

# THESIS

## LEGAL REVIEW OF THE FIRST TO FILE PRINCIPLE IN MARK REGISTRATION IN INDONESIA



Prepared and submitted by

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**BACHELOR OF LAW STUDY PROGRAM**  
**FACULTY OF LAW HASANUDDIN UNIVERSITY**  
**MAKASSAR**  
**2024**



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## **TITLE PAGE**

# **LEGAL REVIEW OF THE FIRST TO FILE PRINCIPLE IN MARK REGISTRATION IN INDONESIA**

Submitted as one of the requirements for achieving a Bachelor's Degree in the  
Bachelor of Legal Sciences Study Program

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THESIS APPROVAL

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Drafted and submitted by:  
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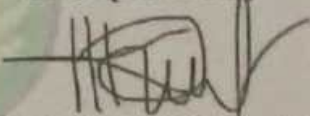
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## STATEMENT OF AUTHENTICITY

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I hereby declare that the thesis entitled "**LEGAL REVIEW OF THE FIRST TO FILE PRINCIPLE IN MARK REGISTRATION IN INDONESIA**" is genuinely my own work. Anything that is not my own work in this thesis is appropriately cited and indicated in the bibliography.

If in the future it is proven that my statement is untrue, I am willing to accept sanctions in accordance with the regulations of the Minister of National Education of the Republic of Indonesia Number 17 of 2010 and the applicable laws and regulations.

Makassar, .....



NATAKUSUMA ESSAU

NIM. B011191401



## PREFACE

All praises and gratitude I offer to the Almighty God for His endless blessings and guidance, which enabled me to complete this thesis. The thesis titled: “Legal Review Of The First To File Principle In Trademark Registration In Indonesia” is one of the requirements to complete the Bachelor's Degree in Law at Hasanuddin University, Makassar.

I have poured my heart and soul into completing this final task. However, I'm fully aware that perfection belongs only to the Almighty. Being His creation, I have many limitations. Thus, I always welcome constructive feedback to improve this work in the future.

I acknowledge that this thesis would have been impossible to complete without the help, encouragement, and guidance from many individuals. I would like to express my gratitude and pray that the Almighty God rewards them abundantly for their support and guidance.

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May God bless all your good deeds. As the saying goes, "No ivory that isn't cracked; no human is without fault." Constructive criticism is always welcomed for the improvement of this thesis. I hope that this work will benefit all readers and serve a purpose for many in the future.

Makassar, 30 Oktober 2023

Natakusuma Essau



## ABSTRACT

**NATAKUSUMA ESSAU (B011191401). “*Legal Review of The First to File Principle in Trademark Registration in Indonesia.*”** Supervised by **Oky Deviany** and **Andi Kurniawati**.

This research aims to analyze the application of the first to file principle in trademark registration in Indonesia and also to examine the judges' considerations in deciding trademark disputes in Indonesian courts.

This study is a normative legal research that involves primary legal materials and secondary legal materials. The approaches used are statutory approach, conceptual approach, case approach, and comparative approach. Documentation technique is utilized to collect legal materials, which are then analyzed qualitatively.

The research findings indicate that (1) The constitutive system (First to File) provides more legal certainty in identifying the main owner of a trademark who should be protected; (2) The First to File principle in the concept of trademark registration in Indonesia is not absolute, meaning a trademark can be revoked as long as it is proven to violate the prevailing regulations and is registered based on bad faith.

Keywords: First to File Principle, Trademark Registration, Well-known Trademark.



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# CHAPTER I

## INTRODUCTION

### A. Background of the Problem

The development of the economy is currently taking place rapidly, especially with regards to technological advances. Goods and services that are offered to the wider community are increasingly varied, both domestically and abroad. This causes countries to establish special trade relations that will complement their needs. These advances in technology will make it easier to transact and communicate between countries as the goal.

Issues regarding to intellectual property rights, especially in the field of trademark rights, will increasingly develop over time following the development of science, art, and literature. In the business world, producers provide a separate sign so that the goods and services they produce are different from other producers. Such a thing is usually referred to as a brand that is used to distinguish a product from other products, including goods or services.

Trademark is one part of the form of intellectual work which has an important role for the smooth running and improvement of trade and investment. In the global development and free trade that several countries are beginning to face, the role and function of a well-established brand is very important in fostering and realizing honest, fair, and healthy trade competition.



With a trademark, similar products or services can be distinguished based on their origin, quality, and assurance that the product is original (authentic).<sup>1</sup>

Trademark play an important role in the goods and services industry because they are not only used to identify a good product, but also serve as a business strategy tool that helps companies win the current highly competitive market. With the existence of a trademark, it becomes easier for entrepreneurs to make their products known to a wider audience. Once a brand is recognized by the wider community, it becomes easier to increase the product's reputation.<sup>2</sup>

The relationship of rights arising from intellectual property rights, especially the rights to the trademark of a product will be very important, namely in terms of legal protection, therefore establishing and developing a product or service brand is carried out with great difficulty, bearing in mind that it also takes a long time and expensive costs to promote the brand to be known and gain a place in the market. Legal protection through trademark registration is a crucial avenue to fortify a robust commercial system in the development of a product or service brand.<sup>3</sup>



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<sup>1</sup>..., 2006, *Aspek Hukum Hak Kekayaan Intelektual (Intellectual Property Rights)*, PT Raja  
sada, Jakarta, p. 329  
<sup>2</sup>athania, "Analisis Konsepsi Asas First To File Dalam Pembatalan Merek Terdaftar". *Jurnal*  
gama, Volume 3 Nomor 2 Tahun 2020, p. 2  
<sup>3</sup>ani, 2010, *Prosedur Mengurus HAKI yang Benar*, Penerbit Pustaka Yustisia, Yogyakarta, p.



In Indonesia, the Trademark Law has been amended for four times, with the most recent amendment being the Trademark Law Number 20 of 2016 concerning Trademarks and Geographical Indications. According to Law Number 20 of 2016, in order to obtain trademark rights, a mark must be registered with the Directorate of Trademarks of the Ministry of Law and Human Rights of the Republic of Indonesia under the constitutive system. This means that to obtain legal protection for trademark rights, the mark must be registered by the owner with the Directorate of Marks, and after being officially registered in the owner's name, a mark certificate will be issued.

The protection of trademark is essentially part of legal protection against unfair competition, which is an unlawful act in the field of trade.<sup>4</sup> However, to protect a brand from unfair competition, the mark must be registered with the Directorate General of Intellectual Property. After registration, the new brand owner will be recognized for their ownership of the brand. To fulfill the registration requirements, a mark must have distinguishing features from other brands. In order to have this distinguishing power, a mark must be able to provide determination on the goods or services in question, so that it can be requested for protection from the Directorate General of Intellectual Property to use the mark itself.



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rgono, 2015, *Hukum Hak Kekayaan Intelektual (HKI)*, Penerbit Pustaka Reka Cipta, Bandung,

Regarding to the trademark registration, there are two types of registration systems: the constitutive system and the declarative system. The constitutive system involves obtaining rights to a mark by registering the mark at the registration office and is entitled to legal protection because the mark has been registered beforehand with the office of the Directorate General of Intellectual Property. The declarative system involves obtaining rights to the mark through the earliest use of the related mark or creating the right to the mark due to the earliest user of a mark, even though it was not registered. It is felt that this declarative system does not provide legal certainty compared to the constitutive system, which originates from the earliest registration and provides more legal protection.<sup>5</sup>

Trademark registration in Indonesia follows a constitutive system, where the right to a mark arises only when it has been registered. This means that the first person to register a mark obtains the rights to that mark, known as the "first-to-file" system. Registration is an absolute requirement to obtain rights to a mark. Legal protection for brands is only available for registered marks, which grants exclusive rights to the brand owner.

