

EXHIBIT C

SHEPPARD MULLIN

SHEPPARD MULLIN RICHTER & HAMPTON LLP

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March 17, 2003

Our File Number: 042E-076968

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

President
MD Skincare
444 Madison Ave.
8th Floor
New York, NY 10022

Re: Infringement of Mark Owned by Bare Escentuals, Inc.

Dear Sir or Madam:

This firm acts as trademark counsel for Bare Escentuals, Inc. ("Bare Escentuals"). It has recently come to our client's attention that you have adopted and are using the "MD" designation as part of your trade name and in connection with your line of cosmetics.

As we suspect you knew when you adopted the term "MD", our client owns a family of trademarks, all of which contain the term "MD" (the "Marks"), for use in connection with cosmetics and related goods. The Marks have been registered with the Patent and Trademark Office, an example of which is the widely recognized MD FORMULATIONS mark, Registration No. 1,814,638.

Bare Escentuals has extensively promoted its cosmetics under the Marks for many years. As a result of such continued promotion and publicity, Bare Escentuals has developed a valuable reputation under the Marks that was established long before you began using the "MD" designation as part of your trade name and in connection with your cosmetics.

The reputation and goodwill established by its promotional efforts under the Marks are extremely important to Bare Escentuals. It is therefore imperative that Bare Escentuals not permit the use of any third party designation in a manner that would likely cause confusion as to a sponsorship by or an affiliation with the source of the line of cosmetics under the Marks.

It is our client's position that your use of the "MD" designation as part of your trade name and in connection with your cosmetics line is likely to confuse or deceive the public

SHEPPARD MULLIN RICHTER & HAMPTON LLP

President
March 17, 2003
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as to a sponsorship by or an affiliation with Bare Escentuals in view of the fame which the Marks has achieved. Because your use of the "MD" designation infringes the Marks in violation of federal law and the law of the State of California, Bare Escentuals demands that you immediately cease all use of the "MD" designation, or any designation confusingly similar thereto, as your trade name, in connection with your cosmetics, or in any other manner related to your business.

Under the provisions of federal law, Title 15, United States Code, Bare Escentuals, as the owner of the registered mark, may obtain various remedies for infringement of the Mark. Among these are injunctive relief, an award of profits earned, an award of damages sustained by Bare Escentuals, costs and attorney's fees. Similar remedies are available under the statutory and common law of the State of California as well.

Notwithstanding the above, Bare Escentuals would prefer to resolve this matter amicably. To that end, we must have your written assurances within fourteen (14) days of the date of this letter that all use of the "MD" designation as part of your trade name, for your line of cosmetics or in any other manner associated with your business will be terminated. If we do not hear from you in this regard within the specified time period, Bare Escentuals will have no choice but to pursue the alternatives available to it.

Should you wish to discuss the foregoing prior to the expiration of the response term, please do not hesitate to contact me or my colleague, Michelle D. Kahn. We look forward to your prompt reply.

Very truly yours,



Avital Elad

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

W02-SF:FAE61359644.1

cc: Ibbly Mogannam (via U.S. Mail)
Michelle D. Kahn, Esq.

SHEPPARD MULLIN RICHTER & HAMPTON LLP

President

March 17, 2003

Page 3

bcc: Avital Elad, Esq.

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1. Article Addressed to:
President
MD Skincare
444 Madison Ave., 8th Floor
New York, NY 10022

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Sheppard Mullin Richter & Hampton LLP
Four Embarcadero Center, Suite 1700
San Francisco, CA 94111

23



Apr-08-03 10:55am From-Cooper & Dunham LLP

T-690 P.001/003 F-702

COOPER & DUNHAM LLP

1185 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036
TELEPHONE: (212) 278-0400
FACSIMILE: (212) 391-0525
(212) 391-0526
(212) 391-0630

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APR 08 2003
SMR & H-S.F.

