



Legal Protection for the Owner of Brand Rights According to Law Number 20 / 2016 of Trademark and Geographical Indication (Trademark And Geographical Indication)

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ABSTRACT

According to Law Number 20 of 2016 concerning Trademarks and Geographical Indications, brand owners must register their brands with the Directorate General of Intellectual Property in order to maintain healthy, fair business competition and obtain legal protection. Based on the background above, the author proposes a problem formulation, namely how is the legal protection for brand rights holders according to Law Number 20 of 2016 concerning Trademarks and Geographical Indications? This research method uses a normative legal research type, with a statute approach. The legal materials used are primary legal materials which include: Law Number 20 of 2016 concerning Trademarks and Geographical Indications and Law Number 8 of 1999 concerning Consumer Protection. From the results of the study, it can be concluded that legal protection of brand rights has been regulated in Law Number 20 of 2016 concerning Trademarks and Geographical Indications. The law explains that brands will get their rights to obtain protection and legal certainty on the condition that the brand must be registered first. If an irresponsible party is found using another person's brand without the knowledge and permission of the original owner of the brand, then this is included in brand imitation. The parties who do this can be threatened with criminal or civil charges.

Keywords: Trademark Dispute, Legal Protection, Legal Sanctions, Geographical Indications.

Introduction

Today's business strategy not only solves the problem of how to sell a product or service successfully and how to assess its quality based on appropriate criteria, but also protects the brand of the product or service compared to other competitors. Therefore, business competition is not only important to attract consumers, but also to immediately

apply for trademark registration for products and services. Brands with this name are attractive, easy to recognize and remember, and their products and services are easy to remember and recognize by consumers, so they inevitably become very popular among manufacturers.¹

In Indonesia, there are many cases of brand imitation, especially well-known brands, so that there are some irresponsible parties who imitate these brands to gain personal gain easily. The existence of imitation and use of brands as intended results in disputes between the owner and the brand imitator. Such brand disputes include violations of the rights of brand owners. Brand imitators usually do not register their imitation brands and are directly used on the market. It is not surprising that many imitation or fake brands are found on the market.²

The existence of imitation and use of trademarks as intended results in disputes between the trademark owner and the imitator. Such trademark disputes include infringement of the rights of the trademark owner. Imitators usually do not register their trademarks and are directly used in the market. It is not surprising that there are many copycat or counterfeit trademarks in the market.³

Therefore, the government is indispensable in providing legal protection to registered trademarks and sanctions for violators of trademark rights in order to prevent trademark imitation that results in losses for the original trademark holder and educate the public to produce goods and services while complying with applicable regulations.

The existence of this protection signifies that the state has an obligation to enforce trademark law. If there is an infringement of a registered trademark, then the trademark owner can file a lawsuit to the court. It is through this protection that justice is achieved and that is the purpose of the law.

In the history of trademark legislation in Indonesia, it can be seen that during the Dutch colonial period, Reglement Industriële Eigendom (RIE) contained in Stb. 1912 No. 545 Jo.Stb.1912 No. 214, which became a reference for the regulation of trademarks. After Indonesia's independence, this regulation was also declared to remain in force based on Article II of the Transitional Rules of the 1945 Constitution. This

¹ Zaenal Arifin. *Perlindungan Hukum Terhadap Merek Terdaftar*. Magister Hukum Universitas Semarang. 2020. h. 49.

² Chandra Gita Dewi. *Penyelesaian Sengketa Pelanggaran Merek*. Deepublish. Yogyakarta. 2019. h. 5.