However, in practice, Indonesia's first-to-file registration system has weaknesses. It accepts anyone who registers their mark first, regardless of

it is being used for business or just for registration purposes. This



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Sri Hadiaranti, "Hak Kekayaan Intelektual: Merek dan Merek Terkenal". Jurnal Unika Atma Mei-Agustus 2009, p. 5

creates opportunities for bad-faith registrars who register but do not use the mark. They do this so that the original owner of the mark must purchase the mark registered by the first registrant. This is true even if the original owner is a well-known trademark registered in many countries.

Trademark disputes are often triggered by trademark imitation. If the trademark being imitated is not well-known, it may not cause problems. The problem arises when the trademark being imitated is considered well-known. The rights owner of a well-known trademark may feel disadvantaged if the trademark is copied by someone with bad intentions. Parties with bad intentions often use well-known trademark to impersonate them. Imitation of well-known trademark can occur for similar or dissimilar goods. Therefore, protecting a trademark is crucial because it is a company asset. It is not surprising that many companies defend their brand by taking legal action if there is a violation.<sup>6</sup>

In principle, trademark infringement occurs when another party imitates or uses a registered mark without the permission of the brand owner and the mark being copied or used is not registered with the Directorate General of Intellectual Property. The mark used by the violator must have similarities in principle or in its entirety with the registered mark. As previously mentioned,

being imitated or used is not registered, so the offender does not



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putra, 2009, *Menggali Keadilan Hukum (Analisis Politik Hukum & Hak Kekayaan*  
PT. Alumni Bandung, Bandung, p. 2

have the right to use the mark. If the mark is registered, then the dispute is not related to trademark infringement but rather to a dispute over the cancellation of the mark registration, which must be annulled by following the procedure for canceling its registration with a court decision.<sup>7</sup>

According to Article 76 of Law Number 20 of 2016 concerning Trademarks and Geographical Indications, one of the reasons for filing an application for cancellation of trademark registration is when the owner of a well-known registered mark files a lawsuit for trademark cancellation. This can only be done within 5 (five) years from the date of trademark registration. If a registered trademark is found to have similarities with a mark that has already been registered, this can be the basis of bad faith.

Cancellation of trademark registration is carried out by the Directorate General by crossing out the trademark concerned from the General Register of Marks and noting the reason and date of the cancellation. The trademark owner or their proxies must be notified in writing of the cancellation, stating the reasons for the cancellation and confirming that the relevant trademark Certificate shall be declared no longer valid. The deregistration of a trademark from the General Register of Marks shall be announced in the Official Mark Gazette. Cancellation and deletion of trademark registration result in the end

protection for the trademark in question.

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ita Dewi, 2019, *Penyelesaian Sengketa Pelanggaran Merek*, Deepublish, Yogyakarta, p. 94



In cases like this, the interpretation and views of the judge in adjudicating and deciding cases greatly affect the fate of a brand in trouble. It is undeniable that there are often different interpretations from the Panel of Judges on a mark. Thus, problems arise and various interpretations of the first-to-file system in Indonesia. It is not uncommon for legal conflicts to occur between first-to-file and well-known trademark.

Based on several data collected by the author, there were some differences in interpretation and opinions among the Panel of Judges in deciding cases. From the data collected, there was inconsistency between the judges' considerations and the first to file principle, which serves as the reference for trademark registration in Indonesia. From the results, it was found that there were several judges who considered the first to use principle in deciding famous trademark dispute cases, and there were also not a few who applied the first to file principle while taking into account other considerations in deciding trademark disputes in Indonesia.

**Table 1.1 Comparison of the judge's decision in favor of the first to file principle in the last five years**

| Year | No. Case                               | Trademark | First to Use | First to File |
|------|--|-----------|--------------|---------------|
|      | 167 PK/Pdt.Sus-HKI/2018                | KEEN      |              | ✓             |
|      | 6/Pdt.Sus/Merek/2018/PN.Niaga.Jkt.Pst. | MONSTER   | ✓            |               |
|      | 438 K/Pdt.Sus-HKI/2018                 | LEXUS     | ✓            |               |



|      |   |                      |   |   |
|------|---|----------------------|---|---|
| 2019 | 3/Pdt.Sus-Merek/2019/PN. Niaga.Jkt.Pst. | ALSTYLE              |   | ✓ |
| 2019 | 999 K/Pdt.Sus-HKI/2019                  | ALSTYLE              | ✓ |   |
| 2019 | 868 K/Pdt.Sus-HKI/2019                  | HUGO BOSS            | ✓ |   |
| 2020 | 42/Pdt.Sus-Merek/2020/ PN.Niaga.Jkt.Pst | TIMBERLAKE           |   | ✓ |
| 2020 | 576 K/PDT.Sus-HKI/2020                  | I AM GEPREK<br>BENSU |   | ✓ |
| 2021 | 20 PK/Pdt.Sus-HKI/2021                  | EIGER                |   | ✓ |

Source: Judgment Directory 2018-2023

As shown in the table above, there is data from the last five years regarding trademark registration disputes in Indonesia. In these trademark registration disputes, the judges' decisions varied, particularly concerning the application of the first-to-file principle.

In the case of the ALSTYLE brand and the MONSTER brand, different interpretations and views of the judges emerged in trying and deciding the case. In that case, the judge favored the original owner of the trademark against the first registrant by considering the good faith of the first registrant.

The MONSTER trademark case began when the Plaintiff wanted to register the brand in Indonesia. However, after undergoing a series of examinations in an application for registration of the mark, the Plaintiff found that the mark had been registered by another person in Indonesia. The Plaintiff has been using the Monster brand since 1992, which was first marketed in the United States. The Plaintiff's trademark can be categorized as

own brand. Therefore, the Plaintiff objected and filed a lawsuit with Commercial Court.



After going through a series of examination processes at the Commercial Court, the judge then decided on several legal considerations where the results of the Court's decision favored the Plaintiff as the original owner of the mark, and the Defendant who was the first registrant of the mark lost in this lawsuit.

A similar thing happened in ALSTYLE brand case where the Plaintiff wanted to register their trademark in Indonesia. However, it turned out that the mark had been registered by someone else. The plaintiff who objected and filed a lawsuit was then won by the judge, and the Defendant who was the first registrant of the mark was declared to have lost the lawsuit.

In general, countries with a Civil Law legal system, including Indonesia, adhere to a first-to-file system in granting rights to a mark. Based on the first-to-file system, trademark owners must register their trademarks with the Directorate General of Intellectual Property to obtain exclusive rights and protection for their marks. However, in reality, the judge may decide to provide legal protection to the original owner of the mark, who in this case was the Plaintiff, and impose a penalty on the first registrant of the mark, who in this case was the Defendant. This shows that the application of the first-to-file principle has not been fully implemented in Indonesia. It also makes the

ant to examine more deeply the first-to-file principle.



