

LEGAL PROTECTION FOR FAMOUS BRANDS IN INDONESIA AFTER THE REPEAL OF LAW NO. 15/2001 ON BRANDS AND GEOGRAPHIC INDICATIONS

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Abstract

Although the government has made some regulatory reformations in trademark law, the US 2017 Trade Representative special report 301 still keeps Indonesia on its priority watch list on trademark enforcement. This study aims to, *firstly*, discuss the protection of well-known brands after the enactments of Law No. 20/2016 on Trademarks and Geographical Indications, and *secondly*, to determine how much legal protection does the 2016 Trademarks Law provide to well-known brands in Indonesia. This study uses the normative juridical method which draws on secondary data in the form of primary law material, secondary law material, and tertiary law material. This study argues that article 83 sections 1 and 2 of Law No. 20/2016 is the legal basis for the protection of well-known brands in Indonesia. The study reveals that the legal protection of well-known brands in Indonesia is still very weak and does not guarantee legal certainty and justice due to the indifference of the government IP violation complaints.

Keywords: Legal protection, Intellectual Property Rights, well-known brands, counterfeit goods.

INTRODUCTION

Counterfeiting of branded products is a problem for many industries on a global scale. No industry or country is free from the threat of counterfeiting. The goal of the counterfeiters is only one, namely big profits without spending large capital. Based on a report by the International Chamber of Commerce (ICC), the global economic value of counterfeiting and piracy is predicted to reach USD 4.2 trillion and by 2022 will potentially threaten 5.4

million jobs.¹ The protection of trademark rights holders in Indonesia was first contained in Law No. 15/2001 on Brands. However, this still does not reduce the infringement of well-known brands. According to data from the Indonesian Anti-Counterfeiting Society (MIAP), the market for counterfeit products in Indonesia is large (3.8% drugs, 8.5% food and beverages, 12.6% cosmetics, 33.5% software, 37.2% leather goods (38.9% clothing and 49.4% printer ink) and caused a loss of IDR 65.1 trillion in the national economy in 2014.² According to the data, the losses consisted of food and beverage products of Rp 13.39 trillion, clothing and leather goods products of Rp 41.58 trillion, medicine and cosmetic products of Rp 6.5 trillion, and software and ink products of Rp 3.6 trillion. In addition, the government lost revenue from indirect taxes of around Rp 424 billion. Meanwhile, branded goods that have been counterfeited include printer ink, clothing, leather goods, software, cosmetics, food and beverages, and pharmaceutical products. In law enforcement practice, as many as 3,000 cases of counterfeit goods were brought to court, only 25 cases were won. This is a problem that must be fixed immediately.³

Furthermore, according to data from the US Trade Representative, IPR violations in Indonesia are increasing from year to year.⁴ Indonesia is included among several names of countries mentioned in the priority watchlist, which is a report that lists the countries with the largest piracy and brand counterfeiting in the world. increased sales and distribution of counterfeit goods through this sales medium compared to other shopping kiosks.⁵ The increase in piracy and counterfeiting in Indonesia was caused by the absence of law enforcement against products that violated trademark and copyright provisions. Based on the 2014 report, out of 97 cases of IPR violations, only 12 cases were brought to court.⁶ According to a survey from the Global Intellectual Property Center (GIPC), Indonesia is still considered weak in protecting intellectual property. Of the 38 countries surveyed, Indonesia is in position 33 with an IP index of 8.59.⁷

¹ Visit <https://iccwbo.org/global-issues-trends/innovation-ip/counterfeiting-piracy/> accessed on February 7, 2018, at 20.00 WIB

² Visit <https://www.cnnindonesia.com/nasional/20150225120717-20-34718/peredaran-produk-palsu-rugikan-negara-rp-651-triliun> diakses pada 8 Februari 2018 Pukul 22.20 WIB.

³ Visit <http://kemenperin.go.id/artikel/9703/Kerugian-Akibat-Peredaran-Barang-Palsu-Capai-Rp-65-T> diakses pada 8 Februari 2018 Pukul 22.30 WIB.