³ Ibid. h. 7.

provision was still in effect, until finally until 1961 the provision was replaced by Law Number 21 Year 1961 on Company Marks and Trademarks which was promulgated on 11 October 1961. After that, Law Number 19 Year 1992 on Trademarks was enacted. Furthermore, it was updated in 1997 with Law Number 14 of 1997 and replaced by Law Number 15 of 2001 on Trademarks. Currently, it has undergone changes with the enactment of Law Number 20 Year 2016 on Trademarks and Geographical Indications..⁴

Research Methods

The method used in this research is normative research method. Normative research is research based on library law or based on secondary data. In this research method, the primary legal data source is sourced from the Law. Secondary legal materials are books on law and legal journals. While the technique in processing this legal material is done by reading, studying, understanding, and analysing books or literature, statutory provisions, papers, journals, or information in other forms such as obtained from the internet, closely related to the object of study or research material, then recording and quoting important parts.

Research Results and Discussion

In the process, legal protection consists of legal protection created from one of the legal regulations used by society, which in concept is an agreement used to regulate behaviour between the community, individuals, and legal entities with the government which is considered to represent the entire interests of society.

Satjipto Raharjo expressed his opinion regarding the definition of legal protection. He argues that legal protection is to provide protection for human rights (HAM) that are lost due to the actions of others and this protection is given to the community so that all people can get their rights as citizens.⁵

Therefore, legal protection is one example of evidence of one of the functions of the law to create legal objectives, namely to realise justice, benefit, and legal certainty. Legal protection of the trademark is an object in which there are rights of individuals and legal entities. If there is no legal protection, competitors who cheat can easily

⁴ Hery Firmansyah. *Perlindungan Hukum Terhadap Merek*. Medpress. Yogyakarta. 2018. h. 31.

⁵ Satjipto Raharjo. *Ilmu Hukum*. Bandung. PT Citra Aditya Bakti. 2000. h. 53.

plagiarise other people's brands or logos and use them for their own interests so that they can harm the original brand owner.⁶

According to Zen Umar Purba, intellectual property rights must be legally protected for several reasons, namely:

- 1) The “non-economic” reason, states that it will provide legal protection to intellectual works so that they can continue to think creatively. As a result, human self-actualisation will increase. This will benefit society and help people's lives develop more positively.
- 2) Alasan yang bersifat ‘ekonomi’, yaitu menunjukkan bahwa orang yang menciptakan karya intelektual melakukannya untuk mendapatkan keuntungan finansial dari ciptaan mereka. Selain itu, hal ini dapat melindungi mereka dari pencurian, pembajakan, penjiplakan, dan kegiatan tidak jujur lainnya yang dilakukan oleh pihak ketiga atas karya yang dimiliki secara sah.⁷

According to Sasongko, there are 2 ways the law provides protection, namely:

- 1) Making rules (by providing rules), aims to:
 - a) Establish mutually beneficial rights and responsibilities between consumers and businesses;
 - b) Providing fairness and benefits that will be obtained from a product;
- 2) Enforcing regulations (by law enforcement) through:
 - a) has strict criteria for granting licences, directly supervising businesses, and checking whether the food being promoted is safe for consumption by the general public;
 - b) Criminal law, which serves to provide a deterrent effect by punishing offenders with appropriate criminal provisions;
 - c) Civil law, which protects the rights of aggrieved parties and demands fair compensation for losses caused by their business.⁸

Meanwhile, in the opinion of Philipus M. Hadjon, there are 2 kinds of legal protection means. The first is a preventive means of legal protection. In this law, before a government decision gets a definitive form, legal subjects are given the opportunity to submit objections or opinions. The aim is to prevent disputes from occurring. With preventive legal protection, the government is encouraged to be careful in making

⁶ Putu Eka Krisna Sanjaya. *Perlindungan Hukum Terhadap Hak Merek Terkenal di Indonesia*. Fakultas Hukum Universitas Udayana. h. 6-7.

⁷ Anne Gunawati. *Perlindungan Merek Terkenal Barang dan Jasa tidak Sejenis Terhadap Persaingan Usaha Tidak Sehat*. Bandung. PT. Alumni. 2022. h. 83.

