

**LEGAL POSSIBILITY TO REGULATE DEFENSIVE TRADEMARK AS
WELL-KNOWN MARK PROTECTION IN INDONESIA**

**(Comparative Studies of Well-Known Mark Protection Based on Indonesian,
Japanese, and Australian Trademark Law Perspectives)**

A BACHELOR DEGREE THESIS



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**INTERNATIONAL PROGRAM
FACULTY OF LAW
ISLAMIC UNIVERSITY OF INDONESIA
YOGYAKARTA**

2018

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**Presented as Partial Fulfillment of the Requirements to Obtain the Bachelor
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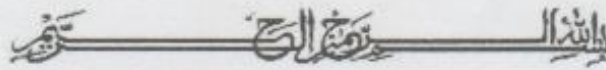
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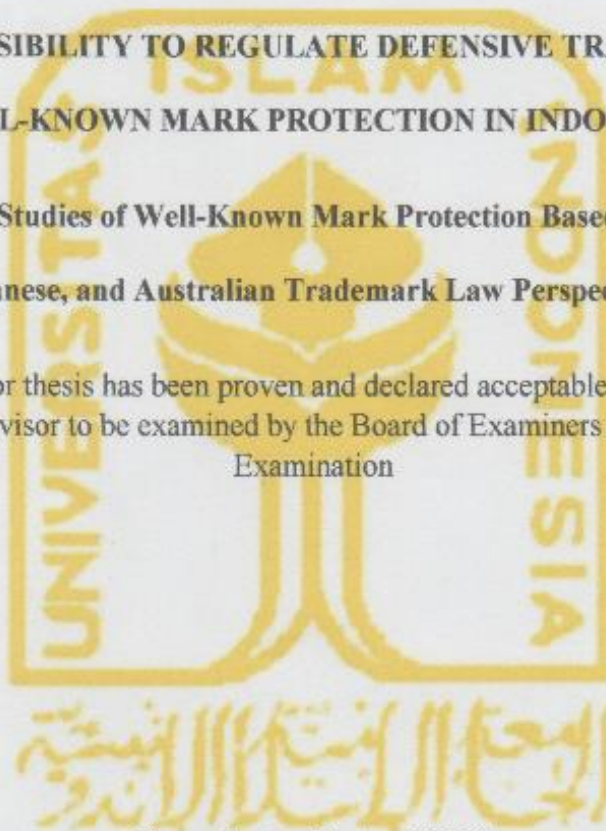


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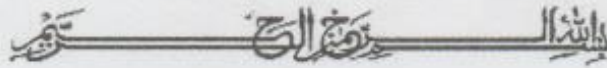
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MOTTO

وَمَنْ جَاهَدَ فَإِنَّمَا يُجَاهِدُ لِنَفْسِهِ

“And whoever strives, the strives is the benefit for himself”

(QS. Al-Ankabut: 6)

فَإِنَّ مَعَ الْعُسْرِ يُسْرًا

“For indeed, with hardship [will be] ease”

(QS. Al Insyirah: 5)

“Nee, geheel alleen desnoods zou hij recht doen, met of zonder hulp van anderen dan.”

“Although, I’m alone, if it is necessary, I will enforce justice, with or without the helping of others.”

(Eduard Douwes Dekker)

“Life is like riding a bicycle. To keep your balance, you must keep moving.”

(Albert Einstein)

“Your dream is not big yet, if it is not laughed yet”

(People’s saying)

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This Thesis is dedicated to:

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My Beloved Grandma Umi Sry Suarni.

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ABSTRACT

The level of well-known and famous mark infringement and counterfeiting in Indonesia is high which conducted by the unauthorized parties to run the business by unfair competition in Indonesia that will be affected to likelihood of confusion among society. The protection of well-known/famous mark is regulated in International law and national law. In International law, well-known mark/famous mark is regulated under Paris Convention on Industrial Property and TRIPs Agreement. World Intellectual Property Organization (WIPO) issued WIPO Recommendation on Provision on Protection of well-known Mark. Besides that, States have independency to enact provisions on well-known/famous mark protection by their national law. The problems of this research are focused on (1) regulations comparison toward well-known/famous mark protection according Indonesian trademark law, Australia and Japan; (2) legal possibility to regulate defensive mark as well-known mark protection in Indonesia. This research uses normative legal research by compare trademark law in Indonesia, Australia and Japan. As the result, one kind of protections is by registering mark to the defensive mark registration. Defensive mark is uncommon protection in the world. Japan and Australia completely set out defensive mark provisions as well-known/famous mark protection. Differ with Indonesia does not directly recognized defensive mark. The factor obstruct the defensive mark enactment in Indonesia is local mark's unpreparedness. In the other hand, defensive mark will increase criminalization and civil lawsuit toward local mark. It makes defensive mark is not possible to be regulated in Indonesia. In addition, awareness to register trademark in Indonesia is still low. It is reflected by trademark registration in Indonesia is lower than Japan and Australia. In addition, there are several articles that indirectly indicate defensive mark provisions in Indonesian trademark law.

