

# Responsibility Analysis of the Directorate General of IPR Regarding the Case of Name Doing / Passing Off Against the Famous brand “M&G” Reviewed from Law Number 20 of 2016 Regarding Brand and Casual Geographic Indications (526K/Pdt.Sus-HKI/2020)

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## ABSTRACT

In the era of global trade, in line with international conventions that have been ratified by Indonesia, the role of Trademarks and Geographical Indications is very important, especially in maintaining fair, fair business competition, consumer protection, as well as protecting Micro, Small, and Medium Enterprises and domestic Industries. Intellectual Property Rights in legal science are divided into 2 (two) groups, namely Copyright (Copy Right), Industrial Property Rights (Industrial Property Right) where Industrial Property Rights consist of Patents (Patents), Trademarks (Trademarks), Industrial Designs (Industry Design), Prevention of Unfair Competition Practices (Repression of Unfair Competition), Layout Design of Integrated Circuit, and Trade Secrets. Right to a Mark is the scope of Property Rights because the right to a brand is the right to use a sign or brand to distinguish a person's trade product from the products of others, even though it does not have the basic elements as defined by the definition of intellectual property, namely there is no element of intellectual effort in form of creation or invention. However, there are similarities between copyrights, patents and trademark rights seen from the nature or form of the rights, namely the rights to intangible objects.

**Keywords:** trademark, Intellectual Property Rights

## 1. INTRODUCTION

Historically, the Law on Intellectual Property Rights (IPR) first existed in Venice, Italy which involved patents around 1470. Caxton, Galileo, and Guttenberg were noted as inventors who appeared at that time and had monopoly rights for their discovery. These patent laws were then adopted by the British Empire during the Tudor era in the 1500s and then the creation of the first patent law in England under the name of the Statute of Monopolies in 1623. 1791. This harmonization effort in the field of intellectual property rights occurred for the first time in 1883 with the birth of the Paris Convention for issues of patents, trademarks, and designs. Then the creation of the Berne Convention in 1886 for copyright issues or copyright. In 2001 the World Intellectual Property Organization (WIPO) has designated 26 April as World Intellectual Property Rights Day. In Indonesia itself, laws and regulations in the field of IPR have existed since the 1840s. In 1884, the Dutch Colonial Government officially introduced the First Law on the Protection of Intellectual Property Rights. Subsequently, in 1885 the Dutch

Government issued the Law on Trademarks, the Law on Patents in 1910 and the Law on Copyrights in (1912). At that time, Indonesia, which was still called the Netherlands East-Indies, had been a member of the Paris Convention for the Protection of Industrial Property (Paris Convention) since 1888 and a member of the Berne Convention for the Protection of Literary and Aristic Works since 1914.

On August 17, 1945, the Indonesian people proclaimed their independence. In the transitional provisions of the 1945 Constitution, all Dutch colonial heritage regulations remain in effect as long as these regulations do not conflict with the 1945 Constitution. Although the Copyright Law and the Dutch heritage law apply, this is not the case with the Patent Law which is considered contrary to the Indonesian government. In the Dutch heritage Patent Law, the patent application is filed at the patent office in Batavia (Jakarta), but the examination of the application for the patent must be carried out at Octrooiraad in the Netherlands. In 1953, the Indonesian government through the Minister of Justice of the Republic of Indonesia issued an announcement which was a set of regulations concerning Patents, namely the Announcement of the Minister of

Justice No. JS 5/41/4, concerning the temporary filing of domestic patent applications, and the Announcement of the Minister of Justice No. JG /17 which regulates the temporary filing of foreign patent applications.

On October 11, 1961, the Indonesian government issued Law no. 21 of 1961 concerning Company Marks and Commercial Marks (Brand Law) to replace the Trademark Law in the Dutch Colonial era. The Trademark Law of 1961 is the first law in Indonesia in the field of IPR. The 1961 Trademark Law came into force on November 11, 1961. The 1961 Trademark Law was intended to protect the public from counterfeit/pirated goods.

On May 10, 1979, Indonesia ratified the Paris Convention for the Protection of Industrial Property / Paris Convention (Stockholm Revision 1967) on Presidential Decree No. 24 of 1979.

