



**IN THE SUPREME COURT OF THE STATE OF NEW MEXICO**

BRUCE PUMA and KATHLEEN PUMA,  
for Themselves and All Others Similarly  
Situating,

*Plaintiffs-Respondents,*

v.

WAL-MART STORES EAST, LP;  
APPLICA CONSUMER PRODUCTS,  
INC.; and THE BLACK & DECKER  
CORPORATION,

*Defendants-Petitioners.*

Sup. Ct. S-1-SC-39540  
Ct. App. A-1-CA-38023  
Case No. D-202-CV-2013-06321

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**MOTION OF THE CHAMBER OF COMMERCE OF THE UNITED  
STATES OF AMERICA AND THE NEW MEXICO CHAMBER OF  
COMMERCE FOR LEAVE TO PARTICIPATE AS *AMICI CURIAE*  
SUPPORTING THE PETITIONERS**

---

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The Chamber of Commerce of the United States of America (“U.S. Chamber”) and the New Mexico Chamber of Commerce (“New Mexico Chamber”) respectfully request leave to file the accompanying brief as *amici curiae* in support of Petitioners in *Puma v. Wal-Mart Stores East, LP*, Case No. S-1-SC-39540. *See* Attachment A.

The U.S. Chamber is the world’s largest business federation. It represents approximately 300,000 direct members and indirectly represents the interests of more than three million companies and professional organizations of every size, in every industry sector, and from every region of the country. An important function of the U.S. Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the U.S. Chamber regularly files *amicus curiae* briefs in cases, like this one, that concern the Nation’s business community.

The New Mexico Chamber is a leading business federation that acts as the voice of New Mexico business. It advances the interests of its members across the State by developing and advocating for public policy initiatives that make New Mexico a better place to do business. The New Mexico Chamber regularly appears before the State government to represent the interests of its members, including the New Mexico courts.

Many of the U.S. Chamber's and New Mexico Chamber's members are trademark owners or trademark licensees that have devoted substantial resources to building and protecting the goodwill and reputations associated with their products and brands. In doing so, they have long relied on the strong federal protections for trademarks provided by the Lanham Act, including the Lanham Act's express authorization of the use of trademarks by "related companies" pursuant to trademark licensing agreements. *See* 15 U.S.C. § 1055. As a result, the U.S. Chamber and New Mexico Chamber are uniquely situated to assist the Court in understanding the impact of the ruling below on the business community.

In accordance with New Mexico Rule of Appellate Procedure 12-302(E)(2), an affidavit by non-admitted counsel is included as Attachment B.

Accordingly, the U.S. Chamber and New Mexico Chamber respectfully request leave to file the attached brief of *amici curiae* in support of Petitioners.

Respectfully submitted,

By: /s/ William R. Levi

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 5th day of June, 2023, a true and correct copy of the foregoing was served upon all counsel entitled to receive notice via the Court's e-file and serve system, as more fully described in the Notice of Electronic Filing.

By: /s/ William R. Levi  
William R. Levi

# **ATTACHMENT A**

**IN THE SUPREME COURT OF THE STATE OF NEW MEXICO**

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OF AMERICA AND THE NEW MEXICO CHAMBER OF COMMERCE  
AS *AMICI CURIAE* SUPPORTING THE PETITIONERS**

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## INTEREST OF THE *AMICI CURIAE*

The Chamber of Commerce of the United States of America (“U.S. Chamber”) is the world’s largest business federation. It represents approximately 300,000 direct members and indirectly represents the interests of more than three million companies and professional organizations of every size, in every industry sector, and from every region of the country. An important function of the U.S. Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the U.S. Chamber regularly files *amicus curiae* briefs in cases, like this one, that concern the Nation’s business community.

The New Mexico Chamber of Commerce (“New Mexico Chamber”) is a leading business federation that acts as the voice of New Mexico business. It advances the interests of its members across the State by developing and advocating for public policy initiatives that make New Mexico a better place to do business. The New Mexico Chamber regularly appears before the State government to represent the interests of its members, including the New Mexico courts.

Many of the U.S. Chamber’s and New Mexico Chamber’s members are trademark owners or trademark licensees that have devoted substantial resources to building and protecting the goodwill and reputations associated



with their products and brands. In doing so, they have long relied on the strong federal protections for trademarks provided by the Lanham Act, including the Lanham Act's express authorization of the use of trademarks by "related companies" pursuant to trademark licensing agreements. *See* 15 U.S.C. § 1055.

The U.S. Chamber and New Mexico Chamber file this brief to highlight the destabilizing effect of the ruling below, which directly conflicts with the Lanham Act's longstanding authorization of trademark licensing. The Court of Appeals adopted an outdated view of trademarks as indicators of the physical producer of goods that the Lanham Act rejected almost 80 years ago. By resurrecting this view, the ruling below effectively prohibits trademark licensing in New Mexico and invites plaintiffs (and plaintiffs' attorneys) to target and ultimately deter these lawful business arrangements that provide significant value to consumers. The consequences of the ruling below will be borne by the U.S. Chamber's and New Mexico Chamber's members, as well as other trademark holders and licensing partners, and ultimately the public.