(Keywords: Legal Possibility, Defensive mark, Well Known and/or Famous Mark Protection)

CHAPTER I INTRODUCTION

A. Context of Study

In a competitive economy as occurred in globalization era, the consumers' benefits are being able to choose a wide range of the quality and price of goods and services in order to fulfill their needs. A range of alternatives product is offered, which consumer can choose them rationally only if consumers know the relevant differences. The sellers' interest emphasis qualities including price that differentiate his product from those of competitors.¹

In the business environment, every person and company who sell their products to consumers will concern on the importance of the names and/or symbols used in order to run their business activities and market their products to the market.² In other word, those symbols or names are called as marks which become a base in modern marketing because marks can be utilized as goodwill, quality symbols, quality standards and facility to enter into market and it is traded with guarantee in order to raise huge advantages.³

Trademark is one of manifestation of intellectual property right (IPR) which might be utilized between goods and services product made by

¹W.R Cornish, *Intellectual Property: Patents, Copyright, Trade Marks And Allied Rights*, (London: Sweet & Maxwell Limited of South Quay Plaza 1989), Second Edition ,p.400.

² Rahmi Jened, *Hukum Merek (Trademark Law) Dalam Era Global Dan Integrasi Ekonomi*, (Jakarta: PT.Kharisma Putra Utama 2015), First Edition, p.3

³ Darmadi Durianto, Sugiarto and Tony Sitingjak, *Strategi Menaklukkan Pasar Melalui Riset Ekuitas Perilaku Merek*, (Jakarta: Gramedia Utama Pustaka 2001), Second Edition ,p.2 as quoted by Julius Rizaldi, *Perlindungan Kemasan Produk Merek Terkenal Terhadap Persaingan Curang*, (Bandung: PT Alumni 2009), First Edition, p.3

producer that make consumer easy to choose and distinguish each product. Trademarks enable people or consumer to identify the product or services. A trademark is the most valuable marketing instrument. Trademark utilization strategy to the public can be identified as certain quality and image of goods and services.⁴ Trademarks become powerful and valuable business assets which communicate the core of value products or services and foster customer loyalty to products or services.⁵ In other words, trademark also can be used as an indication of origin, a guarantee of quality, as a marketing and advertising device.⁶

In this era, trademark as intangible assets which parts of intellectual property rights become the most important thing. Trademarks are needed for existence to run business activity. The development of business activity and advertisement and information technology, the distribution and promotion of products even national and international within cross-border and global commerce. Trademark has taken on a new and highly valuable significance.⁷

Nowadays, trademarks are supported by advertisement within the development of information and technology. Especially, internet has power to stimulate the demand of consumers' loyalty on the resulted products. It makes

⁴ Australian Government, IP Australia ,”A Guide to Applying for Your Trade Mark”, Australia ,2012, p.2 (Guide was downloaded from ipaaustralia.gov.au on September 9th 2017 at 11.24 AM)

⁵Davies Collision Cave Intellectual Property, *Trade Mark Basics*, (<http://www.davies.com.au/ip-info-tools/trade-mark-basics>, accessed on October 3rd 2017 at 9.18 PM)

⁶ Rahmi Jened, *Hukum MerekOp.Cit, p.3*

⁷ Craig Collin, *Intellectual Property* , (Australia: Lexis Nexis Butterworths 2014), Second Edition, p.210

trademark give competitive and ownership advantage in the competition of global market.⁸

Goods and/or services that produced by company will have good reputation by the general acknowledgment peoples by the existence of trademark. High level of reputation mark is known by people in the relevant sector called as well-known mark.