## **B. Formulation of the Problem**

Based on the description on this background, the researcher formulates the problem as follows:

1. Is the first to file principle absolutely applicable for trademark registration in Indonesia?
2. Is the judge's consideration in accordance with the principle of first to file in deciding cases in Indonesia?

## **C. Research Purposes**

The objectives to be achieved in this research are as follows:

1. To analyze the application of the first to file principle in trademark registration in Indonesia.
2. To analyze the considerations of judges in deciding cases of trademark disputes in courts in Indonesia.

## **D. Benefits of Research**

### 1. Theoretical Benefits

It is hoped that this will provide benefits for the development and progress of law science in general and in particular for Intellectual Property Rights, in this case, Trademark Rights. It is hoped that this research can provide additional new references for academics and researchers from

and groups from the same field of study.





## 2. Practical Benefits

It is hoped that this research can be used as input and useful information for all related parties such as brand owners, students, legal practitioners, the Directorate General of Intellectual Property, as well as a new reading source for legal observers of Intellectual Property Rights, especially Trademark Rights.

### **E. Research Authenticity**

To avoid plagiarism, the author presents two thesis that share similarities with the current study as a means of comparison. By referring to these thesis, the author can analyze and highlight the distinguishing aspects of their own research while acknowledging the existing literature in the field.

The first thesis, titled "Legal Review Of Registered Mark Deletion By The Directorate General Of Intellectual Property (Decision Of The Supreme Court Number 576 K/PDT.SUS-HKI/2020)," was authored by Andi Nanda Jehan Fatihah M and published by the Law Studies department at Hasanuddin University in 2022. The primary focus of this research is to examine the process of eliminating registered marks by the Directorate General of Intellectual Property. In contrast, the author's paper discusses the application of the first-to-file principle in trademark registration in Indonesia.

and comparative thesis is titled "Application of the principle of first to the concept of trademark registration in Indonesia." It is authored by Alexander and is set to be published by the master's study program at



the Faculty of Law, University of Indonesia in 2022. The main objective of this research study is to delve into the legal implications of acts of bad faith within the context of trademark registration in Indonesia. In comparison, the author's paper focuses more on discussing the considerations made by judges when applying the first-to-file principle in deciding various cases of mark registration in Indonesia.



## CHAPTER II

### Literature Review

#### A. Overview of Intellectual Property Rights

##### 1. General Definition of Intellectual Property Rights

History shows that the right to control land and goods by an individual has been recognized and protected by governments to safeguard their interests and wealth, from ancient societies to the present day. As technology has advanced, the concept of wealth has also evolved. In today's legal system, wealth is generally divided into three categories. First, most people recognize private ownership rights in personal wealth, which are tangible things. Second, wealth in the form of real property, such as land and buildings. And third, assets known as intellectual property. With respect to intellectual property, all countries recognize property rights in the form of product ideas, such as copyrights, patents, trademarks and trade secrets, layout designs of integrated circuits, and plant varieties.<sup>8</sup>

The concept of Intellectual Property is based on the idea that intellectual works are produced by humans, which require a sacrifice of effort, time, and money. These sacrifices give economic value to the work produced due to the benefits enjoyed. Therefore, this concept encourages the need for

protection of Intellectual Property as a means of appreciation. Intellectual

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<sup>8</sup> Botckis, 1994, *International Law for Bisnis*, McGraw-Hill, New York, p.304



Property can be described as wealth that arises from human intellectual abilities.<sup>9</sup> Intellectual Property is categorized as property rights which ultimately produce intellectual works in the form of knowledge, art, literature, technology.

Intellectual Property Rights are intangible human assets that play a significant role in advancing human civilization. Therefore, the state provides protection for these rights to stimulate the interests of creators, inventors, designers, and innovators, so that they can be more enthusiastic about producing new intellectual works for the betterment of society.<sup>10</sup> The scope of intellectual property in Indonesia includes patents, trademarks, copyrights, industrial designs, geographical indications, trade secrets, and layout designs of integrated circuits.

According to David Bainbridge, Intellectual Property refers to "that area of law which deals with legal rights associated with creative efforts or commercial reputation and goodwill."<sup>11</sup> David Bainbridge's conception of Intellectual Property seems to be closely aligned with the legal approach. This is logical because the examination of the issue of Intellectual Property ultimately leads to legal concepts, especially with regard to efforts to protect



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Kesowo, Makalah: "Pengantar Umum mengenai KI di Indonesia", Pelatihan teknis Yustisial dan Pengetahuan Hukum bagi Wakil Ketua Hakim Tinggi se-Indonesia, Semarang, 20-24 Juni 2010, p. 5.  
Sriwijaya, 2010, *Prosedur Mengurus HAKI yang Benar*, Penerbit Pustaka Yustisia, Yogyakarta, p. 3.  
Bainbridge, 1999, *Intellectual Property*, Financial Times Pitman Publishing, England, p.3

intellectual works. However, there are other opinions that suggest Intellectual Property is recognition and appreciation granted to a person or legal entity for the discovery or creation of their intellectual work by granting them special rights, both socially and economically.<sup>12</sup>

The Directorate General of Intellectual Property Rights, which operates under the Ministry of Justice and Human Rights of the Republic of Indonesia, is an institution with the authority to manage Intellectual Property Rights (IPR) in Indonesia. Additionally, a Directorate of Information Technology has been established under the Directorate General of Intellectual Property Rights specifically to manage IPR information.

From an Intellectual Property perspective, the development of regulations goes hand in hand with an attitude of appreciation, respect, and protection. Such an approach not only provides a sense of security but also creates a conducive climate for increasing enthusiasm to produce better and more beautiful works. The development of Intellectual Property is manifested in the need for legal protection, which is based on the recognition of intellectual property rights and the right to commercialize or enjoy the property for oneself. During a certain period, other people can only use or exploit these rights with the permission of the right owner. Intellectual Property Rights are

related to someone's ownership of their intellectual work. Therefore,

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leh,1990, *Hukum dan Ekonomi*, Gramedia Pustaka Utama, Jakarta, p. 45



the protection and recognition of these rights are only given specifically to the rightful owners, making them exclusive in nature.

The Intellectual Property System is a private right. It is a recognition given by the state to individuals who have worked or created something unique, with the aim of stimulating others to further develop their creations. It is hoped that this development can be documented to prevent others from claiming the rights to it. With this development, even higher added value can be given.<sup>13</sup>

The right to Intellectual Property contains a myriad of meanings, which have been defined by various scholars and experts in the field. Some of these definitions are as follows <sup>14</sup>:

a. Muhammad Djumhana and R. Djubaedillah

Intellectual Property Rights are rights that originate from the results of creative activities, an ability of human thought in the fields of technology, science and art and literature which are expressed to the general public in various forms, which have benefits and are useful in supporting human life, also having economic law.

b. Agus Sardjono

Intellectual Property Rights are rights arising from human intellectual activity in the fields of industry, science, literature and art.



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ons,2017 "IMPLEMENTASI HAK KEKAYAAN INTELEKTUAL DALAM PERSPEKTIF NEGARA  
rnal Legislasi Indonesia, Vol. 14 No. 03 Tahun 2017, p. 305  
, 2004, *Aspek Hukum Kekayaan Intelektual*, PT. Radjawali Grafindo, Jakarta, p. 24.

c. Achmad Ramli

Intellectual Property Rights are rights that arise as a result of human creative actions that produce innovative works that can be applied in human life.