⁴ See *The US Trade Representative's annual Special 301 Report*, access at https://ustr.gov/archive/Document_Library/Reports_Publications on 23 November 2017

⁵ See Indonesia Among World's Worst Counterfeit Goods Offenders: US Report, Jakarta Globe, <http://jakartaglobe.id/archive/indonesia-among-worlds-worst-counterfeit-goods-offenders-us-report/> access on 20 November 2017.

⁶ See *US Trade Representative's annual Special 301 Final Report 2015*, *Op. Cit*, page. 44

⁷ See Indonesia Lemah soal Perlindungan Kekayaan Intelektual, Koran SINDO, Edisi 26 Mei 2016, <http://koran-sindo.com/page/news/2016-04-26/0/36> pada hari Kamis 10 Mei 2018.

In June 2016 the Directorate of Investigation and Dispute Resolution of the Directorate General of Intellectual Property of the Ministry of Law and Human Rights recorded 33 cases ranging from copyright infringement, patent rights, trademark rights, to industrial designs and the majority of these cases were trademark infringement cases.⁸

Based on the background described above, this research was conducted by examining the protection of well-known brand holders in Law No. 20/2016 on Brands and Geographical Indications and whether the change of the Trademark Law into Law N.o. 20/2016 on Trademarks and Geographical Indications guarantees protection for well-known brands in Indonesia?

RESEARCH METHODS

The research method used in this study is normative juridical, namely a method that focuses on research on secondary data in the form of primary legal materials, secondary legal materials, and tertiary legal materials.⁹ The research specifications used are descriptive-analytical, namely describing the provisions of trademark rights and applicable legal norms and principles to obtain a comprehensive and systematic, factual, and accurate picture of aspects of legal protection for well-known brands holders in Indonesia after the change of Law No. 15/2001 on Brands became Law No. 20/2016 on Brands and Geographical Indications.¹⁰ On legal materials, the analysis is carried out qualitatively, meaning without using numbers, statistical formulas, and mathematics.¹¹

RESULTS AND DISCUSSION

Famous Brand Concepts and Criteria

At first, the protection of Intellectual Property Rights internationally began with the approval of the Paris Convention in 1883 in Brussels, which underwent several recent changes in Stockholm 1979. This Paris Convention regulates the protection of *industrial property rights which includes inventions, trademarks, service brands, industrial designs, utility model (small patent), trade names (designations under which industrial or commercial activity is carried on), geographical indications (indications of source and appellations of origin) and the repression of unfair competition*. The purpose of the establishment of this Paris Convention is a uniformity to protect the rights of inventors to copyrighted works in the industrial sector.¹² The definition of a well-known brand is not

⁸ See Dhera Arizona Pratiwi, Hingga Juni, Terjadi 33 Kasus Pelanggaran Hak Merek Dagang, OKEZONE FINANCE, Edisi Kamis, 2016.

⁹ See Mukti Fajar ND dan Yulianto Ahmad, *Dualisme Penelitian Hukum*, Cetakan 1, PT. Raja Grafindo Persada, Yogyakarta, 2010, p. 28.

¹⁰ See David M. Fetterman, *Ethnography Step by Step*, London: Sage Publishing, 1998, p. 175.

¹¹ See Sunaryati Hartono, *Penelitian Hukum Di Indonesia Pada Akhir Abad Ke-20*, Bandung: Alumni, 1994, p. 101.

¹² See Rachmadi Usman, *Hukum Hak Kekayaan Intelektual*, Bandung: Alumni, 2003, p. 9.

very clear either in Law No.15/2001 or Law No. 20/2016, but based on the definition of a brand in Article 1 section 1 of Law No. 20/2016 states that in this Law, what is meant by "brand 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 2 dimensions and/or 3 dimensions, sound, hologram, or a combination of these 2 or more elements to distinguish goods and/or services produced by persons or legal entities in goods and/or services trading activities."