In addition, promotion is the most effective way to increase reputation. Reputation itself is not received by registration but rather through actual use in placing goods or services in the market.⁹ By designing a product goods and/or services into a well-known mark or high-level mark can generate multiple profits for the producer or business actor and also enhance the reputation of a product between society and beside that, well-known mark also will winning business competition fairly among business competitors.

In globalization era, along with the flow of investment capital from developed countries to developing and less developed countries, well-known and famous trademark are also exported to developed domestic markets. Moreover, the establishment of multinational companies in developing nations and the penetration into the multinational market create opportunities for consumers in different countries and regions to access and use these reputational trademarks which can easily enhance and strengthen their

⁸ Rahmi Jened, *Hukum MerekOp.Cit, p 4*

⁹ *Ibid*, p.241

recognition in a global market.¹⁰ The reputation of mark as well-known and famous mark can effect mark infringement in national and international level.¹¹ Frederick W. Moestert mentioned that:¹²

“In such a smaller but more intensely networked world, brand manufactures are no longer confined to local markets. They function in an integrated global marketplace. Brand products find themselves providing goods and services in bigger and bigger markets created by free trade pacts and the creation of single markets throughout the world.

Against the reality of this background, there is certainly no doubt in the minds of business persons that the reputation and goodwill attached to their brands have become detached from national and local borders.”

The main point said by him is the spread of product trade of well-known mark which cross border commerce. Basically it is not only to maintain quality of product, but also maintain the reputation or goodwill of well-known mark used by consumer around the world. The infringements of well-known marks are not only come from origin country, but also come from the others countries.

However, in business competition era, many business competitors or parties who are not responsible by commit trademark infringement or use the trademark intentionally without any license or use mark with bad faith intention and also commit violation by using reputation of well-known mark to increase and gaining profit for their own. There is also is bad faith competitor who conduct unfair competition by possibilities to counterfeit

¹⁰ Phan Ngoc, Tam , *Well-known trademark protection. A comparative study between the laws of the European Union and Vietnam*, (Faculty of Law, Lund University 2011), Doctoral Dissertation of Law Field of Study : International and Comparative Law.p.66

¹¹ Julius Rizaldi, *Perlindungan Kemasan Produk Merek Terkenal.....*,*Op.Cit.*,p.4

¹² Frederick W Mostert, *Famous And Well –Known Marks*, (United Kingdom: Butterworths 1997) ,p.5 as quoted by Ibid, p. 4

product for purposed to gain benefit in short terms. The action is done by irresponsible parties effected the possibility of likelihood of confusions and deception among the society.

In order to protect trademark from any kinds of infringement and trademark piracies, the protection by law should be needed in national and international level. Trademark law aims to maintain trust in the business of trademark users and thereby to contribute to the growth and/or development of business and to protect the interests of the consumer. Besides that, trademark law is purposed in order to give legal certainty and justice toward utilization of trademark, which including also to the protection of well-known trademark.

Trademark law was developed in line with the unfair competition law. Both of them focus and protect mark from any certain conducted by third parties. Nevertheless, the concept of protection between them are different. Unfair competition law worked with objective to protect relevant interest meanwhile trademark law provide subjective right which protect trademark owner's interest.¹³

In national level, there are different types of trademark protection which vary from country to country.¹⁴ In this case, it is caused by trademark rights are territorial rights mean that they are protected only by the law of the particular country which steps are taken to protect them by its particular

¹³ Agung Indriyanto and Iriane Mela Yusnita, *Aspek Hukum Pendaftaran Merek*, (Jakarta: Rajawali Pers 2017), First Edition, p.12

¹⁴ Lanning G. Bryer, "International Trademark Protection", (New York: International Trademark Association 2015), p 1-2

domestic trademark law. The difference practice in countries in providing protection and implementation toward trademark aspect is one of factor of necessary and importance of provision and regulation towards sale products. The existence practice extend strained situation in international economic relation. There is also some certain causes to encourage to the increase attention towards intellectual property rights protection issues internationally in current years. It is caused due to the increase and existence of trademark infringement¹⁵ of well-known and/or famous products.¹⁶

The difference is apparent in many aspects of trademark protection in countries in the treatment of well-known mark, the conceptual differences at the foundation of trademark law in each country are so significantly that such a claim inaccurate and mislead.¹⁷The difference of registration systems and difference laws vary among countries create some difference treatments among the protection of trademark based on those countries law.