## **2. Implementation of Intellectual Property Protection Process**

Intellectual Property Rights, also known as IPR, refer to the outcome of human intellect that results in useful products or processes. According to the World Intellectual Property Organization (WIPO), intellectual property is defined as "creations of the mind." Article 27 (2) of the Universal Declaration of Human Rights in 1948 further states that "Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author." In essence, Intellectual Property laws safeguard the intellectual works produced by creators, designers, or investors from unauthorized exploitation, protect trademarks that signify the reputation or quality of a product or service, secure information that is deemed business or commercial, and safeguard literary, artistic, scientific, and inventive works that are born out of human intellect. In the end it can be concluded that Intellectual Property is the right to enjoy economically the results of an intellectual creativity.



Intellectual Property protection, which is currently on the rise, is more towards developed countries, which tend to prioritize individual over societal welfare. However, the people of developing countries

have a more community-oriented approach to IP protection, with a greater emphasis on societal benefit. The objective of protecting Intellectual Property is to promote innovation and the emergence of new ideas and to foster an environment that is conducive to materializing these ideas. By offering protection, creators and inventors receive financial compensation while the public benefits from and advances the creations born out of these intellectual pursuits.<sup>15</sup>

Implementation, as mentioned above, can be seen from the aspect of legislation. This aspect prioritizes the implementation of statutory regulations carried out by agencies that are given the authority and duties. The Director General of Intellectual Property is responsible for implementing it for the community, which includes citizens and businessmen involved in the field of Intellectual Property, ordinary people who only market Intellectual Property to meet their daily needs, and government officials. The aim is to ensure that the stipulated regulations are known, understood, and implemented. This is related to the legal fiction that "everyone is considered to know the law". However, this legal fiction, in practice, does not correspond to the existing reality. Indonesian society is multi-ethnic in nature, where religion has a strong influence on the practice of social life. In addition, some people are still far

reach of information, including legal information. Without the

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ons, "IMPLEMENTASI HAK KEKAYAAN INTELEKTUAL DALAM PERSPEKTIF NEGARA HUKUM"  
lasi Indonesia, Vol. 14 No. 03 Tahun 2017, p. 306





implementation or dissemination of a law and regulation to the public, it is possible that a law and regulation will only be known by the sectoral institutional environment that initiated it, while other sectors will never know.

Apart from the legislative aspect, implementation can also be seen from other aspects, including those concerning organization or administration, cooperation, and law enforcement (non-legislation). The organization or administration, as stated above, helps the public to provide protection for their Intellectual Property. It helps the public to carry out registration in accordance with the registration system that has been stipulated both in its own laws and those regulated in government regulations.

At the level of cooperation, not only is the Director General of Intellectual Property of the Ministry of Law and Human Rights of the Republic of Indonesia responsible for providing implementation to the public about the importance of Intellectual Property in people's economic growth, but local governments such as the Trade and Industry Service and the MSME Service must also participate in providing legal awareness to the public so that they want to protect Intellectual Property in the region. It also involves law enforcement itself, in this case, the PPNS who oversees the field of Intellectual Property, and the National Police as the Supervisory Committee

carry out the mandate of the law to protect Intellectual Property so that all parties do not take it. Conversely, our society also should not take



Intellectual Property belonging to outsiders, which is often done by pirating and then commercializing it.

The fundamental problem of implementation is not only knowing and understanding but also building public awareness to register so that they can protect their Intellectual Property, which then becomes their full rights over their Intellectual Property. Efforts to build public awareness are positive steps in which legal arrangements, legal formation, and legal effectiveness actually work according to their functions in society.

At the same time the legal protection of intellectual property is also a legal system which consists of elements <sup>16</sup>:

- a. The subject of protection is the owner or rights holder, law enforcement officials, registration officials and law breakers
- b. Objects of protection law are all types of intellectual property regulated by law (Copyright, Trademark and Geographical Indications, Patents, Industrial Designs, Trade Secrets, Layout of Integrated Circuits and Protection of Plant Variety
- c. Legal acts of protection, namely protected intellectual property only that has been registered and proven by a registration certificate, unless the law regulates otherwise.



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ng Taufik, "Sistem Hukum Perlindungan Kekayaan Intelektual Dalam Rangka Meningkatkan an Masyarakat (Law System Of Intellectual Property Protection In)" Jurnal De Jure, Vol. 17 ni 2017, p. 201

- d. The period of protection, namely the existence of a period of protection for each intellectual property
- e. Protection law measures, namely if it is proven that there has been an intellectual property violation, the violator must be punished, both criminally and civilly or administratively.

### 3. Legal Sources of Intellectual Property Rights

#### a. Sources of International Law <sup>17</sup>:

- 1) TRIPs (The Agreement on Trade Related Aspects of Intellectual Property Rights),
- 2) Treaty on Intellectual Property in Respect of Intergrated Circuits,
- 3) UNCTC, Transnational Corporation and Technology Transfer: Effect and Policy Issues, New York, 1987,
- 4) WIPO Licencing Guide for Developing Countries, Geneva, 1977.

In accordance with changes to various laws relating to intellectual property, Indonesia has also ratified 5 international conventions in the field of intellectual property rights:<sup>18</sup>

- 1. Paris Convention for the Protection of Industrial Property and Convention Establishing the World Intellectual Property Organization (Keputusan Presiden Nomor 15 Tahun 1997 tentang Perubahan atas

Keputusan Presiden Nomor 24 Tahun 1979),

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ardhani, 2020, *Hukum Hak atas Kekayaan Intelektual*, Kencana, Jakarta, p. 13  
ardhani, Loc. cit



2. Patent Cooperation Treaty (PCT) and Regulation under the PCT (Keputusan Presiden Nomor 16 Tahun 1997),
3. Trademark Law Treaty (Keputusan Presiden Nomor 17 Tahun 1997),
4. Berne Convention for the Protection of Literary and Artistic Works (Keputusan Presiden Nomor 18 Tahun 1997),
5. WIPO Copyright Treaty (Keputusan Presiden Nomor 19 Tahun 1997).

b. Sources of National Law:

1. Law Number 29 of 2000 concerning Plant Variety Protection,
2. Law No. 30 of 2000 concerning Trade Secrets,
3. Law Number 31 of 2000 concerning Industrial Design,
4. Law Number 32 of 2000 concerning Layout Design of Integrated Circuits,
5. Law Number 28 of 2014 concerning Copyright,
6. Law Number 13 of 2016 concerning Patents,
7. Law Number 20 of 2016 concerning Marks and Geographical Indications.

## **B. General Review of Trademark**

### **1. Definition of Trademark**

The definition of a brand according to David A. Aaker is a distinguishing word or symbol (such as a logo, stamp or packaging) with the intention of identifying the goods or services of a seller or a particular group of sellers. A brand distinguishes it from goods and services produced by



competitors. Meanwhile, according to William J. Stanton, a brand is a name, term, symbol or special design or some combination of these elements designed to identify the goods or services offered by the seller.<sup>19</sup>

Based on the definition of a mark according to the Trademark and Geographical Indications Law, in Article 1 paragraph (1), mentions a brand, namely: "A mark is a sign that can be displayed graphically in the form of an image, logo, name, word, letter, number, color arrangement, in the form of a (two) dimensions and/or 3 (three) dimensions, sound, hologram, or a combination of 2 (two) or more of these elements to differentiate goods and/or services produced by persons or legal entities in the activity of trading goods and/or services."

