

## LEGAL PROTECTION OF FOREIGN FAMOUS MARKS THAT ARE NOT REGISTERED IN INDONESIA ACCORDING TO LAW NUMBER 20 OF 2016 CONCERNING MARKS AND GEOGRAPHICAL INDICATIONS

(Study Decision Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst)

Nauval Ubaidillah<sup>1</sup>, Yuniar Rahmatiar<sup>2</sup>, Suyono Sanjaya<sup>3</sup>

<sup>1,2,3,4</sup>Faculty Of Law, University Buana Perjuangan Karawang, Indonesia  
HS.Ronggo Waluyo, Puseurjaya, Telukjambe Timur, Karawang, Jawa Barat 41360  
Email: [muhamad.abas@ubpkarawang.ac.id](mailto:muhamad.abas@ubpkarawang.ac.id) (Corresponding Author)

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### *Abstract*

*A brand is a symbol of the identity of an economic product that has a price that encourages producers to continue to compete and innovate in any way so that the brand becomes popular among the public. Brands also contain a promise from the manufacturer to continue to provide certain characteristics, benefits and services to consumers. Brands in Indonesia are regulated in Law Number 20 of 2016 concerning Brands and Geographical Indications, however, brand disputes in Indonesia still often occur even though there is already a law that regulates these marks. Here the author takes the example of the Segovia brand dispute case between Kim Soo Jung, owner of the famous Segovia brand, and Yu Kei Man, an Indonesian citizen (WNI) who created and owns the Segovia brand in Indonesia, The Supreme Court decision Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst. was examined using a normative juridical approach, which involves analyzing relevant legal regulations and theories. The findings indicate that this decision provides legal protection for internationally recognized brands that were not previously registered in Indonesia. Specifically, the court ordered the removal of the defendant's Segovia brand from the general trademark registry of the Directorate General of Intellectual Property Rights. This ruling ensures that well-known foreign brands, even if unregistered in Indonesia, are safeguarded against misuse by individuals acting in bad faith.*

**Keywords:** *Brand, Bad Faith, Protection*

## INTRODUCTION

A brand is a unique identity of a product or company that includes a name and logo, functions for identification, quality assurance, differentiation, adding company value, and conveying messages to consumers (Santoso et al., 2021). This serves to prevent infringement, misuse and brand disputes. The case that the researchers studied was a dispute between the Segovia Brand owned by Kim Soo Jung (Segovia Korea) who is domiciled in Korea and the Segovia Brand owned by an Indonesian citizen (WNI) named Yu Kei Man (Segovia Indonesia).

Segovia (South Korea) is a brand of musical instruments, especially guitars, founded by Mr. Kim Jin-Young who is the father of the Plaintiff in 1958 in South Korea. Then in 1976 the Plaintiff's father founded Saehan Instrument Co., Ltd. In Paju, Gyeonggi-do and started exporting guitars under the Segovia brand. The Segovia Trademark was first registered in South Korea in 1995 by Kim Jin-Young or the Plaintiff's father. Meanwhile in Indonesia there is a brand for products that is similar to the Segovia brand, hereinafter called Segovia Indonesia. This businessman named Yu Kei Man (WNI) is his own company and has no connection with Segovia (South Korea). The Segovia brand has been registered with the Director General of Intellectual Property Rights since 2021 in the name of the Defendant. The Segovia (Indonesia) brand is completely similar to the Plaintiff's Segovia (South Korea) brand which is registered in the country of origin of South Korea and at least 13 other countries.

Brands have an important role in differentiating products between companies, as explained in Article 1 paragraph (1) of the 2016 Trademark Law, namely that a brand is a sign that is shown graphically. Trademark registration in Indonesia is regulated by the 2016 Trademark Law Article 4. Applications are submitted both electronically and non-electronically. The application must include the applicant's information, details of power of attorney if any, details of color if used, information on priority rights, class and type of goods/services. Fee provisions are regulated by Government Regulations. The registration flow does not specifically explain the process of checking a mark when it is registered, which aims to find out the status of the mark at DJKI, but in other literature it is explained that the authority to carry out a mark registration check is the DJKI, but DJKI's weak supervision in checking mark registrations is a problem. The frequent occurrence of brand violations in Indonesia is that the DJKI often passes a mark that should not be passed, this is due to the lack of an official announcement system from the DJKI which means that ordinary people or other brand owners cannot monitor the ongoing mark registration process. This can of course be a legal loophole which can be the cause of trademark disputes in the future, especially in this case a well-known foreign brand which has not been registered in Indonesia which of course is not registered on the DJKI website which makes it easy for someone to register the same brand because it is indeed a salty brand. not yet registered in Indonesia.