### **SUMMARY OF ARGUMENT**

The ruling below interprets the New Mexico Unfair Practices Act (UPA) to prohibit what the federal Lanham Act expressly allows: the licensing of trademarks to related companies. *See* 15 U.S.C. § 1055. For decades, federal trademark law has authorized trademark holders to license their marks to

“related compan[ies],” over whom the trademark holders must exercise control “with respect to the nature and quality of the goods or services” bearing the marks. *Id.* § 1127. When such supervision and control is properly exercised, the use of a trademark by a licensee is “legitimat[e].” *Id.* § 1055. And importantly, the Lanham Act (which, like the UPA, prohibits false and misleading uses of trademarks), recognizes that the public is not deceived or misled by a licensed trademark because the trademark accurately signifies the trademark holder’s brand and standard of quality.

Contrary to these black letter principles of federal trademark law, the Court of Appeals held that Petitioners’ use of the Black & Decker trademark was deceptive and misleading because, in the court’s view, the trademark signifies who physically designed and produced the branded coffeemaker at issue. The court reasoned that Applica’s licensed use of the Black & Decker trademark misrepresented the coffeemaker’s source, or at least created an ambiguity as to the source, and thus violated the UPA. The clear and immediate effect of this expansive holding is that *no one* other than Black & Decker can use the Black & Decker trademark without violating the UPA. In other words, trademark licensing is prohibited in New Mexico.

In so ruling, the Court of Appeals adopted precisely the rigid view of trademarks that the Lanham Act rejected almost 80 years ago. Before the

Lanham Act's passage in 1946, trademark licensing was essentially impossible because courts assumed that a trademark signified a good's physical producer only. The Lanham Act sought to modernize federal trademark law, including by adopting the current view of trademarks as indicators of brand association and quality, and by expressly authorizing trademark licensing.

The Court of Appeals erred by interpreting the UPA to conflict with federal trademark law. To the contrary, the UPA's text, history, and purpose show that the State legislature intended for the statute to be read in harmony with the Lanham Act. The two statutes use similar language to address the same misconduct—palming off or passing off, which occurs only when the use of a trademark is *unauthorized*. The textual similarities between the statutes are no accident, as the UPA was modeled after a uniform deceptive practices act that, in turn, drew upon the Lanham Act. And both statutes serve the same purpose: to protect the public from unauthorized misappropriations of trademarks and their associated goodwill. Those concerns are not implicated by trademark licensing, which provides a trademark holder's consent to use a mark and ensures the trademark holder's standard of quality is maintained.

Under this Court's traditional rules of statutory construction, the Court of Appeals was wrong to ignore the Lanham Act and upend decades of settled

protection for trademark licensing arrangements. The decision below should be reversed.

### **SUMMARY OF FACTS AND PROCEEDINGS**

The U.S. Chamber and New Mexico Chamber adopt the Summary of Facts and Proceedings set forth in the Brief in Chief of Petitioners Wal-Mart, Aplica, and Black & Decker.

### **ARGUMENT**

#### **I. For Decades, Federal Trademark Law Has Protected Businesses' Ability To License Their Trademarks.**

##### **A. The Lanham Act Comprehensively Regulates And Protects Trademarks In The United States.**

Since 1946, American businesses have relied on the Lanham Act to regulate and protect trademarks. *See* Pub. L. No. 79-489, 60 Stat. 427 (1946); 15 U.S.C. §§ 1051 *et seq.* The Lanham Act is “[t]he foundation of current federal trademark law.” *Matal v. Tam*, 582 U.S. 218, 224 (2017).<sup>1</sup> It is “a comprehensive statute designed to safeguard both the public and the trademark owner.” *Coca-Cola Co. v. Stewart*, 621 F.2d 287, 290 (8th Cir. 1980).

A pillar of the Lanham Act’s protection for trademarks is the trademark holder’s right to “prevent[] others from using the mark” without the trademark holder’s consent. *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138,

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<sup>1</sup> *See also* S. Rep. No. 100-515, at 2 (1988) (legislative history of Trademark Law Revision Act emphasizing that the Lanham Act is “the paramount source of trademark law in the United States”).

142 (2015). To enforce this right, the Lanham Act prohibits trademark infringement: the use of a trademark “without the consent of the registrant.” 15 U.S.C. § 1114. The Act also prohibits related misconduct, like “passing off” or “palming off,” in which a person misrepresents her goods “as those of the trademark owner.” *See Coca-Cola*, 621 F.2d at 290; 15 U.S.C. § 1125. Collectively, these protections guard against the misappropriation of a trademark’s goodwill by “pirates and counterfeiters,” while also ensuring “the ability of consumers to distinguish among competing producers.” *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985); S. Rep. No. 100-515, at 4 (1988).

**B. The Lanham Act Expressly Authorizes Trademark Licensing.**

Consistent with the Lanham Act’s prohibition on unauthorized uses of trademarks, the Lanham Act expressly recognizes trademark holders’ right to *authorize* other companies to use a trademark. Under 15 U.S.C. § 1055, the Lanham Act provides that a trademark “may be used legitimately by related companies” pursuant to the trademark holder’s consent. Such consent is often provided through licensing agreements, in which the trademark holder grants consent to use a trademark in exchange for royalties. *See Brennan’s Inc. v. Dickie Brennan & Co.*, 376 F.3d 356, 364 (5th Cir. 2004) (“A license gives one

party the right to use another party's mark (*i.e.*, to engage in otherwise infringing activity), generally in exchange for a royalty or other payment.”).