For instance in Indonesia, these past few years has made some progress in strengthening intellectual property right protection by enactment of new laws and regulations. Although, Indonesia still faces some problem with the trademark piracy and trademark infringement, especially directed well-known

¹⁵ Trademark infringement is the unauthorized use of a trademark or service mark on or in connection with goods and/or services in a manner that is likely to cause confusion, deception, or mistake about the source of the goods and/or services. (See at USPTO, "What is trademark infringement?" About Trademark Infringement, (<https://www.uspto.gov/page/about-trademark-infringement>, accessed on October 12th 2017 at 8:36 PM))

¹⁶ Sudargo Gautama, *Hak Milik Intelektual Indonesia.....*, Op. Cit, p.11

¹⁷Port, Kenneth L., "Protection of Famous Trademarks in Japan and the United States". *Faculty Scholarship*, Paper 142, Wisconsin International Law Journal, Vol.15 ,No.2 (1997), p.259 (See at: <http://open.mitchellhamline.edu/facsch/142>)

mark.¹⁸ Indonesia has a first to file trademark registration system. In the practice, this has been widely abused by local trade mark pirate who registers foreign marks which mostly occurred in Indonesia. The development and growth of information accessed easily in internet also may be reason of well-known trademark piracy high in Indonesia which users can be easily known the marks and products before the sales starts.¹⁹

One of example case of well-known mark piracy and utilization of Defensive mark in Indonesia involving foreign mark is *Kabushiki Kaisha Monteroza v Arifin Siman* in Jurisdiction of commercial court of Central Jakarta. In this case, *Kabushiki Kaisha Monteroza* as plaintiff is intended to registered trademark of “WARA WARA and SHIROKIYA” to Mark Directorate of Directorate General Intellectual Property of Ministry of Law and Human Rights. Nevertheless this trademark already registered by *Arifin Siman* as defendant with same trademark which have been registered WARA WARA & logo by register number 551068 and SHIROKIYA by register number 551069 in “DIRJEN HAKI”²⁰ Ministry of Law and Human Rights of Indonesia. Plaintiff claimed that their mark is already registered in WIPO²¹ as

¹⁸ Zain Adnan and Brett McGuide, “Indonesia Progress in IP Protection-But Much Still to be Done”, Rouse & Co International, Jakarta, 2008,p.207-208

¹⁹Rouse, “Well-known trademark protection in Indonesia,Legal Brief,(<http://www.inhouselawyer.co.uk/index.php/legal-briefing/well-known-trade-mark-protection-in-indonesia/> ,acesed on October 13th 2017 at 00.20 AM)

²⁰ Hereinafter as Direktorat Jendral Hak Kekayaan Intelektual (Directorate General of Intellectual Property Rights)

²¹ WIPO is abbreviations of World International Property Organization is one of the specialized agencies of the United Nations (UN) system of organizations. This agency have mission to lead the development of a balanced and effective international intellectual property (IP) system that enables innovation and creativity for the benefit of all. It is based on mandate, governing bodies and procedures are set out in the [WIPO Convention](#). WIPO was established in 1967.(accessed from <http://www.wipo.int/about-wipo/en/>, on October 17th 2017 at 8.29 PM)

international mark. In addition, plaintiff's trademark is registered by registration number 4185167 as defensive mark in Japan which the defensive mark certificate become one of evidence issued by Plaintiff before the court.²²

Defensive mark is mark that has widely law enforcement than normal mark and can be used as a basis to claim or sue other goods or services. To receive defensive mark, there must be though basic mark that is well-known. Defensive trademark registration system is uncommon in the world, few countries maintain this system for example Japan and Australia.²³

Australia has a common law trademark system based on precedent as well as statue. The trademark system applied in Australia is first to use. Under Australian law, rights in a trademark accrues through usage whether or not the trademark is registered. Trademark right is depended on usage and whether or not it has been used in commerce. Australia is one of few trademark jurisdictions where it is possible to obtain a defensive trademark registration. It is indicating in Australia trademark law regulated in Trademarks Act 1995 consolidated as of February 24, 2017 which covered also the types of trademarks protected by registration based on act as following: ²⁴

²²M.Taufikul Basari ,”*SENGKETA MEREK :Pengusaha Jepang dan Indonesia Bererbut Wara Wara Shirokiya*”, <http://kabar24.bisnis.com/read/20130224/16/1567/sengketa-merek-pengusaha-jepang-dan-indonesia-berebut-wara-wara-dan-shirokiya> accessed on October 17th 2017 at 9.34 PM)