Meanwhile, the explanation of Trademark Rights based on the new law on Trademarks in Article 1 paragraph (5) of Law Number 20 of 2016 on Trademarks and Geographical Indications, namely: "Brand rights are exclusive rights granted by the state to registered Mark owners. for a certain period of time by using the Mark himself or giving permission to other parties to use it."

Based on the explanation of Trademark Rights above, trademark rights are created due to registration and not due to the first use. It is clear here that

titutive system is used because it creates more legal certainty. So,

Yanto, "TINJAUAN YURIDIS UU NO. 15 TAHUN 2001 TENTANG MEREK", Jurnal Hukum Vol.



this right is an exclusive right meaning that other people cannot use the same brand. So that the trademark that has been registered will get legal protection for the person or business entity that registered it.

Trademark rights are exclusive rights granted by the state to trademark owners who are registered in the General Register of Trademarks for a certain period of time. Then the brand owner uses the mark himself or gives permission to a person or several people jointly or a legal entity to use it.

Thus, if a person or an entity has registered a mark, other parties may no longer register with the same mark. If you also want to register or want to use the same mark, the other party must first ask permission from the owner of the first mark.

This is in accordance with the trademark legal system adopted by Indonesia, namely first to file. That is, whoever first registers or obtains a trademark certificate, he is entitled to the mark. Other parties are not allowed to register a mark with the same name.<sup>20</sup>

Marks are part of Intellectual Property Rights that are protected by law, including Law Number 20 of 2016 concerning the Fifth Amendment to Law Number 15 of 2001 concerning Marks. In general, according to the World Intellectual Property Organization (WIPO), a brand is defined as a mark that

nguish the goods or services of one company from those of other  
es.

ndandar,2009, *Mari Mengenal HaKI*, Penerbit Erlangga, Jakarta,p.18



Meanwhile, in international agreements, the term brand is defined in Article 15 paragraph (1) of the TRIPS Agreement, namely: "Any sign or combination of signs that can distinguish goods or services from one company to another company must be used as a mark. The said sign, especially words, including personal names, letters, figurative elements and color combinations as well as combinations of said signs, must meet the requirements for mark registration. If a sign is unable to distinguish the goods or services it relates to, member countries can register the mark based on the distinguishing power obtained through use. Member States may add as a condition of registration that the mark must be visually visible."

Marks have an important role for the smooth running and improvement of trade in goods or services in trade and investment activities. A brand with its brand image can meet consumer needs for a sign or distinguishing feature that is very important and is a guarantee of the quality of a product, because a brand is a kind of "first seller" for a product to consumers. In the current era of competition, it is no longer possible to limit the entry of products from abroad to the country, or vice versa, from within the country to abroad. Brand as a company asset will be able to generate large profits if utilized with due regard to business aspects and good management. With the increasing importance

of this mark, it is necessary to place legal protection on the mark, as an object to which the rights of individuals or legal entities are



A mark can be said to be a brand if it fulfills the absolute requirements in the form of having sufficient distinguishing power (capable of distinguishing). In other words, the signs used are able to distinguish goods or services produced by one company from other companies. To have this differentiating power, the brand must be able to provide determination or "individuality" to the goods or services in question.<sup>21</sup>

If we look at the definition of a mark according to the law above, we can see what elements must be met in determining something to be a brand. We can see this based on the contents of the article, namely signs or symbols, in the form of<sup>22</sup>:

1. Images, for example brands that use images of elephants, this can be seen in the Gajah Gajah brand sarong.
2. Name, a brand that uses a person's name for a perfume brand, for example Charlie, or Van Houten chocolate and others.
3. Words, Brands that use words, for example Family for cake brands.
4. Numbers, for example, the number 555 is used as a cigarette brand.
5. Letters, for example a collection of letters. ABC brand for various food and beverage products.



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iyah, "Perlindungan Hukum Terhadap Merek Terkenal", Jurnal De Jure Syariah dan Hukum, or 1, Juni 2011, p. 42  
Yanto, "TINJAUAN YURIDIS UU NO. 15 TAHUN 2001 TENTANG MEREK", Jurnal Hukum Vol.



6. Arrangement of colors, Arrangement of colors red, green, yellow, blue.  
For example, the rainbow colors used for colored pencil brands.
7. The combination of all of the numbers (one) - (six), for example on the Djie Sam Soe cigarette pack. There is a collection of words, the symbol of several stars, the number 234.

From some of the explanations above, it can be concluded that the function of the mark itself is as an identification to distinguish production products produced by a person or several people, both jointly and a legal entity with the production of a person or several people or even other legal entities. The brand function can also be used as a promotional tool to promote its products simply by mentioning the brand. The function of the brand itself can also be used as a guarantee for the quality and quality of the goods.

## 2. Type of Trademark

The types of marks are explained in Article 2 of Law Number 20 of 2016 Concerning Marks and Geographical Indications, that is, marks as regulated in this Law include trademarks and service marks. Article 1 number 2 explains that a trademark is a mark used on goods traded by a person or several persons jointly or a legal entity to differentiate goods of the same kind. Meanwhile, service marks are explained in Article 1 number 3, namely brands

services traded by a person or several people together or a legal entity that distinguishes similar services.



The Indonesian Mark Law also regulates collective marks in Article 1 point 4, namely marks of goods and/or services that have the same characteristics regarding the nature, general characteristics and quality of goods or services and their supervision which will be traded jointly by a person or several persons or legal entities to distinguish it from other similar goods.

### 3. Protection of Trademark

Protection of the mark is basically part of the legal protection against unfair competition which is an unlawful act in the field of trade. Broadly speaking, legal protection of marks is aimed at two interests, namely the interests of brand owners (manufacturers/traders) and the interests of consumers or the general public in general, where both interests are protected in a balanced and impartial manner. Overall, the interests to be protected by trademark law can be separated into the following four groups:<sup>23</sup>

1. The interests of the brand owner are not disturbed in their good relations with consumers, who have been fostered by them in the market through the use of a certain brand, as well as in reasonable expectations of obtaining regular customers in the future, all of which are guaranteed by the introduction of the public to the brand , which



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Argono,2011, *Hak Milik Industri: Pengaturan dan Praktik di Indonesia*, Ghalia Indonesia, -49.

shows that the owner of the mark is the producer of the goods in question.

2. The interests of producers or other competing traders, to be free to market their goods using public signs that can be used by anyone, and which should not be monopolized by anyone so as not to impair their freedom to sell their goods in fair and lawful competition.
3. The interests of consumers to be protected against practices that tend to create impressions that can mislead and deceive or confuse consumers.
4. The interests of society: trademark law serves the broader interests of society by promoting innovation, competition, and economic growth. By providing incentives for innovation and investment in brands, trademark law encourages the development of new and better goods and services, and contributes to the overall welfare of society.