Furthermore, according to Ahmad Zen Umar, the definition of a well-known brand is still a debate, because until now there is no fixed definition of well-known brands and this definition varies and depends on each country.¹³ For example, in China Trademark Law 2001 criteria for well-known brands are:¹⁴

1. The reputation of the brand to the relevant public;
2. Time for continued use of the brand;
3. Consecutive time, extent, and geographical area of advertisement of the brand;
4. Records of protection of the brand as a well-known brand; and any other factors relevant to the reputation of the brand.

The US Code Title 15 Chapter 22 Subchapter III, 1127) also does not explain how the criteria for a well-known brand are defined, this may be based on the legal system that uses common law. So to assess the fame of a brand, in practice, the courts in the United States use consumer recognition¹⁵ which is proven through surveys and testimony before the trial which should be considered as direct evidence or direct evidence whose truth can certainly be categorized as the highest evidence.¹⁶ However, in reality, the survey evidence is often used as indirect or circumstantial evidence so that it is rejected by the court as convincing evidence.¹⁷ Because philosophically, the survey with a limited subject is not possible to represent the whole community to assess the recognition of a brand.

¹³ See Ahmad Zen Umar Purba, *Hak Kekayaan Intelektual Pasca TRIPs*, Bandung: Alumni, 2004, p. 73.

¹⁴ See Jing Shuba Ghosh, "Protection and Enforcement of Well-Known Mark Rights in China: History, Theory, and Future" Legal Studies Research Paper Series, University of Wisconsin, Law School, p. 37.

¹⁵ See Graeme W. Austin, *Trademarks and the Unburdened Imagination*, 69 BROOK. L.REV. 827, 831–32. 2003–2004

¹⁶ See McCarthy, *supra* note 4, §15:30 (describing surveys as direct evidence)

¹⁷ See *Coach Leatherware Co. v. AnnTaylor, Inc.*, 933 F.2d 162, 169 (2d Cir. 1991) (declining to rely on consumer surveys in a lawsuit involving unregistered trade dress).

On that basis, six factors are then made that can generally be used to assess the reputation and familiarity of a brand, namely:¹⁸

1. Advertising expenditures;
2. Consumer studies linking the brand to a source;
3. Unsolicited media coverage of the product;
4. Sales success;
5. Attempts to plagiarize the brand, and;
6. Length and exclusivity of the brand's use.

WIPO itself has issued benchmarks or guidelines which essentially contain factors in considering the popularity of a brand, the authorities must consider, among other things, the following:¹⁹

1. The level of knowledge or recognition of the brand in the public sector concerned;
2. The period, scope, and geographic area of use of the brand;
3. The period, extent, and geographic area of the brand's promotion, including advertising and publicity and exhibition presentation of the brand's goods or services;
4. The period and geographical area of each registration and each application for registration to a level, to reflect the use or recognition of the brand;
5. Records of successful enforcement of the rights attached to the brand to the extent that the brand is recognized as a well-known brand by the competent authority;
6. Values associated with the brand.

Whereas in Article 16 point 2 TRIPs the criteria regarding well-known brands are based on the Paris Convention which provides the following criteria: "...in determining whether a trademark is well-known, Members shall take into account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark." Based on the provisions of the TRIPs, Article 6 bis of the Paris Convention concerning well-known brands applies to goods or services that are not the same as the goods whose trademarks are registered (differentiated), provided that the use of trademarks is related to goods or services that are well known to goods or services that are registered

¹⁸ See *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 143 n.4 (2d Cir. 1997) (quoting *Centaur Commc'ns v. A/S/M Commc'ns*, 830 F.2d 1217, 1222 (2d Cir. 1987))

¹⁹ See Gunawan Suryomucitro in Agung Sujatmiko, *Prinsip Hukum Penyelesaian Pelanggaran Passing Off Dalam Hukum Merek*, Jurnal Yuridika Vol. 25 No. 1, Januari–April 2010, p. 59.

trademark.²⁰ Furthermore, in determining whether a brand is well-known, it must take into account the knowledge of the well-known brand in a particular region, including knowledge of the brand in the member countries of the convention.²¹ Of the many criteria or concepts to assess whether or not a brand is famous in the community, the author argues that the criteria for a well-known brand must at least meet 3 aspects, namely:

1. The popularity can be judged from market demand and public knowledge nationally and internationally about the brand so that people become when they see a counterfeit product of a famous brand.
2. Sales: sales figures and international market reach become the basis for measuring the recognition of a brand.
3. The commercial value of the brand can be assessed from licensing requests, distributors, importers, and also efforts to imitate the brand.