On April 12, 1982, the Government passed Law no. 6 of 1982 concerning Copyright (Copyright Law 1982) to leave the Copyright Act of the Dutch colonial heritage. The ratification of the 1982 Copyright Law aims to encourage and protect the creation, dissemination of cultural products in the fields of science, art and literature and to accelerate the growth of the intelligence of the nation's life. 1986 can be said to be the beginning of the modern era of the IPR system in Indonesia. On July 13, 1986, the President of the Republic of Indonesia formed a special team in the field of IPR through Presidential Decree no. 34/1986 (known as the Presidential Decree 34 team). Its main tasks are the formulation of national policies in the field of IPR, drafting of legislation in the field of IPR and socialization of the IPR system among relevant government agencies, and law enforcement officials and the wider community. Furthermore, the Presidential Decree 34 Team made a number of breakthroughs, namely by taking new initiatives in handling the national debate about the need for a patent system in Indonesia. Then this team revised the Patent Bill which was completed in 1982, in 1989 the Government ratified the Patent Law.

On September 19, 1987, the Government of the Republic of Indonesia issued Law no. 7 of 1987 amendments to Law no. 12 of 1982 concerning Copyright. In the explanation of Law no. 7 of 1987 said that the changes were made because of the increasing number of copyright infringement that could endanger social life and destroy people's creativity.

In 1988 based on Presidential Decree No. 32, the establishment of the Directorate General of Copyright, Patents and Marks to take over the functions and duties of the Directorate of Patents and Copyrights which is part of the echelon II unit within the Directorate General of Law and Legislation, Ministry of Justice.

On October 13, 1989, the DPR approved the Bill on Patents and passed Law no. 6 of 1989 (Patent Law 1989) by the President of the Republic of Indonesia on November 1, 1989 and came into force on August 1, 1991. The ratification of the 1989 Patent Law aims to end the debate about how important the patent system is and its benefits for the Indonesian people. In his consideration, legal instruments in the field of patents can provide legal protection and create better conditions for technological inventions. This is done because in national development in

general and especially in the industrial sector, technology has a very important role. This approval is also intended to attract foreign investment and provide an avenue for the entry of technology into the country. It was also emphasized that in efforts to develop the IPR system, including patents, in Indonesia.

On August 28, 1992, the Government of Indonesia passed Law no. 19 of 1992 concerning Trademarks (Law on Trademarks 1992) and came into force on April 1, 1993 where this Law replaced the Mark Law of 1961. On April 15, 1994, the Government of the Republic of Indonesia signed a Final Agreement containing the Results of the Uruguay Round of Multilateral Trade Negotiations (Final). Act Embodying the Result of the Uruguay Round of Multilateral Trade Negotiations, which includes the TRIPS Agreement (Agreement on Trade Related Aspects of Intellectual Property Rights). Three years later, in 1997, the Government revised the set of laws and regulations in the GKI sector, namely the Copyright Act 1987 jo. Act. 6 of 1982, the 1989 Patent Law, and the 1992 Trademark Law. At the end of 2000, the Government passed three new laws in the field of intellectual property rights, namely Law no. 30 of 2000 concerning Trade Secrets, Law no. 31 of 2000 concerning Industrial Design and Law no. 32 of 2000 concerning Integrated Circuit Layout Design. In the government's efforts to harmonize all laws and regulations in the field of intellectual property rights in line with The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), in 2001, the Government of Indonesia passed Law no. 14 of 2001 concerning Patents (Patent Law), and Law no. 15 of 2001 concerning Brands (Brand Law). These two laws replace the Dutch colonial heritage law in the field of intellectual property rights. In mid-2002, Law no. 19 of 2002 concerning Copyright replaces the old Law and is effective one year after the promulgation of the Law. Violations of well-known trademark rights are very common in Indonesia. It is very easy to find various types of well-known brands or brands that are sold freely in the market, both in small shops/outlets, traditional markets and street vendors. The products sold are usually sold at a lower price, even at a very cheap price compared to the original product price. Consumers in Indonesia do not understand how to distinguish a genuine product from a product that is sold at a low price, this can make them tempted to buy a counterfeit product which is much cheaper.

Products with brands that are already known to the public will be easier to market, so that they are easily sold and can provide greater financial benefits to the original holders of trademark rights. The definition of a well-known mark itself is when a mark has been widely circulated from regional boundaries to international boundaries, where it has circulated abroad and is proven by the registration of the mark concerned in various countries. So legal protection is needed for well-known trademark rights holders to ensure legal certainty for brand inventors, brand owners, and brand rights holders. In addition, to prevent violations and crimes against Trademark Rights and provide benefits to the community so that they are more motivated to make and manage the registration of their business marks.[1] The

legal protection that can be given to the Mark is carried out in 2 (two) ways, namely preventive legal protection and repressive legal protection.

The Trademark Law protects Well-known Marks, in which the application for a mark will be rejected if it is identical in essence or in whole to a Famous Mark for similar goods and/or services.[2] Legal protection for Famous Marks in Indonesia has been regulated in Article 21 paragraph (1) letters b and c, Article 83 paragraph (2), the explanation is strengthened in Article 76 paragraph (2), and Article 83 paragraph (2).

