



Juridical Analysis of Brand Dispute Resolution in Indonesia

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Abstract. A good product must have good quality in itself and requires a brand so that consumers can easily remember it. Brands attached to a product, goods, and services are likened to two sides of a coin: closely related and needy. A critical point in trademark protection is that a mark cannot be registered based on an application filed by an applicant in bad faith. A *registered mark* is valid and has been registered at the Director General of IPR and obtained a registration number. One of the exciting cases regarding the brand dispute was between Irawan Widjaja and Lancaster, which was resolved through mediation. *Mediation* is a negotiation involving a third party who has expertise regarding effective mediation procedures and can help in conflict situations to coordinate their activities to be more effective in the bargaining process. This type of research is juridical normative, an approach based on the primary legal material by examining theories, concepts, legal principles, and laws and regulations related to this research. The result of this study is that the legal step chosen by Irawan Widjaja, namely through mediation, is very wise and appropriate, considering that the goal is to resolve it as quickly as possible at a relatively minor cost.

Keywords: Brand, Mediation, Juridical, APS, Resolution

INTRODUCTION

A good quality product needs to have a brand in order to provide profits for its producers. A good product, not only must have good quality in itself, but also requires a brand so that it can be easily remembered by consumers. Trademarks or also called "trademarks" as one of the Intellectual Property Rights (intellectual property rights) have been known or born earlier than other intellectual property rights such as patents or copyrights (also called "copyright". (Hasibuan, 2003) With a brand, people/consumers of a product can associate an image/quality/reputation of goods and services with certain brands that they think or people they know are good. This makes a brand commercially valuable.

While in Indonesia itself, laws and regulations in the field of IPR in Indonesia have existed since the 1840s. At that time, the Dutch colonial government which at that time colonized Indonesia introduced the first law regarding IPR protection in 1844. Subsequently, the Dutch Government promulgated the Trademark Law (1885), the Patent Law (1910), and the Copyright Law (1912). Indonesia, which at that time was still called the Netherlands East-Indies, has been a member of the

Paris Convention for the Protection of Industrial Property since 1888 and a member of the Berne Convention for the Protection of Literary and Artistic Works since 1914 (Freeman, 1995).

During the Japanese occupation, from 1942 to 1945, all laws and regulations in the field of IPR remained in effect. Brand regulation in Indonesia began with Law Number 21 of 1961 then amended by Law Number 12 of 1992, and then amended again by Law Number 15 of 2001 concerning Marks and finally Law No. 20 of 2016 concerning Brands and Geographical Indications, this shows that the role and efforts for brand protection are very important. Legal protection of marks only applies to marks that have been registered.

Trademark registration will provide stronger protection, especially if it conflicts with identical or similar marks. Although most business people realize the importance of using brands to distinguish their products from the products of their competitors, not all parties are aware of the importance of brand protection through registration. (Putra, 2014) A registered mark is a mark that has been registered with the Director General of IPR. Therefore the mark that has been registered will acquire a register number. With the register number registered with the Director General of IPR, the mark is a valid mark.

The owner of the mark obtains preventive legal protection from the State through the law, namely Law No. 15 of 2001 concerning Trademarks. One of the interesting cases regarding the brand dispute is between Irawan Widjaja and Lancaster. Briefly, it can be mentioned that this problem began when there was a collaboration between Irawan Widjaja and Lancaster decades before the objection from Lancaster Sarl in 2017. At that time, to register a trademark, there was a requirement to be submitted by an Indonesian citizen.

Unfortunately, in 2017, the Lancaster brand, which later became famous in Indonesia thanks to marketing from Bag City, then wanted to use another seller and then filed a letter of objection if the Lancaster brand was registered on the grounds of a well-known brand. In 2017, trademark registration does not have to be by Indonesian citizens, so the Lancaster brand can be registered without being in the name of Irawan Widjaja. Even so, the two parties finally agreed to make peace to avoid a prolonged legal dispute. Based on the background description above, the formulation of the problem that can be raised is How is the enforcement and resolution of law related to trademark disputes in Indonesia?.

LITERATURE

Brand Theory

According to Article 1 of Law No. 15 of 2001, a mark is a sign in the form of images, names, words, letters, numbers, color arrangements or combinations of these elements that have distinguishing power and are used in trading activities for goods or services. There is actually no obligation for someone to register a trademark owned. However, if it is going to get legal protection, then the trademark concerned must be registered first. An application for trademark registration will be accepted if it meets the requirements stipulated by the Trademark Law. Registration of this mark does not escape the possibility of registration without rights carried out by certain parties in bad faith.

