

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LASER REPRODUCTIONS, INC., and)	
CARY GREEN,)	
)	Case No. 04 C 1815
Plaintiffs,)	
)	
vs.)	Magistrate Judge Ashman
)	
CONDE SYSTEMS, INC.,)	
DAVID GROSS,)	
ENGRAVING BY GFS, and)	
HENRY GRIGGS)	
)	
Defendants.)	

CONSENT ORDER

All of the parties to this civil action consent to the entry of the following order to finally settle the present litigation:

(A) The copyrights in the dolls, bears, babies, Binkies™, and other items (collectively referred to below as “Dolls”) and the images of the Dolls shown in the copyright registrations VA 1-171-457 and VAu599-535 and the copyright registrations VA 1-171-457 and VAu599-535 themselves are valid and subsisting. (The copyrights in the Dolls shown in the copyright registrations VA 1-171-457 and VAu599-535 and the registrations themselves are collectively referred to below as “the Copyrights.”) Defendants GFS, GRIGGS, CONDE and GROSS are permanently enjoined from directly, indirectly, vicariously, contributorily or in any other way infringing the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN.

(B) Defendants GFS, GRIGGS, CONDE and GROSS shall, within two (2) weeks from the entry of this CONSENT ORDER and at their own cost, deliver to Plaintiffs LASER

REPRODUCTIONS and GREEN all Dolls in their possession that are the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN.

(C) Defendants GFS, GRIGGS, CONDE and GROSS are permanently enjoined from palming off any of its or their Dolls as Dolls having their source or origin with Plaintiffs.

(D) Defendants GFS, GRIGGS, CONDE and GROSS are permanently enjoined from reverse palming off any of Plaintiffs' Dolls as Dolls having their source or origin with any of Defendants GFS, GRIGGS, CONDE and GROSS.

(E) Defendants CONDE and GROSS are permanently enjoined from making false statements concerning either their Dolls or any Dolls the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN or Plaintiffs' Dolls.

(F) Defendants CONDE and GROSS are permanently enjoined from violating of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seqq.* in connection with the sale, promotion, or advertising of, or in statements concerning, Dolls the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN.

(G) Defendants GFS, GRIGGS, CONDE and GROSS are permanently enjoined from competing unfairly in connection with the discussion, advertising, promotion, or sale of Dolls the same or substantially the same as any of the Dolls in the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN.

(H) Defendants GFS, GRIGGS, CONDE and GROSS are permanently enjoined from violating the Illinois Consumer Deceptive Trade Practices Act, 815 ILCS 510/1 *et seqq.* in

connection with the discussion, advertising, promotion, or sale of Dolls the same or substantially the same as any of the Dolls in the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN.

(I) Defendants GFS, GRIGGS, CONDE and GROSS shall permit Plaintiffs LASER REPRODUCTIONS and GREEN to inspect in the Chicago area within thirty (30) days of the entry of this CONSENT ORDER all documents related to individuals and commercial enterprises that Defendants GFS, GRIGGS, CONDE and/or GROSS have sold infringing Dolls to.

(J) Defendants GFS, GRIGGS, CONDE and GROSS shall provide Plaintiffs LASER REPRODUCTIONS and GREEN with a detailed list of all companies from whom Defendants purchased allegedly infringing Dolls or Dolls the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN or Plaintiffs' Dolls and shall, within thirty (30) days of the entry of this CONSENT ORDER, permit an inspection in the Chicago area of all documents related thereto.

(K) Defendants CONDE and GROSS shall issue a recall of all allegedly infringing Dolls or Dolls the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN or Plaintiffs' Dolls sold or otherwise provided to customers, and, in that recall, offer to reimburse such customers the full costs for all returned Dolls. Further, Defendants CONDE and GROSS shall inform Plaintiffs LASER REPRODUCTIONS and GREEN as to the identify of the persons or companies delivering such Dolls to Defendants pursuant to this paragraph K or for any other reason. Such information shall be subject to the Protective Order entered by this Court on July 9, 2004. The recall shall take the form of the letter attached as Exhibit A.

(L) Defendants GFS, GRIGGS, CONDE and GROSS shall deliver to Plaintiffs LASER REPRODUCTIONS and GREEN within seven (7) days of receipt all allegedly infringing Dolls or Dolls the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN or Plaintiffs' Dolls that come within their possession after the entry of this CONSENT ORDER including those recalled according to the previous paragraph K.

