-1PROPOSED ORDER RE: STIPULATED PERMANENT INJUNCTION

WHEREAS, Plaintiff PURETEK CORPORATION ("PURETEK") having
filed its First Amended Complaint herein on September 24, 2015 (the "FAC"),
demanding, inter alia a Permanent Injunction and an Accounting, and Defendants
PATCHWERX LABS, INC. ("PATCHWERX") and Paul Smith, having a deadline
to respond to the FAC by October 16, 2015, and all parties having consented to the
entry of a Permanent Injunction in favor of Plaintiff and against Defendant, with the
consent being set forth hereunder;

WHEREAS, the FAC in this matter alleges claims of federal Trademark Infringement arising under the Lanham Act, including Trademark Infringement, False Designation Of Origin and Dilution Of Trademark, Common Law Trademark Infringement in addition to claims for Unfair Business Practices, Injunctive Relief (Cal. Bus. & Prof. Code §§ 17200 Et Seq.), Common Law Unfair Competition; and Unjust Enrichment;

WHEREAS, PURETEK contends that its DERMACIN, DERMACINRx and PENETRAL Trademarks ("DERMACIN Rx Marks"), as applied to skin care products and otherwise, are distinctive and have become well-known to members of the consuming public, both within and outside of the United States, such that the have become unique and valuable as collector's items, which the consuming public associates and identifies with PURETEK;

WHEREAS, PURETEK contends PURETEK is entitled to exclusive use of its DERMACIN Rx Marks;

WHEREAS, the parties seek early settlement of this matter in such a way to minimize any risk of harm to PURETEK's rights in the DERMACIN Rx Marks;

THEREFORE, and without admitting any wrongdoing by PATCHWERX, and to avoid the possibility of infringement of the DERMACIN Rx Marks, the parties hereby stipulate, through their respective counsel of record, that a permanent injunction be entered, as follows:

1. IT IS HEREBY ORDERED THAT defendant PATCHWERX, and each of its successors, assigns, agents, servants, shareholders, officers, directors, employees, and attorneys, and all other persons and/or entities acting in concert, or participation with any of them who receive actual or constructive notice or knowledge of this Injunction, are perpetually ordered and restrained and enjoined from:

- A. Directly or indirectly manufacturing (or causing a third-party to manufacture), selling, distributing, advertising or promoting the complained of DermaSilkRx products and/or using the DERMACINRx Mark in any manner whatsoever in PATCHWERX's website catalogs, and all other printed promotional materials of any type or nature whatsoever.
- 2. IT IS FURTHER ORDERED that PATCHWERX, shall forthwith cause all catalogs and all other printed promotional materials of any type or nature whatsoever in existence as of the date hereof to be annotated so as to indicate clearly and unequivocally that DermaSilkRx products are no longer available for purchase from PATCHWERX and that PATCHWERX has removed the DERMACINRx and PENTETRAL names from its marketing and regulatory filings as to the complained of DermaSilkRx products.
- 3. IT IS FURTHER ORDERED that each Party shall bear its/her/his own attorneys' fees and costs incurred in this matter.
- 4. IT IS FURTHER ORDERED that this Court shall retain jurisdiction over the enforcement of this injunction as the ends of justice may require.
- 5. IT IS FURTHER ORDERED that Defendants PATCHWERX and Paul Smith shall have through November 16, 2015 to respond to the FAC.

1	6. IT IS FURTHER ORDERED that PURETEK and PATCHWERX
2	shall, discuss a complete settlement of this action including any financial payment,
3	with all communications and documents related thereto protected under Fed. R.
4	Evid. 408(a).
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7	Date: October 20, 2015.
8	Margaret M. Morrow
9	The Aor orable Margaret M. Morrow
10	United States District Court for Central
11	District of California
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