The Lanham Act expressly treats trademark licensing arrangements as “legitimat[e].” 15 U.S.C. § 1055.<sup>2</sup> Because a licensing arrangement provides the trademark holder's express authorization, the use of the trademark by the related company necessarily does not constitute infringement or “passing off.” *See Chanel, Inc. v. Mason*, No. 05-cv-61883, 2006 WL 8432246, at \*2 (S.D. Fla. Dec. 1, 2006) (“[A] defendant is liable for ‘palming off’ or false designation of origin if the defendant adopts a mark confusingly similar to the plaintiff's mark *without the plaintiff's consent* such that there is a likelihood of confusion as to the origin of the goods.” (emphasis added)); *Obeid v. Mack*, No. 14-cv-6498, 2016 WL 5719779, at \*8 (S.D.N.Y. Sept. 30, 2016) (“In order to establish infringement under the Lanham Act, a plaintiff must prove that the alleged infringing use was done without plaintiff's consent.”). Rather, “where the trademark holder has authorized another to use its mark, there can be no likelihood of confusion and no violation of the Lanham Act.” *Pan Am. World Airways, Inc. v. Vetements, Inc.*, No. 08-cv-5480, 2010 WL 3632732, at \*1

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<sup>2</sup> *See* Restatement (Third) of Unfair Competition § 33, cmt. a (Oct. 2022) (“The right of a trademark owner to license the use of its mark by others was confirmed in 1946 by the enactment of the Lanham Act.”).

(S.D.N.Y. Sept. 16, 2010); *Segal v. Geisha NYC LLC*, 517 F.3d 501, 506 (7th Cir. 2008) (same).

The Lanham Act authorizes licensing arrangements because, far from misappropriating a trademark's goodwill, licensing arrangements allow a trademark holder to maximize it. Through licensing, a trademark holder can authorize a related company to manufacture its own goods under the mark (as here); or the trademark holder can enter into a co-branding relationship where multiple parties' marks are applied to the same product; or the trademark holder can authorize the use of its mark on promotional goods. The myriad potential relationships and arrangements allow trademark holders to increase the value of their brands. And the Lanham Act guarantees that any "such use shall inure to the benefit of the registrant." 15 U.S.C. § 1055.

**C. The Licensed Use Of A Trademark By A Related Company Is Not Deceptive Or Misleading.**

Like the UPA, the Lanham Act prohibits "any false designation of origin, false or misleading description of fact, or false or misleading representation of fact" that "is likely to cause confusion" or "deceive" as to the "origin, sponsorship, or approval" of goods or services. 15 U.S.C. § 1125; *compare* N.M. Stat. Ann. § 57-12-2(D)(1), (2), (14) (prohibiting "representing goods or services as those of another when the goods or services are not the goods or services of another," and "causing confusion or misunderstanding as to the

source, sponsorship, approval or certification of goods”). As the Lanham Act makes clear, that prohibition is entirely consistent with licensing arrangements; the use of a trademark by a licensee is “legitimat[e],” and not deceptive or misleading. *See* 15 U.S.C. § 1055.

Trademark licensing is not deceptive or misleading because “[t]he concept of ‘confusion’ in trademark law refers to ‘the public’s belief that the mark’s owner *sponsored or otherwise approved* the use of the trademark.” *Ballet Makers, Inc. v. U.S. Shoe Corp.*, 633 F. Supp. 1328, 1334 (S.D.N.Y. 1986) (emphasis added). So “confusion exists only when the public believes that a product is sponsored by the mark’s owner *when in fact it is not.*” *Id.* When a trademark is used pursuant to a valid license, it “accurately designates the correct source of the goods and does not create a likelihood of confusion.” *Id.* at 1335; *see MJ & Partners Rest. Ltd. P’ship v. Zadikoff*, 10 F. Supp. 2d 922, 928 (N.D. Ill. 1998) (“[T]he holder of the mark is the ‘source’ of the goods even where a separate licensee has been authorized to actually produce the trademark-holder’s product.”); *Monte Carlo Shirt, Inc. v. Daewoo Int’l (Am.) Corp.*, 707 F.2d 1054, 1058 (9th Cir. 1983) (licensed shirts “were not imitations”; “they were the genuine product”).

Establishing this modern view of trademarks was one of the Lanham Act’s central purposes. *See Vidal Sassoon, Inc. v. Bristol-Myers Co.*, 661 F.2d



272, 277 (2d Cir. 1981) (describing the purpose of the Lanham Act “[t]o modernize the trade-mark statutes so that they will conform to legitimate present-day business practice”). Before the Lanham Act, licensing was virtually impossible because a trademark was interpreted rigidly as a designator of a good’s physical producer, and so the trademark could *only* be used by the trademark holder. *See Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 367 (2d Cir. 1959) (describing the prior view that any use “by a person other than the one whose business it serves to identify would be misleading”).<sup>3</sup> The Lanham Act rejected this view and expressly sought to foster trademark licensing. *See* 15 U.S.C. § 1055; *Dawn Donut*, 267 F.2d at 367; *E & J Gallo v. Proximo Spirits, Inc.*, No. CV-F-10-411, 2012 WL 273077, at \*8 (E.D. Cal. Jan. 30, 2012) (“The historical conception of trade-mark as a strict emblem or source of the product to which it attaches has largely been abandoned.”).

