s first century. On consumer protection, the FTC had a spurt of activity in the 1970s, but trade regulation rulemaking slowed after the kidvid debacle and the trend line has been down ever since. Long periods pass—entire Commissions come and go—without new trade regulation rulemaking. Finally, claims about the FTC’s quasi-legislative and quasi-judicial character need to be evaluated in the context of the Commission’s overall character, which has increasingly become that of a conventional law enforcement department.

\textbf{D. Quasi-Judicial}

When the \textit{Humphrey’s Executor} Court described the FTC as “quasi-judicial,” it likely had in mind two different aspects of the Commission’s powers. The first, which it alluded to early in the opinion,\footnote{See \textit{Humphrey’s Ex’r v. United States}, 295 U.S. 602, 621 (1935).} is Section 7 of the FTC Act, which allows district courts to refer
Department of Justice antitrust cases to the FTC to sit as a “master in chancery” and determine the appropriate form of relief. 193 Several related powers, alluded to more indirectly early in the opinion, 194 include Section 6(c), which calls for the FTC to monitor compliance with antitrust decrees obtained by the Justice Department, 195 and Section 6(e), which allows the Attorney General to request that the FTC “make recommendations for the readjustment of the business of any corporation alleged to be violating the antitrust Acts in order that the corporation may thereafter maintain its organization, management, and conduct of business in accordance with law.” 196

While these chancery-like powers make the FTC “quasi-judicial” in theory, practice has been entirely different. The powers simply have not been used, largely because the FTC and Justice Department have become rival enforcement agencies that have little interest in ceding power to one another. Indeed, the only instance of the use of the equity power of which this Author is aware is a 1962 letter to the chairman of the FTC, referring a decree matter to the FTC under Section 6(c), in which the Attorney General stated that the section had been “virtually unused since its enactment in 1914.” 197 To this Author’s knowledge, that power has been unused again since that time.

The FTC’s other “quasi-judicial” capacity concerns its power to hear matters administratively. Under its original statutory mandate, which was still in place at the time of Humphrey’s Executor, the FTC had no power to sue in federal district court. 198 It could bring only administrative actions and then seek to have those orders enforced by a court of appeals. 199 Conversely, defendants who lost before the Federal Trade Commission could seek vacatur of the Commission’s order in a Court of Appeals. 200 The Humphrey’s Executor Court was thus correct in observing that the FTC wielded quasi-judicial powers in principle.

Legislative changes within three years of the Humphrey’s Executor decision began a trend that gradually reduced the FTC’s adjudicatory character significantly. The Wheeler-Lea Amendments of 1938 granted the FTC new powers to act as a party-litigant in federal dis-

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194 See Humphrey’s Ex’r, 295 U.S. at 621.
196 Id. § 46(c).
199 Id.
200 Id.
201     The thrust of the FTC’s new power under Section 13 was to seek a preliminary injunction maintaining the status quo pending the filing of an administrative complaint. Thus, a preliminary injunction obtained under Section 13 dissolves automatically if, within the time specified by the district court (not to exceed twenty days), the FTC fails to file an administrative complaint. Writing immediately in the wake of the Wheeler-Lea Amendments, the eminent trade scholar Milton Handler believed that, although the statutory language was unclear, “an injunction can not be sought independently of a proceeding by the Commission.” In time, however, the FTC would obtain new statutory authority to seek injunctions without going through administrative proceedings at all. In 1973, Section 13 was amended to add a proviso that, with time, would become the rule rather than the exception: “[I]n proper cases the Commission may seek, and after proper proof, the court may issue, a permanent injunction.” Eventually, the courts interpreted the language of Section 13(b) to permit a district court to grant a permanent injunction even though the Commission never brought an administrative action.

