

# Bad Faith's Criteria in the Famous Trademark Dispute Settlement That has an Element of Equality in Principle in the Court

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**ABSTRACT**--*Cheat or unfair business competition often arises when there is a trademark, either in the form of certain goods or services, which is well known and sold in the market, so it tends to make other producers or entrepreneurs encourage their products to compete with these trademarks. Unfortunately, business actors more often use inappropriate ways or bad intentions that are contrary to the law to gain profit by plotting well-known trademarks, by ways of imitating or faking such well-known trademarks, thus bringing a lawsuit to the court on the basis of good faith. not good. In practice the interpretation of bad faith in trademark disputes has different meanings and criteria. One of the criteria for bad faith found in trademark disputes in the Court is the knowledge of well-known trademarks even though the mark has not been officially registered at the Directorate General of Intellectual Property, and there is an element of equality in its essence and / or in total regarding words, speech sounds, and appearance , as well as a misdirection on consumers.*

**Keywords:** *bad faith, trademark dispute, famous trademark, judge's interpretation*

## I. INTRODUCTION

Trademarks can be company assets that produce products / services that are produced using brands that are made into goods or services that are used by the public.[21] Trademarks are the spearhead of the trade in goods and services. Through trademarks, companies can guarantee and provide dishonest guarantees of quality from other bad-faith entrepreneurs who have agreed to piggyback their reputations. Trademarks as a means of marketing and advertising (marketing and advertising) provide a certain level of information to customers about goods and / or services produced by entrepreneurs. Moreover, with the development of advertising, both nationally and internationally today and in the context of the distribution of goods and / or services makes the brand higher in value.[12]

## II. FINDINGS AND DISCUSSION

Trademarks supported by advertising media make entrepreneurs have the ability to stimulate consumer demand while maintaining consumer loyalty for the products and services they produce.[16] This is excellence as a competitive advantage and ownership advantage for excellence in the global market.[9]

As important as the role of trademarks is in a product or service product in the world of business and

commerce as intellectual works, it is also very important to be given protection of the trademark's interests. Protection of fundamental things that are branded on the part of intellectual work based on the representation of rights arising for someone who has put effort into the scope.[19] This natural right is the right to own and manage what they have created which is meant by exclusive rights.

Because in practice what often arises when there is a brand of product, both certain goods and services, which are more well-known and sold in the market, thus making producers or entrepreneurs spur their products with that company. Worse, businesses more often use inappropriate or unlawful means of making a profit by plotting well-known trademarks, by allowing or faking such well-known marks. Therefore the function of trademarks as a means of preventing unhealthy business competition is that through trademarks, goods or services such as the origin, quality, and security of the originality of the product can be distinguished.[11]

One of the fundamental issues in the debate over trademark disputes concerns how to determine whether or not there is "bad faith" in carrying out an act of complicating a well-known trademark. The emergence of debate is caused by the existence of interpretive space that gives rise to diverse perceptions in understanding it. "Bad faith" under Law No. 20 of 2016 concerning Trademarks and Geographical Indications must be proven by the intention of the applicant to imitate, copy, or follow other parties' Trademarks for the sake of their business so as to create unfair business competition conditions, deceive or mislead consumers.

In practice the application of "interpretation" of good faith in trademark registration is very controversial because of its existence which needs to be proven. This is in line with the proof of the claim to cancel the registration of the mark in court. There has not been a single interpretation related to the meaning of good faith or vice versa measuring bad faith in trademark registration. Therefore, this paper tries to examine more closely related criteria of good faith in the famous trademark dispute related to the existence of an element of equality in essence through a court decision.

### A. Determine Famous Trademark Criteria

Two principles of trademark law, the principle of specificity[16] and the principle of territoriality.[16] are often seen as limiting the scope of trademark protection.

This principle limits the scope of protection to the qualifications of goods or services of a kind and geographically. However, for well-known trademarks, the scope is expanded so that it is not bound by the qualifications of similar goods or services or the jurisdiction of a country.

Regarding the protection of famous trademarks, Article 6 bis paragraph (1) of the Paris Convention states that member countries must reject or cancel and prohibit trademarks that are reproductions, imitations or translations of well-known trademarks that are highly likely to create confusion for the same or similar goods. Then, Article 16 (2) and (3) of the TRIPs Agreement broadens the scope of Article 6 bis of the Paris Convention in the form of two things, namely:

- a) The scope of protection also applies to services even though Article 6 bis paragraph (1) of the Paris Convention only protects goods.
- b) The scope of protection is also extended to goods or services that are not of the same type if the use of a mark related to said goods or services shows a relationship with the goods or services of the registered trademark owner and the interests of the registered mark owner are likely to be damaged by such use.