To do so while ensuring that the public is protected from deceptive or misleading uses of trademarks, the Lanham Act authorizes licensing only to “related compan[ies],” *i.e.*, those “whose use of a mark is controlled by the

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<sup>3</sup> Under the prior view, licensing a trademark to a third party could lead to the abandonment of the mark altogether. *See Dawn Donut*, 267 F.2d at 366 (“[T]he licensing of a trademark separately from the business in connection with which it had been used worked an abandonment.”); Restatement (Third) of Unfair Competition § 33, cmt. a (Oct. 2022) (“The historical conception of trademarks as symbols indicating the physical source of the goods led a number of early courts to conclude that the owner of a trademark could not license others to use the mark without destroying the significance of the designation as an indication of source.”).

owner of the mark with respect to the nature and quality of the goods.” 15 U.S.C. § 1127. Thus, for a licensing arrangement to be legitimate, the trademark holder must “exercise[] supervision and control over the operations of its licensees.” *Dawn Donut*, 267 F.2d at 367; *see Polymer Tech. Corp. v. Mimran*, 975 F.2d 58, 62 (2d Cir. 1992) (“One of the most valuable and important protections afforded by the Lanham Act is the right to control the quality of the goods manufactured and sold under the holder’s trademark.”); *Zip Int’l Grp., LLC v. Trilini Imps., Inc.*, No. 09-cv-2437, 2011 WL 2132980, at \*6 (E.D.N.Y. May 24, 2011) (noting that the trademark holder is the “party with the right to control the quality of the goods” and thereby the associated goodwill).<sup>4</sup>

By requiring such oversight and control, the Lanham Act ensures that “goods sold under a trademark [are] in conformity with the trademark owner’s standards of quality.” *Alligator Co. v. Robert Bruce, Inc.*, 176 F. Supp. 377, 379 (E.D. Pa. 1959). This allows consumers to “identify goods and services that they wish to purchase, as well as those they want to avoid.” *Matal*, 582 U.S. at 224. As a result, “there is no deception of the public” when a licensee uses a

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<sup>4</sup> The use of trademarks by third parties who are not properly supervised and controlled by the trademark holder is known as “naked licensing,” and is not protected by the Lanham Act. *See, e.g., U.S. Jaycees v. Phila. Jaycees*, 639 F.2d 134, 140 (3d Cir. 1981) (“[N]aked licensing or licensing without reasonable control can work an abandonment.”).

trademark. *Alligator*, 176 F. Supp. at 379; *see Shoney's, Inc. v. Schoenbaum*, 686 F. Supp. 554, 566 (E.D. Va. 1988) (“[T]he ‘source’ of the goods is the person who controls the quality.”), *aff'd*, 894 F.2d 92 (4th Cir. 1990); *Pioneer Leimel Fabrics, Inc. v. Paul Rothman Indus., Ltd.*, No. 87-cv-2581, 1992 WL 73012, at \*10 (E.D. Pa. Mar. 31, 1992) (“Customers are entitled to rely on trademarks and representations as to the source of goods; the source describes the quality customers can expect.”). As Petitioners explain, the evidence shows that Black & Decker exercises sufficient control over Applica to satisfy the Lanham Act. *See* Brief in Chief of Petitioners at 5–6, 37–39.

**D. Businesses Have Relied On The Lanham Act’s Authorization Of Licensing For Decades.**

Businesses have operated under the Lanham Act’s authorization of licensing agreements for nearly 80 years. *See Fort James Corp. v. Kimberly-Clark Tissues Co.*, No. 98-C-7834, 1999 WL 966144, at \*3–4 (N.D. Ill. Oct. 8, 1999) (describing “black-letter law” that “[t]rademark licensing is permitted under the Lanham Act so long as the licensor maintains adequate control over the nature and quality of the goods and services sold under the mark”).<sup>5</sup> As a result, “licensing today interests most products, represents a significant source of revenue for many trademark owners, and continues to grow in importance

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<sup>5</sup> *See also* 1 McCarthy on Trademarks and Unfair Competition § 3:11 (5th ed. Mar. 2023) (“Passage of the Lanham Act in 1946 firmly established the legal basis for the licensing of trademarks.”).

due to the changes in product manufacturing, the internationalization of trade, and the shift toward a service economy.” Irene Calboli, *The Sunset of “Quality Control” in Modern Trademark Licensing*, 57 Am. U. L. Rev. 341, 343 (2007). Licensing has generated billions of dollars in value for trademark holders, their licensing partners, and ultimately the public. See David Franklyn, *The Apparent Manufacturer Doctrine, Trademark Licensors And The Third Restatement of Torts*, 49 Case W. Res. L. Rev. 671, 672 (1999). As Congress recognized, “[t]rademarks encourage competition, promote economic growth and can raise the standard of living of an entire nation.” S. Rep. No. 100-515, at 4. Ultimately, consumers benefit from lower prices and a greater selection of goods in the market.

## **II. The New Mexico Unfair Practices Act Should Be Read In Harmony With Federal Trademark Law.**

The New Mexico legislature intended for the UPA to be read in harmony with federal trademark law. To discern the legislature’s intent, this Court looks to the statute’s “plain language,” “history and background,” and “purpose.” *Faber v. King*, 2015-NMSC-015, ¶ 9, 348 P.3d 173, 176 (N.M. 2015); *Britton v. Off. of Att’y Gen.*, 2019-NMCA-002, ¶ 27, 433 P.3d 320, 330 (N.M. Ct. App. 2018). Those sources all establish that the UPA is closely connected to the Lanham Act and should not be interpreted to conflict directly with the Lanham Act’s express authorization of trademark licensing. See *Quantum Corp. v. State*

*Tax'n & Revenue Dep't*, 1998-NMCA-050, ¶ 8, 956 P.2d 848, 850 (N.M. Ct. App. 1998) (applying rule that statutes “must be read in connection with other statutes concerning the same subject matter”).