Two years later, in 1975, Congress granted the FTC additional powers to seek monetary relief, primarily for consumer protection violations. The Commission could seek consumer redress in federal court for “dishonest or fraudulent” practices, but only after an administrative proceeding. As detailed in a recent article by Howard Beales and Tim Muris, however, the Commission soon fell into the habit of obtaining effective monetary relief without administrative action by suing in federal district court seeking asset freezes and mandatory injunctions requiring the defendant to return assets to defrauded consumers.

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202 Id. § 53(b).
203 Id. § 53(b).
204 Handler, supra note 109, at 106.
206 United States v. JS & A Group, Inc., 716 F.2d 451, 457 (7th Cir. 1983) (“[W]e hold that section 13(b) of the FTC Act authorizes the Commission to seek, in a proper case, and the court to grant, after proper proof, permanent injunctive relief, irrespective of whether a Commission proceeding regarding the alleged violations is pending or contemplated.”); FTC v. H.N. Singer, Inc., 668 F.2d 1107, 1110–11 (9th Cir. 1982); United States v. Nat’l Dynamics Corp., 525 F. Supp. 380, 381 (S.D.N.Y. 1981).
207 15 U.S.C § 57b; see also J. Howard Beales III & Timothy J. Muris, Striking the Proper Balance: Redress Under Section 13(b) of the FTC Act, 79 ANTITRUST L.J. 1, 1–2 (2013) (detailing the events leading up to the 1975 amendments to the FTC Act).
208 15 U.S.C § 57b(a).
209 Beales & Muris, supra note 207, 3.
became known as the "Section 13(b) Fraud Program." In combination with other institutional pressures and strategic considerations, it had the effect over time of shifting the FTC’s enforcement activities in the consumer protection field from internal adjudication to executive enforcement in federal district court.

The FTC began to face other incentives, beyond the power to recover monetary penalties, to sue in district court rather than proceed administratively. On the one hand, the FTC staff’s adjudicatory success rate was very high when it proceeded through administrative adjudication. For example, a study by Doug Melamed found that, between 1983 and 2008, the staff won all sixteen antitrust cases adjudicated before an administrative law judge (ALJ) on review by the Commission. But proceeding through agency adjudication resulting in a perceived rubber stamp by the Commission may have created disadvantages at the appellate level. Since 1973, the FTC’s appellate success rate has been considerably higher in actions initiated in district court than in actions adjudicated before the agency; in cases decided on the merits, it has lost on appeal in twenty-eight percent of the cases that originated in an adjudicatory proceeding in the Commission and in only seven percent of the cases that originated in the district court. This may suggest that appellate courts are more likely to rule in favor of the FTC when there is a genuine adjudicatory contest in district court than when the outcome of adjudicatory effort in the agency appears to be a foregone conclusion.

An additional factor pushing the FTC toward litigation in district court rather than agency adjudication is the odd appellate review statute that allows a defendant who loses before the FTC to lodge its appeal in essentially any of the appellate federal circuits where the case could have been brought originally. The upshot is that, in cases adjudicated before the FTC, defendants have an opportunity for highly effective forum shopping. For example, when the FTC sued pharmaceutical companies over “pay for delay” patent settlements,

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210 Id.
211 Id. at 4 (describing the increasing use of the Section 13(b) Fraud Program and increasing amount of redress ordered); id. at 22 (explaining that FTC could have accomplished asset freezes in the district court and then returned to the administrative forum, but there was little reason to use such a clunky procedure).
212 A. Douglas Melamed, The Wisdom of Using the “Unfair Method of Competition” Prong of Section 5, GLOBAL COMPETITION POL’Y, Nov. 2008, at 1, 16–17. The study Melamed cites found that the respondents won four of the sixteen cases before the administrative law judge, but then lost those cases before the Commission. Id. at 17.
213 A list of relevant appellate cases appears in the Appendix.
214 See Crane, supra note 133, at 133.
the defendants were able to appeal to the Eleventh Circuit, which had previously announced a pro-defendant rule in private litigation.\footnote{Id. at 134–35.} In order to avoid this forum shopping, the FTC began to bring its patent settlement cases in federal district court where the defendants could not forum shop for a favorable appellate jurisdiction.\footnote{Id.}

