

THE LEGAL POLITIC OF REGULATION FOR TRADEMARK REGISTRATION SYSTEMS IN INDONESIA

Darwance^{1*} & Sudarto²

¹*Faculty of Law, Universitas Bangka Belitung, Indonesia*

²*Faculty of Law, Universitas Gadjah Mada, Indonesia*

Corresponding Author: Darwance, Email: darwance@yahoo.co.id

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ABSTRACT

The development of brand functions which was originally only as a distinguishing element to be more of a reputation, to be the brand that is usually represented by the image, logos, etc., resulting in a brand being one of the triggers for a dispute. Therefore, a number of regulations that provide protection for marks have been issued in Indonesia started with Trademark Law of 1885 published by the Dutch Colonial Government until Law Number 20 of 2016 concerning on Current Marks and Geographical Indications. But, the trademark disputes still occur. This juridical normative research with a legal approach aims to know and analyze the legal politics of trademark registration regulations in Indonesia. The result is that there are weaknesses in the existing regulations regarding on trademark registration, both substantial and procedural. Therefore, it needs to be clearer and more concrete regulations in regulating trademark registration in Indonesia so that trademark disputes can be minimized.

1. INTRODUCTION

In various literacies it is said that trademark is one of the origin of the concept which is known as Intellectual Property Rights (IPR). In simple term, IPC can be explained as a right that is owned by an individual or several persons or legal entities communally for the result of their creativity in processing minds and thoughts, namely processing ideas and ideas, and making them into real objects (Darwance, Yokotani, & Wenni Anggita, 2020, 195). One form of IPR is a mark which is usually in the form of an image, writing, or a combination of both.

Inclusion of certain trademarks on certain goods and/or services to distinguish them from similar goods and/or services belonging to other parties is the reason for the need of trademark as a differentiator. In its later development, this trademark is not only used as a differentiator but also related to reputation, it is the reputation of goods and/or services which is traded. Therefore, mark is often used as a measure of goods and/or services quality.

The development of trademark function, which is originally only a distinguishing element to be more of reputation, the trademark that is usually represented by an image, logo, etc., becomes one of the triggers for a dispute. Well-known trademark for example KFC, Coca-Cola, Indomie and others that have already known by public because of their quality or reputation, that will be worth if used by anyone for any goods and/or services. Consequently, if thus trademark is free to use, besides harming the legal owner especially financially, it will also harming the consumers because the quality of goods and/or services does not match to the reputation of the trademark, they are familiar with (fake mark). Therefore, it is important to provide the protection for the trademark.

The trademark in Indonesia were regulated first by The Trademark Law 1885 issued by the Dutch Colonial Government. After independence, the Indonesian government gradually issued laws to replace Dutch heritage laws. Besides still considered a colonial-style which is no longer relevant to the condition of an independent nation, this replacement was carried out to adjust to the existing conditions at certain times. Revision after revision was made, until the last trademark was regulated in Law Number 20 of 2016 concerning on Trademarks and Geographical Indications (Law on Trademarks and Geographical Indications).

Changes for changes made in regulations, mainly related to the trademark registration system, one of which aims to minimize disputes. But the goals to be achieved have not been fully overcome. One indication is that there is a still frequent trademark dispute at some time, including when the trademark regulation was revised with a new law in 2016. The trademark infringement that have occurred in Indonesia, among others the trademark of 3-STRIP Adidas between Adidas and Zul Achyar B.H. Bustaman and also trademark infringement of motorcycle between Tossa Krisma and Honda Karisma (“URGensi PERLINDUNGAN MEREK MELALUI PROTOKOL MADRID | Hidayati | Jurnal Legislasi Indonesia,” n.d.)

Moreover, there is a dispute of Monster trademark between Monster Energy Company and Andria Thamrun, IKEA Swedia and IKEA Intan Khatulistiwa Esa Abadi, the trademark of Trumps between Donald Trumps and Robin Wibowo, Toyota Lexus and

ProLexus, DC Comics and Wafer Superman, and the most recent is the dispute over Geprek Bensus trademark (“Selain Geprek Bensus, Berikut 5 Kasus Sengketa Merek Dagang Di Indonesia,” n.d.). It indicates that there is a problem in the protection of trademark in Indonesia.