The occurrence of refusal of a trademark registration related to preventive legal protection of a well-known mark must pay attention to the element of bad faith, thus the registrant who is not the owner of a Famous Mark who intentionally in bad faith wants to take advantage of the fame of another's Famous Mark, takes advantage of the promotion of the Famous Mark for the sake of own benefit for free.

Legal protection is refrenensively given to someone if there has been a violation of trademark rights. The owners of registered trademarks are protected against infringement of their trademark rights, both in lawsuits for compensation (and lawsuits for canceling trademark registrations) and criminal lawsuits through law enforcement officials.

Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition (Law on the Prohibition of Monopolistic Practices and Unfair Business Competition) is a means of social control that seeks to safeguard the public interest and prevent monopolistic practices and/or unfair business competition. The Law on Prohibition of Monopolistic Practices and Unfair Business Competition seeks to improve the efficiency of the national economy, create conducive business competition through the regulation of fair business competition, and create effectiveness and efficiency in business activities.[3] With the Law on the Prohibition of Monopolistic Practices and Unfair Business Competition, it provides legal certainty and protection to business actors in doing business, by preventing monopolistic practices and/or unfair business competition in the hope of creating conducive business conditions, in which every business actor can compete fairly, honestly and fairly.[4] Violations of Famous Marks in Indonesia are included as criminal or civil cases. The owner of a registered Mark may file a lawsuit against another party if he intentionally and without rights uses/imitates a Mark which has similarities in principle or in whole to the goods and/or services of a Famous Mark.[5]

To improve services and provide legal certainty for the world of industry, trade, and investment in the face of local, national, regional and international economic developments as well as the development of information and communication technology, it is necessary to support a legislation in the field of Marks and Geographical Indications that is more comprehensive. adequate.

Intellectual Property Rights in legal science are divided into 2 (two) groups, namely Copyright (Copy Right), Industrial Property Rights (Industrial Property Right) where Industrial Property Rights consist of Patents (Patents), Trademarks (Trademarks), Industrial Designs (Industry Design),

Prevention of Unfair Competition Practices (Repression of Unfair Competition), Layout Design of Integrated Circuit, and Trade Secrets.[6]

Right to a Mark is the scope of Property Rights because the right to a brand is the right to use a sign or brand to distinguish a person's trade product from the products of others, even though it does not have the basic elements as defined by the definition of intellectual property, namely there is no element of intellectual effort in form of creation or invention. However, there are similarities between copyrights, patents and trademark rights seen from the nature or form of the rights, namely the rights to intangible objects.[6]

Brand is a tool to distinguish one product from another as well as an indication of the quality of a product as well as an identifier or identity that makes it easier for consumers to make choices. If a brand does not have a brand, of course it is not known or needed by consumers, therefore a product is good or not, of course it will have a brand in its product.

In fact, it is very possible for everyone that a brand that is already known by consumers because of its quality and affordable price will always be followed, imitated, hijacked and even faked by other manufacturers in conducting business or trade competition. This unfair competitive behavior does not only occur in Indonesia but in other countries, including in countries with highly developed industries, the issue of brand infringement still occurs. Brands are also useful for consumers. They buy certain products (as seen from the brand) because according to them, the brand is of high quality or safe for consumption because of the brand's reputation. [7]

The brand itself is an identifier that distinguishes one's property from that of another. This identification is made so that business people or companies aim to distinguish the goods or services they produce. For producers, the brand serves as a guarantee of the value of the production that is related to quality and customer satisfaction. [8]

The need for legal protection for brands, precisely logos, is growing rapidly with the presence of people who commit plagiarism. This situation adds to the importance of a brand, namely by distinguishing the origin of the goods and the quality of the product, and also avoiding the practices of imitation of the product. The logo itself is one of the products or things that can be registered with the Directorate General of Intellectual Property, where many cases occur with imitation in the form of a logo or writing in the logo. Logo is one of the important aspects in the development of the resulting product. Often there are several people who deliberately use the logo brand for their own benefit. If you want to take advantage of the economic rights of a brand, Trademarks according to Article 1 Point 1 of Law no. 20 of 2016 concerning Marks and Geographical Indications are signs that can be displayed graphically in the form of images, logos, names, words, letters, numbers, color arrangement, in the form of 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, 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 activities of trading goods and/or services.

Trademark is a mark used on goods that are traded by a person or several persons jointly or a legal entity to distinguish them from other similar goods.