For all of these reasons, and perhaps others, agency adjudication has become a smaller part of the FTC’s work in recent decades. In order to test the incidence of the FTC’s adjudicatory effort, this Author conducted a review of all FTC enforcement actions from 1996 to the present.\footnote{1996 was chosen out of convenience. It is the beginning date for the online case database maintained on the Commission website. The concluding date for our study was September 1, 2014.} Jennifer Fischell, this Author’s research assistant, hand-coded 2,092 enforcement actions (1,600 consumer protection cases and 492 antitrust cases) during this period. This Author and Ms. Fischell categorized each of these cases into one of three categories. First, a case could involve no adjudication at all—meaning that either a court or the agency enters a consent decree without a impartial decisionmaker doing anything at all of an adjudicatory character. Second, a case could involve adjudication within the agency. Finally, a case could involve adjudication in federal district court. Cases were coded as involving adjudication—whether in court or in the agency—if the docket showed any indication that a judge (whether Article III or ALJ) was called on to make any sort of adjudicatory decision, even as simple as entering a scheduling order or a default judgment. Most such cases eventually end up in a consent decree, but we nonetheless coded them as adjudicatory because our effort was to identify any positive instances of adjudicatory activity.

Overall, this research indicated that 1,183 cases proceeded in federal court and 909 before the agency. In total, 1,524 cases ended in consent degrees without any adjudicatory activity at all, whether in court or before the agency, and 475 cases saw adjudicatory activity in federal district court. Over the eighteen-year period studied, only 79 cases of agency adjudication were identified—just over four a year.

In sum, adjudication is a vanishingly small aspect of what the FTC does. The Commission does not serve the adjudicatory function of a special master in equity, as designed by Congress, at all. It participates in agency adjudication in only a small fraction of its overall workload. Far more often, it either enters into consent decrees requiring

\footnote{Id.}

\footnote{Id.}
no adjudication or litigates in federal district court in an executive law enforcement style—just as the Justice Department or traditional law enforcement agencies or institutions do.

III. **The Commission’s Predominantly Executive Character**

With the benefit of a century of experience, some broad conclusions can now be drawn about FTC’s predominant character as an institution. The *Humphrey’s Executor* Court articulated a vision of the FTC drawn largely from statutory design and Progressive-technocratic aspiration. On paper, the agency does look independent, expert, quasi-legislative, and quasi-judicial. But its actual behavior has generally tended away from those qualities. Though independent from the President, the Commission has been quite evidently responsive to the will of Congress. While certainly expert in many ways, the agency’s expertise has not arisen from structural features of the Commission model. Instead, it has obtained the expertise of any department—executive or administrative—given sufficient resources and tasked with doing a job for long enough. Legislative activity, in the sense of rulemaking, has not been an aspect of its original and continuing antitrust mission at all, and only a sporadic aspect of its consumer protection mission. Finally, the Commission has increasingly turned its back on agency adjudication, preferring instead to enter into consent decrees or litigate in an executive style in federal district court. At a rate of four internally adjudicated cases per year—many of which involve only the early stages of adjudication before they are settled through consent decree—adjudication can hardly be said to be a significant part of the Commission’s continuing portfolio of activities.