²³Hà Thi Nguyet Thu, Final Report in Fulfillment of Long Term Fellowship ,”*Well-Known Trademark Protection Reference to Japanese Experience*, In WIPO Six Month Study Research Fellowship Program, held by World Intellectual Property Organization (WIPO) in Collaboration with the Japan Patent Office(JPO) April 2nd - September 30th , 2010,p.37

²⁴ Jenny Mackie and Dawn Logan Keeffe, “*A Reference Guide To The Australian Trade Mark System*”, (Australia: Pizeys Patent & Trade Mark Attorneys Australia & New Zealand 2009), First Edition, p. 7-8.

1. Standard Trademarks
2. Defensive Trademarks
3. Certification Trademarks
4. Collective Trademarks

While in Japanese perspective, Japanese trademark law regulated under Trademark Act No. 127 of April 13, 1959, as amended up to Act No. 55 of July 10, 2015. Under Japanese trademark law, defensive trademark registration provides the only means of legally asserting the famousness of trademark. The expansion of conflicts pertaining to trademarks in foreign countries has been pointed out and a defensive mark is effective material for make the famousness known in a lawsuit abroad or when administrative action is taken.²⁵

In Indonesia trademark law perspective, it is regulated under Law No.20 of 2016 concerning on Mark and Geographical Indication. Article 21 section (1) letter b mentioned that the application of mark should be refused in the condition of those mark had similarity in essence and whole with well-known mark owned by other for similar good and/or services. Meanwhile, under article 21 section (1) letter c also mentioned that the application of mark should be refused in the condition of those which had similarity and identic with well-known mark owned by other for un-similar good and/or services.²⁶

²⁵ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p.38

²⁶ Article 21 section 1 Law No 20 of 2016 Concerning on Mark and Geographical Indication
“Application is refused if mark have similarity and identic with :
a. Registered mark of others or asked by more parties for similar goods and/or services ;
b. Well-known mark owned by others for similar goods and/or services;
c. Well-known mark owned by others for not similar goods and/or services that fulfilling certain requirement ; or
d. Registered Geographical Indication”

Until now, Indonesia does not regulated the defensive mark which in several countries such as Japan and Australia use defensive mark registration for well-known mark or even in the New trademark law of Indonesia Law no 20 of 2016 concerning mark and geographical indication. There are no such kinds of provision concerning on the defensive mark to protecting well-known mark.

Based on explanation above, this thesis will discuss on the regulation of defensive marks to protect well-known and famous mark especially according to Australia and Japanese trademark law. Those both countries' trademark law is compared by Indonesian trademark law, the possibility of defensive mark to be implemented and regulated in Indonesia as legal protection of well-known mark and famous mark. The ways of well-known mark and famous mark protection based on Law number 20 of 2016 concerning on mark and geographical indication.

Urgency of this legal research is the development of technology and information towards internet and other mass media can be affected to well-known mark acknowledged by Indonesian society, this makes the level of trademark piracy, infringement and counterfeiting high toward foreign well-known mark by unauthorized parties in order to running business by unfair competition in Indonesia. The action may cause likelihood of confusion among society. Sometimes, those unauthorized parties registered those well-known mark to Directorate General Intellectual Property Ministry of Law and Human Rights of Republic of Indonesia without any licenses and

authorization from the original owner that come from foreign country and it caused the barrier to invest in Indonesia and those foreign mark cannot be protected in Indonesia.

B. Problem Formulation

This legal research is focused on two main questions as following:

1. How are regulations towards well-known trademark protection according to Australian trademark law, Japanese trademark law and Indonesian trademark law?
2. How is the legal possibility to regulate defensive mark as well-known mark protection in Indonesia?

C. Research Objectives

The objectives of this research are following:

1. To acknowledge the regulations towards well-known mark protection accordance with Indonesian trademark law, Japanese trademark law and Australian trademark law.
2. To identify and acknowledge legal possibilities to regulating defensive mark as well-known mark protection in Indonesia.