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The registration of the Indonesian Segovia brand is proven to have committed an act of bad faith because it consciously defamed the South Korean Segovia brand with the aim of riding

on the popularity of the South Korean Segovia brand in order to enjoy quick and easy profits. Proof that the South Korean Segovia brand is a valid brand for ownership of the Segovia brand because this brand was born in 1954 in South Korea and was founded by the Plaintiff's parents, namely Mr. Kim Jin-Young, then this brand was officially registered in South Korea on November 18 1991. Not only producing in South Korea, the South Korean Segovia brand also expanded its production by signing a guitar manufacturing contract with Qingdao Kyunghan Musical Instrument Co., Ltd., in China and Woonam Musical Instruments Indonesia in Indonesia. And to date, the South Korean Segovia brand has been registered in 14 countries, namely South Korea, Australia, Hong Kong, People's Republic of China, Bahrain, Iran, Israel, Morocco, Oman, Sudan, Syria, Tunisia and Turkey. This is proof that The South Korean brand Segovia is a well-known brand.

Meanwhile, the defendant's Segovia Indonesia brand was only registered with the Directorate General of Intellectual Property on April 6 2021 in the name of Yu Kei Man, which clearly has overall similarities with the South Korean Segovia brand in terms of visual, conceptual, sound or pronunciation as well as the type and class of goods. Then, in his response to the lawsuit, the defendant as the owner of Segovia Indonesia also admitted that registering the brand was inspired by the South Korean Segovia brand because the brand is already well-known in the world for various types and types of guitar products. The defendant also admitted that there was bad faith in registering the brand.

In a brand there are several important principles that are used as a reference in registering a brand, namely the principle of Good Faith or the principle of good faith. Apart from being a requirement for registering a trademark, the principle of good faith can also be a reason or basis for someone to apply for cancellation. In the regulations, good faith is regulated in Article 21 paragraph (3) of the Trademark Law which states "The application is rejected if it is submitted by an applicant who has bad faith". Usually things like this happen by imitating, copying names, colors, writing and even logos of other parties that are already well known among the public. A well-known brand is a brand that has high popularity and fame, this makes a brand have high appeal so that people know and are interested in its products. This is usually the reason why someone who does not have good intentions imitates and plagiarizes well-known brands in order to gain profits in a short period of time.

The element of Good Faith towards well-known brands is the main focus in the discussion of this article as previously explained by Mutia Kirana Aprilia and R.Rahaditya in 2023 (Mutia Kirana Aprilia, 2023), The article focuses on the principle of bad faith towards well-known brands with a case study of Supreme Court Decision Number 600 K/Pdt.Sus-Hki/2020, as well as Dendy Wijaya C, Budi Santoso, Novira Maharani Sukma in 2012 (Dendy Widya Candra, 2012), This article focuses on well-known foreign brands that are not registered in Indonesia, whether they still receive protection and how long the cancellation period is. The difference with this research is that the author emphasizes the analysis of the principle of bad faith committed against well-known foreign brands and the legal consequences of Supreme Court Decision No. 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst. in the case of a dispute between Kim Soo Jung, owner of the Segovia Brand (South Korea) and Yu Kei Man, owner of the Segovia Brand (Indonesia), where it is suspected that there was an act of imitation in 2021. Therefore, researchers have an interest in this case.

## **RESEARCH METHOD**

Method The approach used in this research is the Normative Juridical approach. Soerjono Sokanto defines this approach as a type of legal research that focuses on library materials or secondary data (Soekanto & Mamudji, 2003). Through analysis of the Supreme Court Decision Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst. The research specifications used in this research are analytical descriptive, namely research that describes applicable laws and regulations linked to legal theories and the practice of implementing positive law as well as current phenomena. The research results will later be presented by researchers in the form of an explanation which will be prepared using a systematic and logical interpretation method where secondary data is linked to existing legal regulations. The data resulting from the next article is processed in the analysis stage, where the results of the article related to the Supreme Court Decision Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst are obtained.