⁸ A. Ngurah Bagus Bayu Prasetya. *Perlindungan Hukum Merek Terkenal Terkait Dengan Persaingan Usaha Tidak Sehat*. Jurnal Konstruksi Hukum. Volume 1 No 1. September 2020. h. 17.

decisions based on discretion, therefore preventive legal protection is very meaningful for government actions based on freedom. In Indonesia until now there is still no specific regulation that discusses this legal protection.

And second, repressive legal protection that aims to resolve disputes. Included in this legal protection is the handling of legal protection carried out by state administrative courts and general courts. The principle of legal protection against government actions is based on and sourced from the concept of recognition and protection of human rights because if we look at Western history, the birth of the concept of recognition and protection of human rights is directed to limit and place obligations on society and government. The principle underlying the legal protection of government actions is the principle of the rule of law. If connected to the recognition and protection of human rights, it will take centre stage and can also be connected to one of the objectives of the rule of law.⁹

Therefore, based on the theory of legal protection, in implementing the legal protection of the trademark there are 2 kinds of protection. First, preventive protection, where this type of protection is a protection carried out before the occurrence of criminal offences or violations of the law against the trademark and it is highly dependent on the trademark owner in registering his trademark so that it will get the appropriate legal protection. And the second is repressive legal protection. This protection is the legal protection of the trademark that will occur in the event of a violation of the rights to the trademark or criminal offences against the trademark. Several legal organisations and law enforcement officers, including the police, civil service investigators, and prosecutors, play an important role in this regard.¹⁰

One of the important issues in the trademark legal system is the issue of legal protection. Irresponsible parties can violate registered trademarks that should be protected. Trademark rights violations can be triggered by irresponsible parties who use other people's trademarks to gain quick profits. Irresponsible parties should not be able to use other people's registered trademarks without permission from the original owner of the trademark. If there are still other parties who forcefully continue to use the

⁹ Philipus M. Hadjon. *Perlindungan hukum Bagi Rakyat Indonesia*. Surabaya. PT Bina Ilmu. 1987. h. 2.

¹⁰ Tommy Hendra Purwaka. *Perlindungan Merek*. Jakarta. Yayasan Pustaka Obor Indonesia. 2017. h. 37.

trademark without permission from the original owner of the trademark, then this is a violation that can be subject to certain sanctions..¹¹

The benefits of trademark protection are as follows:

- a) Brands can increase value or assurance in the eyes of investors and financial institutions.
- b) Brands can generate revenue for the company through licensing, selling, commercializing protected brands.
- c) Assist in the protection and enforcement of brand rights.
- d) Brand assets can significantly increase the value of the company in a sale or merger.
- e) Brands can improve performance and competitiveness.¹²

With trademark registration, the trademark will obtain legal certainty and legal protection for trademark rights. There are 2 (two) types of systems in trademark registration, namely the constitutive system and the declarative system. In the constitutive system, trademark rights will be obtained after the registration process. Registration is mandatory in this system in order to obtain legal protection. Meanwhile, trademarks that are not registered will not receive legal protection in accordance with laws and regulations.

After the registration process, it will create rights to the brand, for the party who has registered the brand, then the party is entitled to the brand name. If you want to get protection from the law, the brand owner must register their brand. The use of this system guarantees more legal certainty and protects the brand owner.

In addition to not guaranteeing legal certainty, the declarative system also creates problems and challenges in the business world. As previously stated, the government provides brand protection to brand rights holders and users in order to provide the trust needed by producers.¹³

To further ensure legal clarity, Indonesia shifted from the declarative registration method to the constitutive registration method with the enactment of Law Number 19 of 1992 concerning Trademarks. The registration date is the first day a trademark receives legal protection. The impact of a registered trademark is that the trademark must be used in accordance with the initial registration application. Trademark owners

¹¹ *Ibid.* h. 39.

¹² Fandi H. Kowel. *Perlindungan Hukum Terhadap Penerima Lisensi Merek di Indonesia*. Jurnal Lex et Societatis. Volume V No 3. Mei 2017. h. 55.