The predominant character of the agency has become that of a traditional law enforcement department. This is most apparent on the antitrust side, where the Commission does no rulemaking and little adjudication, essentially dividing enforcement responsibility with the Justice Department based on superior expertise and prior experience, and participates with the Justice Department in promulgating guidelines spelling out the agencies’ joint perspective on a variety of en-

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218 *See generally* Humphrey’s Ex’r *v.* United States, 295 U.S. 602 (1935).
219 *See supra* Parts II.A–D.
220 *See supra* Part II.A.
221 *See supra* Part II.B.
222 *See supra* Part II.C.
223 *See supra* Part II.D.
224 *See supra* Part II.D.
forcement topics.\textsuperscript{225} Apart from the FTC’s arguable advantage in securing preliminary injunctions to block mergers,\textsuperscript{226} the occasional case proceeding to litigation before an ALJ, and the DOJ’s monopoly over criminal enforcement, the two agencies basically do the same thing—promulgate guidelines, investigate, threaten suit, enter into consent decrees, and in rare cases, litigate. In antitrust, the Commission is for all intents and purposes a traditional law enforcement agency.

The consumer protection side is somewhat more complicated because of the presence of some rulemaking activity and, at least until the creation of the Consumer Financial Protection Board, no obvious executive agency analogue. Still, even on the consumer protection side, the agency’s predominant character is executive, with an increasing amount of the Commission’s effort dedicated to consent decrees and federal district court enforcement where monetary remedies and their equivalent through injunctive relief are available.\textsuperscript{227} As a composite of its two functions, the FTC is very far from the quartet of qualities announced in \textit{Humphrey’s Executor}.

The Commission’s de facto nondistinctiveness from executive enforcement has had important implications for the agency’s position in the legal landscape. It shows up in particular when the FTC demands the privileges of being the sort of institution described in \textit{Humphrey’s Executor}—and the legal community raises a skeptical eyebrow. Take, for instance, the ongoing question whether the FTC has powers to condemn as illegal under Section 5 unfair methods of competition that would not be illegal under the Sherman Act.\textsuperscript{228} Commentators have pointed out the difficulties inherent in giving the FTC enforcement powers beyond those available to the Justice Department, as that could entail differential treatment of similarly situated firms in different industries.\textsuperscript{229} More fundamentally, one can wonder why the FTC should have enforcement powers greater than the DOJ when the two agencies perform essentially the same law enforcement function. The case for an independent Section 5 is strongest if the FTC is going to

\textsuperscript{225} See supra Parts II.B–D.
\textsuperscript{226} See Crane, supra note 133, at 41.
\textsuperscript{227} See supra Part II.D.
\textsuperscript{228} Crane, supra note 133, at 135–36.
\textsuperscript{229} See, e.g., Maureen K. Ohlhausen, \textit{100 is the New 30: Recommendations for the FTC’s Next 100 Years}, 21 GEO. MASON L. REV. 1131, 1140 (2014) (“[W]hen we rely on Section 5, which only the FTC enforces, rather than the antitrust laws, which both the FTC and the Justice Department enforce, we risk creating two different standards for patent holders depending on which agency happens to review the alleged misconduct.”).
behave like the technocratic rulemaking and adjudicatory agency the Supreme Court thought it was in 1935. It is considerably weaker if the agency is essentially just another law enforcement agency.

By the same token, the possibility that the FTC’s antitrust positions on the meaning of Section 5 would be eligible for *Chevron* deference is weakened given the Commission’s de facto transformation into a law enforcement agency. Courts do not generally afford *Chevron* deference if two different agencies are assigned to enforce the same statute, which is the functional status quo with respect to antitrust enforcement.

The questions raised by the Commission’s de facto law enforcement character are many. Should *Humphrey’s Executor* itself be reconsidered, as Judge Kavanaugh urged and some on the Supreme Court would probably favor? Should the President obtain plenary political control over the Commission in order to harmonize antitrust enforcement between the two agencies? Should the FTC “right the ship” and work to become the agency it was ostensibly created to be—for example, by taking seriously the possibility of rulemaking in antitrust, relying more on internal agency adjudication, and offering itself as a chancellor in equity? Should the entire antitrust enforcement mission of the FTC be transferred to the Justice Department, as urged by three members of the Antitrust Modernization Commission, given the fungibility of the two agencies’ antitrust functions?