## **DISCUSS AND ANALYSIS**

### **Protection Of Well-Known Foreign Brands That Are Not Registered In Indonesia According To Law Number 20 Of 2016 Concerning Trademarks And Geographical Indications**

Well-known brands are often exploited by individuals who do not have good intentions for their personal gain, so it is necessary to consider whether there is a protection mechanism that regulates this. Indonesia has 2 protections, preventive and repressive. Preventive functions to prevent misuse and imitation of well-known brands by other parties who carry out incorrect practices. Meanwhile, a repressive approach is a form of action in resolving it, either through the litigation process in court or through non-litigation channels such as arbitration or alternative conflict resolution as regulated in Article 93 of the Trademark Law. The court has demonstrated the implementation of widespread legal protection in various cases involving famous brands, as a form of the Indonesian government's commitment to protecting intellectual property rights, especially for well-known foreign brands that have not been registered in Indonesia.

Registration with priority rights and the ordinary method are two methods of trademark registration regulated by law. Priority rights are regulated in articles 9 and 10 of the MIG Law, namely "Applications using priority rights must be submitted no later than 6 (six) months from the date of receipt of the application for trademark registration which was first received in another country which is a member of the Paris Convention for the Protection of Industrial Property (Paris Convention for the Protection of Industrial Property) or members of the Agreement on the Establishment of the World Trade Organization."

The applicant has the right to submit an application originating from a member country that has authority rights, where from the initial receipt of the application to obtaining approval from the member country it takes 6 months. The Treaty of Madrid, born in 1891, is a global treaty that allows protection of trademark applications. With Indonesia joining in October 2019, brand registrants can now register their marks at the Trademark Directorate without the need for individual processes in each country. This is implemented through Presidential Regulation Number 92 of 2017. Protection of famous brands is regulated in the Paris Convention and TRIPS Agreement.

Regulations to protect well-known brands apply in every country that is a member of TRIPS. Every WTO member is also a member of WIPO, which makes the Paris Convention and TRIPS Agreement under the auspices of WIPO. Therefore, all countries that are members of WIPO and WTO, including Indonesia, must comply with both.

Thus, in response to this, a country is required to provide preventive and repressive measures. Countries can protect foreign famous brands by formulating appropriate laws. Indonesia demonstrated its commitment to world organizations by replacing Law No. 15 of 2001, which was contrary to the Paris Convention, through the 2016 Trademark Law. This improved the relevant provisions for the protection of well-known foreign brands.

Article 77 paragraph (2) of the 2016 Trademark Law allows unlimited claims for bad faith against incorrectly registered marks. Principles such as good faith, fair dealing, justice and fairness are important foundations in business, emphasizing the need for every individual to act in good faith towards others. This article stipulates that DJKI must reject substantially similar trademark applications to protect well-known brands, as a precaution against unfavorable actions. Changes in the time limit for trademark lawsuits without good faith are part of Indonesia's commitment as a member of the WTO, to comply with the Paris Convention. The 2016 Trademark Law is expected to increase brand protection, but does not regulate criminal regulations for well-known unregistered marks.

Prior to the enactment of Law No. 20 of 2016, regulations regarding trademark rights were regulated in the 2001 Trademark Law. However, these two regulations did not include special provisions, especially in terms of criminal sanctions against well-known brands that had not been registered. The principle of equal treatment, which is an important principle in the Paris Convention for both foreign citizens and citizens of their own country, guarantees that every person who registers their brand in a country will have the same rights as citizens of that country, this is in line with the principle of National Treatment and Principle of Assimilation. Presidential Decree No. 15 of 1997 and Presidential Decree no. 7 of 1994 regulates that countries that accept the two agreements must follow the provisions explained previously. Article 6 bis of the Paris Convention states simple principles, including the rejection of applications for registration or cancellation of marks that are similar or cause confusion with well-known marks (Aliska & Kansil, 2021).

This means that in the 2016 Trademark Law, if a well-known foreign brand does not register its mark in Indonesia for 5 years, the mark can be registered by someone else. This is not in line with the theory of legal protection, where even though they are foreign citizens, they still have to receive protection. So the Segovia trademark case must be decided fairly based on Law No. 20 of 2016 because the above provisions are contrary to the Paris Convention where a trademark must be canceled without a time limit if it contains bad faith in its registration.