(M) The declaration attached as Exhibit B shall be executed by Defendant GRIGGS for himself and for Defendant GFS, and the declaration attached as Exhibit C shall be executed by Defendant GROSS for himself and for Defendant CONDE at or before the entry of this CONSENT ORDER and shall constitute part of this CONSENT ORDER. Any falsity in these oaths constitutes a violation of this CONSENT ORDER and contempt of this Court.

(N) Plaintiffs LASER REPRODUCTIONS and GREEN shall have the right to have an independent audit of books and other records of Defendants GFS, GRIGGS, CONDE and GROSS to corroborate the information previously provided to Plaintiffs and provided pursuant to this CONSENT ORDER. The costs of the audit will be borne by Plaintiffs LASER REPRODUCTIONS and GREEN if the audit determines that information provided by Defendants GFS, GRIGGS, CONDE and/or GROSS is within five percent (5%) of the correct figures. If the error is greater than five percent (5%), then the particular defendants of Defendants GFS, GRIGGS, CONDE and/or GROSS providing the incorrect information will bear the expense of the audit. Additionally, any knowingly false or incomplete information provided to Plaintiffs LASER REPRODUCTIONS and GREEN by Defendants GFS, GRIGGS, CONDE and GROSS constitutes a violation of this CONSENT ORDER and contempt of this Court.

(O) Within three weeks of the entry of this CONSENT ORDER, Defendants CONDE and GROSS will send to all individuals and companies that purchased any Doll(s) covered by or substantially similar to the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN the letter shown in Exhibit A. The letters are to be individualized with the particular purchaser's name and address. Further, Defendants CONDE and GROSS will make the reimbursements as stated in the letter attached as Exhibit A. The letters, fully prepared but not sealed, shall be delivered to counsel for Plaintiffs LASER REPRODUCTIONS and GREEN for mailing or otherwise forwarding to the addressees. The information concerning such customers on the letters required by this paragraph O shall be subject to the Protective Order entered by this Court on July 9, 2004.

(P) The monetary terms of this CONSENT ORDER and of the settlement in this action are contained on the separate CONFIDENTIAL MONETARY SETTLEMENT, shall be maintained confidential by all parties, and shall come within the Protective Order entered by this Court on July 9, 2004. In the event of nonpayment of these amounts, the Court will summarily enter judgment for the amounts due.

(Q) The Protective Order entered by this Court on July 9, 2004, shall remain in full force and effect until further order of Court.

(R) Plaintiffs LASER REPRODUCTIONS and GREEN shall not communicate with any known customer of Defendants GFS or CONDE concerning the present litigation unless such customer of GFS or CONDE is, as of the date given below, a customer or known prospective customer of Plaintiff LASER REPRODUCTIONS who has already made inquiry concerning the above encaptioned litigation. However, this provision does not prohibit Plaintiffs LASER REPRODUCTIONS and GREEN from posting this CONSENT ORDER or any other

public document from this litigation on its website(s). Further, Plaintiffs LASER REPRODUCTIONS and GREEN may contact known customers of any defendant in order to conduct any other business than discussing the present litigation. In addition, Plaintiffs LASER REPRODUCTIONS and GREEN may contact or otherwise deal with any customer of any defendant in this action if such customer fails or refuses, within 60 days of the mailing of the letter to them set forth in paragraph (O) above, to cease selling, publishing photographs or pictures of or dealing in Dolls purchased from any defendant where such Dolls allegedly infringe or are the same or substantially the same as any of the Dolls of the Copyrights of Plaintiffs LASER REPRODUCTIONS and GREEN or Plaintiffs' Dolls.

(S) Except with respect to the obligations created by or arising out of this CONSENT ORDER, Defendants CONDE and GROSS hereby for themselves and their respective legal successors, heirs and assigns, and each of its past, present and future parent and subsidiary corporations, directors and officers, contractors and employees, hereby releases and absolutely discharges Defendants GFS and GRIGGS of and from any and all claims, demands, damages, debts, liabilities, accounts, reckonings, obligations, costs, expenses, liens, attorneys' fees, rights to contribution, rights to indemnity, actions and causes of action of every kind and nature whatever, whether now known or unknown, suspected or unsuspected, which Defendants CONDE and GROSS now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold based upon, relating to or arising out of all dolls sold to Defendants CONDE and GROSS by Defendants GFS and GRIGGS at any time up to and including the date hereof.

(T) The Court retains jurisdiction of this action to enforce the terms of this CONSENT ORDER.

