

1 COOLEY LLP  
BRENDAN J. HUGHES (*pro hac vice*)  
2 (bhughes@cooley.com)  
1299 Pennsylvania Ave. NW, Suite 700  
3 Washington, DC 20004  
Telephone: (202) 842-7800  
4 Facsimile: (202) 842-7899

5 JOHN PAUL OLEKSIUK (283396)  
(jpo@cooley.com)  
6 1333 2<sup>nd</sup> Street, Suite 400  
Santa Monica, CA 90401-4100  
7 Telephone: (310) 883-6400  
Facsimile: (310) 883-6500  
8

9 JUDD D. LAUTER (290945)  
(jlauter@cooley.com)  
3175 Hanover Street  
10 Palo Alto, CA 94304-1130  
Telephone: (650) 843-5000  
11 Facsimile: (650) 849-7400

12 DINA ROUMIANTSEVA (300576)  
(droumiantseva@cooley.com)  
13 101 California Street, 5th Floor  
San Francisco, CA 94111-5800  
14 Telephone: (415) 693-2000  
Facsimile: (415) 693-2222  
15

Attorneys for Plaintiff/Counterclaim Defendant  
*Charlotte's Web, Inc.*

17 UNITED STATES DISTRICT COURT  
18 NORTHERN DISTRICT OF CALIFORNIA  
19 OAKLAND DIVISION

20 Charlotte's Web, Inc., a Delaware  
corporation,  
21  
22 Plaintiff and Counterclaim  
Defendant,

23 v.

24 AAXLL Supply Co LLC d/b/a Balance CBD,  
25 a Delaware Limited Liability Company

26 Defendant and  
27 Counterclaim Plaintiff.  
28

Case No. 4:20-cv-02692-YGR

~~PROPOSED~~ STIPULATED  
JUDGMENT AND PERMANENT  
INJUNCTION

Complaint Filed: April 17, 2020  
Judge: Yvonne Gonzalez Rogers

1 This Court, pursuant to the Joint Motion for Entry of Stipulated Judgment and Permanent  
2 Injunction between Plaintiff and Counterclaim Defendant Charlotte’s Web Inc. (“Charlotte’s Web”) and Defendant AAXLL Supply Co LLC d/b/a Balance CBD (“Defendant”), hereby ORDERS,  
3 ADJUDGES, and DECREES that:  
4

- 5 1. This Court has jurisdiction over the subject matter of this action under 28 and 15 U.S.C. §§  
6 1331 and 1367.
- 7 2. This Court has personal jurisdiction over the parties hereto.
- 8 3. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c).
- 9 4. As used herein, the “CHARLOTTE’S WEB Mark” refers to the word mark CHARLOTTE’S  
10 WEB.
- 11 5. Defendant acknowledges that: (a) the CHARLOTTE’S WEB Mark is a valid and protectable  
12 trademark in connection with hemp, CBD products, and any products or services related  
13 thereto; (b) the CHARLOTTE’S WEB Mark is not a generic term; (c) Charlotte’s Web’s State  
14 California and Colorado State trademark registrations for the CHARLOTTE’S WEB Mark are  
15 valid and enforceable; and (d) Charlotte’s Web owns all right, title, and interest in and to the  
16 CHARLOTTE’S WEB Mark.
- 17 6. Defendant has made unauthorized and infringing use of the CHARLOTTE’S WEB Mark to  
18 market and promote its CBD products.
- 19 7. Defendant has represented that its products marketed as “CHARLOTTE’S WEB TERPENE  
20 INFUSED” share a terpene profile with products and/or hemp cultivars developed by  
21 Charlotte’s Web when, in fact, they do not share a terpene profile.
- 22 8. Defendant is not currently and has never been affiliated or associated Charlotte’s Web, and  
23 Charlotte’s Web does not approve, sponsor, or endorse Defendant or Defendant’s products.
- 24 9. Charlotte’s Web has been, and will continue to be, damaged and irreparably harmed by the  
25 actions of Defendant described in Paragraphs 6 and 7.
- 26 10. Defendant, its officers, agents, servants, employees, parents, subsidiaries, affiliates, related  
27 companies and all persons in active concert or participation with them who receive actual  
28 notice of this injunction, are hereby permanently restrained and enjoined, pursuant to 15 U.S.C.

1 § 1116, Cal. Bus. & Prof. Code §§ 14320 and 17200, California common law and Colorado  
2 common law, from engaging in, directly or indirectly, or authorizing or assisting any third  
3 party to engage in, any of the following activities:

4 a. Using the CHARLOTTE’S WEB Mark, or any confusingly similar variation thereof,  
5 in connection with marketing, promoting, advertising, selling, or distributing any goods  
6 or services in any manner that is likely to cause confusion, or to cause mistake, or to  
7 deceive as to an affiliation or association with, or endorsement or sponsorship by,  
8 Charlotte’s Web or any products or services sold by Charlotte’s Web;

9 b. In connection with marketing, promoting, advertising, selling, or distributing any goods  
10 or services, making any implied or express statement that is likely to cause consumers  
11 to believe:

12 i. That Defendant’s CBD and hemp products or the CBD or hemp products of any  
13 third-party are derived from, consist of, or incorporate any hemp cultivars  
14 developed by or associated with Charlotte’s Web or the CHARLOTTE’S WEB  
15 Mark;

16 ii. That Defendant’s CBD products or the CBD products of any third-party share  
17 a terpene profile with any hemp cultivars developed by or associated with  
18 Charlotte’s Web or the CHARLOTTE’S WEB Mark.

19 c. Effecting assignments or transfers, forming new entities or associations, or utilizing  
20 any other device with the intention of circumventing or otherwise avoiding any of the  
21 obligations or prohibitions set forth herein.

22 11. Each of Defendant’s counterclaims is hereby denied with prejudice.

23 12. Nothing set forth herein shall impair Charlotte’s Web’s right to seek all legal and equitable  
24 remedies that the Court deems appropriate in the event of a violation or failure by Defendant  
25 to comply with any of the provisions hereof.


26 13. This Stipulated Judgment and Permanent Injunction shall be deemed to have served upon  
27 Defendant at the time of its execution by the Court.

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14. The Court finds there is no just reason to delay in entering this Stipulated Judgment and Permanent Injunction and, pursuant to Federal Rule of Civil Procedure 54(a), the Court directs immediate entry of this Stipulated Judgment and Permanent Injunction against Defendant.
15. No appeals shall be taken from this Stipulated Judgment and Permanent Injunction; however, the parties preserve their respective rights to appeal any further action arising out of this Stipulated Judgment and Permanent Injunction.
16. This Court will retain continuing jurisdiction over this matter following the dismissal of the parties' claims in order to enforce the terms of this Stipulated Judgment and Permanent Injunction and the Settlement Agreement between the parties.
17. Each party shall bear its own attorneys' fees and costs incurred in this matter.
18. **This Order terminates Docket Numbers 66 and 81.**

IT IS SO ORDERED, ADJUDICATED, and DECREED this 24<sup>TH</sup> day of MARCH, 2021.

  
YVONNE GONZALEZ ROGERS  
UNITED STATES DISTRICT JUDGE  
NORTHERN DISTRICT OF CALIFORNIA