**A. The Plain Language Of The UPA Closely Follows The Text Of The Lanham Act.**

In the context of trademarks, the UPA expressly prohibits the same conduct as the Lanham Act. Both statutes, for example, prohibit “representing goods or services as those of another when the goods or services are not the goods or services of another,” *i.e.*, passing off or palming off. N.M. Stat. Ann. § 57-12-2(D)(1); *Thompson v. Youart*, 1190-NMCA-012, ¶ 14, 787 P.2d 1255, 1259 (N.M. 1990) (describing Section 57-12-2(D)(1) and (2) as “the statutory codification of the common law doctrine of ‘palming off’ or ‘passing off’”); *compare* 15 U.S.C. § 1125(a)(1); *Custom Mfg. & Eng’g, Inc. v. Midway Servs., Inc.*, 508 F.3d 641, 647 (11th Cir. 2007) (holding that the Lanham Act “proscribes the behavior of ‘passing off’ or ‘palming off’”). And like the Lanham Act, the UPA also more broadly prohibits false or misleading statements that “caus[e] confusion or misunderstanding as to the source, sponsorship, approval or certification of goods or services.” N.M. Stat. Ann. § 57-12-2(D)(2); *see* 15 U.S.C. § 1125(a)(1)(A) (prohibiting any “false or misleading representation of fact” that “is likely to cause confusion . . . as to the origin, sponsorship, or approval of his or her goods [or] services”). By using

similar language, the UPA suggests that the statutes should be interpreted in harmony. See *City of Farmington v. Fawcett*, 1992-NMCA-075, ¶ 15, 843 P.2d 839, 844 (N.M. Ct. App. 1992) (interpreting provision in light of “the interpretation given similar provisions by several other state courts”).

The UPA also expressly recognizes its relationship with federal law. The UPA states that courts should “be guided by the interpretations given by the federal trade commission and the federal courts.” N.M. Stat. Ann. § 57-12-4. This provision expressly calls for “harmoniz[ing]” the UPA with the Federal Trade Commission Act (FTC Act). *In re Namenda Indirect Purchaser Antitrust Litig.*, 338 F.R.D. 527, 574–75 (S.D.N.Y. 2021). The FTC Act broadly prohibits “[u]nfair methods of competition” and “unfair or deceptive acts or practices.” 15 U.S.C. § 45(a)(1). And importantly, in defining the scope of the FTC Act, courts look to the Lanham Act, and vice versa. See *FTC v. Brown & Williamson Tobacco Corp.*, 778 F.2d 35, 40 n.2 (D.C. Cir. 1985) (“look[ing] to Lanham Act cases for guidance”); *Casper Sleep, Inc. v. Mitcham*, 204 F. Supp. 3d 632, 638 (S.D.N.Y. 2016) (“[C]ourts have held that a plaintiff may and should rely on FTC guidelines as a basis for asserting false advertising under the Lanham Act.” (internal quotation marks omitted)).

Because of this statutory connection between the FTC Act and the Lanham Act, courts regularly draw on the Lanham Act to interpret state unfair

competition laws like the UPA. *See, e.g., Kason Indus., Inc. v. Component Hardware Grp., Inc.*, 120 F.3d 1199, 1203 (11th Cir. 1997) (describing the Georgia unfair competition law and the Lanham Act as providing “analogous causes of action governed by the same standard”). In *Commonwealth v. Monumental Properties, Inc.*, 329 A.2d 812 (Pa. 1974), for example, the Supreme Court of Pennsylvania concluded that the Pennsylvania Consumer Protection Law is “identical” to the FTC Act, and also noted the “strong” textual similarity to the Lanham Act. *Id.* at 818. Accordingly, the Supreme Court held that state courts could “look to the decisions under those Acts for guidance and interpretation.” *Id.*

The same reasoning applies to the UPA. *See Guidance Endodontics, LLC v. Dentsply Int’l, Inc.*, 708 F. Supp. 2d 1272, 1279 (D.N.M. 2010) (applying the “same analysis” to a New Mexico UPA claim and Lanham Act claim). Its close textual connection to the Lanham Act reflects the legislature’s intent that the two statutes be interpreted in harmony.

**B. The Textual Similarities Are No Accident, As The UPA Was Modeled After A Uniform Act Connected To The Lanham Act.**

The legislative history of the UPA also supports interpreting the statute in harmony with the Lanham Act. Passed in 1967, the UPA was “modeled after

the Uniform Deceptive Trade Practices Act (Uniform Act).”<sup>6</sup> *Stevenson v. Louis Dreyfus Corp.*, 1991-NMSC-051, ¶ 12, 811 P.2d 1308, 1310–11 (N.M. 1991). New Mexico was one of several states that modeled their unfair competition laws on the Uniform Act. See Dee Prigden & Richard Alderman, *Consumer Protection and the Law* § 2:12, n.2 (Nov. 2022) (listing 13 states). The Uniform Act, in turn, derived in part from the Lanham Act. See *State ex rel. Rosenblum v. Living Essentials, LLC*, 497 P.3d 730, 741 (Or. Ct. App. 2021) (noting that the Uniform Act was “derived from, among other sources, . . . the federal Lanham Act”).<sup>7</sup>

State laws modeled on the Uniform Act are regularly construed in harmony with the Lanham Act. Oklahoma, for example, adopted the Uniform Act in 1966 as the Oklahoma Uniform Deceptive Trade Practices Act. See

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<sup>6</sup> The Uniform Act is a model legislation promulgated by the National Conference of Commissioners on Uniform State Laws. *Stevenson v. Louis Dreyfus Corp.*, 1991-NMSC-051, ¶ 12, 811 P.2d 1308, 1310–11 (N.M. 1991). It was designed to “modernize the common law action for unfair competition.” 1 Consumer Law Sales Practices and Credit Regulation § 103 (Sept. 2022).