Based on the explanation above, it can be concluded that a well-known brand is a brand that is already known by the wider community which is used on traded goods to distinguish it from other similar goods. The emergence of the term famous brand originated from a review of the brand based on the reputation and fame of a brand. Based on reputation and fame, brands can be divided into three types, namely ordinary brands, well-known brands, and well-known brands. Especially well-known brands are defined as brands that have a high reputation. Such a brand has a radiating power that is stunning and attractive so that any type of goods under the brand immediately creates a touch of familiarity and mythical bonds to all levels of consumers.²²

Protection of Famous Brands in Indonesia after Law No. 20/2016 on Trademarks and Geographical Indications.

The term "protection" itself in the context of IPR law generally means that the holder of the right to obtain recognition for his ideas as outlined in the form of creations, trademarks, patents, and so on. As well as being given the right to exclude others from the use of tangible/intangible goods related to their intellectual rights. However, in practice, this right can be granted with *ius prohibendi*.²³ *Ius prohibendi* itself is a phenomenon where more than one person has the right to the same thing. So that in its development legal protection

²⁰ See Article 16 section 3 of TRIPs

²¹ See Article 16 section 2 and Article 16 section 3 of TRIPs

²² See Budi Agus Riswandi dan M. Syamsudin, *Hak Kekayaan Intelektual dan Budaya Hukum*, Jakarta: PT. Raja Grafindo Persada, 2004, p. 87.

²³ See Carlos Correa, Jorge E. Viñuales; *Intellectual Property Rights as Protected Investments: How Open are the Gates? Oxford Journal of International Economic Law*, ISSN: 13693034, 14643758 Volume 19, Issue 1, 1 March 2016, pp. 91–120.

in the context of IPR is not only limited to one person. At the beginning of the change in the new copyright law and trademark law, the international community welcomed the renewal of regulations regarding IPR in Indonesia, including the change in the copyright law in 2014 and the trademark law and geographic indications that followed in 2016. also given for the steps of the Indonesian government in changing the trademark law to promote law enforcement and awareness in the field of intellectual property rights.²⁴

Since the issuance of Law No. 20/2016 on Brands and Geographical Indications as a replacement provision for Law No. 15/2001 on Brands, which provides more rights to holders of registered Brands/Brand Rights and owners of well-known brands. Protection of Famous Brand owners under the provisions of the new law contains slightly more provisions for well-known brands than the previous Trademark Law. The provisions of the old Trademark Law only regulated well-known brands into three provisions while the latest trademark law contains five provisions. One of the significant changes is the enactment of Law No. 20/2016 which allows for owners of well-known brands to file a lawsuit in court if there is a violation of their brand.

However, the basis of such protection is still very weak and is only contained in one article as stated in Article 83 section 2 which reads: "The lawsuit as referred to in section 1 (lawsuit for infringement of a brand) can also be filed by the owner of a well-known Brands based on a decision court."

More details in the Elucidation of Article 83 section 2 which states that the granting of the right to file a civil lawsuit based on fraudulent acts committed by another party is intended to provide legal protection to the owner of a well-known brand even though it has not been registered. So based on article 83 section 2 and its explanation, it can be concluded that the only legal protection for well-known brands provided by Law No. 20/2016 is only limited to civil lawsuits which even contain a limitative element "based on court decisions". Several other articles discuss well-known brands, including Article 21 section 1 letter b and c which state that they reject the application for a brand if the brand has similarities in principle or its entirety to a well-known brand belonging to another party for similar goods and/or services and a brand. a well-known property of another party for goods and/or services of a different kind that meet certain requirements.

