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LAW ENFORCEMENT AGAINST TRADEMARK INFRINGEMENT IN INDONESIA

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Abstract

Trademark as part of intellectual property rights is one of the most important elements in the business world. Trademark protection is one form of legal certainty required by investors, both domestic and foreign. The legal certainty also expects law enforcement against trademark infringement. The number of trademark infringement that occurred in Indonesia from 2015 to 2023 shows an increasing trend. The purposes of this research are to explore and analyze regarding the cause of trademark infringement and to investigate how efforts should be made to solve and reduce the number of trademark infringements in Indonesia. This research is normative legal research underpinned by interviews as well as through library research by tracing secondary data, using documentation methods and instrument in the form of document studies. Interviews were conducted with resource persons using interview guidelines. Then, data

were analyzed using qualitative analysis.The result shows that the reason for trademark infringement is economic reasons. The offending party has bad intentions and assumes that the business whose trademark is to be imitated has good potential and person concerned can obtain a reasonable profit (good turnover potential) if using the same or similar trademark. The second is the party whose trademark is used by another party without rights needs to make a complaint about the trademark infringement because the violation/ infringement of intellectual property rights (including trademark infringement) is a complaint of violation that must be reported by the injured party to the law enforcer. This research is expected to provide input to the government and law enforcer in Indonesia related to law enforcement against trademark infringement that occurred in Indonesia.

Keywords:

Law Enforcement, Trademark Infringement, Intellectual Property Rights

1. Introduction

Law enforcement of trademark infringement needs attention. It is because Intellectual Property Rights (IPR) infringements that occur in the business world are increasing, especially when it comes to trademark infringement. Trademark as part of intellectual property rights is one of the most important elements in the business world. In line with this, the era of global trade can only be maintained if there is a fair climate of business competition, in which the trademark holds a very important role that requires a more sufficient regulatory system.

A trademark (with its brand image) can meet consumer needs for identification or a very important identifier and is a guarantee of the products or services quality in free competition. Based on this, a trademark is an economic asset for its owners, both individuals and companies (legal entities) that can generate large profits, can be accepted if it is utilized with due regard to business and good management processes (Adrian Sutedi, 2009).

Trademark protection is one form of legal certainty needed by the investors, both domestic and foreign. The legal certainty also expects law enforcement that is still lacking. This can be reflected in the number of trademark infringements in court that have not been resolved. It is very ironic, considering that Indonesia already has a definite set of legal rules. Law enforcement of trademark infringement is certainly not only based on the substance component of the provisions of the trademark law, but also how these provisions are enforced by taking into account the elements of legal certainty, expediency and justice.

The consideration of the part of considering letter a of Law Number 20 Year of 2016 concerning Trademark and Geographical Indications (hereinafter referred to as Trademark Law) states that in the era of global trade, in line with international conventions which have been ratified by Indonesia, the role of Trademarks and Geographical Indications becomes very important, especially in maintaining fair business competition. Based on this, it becomes interesting and relevant to be investigated regarding law enforcement against trademark infringement in Indonesia.

2. Research Method

This research is normative legal research underpinned by interviews as well as through library research by tracing secondary data, using documentation methods and instrument in the form of document studies. Interviews conducted in this research are as a complementary or supporting tool for secondary data. Interviews in this research were conducted with two resource persons, namely one person from the Directorate General of Intellectual Property (Ditjen KI) and one person from the Business Competition Supervisory Commission (KPPU), using interview guidelines. Then, data were analyzed using qualitative analysis.

3. Literature Review

Based on Article 1 number 1 of the Trademark Law, a trademark is a sign that can be displayed graphically in the form of images, logos, names, words, letters, numbers, color arrangements, in the form of 2 (two) dimensions and / or 3 (three) dimensions, sound, holograms, or a combination of 2 (two) or more of these elements to distinguish goods and / or services produced by persons or legal entities in the trading activities of goods and / or services. Trademarks as stipulated in Article 2 paragraph (2) of the Trademark Law include trademarks and service marks, with the following definitions (Utomo, 2010):

a) Trademarks are marks used on goods traded by a person or several persons jointly or legal entities to distinguish with other similar goods. Example: Coca-Cola, Sanyo, Honda
b) Service Marks are marks used on services traded by a person or several persons jointly or legal entities to distinguish with other similar services. Example: Bank of America, Bumiputera Insurance, Horison Hotel

