

file  
B&W

**PHILIP MORRIS**  
INCORPORATED  
120 PARK AVENUE, NEW YORK, N.Y. 10017

G. CARLTON ADKINS  
ASSISTANT GENERAL COUNSEL

May 24, 1984

cc C. Goldsmith  
H. Maxwell  
FYI  
5/24  
JK  
JR

VIA FEDERAL EXPRESS

Charles G. Lamb, Esq.  
Patent and Trademark Counsel  
Brown & Williamson Tobacco Corp.  
1500 Brown & Williamson Tower  
Louisville Galleria  
P. O. Box 35090  
Louisville, Kentucky 40232

Dear Chuck:

After our meeting here this morning, we have given further consideration to your position and ours concerning the tobacco expansion process used at your cigarette manufacturing plant in Macon, Georgia. We have concluded that it is important for a variety of reasons to resolve the matter as soon as possible.

To that end, we are prepared to send representatives of Fish & Neave, our outside patent counsel, to Macon for a tour of your expansion facility as early in the week of May 28 as you can accommodate them. They will agree to treat as confidential any information disclosed to them in the course of their inspection and to use such information only for the purpose of evaluating your contentions with respect to the DIET patents and know-how and advising Philip Morris and The BOC Group regarding those contentions. You have agreed that, in the event there should be litigation between us relating to the issues we are discussing, Fish & Neave would be free to use such information to the same extent they could use it if learned through discovery. You also agreed that, by undertaking such an inspection and receiving any information from you in confidence, Fish & Neave will not be disqualified from acting as counsel to Philip Morris and/or The BOC Group in any litigation.

If, in addition, you wish to provide Fish & Neave with a written statement of your position with respect to the validity or coverage of any DIET patents, they

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would accept any such statement on the same terms as outlined above. They also will agree to receive the opinion of your outside counsel on the same terms and not to urge that your providing such opinion to them constitutes a waiver of privilege.

You agreed that Brown & Williamson would not institute any lawsuit against Philip Morris or The BOC Group relating to this matter so long as our negotiations are continuing and that, in any event, you would give us notice in advance if you decide to bring suit.

I look forward to hearing from you on Tuesday, May 29, so that we can schedule the plant visit. Otherwise, if there is any aspect of this situation that you believe bears further discussion at this time, I shall be glad to hear from you.

Very truly yours,

*Carl Adkins*

cc: Larry R. Cassett, Esq.  
Robert H. Sachs, Esq.

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