

REGISTERED DESIGNS ACT 1949

IN THE MATTER OF

applications under section 11(2)

by Golden Edge Enterprises

for the cancellation of

Design Registrations Nos 2042653 and 2052008

in the name of Chitlink Electronic International Limited

PROCEDURAL DECISION

1. At a hearing in these proceedings held on 17 April 2000, I gave reasoned oral decisions on a number of preliminary matters, in particular on the admissibility of fresh evidence, the attendance and cross-examination of witnesses, and security for costs. On the morning of the hearing, it had been suggested by Mr Hamer, who appeared as Counsel for Chitlink Electronic International Limited (“Chitlink”), that it might be expedient if the present proceedings were stayed pending the resolution of parallel proceedings in Hong Kong. Unsurprisingly, at such short notice Mr Campbell, appearing as Counsel for Golden Edge Enterprises (“GE”), was without instructions on this point. I therefore allowed Mr Campbell until noon on 19 April to obtain instructions and to put GE’s position in writing to me; I also invited Mr Hamer by the same deadline and manner to indicate the likely timetable for completion of the Hong Kong proceedings. I also allowed both sides until 5pm on 19 April to comment once on the other side’s letter, after which time I would consider their submissions and determine the matter of the stay. This decision deals solely with that matter.

2. I have carefully considered the submissions made in two letters of 19 April from Marks & Clerk, agents for Chitlink, and one of the same date from Eric Potter Clarkson, agents for GE. I have also considered submissions on the point made at the hearing.

3. The chief argument in favour of a stay, it seems to me, is that significant procedural difficulties in the present proceedings could be avoided. In his skeleton argument Mr Hamer,

rightly in my view, points out difficulties that will arise from the cross-examination of the witnesses. For example, the demeanour, manner and tone of the Chinese witnesses may be unfamiliar to the Hearing Officer, and may therefore may present greater than usual challenges in assessing their probity and credibility. Also, since the cross-examination will need to be conducted through an interpreter, there may be difficulties in ensuring that the intended questions are precisely asked of and understood by the witnesses, and that their answers are accurately reflected in translation. Since a serious conflict of evidence lies at the heart of the determination of the substantive dispute, these difficulties are not ones which I underestimate. That some of the cross-examination will be by video link seems to me slightly less of a concern as the evidence of the witnesses being examined in that way is of less central importance. Nonetheless, it is clear that cross-examination of the witnesses, all of whom are Chinese, is likely to be more effective if conducted by Counsel and before a court both of which are familiar with the Chinese demeanour and understand Cantonese. A further argument in favour of a stay is that substantial travelling costs involved in bringing witnesses to the United Kingdom might be avoided. Other costs tied up with the holding of the hearing might also be saved.

4. The arguments against a stay are several. First, it is not absolutely clear to me that determination of the Hong Kong proceedings would eliminate the need for proceedings here. Although Mr Hamer asserted that it would, that point has not been settled and is contested in correspondence by GE. Secondly, it is not clear when the Hong Kong proceedings will be completed. Chitlink's agents mention that they have been held up by interlocutory proceedings. They also say that an application for discovery has been made, something which I would expect to delay the proceedings further. They also suggest that the trial date for the Hong Kong proceedings will be some twelve to fifteen months from now. GE also point to the possibility of resultant appeals prolonging the time to a final conclusion. Thirdly, there is also an argument that costs already incurred in the present proceedings will not be wasted, and further costs in Hong Kong incurred, if the hearing here goes ahead as planned.

5. While I recognise the advantages in having the examination of the Chinese witnesses conducted in the Hong Kong proceedings, I am not persuaded they outweigh the disadvantages of a stay. It is not clear to me that the UK proceedings would be rendered entirely otiose by the

determination of the Hong Kong action. On the other hand, it is entirely clear to me that to stay the present proceedings now would incur substantial delay. These proceedings are wholly ready for hearing on 3, 4 and 5 May and to set that aside would not be expeditious given the uncertain but probably lengthy timetable for the Hong Kong proceedings. The matter of costs is also an important one, but I am not persuaded that the balance of that argument is such as to favour a stay.

6. I therefore refuse to stay these proceedings and order that the appointed hearing should proceed. In doing so, I am very much mindful of the overriding objective of part 1.1 of the Civil Procedure Rules 1998 and believe that I am acting consistently with it.

7. This being a decision on a matter of procedure, any appeal shall be filed within fourteen days of today.

Dated this 20th day of April 2000

S N DENNEHEY

Divisional Director, for the registrar

THE PATENT OFFICE