2. Methodology

This is a normative legal research which is commonly referred to a library research, that is the legal research which is conducted by examining library materials or secondary data including the research on legal principles, legal systematics, level of vertical and horizontal synchronization, comparative law and legal history (Soekanto & Mamudji, 2015). The approach of this research is statue approach, which the research is conducted by analyzing all of the laws and regulations related to the legal issue that are being addressed (Mahmud Marzuki, 2016).

The source of data used in this normative research is secondary data that the data obtained from library material or literature that has a relationship with the object of research (HS & Nurbani, 2013). The data collecting technique used is documentary study, which is a study that examines various documents, either related to the laws and regulations or existed documents (HS & Nurbani, 2013). Then the data is analyzed qualitatively, which is not using number, but giving descriptions with words, or findings, therefore it prioritizes the quality of the data not the quantity (HS & Nurbani, 2013).

3. Discussion

3.1. Mark as a Distinguishing Element (The Origin of the Trademark)

Trademark is a distinguishing element of the origin of the product of similar goods or services with other similar goods or services, including the quality of similar goods or services and the guaranteed that the product is original (Saidin, 2019). Trademark gives personality or individualization to the goods in the sense of giving a special mark that has distinctiveness (Sulastri, Satino, & W, 2018).

Trademark is a part of intellectual property right that is the rights granted to owners over intangible objects, in the form of names or logos to differentiate one good or service from another (Rafianti, 2015).

The trademark is not a creation of a work such as in the field of copyright or invention in the field of patents (Saidin, 2019). The difference is there is a form that the result of human creativity in the copyright or patent, meanwhile in trademark there is only a mark that distinguishes one item from another. That is why; the trademark referred to the distinguishing element.

Actually, the trademark has been used for a long time to mark products with the aim of showing the origin of product, and its protection increases as world trade advances (Saidin, 2019). The role of trademark in marketing world is very important because trademark is created as representations of the quality or reputation of the goods or services by the public (Karina & Njatrijani, 2019). In other words, trademark is identification of the origin of the goods or services which is used by the producer as collateral for the value of their products, and for consumer it is created as reference in making the choice of goods that will be purchased (Faradz, 2008). By having trademark, a product both similar good and service can be distinguished the origin, the quality and the assurance that the product is original (Faradz, 2008).

3.2. First to File Principle; The Dispute (Can Not Be) Spared

In order to protect a trademark legally, then the trademark should be registered. Trademarks must be registered in good faith (Saidin, 2019). The registration of a trademark which is used to identify good or service produced or distributed by a particular company gives a rights to the company to use the trademark exclusively, including choosing the rights to prevent others using its trademark without permission (Lindsey, Damian, Butt, & Utomo, 2013). Therefore, the trademark especially those already registered in the name of a certain person/legal entity cannot be used by other person/legal entity. Moreover, the use is for commercial or there is a profit received.

From regulations to regulations that have undergone several revisions, even repeal the old laws, it can be known how the government always tries to improve the trademark registration system. It is done in order to make the cases of infringement for registered trademarks that have received legal protection do not occur. Moreover, the infringement resulted in a dispute between several parties who each claimed that they were the rightful owners of the mark. It indicates that there is still a gap in the trademark system which is currently implemented. In addition, trademark disputes that often occur are caused by trademark switching.

According to the Article 3 of the Law on Trademarks and Geographical Indications it is determined that the protection of trademark is given after the registration so that trademark registration is very important (Budi Asri, 2020). From the substance of the Law on Trademarks and Geographical Indications it indicates that the protection of trademark is based on first to file principle system; the one who registers first is entitled to get protection (“URGensi PERLINDUNGAN MEREK MELALUI PROTOKOL MADRID | Hidayati | Jurnal Legislasi Indonesia,” n.d.). In other words, whoever registers first is entitled to the trademark as well as the exclusive rights (Sulastri et al., 2018). In other side, as the implication of the ratification of the Paris Convention and the Trade Related Intellectual Property Rights Agreement (TRIPs Agreement), a well-known brands that have not been registered in Indonesia are also protected (Desmayanti, 2018). It causes trademark registration system which is contained in the Law on Trademarks and Geographical Indications has several weaknesses, both from substantial and procedural side (Perdana, 2017)

