# SOSIOLOGICAL JURISPRUDENCE JOURNAL

E ISSN 2615 - 8795

https://ejournal.warmadewa.ac.id/index.php/sjj

# LEGAL PROTECTION OF REGISTERED BRAND HOLDERS (A CASE STUDY OF THE INFRINGEMENT OF THE) KASO BRAND LIGHT STEEL

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Published: 28/02/2022

How to cite:

Sudarsono, D. P. (2022). Legal Protection of Registered Brand Holders (A Case Study of the Infringement of the Kaso Brand Light Steel). Sosiological Jurisprudence Journal, Vol.5(2), Page 86-90. https://doi.org/10.22225/scj.5.2.2022.86-90

#### Abstract

For companies that manufacture good products with registered trademarks that are known by the public, they definitely have good market shares. It is undeniable that many companies practice unfair business competition by imitating or using other parties' registered trademarks to market their products. The objective of this research is to obtain a legal basis for trademark rights in Indonesian positive law and the implementation of legal protection for the holder of registered trademark of lightweight steel products under brand of "Kaso" from trademark infringement by other parties through a case study of lightweight steel brand counterfeiting. This type of this research is normative, which is legal research conducted through library research. The finding of the research indicates that the legal basis for the holder of registered trademark shall be Law No.20 of 2016 which provides 10 (ten) years of legal protection. The legal protection of registered trademarks includes the type of violation, the threat of punishment for the violation, granting the right to file a lawsuit with the Commercial Court, criminal charges for alleged trademark infringement through the Police and/or by choosing an alternative solution.

Keywords: Brand Rights; Registered Trademark Holder; Trademark Infringement

#### I. INTRODUCTION

Business competition is increasing along with technological advances and the development of society. Goods and services trade transactions are form of business activity that should be carried out by following the relevant prevailing regulations in Indonesia. One form of violation of law in product marketing activities is using a registered trademark of other company for similar type of product, particularly a trademark with good quality and known by the public. In related to the above matter, a legal instrument is required from state institutions that can provide protection for the registered trademark holders from trademark counterfeiting by other parties.

Intellectual Property Rights (IPR) are divided into 2 (two) parts, namely Copyright and Industrial Property Rights. Copyrights are classified as Copyright and Rights related to Copyright (Neighboring Rights). Industrial Property Rights are classified as Patents, Trade Marks, Trade Secrets, Industrial Designs and Integrated Circuit Layout Designs.(OK. Saidin, 2013)

Trademark rights are part of intellectual property rights (IPR), which are works created by human intellectual abilities (creativity, taste, intention) in the fields of science and technology, works of art and literature. (Erlina, 2013) In order to obtain state's protection and approval, trademarks must be registered at the DJKI RI.(Dirjen HKI, 2022) State protects the registered mark for 10 (ten) years from the registration date of mark in DJKI RI. If a mark is not registered, such mark will not be protected by the state. Therefore, such mark can be used by other parties. (Sulastri, Satino, 2018) According to article 3 of Law no. 20 of 2016, a trademark right is an exclusive right of the owner of a

registered mark in the general register of marks granted by the State for a period of 10 years to use the mark by itself or to allow other people to use it.(Hak & Intelektual, 2005)

Well-known trademarks have good reputation and attractiveness, and any product under such these famous brands immediately and will create direct friendliness and myth to consumers. Well-known trademarks are often used by malicious parties to forge well-known trademarks. Trademarks counterfeiting can be made to similar or different products, and counterfeiting of similar products can be easily identified by comparing the quality and shape of the product itself, but this identification will be difficult on the different products.

Recently, there was an infringement of registered trademark rights in Central Java. The infringement was in the form of the distribution of lightweight steel products under the "Kazo" trademark with marketing areas in Yogyakarta and several areas in Central Java. Such lightweight steel with the "Kazo" brand was manufactured by other parties without any valid license from PT. Tatalogam Lestari as the rightful owner of the "Kazo" trademark. The rightfull owner of lightweight steel brand "Kaso" have become victims of trademark infringement by irresponsible parties. The actual form of the counterfeting act by using a trademark which has a similarity in essence, namely between "Kaso" and "Kazo". The case of the "Kaso" trademark infringement occurred in the Magelang city, Central Java Province. An evidence of trademark infringement obtained from the purchase of "Kazo" brand lightweight steel at depo bangunan in the Magelang area. "Kazo" brand lightweight steel has substantial similarities with "Kaso" brand lightweight steel of PT. Tatalogam Lestari who is also the rightful owner of the registered trademark. With these two (2) evidences, PT. Tatalogam Lestari on March 30, 2021 submitted a report to the Directorate of Special Criminal Investigation with the attention of Head of Sub-Directorate of 1 Indagsi of Central Java Regional Police. In relation to the submitted report, Police issued a Police Report No. LB/P/170/2021/JATENG/Dit.Reskrimsus dated March 30, 2021.

