



SETTLEMENT AGREEMENT

This Settlement Agreement dated June 16, 2004 is by and between Franklin Loufrani ("Loufrani"), a French citizen residing at 114 Eaton Square, London, United Kingdom and Panorama Glass, LLC d/b/a Mega Marbles ("Panorama Glass"), a Delaware Limited Liability Company with an office at 3843 N. Cypress, Wichita, Kansas.

WHEREAS, Panorama Glass has filed in the U.S. Patent and Trademark Office an intent to use trademark application for the mark SMILEY BUDDIES, under Serial No. 76/464,504 for use in connection with "toy glass marbles" in International Class 28 and has begun to use the mark SMILEY BUDDIES in connection with toy glass marbles;

WHEREAS, Loufrani is the owner of several U.S. Trademark Registrations and Applications for the word SMILEY or the word SMILEY along with other terms, including the following in Class 28: Reg. No. 2,566,529 for SMILEY in Classes 9 and 28; SN 75/630,514 for SMILEY BABIES & Design in Classes 16, 25 and 28; SN 75/630,513 for SMILEY FOR KIDS & Design in Classes 16, 25 and 28; SN 75/514,593 for SMILEY BABIES in Classes 3, 5, 6, 8, 9, 14, 16, 18, 20, 21, 24, 25, 27, 28, 29, 30, 32, 35 and 38; SN 75/512,770 for SMILEY FOR KIDS in Classes 3, 5, 6, 8, 9, 14, 16, 18, 20, 21, 24, 25, 27, 28, 29, 30, 32, 35 and 38; and SN 75/302,439 for SMILEY & Design in Classes 16, 25, 28, 29, 30, 41 and 42;

WHEREAS, Loufrani believes that Panorama's use and application for the SMILEY BUDDIES mark is likely to cause confusion with Loufrani's SMILEY marks and has filed a Notice of Opposition against the SMILEY BUDDIES application (Opp. No. 91-158,053);

WHEREAS, Panorama Glass has answered the Notice of Opposition and counterclaimed for cancellation of Loufrani's U.S. Trademark Registration No. 2,566,529 for SMILEY in Class 28;

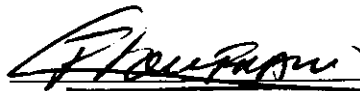
WHEREAS, the parties wish to resolve their dispute without further litigation; and

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:


1. Panorama Glass will abandon its application for SMILEY BUDDIES, Serial Number 76/464,504 with prejudice using the form attached as Exhibit A.
2. Panorama Glass will withdraw its counterclaim for cancellation of U.S. Trademark Registration No. 2,566,529 for SMILEY in Class 28 with prejudice using the form attached as Exhibit B.
3. Loufrani will withdraw the Notice of Opposition against U.S. Trademark Application for SMILEY BUDDIES (SN 76/464,504) with prejudice using the form attached hereto as Exhibit B.

4. Panorama Glass will be allowed to exhaust its inventory of SMILEY BUDDIES marbles for up to (3) months from the date that Panorama Glass executes the Settlement Agreement.
5. Panorama Glass and its officers, directors, agents and affiliates agree not to file any application for a mark or use any mark including the word SMILEY for any goods in Class 28.
6. This Settlement Agreement shall fully settle the dispute between the parties and neither party shall have any claim against the other in relation to the matters addressed herein and Loufrani will release Panorama Glass from past damages.
7. The individuals signing on behalf of the parties are authorized by the respective parties to execute this Settlement Agreement.

FRANKLIN LOUFRANI


Name: Franklin Loufrani
Title: President
Date: June 16, 2004

PANORAMA GLASS, LLC


Name: Ron Garcia
Title: CEO/COO
Date: April 28, 2004



CERTIFICATE OF MAILING (37 C.F.R. 1.8a)

BOX TTAB --- NO FEE
Commissioner for Trademarks
2900 Crystal Dr.
Arlington, VA 22202-3513

Sir:

I hereby certify that the:

Withdrawal of Trademark Application,

along with any paper(s) referred to as being attached or enclosed and this Certificate of Mailing are being deposited with the United States Postal Service on date shown below with sufficient postage as first-class mail in an envelope addressed to the:

TTAB - NO FEE
Commissioner for Trademarks
2900 Crystal Dr.
Arlington, VA 22202-3513

and to:

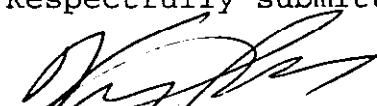
Maren C. Perry
Morgan & Finnegan, LLP
345 Park Ave.
New York, NY 10154

Dated:

July 7

, 2004.

Respectfully submitted,


KENNETH H. JACK, USPTO Reg. #37,644
Attorney for Applicant,
Panorama Glass, L.L.C.
dba Mega Marbles

CORRESPONDENCE ADDRESS:

DAVIS & JACK, L.L.C.
2121 West Maple
Wichita, KS 67277-2686
Phone: 316/945-8251
FAX: 316/945-2789



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application No. 76/464,504 for the
mark SMILEY BUDDIES published for opposition
in the Official Gazette of June 17, 2003 at page TM 344

FRANKLIN LOUFRANI,)
)
Opposer,)
v.) Opposition No. 91158053
)
PANORAMA GLASS, L.L.C.,) Serial No. 76/464,504
Applicant.)
_____)

WITHDRAWAL OF OPPOSITION AND COUNTERCLAIM

Opposer, Franklin Loufrani, and Panorama Glass, LLC, hereby agree
to withdrawal and dismissal of the above Opposition action along with
the Applicant's Counterclaim with prejudice at the cost of each party.

Opposition No. 91158053, along with the Applicant's Counterclaim
is hereby withdrawn and dismissed with prejudice as to all parties
herein.

June 23, 2004
Date

Maren Perry
MAREN C. PERRY, USPTO Reg. # _____
Morgan & Finnegan, LLP
345 Park Ave.
New York, NY 10154
Attorney for Opposer

7/1/04
Date

Kenneth H. Jack
KENNETH H. JACK, USPTO Reg. #37,644
Attorney for Applicant,
Panorama Glass, L.L.C.
dba Mega Marbles

DAVIS & JACK, L.L.C.
P.O. Box 12686
2121 West Maple
Wichita, KS 67277-2686
(316) 945-8251

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I hereby certify that the:

Withdrawal of Opposition and Counterclaim,

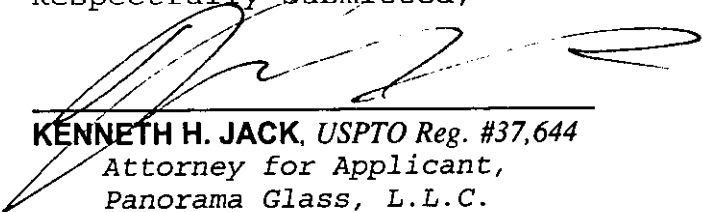
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Commissioner for Trademarks
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Arlington, VA 22202-3513

and to:

Maren C. Perry
Morgan & Finnegan, LLP
345 Park Ave.
New York, NY 10154

Dated: July 7, 2004. Respectfully submitted,


KENNETH H. JACK, USPTO Reg. #37,644
Attorney for Applicant,
Panorama Glass, L.L.C.
dba Mega Marbles

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