FACSIMILE TRANSMISSION

PLEASE DELIVER THE FOLLOWING PAGES

TO: Avital Elad, Esq.

COMPANY/FIRM: Sheppard, Mullin, Richter & Hampton LLP.

FACSIMILE NO: (415) 434-3947

FROM: NORMAN H. ZIVIN, ESQ.

TOTAL NUMBER OF PAGES, INCLUDING COVER PAGE: 3

DATE: 4/8/03 CLIENT/DOCKET NO.: 1061/69230

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I ACKNOWLEDGE SAFE RECEIPT OF THE TRANSMISSION.

SIGNED _____ DATED _____

COOPER & DUNHAM LLP

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1185 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10036
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MURIEL M. LIBERTO, Ph.D.

FOUNDED 1887
www.cooperdunham.com

April 8, 2003

* NEW YORK STATE BAR ADMISSION PENDING

Avital Elad, Esq.
Sheppard, Mullin,
Richter & Hampton LLP
17th Floor
Four Embarcadero Center
San Francisco, CA 94111-4106

Re: Bare Escentuals, Inc. - -
M.D. Skincare
Dkt. 69230

Dear Attorney Elad:

We represent M.D. Skincare in intellectual property matters. In that connection, we are responding to your letter to our client dated March 17, 2003.

We are somewhat perplexed by your letter. Insofar as we were aware, the mark M.D. FORMULATIONS was in use by Allergan. Our client, M.D. Skincare came to an accommodation with Allergan many years ago regarding the use of M.D. SKINCARE. As a result, our client has used the mark for years without any objection or confusion. If Bare Escentuals is a successor to Allergan, then your client should be foreclosed from making the claim in your letter at this late date.

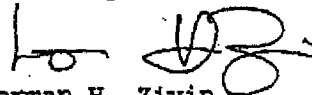
If Bare Escentuals is not related to Allergan, then what right does your client have to use the mark M.D. FORMULATIONS in view of Allergan's continued use of the associated mark M.D. FORTE. Certainly, M.D. FORTE and M.D. FORMULATIONS are more likely to be confused with each other than with M.D. SKINCARE, particularly in view of the numerous users of the designation M.D. in connection with such products.

Avital Elad, Esq.
April 8, 2003
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Further, your client, Bare Escentuals, does not even appear to be the owner of the registrations for M.D. FORMULATIONS. The Trademark Office records currently show that the title is in MDF Acquisition Corp. What relationship, if any, exists between Bare Escentuals and MDF Acquisition Corp.?

In the absence of further and more compelling information concerning your client and its alleged rights, M.D. Skincare is not prepared to take any action in response to your letter.

Sincerely,



Norman H. Zivin

NHZ/cw

cc: M.D. Skincare



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Writer's Direct Line
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aelad@sheppardmullin.com

April 24, 2003

Our File Number: 042E-076968

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Norman H. Zivin
COOPER & DUNHAM LLP
1185 Avenue of the Americas
New York, New York 10036

Re: Bare Escentuals, Inc. v. MD Skincare
Infringement of Mark Owned by Bare Escentuals, Inc.

Dear Mr. Zivin:

We are in receipt of your letter dated April 8, 2003 responding to our request that your client, MD Skincare, cease all use of the "MD" designation as part of its trade name, for its line of cosmetics or in any other manner associated with its business.

In your letter, you refer to an "accommodation" between your client and Allergan, Inc. concerning the mark M.D. FORMULATIONS. We find the word "accommodation" unacceptably vague. If you are referring to a written agreement between the parties that is binding on successor parties, please forward such an agreement for our review and we will certainly revisit the matter. If there is no such agreement, neither we nor our client can simply take your word for it.