The main problem in the field of brands is that there are many counterfeiting of brands without rights, especially for well-known brands, which are carried out deliberately by other parties with the aim of making a profit. Law is basically rules that are deliberately created by society in order to achieve an orderly, safe, peaceful and serene life. The law is used as a

mark as society must behave. A brand is an identifier that distinguishes one's property from another.



IPR protection can be carried out with two systems, namely the declarative protection system and the constitutive protection system. The explanation of the two systems is as follows <sup>24</sup>:

1. Declarative protection system

The declarative protection system is a system in which those who receive legal protection are the first users of the mark concerned. This declarative registration system is adhered to in Law Number 21 of 1961 concerning Company Marks and Commercial Marks. In other words, it is not registration that creates a right to a mark, but on the contrary, it is the first use in Indonesia that creates or gives rise to that right. The declarative registration system in Article 2 paragraph (1) of Law Number 21 of 1961 which states that the special right to use a mark is to differentiate the goods produced by a company or commercial goods of a person or an entity from the goods of another person or entity to anyone who for the first time uses said mark for this purpose in Indonesia.

2. Constitutive protection system

The system of constitutive protection, namely registration is a must in order to obtain rights to a mark. Without state registration will

not give rights to the mark to the brand owner. This means that without

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mara, Sri Wanly Rahayu, Sanusi Bintang, "STUDI KASUS PENERAPAN PRINSIP  
KAN FIRST TO FILE PADA PEMBATALAN MEREK CAP MAWAR", Syiah Kuala Law Journal, Vol.  
stus 2019, p. 192



registering a mark, a person will not be given legal protection by the state if his mark is copied by someone else. The constitutive protection system has been used in Indonesia since the enactment of Law Number 19 of 1992 concerning Marks. In this Constitutive system, legal protection is based on the first applicant who has good faith. This is also stated in Article 3 of the MIG Law which states that a trademark cannot be registered by an applicant who is not in good faith.

The change in the trademark protection system in Indonesia from a declarative system to a constitutive system is due to the fact that the constitutive system provides more legal certainty than the declarative system. The declarative system which is based on legal protection for those who first use the mark is deemed to lack legal certainty as well as causing problems and obstacles in the business world.

Taking into account the several decisions on trademark cancellation lawsuits, it can be said that the current system in Indonesia still allows parties who are not actually entitled to a trademark to still receive protection, and can even prosecute those who actually own the mark. This is due to the absence of firm and clear norms related to similarities in principle and criteria for well-known marks which can be used as a reference for judges in deciding dispute

the field of marks. So that there are still many cases of trademark that defeat registered trademark owners in Indonesia. The form of that was carried out also varied depending on the interpretation of



each judge who resolved it. There are many considerations made by the judge in each settlement of the problem because the types of lawsuits filed by the plaintiffs also vary widely.<sup>25</sup>

The scope of legal protection provided to brand owners includes:

1. Protect the use of brand exclusive rights, including:

- a. Using brand marks as logos, labels or images in correspondence, on goods or services, on packaging (packaging) in advertisements or promotions.
- b. Enjoy exclusively the manifestations born of the brand, including goodwill or well-known, high reputation, source of origin, cultural touch and a touch of familiarity.

2. Protect the exclusive right to use the mark as a means of exploitation to gain profits in trade, including:

- a. Marketing goods or services in national, regional and global trade; And
- b. Storing goods protected by brand rights, as long as they do not conflict with monopoly provisions and speculation to increase prices.

Indonesia, which has ratified international agreements on the protection of well-known brands, has made increased efforts to protect well-known brands, namely brands that are known and socialized by the public as high-

products. Protection of well-known brands in Indonesia has been  
since the enactment of Law Number 19 of 1992 concerning Marks,

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mara, Sri Wanly Rahayu, Sanusi Bintang, Loc. cit



however, the implementation of law enforcement has not been optimal, causing many well-known brands to have their rights violated.

Briefly, the procedure for filing a lawsuit is as follows:<sup>26</sup>

- a. It is done in writing and submitted to the chairperson of the Commercial Court where the defendant resides.
- b. Time limit for examination. The examination of famous trademark cases in the Commercial Court is faster. This is because the Trademark Law provides a time limit from the registration of the case process until the issuance of a decision on the famous trademark case. This is done to implement international trademark agreements that Indonesia participates in. These agreements recommend that disputes in the field of trademarks be resolved in a short time.
- c. No available appeal. Article 87 of the Trademark Law clearly states that the only legal remedy available for trademark disputes is a cassation to the Supreme Court. In other words, decisions from the Commercial Court at the first level cannot be appealed.

The exposition on Commercial Court that has been presented concludes that the dispute resolution system for trademarks through the

Commercial Court has adopted the principle of simple and fast judicial



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N.A Narwadan, 2021, *Penyelesaian Sengketa Merek Terkenal Yang Berkeadilan Di Indonesia*,  
Fakultas Hukum Universitas Hasanuddin, p. 183

proceedings. The reason for streamlining the dispute resolution process in the field of trademarks is because the protection of trademark rights has a limitation, which is only 10 (ten) years. Therefore, if disputes drag on, of course, trademark owners will be disadvantaged because they will lose the opportunity to reap profits through the trading of these trademarks. For this reason, the Commercial Court is expected to resolve issues as soon as possible.<sup>27</sup>

#### 4. Trademark Registration System

In order for a mark to be recognized and get protection from a legal perspective, the mark must be registered. Mark registration is useful as legal evidence for a registered mark, trademark registration is also used as a basis for rejecting a brand that is the same in whole or in principle as applied for by another person for similar goods or services. And, as a basis for preventing other people from using the same brand in principle or as a whole in the distribution of goods or services. Thus, trademark registration aims to obtain legal certainty and legal protection of trademark rights. Trademark registration is carried out at the Directorate General of Intellectual Property Rights. The Directorate General of Intellectual Property Rights is a mark registration agency assigned to register a mark for which the trademark owner is applying

ration.

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N.A Narwadan, 2021, *Penyelesaian Sengketa Merek Terkenal Yang Berkeadilan Di Indonesia*,  
Fakultas Hukum Universitas Hasanuddin, p. 184





Trademark registration is carried out by fulfilling the requirements as stipulated by Law no. 20 of 2016. Legal protection for brands is provided through the registration process, and applications can be made by individuals, legal entities, or several people/legal entities (co-owners of collective marks). Law no. 20 of 2016 implements a constitutive system, meaning that the right to the mark is obtained through the registration process, and the first trademark registrant has the right to the mark.

The process for applying for trademark registration is regulated from Articles 4 to 19 in Law Number 20 of 2016. Articles 20 and 21 of Law Number 20 of 2016 describe the requirements for marks that cannot be registered and can be rejected by looking at the distinguishing power used by the mark. Distinguishing power means that the brand used must have sufficient strength to distinguish the goods produced by one company from those produced by other companies.

## **5. Well-known Trademark**

The main problem in the field of trademark is that there are many counterfeiting of trademark without rights, especially for well-known trademark, which are carried out deliberately by other parties with the aim of making a profit. Law is basically rules that are deliberately created by society in order to

an orderly, safe, peaceful and harmonious life. The law is used as a



benchmark as society must behave. A trademark is an identifier that distinguishes one person's property from another.<sup>28</sup>

The problem of infringement upon well-known trademarks and efforts to protect the law is not something new. Generally, trademark protection only applies to registered brands.<sup>29</sup> Issues regarding the legal protection of trademark, especially famous ones, have become a significant concern. This allows less responsible parties to use the trademark for quick profits.