There are benefits of legal protection for well-known foreign brands that are not registered in Indonesia. First, legal protection can prevent piracy and misuse of brands, where well-known foreign brands that are not registered in Indonesia can still be legally protected from acts of piracy or misuse by unauthorized parties, thereby preventing losses for owners of well-known foreign brands due to product distribution. counterfeit or use of the brand without permission. Second, legal protection can maintain brand reputation and image. Third, the guarantee of legal protection for well-known foreign brands can increase their trust and interest in investing or

trading in Indonesia. Fourth, the recognition and protection of well-known unregistered foreign brands can be a lesson for the brand system in Indonesia. Fifth, with legal protection, disputes or legal conflicts can be prevented between owners of well-known foreign brands and parties who want to misuse their brands in Indonesia. Overall, legal protection for well-known foreign brands that are not registered in Indonesia provides benefits for protecting the rights of brand owners, maintaining the investment and trade climate, and strengthening the national brand system.

Apart from benefits for owners of well-known foreign brands, legal protection for well-known foreign brands that are not registered in Indonesia also provides benefits for consumers. First, legal protection can guarantee the quality and authenticity of products, so that consumers can be more confident that the products they buy are genuine and of quality according to the reputation of the well-known brand. This also prevents consumers from being deceived into buying counterfeit or inappropriate quality products. Second, consumers feel safer and more confident when purchasing well-known foreign brand products that are protected by law, thereby increasing consumer satisfaction and loyalty to the brand. Third, by protecting well-known foreign brands, consumers have more choices of quality products in the Indonesian market, thereby providing freedom and convenience for consumers in meeting their needs and preferences. Fourth, legal protection can prevent unfair competitive practices, such as brand piracy, thereby encouraging a climate of healthy competition between brands, and consumers getting quality products at competitive prices. Overall, legal protection for well-known foreign brands provides benefits for consumers in the form of quality assurance, security, trust, as well as wider product choices and healthy competition.

### **Analysis and Application of the Principle of Bad Faith in Brand Cancellation by Segovia (Indonesia)**

Decision Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst. on May 9 2023 decided that Segovia Korea has the rights to the Segovia brand, so that the Segovia Indonesia brand with Registration No. ID000842429 registered on April 6, 2021 is cancelled. Segovia Korea's lawsuit with Register Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst. on February 24 2023 it was granted. The 2016 Trademark Law emphasizes that bad faith can be a reason for rejection of a trademark registration, as regulated in Article 21 Paragraph (3) "meaning that an applicant in registering a trademark with the DJKI must fulfill the elements of good faith.

If someone wants to cancel a previously registered trademark, that party must be able to prove that the person who owns the trademark registered the trademark in bad faith. So that protection from the government can take the form of protection carried out by a panel of judges who can cancel the registration of a mark that is proven to have had bad faith in its registration even though the mark has already been registered with the DJKI. Article 76 of the 2016 Trademark Law regulates the cancellation of trademarks. In the context of canceling a brand, one of the reasons for cancellation is bad faith on the part of the brand owner. However, the decision of bad faith in a trademark cancellation case can no longer be based on the approval of the trademark by the DJKI or the successful completion of a substantive examination by the same authority.

Trademark registration also uses the first to file principle, where it is explained in this principle that the party who submits the registration to the DJKI first is the one who is then

given priority as the owner of the registered mark. In registering a trademark, DJKI will check the registration application to see whether it complies with the provisions of the regulations in force in Indonesia so that it does not violate existing laws, so applicants who have good intentions will get protection and those who have bad intentions will get protection.

It is important for the government to address the issue of bad faith in trademark registration. The government plays an important role in this matter by carrying out thorough checks on brand registrations to ensure the granting of brand ownership certificates. This certificate serves as the only valid and legally binding proof of ownership. The government, especially DJKI, acts as the initial and final authority in the process of legitimizing brand ownership.

The South Korean Segovia Brand Case against Segovia Indonesia falls into the legal qualification classification as material law which is necessary because of the wide scope of legal objects. Legal objects are divided into two, namely tangible objects that can be seen and touched, and intangible objects. In this case, the issue at issue falls under material law because it relates to intangible objects. A brand is considered a creation attributed to an individual or group, and recognizes the brand owner's contribution in producing a new work by giving them special recognition. The trademark dispute case between Segovia South Korea and Segovia Indonesia is influenced by the *lex causae* principle. The two parties did not agree regarding the use of the Segovia brand, so Segovia South Korea felt aggrieved and filed a lawsuit based on the *Rei Sitae* principle.