Trademark as a form of intellectual creation has an important role for the smooth and increased trade of goods or services in trade and investment activities (Sutedi, 2009). For producers, trademarks are used to guarantee the value of their products, especially regarding quality, convenience of use or things that are generally related to the technology. For traders, trademarks are used for the promotion of merchandise in order to find and expand the market. For the consumer, the trademark is needed to make a choice of goods to be purchased. The trademark can also serve to stimulate the growth of industry and trade that is fair and beneficial to all parties. (Usman, 2003). In essence, a trademark is used by the producer or owner of the trademark to protect its products, either in the form of services or other trade goods. Based on this, a trademark has the following functions (Purwaningsih, 2005):

a) Differentiating function, which distinguishes one company's product from another company's product.
b) Reputation guarantee function, which is in addition to being a sign of the origin of the product, also personally connects the reputation of the branded product with the manufacturer, as well as providing quality assurance for the product.
c) Promotion function, the trademark is also used as a means of introducing new products and maintaining the reputation of old products that are traded, as well as to dominate the market.
d) The function of investment stimulation and industrial growth, namely the trademark can support industrial growth through capital investment, both foreign and domestic in facing the free market mechanism.

Along with the advancement of science and technology, it is very possible for a person or legal entity to use science and technology to violate a trademark for profit, one of the examples is the counterfeiting of the trademark. Acts of counterfeiting of trademarks are carried out by parties who have bad intentions to gain as much profit as possible in unfair and dishonest business competition using other parties' registered trademarks (Putri, 2018).

4. Research Results

4.1 Trademark Infringement in Indonesia

Trademark infringement that occurs in Indonesia is about two kinds of trademark similarities, namely similarities in the principle and similarities in the whole. The Explanation of Article 21 section (1) of the Trademark Law explains that what is meant by the similarity in the

principle is the similarity caused by the existence of dominant elements between one trademark and another trademark so as to cause the impression of similarity, both regarding the form, the way of placement, the way of writing or a combination of the elements, as well as the similarity of speech sounds, which is found in the trademark.

Trademark is an identifier of goods or services for one company with other companies. As an identifier, then the trademark in one classification of goods/services should not have similarities between one and the other either in the whole or in the principle (Adrian Sutedi, 2009). Harahap states that, "The similarity in the whole is the similarity of all the elements. Such a similarity is in accordance with the doctrine of entires similar or similar to the whole elements" (Jened, 2015). The definition of "similar in the principle" is that the trademark used by the unauthorized party is not exactly the same as the registered trademark, but it can still mislead consumers, especially consumers who are in a hurry to choose goods because between the registered trademark and the trademark used without the right is similar. This may occur in terms of color combinations, fonts or other characteristics that are similar to the registered trademark (Miru, 2005).

The existence of similarity in the principle or the whole of a trademark with other trademark can be analyzed from the jurisprudence of the Supreme Court, namely (Shidarta, Susanto, Savitri and Chandra, 2014):

a) Similiarity in appearance confusing in appearance means similarity in appearance and confusing in appearance.
b) Similiarity in sound = confusion when pronounced means similarity in sound.
c) Similiarity in concept = similarity in concept means very similar which is called similarity.

In relation to trademark infringement, Poltorak and Lerner in their book entitled Essentials of Intellectual Property say that a mark that is confusingly similar to other marks cannot serve to distinguish the goods on which it is used from those of others. A mark that is confusingly similar to other marks, cannot serve to distinguish the goods of that mark from the goods of other marks (Poltorak and Lerner (2002).

The problem that then arises is regarding infringement of intellectual property rights in this case the act of trademark infringement which could potentially qualify as unfair business competition. The reason for trademark infringement is economic reasons. The offending party has bad intentions and assumes that the business whose trademark is to be imitated has good

potential and person concerned can obtain a reasonable profit (good turnover potential) if using the same or similar trademark. An act of trademark infringement can be qualified as an unfair business competition if the same type of business is conducted (Situmorang, 2019).

