

08-08-2005

REC



SHEET

103058650

De-1-8

Commissioner for Trademarks
2900 Crystal Drive
Arlington, Virginia 22202

RE: Our File: TM55

1. Name (and address) of conveying party

IKB Industries, Ltd.
Plot 24
Jimoh Odutola Street
Suru/Lere
Lagos, Nigeria

2. Name and Address of receiving party

Gapardis Health and Beauty, Inc.
6848 N.W. 77th Court
Miami, FL 33166

- Individual
- Association
- General Partnership
- Limited Partnership
- Corporation-Nigeria
- Other

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-Florida
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other - Assignment per Section 2(d) of the Agreement
- Merger
- Change of Name
- Change of Address

Execution Date: January 2, 2005

4. Application number(s) or registration number(s): 1

A. Trademark Application No.(s) B. Trademark Reg. No.(s)

Trademark: IKB
Serial Number: 76/580,836
Filing Date: March 15, 2004



08-01-2005

U.S. Patent & TMO/c/TM Mail Ropt Dt. #64

TRADEMARK
REEL: 003201 FRAME: 0579

document should be mailed:

COLLEN IP
Intellectual Property Law, P.C.
The Holyoke-Manhattan Building
80 South Highland Avenue
Town of Ossining
Westchester County, New York 10562

6. Total number of applications/registrations involved: 1

7. Total fee (37 CFR 3.41)\$40.00

- Enclosed
 Authorized to be charged to deposit account
 Already submitted
-


8. Deposit account number:
03-2465

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Matthew C. Wagner
Name of person signing


Signature

July 28, 2005
Date

Total number of pages comprising cover sheet, attachments and documents: 13

MCW/MC:de

Enclosures: Copy of Licensing Agreement

NOTE: IF THERE IS ANY FEE DUE AT THIS TIME, PLEASE CHARGE IT TO OUR DEPOSIT ACCOUNT NO. 03-2465 AND ADVISE.

COLLEN IP
Intellectual Property Law, P.C.
The Holyoke-Manhattan Building
80 South Highland Avenue
Town of Ossining

Westchester County, New York 10562

SHOULD ANY OTHER FEE BE REQUIRED, THE PATENT AND TRADEMARK OFFICE IS HEREBY REQUESTED TO CHARGE SUCH FEE TO OUR DEPOSIT ACCOUNT 03-2465.

I HEREBY CERTIFY THAT THIS CORRESPONDENCE IS BEING DEPOSITED WITH THE UNITED STATES POSTAL SERVICE AS FIRST CLASS MAIL, POSTAGE PREPAID IN AN ENVELOPE ADDRESSED TO: ASSISTANT COMMISSIONER FOR TRADEMARKS, 2900 CRYSTAL DRIVE, ARLINGTON, VIRGINIA 22202.

COLLEN IP Intellectual Property Law, P.C.

BY: Mariana Cava

DATE: July 28, 2005

THIS EXCLUSIVE LICENSE AGREEMENT dated the day of January 2, 2005, between IKB Industries, Ltd., a Nigerian corporation having offices at Plot 24, Jimoh Odutola Street, Suru/Lere, Lagos, Nigeria, ("Licensor"), and Gapardis Health and Beauty, Inc., a Florida Corporation, with offices at 6848 N.W. 77th Court, Miami, FL 33166 ("Licensee").

WITNESSETH:

WHEREAS, Licensee would like to obtain a license from Licensor with respect to certain properties of Licensor, and Licensor is willing to grant such license, all on the terms hereinafter set forth:

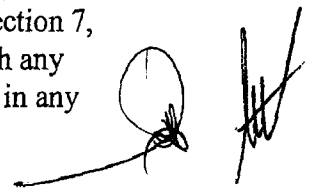
NOW, THEREFORE, Licensor and Licensee hereby agree as follows.