At a minimum, the historical record needs to be set straight. The FTC bears little resemblance to the Progressive-technocratic vision enunciated in *Humphrey’s Executor*.

**Conclusion**

*Humphrey’s Executor* was the product of a broad coalition of Supreme Court Justices concerned with the overexpansion of presidential power. It legitimized the administrative state by enunciating a

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234 *Antitrust Modernization Comm’n, Report and Recommendations* 129 n.ª (2007) (reporting that “Commissioners Kempf, Litvak, and Shenefield would recommend eliminating the FTC’s antitrust enforcement authority and vesting responsibility for all antitrust enforcement with the DOJ.”).
vision for Progressive-technocratic administrative legislating by independent and nonpolitical experts, and adjudicating of anticompetitive practices. A century of experience has shown that the FTC's actual practice conforms very little to this vision. It is independent from the President but inclined to the will of Congress, not uniquely expert, and not predominantly legislative or adjudicatory. Rather, its predominant character is that of a law enforcement agency.
APPENDIX

Administrative Actions

Won: FTC v. Watson Pharmaceuticals, Inc., 677 F.3d 1298 (11th Cir. 2012), rev’d 133 S. Ct. 2223 (2013); North Carolina State Bd. of Dental Examiners v. FTC, 717 F.3d 359 (2013); Polypore Int'l, Inc. v. FTC, 686 F.3d 1208 (11th Cir. 2012); Realcomp II, Ltd. v. FTC, 635 F.3d 815 (6th Cir. 2011); Daniel Chapter One v. FTC, 405 F. Appx. 505 (D.C. Cir. 2010); Chicago Bridge & Iron Co. v. FTC, 534 F.3d 410 (5th Cir. 2008); North Texas Specialty Physicians v. FTC, 528 F.3d 346 (5th Cir. 2008) (FTC’s order overbroad, but liability upheld); Kentucky Household Goods Carriers Ass'n v. FTC, 199 Fed. Appx. 410 (2006); South Carolina State Bd. of Dentistry v. FTC, 455 F.3d 436 (2006); Polygram Holding, Inc. v. FTC, 416 F.3d 29 (D.C. Cir. 2005); Novartis Corp. v. FTC, 223 F.3d 783 (D.C. Cir. 2000); Toys “R” Us, Inc. v. FTC, 221 F.3d 928 (7th Cir. 2000); Jones v. FTC, 194 F.3d 1317 (9th Cir. 1999); Ticor Title Ins. Co. v. FTC, 998 F.2d 1129 (3d Cir. 1993) (won following Supreme Court remand); Olin Corp. v. FTC, 986 F.2d 1295 (9th Cir. 1993); Kraft, Inc. v. FTC, 970 F.2d 311 (7th Cir. 1992); In re Detroit Auto Dealers Ass’n, Inc., 955 F.2d 457 (6th Cir. 1992); Removatron Intern. Corp. v. FTC, 884 F.2d 1489 (1st Cir. 1989); Superior Court Trial Ass’n v. FTC, 856 F.2d 226 (D.C. Cir. 1988), rev’d in part, 493 U.S. 411 (1990); Orkin Exterminating Co. v. FTC, 849 F.2d 1354 (1988); Figgie Intern. Inc. v. FTC, 817 F.2d 102 (1987); Hospital Corp. of America v. FTC, 807 F.2d 1381 (7th Cir. 1986); Thompson Medical Co. v. FTC, 791 F.2d 189 (1986); Southwest Sunsites, Inc. v. FTC, 785 F.2d 1431 (9th Cir. 1986); FTC v. Brown & Williamson Tobacco Corp., 778 F.2d 35 (D.C. Cir. 1985) (remedy narrowed); Amrep Corp. v. FTC, 768 F.2d 1171 (10th Cir. 1985); Indiana Federation of Dentists v. FTC, 745 F.2d 1124 (7th Cir. 1984), rev’d 476 U.S. 447 (1986); Sterling Drug, Inc. v. FTC, 741 F.2d 1146 (9th Cir. 1984); Grolier v. FTC, 699 F.2d 983 (9th Cir. 1983); Bristol-Myers Co. v. FTC, 738 F.2d 554 (2d Cir. 1984); Gibson v. FTC, 682 F.2d 554 (5th Cir. 1982); Lee v. FTC, 679 F.2d 905 (D.C. Cir. 1980); Sears, Roebuck and Co. v. FTC, 676 F.2d 385 (9th Cir. 1982); Litton Indus., Inc. v. FTC, 676 F.2d 364 (9th Cir. 1982); Borden, Inc. v. FTC, 674 F.2d 498 (6th Cir. 1982); American Home Prods. Corp. v. FTC, 659 F.2d 681 (3d Cir. 1982); Porter & Dietsch, Inc. v. FTC, 605 F.2d 294 (7th Cir.