Furthermore, in the Elucidation of Article 21 section 1 letter b, it is stated that the refusal of an Application that has similarities in principle or whole to a well-known brand belonging to another party for similar goods and/or services is carried out by taking into account the general knowledge of the public regarding the brand in the relevant business field. Apart

²⁴ See US Trade Representative's annual Special 301 Final Report 2015, page. 43 access at <https://ustr.gov/sites/default/files/2015-Special-301-Report-FINAL.pdf> on 23 November 2017.

from that, the reputation of the brand which was obtained due to intensive and massive promotion, investments in several countries in the world made by the owner, and accompanied by evidence of registration of the said brand in several countries should be taken into account shall also be taken into account. If this is not considered sufficient, the Commercial Court may order an independent institution to survey to determine whether or not a brand is popular, this is the basis for rejection. Elucidation of Article 76 section 2(a) discusses briefly the owner of an unregistered well-known brand. So that what is meant by "owners of well-known brands" is divided into owners of registered well-known brands who are protected by the law and owners of unregistered well-known brands. The legal consequence is that if a person or corporation has an unregistered well-known brand can only file a lawsuit after applying to the ministry.

The Effectiveness of Law No. 20 of 2016 in Guaranteeing Legal Certainty for Famous Brands in Indonesia

Legal protection for well-known brands is very urgent because the brand does not only function to distinguish similar goods and or services but also functions economically. Both functions are so vital for brand owners. The function as a differentiator is essential for brands in the marketing of goods and or services. An item and or service that is sold without a brand will not be able to compete in the market. Conversely, if an item and or service whose brand is well known by consumers because of its reputation or quality, it will be easy to win the competition in the market.²⁵ This is in line with the function of the brand itself as stated by Michael Grynberg²⁶ to identify and differentiate goods. The use of brands yields various benefits, such as preventing fraud, lowering search costs, encouraging investment in quality by ensuring that consumers know who to credit for producing excellent products. This helps brand owners build goodwill with consumers. They allow sellers to efficiently convey information about their products (by advertising attributes about them), and they allow others to do the same (word of mouth, consumer reviews, or the like). In other words, once the brand source identification function is established, it becomes an efficient vehicle to establish a connection between the brand owner and consumers. Economically, the function of the brand is related to the property that provides income for the owner. As a source of income, trademark rights need to be protected from acts that lead to violations and crimes, because they will harm the owner. As a property, trademark rights are one part of the assets for the owner, they must get

²⁵ See Agung Sujatmiko, *Prinsip Hukum Penyelesaian Pelanggaran Passing Off Dalam Hukum Merek*, *Op.Cit.*, p. 61.

²⁶ See Michael Grynberg, *A Trademark Defense of the Disparagement Bar*, 126 Y.L.J. F.178 (2016), *The Yale Law Journal* Vol.126/2016-2017.ISSN:00440094.

protection from the state which is their obligation.²⁷ It is undeniable that brands are intellectual property rights that experience the most disputes, ranging from cases of branding or passing off to counterfeiting of counterfeit goods. Even in countries with the highest IPR protection index, such as the United States, law enforcement in the field of trademarks raises problems regarding the concept of "ownership" of goods that have been purchased. This is because there is a belief that because someone owns an item, they can do whatever they want, even reselling well-known brand goods with minor changes to the components. Then to overcome this, American law stipulates the idea that Trademark Rights Holders can control how consumers use the goods they buy.²⁸

In Indonesia itself, rampant business competition cases involving brands have been given special protection in the laws and regulations in Indonesia since 1961 until now with Law No. 20/2016 on Brands and Geographical Indications. Not only does the legal system used in Indonesia still have many loopholes, but the law also has several weaknesses that have an impact on the lack of effectiveness of trademark dispute resolution. This weakness can be seen from the lack of several articles that regulate well-known brands and their enforcement. These articles have loopholes that may be exploited by parties with bad intentions to use well-known brands to make illegal profits. One of the methods is to register a trademark that resembles a well-known brand in Indonesia before the well-known brand is registered. Therefore, it is very important to carry out substantive examination and supervision from law enforcement.

