

Minister of State for Defence Procurement

D/MIN/DGT/5/4

MINISTRY OF DEFENCE

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25 November 1986

Dear Mr Bonghton,

Thank you for your letter of 21st November which followed our meeting of 20th November at which Sir Ian Gilmour and General Vincent were also present. I should perhaps make it clear at the outset that there has certainly been no deliberate use of either your patents or other intellectual property by the Ministry of Defence in this project. Nor do I think there has been any inadvertent use. However, I recognise that you take a contrary view and I am anxious therefore that this matter should be fully investigated.

You agreed during the course of our conversation that there should be an early meeting of experts from your company and the Ministry of Defence to consider this matter further and I am now setting in hand arrangements for such a meeting. It would be helpful if you would let me know whom you would like to represent your company at this meeting. I can of course confirm, as I did at our meeting, that if it is established that we have indeed inadvertently adopted any of your intellectual property in the DROPS equipment which we shall in due course be acquiring, then we will certainly want to put the matter right.

As I indicated at our meeting I look forward to meeting you and Sir Ian Gilmour again as soon as we have the advice from our respective experts to hand.

As you know the DROPS competition is now in its final stage and we expect to be announcing the outcome before long. I am afraid therefore that I cannot agree either to halt the competition or to institute an independent Inquiry as you suggest, but may I assure you again that if there has been any inadvertent use of your intellectual property then we shall hasten to reach an amicable agreement with you. Your company has long been, and remains, a valued supplier to the Ministry of Defence and we are anxious to lift this shadow from our relationship at the earliest possible moment.

Jour sincery,

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Lord Trefgarne