1. Definitions.

- (a) The word "Goods" means the products listed on EXHIBIT A hereto, and any additional products developed by Licensee hereunder.
- (b) The word "Marks" means the trademarks, registrations, service marks, names, logos and graphics identified and displayed on EXHIBIT B hereto. Said Mark was originally registered in the United States Patent and Trademark Office on July 30, 1996, evidenced by a certificate of registration number 1,989,807 but was subsequently cancelled in 2002 as a result of Licensor's failure to file a "Section 8" affidavit. Licensor has retained all common law rights in said Mark as a result of his continuous use of said Mark in the distribution and sale of goods and products containing said Mark throughout the United States, Canada and the Caribbean as well as other parts of the World since 1988 and has an application pending in the United States Patent and Trademark Office, serial number 76/580,836 for re-registration of said Mark, which shall be prosecuted in accordance with this Agreement.
- (c) The word "Territory" means the fifty United States, Canada, and the Caribbean.

2. Grant of License; Terms of Use; Period of License.

- (a) Licensor hereby grants to Licensee, from the date of this Agreement until termination of the license as hereinafter provided, a non-transferable, exclusive license to use any of the Marks solely within the Territory and solely on and in association with the Goods. Without limiting the rights of Licensee under the foregoing sentence, but subject to Licensor's objection under Section 7, Licensee may use any of the Marks in connection with any promotion or advertisement for any of the Goods and in any



promotional or advertising materials for any of the Goods.

- (b) While the license under this Agreement remains in effect, (i) Licensor will not license or permit anyone else to use any Mark or any part of any Mark or any imitation, likeness or variation of any Mark or of any part of any Mark in the Territory in connection with any product similar to or competitive with any of the Goods, and (ii) Licensor will not itself, directly or indirectly, develop, produce, market, distribute or sell in the Territory any product similar to or competitive with any of the Goods or use any Mark or any part of any Mark or any imitation, likeness or variation of any Mark or of any part of any Mark in the Territory in connection with any product similar to or competitive with any of the Goods.
- (c) Licensee will not use any Mark, or sell the Goods, outside the Territory or on or in association with any product other than the Goods, and Licensee will not sell or dispose of any Goods bearing or associated with any Mark with a view to their being resold or distributed outside the Territory. Licensee may have Goods bearing or associated with any Mark manufactured outside of the Territory for distribution and sale solely within the Territory.
- (d) Each Mark will be registered in the name of the Licensee, at Licensee's expense, with respect to those Goods which bear or are associated with that Mark in the Territory, and the Licensor and Licensee will execute such documents and take such other action as may be necessary in the sole discretion and at the direction of Licensee to register and keep in full force and effect the Marks in the name of Licensee in association with the Goods. Licensee will use the notation "R" in association with the Mark used for those Goods. At the termination or cancellation of this License, such registrations will automatically assign to Licensor and Licensee, upon request of Licensor at any time, will execute all necessary documents to effectuate such assignment. Such documents will not be recorded by Licensor until the termination of this License Agreement. Licensee will pay any filing or recording fees to record the assignment of the Marks to Licensor. Licensee authorizes Licensor to record UCC-1 Financing Statements, at Licensee's expense, to secure Licensor's rights in the Marks.
- (e) Licensee acknowledges the substantial value of the publicity, reputation and goodwill associated with the Marks and that the Marks have acquired a secondary meaning and have an established identity in the mind of the public. Licensee also acknowledges that the goodwill associated with the Marks belongs to Licensor. Any additional goodwill that may develop because of the use of the Marks or any of them by Licensee will inure solely to the benefit of

effective of

and belong solely to Licensor.

- (f) The license granted to Licensee under this Agreement will remain in effect until December 31, 2009, and it will continue thereafter for successive 12-month periods measured from January 1, 2010, and from each anniversary thereof unless and until either party gives the other notice of termination at least 180 days (i) prior to January 1st of each successive year, or (ii) as the case may be, prior to the end of any subsequent 12-month period during which the license continues.