In the provisions of Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia states "the economy is structured as a joint effort based on the principle of kinship"

Therefore, the Law of the Republic of Indonesia Number 20 of 2016 concerning Marks and Geographical Indications was issued (hereinafter referred to as the Law on Trademarks and Geographical Indications) which became the legal basis for maintaining fair business competition, consumer protection, and protection of Micro, Small and Medium Enterprises. Medium and domestic industry. quality assurance of the goods and/or services protected by the Mark.

In general, countries that adhere to the Civil Law system, including Indonesia, use the First to file system in granting trademark rights. Under this system, the owner of a mark, including a well-known mark, must register his mark at the Directorate General of Intellectual Property (DJKI) to obtain exclusive rights to his mark and legal protection. Exclusive rights cannot be obtained by showing evidence that he is the first user of the brand in Indonesia. First to file system means that the party who first applies for registration is given priority to obtain trademark registration and is recognized as the legal mark holder.

This is regulated in Article 3 of the Trademark Law and Geographical Indications which stipulates that the right to a mark is obtained after the mark is registered. What is meant by "registered" is after the application has gone through a formality examination process, an announcement process, and a substantive examination process as well as obtaining approval from the Minister of Law and Human Rights to issue a certificate.

In Article 1 point 5 of the Law on Marks and Geographical Indications the right to a mark is an exclusive right granted by the state to the owner of a registered mark for a certain period of time by using the mark himself or giving permission to

### **1.1. Related Work**

According to the generation type of assumptions, we divided the existed work into two categories.

#### **1.1.1. Famous Mark Cases in Indonesia**

Violations of Famous Marks in Indonesia are included as criminal or civil cases. The owner of a registered Mark may file a lawsuit against another party if he intentionally and without rights uses/imitates a Mark which has similarities in principle or in whole to the goods and/or services of a Famous Mark. [9]

Cases of infringement of Famous Trademarks for both trade and services in Indonesia:

Famous Trademarks:

1. The case of Pierre Cardin against Alexander Satryo Wibowo (a local entrepreneur from Indonesia) in

2015: in which the judge's decision ruled that the local Pierre Cardin brand had a difference in its products

2. The Lexus brand from Toyota Motor Corporation against Welly Karlan's ProLexus (a local brand for footwear) in 2014: where the judge's decision ruled that the lawsuit filed by Lexus was past the time limit or expired.
3. Monster Energy Company against Andria Thamrun (local brand owner) in 2015: the judge's decision decided that the lawsuit from Monster Energy Company was premature and had to wait for the decision from the Brand Appeal Commission so that there would be no overlapping decisions.

Famous Service Brands:

1. Bioneuron case between PT. Pharpros (a local company from Semarang) against Merck KGaA (a well-known pharmaceutical company from Germany) in 2015: where Merck considered that PT Phapros used the Bioneuron brand without Merck's knowledge which has the same shape, speech and sound.
2. Donald Trump vs Indonesian Retailers in 2014: a brand dispute between a company owned by former US President Donald Trump, and a local retail brand also named "Trumps" but the Central Jakarta District Court only partially granted the lawsuit because the name "Trumps" is a general word and not imagination says.

Famous brand dispute cases from 2018-2021:

1. Dispute over the geprek chicken brand owned by Ruben Onsu (Geprek Benu) with Benny Sujono (I Am Geprek Benu) in 2020
2. Toothpaste Brand Dispute between Hardwood Private Limited and PT. Unilever Indonesia, Tbk in 2020
3. Famous Brand Dispute between Sushi-Tei PTE.LTD; PT.Sushi-Tei Indonesia with PT. Catering Inti and Kusnadi Rahardja

## **2. METHOD**

The type of research method used is normative legal research that takes issues from the law as a system of norms used to provide justice regarding a legal event. In normative legal research, the system of norms is the center of the study. The normative research method was chosen because the author uses legal theories and positive legal regulations in analyzing legal protection for the protection of trademarks in the provisions of Law Number 20 of 2016 concerning Marks and Geographical Indications in terms of Supreme Court Decision Number 526 K/Pdt. Sus-HKI/2020.

The nature of this research is prescriptive, which is intended to provide an argument for the results of the research that has been done. The prescriptive nature of law is studying the purpose of law, values of justice, validity of the rule of law, legal concepts, and legal norms. This research is to provide an analysis of plagiarism and name copying

(Passing Off) in the Supreme Court Decision Number 526 K/Pdt.Sus-HKI/2020.

he approaches used in legal writing referring to Peter Mahmud Marzuki are as follows: statute approach, case approach, historical approach, comparative approach, conceptual approach. [5]

The research approach used by the author is the statute approach and the case approach. The statutory approach in this research refers to who registers first (first to file) under the Trademark and Geographical Indications Law used by judges in intellectual property rights cases.

