



Letter to Shell/SMART staff

April 1998

Note Re: MR JOHN DONOVAN AND SMART

Shell UK received a writ on April 14 from Mr John Donovan, Don Marketing UK Limited suggesting he has some kind of propriety claim to the SMART Card Consortium concept.

Shell is quite clear that Mr Donovan has no claim in relation to the SMART Card Consortium concept therefore we believe we have a good defence to claim of Mr Donovan's and plan to defend our position robustly.

- (1) The SMART Card Consortium concept was first considered by Shell at the beginning of 1992;
- (2) Although Don Marketing presented a paper in October 1989 which made passing reference to the consortium idea, the paper was not seen by those at Shell responsible for developing the idea in early 1992;
- (3) When Don Marketing presented the idea again to Shell in May 1992, the SMART Card Consortium concept had already been considered and approved by Shell and was under development;
- (4) The basic concept which led to the SMART Card Consortium was already in the public domain by the time Don Marketing came to present it to Shell.

We have a good defence to any claim brought by Don Marketing.

In the course of earlier proceedings, Mr Donovan and Don Marketing UK Limited took the opportunity to mount a trade press campaign against Shell and a letter writing campaign to its directors and shareholders. It is very likely that Mr Donovan will try to use the same tactics when it becomes clear that Shell intends to defend the claim he has brought against it.

This letter is to explain Shell's position, and to request that if you receive any correspondence from Mr Donovan or Don Marketing UK Limited that you would not reply to it, but pass it to Keith Ruddock, in Shell's Legal Department, Shell UK Limited, Shell-Mex House, Strand London, WC2R ODX. Fax # 0171 257 3441

Any media enquiries should be directed to Sarah James in Shell's press office on 0171 257 3100

Can you please pass this statement to other staff in your company who may receive media enquiries.

14 April 1998
Shell UK Limited