The Weaknesses from Substantial Side

From substantial side, there is no requirement to preserve an explanation of the philosophy of the trademark that will be registered. Based on *Kamus Besar Bahasa Indonesia* (KBBI), the trademark that will be registered should have a distinguishing side for others, so there is a uniqueness that reflects the essence of the product originality. Therefore, it needs a requirement that should be required by the

applicants of the trademark when they apply for trademark registration. They should include the philosophy of the trademark name that will be registered by telling clearly about the applicant's origin in getting the name of the trademark including the meaning of the trademark's name, a brief history of the trademark's name, other descriptions that support the originality of the trademark that will be registered and also explain how the trademark differs from others, it is important to deliver a qualified trademark. The existence of a distinguishing side between each mark can avoid the occurrence of brand disputes due to similarities in essence or in whole. In addition, the applicant for a trademark that will be registered can be accountable for the origin of the trademark's originality clearly.

Therefore, accuracy is required in determining whether the registration of a trademark can be accepted or rejected. Some trademarks that are actually easily recognized and have similarities with well-known trademark that already owned by other parties, are still accepted for registration, and finally a dispute arose and was canceled. Thus, the examination of trademark registration should be carried out more accurately and carefully, if a trademark is clearly owned by another party, especially if it contains a well-known element, then it must be rejected, so that it does not cause a dispute in the future. Besides that, in determining whether a trademark which is applied for registration is the same as a trademark belonging to another party or not, it is necessary to build a system that can make it easier and provide certainty to determine whether a trademark can be accepted or rejected.

The weaknesses from Procedural Side

This problem occurs at one stage in mark registration, it is in the implementation of the announcement which is ineffective in anticipating the occurrence of trademark dispute in the future due to the similarity in essence or the whole between one trademark and another after the mark which is being applied for registration has been declared accepted as a registered mark. During the announcement period, the parties who feel that they will be harmed if the mark is accepted later as a registered

trademark are permitted to submit objections based on sufficient reasons, accompanied by evidence that the mark being applied for registration is a mark which based on the law cannot be registered or should be rejected.

Nevertheless, the implementation of announcement stage still have weaknesses, because the announcement related to the trademark that will be registered are passive which is only announced by a waiting system whether there is or not a party who will raise an objection without any direct notification specifically addressed by Directorate General of Intellectual Property Rights party to the trademark owners whose trademarks are already registered.

The registered trademark based on the result of the initial examination and assessment by the examiner of Directorate General of IPR, it is identified that there are similarities in substance or in whole between the mark that will be registered and other marks that have been registered and recorded officially. Therefore, the implementation of the announcement stage regarding a trademark that will be registered must be carried out actively to anticipate and minimize disputes. So, it is necessary to have an active announcement based on the result of the initial examination against the mark which is requested to be registered by submitting direct and special notification to the parties who already have an officially registered mark whereas there is a request for a mark by a certain party which is considered to indicate that there is a similarity in essence or in its entirety with a registered mark belonging to another party.

4. The Arrangements of Trademark Registration System in the Future

The influence of globalization in all areas of community life encourage the pace of community economic development which is indicated by the increasing trend of activity in the trade in goods and services sector which is continuously has rapid developments in line with the increasing national economic growth. With such a tendency, it is an important thing that there is a demand to create a legal product as a

form of more adequate regulation in order to create a certainty and strong legal protection for the products resulted on the human intellectual ability. One of them is a trademark which is a form of human intellectual work that is closely related to economic and trade activities. Trademark has an important role, so it is needed a more adequate special arrangement in the future as a form of legal reform paradigm to the Law on Trademarks and Geographical Indications through legal politics study in creating a concept to improve regulatory system for the existing trademark registration in Indonesia in the future.

Legal politic of Renewing Trademark Laws in Indonesia

In Indonesia, the Law Number 20 of 2016 concerning on Trademarks and Geographical Indications is a legal product formed to regulate the field of intellectual property rights in order to realize legal certainty for industrial world in using the marks for goods and / or services in the trade sector. Strengthening in terms of regulation of trademarks in the form of legal products in this global trade era is much needed in line with the development of the trading world so that there is a strengthening in order to regulate the mark. It is very important especially in creating and maintaining healthy and fair business competition as an effort for the government to improve the economy and development of the trade industry in Indonesia through renewing the Law of Trademarks and Geographical Indications. The renewing can be done through forming of new laws or revising the rules as an effort to make improvements to the implementation of legal rules that will be enforced.

