

FUEL FOR THOUGHT

DEFENDING THE COMPANY'S GOOD NAME AND REPUTATION

There has recently been some publicity surrounding a writ issued against Shell UK by Mr John Donovan, director of a company called Don Marketing, who claims that his company invented the SMART loyalty programme and that he or his company should be compensated for its use. Shell UK is strongly defending the claim, having carefully investigated and discussed it with Mr Donovan and his solicitors. Mr Donovan has been making a number of unpleasant allegations in public and in the press, and has been handing out leaflets to staff. Shell UK Legal director Richard Wiseman explains.

Mr Donovan and his companies have made several claims against Shell in the past. For good economic reasons, these cases were settled before they reached court. At that time, both parties agreed that there should be no further public debate about these matters - an obligation which Shell UK has consistently honoured, but which Mr Donovan has not.

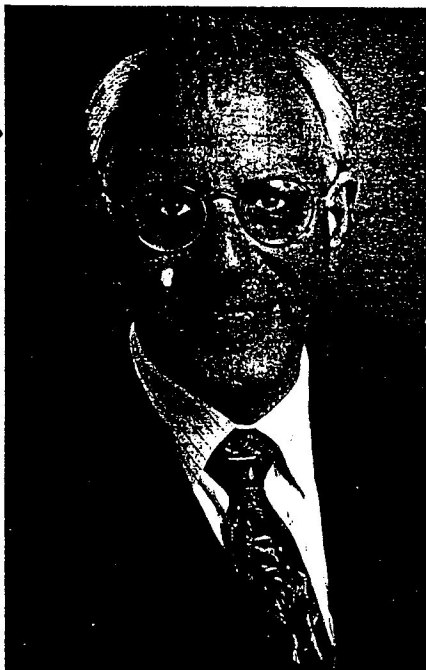
However, we feel that the current case cannot be concluded satisfactorily except by allowing it to go all the way to court. We are vigorously defending the writ Mr Donovan has issued about SMART, and counterclaiming against him for failing to honour his previous agreement. We expect the case to go to court next year.

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[REDACTED]

Shell UK could ask the courts for an injunction to prevent Mr Donovan and his father from making any further unpleasant allegations.

But with Mr Donovan already alleging that we have taken all sorts of measures to try to keep him quiet, we know this could give him an opportu-



nity to try to present himself as a 'David' fighting a 'Goliath'.

In general, most companies like ours can see only too well that libel proceedings may attract far more publicity than the original allegations ever had or would be likely to have. An example is the recent "McLibel" case which tied up McDonald's for years. Any case we brought would not necessarily be the same, but it can be a major business diversion for no real gain to the company. And people don't always

remember who won.

One of our colleagues who has been smeared by Mr Donovan's assertions is [REDACTED], a [REDACTED]

[REDACTED] who has since moved on to another job with Shell. The hurtful allegations being made against Andrew in public leave him in a difficult position. Shell UK is satisfied that he has done nothing wrong, either in relation to this claim or any previous claims. We are confident that he has acted properly throughout.

Mr John Donovan is one of a number of people who from time to time have approached us to suggest marketing concepts. Generic concepts in marketing are often quite common and not original in themselves. The basic concept for the SMART scheme had already been around for some time before Mr Donovan approached us. Where a scheme actually developed may seem to have some resemblance to unsolicited material from third parties, allegations of this sort can be complicated to refute.

However, I am satisfied that the SMART scheme was developed entirely independently of Mr Donovan, and we believe this will become clear when the case goes to court.