The Paris Convention does not explain the definition or criteria of a well-known trademark. The TRIPs Agreement adds to the legal standard for protecting well-known trademarks because it provides instructions on how to assess well-known trademarks. It is explicitly stated that member countries must consider the trademark knowledge in the relevant community sector, and the knowledge that has been obtained as a result of the promotion of the mark in the member country. Under the provisions of Articles 16 (2) and (3) of the TRIPs Agreement in conjunction with Article 6 bis of the Paris Convention, the refusal and cancellation because it is a reproduction, imitation or translation of a well-known mark for similar goods or services does not require registration. Different for the refusal and cancellation of goods or services that are not the same type, the famous mark must be registered. This provision provided protection for registered trademarks which later became famous.[6]

Even though it has provided instructions on how to assess well-known trademarks, the provisions in the TRIPs Agreement still leave questions about the factors for measuring a qualification of a well-known trademark. Based on this, WIPO formulated recommendations to detail the factors that must be met to determine the criteria for well-known trademarks. Factors to consider are:[25]

- a. The level of public knowledge and recognition in the environment is related to the use and promotion in trade.[25]
- b. Duration and geographical area of brand use.[25]

- c. The duration and size of the geographical area where the promotion of famous trademarks is carried out.[16]
- d. The time period and geographical area where the registration and application for registration of a mark is known.
- e. a track record of successful law enforcement for rights obtained by well-known brands, especially recognition from competent parties regarding the fame of the mark.[25]
- f. The sale value contained in the trademark.

Determining the qualifications of a well-known mark, the state must consider the knowledge and recognition in the community related to the trademark. That what is meant by the community environment related to this recommendation is:[25]

- 1) Actual and / or potential consumers who use the trademark goods and / or services.
- 2) The parties involved in the distribution of said trademark goods and / or services.
- 3) Business circles relating to said trademark goods and / or services.

Furthermore, the regulation is related to determining criteria for well-known trademarks in the statutory provisions in Indonesia. The problem that arises here is that these well-known trademarks are registered by persons or legal entities that are not legitimate owners so that there is an element of bad faith by piggybacking on other well-known brands, utilizing promotions for their own benefit. In an effort to provide protection to well-known trademarks. In 1987 the Republic of Indonesia Judicial Decree No. M-02-HC.01.01 of 1987 concerning the Refusal of an Application for Registration of Trademarks that have similarities with the Famous Trademarks of Other People, in an effort to provide improvements to the Trademark Law of 1961 which does not clearly provide a definition of a well-known mark.

The definition of a well-known brand in RI Decree No. M-02-HC.01.01 is formulated as follows;

“A well-known trademark is a trademark that has long been known and used in Indonesian territory by a person or legal entity for certain types of goods.”

While the protection given to well-known trademarks is limited to similar goods. The Ministerial Decree was then reviewed in 1991 with the Minister of Justice Decree No. M.03-HC.02.01 of 1991 concerning Refusal of an Application for Registration of Trademarks with Famous Trademarks or Trademarks that are similar to other well-known trademarks or those of Other Entities. The protection of well-known trademarks registered in this material decree was extended by adding a formula in the definition of a well-known trademark to being "known and used", both in Indonesia and abroad.[15]

Related to the criteria of similarity with well-known trademarks added "similarity in principle" and what is even more extended is that this protection also

applies to goods that are not of the same type. at that time, despite being criticized as an unconstitutional Ministerial Decree for regulating matters that should be regulated by law.[15]

Completion of the 1961 Trademark Law specifically regarding the protection of famous trademarks in 1987 has been issued by the Indonesian Minister of Justice Decree No. M-02-HC.01.01 of 1987 concerning Refusal of Application for Registration of Trademarks which have similarities with other people's famous trademarks. The definition of a well-known brand in this decree is formulated as follows. "Famous brand is a trademark that has long been known and used in the territory of Indonesia by a person or legal entity for certain types of goods". While the protection given to well-known brands is limited to similar goods. Then the Ministerial Decree was revised by the RI Minister of Justice Decree No. M.03-HC.02.01 of 1991 concerning Refusal of the Application for Registration of Famous Trademarks or Similar Trademarks of Other People or of Other Entities. The protection of famous Trademarks in this Decree was expanded by adding the formulation in the definition of famous Trademarks to "known and used, both in Indonesia and abroad". Then regarding the criteria for similarities with well-known Trademarks added "similarity in essence" and even more extended is that this protection also applies to goods that are not similar.