The 2016 Trademark Law regulates that protection is only given to brands that have been registered based on the First to File System principle. In this case, Segovia Indonesia's action of registering a mark that is similar to the well-known mark Segovia South Korea can be considered a violation of good faith. This can certainly mislead consumers. Based on the decision of the Central Jakarta commercial court Number 29/Pdt.Sus-Merek/2023/PN.Niaga.Jkt.Pst., Segovia South Korea felt aggrieved and through its attorney, Kim Soo Jung, filed a lawsuit. The lawsuit asks the court to recognize the Plaintiff as the sole owner of the Segovia brand in Indonesia, declare the brand a well-known brand in Indonesia, and cancel the registration of the Segovia brand in the Defendant's name because it was registered in bad faith and imitates the Plaintiff's famous mark. The court granted all of the Plaintiff's demands, declaring the Segovia trademark registration in the Defendant's name to be canceled with all the legal consequences.

According to the author, the Supreme Court's decision at first instance in this case was correct. The panel considers that there are similarities between South Korea's Segovia and the Indonesian Segovia brand. This is because the two brands use the same name, where Segovia South Korea has used that name since 1958. Segovia South Korea's attorney believes that the use of the Segovia brand by the defendant Yu Kei Man was based on bad faith. They considered that the defendant was trying to take advantage of his fame, with the aim of unfairly benefiting himself. This will clearly be detrimental to the plaintiff. It can be concluded that the defendant Yu Kei Man has imitated or imitated the plaintiff's brand. This is proven by the significant similarities between the brands owned by the plaintiff. The plaintiff has succeeded in proving that his mark is a well-known mark based on existing criteria.

The author is of the opinion that the defendant Yu Kei Man had bad intentions from the beginning when he submitted the application for trademark registration at DJKI RI. From its intention to mislead consumers by registering a mark that is similar in design, writing, sound and color to the plaintiff's well-known mark, the defendant's actions clearly harm the reputation of the plaintiff's mark which is widely known to the public and mislead consumers. Therefore, the defendant was proven to have bad faith in this case. Yu Kei Man's actions can be categorized as brand piggybacking, where he piggybacks, plagiarizes, or resembles the brand owned by South Korea's Segovia which was previously owned by Kim Soo Jung. This action shows that there was bad faith on Yu Kei Man's part in building his business.

## **CLOSURE**

### **Conclusion**

The 2016 Trademark Law regulates the protection of well-known foreign trademarks. Registration of a trademark by another party without the owner's permission is contrary to the principle of good faith. Limited protection for well-known foreign brands that have not been registered in Indonesia for five years, before someone else can claim them, is contrary to the theory of legal protection and the state's obligation to protect the rights of citizens, including foreigners. This law is also inconsistent with the Paris Convention which allows the cancellation of trademark registrations in bad faith without a time limit. With this new law, Indonesia shows its commitment to protecting IPR, especially brands, by providing broader legal protection for well-known foreign brands that have not been registered in Indonesia.

In registering a trademark, the party submitting the application must have the awareness to register the trademark in good faith. This is because if it is proven that the mark was registered in bad faith, then this could be a reason to cancel the mark registration. In accordance with the case discussed, namely the Segovia brand owned by Yu Kei Man, it is proven that the Segovia Indonesia brand owned by Yu Kei Man was registered in 2021 in bad faith. Therefore, based on applicable regulations, the registration of the Segovia Indonesia brand owned by Yu Kei Man has been cancelled.

### **Sugesstion**

From the material above, the author found several suggestions to strengthen brand legal regulations in Indonesia that can be implemented, including: First, extending the protection period or removing the time limit for protection for well-known foreign brands that have not been registered in Indonesia, is in line with the principles of protecting intellectual property rights. Second, harmonize the provisions for canceling marks registered in bad faith with the Paris Convention, so that there is no time limit for applying for cancellation. Lastly, increasing the capacity of law enforcement officials and ensuring good coordination between relevant agencies in handling brand determination. By improving these aspects, it is hoped that it can reduce the potential for brand disputes and provide stronger protection for intellectual property rights in the field of brands, especially for well-known foreign brands in Indonesia.



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