Legal politic of Regulating the Trademark Registration System in Indonesia

Based on the result of analysis, there are some weaknesses related to regulation and implementation of Constitutive system in the laws governing trademarks at this time. From the regulatory side, it appears that there is an enactment or application of a constitutive system that is not firm and inconsistent. In essence, the implementation of a constitutive system whose main purpose is to provide

assurance and legal protection for officially registered marks so that the marks must get protection in its use. In a constitutive (active) system, it is well-known for its doctrine “prior in filling” stated that the party entitled to a mark is the party who is registering the mark, it is also known as the principle of “presumption of ownership” (Murjiyanto, 2017).

The registration will create a right on the mark, so the protection should be conducted to the registered trademark, because the registration is used as the basis for the emergence of rights with consequences in the form of an obligation to provide protection to the owner of registered mark. But, in the implementation there is providing protection to the owner of the unregistered mark by allowing the owner to apply for cancellation of the mark with the conditions that the mark has already well-known. In fact, this is considered to weaken the meaning of the constitutive system itself in the Law of Trademark and Geographical Indications, and show this system inconsistency. In addition, the indicators of the meaning of the famous trademark are still considered unclear and even have multiple interpretations.

Therefore, it is time for Indonesia to apply a constitutive system strictly and consistently by constructing regulations which can encourage the trademark owners who do not register the trademark to register first for getting protection. Besides that the implementation of constitutive system is not only oriented to create obligations that are civil rights (personal) only, but also it should be oriented to the public rights by giving punishment to the owner that have been used a trademark but does not register it, yet. It is in line with the aim of trademark registration; to get legal certainty and legal protection of the trademark rights itself (Yanto, 2019). Moreover, the trademark registration system currently gives strong protection to the unregistered trademark owner; there is an obligation to refuse registration of a mark that is essentially the same or in its entirety with a well-known mark of another party even though the famous mark which is not registered. This is a

consequence of the ratification of the Paris Convention and Trade Related Intellectual Property Rights Agreement (TRIPs Agreement).

5. Conclusion

A trademark that was originally used as a distinguishing element, then developed as a representation of reputation, namely the reputation on goods and/or services which is traded. The development of trademark function which was only as a distinguishing element to be the things that were reputation, the trademarks which are usually represented by images, logos, etc., become one of the triggers for disputes. In other side, in Indonesia the Law of Trademark and Geographical Indication have some weaknesses, both from the substantial side related to the trademark material and the procedural side elated to the registration stage. Therefore, the perspective of legal politic needs renewal especially in these two aspects, among others are affirmation of the constitutional system that provides absolute protection for registered marks to the owner as well as ensuring legal certainty.

ABOUT THE AUTHOR(S)

Darwance is a lecturer at Faculty of Law of Universitas Bangka Belitung. He graduated his Bachelor Degree at Universitas Bangka Belitung in 2010 and his Post Graduated at Faculty of Law of Universitas Gadjah Mada (UGM), Yogyakarta in 2014. He is active presenting his studies and reseraches at various conference activity, both national and international. He is also active in writing on various mass media and conducting assessment and research in law field. One of his courses is Inteectual Prosperity Rights. Therefore, he focuses on conducting research and community services in this filed. He received research and community service grants for several times, among others form Universitas Bangka Belitung, Ministry of Research and Technology/ National Research and Innovation Agency, and the Constitutional Court of the Republic of Indonesia.

Sudarto got his Bachelor of Law Degree at Universitas Bangka Belitung in 2019, he carried out Advocate Professional Special Education (PKPA) PERADI at Universitas Islam Indonesia in 2020 and he continued his Master of Law Program at Universitas Gajah Mada in 2020. He has been the leader of Indonesian Law Students' Association (PERMAHI) Bangka Belitung in 2019 – 2020 period, and he has been the representative of Bangka Belitung Province in the Constitutional Debate of the People's Consultative Assembly of the Republic of Indonesia (MPR RI) in National Level in 2018. He has won a Bank Indonesia (BI) scholarship in 2018 and Academic Achievement Improvement scholarships (PPA) of Faculty of Law of Universitas Bangka Belitung in 2017.

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