235 Cases are categorized as won or lost by the FTC based on ultimate appellate resolution; i.e., if there was an appeal to Supreme Court, Supreme Court resolution controls the win/loss determination. List excludes preliminary injunction actions pursuant to 15 U.S.C. § 13(b).
1979); Encyclopedia Britannica, Inc. v. FTC, 605 F.2d 964 (7th Cir. 1979); RSR Corp. v. FTC, 602 F.2d 1317 (9th Cir. 1979); Jay Norris, Inc. v. FTC, 598 F.2d 1244 (2d Cir. 1979); Trans World Accounts, Inc. v. FTC, 594 F.2d 212 (9th Cir. 1979 (won in part, but order narrowed); Simeon Manag. Corp. v. FTC, 579 F.2d 1137 (9th Cir. 1978); Ash Grove Cement v. FTC, 577 F.2d 1368 (9th Cir. 1978); Standard Oil Co. v. FTC, 577 F.2d 653 (9th Cir. 1978); Rubbermaid, Inc. v. FTC, 575 F.2d 1169 (1978); National Com’n on Egg Nutrition v. FTC, 570 F.2d 157 (7th Cir. 1977) (won in part, but order narrowed); Liggett & Myers, Inc. v. FTC, 567 F.2d 1273 (4th Cir. 1977); Warner-Lambert Co. v. FTC, 562 F.2d 749 (D.C. Cir. 1977); Chrysler Corp. v. FTC, 561 F.2d 357 (D.C. Cir. 1977); Beneficial Corp. v. FTC, 542 F.2d 611 (D.C. Cir. 1976) (won in part, but order narrowed); Beatrice Foods Co. v. FTC, 540 F.2d 303 (7th Cir. 1976); ITT Continental Baking Co. v. FTC, 532 F.2d 207 (2d Cir. 1976) (won in part, but order narrowed); Fedders Corp. v. FTC, 529 F.2d 1398 (2d Cir. 1976); Ger-Ro-Mar-Inc. v. FTC, 518 F.2d 33 (2d Cir. 1975); Resort Car Rental System, Inc. v. FTC, 518 F.2d 962 (9th Cir. 1975); Thiret v. FTC, 512 F.2d 176 (10th Cir. 1975); Avnet, Inc. v. FTC, 511 F.2d 70 (7th Cir. 1975); Corning Glass Works v. FTC, 509 F.2d 293 (7th Cir. 1975); Alterman Foods, Inc. v. FTC, 497 F.2d 993 (5th Cir. 1974); Adolph Coors Co. v. FTC, 497 F.2d 1178 (10th Cir. 1974); Credit Card Serv. Corp. v. FTC, 495 F.2d 1004 (D.C. Cir. 1974); Diener’s Inc. v. FTC, 494 F.2d 1132 (D.C. Cir. 1974); Spiegel, Inc. v. FTC, 494 F.2d 59 (7th Cir. 1974); National Dynamics Corp. v. FTC, 492 F.2d 1333 (2d Cir. 1974); Sunshine Art Studios, Inc. v. FTC, 481 F.2d 1171 (1st Cir. 1973); Firestone Tire & Rubber Co. v. FTC, 481 F.2d 246 (6th Cir. 1973); Spiegel, Inc. v. FTC, 540 F.2d 287 (7th Cir. 1976); Charnita, Inc. v. FTC, 479 F.2d 684 (3d Cir. 1973); National Ass’n of Women’s & Children’s Apparel Salesmen, Inc. v. FTC, 479 F.2d 139 (5th Cir. 1973); Zale Corp. v. FTC, 473 F.2d 1317 (5th Cir. 1973).

