

Indonesia

Contributing firm

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1. Legal framework

National

Indonesia has granted legal protection to intellectual property since 1912. The Colonial Intellectual Property Right 1912 established the first regulations on trademarks, patents and designs. It adopted the first-to-use system, meaning that the rights to a mark were enjoyed by the first party to use it, regardless of registration. The first-to-use system was retained in the Trademark Law 21/1961, the first trademark legislation enacted after Indonesia gained independence in 1945.

However, this legislation was subsequently repealed and replaced by the Trademark Law 19/1992, which introduced the first-to-file system. This system has been retained in all subsequent trademark legislation: the Trademark Law 14/1997 and its successor, the Trademark Law 15/2001, which is currently in force.

International

The Indonesian government has ratified the following international trademark treaties:

- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs);
- the Trademark Law Treaty; and
- the World Intellectual Property Organization Convention.

2. Unregistered marks

As the Trademark Law follows the first-to-file system, unregistered marks are not protected by the law. However, the owner of an unregistered mark may file suit against a registered mark within five years of the date of registration. Where the mark for which

cancellation is sought has been registered or used in bad faith, no time limit applies, in accordance with Article 6*bis* of the Paris Convention.

Before filing suit, the owner of an unregistered mark must first file an application for registration of its mark with the Trademark Office.

3. Registered marks

Ownership

Article 7(3) of the Trademark Law provides that any individual or legal entity can apply for and own a trademark. A trademark may also be registered jointly by several parties.

Scope of protection

Protected: Any sign that can be used in trade to distinguish the applicant's goods and services may be registered as a trademark. Such signs include pictures, names, words, letters, numerals, colour combinations and combinations thereof.

Not protected: Article 4 of the law provides that marks are expressly excluded from protection if the registration was applied for in bad faith.

Under Article 5, protection is not available for marks that:

- contravene prevailing rules and regulations, morality or public order;
- lack distinctive character;
- have become public property; or
- constitute information, or are related to the goods or services for which registration is sought.

Further, Article 6 provides that the Directorate General of Intellectual Property will refuse registration where the relevant mark:

- is similar, in whole or in essential part, to another's mark which has previously been registered for identical goods or services;
- is similar, in whole or in essential part, to another's well-known mark;
- is similar, in whole or in essential part, to a known geographical indication;
- constitutes or resembles the name or portrait of a famous person, or the name of another's legal entity, unless the relevant person has consented in writing;
- imitates or resembles the name or abbreviation, flag, coat of arms, symbol or emblem of a state or of a national or international institution, unless the competent authority has consented in writing; or
- imitates or resembles an official sign, seal or stamp used by a state or a government institution, unless the competent authority has consented in writing.

4. Procedures

Examination

The examination procedure is set out in Articles 18 to 22 of the Trademark Law.

An examiner at the Directorate General of Intellectual Property will conduct a substantive examination of a trademark application within 30 days of the date of filing. In theory, the examination should be completed within nine months, but this timeframe may be longer in practice.

If the examiner concludes that the trademark application can be approved for registration, the directorate general – with the approval of the director general – will publish the application within 10 days of its approval for registration. The publication will take place for a period of three months in:

- the *Official Gazette of Marks*, which is published periodically by the directorate general; and/or
- a special medium, which can be easily and clearly accessed, issued by the directorate general.

If the application is refused registration on substantive grounds set out in Articles 4, 5 or 6 of the Trademark Law, the applicant or its representative may appeal this decision to the Trademark Appeal Commission within three months of notification. A copy of the appeal petition will then be sent to the directorate general, together with payment of the fee. The appeal petition should describe in detail the applicant's objections to this decision, but cannot correct or amend the trademark application.

If the applicant does not file an appeal within the prescribed three-month period, it will be considered to have accepted the decision to refuse registration and the directorate general will record this fact in the General Register of Marks.

The Trademark Appeal Commission must issue its decision within three months of receipt of the appeal petition. If the commission approves the appeal, the directorate general must proceed with publication, unless the application has already been published in the General Register of Marks. If the commission rejects the appeal, the applicant or its representative may bring an action before the Commercial Court within three months of notification of this decision.

Opposition

The opposition procedure is set out in Articles 24 to 26 of the Trademark Law.

During the three-month publication period, anyone may file a written opposition to the trademark application with the directorate general.

Within 14 days of receiving the opposition, the directorate general will send a copy to the applicant or its representative. Upon receipt, the applicant or its representative then has two months in which it can file a rebuttal to the opposition.

The examiner will then re-examine the application, which must be completed within two months of the expiry of the three-month publication period. The examiner will take the opposition and rebuttal into consideration when re-examining the application.

The directorate general will give the opponent written notice of the results of the re-examination. If the examiner decides to accept the opposition, the Directorate General will notify the trademark applicant in writing that its application has been refused registration; the applicant or its representative may appeal against this decision.

If the examiner decides that the opposition should be rejected, the application will be registered in the General Register of Marks, with the approval of the director general.