The subject of the regulation on the protection of well-known trademarks as stipulated in the Decree of the Minister of Law and Human Rights mentioned above can be said to be quite progressive at that time, although it was criticized as an unconstitutional Ministerial Decree because it regulates matters that should be regulated in the law.

Subsequent arrangements to Article 21 paragraph (1) letter (b) of Law No. 20 of 2016 which states that the application is rejected if the mark has similarity in principle or in whole with another party's well-known mark for similar goods and / or services, has a method similar to the implementation of Article 21 paragraph (1) letter (a) containing the application is rejected if the mark has the same principal or in whole with the registered mark of another party or is applied in advance by another party for similar goods and / or services. One significant difference is that well-known brands which form the basis of refusal do not have to be registered or submitted in advance.

At the substantive examination stage,[28] the objection document accompanied by evidence submitted at the announcement stage from the owner of the well-known mark becomes the main reference for the examiner to refuse under Article 21 paragraph (1) letter (b). To determine the qualifications of a well-known brand, it is done by paying attention to the general knowledge of the community about the brand in the relevant business field. The reputation of a brand that is obtained because of the intense and massive promotion, investment and evidence of trademark registration in several countries are also factors in valuation. In addition, the assessment factor of

well-known brands also pay attention to the success of these brands in terms of law enforcement.[27]

Several cases related to the registration of well-known brands which ultimately led to the settlement of disputes in court. In the case of the well-known LEXSUS trademark, the application for registration of the "LEXUS" mark which resembles the "LEXUS" trademark of the Original Trademark Owner who visited the cancellation of the mark based on the Decision of the Commercial Court Judges including:

- a. Decision No. 65 / Pdt.Sus.Merek / 2013 / PN.Niaga.Jkt.Pst regarding "LEXUS" and "LEXUS" trademark disputes between the plaintiff and Lie Sugiarto;
- b. Decision No. 66 / Pdt.Sus.Merek / 2013 / PN.Niaga.Jkt.Pst regarding trademark disputes "LEXUS" and "LEXUS + Painting" between the CLAIMANT and PT. Lexus Main Power;
- c. Decision No. 87 / Pdt.Sus.Merek / 2013 / PN.Niaga.Jkt.Pst about trademark disputes "LEXUS" and "LEXUS" between the CLAIMANT and Woi Kui Him;
- d. Decision No. 06 / Pdt.Sus.Merek / 2015 / PN.Niaga.Jkt.Pst regarding "LEXUS" and "LEXUS" trademark disputes between the plaintiff and Herry Dafjan;
- e. Decision No. 09 / Pdt.Sus.Merek / 2015 / PN.Niaga.Jkt.Pst regarding "LEXUS" and "LEXUS" brand disputes between the CLAIMANT and Lie Sugiarto;

The verdict on these cases essentially states that: "Defendant's LEXUS trademark has similarities in principle to the Plaintiff's LEXUS trademark, which should not be accepted as a registration, because it can be said that copying or imitating the fame of the other party's trademark and the registration is done in bad faith".

In deciding a claim for cancellation of a trademark because it has similarities in principle or in whole with another party's well-known trademark for similar goods or services, the panel of judges uses the qualifications of a well-known mark as explained in Article 6 paragraph (1) letter (b) of Law No. 15/2001. The assessment factors to determine the qualifications of well-known brands are as follows:

- 1) General public knowledge about the mark in the relevant business field. In assessing the general knowledge of the community, it does not matter whether the fame of a brand must include the general knowledge of the community to a certain degree, or include the general public's fame.[29]
- 2) The reputation of a well-known brand that is obtained because of the intense and massive promotion. The use of a brand that is very long and has the marketing and distribution of quality products in various countries will enhance the reputation of a brand.[30] There is a link that

general public knowledge is obtained from the results of intense promotion.

