



Intellectual Property Conflict Resolution Position

Intellectual property rights represent a substantial part of the shareholder value of British American Tobacco. We therefore vigorously protect and enforce our rights against all infringers and others who seek to limit or dilute our rights. In the course of our protection and enforcement activities, we get involved in many intellectual property conflicts with others.

We recognise that there may be less expensive, more effective and faster methods of resolving intellectual property conflicts than traditional legal and administrative actions. In particular, mediation techniques and procedures (which may involve negotiations assisted by a neutral “wise counsel”) are now well-understood and developed in many countries. These can offer collaborative, creative and successful means for enabling parties in dispute to arrive at amicable settlements – rather than pursue the same objectives through expensive, protracted and hostile proceedings.

Intellectual property conflicts often involve parties with whom it is unrealistic to negotiate and who cannot be relied upon to abide by settlements. Moreover, we often need to create legal precedents and secure deterring judgement awards against them.

However, conflicts frequently also involves bona fide businesses where a reliable dialogue can take place. Our Conflict Resolution Position relates to our conflicts with such businesses.

Unless it is vital to create a legal precedent or to take explicit deterrent action, and in the absence of express instructions to the contrary, it is our clear position in intellectual property conflicts to contact opposing parties whom we judge capable of being trusted to adhere to any settlement. We may do this directly, or through our external lawyers. We will propose that we try to negotiate an early solution. Where appropriate and practicable, we are prepared to suggest the use of non-binding mediation techniques to help resolve the dispute on a cost share basis using established mediators.

We review all our conflicts, regardless of how strong we consider our case to be, with a view to arriving at mutually agreed settlements which minimise the cost and pain to both parties of achieving an acceptable solution.

We believe this is a more pragmatic and cost-effective approach for everyone involved

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