Interesting legal issues to be studied are as follows: (1) How are the legal protection arrangements for trademark rights in Indonesian positive law; and (2) How is the legal protection for PT. Tatalogam Lestari as the registered trademark holder of the "Kaso" brand lightweight steel product from trademark infringement by other parties. Purpose of the writing as follows: (1) To describe the legal protection arrangements for trademark rights under the Indonesian positive law; and (2) To provide an overview of legal protection for PT. Tatalogam Lestari as the registered trademark holder of lightweight steel products of "Kaso" brand from any infringement act by other parties.

# II. METHOD

This research is normative legal research, which is legal research conducted through library research. This research is descriptive in nature, with the aim of providing an overview of the legal basis for trademark rights under the Indonesian positive law and the legal protection for PT. Tatalogam Lestari as the holder of the registered trademark for lightweight steel products of "Kaso" brand from any infringement act by other parties. Data obtained from secondary data, which are the rule of law (primary legal materials), books, academic journals, seminar results, newspapers (secondary legal materials) and legal dictionaries (tertiary legal materials). Collection of information and data used literature research techniques (library). Upon collecting data, such data will be processed and analyzed in a qualitatively way through three (3) phases, namely data reduction and presentation, as well as drawing conclusions. (Sugiyono, 2017) Drawing conclusions use deductive logic.

### III. RESULT AND DISCUSSION

1. The regulation of the legal protection of trademark rights under the Indonesian positive law. In order to reduce any act of trademark infringement and to increase legal protection in business competition in Indonesian society, the Government through the DJKI, as the institution who is authorized to socialize Law no. 20 of 2016, intensely socialize the law to the community, enterprenuers and competent government institutions in the regions.(Achmad Rayhan Akbar & , 2019)

Law no. 20 of 2016 provides legal protection to the owners of registered trademarks against any trademark infringement by other parties. Article 2 paragraphs 3 of Law no. 20 of 2016 stipulate that the providedlegal protection helps separation between goods and/or services produced by individuals

or legal entities in the trading process of goods and/or services. Article 3 stipulates that the party entitled to the mark is the one who first file the registration of such mark. Indonesian system used first-to-file approach, and whoever registers for the first time will have the trademark rights and the exclusive rights for 10 years. As a result, the trademark cannot be used by others for commercial purposes due to its exclusivity without the consent of the trademark owner.(B.A. Tim Lindsey et al, 2002) The provisions in article 21 paragraph 1 explains that if there is a mark with substantially or entirely similar to a registered trademark, the application for such mark will be declined. Article 35, stipulates that the State will protect the registered mark for 10 (ten) years from the mark is registered in DJKI RI. Article 83 paragraph 3 stipulates that the holder of a registered mark which is infringed by other parties shall have right to file a lawsuit to the Commercial Court against the perpetrators of the mark infringement.

The owner of a registered mark may obtain legal protection against trademark infringement in the form of suspension of all process related to the use of the trademark or filing of a claim for damages, or suspension of all activities based on criminal prosecution through law enforcement authorities. Law No. 20 of 2016 set forth these rights in articles 100 until 102.

If similar goods or services, which are substantially or entirely similar to a registered trademark, used by other parties without any license or rights, the holder of the registered trademark may take following legal actions:

- 1. File a civil lawsuit in the Commercial Court by fulfilling requirements as set forth under article 85 of Law Number 20 of 2016. With sufficient preliminary evidence, the owner of the infringed registered trademark may apply for a temporary injuction or provisional order to the tribunal of judges of the Commercial Court having jurisdiction over the area where the infringement occured.(Marni Emmy Mustafa, 2017) Article 95 of Law no. 20 of 2016 set forth conditions for submitting an application for a temporary injuction or provisional order.
- 2. The holder of a registered mark which being violated may file a civil lawsuit and criminal charge against the perpetrator of the mark infringement. This situation is consistent with the common practice that in addition to civil proceedings which can be taken by stakeholder, prosecutors can also file criminal charges either on their own initiative or based on complaints from party who suffefing loss.(Rahman Janet, 2015)
- 3. The disputing parties may elect to settle the dispute through a lawsuit to the Commercial Court based on Article 83, or "Arbitration" and "Alternative Dispute Resolution" based on Article 93 of Law no. 20 of 2016. (Kurniawan, 2019)

"Alternative Dispute Resolution" is conducting mediation, negotiation, and conciliation, or settlement by other means of the parties' choice. If a party chooses to resolve a dispute through "arbitration" and "alternative dispute resolution", then that party must comply with Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution.(*Undang-Undang Nomor 30 Tahun 1999 Tentang Arbitrase Dan Alternatif Penyelesaian Sengketa*, 1999) The Arbitration Mediation Committee for Commercial Legal Protection (BAM HKI) is responsible for the trademark infringement process by using the "Alternative Dispute Resolution" route.(Besar, 2018).