¹³ Hery Firmansyah. *Perlindungan Hukum Terhadap Merek*. Medpress. Yogyakarta. 2018. h. 38.

must use their trademarks honestly in accordance with the Trademark Law which mandates that registered trademarks must be used in accordance with the class of products or services for which they are registered. If this is violated, the registration of the registered trademark can be canceled.¹⁴

The low level of trademark registration efforts is influenced by the low level of public awareness of the importance of trademark protection, especially for Micro, Small, and Medium Enterprises (MSMEs) trademark owners. In fact, the goods they produce are just as innovative and creative as other similar goods. However, some business actors are aware of the benefits of protecting their trademarks, but do not know the steps needed to secure trademark protection. One of the reasons why trademark registration has not been carried out is because of cost constraints. This is because basically MSMEs are still in the pioneering stage and have not generated significant income. In fact, if someone is irresponsible and does not register their trademark, then the trademark could be claimed or used first by someone else who has registered their trademark first and for similar goods or services. In this case, the owner of the trademark may no longer be able to use it, even though it has been used before.¹⁵

Article 35 of Law Number 20 of 2016 states that "Registered trademarks receive legal protection for 10 (ten) years from the date of receipt and the period of protection can be extended."

Until now, there has been no official institution that oversees trademark infringement cases at the district or sub-district level, so trademark infringement in Indonesia still often occurs due to minimal government supervision of trademark infringement. As a result, there are many fake or imitation brands circulating on the market.

According to the Big Indonesian Dictionary, the definition of fake is an imitation or copycat of the original object. So if it is associated with imitation goods, then what is meant by fake goods is anything that is created, either objects or substances by imitating or duplicating their properties or forms so that the number is greater than the original

¹⁴ Jisia Mamahit. *Perlindungan Hukum atas Merek Dalam Perdagangan Barang dan Jasa*. Jurnal Lex Privatum Vol 1 No 3. Universitas Sam Ratulangi. 2013. Manado. h. 92.

¹⁵ Yudhitiya Dyah Sukmadewi. *Pendaftaran Merek Asosiasi Sebagai Merek Kolektif (Kajian Terhadap Asosiasi Rajut Indonesia Wilayah Jawa Tengah)*. Jurnal Ius Constituendum Vol 2 No 1. Magister Hukum Universitas Semarang. 2017. h. 110.

object or substance. Trademark infringement aims to gain personal gain easily by trying or carrying out actions to imitate or falsify brands that are already known in the community without considering the rights of others whose rights have previously been protected. Of course, such things will disrupt the wheels of the national and regional economy.¹⁶

Protection for consumers in Indonesia has been regulated in Law Number 8 of 1999 concerning Consumer Protection which states: "The right to obtain compensation, damages, and/or replacement, if the goods and/or services received do not comply with the agreement or are not as they should be." It is very clear that consumers who purchase goods that use a brand without permission from the brand owner can claim their rights as regulated in Article 4 letter (h) of Law Number 8 of 1999 concerning Consumer Protection. The right to obtain compensation is obtained if the consumer feels that the quality and quantity of the goods consumed do not comply with what the consumer imagined. The type and amount of compensation are of course determined in accordance with the applicable provisions of the agreement of each party concerned.

Conclusion

Regulations regarding trademarks have been regulated in Law Number 20 of 2016 concerning Trademarks and Geographical Indications. The use of someone else's trademark without written permission from the owner or counterfeiting is said to be a violation of the law. If the trademark owner has officially registered his trademark, then the trademark owner has the right to obtain legal protection. This means that if there is a violation of trademark rights, the legitimate trademark owner can file a lawsuit against the party using his trademark without permission. Perpetrators of trademark infringement can also be prosecuted both criminally and civilly.

¹⁶ Luthfi Al Qarani. Perlindungan Hukum Terhadap Barang atau Merek KW di Indonesia. Journal of Legal Research. Universitas Jayabaya Jakarta. Volume 4 Issue 4. 2022. h. 888.

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