Lost: Rambus Inc. v. FTC, 522 F.3d 456 (D.C. Cir. 2008); Schering-Plough Corp. v. FTC, 402 F.3d 1056 (11th Cir. 2005); California Dental v. FTC, 224 F.3d 942 (9th Cir. 2000) (lost in Court of Appeals following Supreme Court remand); Coca-Cola Bottling Co. of the Southwest v. FTC, 85 F.3d 1139 (5th Cir. 1996); Trans Union Corp. v. FTC, 81 F.3d 228 (D.C. Cir. 1996); New England Motor Rate Bureau, Inc. v FTC, 908 F.2d 1064 (1st Cir. 1990); Boise Cascade Corp. v. FTC, 837 F.2d 1127 (D.C. Cir. 1988); Massachusetts Furniture & Piano Movers Ass’n, Inc. v. FTC, 773 F.2d 391 (1st Cir. 1985); Borg-Warner Corp. v. FTC, 746 F.2d 108 (2d Cir. 1984); E.I. du Pont de Nemours &
Co. v. FTC, 729 F.2d 128 (2d Cir. 1984); Russell Stover Candies, Inc. v. FTC, 718 F.2d 256 (8th Cir. 1983); Montgomery Ward & Co. v. FTC, 691 F.2d 1322 (9th Cir. 1982); Tenneco, Inc. v. FTC, 689 F.2d 346 (2d Cir. 1982); Equifax Inc. v. FTC, 678 F.2d 1047 (11th Cir. 1982); Kaiser Alum. & Chem. Corp. v. FTC, 652 F.2d 1324 (7th Cir. 1981); TRW, Inc. v. FTC, 647 F.2d 942 (9th Cir. 1981); Coca-Cola Co. v. FTC, 642 F.2d 1387 (D.C. Cir. 1981); Official Airlines Guides, Inc. v. FTC, 630 F.2d 920 (2d Cir. 1980); Jim Walter Corp. v. FTC, 625 F.2d 676 (5th Cir. 1980); Boise Cascade Corp. v. FTC, 637 F.2d 573 (9th Cir. 1980); Equifax, Inc. v. FTC, 618 F.2d 63 (9th Cir. 1980); Fruehauf Corp. v. FTC, 603 F.2d 345 (2d Cir. 1979); USLIFE Credit Corp. v. FTC, 599 F.2d 1387 (5th Cir. 1979); SCM Corp. v. FTC, 565 F.2d 807 (2d Cir. 1977); Great Atlantic & Pacific Tea Co. v. FTC, 557 F.2d 971 (2d Cir. 1977), rev’d 435 U.S. 922 (1978); BOC Int’l, Ltd. v. FTC, 557 F.2d 24 (2d Cir. 1977); Heater v. FTC, 503 F.2d 321 (9th Cir. 1974); Papercraft Corp. v. FTC, 472 F.2d 927 (7th Cir. 1973).

