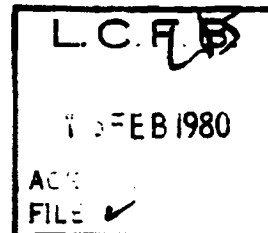


S.R. Evelyn (Dr.)

SRE/PSB/46A

14th February, 1980

W. Fankhauser, Esq.,
B.A.T. (Suisse) S.A.,
Case Postale 403,
1211 GENEVA 26,
Switzerland.



Dear Willy,

FILTRONA SMOKING MACHINES 300/302

Thank you for your letter of 4th February embodying the views of your legal advisers. By chance, I had already arranged a visit to review the current situation on smoking machines with Mr. Lanigan and other members of his staff.

The legal question was raised with Filtrona at that meeting and they obviously could not give an immediate reply. The points raised are summarised in the enclosed copy of the notes I have written following our meeting. In view of their reluctance to give any letter comparing the 302 machine with the 300 in the manner suggested, I mentioned to them that it might help in their consideration if they contemplated, subject to further discussion with yourselves, placing a restriction on the use to which the statement would be made. I trust that this would not negate the use to which you might put such a statement, but I suggested that you would probably only wish to use it if legal action was taken against you.

You should note that we have obtained considerable priority in relation to the delivery of the 300 machine for yourselves and it is anticipated that this will be ready for despatch early in April. In this connection, perhaps you would consider whether you still wish to remain anonymous as far as Filtrona are concerned. At the moment, they will deliver the machine to Southampton and we will send it on to you: I assume that you would wish us to send it airfreight. This will obviously add a few days onto the delivery, so if you feel that you would like Filtrona to send it directly this could still be arranged.

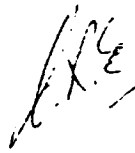
As I think you will discern from the notes, my reaction, and those of my colleagues in GR&DC who have been undertaking the local comparison of the CSM 300 with the CSM 302, is that Filtrona

/have ...

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have not really undertaken a well-designed programme. Nevertheless our studies should be completed early in March and we will have a further review. At that time I hope that we can reach some firm conclusions. Despite this comment, it is clear that we now have a pretty good idea of some of the important differences between the machines which have an affect on TPM deliveries.

Yours sincerely,



S.R. EVELYN

ccs: Dr. L.C.F. Blackman ✓
R.A. Crichton, Esq.
A.L. Heard, Esq.

Enc.

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