Overall, the trademark registration process based on Law No. 20/2016 consists of 5 main stages: application, formal examination, announcement, substantive examination, and certification. This is no different from the stages regulated in the old Trademark Law. It's just that something is reversed and aims to provide an effective trademark registration process in the future. Concerning the process of examining and supervising registered trademarks, there are several weaknesses in the protection of well-known marks in Indonesia in terms of the screening process for trademark registrations in bad faith. One of them relates to the expiration date of the examination as long as the Minister announces the application in the Official Gazette of Brands within a maximum of 15 days from the date of receipt of the application for 2 months and is published through electronic and/or non-electronic means. During this limited announcement period, objections are allowed.

²⁷ See Agung Sujatmiko, *Prinsip Hukum Penyelesaian Pelanggaran Passing Off Dalam Hukum Merek*, *Loc.Cit.*

²⁸ See *Prestonettes, Inc. v. Coty*. This idea finally gave birth to the concept of the "First Sale Doctrine" in the United States. See Xiyin Tang, *The Artist as Brand: Toward a Trademark Conception of Moral Rights*, *The Yale Law Journal*, Vol. 122/2012-2013, No.1 /October 2012. ISSN:00440094. p. 242

Normatively or by law in 15 days so that an objection can be filed if there are sufficient reasons accompanied by evidence that the mark being applied for registration is a brand which according to the law cannot be registered or is rejected, it is normal for the sake of proving that the brand it is original. A copy of the letter containing the objection shall be sent to the applicant or his/her proxies within a maximum of fourteen days from the date of receipt of the objection. The applicant or his/her proxy has the right to file a refutation of the objection to the Minister by submitting it in writing within two months from the date of sending a copy of the objection submitted by the Minister. However, in practice, holders of well-known brands often have difficulty in ascertaining or checking when there is a new brand announced through the Official Gazette of Brands that has similarities in principle or in whole to file an objection. Because philosophically a well-known brand is a brand that is not only used in Indonesia but already has international fame, therefore it is felt that it is not possible to supervise its brand in each country which has the potential for registration of a brand that has elements in common with the brand.

Although the state of Indonesia has made efforts to cancel a brand that has similarities with a well-known brand, it is limited to only 5 years from the registration of the brand. This provision has not changed in Law No. 20/2016. This is in line with the United States law in 37 United States Code, Section 1065 which in general is a trademark that has been registered for more than 5 years, then becomes Incontestable or immune from legal challenge, which results in the law that if the brand is more than 5 years old, then the trademark certificate obtains the status of prima facie evidence, namely very strong evidence that must be protected from third parties who want to cancel for any reason.

However, according to the author, in practice, the limited time for cancellation of 5 years sometimes does not provide justice for well-known brands. This is evidenced by the decision of the Central Jakarta District Court No.45/MERREK/2005/PNNIAGA.JKT.PST on the case of the Giordano v Giordani trademark dispute which stated that Giordani's lawsuit could not be accepted because it had passed the time limit. The Giordano brand itself, as recognized by the Supreme Court's decision, is already a well-known brand. Based on jurisprudence, well-known brands can be canceled on brands that are proven to be in violation even with different types of goods as contained in Supreme Court Decision No. 285K/Pdt/1999 jo No. 21/Pdt.G/1998/PN.Jkt.Pst. Further details regarding the expiration date can also be seen in the Supreme Court's decision No.450K/Pdt.Sus-HKI/2014 in the Lexus vs. Prolexus case, which stated that it rejected the appeal against the Central Jakarta District Court's decision No.89/PDT.SUS.MERREK/2013/PN.NIAGA.JKT.PST with the reason that the implementation of *judex facti* is clear that the Lexus lawsuit has passed the deadline because it was filed on December 3, 2013, while the Prolexus brand has been registered since September 29, 2000. Apart from the

existence of bad intentions, it is clear from cases like this that the use of imitative elements for well-known brands in Law No. 20/2016 cannot guarantee legal certainty.