The main requirement that is also the main characteristic of a brand is the existence of differentiating power. In connection with the above, Article 5 of Law No. 15 of 2001 further regulates what cannot be used as a mark or which is not registered as a mark, if it contains one of the following elements: (Saidin, 2002)

- a. Contrary to applicable laws and regulations, religious morality, decency or public order.
- b. It has no discriminating power.
- c. It has become public property.
- d. Is a description or related to the goods or services requested by the registrant.

Dispute Resolution Theory

Philosophically, dispute resolution is an attempt to restore the relationship of the disputing parties to its original state. By restoring the relationship, they can establish relationships, both social relations and legal relations between each other. The theory that studies about it is called the theory of dispute resolution. (HS & Nurbani, 2016) The term dispute resolution theory comes from the English translation, namely the theory of dispute settlement, or in Dutch known as *theorie van de belevting van geschillen*, while in German it is called *theorie der streitbeilegung*.

The definition of dispute resolution theory is a theory that examines and analyzes the categories or classifications of disputes or conflicts that arise in society, factors that cause disputes, and the ways or strategies used to end the dispute. (HS & Nurbani, 2016) One way of dispute resolution is actually regulated in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, namely Alternative Dispute Resolution (ADR).

In addition, peaceful efforts must first be made, namely by posting announcements in the mass media stating that a property right is really its intellectual property, if there is still a violation, then legal channels will be taken. (Permatasari & Judge, 2015)

METHOD

This study used the Normative Juridical type research method. The normative juridical approach is an approach that is carried out based on the main legal material by examining theories, concepts, legal principles and laws and regulations related to this research. This approach is also known as the literature approach, namely by studying books, laws and regulations and other documents related to this research. The approach used will discuss more deeply about the Trademark Law and legal protections related to brands, as well as discuss the Lancaster case which ended in mediation/peace.

DISCUSSION

The dispute over the Lancaster brand stems from a letter from Lancaster Sarl's Attorney, – a company incorporated under the laws of France, whose address is at 422 rue Saint Honore, 75008 Paris, France – Hadiputranto, Hadinoto, & Partners with Reference Number DL/GPU/AKQ/680918-v1 dated January 18, 2017 to Irawan Widjaja as the owner of the brand "Lancaster" with Registration Number IDM000349397, class 18, in Indonesia which is valid until November 22, 2022 for types of goods "bags, luggage, wallets, leather, faux leather, umbrellas, sticks and plastic bags, horse clothes and saddles".

In the letter, Lancaster Sarl claims to be developing and investing continuously to become a leading manufacturer of luxury leather products not only in France but also in various parts of the world. From the explanation in the letter, Lancaster Sarl claimed to have registered and used at least the marks "Lancaster" since 1985 and referred to the applicable Marks and Geographical Indications Act, claiming to be included in the category of well-known marks. In the letter Lancaster presented examples of product images and brand logos, then its official website and various social media services, as well as the date of registration of Lancaster's brand in various worlds, the oldest of which was on February 4, 1985.

Furthermore, Lancaster Sarl explained the similarities between their "Lancaster" brand and Irawan Widjaja's "Lancaster", and claimed that the Trademark Registration in Indonesia conducted by Irawan Widjaja in 2002 was based on bad faith. Irawan Widjaja at that time stated that the "Lancaster" brand was actually no longer used by him in business activities so he preferred to be able to solve this case so that he could reconcentrate on his main business. Irawan Widjaja explained that before registering the "Lancaster" mark, there was actually a verbal agreement regarding the registration and use of the "Lancaster" mark in Indonesia because in 2002 at that time, only Indonesian citizens could register a mark.

Unfortunately, in 2017, the brand "Lancaster" which later became famous in Indonesia thanks to the marketing of Bag City owned by Irawan Widjaja then wanted to use another seller and then filed a letter of objection through Hadiputranto, Hadinoto, & Partners. After discussing through intensive legal consultation with the Author, the author explained that the best way to overcome this problem quickly and completely is through alternative dispute resolution, which in this case is mediation.

Irawan Widjaja agreed to authorize on January 25, 2017 to the Author to represent himself in the management of the transfer of rights to the "Lancaster" brand in legal institutions, as well as officials within the brand of the Ministry of Justice and Human Rights of the Republic of Indonesia Directorate General of Intellectual Property Rights and / or within the State Court of the Republic of Indonesia and / or Government agencies and / or non-government institutions, make and sign papers, defend and defend the legal interests of Irawan Widjaja, and also make and submit applications related to the case.