Judicial Actions

Won: F.T.C. v. Lalonde, 545 Fed.Appx. 825 (11th Cir. 2013); FTC v. LoanPointe, LLC, 525 F. Appx. 696 (10th Cir. 2013); FTC v. Chapman, 714 F.3d 1211 (10th Cir. 2013); FTC v. Washington Data Resources, Inc., 704 F.3d 1323 (11th Cir. 2013); FTC v. Lucas, 483 Fed. Appx. 378 (9th Cir. 2012); FTC v. Inc21.com Corp., 475 F. Appx. 106 (9th Cir. 2012); FTC v. Trudeau, 662 F.3d 947 (7th Cir. 2011); FTC v. Bronson Partners, LLC, 654 F.3d 359 (2d Cir. 2011); FTC v. Magazine Solutions, LLC, 432 F. Appx. 155 (3d Cir. 2011); FTC v. USA Financial, LLC, 415 F. Appx. 970 (11th Cir. 2011); FTC v. Direct Marketing Concepts, Inc., 624 F.3d 1 (1st Cir. 2010); FTC v. Network Services Depot, Inc., 617 F.3d 1127 (9th Cir. 2010); FTC v. Wells, 384 F. Appx. 712 (9th Cir. 2010); FTC v. Neovi, Inc., 604 F.3d 1150 (9th Cir. 2010); FTC v. Accusearch Inc., 570 F.3d 1187 (10th Cir. 2009); FTC v. Stefanchik, 559 F.3d 924 (9th Cir. 2009); FTC v. QT, Inc., 512 F.3d 858 (7th Cir. 2008); FTC v. Check Investors, Inc., 502 F.3d 159 (3d Cir. 2007); FTC v. People’s Credit First, LLC, 244 Fed. Appx. 942 (11th Cir. 2007); Telebrands Corp. v. FTC, 457 F.3d 354 (4th Cir. 2006); FTC v. Cyberspace.Com LLC, 453 F.3d 1196 (9th Cir. 2006); FTC v. Verity Intern., Ltd., 443 F.3d 48 (2d Cir. 2006) (affirming on liability but requiring recalculation of restitution); FTC v. Capital Choice Consumer Credit, Inc., 157 Fed. Appx. 248 (11th Cir. 2005); FTC v. Bay Area Business Council, Inc., 423 F.3d 627 (7th Cir. 2005); FTC v. World Media Brokers, 415 F.3d 758 (7th Cir. 2005); FTC v. Tashman, 318
F.3d 1273 (11th Cir. 2003); FTC v. Think Achievement Corp., 312 F.3d 259 (7th Cir. 2002); Trans Union Corp. v. FTC, 267 F.3d 1138 (D.C. Cir. 2001); FTC v. Gill, 265 F.3d 844 (9th Cir. 2001); FTC v. Munoz, 17 Fed. Appx. 624 (9th Cir. 2001); FTC v. Affordable Media, LLC, 11 Fed. Appx. 934 (9th Cir. 2001); FTC v. Febre, 128 F.3d 530 (7th Cir. 1997); FTC v. Spectrum Resources Group, Inc., 107 F.3d 877 (9th Cir. 1997); FTC v. Publishing Clearing House, Inc., 104 F.3d 1168 (9th Cir. 1997); FTC v. NCH, Inc., 106 F.3d 407 (9th Cir. 1997); FTC v. Gem Merchandising Corp., 87 F.3d 466 (11th Cir. 1996); FTC v. Osborne, 69 F.3d 543 (9th Cir. 1995); FTC v. Pantron I Corp., 33 F.3d 1088 (9th Cir. 1994); FTC v. Magui Publishers, Inc., 9 F.3d 1551 (9th Cir. 1993); FTC v. Figgie Intern., Inc., 994 F.2d 595 (9th Cir. 1993) (won except on some remedy questions); FTC v. Security Rare Coin & Bullion Corp., 931 F.2d 1312 (8th Cir. 1991).

Lost: FTC v. Financial Freedom Processing, Inc., 538 F.3d 488 (5th Cir. 2013); American Bar Ass’n v. FTC, 430 F.3d 457 (D.C. Cir. 2005); FTC v. Garvey, 383 F.3d 891 (9th Cir. 2004).