After the announcement, it is continued to the substantive examination stage conducted by the examiner on the application for trademark registration. There are objections and objections to be considered in this examination. It is at this phase that Law No. 20 of 2016 abolishes re-examination which is considered less effective in handling the trademark registration process which of course also requires a longer time. This substantive examination is also a crucial stage as a preventive effort to select whether indeed the brand has similarities in principle or entirely with a previously registered brand or with a well-known unregistered brand. The author believes that if this stage is carried out optimally, it will play a very important role in minimizing trademark registration in bad faith which will result in passing off. Because if you look at the most cases that occur, the brand that carries out the assistance has been registered as a legal brand in Indonesia. This is concerning because many brands that have similarities and are suspected of being registered trademarks with bad faith have passed the substantive examination and received certification.

The shift in the provision of offenses to offenses against complaints in Law No. 20/2016 on Brands and Geographical Indications has led to widespread counterfeiting of well-known brands without any firm sanctions. Indonesia is still on the priority list for copyright piracy and counterfeiting of branded goods. Even in the report, it is stated that copyright and trademark violations are increasing due to the lack of law enforcement.²⁹ The problem of trademark counterfeiting continues on a global scale and involves the production and sale of a vast array of fake goods. Counterfeit goods, including semiconductors and other electronics, chemicals, automotive and aircraft parts, medicines, food and beverages, household consumer products, personal care products, apparel and footwear, toys, and sporting goods, make their way from China and other source countries directly to purchasers around the world and indirectly through transit hubs, including Indonesia and the United Arab Emirates, to third-country markets such as Brazil, Nigeria, and Thailand that are reported to have ineffective or inadequate IP enforcement systems.³⁰

This very significant change in the offense not only has an impact on law enforcement in the criminal field but also indirectly affects law enforcement in the civil sector which actually weakens the protection of well-known brands in Indonesia. Given that the

²⁹ See The US Trade Representative's annual Special 301 Report 2017 accessed through https://ustr.gov/archive/Document_Library/Reports_Publications pada 8 February 2018.

³⁰ Ibid.

benefits of using ordinary offenses in the enforcement of intellectual property rights in Indonesia are law enforcement that is not protracted and can be enforced to the fullest.

Lawrence M. Friedman argues that good law enforcement is based on legal substance, legal structure, and legal culture. So here in the author's opinion, the problem of infringement of well-known brands in Indonesia is based on the weak legal substance regarding the legal basis for the protection of well-known brands, which has an impact on the paralysis of the legal structure with the complaint offense, which then has an impact on the legal culture of people who feel that if they sell counterfeit goods, the police and other law enforcement officers cannot process it without a complaint from the brand owner.

In the absence of complaints from owners of well-known brands, the State through law enforcement officials cannot act which causes infringement of well-known brands to be increasingly rampant, and especially troubling globally, because most of the brands that are infringed are well-known brands which are well known nationally and internationally and their registrations not even in Indonesia. However, the countries where the trademark rights are registered have bilateral relations with Indonesia. So, the only last resort is the civil route through a lawsuit. With the change of offense in the trademark law, the Indonesian government is still not maximal in protecting well-known brands. Indirectly, the insistence on the enforcement of well-known brands forces the Indonesian government to choose a party, on the one hand, the government seeks to consider the interests and economic capabilities of the people, most of whom will not be able to buy well-known branded products so that they are compelled to produce and consume counterfeit branded goods and on the other hand the government must also provide protection for well-known brands.

The use of complaint offenses makes the government's role passive in enforcing the protection of unregistered well-known trademarks. This is evidenced by the increasing circulation of counterfeit goods, as in shopping locations such as *Tanah Abang* and *Taman Puring* markets which can even be called the "paradise" of counterfeit goods.³¹ *Tanah Abang* itself is famous as the largest textile product shopping place in downtown Jakarta and as the center for counterfeit goods of the largest well-known brands in Indonesia whose sales are organized from clothing products to fake accessories. *Taman Puring* Market, which is located on Kyai Maja Street, Kebayoran Baru, South Jakarta is famous for selling fake famous shoe brands. In Sidoarjo, East Java, there is also a place called *Tanggulangun* which is a center for selling fake bag products. Even today, the sale