<sup>7</sup> See also Uniform Deceptive Trade Practices Act, 1967 N.M. Laws Ch. 268, § 2(a)(5) (noting that the Lanham Act authorizes a “similar” action to the Uniform Act’s prohibition on misrepresenting “that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have”); Am. Bar Ass’n, Patent, Trademark and Copying Section, *Summary of Proceedings* 65 (Aug. 6–13, 1965) (noting that the Uniform Act “borrows” language from the Lanham Act, including “as to likelihood of confusion”).



78 Okla. Stat. Ann. §§ 51 *et seq.*<sup>8</sup> Courts regularly consult the Lanham Act in applying the Oklahoma statute to violations related to trademarks. *See Burns v. Realnetworks, Inc.*, 359 F. Supp. 2d 1187, 1192 n.9 (W.D. Okla. 2004) (“[T]he Court’s analysis under the Lanham Act applies with equal force to that under the Uniform Deceptive Trade Practices Act.”); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 527 (10th Cir. 1987) (applying the “same standards of proof” as the Lanham Act). Other states that adopted the Uniform Act have similarly interpreted their laws. *See, e.g., Optimum Techs., Inc. v. Henkel Consumer Adhesives, Inc.*, 496 F.3d 1231, 1248 n.11 (11th Cir. 2007) (“[T]he analysis of a Georgia unfair competition claim is ‘co-extensive’ with the analysis of a Lanham Act claim.”); *Rockwell Automation, Inc. v. EU Automation, Inc.*, No. 21-1162, 2022 WL 15447159, at \*9 (D. Del. Oct. 27, 2022) (“Courts reviewing [Delaware Deceptive Trade Practices Act] violations apply the same standards as they apply to [Lanham Act] trademark infringement claims.”); *Desmond v. Chi. Boxed Beef Distribs., Inc.*, 921 F. Supp. 2d 872, 884 (N.D. Ill. 2013) (“Claims for unfair competition and deceptive business practices brought under Illinois statutes are to be resolved according to the principles set forth under the Lanham Act.”).

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<sup>8</sup> *See* Richard Dole, *Uniform Deceptive Trade Practices Act: Another Step Toward a National Law of Unfair Trade Practices*, 51 Minn. L. Rev. 1005, 1005–06 n.5 (1967) (noting Oklahoma’s adoption of the Uniform Act).

Thus, the UPA’s legislative history reinforces that the UPA, like its sister acts across the country, should be harmonized with the Lanham Act. *See La Resolana Architects, PA v. Reno, Inc.*, 555 F.3d 1171, 1181–82 (10th Cir. 2009) (analyzing Lanham Act and UPA claims together).

**C. The UPA And Lanham Act Serve The Same Purpose Of Preventing Deception On The Public By Unauthorized Uses Of Trademarks.**

Finally, the purpose of the UPA confirms that the statute should be interpreted in harmony with the Lanham Act. The UPA was intended to serve as “remedial legislation for consumer protection.” *Gandydancer, LLC v. Rock House CGM, LLC*, 2019-NMSC-021, ¶ 24, 453 P.3d 434, 441 (N.M. 2019). “Its fundamental purpose is to protect consumers from unscrupulous business practices,” such as palming off or passing off. *See Wilson v. Berger Briggs Real Est. & Ins., Inc.*, 2021-NMCA-054, ¶ 23, 497 P.3d 654, 663 (N.M. Ct. App. 2021).

The Lanham Act serves the same purpose. Its “provisions prohibiting trademark infringement, 15 U.S.C. §§ 1114(1) and 1125(a), exist to protect consumers from confusion in the marketplace.” *Radiance Found., Inc. v. NAACP*, 786 F.3d 316, 321 (4th Cir. 2015); *see Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003) (“Infringement law protects consumers from being misled by the use of infringing marks and also protects producers from

unfair practices by an “imitating competitor.”); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 32 (2003) (“Section 43(a) of the Lanham Act prohibits actions like trademark infringement that deceive consumers and impair a producer’s goodwill.”). In passing the Lanham Act, Congress recognized that “[t]o protect trade-marks . . . is to *protect the public from deceit*, to foster fair competition, and to secure to the business community the advantages of reputation and good will.” *CryoLife, Inc. v. Medafor, Inc.*, No. 09-cv-1150, 2011 WL 13174222, at \*6 (N.D. Ga. July 8, 2011) (quoting S. Rep. No. 79-1333 at 4 (1946)) (emphasis added).