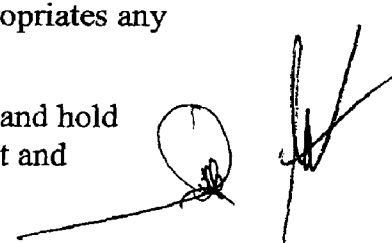
3. **Royalties and Payment of Royalties.**

- (a) Licensee will pay Licensor a royalty of \$150,000 in five annual payments as follows: \$50,000 to be paid on or before March 1, 2005, of which 31,000 has already been paid, receipt of which is hereby acknowledged by Licensor; and four additional annual payments of \$25,000 each to be made on or before March 1st of 2006, 2007 and 2008. *and 2009*

4. **Interest.** Licensee will pay Licensor interest at the rate of 9% per annum on any amount owing to Licensor which is not paid by the due date thereof. Interest will be payable on demand and will accrue from the due date until the amount is paid. The provision for interest under this Section will not excuse or mitigate any default by Licensee or affect Licensor's rights by reason of such default.

5. **Warranties and Indemnity by Licensor.**

- (a) Licensor warrants to Licensee (i) that Licensor owns all of the rights in and to the Marks, (ii) that each of the Marks is a valid trademark or service mark duly and properly registered in the name of the Licensor, (iii) that Licensor may grant to the Licensee the rights which it grants under this Agreement and it may do so without the approval or consent of anyone and the grant of such rights to Licensee does not violate any agreement binding upon or any obligation of Licensor, (iv) that neither any of the Marks nor the use of any of them in accordance with this Agreement, violates or infringes any patent, copyright, trademark, service mark or other right, (v) that none of the Marks contains any libelous or defamatory material or any material which Licensor is not duly authorized to use, and (vi) that none of the Marks misuses or misappropriates any trade secret or confidential information.
- (b) Licensor will indemnify Licensee against any liability and hold Licensee harmless from and pay any loss, damage, cost and

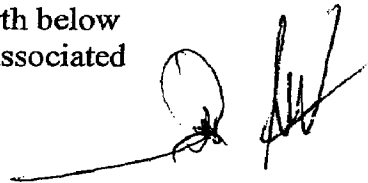


expense (including, without limitation, legal fees) which Licensee incurs in connection with any breach of any of the warranties under Section 6(a) or any claim by a third party alleging facts that would constitute a breach of any of the warranties under Section 6(a); provided, however, that this indemnity is limited solely to liability, loss, damage, cost and expense arising out of claims by third parties against the Licensee, and Licensor may, at its expense, defend any claim against Licensee covered by the foregoing indemnity of Licensor. If Licensor elects to defend any such claim, Licensor will not be liable to Licensee for any cost or expense incurred by Licensee after Licensor notifies Licensee of its election. Notwithstanding the foregoing, though, Licensor will not be liable (i) for loss of profits or revenue, or (ii) for incidental, consequential or punitive damages except for damages of that kind claimed by a third party.

- (c) Licensee will promptly notify Licensor of any claim against Licensee covered by Licensor's warranty under Section 6(a) with full details of the claim. Licensee will cooperate in the defense of any such claim and will not settle the same without Licensor's written consent unless Licensee releases Licensor from all of Licensor's obligations under this Section 6 with respect to the claim.
- (d) The provisions of this Section 6 will survive termination of the license under this Agreement.

6. **Compliance with Law; Quality Control; Approvals by Licensor.**

- (a) Licensee covenants and warrants that all Goods and the manufacture, production, marketing, promotion, advertising and sale of the Goods will comply with all applicable laws, rules and regulations. Upon request of Licensor, Licensee will provide proof in documentary form as to the source of Licensee's production of Licensor's products.
- (b) Licensee will maintain high standards of quality with respect to all Goods bearing or associated with any Mark, including, without limitation, the quality of the materials utilized in their manufacture and the quality of the promotions and advertisement for the Goods. The types of materials and styles and designs will be determined by the Licensee. The other provisions of this Section 7 will not release or relieve Licensee from its obligations under this subdivision (b).
- (c) Licensee and Licensor will follow the procedure set forth below with respect to each line of Goods that will bear or be associated with any Mark.



