

09-21-1998

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

B No. 0651-0011 (exp. 4/94)

100783754

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Cosmar Corporation
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: General Electric Capital Corporation, as agent
Internal Address: Commercial Finance

Nature of conveyance: **MRD 9-21-98**
 Assignment Merger
 Security Agreement Change of Name
 Other
Execution Date: March 12, 1997

Street Address: 201 High Ridge Road
City: Stamford State: CT ZIP: 06927
Additional name(s) & address(es) attached? Yes No

Application number(s) or patent number(s):
If this document is being filed together with a new application, the execution date of the application is:
A. Patent Application No.(s)
None
Additional numbers attached? Yes No

B. Patent No.(s)
D397,514
D396,130
Utility 5,287,863
Additional numbers attached? Yes No

3. Name and address of party to whom correspondence concerning document should be mailed:
Name: Stacey M. Berg
Internal Address:
Weil, Gotshal & Manges LLP
Street Address: 767 Fifth Avenue
City: New York State: NY ZIP: 10153

6. Total number of applications and patents involved: 3
7. Total fee (37 CFR 3.41).....\$ 120.00
 Enclosed
 Authorized to be charged to deposit account if needed
8. Deposit account number: 120E
23-0800 120E
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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01 FC-581 120.00 OP
02 FC-582 120.00 OP

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.

Stacey M. Berg
Name of Person Signing

Stacey M Berg
Signature

9/18/98
Date

Total number of pages including cover sheet, attachments, and document: 11

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of March 12, 1997 (together with all amendments if any from time to time hereto, this "Patent Security Agreement"), by and between COSMAR CORPORATION, a Delaware corporation ("Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation, in its capacity as Agent for Lenders ("Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof among Dana Perfumes Corp. ("Borrower"), the other Persons named therein as Credit Parties, Agent and the Persons named therein as Lenders (including all annexes, exhibits or schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make Loans to Borrower;

WHEREAS, in order to induce Agent and Lenders to enter into the Credit Agreement and other Loan Documents and to induce Lenders to make the Loans as provided for in the Credit Agreement, Grantor has agreed to grant a continuing security interest in the Collateral to secure the Obligations, pursuant to the Security Agreement dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Agent, for itself and the ratable benefit of Lenders, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All capitalized terms used but not otherwise defined herein have the meanings given to them in Annex A thereto to the Credit Agreement.

2. **GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.** Grantor hereby collaterally assigns and grants to Agent, on behalf of itself and Lenders, a collateral assignment of, and continuing first priority security interest in, all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

- (a) all of its Patents and Patent Licenses to which it is a party, including those referred to on Schedule I hereto;
- (b) all reissues, continuations or extensions of the foregoing; and
- (c) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement or dilution of any Patent or Patent licensed under any Patent License.

3. LICENSE BACK. So long as no Event of Default has occurred and is continuing, and except as otherwise provided in this Patent Security Agreement and the Security Agreement, Agent hereby grants to Grantor the exclusive, nontransferable, nonassignable, royalty-free, worldwide right and license under the Patents to make, have made, use, sell, have sold and otherwise practice the inventions disclosed and claimed in such Patents for Grantor's own benefit and account; provided, however, that the foregoing right and license shall be no greater in scope than, and limited by, the rights assigned to Agent by Grantor hereby. Grantor agrees not to sell, assign, transfer, encumber or sublicense its interest in the license and rights granted to it in the Patent Collateral without the prior written consent of Agent; except that Grantor may grant a non-exclusive license in the license and rights granted to it in the Patent Collateral in the ordinary course of business consistent with past practice.

4. GRANTOR REMAINS LIABLE. It is expressly agreed by Grantor that, anything herein to the contrary notwithstanding, Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its Patents, and shall hold Agent and Lenders harmless from any and all costs, damages, liabilities and expenses that may be incurred by Grantor in connection with Agent's interest in such Patents or any other action or failure to act in connection with this Patent Security Agreement. Grantor shall remain liable for any and all claims by any Person that the conduct of Grantor's business or products or processes of Grantor infringe any rights of such Person. Grantor shall also remain liable under any and all Patent Licenses to which it is a party to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and Grantor shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Patent License. Neither Agent nor any Lender shall have any obligation or liability under any of the Patent Licenses included in the Patent Collateral by reason of this Patent Security Agreement and the Security Agreement, the collateral assignment of the Patent Collateral to Agent hereunder, the granting of a security interest in the Patent Collateral, or the receipt by Agent of any payment relating thereto, nor shall Agent or any Lender be required or obligated in any manner to perform or fulfill any of the obligations of Grantor thereunder, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it thereunder or the sufficiency of any performance by any party thereunder, or to present

or file any claim, or to take any action to collect or enforce any claim for payment assigned to it hereunder.

5. SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

6. COUNTERPARTS. This Patent Security Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

COSMAR CORPORATION


By: John R. Jackson

Name: John R. Jackson

Title: Secretary and VP

**ACCEPTED AND ACKNOWLEDGED
BY:**

**GENERAL ELECTRIC CAPITAL
CORPORATION,
as Agent**

By: 

Name: Marshall N. Dudley, Jr.

Title: Duly Authorized Signatory

ACKNOWLEDGMENT OF GRANTOR

STATE OF New York)
 New) ss.
COUNTY OF York)

On this 12th day of March, 1997 before me personally appeared JOHN R. JACKSON, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of COSMAR CORPORATION, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Christine Shrestha
Notary Public

CHRISTINE SHRESTHA
Notary Public, State of New York
No. 01SH5056934
Qualified in New York County
Commission Expires March 11, 1998

SCHEDULE I
to
PATENT SECURITY AGREEMENT

SCHEDULE OF PATENTS AND PATENT LICENSES

- I. Patents:
 - A. See Attachment I.

- II. Licenses:
 - A. See Attachment II.

03/09/97
CN-6500
DN-213792.1

PATENT
REEL: 9297 FRAME: 0635

ATTACHMENT I

03/09/97
CN-6500
DN-213792.1

PATENT
REEL: 9297 FRAME: 0636

U.S. & Canada Patent Status Report
Cosmar Corporation

<u>Country</u>	<u>Title</u>	<u>Inventor(s)</u>	<u>Series No/ Filing DT</u>	<u>Patent No/ Grant DT/ Exper DT</u>	<u>Status</u>	<u>Security Interest</u>
USA	Clam Shell Package Carry Case	La Joie Aldran H	847,547 31MR1986	DES. 305,408 09JA1990 09JA2004	Granted Issued	
	Assignee: Cosmar Corporation					
USA	Artificial Nail Sizing Ring	La Joie Aldran H	166,173 10MR1988	DES. 309,196 10JL1990 10JL2004	Granted Issued	
	Assignee: Cosmar Corporation					
USA	Clam Shell Carrying Case Package	La Joie Aldran H	07/523,651 15MY1990	DES. 329,600 22SE1992 22SE2006	Granted Issued	
	Assignee: Cosmar Corporation					
USA	Bottle and Cap	Scott Mary R et al Motz Camille Utey-Moores Ann Altmann Curt	29/025,886 14JL1994	DES. 362,808 03OC1995 03OC2009	Granted Issued	
	Assignee: Cosmar Corporation					
USA	Fingernail and Toenail File/Buffer	La Joie & Rastegar	07/902,617 23JN1992	5,287,863 22FE1994 22FE2011	Issued	
	Assignee: Cosmar Corp. and H&H Products					
USA	Nail File/Buffer (Design)	La Joie & Rastegar	07/903,546 23JN1992		Appeal Brief Filed 15SE1995	
	Assignee: Cosmar Corp. and Rastegar					
USA	Artificial Nail Tips	La Joie, Nordstrom, Bragulla	08/203,634 28FE1994	5,450,864 15SE1995 28SE2014	Issued	
USA	Artificial Nail Tips (Design)	La Joie, Nordstrom, Bragulla	29/019,295 28FE1994	DES. 365,175 12DE1996	Issued	
Canada	Clam Shell Package Carry Case	La Joie Aldran	30-09-86-6 30SE1986	59781 08DE1987 08DE1997	Granted Issued	
	Assignee: Cosmar Corporation					

<u>Country</u>	<u>Title</u>	<u>Inventor(s)</u>	<u>Series No/ Filing DT</u>	<u>Patent No/ Grant DT/ Expir DT</u>	<u>Status</u>	<u>Security Interest</u>
Canada	Artificial Nail Sizing Ring	La Joie Aldran Henry	2-09-88-5 02SE1988	63124 02MY1989 02MY1999	Granted Issued	
	Assignee: Cosmar Corporation					
Canada	Bottle and Cap	Scott Mary R Motz Camille Uitley-Moores Ann Altmann Curt	1995-0091 13JA1995	76469 25MY1995 25MY2005	Granted Issued	
	Assignee: Cosmar Corporation					

ATTACHMENT II

1. License Agreement, dated October 10, 1995, between The Nail Consultants Ltd. and Holdings
2. License Agreement, dated January 25, 1991, between The Nail Consultants Ltd. and Holdings

03/09/97
CN-6500
DN-213792.1

RECORDED: 09/21/1998

PATENT
REEL: 9297 FRAME: 0639