In essence, in examinations and legal considerations, it is important to carefully determine the criteria for a well-known trademark, the period for canceling trademark registration, trademark registration at the Directorate General of Intellectual Property Rights, trademarks that share the same brand in principle and/or in their entirety, filing date attachments, and classification of brand classes. These factors can have an impact on the decision of the judge who examines and adjudicates a case, ensuring that the decision provides a clear interpretation of the criteria for brands with similar characteristics.<sup>30</sup>

The criteria for determining the popularity of a trademark must be considered, namely the general public's knowledge of the trademark in the relevant business field, the reputation of a well-known trademark obtained

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<sup>28</sup> Nur Hidayati, "Perlindungan Hukum Pada Merek Yang Terdaftar", Ragam Jurnal Pengembangan Vol.11 tahun 2011, p.17

endra Purwaka, 2017, *Perlindungan Merek*, Yayasan Pustaka Obor Indonesia, Jakarta, p.

embiring, 2002, *Prosedur Tata Cara Memperoleh Hak Kekayaan Intelektual Di Bidang Hak dan Merek*, CV. Yrama Widya, Bandung, p. 37-38.



through vigorous and large-scale promotion conducted by the owner, and accompanied by proof of the trademark's registration in several countries. A trademark is considered well-known if it enjoys high recognition among the general public in the relevant business field. To assess a brand's public recognition, it can be evaluated based on the brand's existence, business operations, and widespread product distribution.<sup>31</sup>

Law Number 20 of 2016 concerning Trademarks and Geographical Indications does not specify the limitations of a well-known trademark. Well-known trademarks, as described in the elucidation of Article 21 Paragraph (1) letter b of Law Number 20 of 2016 concerning Trademarks and Geographical Indications, refer to trademarks belonging to other parties that are well-known for similar goods and/or services, taking into account the general public's knowledge of the trademark in the relevant business sector. Additionally, attention is given to the trademark's reputation, which is obtained through vigorous and large-scale promotion and investments made by the owner in several countries, along with proof of registration in multiple countries. If deemed necessary, the Commercial Court may order an independent institution to conduct a survey to determine whether or not the trademark serves as the basis for rejection.



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hara, Sri Wanly Rahayu, Sanusi Bintang, "Studi Kasus Penerapan Prinsip Pendaftaran First  
Pembatalan Merek Cap Mawar", Syiah Kuala Law Journal, Vol. 3, No.2 Agustus 2019, p.3

In a case, the interpretation and views of the judge in adjudicating and deciding cases greatly impact the fate of a troubled brand. It is undeniable that there are often different interpretations from the Panel of Judges on a trademark. So many problems arise and various interpretations of the first to file system in Indonesia. It is not uncommon for legal conflicts to occur between first to file and well-known trademark.

### **C. First to file principle**

#### **1. Definition of the First to File Principle**

The first to file principle in the constitutive system means that the registered trademark is the one that meets the requirements and is the first to be registered. Not all trademarks can be registered. The advantage of a registered trademark, when compared to an unregistered trademark in the event of a dispute, is that a registered trademark is easier to prove because it has authentic evidence in the form of a certificate issued by the Directorate General of Intellectual Property Rights. With this certificate, the registered trademark is considered the first user of the trademark. On the other hand, with unregistered trademarks, the user will have difficulty proving themselves as the first user because there are no documents submitted as authentic evidence in court examinations.

The first registration system is also called the "first to file" principle. The trademark that is registered is the one that meets the requirements and is the first to be registered. Not all brands can be registered.



Trademarks cannot be registered on the basis of an application submitted by an applicant with bad faith. An applicant with bad intentions is one who registers their mark improperly and dishonestly, with hidden intentions such as piggybacking, imitating, or plagiarizing famous brands, creating unfair competition, and outwitting or misleading consumers. Persons or legal entities are eligible to register a mark.

There are two types of trademark registration, namely the constitutive system and the declarative system. The constitutive system involves obtaining rights to a trademark by registering the trademark at the registration office and being entitled to legal protection because the trademark has been registered beforehand at the office of the Directorate General of Intellectual Property. The declarative system involves obtaining rights to the trademark with the earliest use of the related trademark or creating the right to the trademark due to the earliest user of a trademark, even though it was not registered. It is felt that the declarative system does not provide legal certainty compared to the constitutive system, which originates from the earliest registration and provides more legal protection.<sup>32</sup>

Trademark registration in Indonesia is a constitutive system. A right to a trademark will arise if a mark has been registered. This system means that

first registers a mark then that person gets the rights to that mark.



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Sri Hadiaranti, "Hak Kekayaan Intelektual: Merek dan Merek Terkenal". Jurnal Unika Atma Mei-Agustus 2009

This first registration system is called first to file. By registering a constitutive system which means that registration is an absolute thing in order to obtain rights to a trademark. Legal protection for brands can only be applied to brands that have been registered. By registering a mark, it will give birth to exclusive rights to the brand owner.

While trademarks registration in US is a declarative system. The United States and Canada are among the countries that embrace the first to use system. This is set forth in Sections 1(a) and 1(b) of The Lanham Act, 15 U.S.C. 1051, where trademark applications in the United States may be filed based on the first commercial use of the mark or the intention of future use of the mark.

Section 1(a) of The Lanham Act, 15 U.S.C. 1051 provides that:

Application for use of trademark

1. The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

(b) of The Lanham Act, 15 U.S.C. 1051 provides that:

Application for bona fide intention to use trademark



1. A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director.

Trademark legal protection given to either foreign or local, well-known or unknown brands is only given to registered trademarks. Such legal protection can be in the form of preventive or repressive protection. Preventive legal protection is carried out through trademark registration. Meanwhile, repressive legal protection is carried out in the event of trademark violation through civil lawsuits and or criminal charges.<sup>33</sup>

Trademark protection is only granted to the first applicant who files in good faith, in accordance with the principle of the first to file system or the Constitutive System. Referring to the term "first registrant" in relation to the filing date, the filing date is a crucial date in the field of intellectual property rights (IPR), where the acquisition of rights is based on a first-to-file system. The filing date determines the start date of protection, which is retroactive from the filing date.<sup>34</sup>



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nyuni,dkk, *Kebijakan dan Manajemen Hukum Merek*,YPAPI, Yogyakarta, p.3-4  
ned,2015, *Hukum Merek (Trademark Law) Dalam Era Global dan Integrasi Ekonomi*,  
dia, Jakarta, p.16

## 2. Weaknesses First to File System

However, the first-to-file system has significant weaknesses. In the first-to-file registration system, the principle of trademark acceptance is first to file, meaning that anyone who registers first will be accepted for registration without questioning whether the registrant actually uses the mark for the benefit of their business. Several possibilities can occur after the implementation of the first registration. For example, another registrar appears who actually has a direct interest in the mark because it is this registrar who actually uses the goods. In this case, the later registrant (the actual trademark user) must make a "special settlement" with the first registrant so that the first registrant is willing to hand over the mark to the later registrant.

Such problems are the main issues in the constitutive registration system. Upon careful examination, the first-to-file system actually opens up opportunities for brand piracy to arise, especially with trademarks owned by foreign parties. That is, many well-known brands are registered by bad applicants (bad faith registrars).