D. Theoretical Framework

The concept of intellectual property right is defined as legal rights which result from intellectual activities in the industrial, scientific, literary and artistic fields. Countries must provide laws and regulation to protect intellectual property in order to give statutory expression to the moral rights and economic rights of creators in their creation of minds work and also to promote and increase creativity, distribution and application of its results. Encouragement of fair commerce in business activity will be raised to economic and social development ²⁷

Intellectual property refers to creations of the mind: inventions, literary and artistic works and symbols, names and also images used in business activity which contains on two branches that are industrial property and copyright. First branch is industrial property include on patent, trademark, industrial designs, and geographical indications. In additional, include also topography of integrated circuit and protection of undisclosed information. Second branch is copyright covers literary work (such as novels, poems and plays), films, music, and artistic works. Rights related to copyright also including those of performing artists in their performances, producers of phonograms in their recordings and broadcaster.²⁸

²⁷World Intellectual Property Organization (WIPO), “ *WIPO Intellectual Property Handbook* ”, (Geneva : WIPO Publication No.489, 2004) , Second Edition, Reprinted 2008, p.3 (Downloaded from : http://www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf on September 15th 2017 at 3.45 PM)

²⁸ World Intellectual Property Organization (WIPO), “ *What is Intellectual Property Rights* “, (Geneva: WIPO Publication No.450 (E), p.3 (Downloaded from:

This thesis focuses on the analysis towards one specification of intellectual property aspects include in categorization of industrial property. It is trademark. It can be defined as a signs or a combination of signs, that distinguishes the goods or services of one company from another company. It is used towards goods or services in connection with the marketing of goods or services trademark may appear not only for the goods or services themselves but also include container or packaging in which goods and services are marketed.²⁹ In International agreement especially TRIPs Agreement, trademark was defined as:

“Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.”³⁰

Based on definition provided in article 15 paragraph (1) TRIPs Agreement, Trademark is any signs or combination of signs including names, letters, and colors and others. Nevertheless, this article does not limit the signs in other forms that not stipulate in this article as long as have capability to

http://www.wipo.int/edocs/pubdocs/en/intproperty/450/wipo_pub_450.pdf on October 18th 2017 at 1.18 PM)

²⁹World Intellectual Property (WIPO), “ *Understanding Industrial Property* “,(Geneva :WIPO Publication No. 895E 2016), Second Edition, p. 17 (Downloaded from : http://www.wipo.int/edocs/pubdocs/en/wipo_pub_895_2016.pdf on September 29th 2017 at 8.30 PM

³⁰SEE article 15 paragraph 1 TRIPs Agreement

distinguishing goods and/or services. WIPO as international organization governing on IPR also provides definition of trademark is:

“A trademark is a distinctive sign which identifies certain good or services as those produced or provided by a specific person or enterprise. Its origin dates back to ancient times, Then craftsmen reproduced their signatures, or “marks “on their artistic or utilitarian products. Over the years these marks evolved into today’s system of trademark registration and protection. The system helps costumers identify and purchase a product or service because its nature and quality, indicated by its unique trademark, meets their needs.”³¹

In order to give legal protection of trademark, Generally Trademark should be registered in authorized office. The practices of mark protection system in countries, are divided into two common systems consist of first to file system and first to use system. According to Lanning G. Brey, first to file system is trademark right that are generally acquired and granted only through registration. Trademark owner can apply to register a mark without having it anywhere at any time. Meanwhile in first to use system, trademark right is acquired through use by the owner. It does not require supporting document as use indicator. Meanwhile, registration provides trademark owners with significant benefits that is not essential for the establishment of trademark rights.³²

The first to file system is also known as constitutive system which obligated the registration to grant trademark rights. Without such registration trademark owners were not given legal protection. The registration must be

³¹World Intellectual Property Right, “*What is a Trademark* “, Accessed from <http://wipo.int/trademarks/en/trademarks.html> on October 20th 2017 at 11.53 PM)

³² Lanning G. Bryer,” *International Trademark**Op.Cit*, p. 14-15

conducted by good faith, otherwise the registration of trademark by bad faith registration will be refused. The application must be submitted in written to authorized bodies. Meanwhile first to use can be called as declarative system. In order to grant legal protection, the first trademark usage have right to own for such trademark right. In other word, registration does not generate a trademark right, nevertheless first trademark user who created those trademark.

As the trade of marked goods and/or services and the globalization affected the trade of marked goods broadly and do not limited at national borders area. There are efforts to harmonize the protection of well-known marks and famous marks in international standards governed by international agreement, regional and bilateral treaties and supranational law.