- 3) Investments in several countries in the world by the owner.
- 4) Proof of registration of the mark in several countries. In one of the decisions of the MA RI No. 1486 K / Pdt / 1991 dated November 25, 1995 states that a well-known mark is a trademark that has circulated out of regional boundaries to international boundaries, where it has circulated overseas and proven by the registration of the relevant Trademark in various countries.[31]
- 5) If the above matters are not deemed sufficient, the commercial court may order independent and independent institutions to conduct a survey in order to obtain conclusions about whether or not the mark is the basis for rejection.

There are many cases of trademark cancellation because they have similarities in principle or in whole with other parties' well-known trademarks for similar or unrelated goods and / or services.

*a. Supreme Court Decision No. 04 K / N / Haki / 2005*

In the case of cancellation of the brand "Darkie", between Hawley & Hazel (BVI) Company Limited and Hawley & Hazel Chemical Co. Ltd as the Plaintiff and Petitioner of Cassation, against Boediono Tjipto Dihadjo as the Defendant and Respondent of Cassation, where in one of the considerations the Panel of Judges believes that Article 16 (3) of the TRIPs Agreement jo. Article 6 of the Paris Convention allows the owner of a well-known mark to demand the cancellation of the same mark on different types of goods and services provided that the famous mark has been registered in the country in which the protection is desired. In this case the brands Darkie (NCL 3) and Darlie (NCL 30) have been registered in Indonesia.

Decision of the Commercial Court No. 06 / MEREK / 2001 / PN.NIAGA / JKT.PST This decision is a lawsuit for the cancellation of the "AP Audemars Piguet" mark between Audemars Piguet Holding, S.A., as the Plaintiff against PT Adi Perkasa Buana. In one of its considerations, the Panel of Judges is of the opinion that Article 16 paragraph (3) of the TRIPs Agreement stipulates that *mutatis mutandis* Article 6 bis of the Paris Convention will apply to goods or services which are not of the same type provided that the use of the mark on the said goods or services will give an indication of a relationship with goods or services of a well-known brand and the owner of a well-known brand will tend to incur losses due to the use of that brand.

*b. Supreme Court Decision Number 29 PK / Pdt.Sus-HKI / 2016*

After the issuance of the Supreme Court Circular (SEMA) No. 03 / BUA.6 / HS / SP / XII / 2015 concerning the Imposition of the Results of the 2015 Supreme Court Chamber Plenary Meeting As A Guideline for the Implementation of Tasks for the Court to change the approach previously taken by the court in deciding cases related to brand cancellation if it has similarities in

principle or in whole with other parties' famous brands for goods and / or services of the same type. A claim for cancellation of a trademark that has similarities in principle or in whole with another party's well-known trademark for goods and / or services that are not the same type of decision is an unacceptable lawsuit. In accordance with the legal principle, the provisions of Article 6 paragraph (2) of Law no. 15/2001 concerning trademarks has not yet become effective because the government regulations referred to in the article have not yet been enacted.[23]

Decision of the Supreme Court Number 29 PK / Pdt.Sus-HKI / 2016 between Bayerische Motoreen Werke Aktiengesellschaft against Hendrywo Yuwijoyo regarding the claim to cancel the "BMW Body Man Wear" brand in court that canceled the Supreme Court's Decision Number 79 K / Pdt.Sus-HKI / 20 14 dated October 27, 2014 in conjunction with the Decision of the Commercial Court in the Central Jakarta District Court Number 50 / Pdt.Sus / Trademark / 2013 / PN Niaga Jkt.Pst., December 10, 2013. In the decision also stated that the lawsuit cannot be accepted even though "BMW Body Man Wear "has similarities in principle to other parties' well-known brands" BMW "for goods or services that are not of the same type.

In consideration of the decision, it was stated that based on the Plenary Meeting of the Civil Chamber dated 9 to December 11, 2015 which was then set forth in SEMA Number 03 / BUA.6 / HS / SP / XII / 2015 it was agreed that the cancellation lawsuit against brands that have similarities in principle with other parties' brands for goods or services that are not of the same type, the lawsuit must be declared "unacceptable" instead of being rejected, with consideration in accordance with Article 6 paragraph (2) of Law Number 15 Year 2001 concerning Trademarks which form the basis of the same trademark arrangement but different types still have to be regulated in government regulations. The government regulation has not been promulgated by the government, so it can be stated that there has not been a violation of the mark. Thus, with the Decision of the Plenary Meeting of the Civil Chamber on 9 to December 11, 2015 which is then set forth in SEMA Number 03 / BUA.6 / HS / SP / XII / 2015, the previous Supreme Court decisions regarding the same mark for non-similar goods are no longer guided.