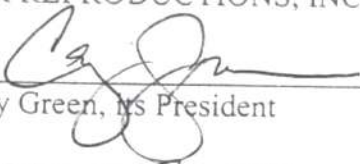
Case No. 04 C 1815

Entered:


United States Magistrate Judge


Dated: February 17, 2005

LASER REPRODUCTIONS, INC.


by Cary Green, its President

Dated: February 7, 2005.

CARY GREEN



Dated: February 7, 2005.

CONDE SYSTEMS, INC.


by David Gross, its President

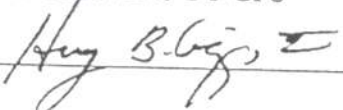
Dated: February 9, 2005.

DAVID GROSS



Dated: February 9, 2005.

ENGRAVING BY GFS

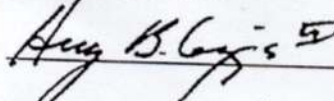


Case No. 04 C 1815

by its, Henry Griggs, its Owner

Dated: February 11, 2005.

HENRY GRIGGS

 A handwritten signature in cursive script, appearing to read "Henry B. Griggs", is written over a solid horizontal line. The signature includes a stylized flourish at the end.

Dated: February 11, 2005.

**LETTER TO CONDE'S CUSTOMERS
WHO PURCHASED ALLEGEDLY INFRINGING DOLLS ETC.**

Dear (specifically identify the customer with its address):

As some of you may already know, on March 9, 2004, Laser Reproductions, Inc., filed a copyright infringement lawsuit against Conde and others in relation to Keepsake Dolls, Bears, and Babies that we sold. While Conde strenuously denies any wrongdoing, we have agreed to the entry of a permanent injunction prohibiting us from dealing in these or substantially similar Keepsake Dolls, Bears, or Babies. Pictures of the Keepsake Dolls, Bears, and Babies are attached to this letter for your reference. This letter specifically does not refer to Conde's existing bear with a printable T-shirt product.

Accordingly, if you still have any Keepsake Dolls, Bears, or Babies that you obtained from Conde, you should immediately cease selling them inasmuch as such activities may constitute infringement of Laser Reproductions' copyrights. Further, you should also immediately remove the Keepsake Dolls, Bears, and Babies from your website, catalogs, and other marketing or sales material.

Whatever remaining Keepsake Dolls, Bears, and Babies you have, Conde will refund your money. To avoid potential liability, please return the Keepsake Dolls, Bears, and Babies to Conde and use our UPS shipping number 336328 to send the remaining Keepsake Dolls, Bears, and Babies to our attorneys, Clausen Miller P.C., 10 South LaSalle Street, Chicago, Illinois 60603-1098. As you will note, the shipping charges will be paid by Conde. After Clausen Miller P.C. has received the Keepsake Dolls, Bears, and Babies from you, you will be sent a refund. If you have any question on this, please contact Mr. Joshua Aldort at (312) 606-7840.

As part of our settlement, Laser Reproductions has agreed that they will not legally pursue our customers who sold only Conde Keepsake Dolls, Bears, and Babies or your

EXHIBIT A

customers who purchased the Keepsake Dolls, Bears, and Babies from you so long as you and they immediately cease selling and/or displaying the Keepsake Dolls, Bears, and Babies and you return your Keepsake Dolls, Bears, and Babies to Conde. This will avoid the risk, however slight, of being sued by Laser Reproductions.

If you remain interested in purchasing any of these Keepsake Dolls, Bears, and Babies, we suggest that you contact Laser Reproductions at (847) 677-8333 with the address 8255 N. Christiana Ave., Skokie, Illinois 60076.

Thank you,

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HENRY GRIGGS)	
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Defendants.)	


DECLARATION OF DAVID GROSS

DAVID GROSS declares that:

1. I am the president of CONDE SYSTEMS, INC., which is a corporation of the state of Delaware.
2. CONDE SYSTEMS, INC., only purchased dolls that are the subject matter of this lawsuit from Baby Me, Inc., and ENGRAVING BY GFS
3. I am aware of the information previously provided to Laser Reproductions, Inc., as to the purchases and sales by CONDE SYSTEMS, INC., of dolls shown in the copyright registrations VA 1-171-457 and VAu599-535.
4. I have made no sales personally of such dolls other than dolls purchased from Baby Me, Inc. or Engraving by GFS.
5. This supplied and above information is true, correct, and complete to the best of my knowledge, information, and belief.

6. I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 9, 2005


DAVID GROSS