In international regulations especially TRIPs and Paris Conventions have an increasing effect on domestic trademark law. ³³Article 1 paragraph (1) TRIPs³⁴ require state members to obligate provision of the agreement. However, the states provide independency to determine implementation based on practice and legal system of state members as provision:

³³ Craig Collin, *Intellectual Property*,*Op.Cit*, p.210.

³⁴ TRIPs hereinafter abbreviations of Agreement on Trade Related Aspects of Intellectual Property Rights is International Legal Instrument between all the member of the World Trade Organization (WTO). This agreement is the one of annexes in final act on Uruguay Round of The General Agreement on Tariffs and Trade (GATT) in 1994 which is administered by the WTO. TRIPs was contained on the agreement focused on aspects related trade concerning on Intellectual Property Rights with purposed to reduce distortions and impediments to international trader and to protect private property right. TRIPs Agreement introduced intellectual property law into the international Trading System. (Read at Sudargo Gautama, *Hak Milik Intelektual Indonesia dan Perjanjian International TRIPS ,GATT ,Putaran Uruguay* (1994), (Bandung: PT.Citra Aditya Bakti 1994), First Edition, p.2-3 and Rahmi Jened, *Hukum Merek**Op.Cit*,p.18-19)

*“Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice”.*³⁵

TRIPs Agreement provide legislative choice to developing country and least developed country in order to formulate law and legislation in the field of intellectual property right based on its necessary and legal system. TRIPs regulated concerning on norm and standard in which based on full compliance towards existed IPR convention and utilized as minimal basis.³⁶ Besides that, TRIPs as the comprehensive international legal instrument for intellectual property rights obligate the members to respect on the obligation of Berne Convention for Author Rights or Copyrights, Rome Convention and Treaty on Intellectual Property in Respect of Integrated Circuits, and Paris Convention on Industrial Property Rights.³⁷ In relation of TRIPs and international trade, so as TRIPs accommodate and concern in the mechanism of legal enforcement which related to possibility of cross-retaliation.³⁸³⁹

³⁵ SEE Article 1 Section 1 TRIPs Agreement

³⁶Cita Citrawinda Priapantja , *Budaya Hukum Indonesia Menghadapi Globalisasi Perlindungan Rahasia Dagang di Bidang Farmasi*, (Jakarta: Chandra Pratama 1999), First Edition, p.2

³⁷ Rahmi Jened,*Op.Cit*,p.20

³⁸ C Michel Hathaway, “*An Introduction To Intellectual Property Rights Issues*” ,Paper was presented on “Workshop on Intellectual Property Rights & Economic Development in Indonesia”, Ministry of Trade and Commerce of Republic of Indonesia (Jakarta: October 7th -9th 1998) as quoted in Cita Citrawinda Pripantja, *Budaya Hukum Indonesia*,*Op.Cit* .p, 2

³⁹ Cross retaliation defined as Parties do not bring their Laws and Practices into conformity with the panel rulings and recommendations, or provide appropriate compensation , are subject to authorization of “suspension of concessions,” that is authorized retaliation ,(Taken from C Michel Hathaway, “*An Introduction To Intellectual Property Rights Issues*”, p. 7)

In the trademark aspects, TRIPs agreement required that members of the WTO must have legislation in place that provides for trademark protection. It is also provides for certain minimum requirements to trademark laws that must be complied in state member jurisdiction.⁴⁰ Besides that, article 2 section (1)⁴¹ TRIPs Agreement was decided that state members were obligated to obey and comply with certain provision exist in Paris Convention for Industrial Property. This obligation exists irrespective of whether or not those state member is a member of the Paris Convention.

The another important aspect is National Treatment which provided in article 3 section (1)⁴² TRIPs Agreement which stipulated each member states must provide the protection of trademark rights, treat nationals of the other members states no less constructively than it treats its own nationals law. Then, the other aspect is Most Favored Nation which stipulated under article 4⁴³ of TRIPs Agreement that presenting advantage, favor, privilege or immunity by a state member to citizen of another state member in intellectual property aspect should be provided immediately and unconditionally to them.

⁴⁰ World Intellectual Property Organization (WIPO) "The Enforcement of Intellectual Property Rights : A case Book,(Geneva: WIPO Publication No Pub 791E 2012),Third Edition, p. 42-43

⁴¹ *In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967)*

⁴² "Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS."

⁴³ "With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members....."