After going through discussions for approximately 1 month, on February 22, 2017 a Peace Agreement was finally signed between Irawan Widjaja and Lancaster Sarl and resolved the case. In the agreement, Lancaster Sarl as the First Party, while Irawan Widjaja as the Second Party, agreed on the following important points:

- 1) The Second Party acknowledges that it has transferred and transferred to the First Party, which hereby acknowledges and accepts the assignment and transfer from the Second Party, without prejudice to the authorizing permission of the competent authority to authorize such transfer, namely all rights, interests and goodwill attached to or arising from the mark "Lancaster."
- 2) As compensation for the transfer of rights to the mark "Lancaster" from the Second Party to the First Party, the First Party agrees to reimburse the registration fee of the mark "Lancaster" which is Rp.10,000,000 (ten million rupiah) to the Second Party as agreed by the parties.
- 3) The expenses and expenses incurred to enter into this agreement, shall be borne and paid by the First Party. Expenses and costs incurred for the purpose of recording the transfer and transfer of the Lancaster marks from the Second Party to the First Party and the costs associated with such actions, shall be borne and paid by the First Party.

Based on the description above, in a dispute between Lancaster Sarl and Irawan Widjaja as the owner of the brand "Lancaster" with Registration Number IDM000349397, class 18, in Indonesia which is valid until November 22, 2022, for the types of goods "bags, suitcases, wallets, leather, faux

leather, umbrellas, sticks and plastic bags, horse clothes and saddles", basically the problem that occurs is because Lancaster Sarl as a business that produces luxury leather products has been running its business for a long time and opened official outlets and also retailers in various countries (including but not limited to the United States, Canada, Hong Kong, and the People's Republic of China, Italy, Switzerland, and various other countries with about 300 stores selling and distributing its products worldwide) but has not yet officially registered its trademark in Indonesia.

The problem arose because after previously there had been a verbal agreement regarding the registration and use of the "Lancaster" brand in Indonesia because in 2002 at that time with Irawan Widjaja, but unfortunately, in 2017, the brand "Lancaster" which later became famous in Indonesia thanks to the marketing of Bag City owned by Irawan Widjaja then wanted to use another seller and then filed a letter of objection through Hadiputranto, Hadinoto, & Partners. Law No. 15 of 2001 concerning Trademarks adheres to the constitutive principle in the trademark registration system. This means that the protection of rights to the mark is provided only on the basis of registration.

Sistem is also known as first to file system, which means protection is given to who comes first. For thereafter applicants who file the same or similar marks will not get legal protection. Article 68 paragraph (2) of Law No. 15 of 2001 specifies that the owner of an unregistered mark can file a lawsuit for cancellation of trademark registration after submitting an application for trademark registration to the Directorate of Trademarks. To determine whether the brand "Lancaster" is a well-known mark or not, it is also necessary to know the definition of a well-known brand.

The explanation of Article 6 paragraph (1) point b of Law No. 15 of 2001 concerning Marks only regulates the definition of famous marks implicitly, namely that the rejection of applications that have similarities in principal or in whole with famous marks for similar goods and or services is carried out by taking into account the general knowledge of the public about the mark in the relevant business field.

Article 6 bis of the Paris Convention provides that in determining a well-known mark, a State Party shall take into account knowledge of the mark in the relevant sector among the public, including knowledge in the State Party acquired due to the promotion of the mark. Article 2 paragraph (1) letter b of the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks outlines the elements or factors that must be taken into consideration by the competent authorities in determining whether a mark is well-known or not based on the following:

- a) The level of knowledge or recognition of the mark in the relevant public sector;
- b) The term, renewal and geographical area of use of the mark;

- c) The duration, extension and geographical area of promotion of the mark, including advertising or publication and presentation at exhibitions of the goods and/or services in which the mark is used;
- d) The period and geographical area of each registration, and/or application for registration of the mark, to the extent that it reflects the use or recognition of the mark;
- e) A record of the successful application of rights to the mark, especially in the event that the mark is recognized as a well-known mark by the competent authority;
- f) The related value of the brand.

Based on the description above, the legal step chosen by Irawan Widjaja, namely through mediation, is very wise and appropriate considering that the goal is to be able to resolve it as quickly as possible at a relatively smaller cost.

CONCLUSION

Based on the description that the author has submitted, it can be concluded that there are two main forms of trademark dispute case resolution in Indonesia, namely litigation / court settlement, and alternative dispute resolution/non-litigation. Law enforcement and settlement related to trademark disputes in Indonesia is based on Law Number 15 of 2001 concerning Trademarks, which has been amended by Law Number 20 of 2016 concerning Geographical Indications. With the existence of this Law, the determination of the Brand is created in one script (single text) which is expected to make it easier for the public to use it. However, there are still various shortcomings in this Law regarding several important topics such as the concept of famous brands, and good faith so that perfect legal certainty has not been created.

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