In fact, famous trademark infringement cannot be solely based on the provisions stipulated in the Trademark Law only. This is because trademark infringement is related to the unlawful act stipulated in Article 1365 of the Civil Code or related to fraudulent competition stipulated in Article 382bis of the Criminal Code (KUHP). In other countries, trademark infringement is also related to the issue of fraudulent competition, for example: Japan in addition to have a Trademark Law, also has an Anti-Fraudulent Competition Law (Maulana, 2000).

Based on the few verdicts on the trademark infringement, all actions that are included in the act of imitating, copying, or piggybacking on the fame of someone else's more famous or registered trademark, causing confusion and misleading the public, are not only classified as trademark infringement, however, it can also be qualified as an act of fraudulent competition or unfair business competition. Along with the advancement of science and technology, it is very possible for a person or legal entity to use science and technology to violate a trademark for profit, one of the examples is the counterfeiting of the trademark. Acts of counterfeiting of trademarks are carried out by parties who have bad intentions to gain as much profit as possible in unfair and dishonest business competition using other parties' registered trademarks (Putri, 2018).

4.2 The efforts to solve and reduce the number of trademark infringements in Indonesia

The registered trademark holders whose trademarks are used by other parties without rights, must take legal action against trademark infringement (both similarities in the principle and similarities in the whole with the trademarks owned). This needs certainly to be done so as not to become a bad precedent and as a form of pro-active action in law enforcement against trademark infringement.

Law enforcement efforts through the courts and the police are used as the ultimate weapon or ultimum remidium when persuasive efforts have been made and are not responded properly. Kinship approaches, warning letters and invitations to settlement have been made, but these persuasive efforts are often ignored.

Ignatius MT. Silalahi, Head of the Sub-Directorate of Investigation of Directorate General of Intellectual Property responded that what was done by the party whose trademark was

used by another party without the right to make a report (complaint) about the trademark infringement was the right effort in following up on trademark infringement. This is because the case related to the violation of intellectual property rights is a complaint offense that must be reported by the injured party to the law enforcer (Majid, 2014).

Unfair business competition in the use of trademarks without rights can also be sued based on acts against the law, where the plaintiff must prove that because of the defendant's unlawful acts, the plaintiff suffers a loss. Based on civil law, unfair business competition is said to be an act against the law it it meets the elements in Article 1365 of the Civil Code, namely (Putri, 2018):

a) Carried out against the law;
b) Causing losses for business competitors;
c) Made by mistake (intentionally or negligently);
d) There is a causal relationship between the act and the loss resulting from the act of a business which is against the law, that is if:

1) These acts are prohibited by law;
2) The act is contrary to decency;
3) The act is against public order;
4) The act is against compliance;
5) The act is contrary to honestly.

Ordinary logic certainly understands that any act of counterfeiting, misdirection or using another person's trademark without rights, imitation, reproduction, copying, pirating or piggybacking on the trademark of another person's trademark, in the assessment of the trademark is considered an act: forgery (fraud), deception, misleading, using other people's trademarks without rights (unauthorized use), is a violation of the law. This certainly would be appropriate if its included in the realm on criminal law as regulated in the Criminal Code (KUHP) or related laws, for example, which regulates trademarks (Damayanti, 2020).

The process of implementing the trademark law policy will run according to the objectives, if law enforcement is carried out consistently in accordance with applicable laws and regulations. Law enforcement related to the content of the policy stated by Jan Merse, namely the handling of violations of trademark law is related to law enforcement in accordance with the contents of the Trademark Law which contains sanctions for the infringers as well as the

authority of the investigators and the process of determining the penalty for the infringers. Expectations or objectives of the implementation of trademark law policy will not run effectively, if law enforcement does not run effectively (Wahyuni, Erma, Bahri and Tangkilisan, 2007).

