

FILE MEMORANDUM

January 7, 1976

On Monday January 5th, I called Dr. Hughes in Louisville to obtain information regarding the litigation between Reynolds and American Tobacco Companies. Dr. Hughes was not in his office but returned the call on January 6th. The following summarizes the conversation between Dr. Hughes, Mr. Vance Smith (E & W patent attorney) and myself.

Reynolds is suing American Tobacco for infringements on one or more of their patents. Although the case has been in progress for a considerable time, it is still in the pre-trial stage. Apparently, it has caused a great deal of animosity between the two companies.

During the conversation, Dr. Hughes asked Mr. Smith whether it would be an advantage to the B.A.T. organization if we were able to help American break the patent. Mr. Smith replied that if we able to do so, we would have the blessing of the tobacco industry.

*Handwritten signature*

RLB/cm

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