As to your inquiry regarding the ownership of the family of trademarks and related registrations which contain the term "MD" (the "Marks"), as you are undoubtedly aware, the assignment division of the Patent and Trademark Office is slow to reflect up to date information. In a spirit of cooperation, we have enclosed for your edification a copy of the Notice of Recordation of Assignment for two of the Marks (M.D. FORMULATIONS, Registration No. 1,814,638; and M.D. FORMULATIONS stylized, Registration No. 1,733,914) to Biocentix Inc., an affiliated company of Bare Escentuals, Inc. ("Bare Escentuals").

In light of the foregoing, it continues to be our client's position that your client's use of the "MD" designation as part of its trade name and in connection with its cosmetics line is

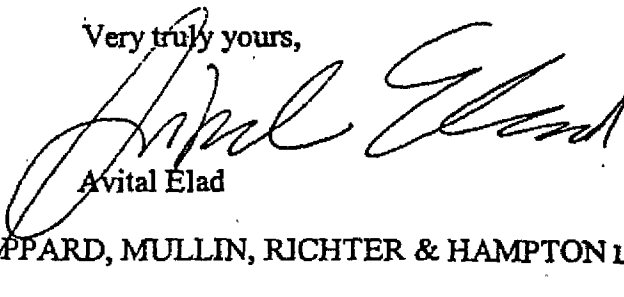
SHEPPARD MULLIN RICHTER & HAMPTON LLP

Mr. Norman H. Zivin
April 24, 2003
Page 2

likely to confuse or deceive the public as to a sponsorship by or an affiliation with Bare Escentuals. Therefore, as requested in our previous correspondence, we must have your client's written assurances within seven (7) days of the date of this letter that all use of the "MD" designation as part of your client's trade name, for its line of cosmetics or in any other manner associated with its business will be terminated. If we do not hear from your client in this regard within the specified time period, Bare Escentuals will have no choice but to pursue the alternatives available to it.

Should you wish to discuss the foregoing prior to the expiration of the response term, please do not hesitate to contact me or my colleague, Michelle D. Kahn. We look forward to your prompt reply.

Very truly yours,



Avital Elad

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

W02-SF:FAE61364709.1

Enclosures

cc: Ibbly Mogannam w/out enclosures (via U.S. Mail)
Michelle D. Kahn, Esq. w/out enclosures

SHEPPARD MULLIN RICHTER & HAMPTON LLP

Mr. Norman H. Zivin

April 24, 2003

Page 3

bcc: Avital Elad, Esq. w/enclosures



UNITED STATES
PATENT AND
TRADEMARK OFFICE

APRIL 04, 2003

Chief Information Officer
Washington, DC 20231
www.uspto.gov

PTAS

SHEPPARD MULLIN RICHTER, ET AL.
MICHELLE MACKENZIE
4 EMBARCADERO CENTER
17TH FLOOR
SAN FRANCISCO, CA 94111



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RECORDATION DATE: 11/26/2002

REEL/FRAME: 002629/0183
NUMBER OF PAGES: 3

BRIEF: CHANGE OF NAME

ASSIGNOR:
MDF ACQUISITION CORP.

DOC DATE: 07/12/2000
CITIZENSHIP:
ENTITY: CORPORATION

ASSIGNEE:
BIOCEUTIX INC.
425 BUSH STREET
3RD FLOOR
SAN FRANCISCO, CALIFORNIA 94108

CITIZENSHIP: DELAWARE
ENTITY: CORPORATION

APPLICATION NUMBER: 74357252
REGISTRATION NUMBER: 1814638

FILING DATE: 02/05/1993
ISSUE DATE: 01/04/1994

MARK: M.D. FORMULATIONS
DRAWING TYPE: WORDS, LETTERS, OR NUMBERS IN TYPED FORM

002629/0183 PAGE 2

APPLICATION NUMBER: 74149610
REGISTRATION NUMBER: 1733914

FILING DATE: 03/20/1991
ISSUE DATE: 11/17/1992

MARK: M.D.FORMULATIONS
DRAWING TYPE: STYLIZED WORDS, LETTERS, OR NUMBERS

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