# 2. Infringement of "Kaso" brand lightweight steel by other parties

PT. Tatalogam Lestari has a registered trademark namely "Kaso" which has received protection from DJKI since June 18, 2008 with registration number IDM000232806 which validity period has been extended until June 18, 2028. The trademark of "Kaso" is the types of goods in class 6, namely: color and non-coloured metal roof tiles, metal door and door equipment, metal cladding, metal pillars for buildings, fences, battens and metal rafters, metal housing frames, movable metal building frames, metal frame and building in the form of roof assemblies.

In addition to manufacturing "Kaso" brand lightweight steel, PT. Tatalogam Lestari also manufactures other lightweight steel product with brand of "Taso" which is a well-known brand to public in Indonesia with the best quality and has obtained an SNI certificate. On March 3, 2021, the attorney of PT. Tatalogam Lestari received a report from its branch office located in Semarang that the there is a lightweight steel product with brand "Kazo" is distributed in the market, especially in Yogyakarta and Central Java. The report submitted by the branch office is supported by evidence in the form of a sample of "Kazo" brand lightweight steel and a purchase invoice for the product. Based

on a coordination between the attorney of PT. Tatalogam Lestari and DJKI's expert staff, it was concluded that there had been an act of infringement of the "Kaso" trademark by other party that produces and sells "Kazo" lightweight steel products in the market. The trademark infringement meets the conditions set under article 21 paragraph 1 of Law no. 20 of 2016 which essentially means a mark that is substantially or entirely similar to a registered trademark, such mark application shall be rejected (*Undang-Undang Republik Indonesia Nomor 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis*, 2016) Both products, the "Kaso" and "Kazo" brands, have similarities in essence on their similar sounds and pronunciations, resulting that there is an impression of similarities between the two brands.(*Penjelasan Undang-Undang No. 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis*, 2016)

On March 25, 2021, PT. Tatalogam Lestari through its attorney filed a case to the Directorate of Special Criminal Investigation with attention of Head of Sub-directorate 1 Indagsi Central Java Regional Police. As a follow-up to the submitted case, on March 30, 2021, the Police Investigator issued a reporting letter number: LP/B/170/III/2021/Jateng/Dit.Reskrimsus for conducting further inquiry and investigation. The police progressed the investigation process by visiting several building materials stores in Magelang and succeeded in obtaining evidence in the form of "Kazo" brand lightweight steel, sales invoices, and travel documents. After progressing the investigation process, the Police successfully found the suppliers or distributors and factories that produce these products based on special order or requests from customers, then confiscated some evidence for further legal process.

According to the information obtained by the author from the investigators, in this matter the Head of Unit 1 Indagsi Ditkrimsus Polda Central Java, the attorney of PT. Tatalogam Lestari as the party who filed a case submitted a Letter of Case Revocation on the Mark Infringement Criminal Act. The basis for the revocation letter is the good faith of the parties to make a mutual settlement as an effort to resolve this case outside the standard operational legal procedures in the Ditkrimsus Polda Central Java. Upon the submission of the Letter of Case Revocation, the investigation process is ceased.

## IV. CONCLUSION

PT. Tatalogam Lestari already has a registered trademark "Kaso" which has received protection from the DJKI since June 18, 2008 with registration number IDM000232806. The occurance of dispute over the infringement of the "Kaso" brand lightweight steel of PT. Tatalogam Lestari was initiated from the finding of "Kazo" brand lightweight steel in the market, which substantially or entirely similar to the registered trademark, namely the "Kaso" brand. The trademark infringement fulfills the elements set forth in Article 21 of Law no. 20 of 2016. Based on this, PT. Tatalogam Lestari has taken legal actions to file the case to law enforcement, in this matter the Central Java Police Investigator carried out inquiries and investigations in accordance with their main tasks and authorities. Based on the investigation conducted by the Investigating team, evidence was obtained in the form of "Kazo" brand lightweight steel, purchase invoices and travel documents from the sellers, distributors and manufacturer which were then confiscated. From the evidence obtained, the investigators coordinated with the DJKI's expert staff, and it was concluded that the actions of the manufacturer of "Kazo" brand lightweight steel had fulfilled the act of violating the registered mark of PT. Tatalogam Lestari. The investigation process was ceased based on the letter of case revocation submitted by PT. Tatalogam Lestari as the reporting party because there was a request for a mutual settlement and good faith from the disputing parties.

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