As discussed above, the key ingredient for public confusion and deception is the absence of the trademark holder’s consent. *See Ballet Makers*, 633 F. Supp. at 1334 (“[C]onfusion exists only when the public believes that a product is sponsored by the mark’s owner *when in fact it is not.*”). Thus, “there is no deception of the public” when a licensee subject to proper quality controls uses a trademark. *Alligator*, 176 F. Supp. at 379. The Lanham Act expressly recognizes such uses as “legitimat[e].” 15 U.S.C. § 1055.

Because the UPA and the Lanham Act serve the same purpose of preventing deception by unauthorized uses of trademarks, it is especially appropriate that they should be interpreted in harmony in the context of authorized trademark licensing.

### **III. The Court Of Appeals’ Ruling Directly Conflicts With Federal Trademark Law And Threatens The Stable Economic Foundation Created By The Lanham Act.**

#### **A. The Ruling Below Directly Conflicts With Federal Trademark Law By Effectively Prohibiting Trademark Licensing.**

Rather than harmonizing the UPA with the Lanham Act, the Court of Appeals ignored the Lanham Act entirely. *See Puma v. Wal-Mart Stores E., LP*, 2023-NMCA-005, ¶¶ 18–19, 523 P.3d 589, 596 (N.M. Ct. App. 2022). Unguided by federal trademark law, the Court of Appeals concluded that the use of the Black & Decker trademark by parties other than Black & Decker deceived reasonable consumers by misrepresenting that Black & Decker had produced the relevant coffeemaker. *Id.* at 598. The court went further by reasoning that, even if the use of the trademark did not *actively* misrepresent the coffeemaker’s source, the use of the trademark *still* violated the UPA because it created an “ambiguity” as to the “source” of the coffeemaker. *Id.*

That expansive ruling effectively prohibits trademark licensing in New Mexico. According to the decision below, the use of a trademark by anyone other than the trademark holder creates, at a minimum, “ambiguity” about the source of those goods, and thus violates the UPA. Any licensed use of a trademark would thus “tend to deceive a reasonable consumer” and expose the licensee and licensor to potentially millions of dollars in liability. *Id.*

Perhaps sensing the breadth of its decision, the Court of Appeals claimed that it was not adopting a *per se* rule of liability. *See id.* at 599. But that disclaimer does little to mitigate the deterrent effect of the ruling below. All that was required for liability in this case was the display of a product with the Black & Decker logo and related wording. *See id.* at 592 (“Apart from its display model and box, Wal-Mart did not display *any advertising* for the Coffeemaker.” (emphasis added)). Thus, whether a *per se* rule or not, the ruling below applies virtually any time a trademark is used by a licensee.

The Court of Appeals’ decision relies on precisely the archaic view of trademarks that was abandoned by the Lanham Act. *Compare id.* at 598 (“The Coffeemaker and the box in which it was packaged . . . misleadingly stated that the Coffeemaker was a Black & Decker product even though it was an Applica product.”), *with Dawn Donut*, 267 F.2d at 366–67 (describing the prior view that “[a] trade-mark is intended to identify the goods of the owner,” and thus the use of a trademark “by a person other than the one whose business it serves to identify would be misleading”). Under that prior view, trademark licensing was essentially impossible. *See Dawn Donut*, 267 F.2d at 366. The Lanham Act rejected that legal regime and expressly authorized licensing under the modern view that trademarks signify brand association and quality, not just the physical producers of goods. *See* 15 U.S.C. § 1055; *Meritage Homes Corp. v. Hancock*,

522 F. Supp. 2d 1203, 1216–17 (D. Ariz. 2007) (holding there was “no confusion about the ultimate source of the goods” because trademarks had been validly licensed and dismissing both Lanham Act claim and state unfair competition claim).<sup>9</sup>

By reviving the archaic view of trademarks, the ruling below makes licensing impossible again. In doing so, it upends almost 80 years of legal stability and economic reliance by businesses across the country. *See* David Jenkins, *Licenses, Trademarks, and Bankruptcy, Oh My: Trademark Licensing and the Perils of Licensor Bankruptcy*, 25 J. Marshall L. Rev. 143, 146 n. 10 (1991) (“The licensee usually makes substantial investments in the license, as well as other tangibles and intangibles that are necessary to the formation of a business.”).

**B. The Ruling Below Will Have Serious Consequences For Businesses And The Public.**

The harmful effects of the decision below will be borne by trademark holders, their licensing partners, and ultimately the public. Many of the U.S. Chamber’s and New Mexico Chamber’s members participate in legitimate trademark licensing arrangements that have been authorized by the Lanham Act for decades. Under the decision below, every use of a trademark pursuant to

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<sup>9</sup> *See also* Restatement (Third) of Unfair Competition § 33, cmt. a (Oct. 2022) (“The common law now recognizes the licensing of trademarks under similar principles.”).

such an arrangement could be subject to liability under the UPA. The costs of litigation alone—including attorney’s fees—as well as the substantive liability imposed by the UPA will deter companies from engaging in lawful licensing arrangements of all kinds.

For many companies, the inability to license trademarks will cause significant harm to their “most valuable asset.” Danny Awdeh & Brian Westley, *More Valuable Than Patents?*, 8 No. 1 *Landslide* 10, 11 (2015). Calvin Klein, for example, generates 57% of its global sales from licensing, which it relies on for everything from socks to swimwear to handbags to home furnishings. *Id.* Such arrangements can be especially beneficial where the trademark holder wishes to associate its brand with a product that the holder does not make. *See id.* at 11–12. By effectively prohibiting such arrangements, the decision below threatens entire lines of business.