Furthermore, after the enactment of Law no. 20 In 2016, the government issued Permenkumham No. 67/2016. One important substance regulated in Permenkumham No. 67 of 2016 is a provision regarding famous brands. This is the implementation of Article 21 paragraph (4) of Law no. 20 of 2016 which ordered further regulation of well-known brands in government regulations. With the enactment of Law no. 20 of 2016, the mandate to form government regulations on famous brands as mandated by Article 6 paragraph (2) of Law no. 15 of 2001 is no longer valid.

The criteria for a well-known brand are carried out by assessing the general public knowledge of the brand in the relevant business field. The community in the business sector concerned is the consumer or the general

public who have a connection in terms of production, promotion, distribution, and sales of goods or services that are protected by the famous brand. Factors that are considered in determining the qualifications of well-known mark are:[34]

- 1) level of public knowledge or recognition of the brand;
- 2) the volume of sales of goods and / or services and profits derived from the use of the mark by the owner;
- 3) market share controlled by the mark in relation to the distribution of goods and / or services in the community;
- 4) the reach of the brand use area;
- 5) the period of use of the brand;
- 6) brand intensity and promotion, including the investment value used for the promotion;
- 7) registration of a mark or application for registration of a mark in another country;
- 8) the success rate of law enforcement in the field of trademarks, specifically regarding the recognition of such marks as well-known marks by authorized institutions;
- 9) the value attached to the mark is obtained because of the reputation and quality assurance of the goods and / or services protected by that mark.

If observed from the above provisions, there are still gaps for other parties, people or other legal entities to deliberately register a trademark to imitate or copy a famous trademark, if only the famous mark has not been registered in Indonesia. The above provisions according to the author are unclear and have not firmly provided protection for well-known brand owners, because there are still provisions for having to register in Indonesia. So that in reality there are still disputes over the cancellation of the registration of famous brands after the entry into force of the 2016 Trademark Law and the Minister of Law and Human Rights Regulation number 67 of 2016.

#### *c. Protection of well-known brands on the basis of brands contrary to bad faith*

The principle of protection of famous brands in Indonesia is to provide protection for registered trademarks in good faith. The principle of good faith not only arises when the application for registration of a mark is one of the absolute grounds, but good faith also arises as a basis for a claim to cancel a mark concerning the validity of a registered mark.

Good faith is generally known in Article 1338 paragraph (3) Burgerlijk Wetboek (BW), which is "The parties are obliged to do each other worthy and proper.[10] According to Nieuwenhuis that good intentions can be divided into two, namely: subjective good intentions (Article 1977 BW) and objective good intentions (Article 1338 BW). But in the application of Article 1977 BW is known by the existence of unforgivable conditions, if the defect is not known.[10]

Black's Law Dictionary states that the definition of good faith is:

"A state of mind consists in (1) honesty in belief or purpose, (2) faithfulness to one's duty or obligation (3) observance of reasonable commercial standards of fair dealing in a given trade or business, or (4) absence of intent to defraud or to seek unconscionable advantage".

According to Wirjono Prodjodikoro (former Chairman of the Supreme Court of the Republic of Indonesia), the term "honestly" or honestly is used.[22] "Trademarks are protected with the aim of identifying and differentiating the products and / or services of one producer from another producer. The brand used must be in good faith and not merely adopt the brand without the use of which can be trusted and only an attempt to hold the market.[14]

The Supreme Court's jurisprudence on December 16, 1986 No. 220 / PK / 1996 concerning the Nike case gives the following considerations of good faith:

That Indonesian citizens who produce goods made in Indonesia are obliged to use brand names that clearly show Indonesian identity and as far as possible avoid using trademarks, let alone copy foreign brands, that trademark registration has similarities in principle with other people's brands first is clearly an act of bad faith with the purpose of piggybacking on the famous trade name and trademark information.[18]

Good faith is known as a substantive condition in trademark law. Article 4 of Law No. 15/2001 determines, "Trademarks cannot be registered on the basis of an application submitted by an applicant in bad faith." The element of the applicant's good faith according to the Elucidation of Article 4 of Law 5/2001 concerning Trademarks is the applicant who registered the mark:

- 1) Properly and honestly;
- 2) Without any intention to piggyback, imitate or copy another party's brand fame;
- 3) For the sake of business interests;
- 4) Which results in losses to the other party or gives rise to conditions of fraudulent competition, misleading or misleading consumers.