As an illustration, consider a company that already has a well-known brand in Singapore but has not been registered in Indonesia. This condition allows other parties to register the mark in advance with the Directorate

of Intellectual Property Rights at the Ministry of Law and Human Indonesia. If the company from Singapore wants to expand into the an market one day, it will undoubtedly be hampered because the





trademark has already been registered on behalf of another party that actually has no right.

Under Trademark Law no. 20 of 2016, the company from Singapore can file a lawsuit for cancellation and removal of the brand through the courts. However, the Directorate General of Intellectual Property Rights (Ditjen IPR) often defeats objectors, even if the objections are raised by well-known brand owners. In this case, the Directorate General of Intellectual Property Rights has not considered the reasons for opposing the well-known brand. On the other hand, in several trademark cases, there are differences in interpretation and views of the judges in trying and deciding the case. In some cases, the judge has ruled in favor of the original owner of the mark against the first registrant by considering the good faith of the first registrant. This shows that the application of the first-to-file principle must be accompanied by several other principles.

Therefore, the outcome is highly dependent on the judge handling the case. We know that if a case is already in court, not only does a lot of money have to be spent, but also a lot of time.

In filing an objection lawsuit against a brand, there are two types of lawsuits that can be filed: a lawsuit for cancellation or abolition of the mark.

Abolition of the trademark is filed because of the similarity in principle with a registered trademark owned by someone else. Meanwhile, the deletion or cancellation is filed if the registered mark is not used.



## D. Case Position

### 1. Background of Commercial Court Number 16/ Pdt.Sus/ Merek/ 2018/ PN. Niaga. Jkt. Pst.

This case began at the Commercial Court level with Decision Number 16/Pdt.Sus/Merek/2018/PN.Niaga.Jkt.Pst. where Monster Energy Company (formerly known as Hansen Beverage Company), a company established in and under the United States of America, sued Andrias Thamrun on the basis of a trademark registration carried out by Andrias Thamrun. The trademark registration carried out by Andrias Thamrun is for a trademark owned by Monster Energy Company, which can be categorized as a well-known brand.

The plaintiff has been using the Monster brand since 1992, which was first marketed in the United States. Since the beginning of its marketing until now, products under the Monster brand have been marketed mostly in the form of canned beverage products.

Initially, Monster Energy Company had submitted an application for registration of the Monster brand and its variations in class 5. However, the Directorate General of Intellectual Property rejected the application for registration because it was too similar in principle to Andrias Thamrun's Monster brand. Monster Energy Company then took legal steps by filing a

to the Central Jakarta Commercial Court against Andrias Thamrun as defendant. In addition, the Ministry of Law and Human Rights, specifically Directorate General of Intellectual Property, was also named as a Co-



Defendant for ignoring legal provisions in determining the criteria for trademarks that can be registered as regulated in Article 21 of Law No. 20 of 2016 concerning Marks and Geographical Indications.

Rights to a Mark can be obtained if the Mark has been registered in the General Register of Marks. What is meant by "Registered" is that after the application has gone through a formality examination process, an announcement process, and a substantive examination process, and obtains approval from the Minister of Law and Human Rights for the issuance of a certificate.

Therefore, an examination is needed in an application for registration. Examination of the application for registration is intended to determine whether the mark complies with the provisions and does not violate existing regulations. The Directorate General of Intellectual Property is the implementing officer responsible for carrying out the formulation and also as the executor of policies in the field of intellectual property in accordance with the provisions of the laws and regulations. Then, because the Directorate General of Intellectual Property is the authorized officer in registering the mark, the Directorate General of Intellectual Property is designated as a Co-Defendant.



## 2. Background of the Supreme Court Number 999 K/Pdt.Sus-HKI/2019

This case began at the Commercial Court with Decision Number 3/Pdt.Sus-Merek/2019/PN. Niaga.Jkt.Pst., where Gildan Activewear SRL, a company established under the laws of the State of Barbados, sued Darmanto based on the trademark registration carried out by him. The brand registered by Darmanto is owned by Gildan Activewear SRL and can be categorized as a well-known trademark. The plaintiff is the first user, owner, and legal rights holder of the Alstyle brand and its various variations, which have been registered in various countries. However, after a series of evidentiary processes before the Central Jakarta Commercial Court, the Judge decided in favor of the trademark registered by Darmanto as the defendant in this case.

During the trial, at the time of presenting evidence, the Co-Defendant submitted a rebuttal argument as stated in the Co-Defendant Conclusion dated May 20, 2019. The Co-Defendant principally argued that the Plaintiff's lawsuit was baseless and should be dismissed. This was based on the Co-Defendant's rejection of the Plaintiff's Trademark Registration Application. The Co-Defendant argued that the mark mentioned by the Plaintiff in the lawsuit bore similarities, either in principle or in its entirety, to the registered brand

"GILDAN ACTIVE APPAREL & ACTIVEWEAR." This brand had been registered with Directorate of Trademarks and Geographical Indications under Registration Number IDM000552947, with a Registration Date of December 2,



2016, and a filing date of July 23, 2014. The registered brand belonged to class 25 of goods and was owned by Darmanto (Defendant). It had undergone a series of formal and substantive checks, which are prerequisites for legal trademark registration.

To consider this matter, the panel of judges will discuss and consider the principles that are recognized and followed in relation to the provision of legal protection for trademark. These principles include the First to File principle, which essentially provides legal protection to trademark holders based on the party who registers first, and the First to Use principle, which essentially provides legal protection to trademark holders based on ownership and being the first user of the trademark.

In the case, the panel of judges believes that the First to File principle provides legal protection to trademark holders who register their mark first. When connected to the presented evidence, which essentially describes that the Defendant has registered the trademark as outlined, the panel of judges concludes that the Defendant is entitled to legal protection as the trademark holder.

Based on the results of the decision, Gildan Activewear SRL did not stop there. They filed an appeal (cassation) with Decision Number 999

s-HKI/2019. In this case, Gildan Activewear SRL sued Darmanto on the basis of the trademark registration carried out by him. The brand on carried out by Darmanto is owned by Gildan Activewear SRL and



can be categorized as a well-known trademark. The registration of the mark under Number IDM000552947 belongs to the defendant/respondent of cassation, which has the same overall resemblance to the well-known trademark of the plaintiff/applicant for cassation. The plaintiff/applicant for cassation had registered the mark in various countries long before the defendant/respondent for cassation registered it in Indonesia for similar goods in class 25, for the type of goods such as "apparel, gymnastic clothes, combination men's underwear, jackets, sweaters, sweat-absorbing underwear, T-shirts/T-shirts, underwear". This is what made the Supreme Court accept the cassation petition filed by the cassation petitioner.

The Directorate General of Intellectual Property of the Republic of Indonesia has the duty to conduct a study regarding a trademark application to assess whether the registered mark was indeed registered by an applicant for trademark registration in good faith and not by a party with bad intentions. Regarding what is meant by an applicant with bad faith, it refers to an applicant suspected of imitating, plagiarizing, or following another party's brand for the sake of their business, creating conditions of unfair business competition, outwitting, or misleading consumers. Thus, in this case, the Directorate General of Intellectual Property of the Republic of Indonesia was

ed as co-respondent of cassation.