The case approach is carried out by reviewing cases related to the issues at hand into court decisions that have permanent legal force.[10] An approach that understands the legal reasons used by judges in the Supreme Court Decision Number 526 K/Pdt.Sus.HKI/2020. Material facts are needed because both the judges and the parties are looking for the right legal rules to apply to these facts.

### 3. DISCUSSION

Intellectual Property Rights are rights that are obtained from the results of human thought to be able to produce a product, service or process that is useful for the community. It can be concluded that IPR is the right to enjoy economically the result of an intellectual creativity. The way to protect intellectual property rights is to use existing legal instruments, one of which is a trademark. There are several reasons why it must be protected, First, with legal protection for brands, individuals or business entities that produce intellectual works in the form of brand logos will continue to be whipped to always carry out intellectual creativity which will increase "self-actualization" for those who produce works of art. the intellectual work, Second, In Indonesia, the institution responsible for ensuring that the mark can be accepted and ratified is the Directorate General of Intellectual Property Rights (in this case abbreviated as Director General of Intellectual Property Rights). The Director General of Intellectual Property Rights as the party that issues the Certificate of Rights to Trademarks in Indonesia.

Responsibility is the obligation to bear everything, if anything happens, it can be prosecuted, blamed, and sued. In its implementation, responsibility is attached to positions that have been attached to authority, in the perspective of public law, there is an authority that gives rise to accountability. In this case, the responsibility carried out by the Director General of Intellectual Property Rights is only to comply with the Court's Decision, in this case it is stated in Article 70 paragraph (3), Article 71 paragraph (1), (2), and (3) of Law no. 20 of 2016 concerning Brands and Geographical Indications. The Director General of Intellectual Property Rights shall cancel the registration of the mark in question from the General Register of Marks. However, the Director General of Intellectual Property Rights is not fully responsible for brand problems that occur in Indonesia.

Certainty is a matter (state) that is certain, provisions or stipulations. The law must literally be certain and fair. Code of conduct and fairness because behavior must support an order that is considered reasonable. It is fair and can be implemented with legal certainty so that it can carry out its functions. Legal certainty is a question that can only be answered normatively, not sociologically. The law which contains regulations that are general in nature becomes a guideline for individuals to behave in social activities, both in dealing with fellow individuals and in dealing with the community. The rules become a limitation for society in burdening or taking action to an individual. With the existence of clear rules and implementation of rules, it can lead to legal certainty.

Legal certainty carried out by the Director General of Intellectual Property Rights must be in accordance with the provisions contained in Law no. 20 of 2016 concerning Marks and Geographical Indications, in which the registration of a mark that is not in good faith cannot be registered and the application for the mark is rejected, this is stated in Article 21 of the Law on Marks and Geographical Indications. Equality in essence is the resemblance caused by the presence of a dominant element between one Mark and another, thus giving rise to similarities, both regarding the form, placement method or combination of elements, as well as the similarity of speech sounds, contained in the Mark.[11] In everyday life, many brands are plagiarized and do name/passing off of well-known brands.

### 4. CONCLUSION

Based on the results of research that has been done by the author, it can be concluded as follows:

The factors that cause a person/entrepreneur to take name/passing off actions are as follows:

- a. Performed by entrepreneurs or traders as part of a trade.
- b. Done on goods or businesses that have a very good reputation
- c. There is an element of a criminal act of fraud with its business goods and/or services so that the general public can be mistaken because of it
- d. Resulting in losses to parties who have a very good reputation.

#### 4.1. Suggestion

Based on the conclusions above, the suggestions that can be given by the author are as follows:

1. The Judge in passing a verdict against the perpetrator as the Defendant who carried out name-taking / passing off not only handed down a verdict that the Plaintiff as the creator, registrar, and first owner of the "M&G" brand in Indonesia and in the world, has sole/special rights over the well-known brand "M&G" belongs to the Plaintiff in Indonesia, but must give a

decision in the form of money for the loss resulting from the results of the passing off. The losses incurred should be given to the Plaintiff in order to cover the income generated by the Plaintiff.

2. Judges must be able to give criminal sanctions in the form of fraud against goods, so that parties who want to carry out name enhancement / passing off can be deterred if they do so.
3. Must take strict action against someone who does not have good faith in registering his mark with the Directorate General of Intellectual Property Rights.

[11] Dr. Cita Citrawinda Noehardi, SH, MIP, Protection of Famous Brands, Yayasan Pustaka Torch Indonesia, Jakarta, 2020, Pg. 36

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