Usually a bad faith registration is done by a former licensee (ex-licensee) who registers a trademark owned by his former principal who is actually the true owner of the brand (genuine owner). Examples of registration cases for AKAN® and SD® marks for plastic pipe products.[13] The Principal is WILL Inc. (PRC), a company established under Chinese law that has a registered AKAN® mark taken from its company name, AKAN Incorp. The SD® is taken from the company's philosophy which stands for Star Dome. Originally AKAN Incorp was the purchaser of a license (licensor) to PT PKA (licensee). a few years later PT PKA unlicensed principally registered the SD Pipe System trademark, which was then applied to the plastic pipe products that it ordered to other manufacturers (counterfeit products) and

then together were sold with the original genuine products. In this case, PT PKA has registered its Principal trademark in bad faith. A bad intention is more advanced because PKA orders products from other manufacturers and then applies the AKAN® and SD® brands, so as if the product is original from the Principals namely AKAN incorp.

In practice the case of registering in bad faith also appears in the registration of trademarks that have "similarities in essence", because of the 24 (twenty four) Latin letters that can be combined into at least 576 combinations of vowels (vowels) and dead letters (consonants), but registrants with bad faith register trademarks that differ only in 1 (one) syllabus in the case of the Envitex trademark that has similarities principally with the Avitex trademark, so that there are so many chords that can be formed from the letters A to the letter Z, why are brands selected Envitex is different in 1 letter (single sillaby) namely "en" and "a".[13] Moreover, the Avitex brand is a brand taken from the name of the company, PT Avia Avian. This case was won by Avitex and the Envitex brand certificate was canceled.

The 2001 Trademark Law, in particular the provisions of Article 6 paragraphs (1) and (2) stipulate technical parameters of the good faith principle which are applied side by side with the juridical requirements stipulated in Article 4 and Article 5, especially in the provisions of letter a. This is an example with the reference to the old Trademark Law. The full provisions of Article 4 of the Trademark Law 2001 are quoted as follows:

"Trademarks cannot be registered on the basis of an application submitted by an applicant in bad faith."

With a different narrative, the 2016 Trademark Law and Geographical Indications set out the principle of bad faith or bad faith in Article 20. The explanation relevant to the good faith principle is as formulated for clarification of Article 4 and Article 5 letter a of the 2001 Trademark Law, as follows :

Applicants in good faith are those who register their Trademarks properly and honestly without any intention to piggyback on, imitate, or copy the fame of the other party's trademarks in the interest of their business which results in losses to other parties or creates conditions of fraudulent competition, deception, already known to the public as a whole. general since many years, imitated in such a way that it has similarities in principle or in whole with the Trademark A. In that example, there was already a good faith from the copycat because at least the element of the gap should be known in imitating the known Trade Mark.

The formulation of the explanation above clarifies the existence of bad intentions which are motives that are intentionally attached to trademark registration. Elucidation of Article 5 letter a of the 2001 Trademark Law:

Included in the definition contrary to religious morality, decency or public order is the use of these marks

can offend, politeness, peace, or religion of the general public or from certain groups of society.

In the implementation of the application for registration of trademarks that have similarities in principle or in whole with the trademarks of other parties, it can automatically be assumed to contain bad faith.

*Bad Faith Criterion in Disputes of Famous Trademarks that Have the Same Equals.*

The analysis in this section will explain how the implementation of the rejection or cancellation of the mark submitted by the applicant in bad faith through the interpretation of the judge in the Court in handling disputes over the request to cancel the mark based on bad faith. Of course the judge has the authority to interpret the criteria of bad faith in a trademark dispute filed by the court which is broader and exceeds the criteria set by the Director General of Intellectual Property (DJKI). Because in principle the judge has the authority or authority over the interpretation of a legal formulation. Judges may not reject a case on the pretext or the reason that the law does not exist or the law does not clearly regulate it. Adagium applies that the judge is considered to know about the law (*ius curia novit*) from the case submitted to him. Therefore, the Law on Judicial Power confirms that the Court may not refuse hearing a case because the law is unclear or the law does not regulate. The court is obliged to examine, try and give verdicts on every case submitted to him.

Article 21 paragraph (4) of Law No. 20 of 2016 concerning Trademarks and Geographical Indications states that an application is rejected if submitted by an applicant in bad faith. The contents of this article are identical to the substance of Article 4 of Trademark Law No.15 of 2001. In terms of theoretical and practical, bad faith is a terminologist. broad, abstract, and difficult to define.