Registration

Article 27 of the Trademark Law provides that where there are no oppositions to registration, the directorate general must issue and grant a registration certificate to the applicant or its representative within 30 days of the expiry of the publication period. However, this timeframe may be longer in practice.

Where an opposition is rejected, the directorate general must issue and grant a registration certificate to the applicant or its representative within 30 days of the date on which the application was approved for registration. Again, this timeframe may be longer in practice.

Article 28 provides that a registered mark will be protected for 10 years from the filing

date, and the protection period may be extended thereafter.

Cancellation/surrender

Articles 68 to 70 govern cancellation of a registered trademark.

Any interested party may file suit for the cancellation of a registered mark on the grounds set out in Articles 4, 5 or 6.

Where the owner of an unregistered mark files suit against a registered mark, it must first submit a trademark application to the directorate general.

A cancellation suit must be filed before the Commercial Court within five years of registration of the relevant mark, unless the mark is contrary to morality, ethics or public order, in which case no time limit applies.

A cassation may be filed against the decision of the Commercial Court.

Revocation

Article 61 provides that the directorate general may delete a trademark registration from the General Register of Marks either on its own initiative or at the request of the trademark owner.

The directorate general may delete a registration on its own initiative if:

- the mark has not been used in trade for three consecutive years from the date of registration or of last use, unless there are legitimate reasons for such non-use (eg, import prohibitions, prohibitions relating to a permit for distribution of the trademarked goods or any temporary decision of the competent authority, or similar prohibitions imposed by government regulation); or
- the mark is used for goods or services for which it is not registered, or the mark used does not accord with the registered mark.

Any objections against the directorate general's decision to delete a trademark registration may be submitted to the Commercial Court.

5. Enforcement

Complexity

Legal enforcement of trademark rights in Indonesia can be very costly. The jurisdiction has been included on the Priority Watch List of the Office of the US Trade Representative (USTR) since 2000, due to the weak enforcement of IP regulations. Five years on, the legal enforcement of IP rights is still inadequate. Although the police have carried out some raids in cases of infringement of optical media products, pirated products are still readily available due to the lack of enforcement and prosecution.

In February 2005 the International Intellectual Property Alliance once again recommended that the USTR include Indonesia on the Priority Watch List, because enforcement against piracy and counterfeiting is still inconsistent.

The Indonesian government is currently making every effort to improve the enforcement of IP rights in the hope that the USTR will put Indonesia at the Watch List level, at worst.

Provisional court decisions: Provisional court decisions are governed by Articles 85 to 88 of the Trademark Law.

A party whose trademark rights have been infringed may request the Commercial Court to issue a provisional decision ordering:

- the prevention of entry into Indonesia of allegedly infringing goods; and/or
- the retention of evidence relating to the infringement.

The Commercial Court will grant this relief where the requesting party presents adequate evidence and posts security. Where a provisional decision is issued, the judge hearing the relevant case will decide whether to amend, cancel or reaffirm this decision within 30 days of its issue. If the provisional decision is affirmed, the security will be returned to the requesting party, which may then file suit for infringement.

If the provisional decision is cancelled, the security will be given to the party affected by the action as compensation for the provisional decision.

Criminal provisions: These are set out in Articles 90 to 95 of the Trademark Law:

- Anyone who uses, deliberately and without authorization, a mark that is similar in its entirety to another's registered mark or geographical indication for identical goods or services will be liable to up to five years' imprisonment and a fine of up to Rp1 billion.
- Anyone who uses, deliberately and without authorization, a mark that is similar in essential part to another's registered mark or geographical indication for identical goods or services is liable to up to four years' imprisonment and a fine of up to Rp800 million.
- Anyone who uses, deliberately and without authorization, a sign that is protected as a source of origin on goods or services in a way that is likely to deceive or mislead people as to the origin of those goods or services will be liable to up to four years' imprisonment and a fine of up to Rp800 million.
- Anyone who trades in infringing goods or services, and knows or ought to know that the goods are infringing, will be liable to up to one year's imprisonment and a fine of up to Rp200 million.

6. Ownership changes – legalization requirements

All deeds, such as deeds of assignment and merger, must be legalized before the Indonesian consul in order to be valid.

7. Areas of overlap with related rights

There is a certain degree of overlap between trademark rights and copyright. The Trademark Law defines a ‘trademark’ as a sign – in the form of a picture, name, word, letters, numerals, colour combination or combination thereof – that can be used in trade to distinguish the applicant’s goods or services. Meanwhile, the Copyright Law (19/2002) provides that works of an author which exhibit originality may be in the fields of science, arts and literature. It is thus possible for device marks with artistic merit to be protected under both the Copyright Law and the Trademark Law.

8. Online issues

Article 3 of the Trademark Law provides that the exclusive rights to a registered trademark are granted for a certain period of time by the state to the registered owner, which may use the mark itself or authorize its use by a third party. Registered marks may be used on the Internet only by the trademark owner or authorized third parties. In contrast, an unregistered mark may be used freely on the Internet until such time as it is registered.