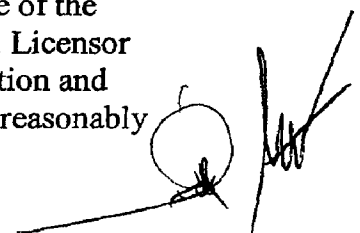
- (i) Licensee will submit to Licensor a fair and representative number of pre-production samples of each Good. Within fifteen (15) days after receipt of such samples Licensor may object to same. Any disapproval must be based solely on the requirements of this Agreement respecting the quality of the Goods under Section 7(b) and must specify the reason for the disapproval. If Licensor does not notify Licensee of disapproval and the reason therefor within such 15-day period, the line will be deemed approved.
- (ii) After rectifying any objection, Licensee may resubmit samples to Licensor in accordance with the provisions of this Section 7(c).
- (iii) Licensee will not use any Mark on any product that has not been submitted in accordance with this Section 7(c). Licensee, with the approval and cooperation of Licensor, may develop and market other products bearing the Mark of Licensor in addition to those listed on Exhibit A.

(d) Licensor may, on reasonable notice, at any time during Licensee's normal business hours, inspect the premises of Licensee to determine compliance with the provisions of this Section 7.

(d) If requested by Licensee, Licensor will consult with Licensee regarding any objection and the correction thereto..

7. **Promotion.** During the term of the license under this Agreement, Licensee will diligently and continuously produce, market, sell, promote and advertise Goods bearing the Marks.

8. **Protection of Licensee's Rights.** Licensee shall, at its expense, take such action (including, without limitation, commencing and maintaining any action at law or in equity) to protect, defend and enforce its rights to the use of the Marks against unfair competition, infringement and other violations. Licensor will, at Licensee's expense, cooperate and participate in any such action and will execute such documents and take such other action as Licensee reasonably requests.

A handwritten signature in black ink, consisting of a circular mark followed by several vertical and diagonal strokes.

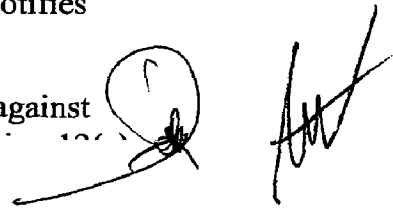
9. **Default by Licensee.** If Licensee fails to pay when due any amount owing under this Agreement and such failure continues for a period of fifteen (15) days after Licensee receives notice of the default from Licensor, or if Licensee fails to perform any of its other obligations under this Agreement which is capable of being cured and such failure continues for a period of thirty (30) days after Licensee receives notice of the default from Licensor, then Licensor may, at any time prior to Licensee curing the default, terminate the license under this Agreement by giving the Licensee notice of termination. Licensor's rights under this Section are in addition to, and are not a limitation on or in substitution for, any other rights which Licensor has by reason of any default, including, without limitation, any claim for damages, including payment of any remaining annual installments due under paragraph 3(a) above which shall all become due and payable at the time of such termination.

10. **Termination.**

- (a) Except as provided in subdivision (b) below, on termination of the license under this Agreement, regardless of the reason or cause of termination, (i) Licensee will immediately cease using the Marks and cease producing, marketing, selling, promoting and advertising any Goods bearing or associated with any Mark; (ii) Licensee will not use any imitation, likeness or variation of any Mark or any part thereof.

11. **Licensee's Indemnity.**

- (a) Licensee will indemnify Licensor against any liability and hold Licensor harmless from and pay any loss, damage, cost and expense (including, without limitation, legal fees) which the Licensor incurs (i) arising out of any failure by Licensee to perform any of its obligations under this Agreement, or (ii) arising out of any act, omission or obligation with respect to any Goods bearing or associated with any Mark of either Licensee or anyone acting under authority of Licensee, or (iii) arising out of the manufacture, offer, sale, advertising, promotion, use or condition of any Goods bearing or associated with any Mark. This indemnity does not extend to claims that Licensee's use of any Mark, as authorized under this Agreement, violates the rights of another.
- (b) Licensee may, at its expense, defend any claim against Licensor covered by its indemnity under subdivision (a) above; and if Licensee elects to do so, it will not be liable to Licensor for any cost or expense incurred by Licensor after Licensee notifies Licensor of its election.
- (c) Licensor will promptly notify Licensee of any claim against

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Licensors covered by Licensee's indemnity under Section 12(a) with full details of the claim. Licensors will cooperate in the defense of any such claim and will not settle the same without Licensee's written consent unless Licensors release Licensee from all of Licensee's obligations under this Section 12 with respect to the claim.