In the context of international treaties, the Paris Convention and the TRIPs Agreement do not clearly define bad faith. Article 6 bis paragraph (3) of the Paris Convention only mentions that there is no time limit in the case of cancellation or prohibition of use for marks registered or used due to bad faith. This is different from the cancellation of a brand that is only a reproduction, imitation or translation of a famous brand that is very likely to create confusion for the same or similar goods.

In the elucidation section of Article 21 paragraph (4) of Law No.20 of 2016 it is stated that an applicant in bad faith is an applicant who is reasonably suspected in registering his trademark as having the intention to imitate, copy, or follow the trademark of another party in the interest of his business, creating unfair business competition conditions. , deceive, or mislead. To interpret bad intentions it should not need to be limited in the explanation of Article 21 paragraph (4) of Law no. 20 of 2016 because it can reduce actions that can be qualified as bad faith. Whether or not a good intention in terms of trademark registration is not only seen from the elements of the article but also must be seen from the actual actions taken by the applicant of the mark itself.

As a reference, Judge Lindsay J thinks of the context of good faith as follows:[5]

"I shall not attempt to define bad faith in this context. Plainly, it includes dishonesty and, as I would hold, also some dealing which falls short of standards of acceptable commercial behavior observed by reasonable and experienced men in particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context: how far a dealing must so fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon regard to all material surrounding circumstances".

In the subjective perspective of good faith is the honesty of someone in doing something legal. The provisions of Article 530 of the Civil Code that regulates the position of power (*bezite*) which implies honest attitudes or behavior in carrying out every action and deed in society. In the objective perspective of good faith is the implementation of an agreement must be based on norms of compliance or that are felt in accordance with what is appropriate in society or propriety.[17] This principle was formulated in Article 1338 paragraph (3) of the Civil Code which states that an agreement must be implemented in good faith. In other words, Article 1338 paragraph (3) of the Civil Code emphasizes that good faith in an objective perspective does not lie in the state of the human spirit, but rather lies in the actions taken by both parties in carrying out the promises agreed in the agreement.[7] Thus, a contrario can be concluded that bad faith is dishonesty and any behavior that is contrary to the principle of good faith.

In a substantive examination conducted by the Directorate of Intellectual Property, Ministry of Law and Human Rights, the approach commonly used to reject applications for trademark registration submitted by applicants in bad faith refers to the explanation in Article 121 paragraph (4) of Law no. 20 of 2016. It is categorized as an applicant whose intention is not if the applicant piggybacks, imitates, or traces the fame of the other party's brand. These actions indicate a condition of fraudulent competition, deceiving, or misleading consumers. Things that are included in the qualification of bad faith are the use of the brand in the form of writing, painting, logos, or the same color arrangement with other parties' trademarks.

The rejection of trademark registration submitted by the applicant in bad faith does not take into consideration whether the goods and / or are similar or not. Concretely, the application for trademark registration will be rejected due to bad intentions if:

- 1) Resembling or imitating a whole painting of another person for goods or services that are not the same type that has been registered or that the application for registration is first submitted.

- 2) Resembling or imitating the overall logo design of other people who have already registered or the applicant for registration that was first submitted.
- 3) Resembling or imitating the whole way / form of writing or word creation of another person who has been registered or the applicant for registration is first submitted.

Seeing this provision, it can be understood that, the assessment of bad faith in a substantive examination only refers to the trademark that has been registered or which was first submitted. This is due to the limited source of information the examiner has at the substantive inspection stage. Qualifications of bad faiths can be expanded not only to imitate or resemble a registered or first submitted mark if there is additional information or data in the form of objection documents submitted by third parties at the announcement stage. Based on the examination of the objection document, the examiner may refuse the application for a trademark submitted in advance because of a bad faith based on the application for a trademark that was submitted afterwards[24] or someone else's copyrighted work.[24]

As a reformer of the law, the judge has the authority to do what is referred to as judicial activism which includes conducting interpretations (*rechtsinterpretatie*), legal construction (*rechtsconstructie*), legal discovery (*rechtsvinding*), legal formation (*rechtsvorming*), and legal creation (*rechtsschepping*). Through its decision, it is expected to be able to take an active and progressive role in carrying out legal reform.[8] Judges fill the legal vacuum through the use of instruments and methods of interpretation of the textual formulation of a statutory regulation.