³¹ Visit <http://www.tribunnews.com/travel/2015/07/14/pasar-tanah-abang-dan-pasar-taman-puring-surga-bagi-pencari-barang-kw-murah-tapi-berkualitas>

of counterfeit goods does not only take place at traditional markets but has also at modern shopping centers in Indonesia such as Cililitan, ITC Ciledug, Kramat Jati, Duta Mall, and others.³² Hal ini tentunya membuktikan bahwa penegakan merek di Indonesia tidak efektif dan tidak menjamin perlindungan terhadap merek-merek terkenal. This is as stated by Gunnar Myrdal as soft development, namely where certain laws that are formed and applied are ineffective. Such symptoms will arise if certain factors become obstacles. These factors can come from lawmakers, law enforcers, justice seekers, and other groups in society. It is these factors that must be identified because a weakness occurs when only goals are formulated without considering the means to achieve these goals. If the law is the chosen means to achieve these goals, then the process does not only stop at choosing law as a means, but solid knowledge of the nature of law also needs to be known to know the limits in the use of law as a means to change or regulate the behavior of citizens. Because the existing means limit the achievement of goals, while the goals determine which means are appropriate to use.³³

One of the efforts that must be made by the government is to return the offense to Law No. 20/2016 becomes an ordinary offense, so that acts that are violated by law can be subject to action by the state. Then for brand protection in Indonesia to run optimally, the state must also ensure that law enforcement officers tasked with enforcing brand protection in terms of superstructure and infrastructure are adequate. In terms of the superstructure, it means that the institution is well established and equipped with the duties and authorities according to the law, while in terms of infrastructure, it means that all the facilities and infrastructure for the operation of law enforcement officers are available.³⁴ Thus the legal protection of well-known brands can be enforced. The use of law as a means of social control can mean that the law controls behavior in society, sees what deviates from the provisions of the law, and determines what sanctions will be given to those who deviate.³⁵ So this effort is expected to be a means of changing society³⁶ which plays a role in changing social values in society for the better, in this case, the law is expected to eradicate the production and distribution of goods that imitate well-known brands in Indonesia which have become the international spotlight and change social values in the community to jointly cultivate the community to produce goods. with its brand which also aims to increase Indonesia's intellectual property index.

³²Visit <https://www.merdeka.com/uang/dari-pedagang-kaki-lima-hingga-mal-besar-jual-barang-palsu.html>

³³ See Soerjono Soekanto, *Pokok-Pokok Sosiologi Hukum*, Jakarta: Rajawali Pers, 2009, hlm. 135

³⁴ Eddy O.S. Hiariej, *Prinsip-Prinsip Hukum Pidana*, Edisi Revisi, Yogyakarta: Cahaya Atma Pustaka, 2013, p. 14.

³⁵ See Zaeni Asyhadie dan Arief Rahman, *Pengantar Ilmu Hukum*, Jakarta: RajaGrafindo Persada, 2013, p.131

³⁶ See Friedmann, *Teori dan Filsafat Hukum, Idealisme Filosofis dan Problema Keadilan*, (Jakarta: Rajawali Press),1990, p.141.

CONCLUSION

Article 83 section 1 and 2 of Law No. 20/2016 on Brands and Geographical Indications is the legal basis for the protection of well-known brands in Indonesia to obtain legal protection without prior registration with enforcement through a civil lawsuit to the Commercial Court. Well-known brand holders often find it difficult to check when a new brand is announced through the Official Gazette of Trademarks in Indonesia to file an objection. Although it has given efforts to cancel the brand, in practice the limitation of the cancellation time for 5 years does not provide justice for well-known brands. Legal protection for well-known brands in Indonesia is still very weak and does not guarantee legal certainty and justice because, with the use of complaint offenses, the role of the government becomes very passive. This has an impact on the uncontrolled circulation of counterfeit goods. The role of the government becomes confusing between the government having to enforce the trademark law which is the ratification of an international agreement or the government seeing the fact that sociologically the ability or purchasing power of the Indonesian people is not capable.

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