An increase of law enforcement can be implemented through the empowerment of Commercial Court Judges and the political will of the government to enforce trademark law proportionally by providing appropriate penalties according to the article of violation and legal sanctions in an effort to create a healthy economic climate nationally and internationally (Wahyuni et al., 2007). In this regard, the criminalization of the perpetrators of infringement of Intellectual Property Rights / IPR is intended by the lawmakers so that the offenders become deterrent after being subjected to criminal sanctions and for other members of society is expected to be afraid when knowing the criminal sanctions on IPR infringement (Sulistiyono, 2008).

Sudikno explained that society expects legal certainty, because with legal certainty society will be well-ordered. The law is responsible for creating legal certainty because it aims to create public order. The community on the other hand expects benefits in the implementation or enforcement of the law. Law is for humans, so the implementation of the law or law enforcement must provide benefits or be useful for the community. The community is very concerned that in the implementation or enforcement of the law, the element of justice is considered (Shidarta et al., 2014).

The resource person from the Directorate General of Intellectual Property said that the value of legal certainty has been fulfilled because there has been a decision, although there may be inconsistencies with the provisions of the Trademark Law. The value of justice and expediency may not have been obtained by the complainant/victim. The value of justice may have been obtained by the defendant, but the defendant may also feel that he has not obtained justice because he feels not guilty (Situmorang, 2019). Based on Sudikno, in practice it is not always easy to attempt a proportional (balanced) compromise between legal certainty, expediency and justice (Shidarta et al., 2014).

The parameters of the effectiveness of court decisions on trademark infringements started from the prosecution or requisitur of the Public Prosecutor (JPU) which should be in accordance with the provisions of the Trademark Law. This is because what is decided by the

judge is based on what is demanded by the prosecutor. Usually the judge's decision is below the prosecutor's demands (Situmorang, 2019).

The Criminal Provisions in Article 100 section (2) of the Trademark Law stipulates that any person who without right uses a trademark that is similar in the principle to a registered trademark owned by another party for similar goods and/or services that are produced and/or traded, shall be punished with a maximum imprisonment of 4 (four) years and/or a maximum fine of Rp2,000,000,000.00 (two billion rupiah). Some cases show that the prosecutor's demands for the trademark infringement have been very low, so that the judge's decision against the trademark infringer also becomes low.

Resource person from the Directorate General of Intellectual Property said that he did not agree if the punishment for the trademark infringer is based on the reason that the trademark infringement has not been committed for a long time. This is because the prosecutors and judges must really pay attention and explore the provisions in the Trademark Law as well as the facts in the court. Another parameter is that the court's decision must have a deterrent effect on the trademark infringer. Court decisions on trademark infringements have not provided a deterrent effect for trademark infringers and have not been effective and efficient because trademark infringements continue to occur and the number is increasing (Situmorang, 2019).

The number of trademark infringement that occurred in Indonesia from 2015 to 2023

No.	Year	The number of trademark infringement
1.	2015	134
2.	2016	60
3.	2017	139
4.	2018	151
5.	2019	172
6.	2020	120
7.	2021	182
8.	2022	208
9.	2023	290

Source: data obtained from the Administrative Unit of the Directorate General of Intellectual Property

5. Conclusion

Based on the research and discussion, it can be concluded that the reason for trademark infringement is economic reasons. The offending party has bad intentions and assumes that the business whose trademark is to be imitated has good potential and person concerned can obtain a reasonable profit (good turnover potential) if using the same or similar trademark. The party whose trademark is used by another party without rights needs to make a complaint about the trademark infringement and/or file a civil lawsuit, in the form of compensation, to stop the use of the infringed mark.

Based on the conclusion mentioned above, the suggestions given are as follows:

a) The authority to supervise monopolistic practices and unfair business competition is to the Business Competition Supervisory Commission (KPPU). KPPU's response regarding trademark infringement tends to be positivistic (only looking at the provisions in the Business Competition Law). KPPU does not elaborate on what is happening in the community and is less concerned with actions that can be categorized in unfair business competition. It is necessary to optimize the implementation of KPPU's duties in examining allegations of unfair business competition that occur in the community but which are not or have not been regulated in the articles of the substance of the Business Competition Law.
b) Law enforcers, in this case investigators, prosecutors and judges need to have an adequate understanding of trademark law and law enforcement of trademark infringement so that the process of law enforcement for trademark infringement can run well.

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