If businesses are forced to withdraw their licensed products from the New Mexico marketplace, the ultimate harm will be borne by New Mexico consumers, who will suffer reduced choice in a wide range of areas, including medical devices, home goods, and clothing. This loss of consumer choice will serve no redeeming purpose; as explained above, the Court of Appeals’ ruling is not necessary to guard against consumer deception. The principles enshrined in the Lanham Act already protect consumers from unauthorized uses of

trademarks and ensure that any licensed products are subject to strict quality controls. Thus, “there is no deception of the public” when consumers are given access to licensed products. *Alligator*, 176 F. Supp. at 379.

Consider fast-food restaurants. Major fast-food chains often rely on licensing arrangements with franchisees to grow their brand and serve more customers. *See Principe v. McDonald’s Corp.*, 631 F.2d 303, 305 (4th Cir. 1980). Under this model, the “vast majority” of restaurants are operated by independent franchisees, who receive a license to use the restaurant chain’s trademark as part of their franchise agreement. *See id.*

Every day, consumers eat at fast-food restaurants throughout New Mexico. They go there because they know “the food, service and décor” will be “of the same nature and quality” that they expect from their favorite restaurant chains throughout the country. 1 McCarthy on Trademarks and Unfair Competition § 18:40 (5th ed. Mar. 2023). They “will not worry about, nor should the law require them to, whether the people running the restaurant are employees, independent contractors, or some kind of franchisees of the central concern which owns the trademark.” *Id.* Instead, they recognize “this type of licensed and franchised mark as a symbol of equal quality.” *Id.* Thus, when they receive burgers, French fries, and drinks marked with the restaurant’s logo, they



are getting exactly what they wanted.<sup>10</sup> It is of no moment that a particular trademark owner, as opposed to its licensee, did not cook and serve the food.

The decision below upends this settled and sensible system that both trademark holders and consumers have relied on for decades. The Court of Appeals held, in effect, that a family who eats at a fast-food restaurant is misled every time they see the restaurant chain's trademark at a location operated by an independent franchise owner. But neither trademark law nor reasonable consumers have taken that view of trademarks for decades. Rather, trademarks under the Lanham Act assure consumers "that quality is as uniform as if each of the outlets were wholly-owned and operated by employees of a single company." *Id.*

By authorizing trademark licensing subject to strict quality control requirements, the Lanham Act allows companies to thrive. In other words, the fact that many companies use trademarks pursuant to valid licensing agreements is a feature of the modern trademark system, not a bug.

The decision below puts New Mexico law at odds with that system, and wrongly so. All factors that this Court considers when interpreting a statute

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<sup>10</sup> See also Edward Esping, *Granting of "Naked" or Unsupervised License to Third Party as Abandonment of Trademark*, 118 A.L.R. Fed. 211 (1994) ("The commercial purpose of a trademark or trade name is to identify, and provide consumers assurances regarding the nature and quality of, the marked goods or services.").

establish that the State legislature intended for the UPA to work in harmony with the Lanham Act. Thus, the UPA, like the Lanham Act, should recognize trademark licensing as legitimate.

**CONCLUSION**

For all of these reasons, the Court should reverse the decision below.

Respectfully submitted,

By: /s/ William R. Levi

William R. Levi

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**CERTIFICATE OF COMPLIANCE**

As required by Rule 12-318(G), I certify that the foregoing brief complies with the type-volume limitation of Rule 12-318(F)(3). According to Microsoft Office Word, the body of this brief, as defined by Rule 12-318(F)(3), contains 6,207 words.

By:     /s/ William R. Levi      
William R. Levi

**CERTIFICATE OF SERVICE**

I hereby certify that on this 5th day of June, 2023, a true and correct copy of the foregoing *Brief of the Chamber of Commerce of the United States of America and the New Mexico Chamber of Commerce as Amici Curiae Supporting the Petitioners* was served upon all counsel entitled to receive notice via the Court's e-file and serve system, as more fully described in the Notice of Electronic Filing.

By: /s/ William R. Levi  
William R. Levi

# **ATTACHMENT B**

APR 12 2023

THE GENERAL COUNSEL

STATE OF NEW MEXICO  
\_\_\_\_\_  
COUNTY  
\_\_\_\_\_  
JUDICIAL DISTRICT

Puma

No. AM S-1-SC-39540

v.  
Wal-Mart Stores East, LP

**AFFIDAVIT OF NON-ADMITTED LAWYER**

STATE OF VIRGINIA  
COUNTY OF ALBEMARLE

Gregory Cui, (Non-admitted Lawyer) the affiant herein, having been duly sworn, states upon oath:

1. Affiant is admitted to practice law and is in good standing to practice law in NY, IL, and DC (state, territory, country).
2. Affiant has complied with Rule 24-106 NMRA.
3. Affiant has associated with William R. Levi, counsel licensed to practice law in good standing in New Mexico.

Gregory Cui, Affiant, being first duly sworn, states upon oath, that all of the representations in this affidavit are true as far as affiant knows or is informed, and that such affidavit is true, accurate and complete to the best of affiant's knowledge and belief.

DATED: APRIL 12, 2023.

Gregory Cui  
Affiant

SUBSCRIBED AND SWORN TO before me this 12th day of April 2023

Pennie H. Newell  
NOTARY PUBLIC

My commission expires:

10-31-2026

