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THE INDONESIAN SUPREME COURT REAFFIRMS THE “FIRST TO FILE” SYSTEM AND THE EXISTENCE OF WELL- KNOWN TRADEMARKS



Justisiari P Kusumah and Elsiana Inda PM of K&K Advocates explain how Indonesian trademark law favours first registered and well-known trademark owners.

Similarity in principle

Indonesian Law No. 15 of 2001 on Marks, renewed by Law No. 20 of 2016 on Marks and Geographical Indications (“Trademark Law”), stipulates that a trademark application should be rejected in the event such trademark has similarity in principle or entirety to a registered trademark and well-known trademark that are owned by other parties. Based on the above provisions, legal protection is clearly given by the State to the first registered trademark owner and the well-known trademark owner.

Legal protection given to first registrant

Legal protection is given to the first registrant, as the Indonesian trademark law system adopts “first to file” system. In addition, legal protection is also given to the owners of well-known trademark, as the Indonesian government has expressly ratified the Paris Convention for the Protection of Industrial Property and Convention Establishing the World Intellectual Property Organization (“Paris Convention”) since 1979 and the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”) since 1994. Therefore, Trademark Law including its implementing rules must refer to both international agreements.

First to file

However, certain examples of cases found in the practice area have caused dilemmatic conditions upon the “first to file” system conflicting with well-known trademark. Due to the Indonesian trademark law system that adopts and provides legal protection to the first applicant/registrant, a problem often arises when faced with a well-known trademark, and often becomes a detriment against the existence of well-known trademarks, specifically if the first applicant and/or registrant has filed the trademark application in bad faith.

Cancellation claim

Given this situation, the sole registered trademark and/or well-known trademark owners have the option to file a cancellation claim against the owner of the cited trademark to the Commercial Court. The aim of this action is, amongst others, to (a) give legal protection to the sole trademark owner; (b) legally prove before the law that the cited trademark (defendant’s trademark) was filed in bad faith by its applicant; and (c) delete/remove the defendant’s trademark from the List of Trademarks.

International agreements

As a country that has ratified the Paris Convention and TRIPS Agreement, all government institutions including the Commercial Courts in Indonesia must adhere to those international agreements.

Hugo Boss case

One example is the Hugo Boss’ case, which is related to the cancellation of an existing trademark registration owned by an Indonesian individual that contains the essential part/word of “Hugo” and/or “Boss” that has been registered at the Directorate of Trademark of Ministry of Law and Human Right of Republic of Indonesia (“Directorate of Trademark”) since 1989 under the name of HUGO BOSS Trade Mark Management GmbH & Co. KG. Moreover, the Hugo Boss trademark with all variants owned by HUGO BOSS Trade Mark Management GmbH & Co. KG has been registered worldwide, therefore, the Hugo Boss trademark is internationally a well-known trademark.

First level court rejected claim

At the first level court (Commercial Court), the Panel of Judges rejected Hugo Boss' claim and argued, that the other registered trademark with the use of the "Hugo" word is not similar in principle and/or entirety with the HUGO BOSS trademark owned by Hugo Boss, therefore, would not create any confusion with the consumers.

Bad faith

However, the Commercial Court's decision differs from the Panel of Judges of the Supreme Court. The Supreme Court provides their consideration that the trademark registration with the use of the "Hugo" word was filed on the basis of the applicant's bad faith, with the following arguments, amongst others, that (a) the other trademark with the use of the "Hugo" word in their trademark are considered as being similar in principle and/or entirety with the HUGO BOSS trademark owned by Hugo Boss, particularly in term of sound and/or writing; (b) the other trademark was registered after the Hugo Boss trademark had been registered in Indonesia; and (c) the other trademark could mislead and confuse the consumers in Indonesia.

Legal protection

Moreover, the Supreme Court has ordered the Directorate of Trademark to delete/remove the defendant's trademark from the List of Trademarks. As the final implementation of the Trademark Law, the Directorate of Trademark then provides a legal protection to Hugo Boss as the first registered trademark owner as well as the well-known trademark owner through the legal procedure, such as deleting the defendant's trademark with a total of six registered trademarks from List of Trademarks and has published it on the Official Trademark Gazette.

Rights protected

Thereby, the owners of well-known trademarks that have been registered under the name of other parties, can now be confident that their rights will be protected in Indonesia by filing a cancellation claim at the Indonesian Commercial Court.

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