(d) The provisions of this Section 12 will survive termination of the license under this Agreement.

12. **Liability Insurance.** While the license under this Agreement remains in effect and for a period of eighteen (18) months thereafter, Licensee will obtain and maintain, at its expense, product liability insurance covering all Goods bearing or associated with any Mark. The insurance will be in an amount not less than \$1 million per occurrence and not less than \$2 million in the aggregate, will have deductibles not exceeding \$1,000 per occurrence, and will contain such exclusions and be issued by such insurers as Licensors shall approve in writing, such approval not to be unreasonably withheld. The insurance will be occurrence-based (as opposed to claims made), will include Licensors as a named insured without liability for premiums, and will provide for at least thirty (30) days' prior written notice to Licensors of cancellation or non-renewal and of any material change in the coverage. On execution of this Agreement and on each anniversary of the date of this Agreement (including the 18-month period following termination of the license), and at any time on request by Licensors, Licensee will furnish Licensors with certificates issued by the insurer or by a licensed insurance broker confirming that insurance coverage required by this Agreement is maintained and in full force and effect.

13. **Nature of Relationship.** This Agreement creates no relationship between Licensors and Licensee other than that of a licensor to a licensee. Licensee has no authority to commit Licensors in any manner or to incur any obligation on behalf of or in the name of Licensors.

14. **Notice.** Notices and other communications under this Agreement shall be in writing and sent to each party at its address or fax number set forth above or, in the event of a change in any address or fax number, then to such other address or fax number as to which notice of the change is given. Notices to Licensors will be sent to the attention of Chief Ike Anugo and Jeffrey M. Schwartz; notices to Licensee will be sent to the attention of Michel Farah and Matthew C. Wagner. Notice will be deemed given on receipt.

15. **Amendment; Waiver.** This Agreement may be amended only by an instrument in writing signed by Licensors and Licensee. No provision of this Agreement and no obligation of either party under this Agreement may be waived except by an instrument in writing signed by the party waiving the provision or obligation.

16. **Governing Law.** This Agreement will be governed by and construed in

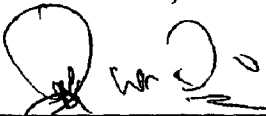
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accordance with the laws of the State of New York.

- 17. **Section Headings.** Section headings are for convenient reference only and shall not affect the meaning or have any bearing on the interpretation of any provision of this Agreement.
- 18. **Execution in Counterparts and by Facsimile.** This Agreement may be executed in any number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart with each party's signature. Facsimile signatures shall constitute the original signature and execution of any party hereto and the transmission by facsimile of a copy of this Agreement executed by any party shall be the legal equivalent of its original signature hereto.

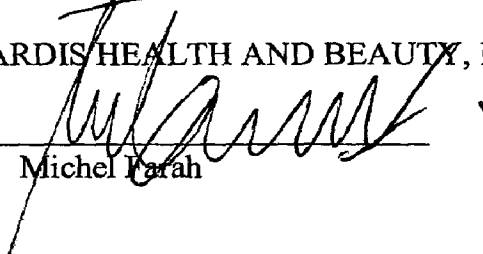
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

IKB INDUSTRIES, LTD.

By: 

Chief Ike Anugo

GAPARDIS HEALTH AND BEAUTY, INC.

By: 

Michel Parah

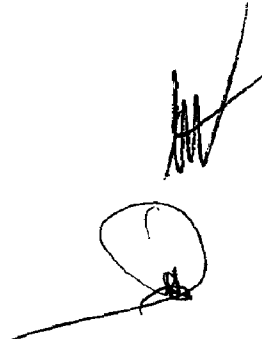


EXHIBIT A – THE GOODS

1. IKB Skin Litener Cream
2. IKB Antiseptic Soap
3. IKB Dry Skin Lotion

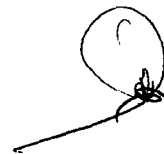
A handwritten mark consisting of a circle with a vertical line extending downwards from its bottom edge, and a small scribble at the end of the line.

EXHIBIT B - THE MARK

"IKB"

