## LITIGATION

"In order to protect themselves from smoking and health-related claims in litigation . . . they suppressed, concealed, and terminated scientific research; they destroyed documents including scientific reports and studies; and they repeatedly and intentionally improperly asserted the attorney-client and work product privileges over many thousands of documents (not just pages) to thwart disclosure . . . and to shield those documents from the harsh light of day."

UNITED STATES OF AMERICA

VENEZUE

—JUDGE GLADYS KESSLER, U.S. DISTRICT COURT, 2006

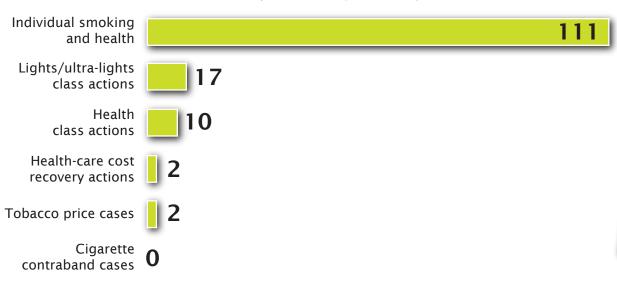
The modern era of tobacco litigation began with a personal injury lawsuit in the United States in 1954. For more than 40 years, the tobacco industry boasted it had not lost a single case, but this has changed. A seminal judgment in 1994 released into the public domain millions of pages of internal tobacco industry documents. These internal documents reveal that tobacco companies actively concealed their knowledge about the harmfulness of smoking and intentionally deceived governments, the media, and their clients—smokers—about the extent of death and disease caused by their products.

Litigation puts the industry on the political defensive, forces tobacco companies to the bargaining table, and results in large settlements, with the industry paying U.S. states billions of dollars per year. A landmark case was decided on August 17, 2006, when U.S. District Court Judge Gladys Kessler ruled that tobacco company defendants violated the Racketeer Influenced Corrupt Organizations (RICO) Act.

Lawsuits against the tobacco industry were spearheaded in the U.S. judicial system, but tobacco litigation is clearly increasing around the world. The World Health Organization encourages litigation for the purpose of tobacco control, advocating that individuals and governments consider taking legal action, where necessary, to address criminal activity, product liability, health-care cost recovery, and other civil torts. Increasing numbers and types of lawsuits are being pressed against tobacco companies in Brazil, Canada, Israel, Italy, Nigeria, Poland, Turkey, and elsewhere.

## A RANGE OF LAWSUITS

Types of cases pending against Philip Morris, Philip Morris International, and affiliates (as of February 2008, U.S.)



"There is also a risk that, regardless of the outcome of the litigation, negative publicity from the litigation and other factors might make smoking less acceptable to the public, enhance public restrictions on smoking, induce many similar lawsuits against JT and its subsidiaries, forcing them to deal with and bear the costs of such lawsuits, and so on."