In the context of resolving famous trademark disputes in court, judges can make legal construction related to the element of bad faith in a trademark registration of several models or ways that can be done by judges. First; extensive interpretation of the meaning of equality in essence. This interpretation model is done by comparing other people's trademarks, expanding its meaning to be not only registered in Indonesia but also unregistered brands, especially famous brands.[20]

Determination of the existence of an element of similarity in the main points in trademark disputes can be known through the Supreme Court Decision Number 162 K / Pdt. Sus-HKI / 2014 is a case between H. Ali Khosin SE., Against PT Gudang Garam tbk. The occurrence of this case stems from the existence of a common constituent between the trademark owned by H. Ali Khosin SE namely "New Warehouse" with the brand "Gudang Garam".

The Plaintiff strongly objected to the registration of the Gudang Baru + Lukisan mark because it had similarities in principle with the Gudang Garam brand. Basically, the similarities between the brands can be seen from the shape and composition of the letters, writing style, spelling, speech sounds, color composition and how to put pictures / paintings. Besides having similarities in

principle with the Gudang Garam brand, the new Gudang + Painting brand types are also the same / similar and belong to the same class as the Gudang Garam brand, namely class 34 in the form of tobacco, cigarettes.

The same criteria for equality can also be found in the case of the famous Lexus brand dispute. According to the judge's consideration in mining is that after comparing between the Plaintiff's trademarks (Exhibit P-1 to P-8h) with Defendant's trademarks (Exhibit T-1 to Exhibit T-11) it can be concluded that there is an equality in principle between the Defendant's trademarks namely trademark: LEXUS in the following matters:

- a. both have the main element in the form of the word LEXUS;
- b. have the same appearance;
- c. has the same sound and speech that is LEXUS sound and speech LEXUS;

Furthermore, after the issuance of the Supreme Court Circular (SEMA) No. 03 / BUA.6 / HS / SP / XII / 2015 concerning the Imposition of the Results of the 2015 Supreme Court Chamber Plenary Meeting As A Guideline for the Implementation of Tasks for the Court to change the approach previously taken by the court in deciding cases related to brand cancellation if it has similarities in principle or in whole with other parties' famous brands for goods and / or services of the same type. A claim for cancellation of a trademark that has similarities in principle or in whole with another party's well-known trademark for goods and / or services that are not the same type of decision is an unacceptable lawsuit. In accordance with the legal principle, the provisions of Article 6 paragraph (2) of Law no. 15/2001 concerning trademarks has not yet become effective because the government regulations referred to in the article have not yet been enacted.

Decision of the Supreme Court Number 29 PK / Pdt.Sus-HKI / 2016 between Bayerische Motoreen Werke Aktiengesellshafft against Hendrywo Yuwijoyo regarding the claim to cancel the "BMW Body Man Wear" brand adjudicated that canceling the Supreme Court's Decision Number 79 K / Pdt.Sus-HKI / 2014 dated the date 27 October 2014 juncto Decision of the Commercial Court at the Central Jakarta District Court Number 50 / Pdt.Sus / Trademark / 2013 / PN Niaga Jkt.Pst., 10 December 2013. In the ruling also stated that the lawsuit cannot be accepted even though "BMW Body Man Wear" has similarities in principle to other parties' well-known brands" BMW "for goods or services that are not of the same type.

### III. CONCLUSION

The criteria of bad faith according to the judge's interpretation in the resolution of disputes of well-known trademarks related to the equation of justice are principally in the Court under the 2016 Trademark Law, including knowledge of well-known trademarks even though the trademark has not been officially registered at the Directorate General of Intellectual Property, and there

is an element of equality in principle and / or all of them regarding words, speech sounds, and appearance, and the presence of misdirection on consumers. As is the case with the Lexus trademark dispute, although Tegugat's Lexus trademark has been registered in the form of a different type of goods in class 11.29 since 2002, the Plaintiff's Lexus trademark has existed long before and included in the global ranks of 500 the world's most valueable brands that have been released in the international media Brand Finance.

The criteria for bad faith also include applicants who have knowledge of the use of previous brands by other parties. This knowledge is obtained because there is a direct relationship between the applicant and the actual brand owner. The direct relationship can be in the form of professional relationships such as work relations, importers, or sales agents, or family relationships. The applicant has a bad faith if the applicant does not intend to use the mark for which the registration is requested. This intention is proven by not using the brand on the market for at least three years in a row.

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