Regarding on the well-known mark regulation in international level, the legal protection of well-known mark is regulated in the Paris Convention for Protection of Industrial Property and TRIPs Agreement.⁴⁴ Under Paris Convention especially article 6bis section 1 mentioning that:

“The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.”⁴⁵

And under TRIPs agreement regulated in Article 16 section (2) TRIPs agreement that complement article 6 is stipulated that:

“In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.”⁴⁶

Based on those articles, state members were obliged to refuse or to cancel the registration and to prohibit the use of a mark conflicting which is well-known. First, the provisions of that article must be applied also to services. Second, it is required that knowledge in the relevant sector of the public acquired not only as a result of the use of the mark but also by other means,

⁴⁴ Indonesia was ratified Paris Convention by KEPPRES No.15 of 1997 and TRIPs Agreement through UU No.7 of 1994

⁴⁵ SEE Article 6 bis Paris Convention for Industrial Property

⁴⁶ SEE article 16 section (2) of Agreement on Trade Related Aspects of Intellectual Property Rights

including as a result of its promotion and the society's knowledge on the reputation of these marks, should be taken into account.⁴⁷

TRIPs Agreement and Paris Convention contain provisions for the marks with recognition or reputation and it is labeled by the terms of well-known mark or mark with a reputation. These provisions in such regulations are defined as an identical meaning or has same legal consequences and do not the terms of famous mark. In vary national laws use variety of marks with recognition and reputation has various terms including famous mark and well-known mark. Those variety of terms may be existed due to differences legal concepts for the protection of well-known marks in the various countries and simple variations in translation of terms into English.⁴⁸

There are misconception and confusion between famous trademarks and well-known marks. Legal scholars sometimes use the terms changeable. However, there are differences between both of them and appears that the standard for level between those terms. International treaties, national trademark laws or related laws or even in papers distinction is not certain.⁴⁹ This thesis will explain the concept of those terms as well as differences between them according to national law, international laws, legal experts and others.

⁴⁷World Trade Organization (WTO), "Overview: the TRIPS Agreement", (https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm., accessed on October 15th 2017 at 7.38 PM)

⁴⁸ Marcus H.H Luepke , "Taking Unfair Advantage or Diluting A Famous Mark A 20/20 Perspective on the Blurred Differences Between U.S. AND E.U Dilution Law." ,in Trademark Reporter in the Law Journal of the International Trademark Association ,Vol.98 ,No.3 , Edition on May-June,2008 p.792

⁴⁹ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit.*,p. 8

Meanwhile, in some countries such as Japan and Australia, in order to protect well-known marks, and there is possibility to issue the registration of defensive mark as a way to register well-known mark and defense the well-known mark and famous mark from any trademark infringement and counterfeiting. Defensive mark is trademark which has been registered for the purpose of creating a defensive perimeter around mark actually used the proprietor.⁵⁰

Defensive record is simply an administrative record for limited use within the jurisdiction of the trademark office per se. It is referred to as “*defensive*” since it serves as an alternative for the mark to being qualified for broader protection in the absence of clear criteria to determine whether a trademark is well-known.⁵¹The purpose of a defensive trademark registration is to protect a well-known/famous mark beyond the limited scope of an exclusive right established by ordinary trademark registration to use the mark for the designated goods of services.⁵²

Defensive mark is not meant to be used and by the nature thereof is not used, in connection with the concerned designated goods. As such, a

⁵⁰ [http://ipr2.com/Article/Storage/Ravn-What is a defensive mark-EN1030.pdf](http://ipr2.com/Article/Storage/Ravn-What%20is%20a%20defensive%20mark-EN1030.pdf) accessed on October 17th 2017 at 9.57 PM)

⁵¹ Fortuna Alvariza IP, *Indonesia Defensive Trade Mark Registration*”, Managing Intellectual Property accessed from <http://www.managingip.com/Article/3438779/Indonesia-Defensive-trade-mark-registration.html> on. October 17th 2017 at 10.14 PM)

⁵² Hà Thi Nguyet Thu, *Final Report...Op.Cit.*, p. 35

cancellation of the registration thereof for failure to use is simply not possible.⁵³ Baker and McKenzie noted that:⁵⁴

“A defensive mark first takes effect upon the completion of a defensive mark registration. On this point, it differs from ordinary trademarks, which exist if trademark registration is not completed.”

Defensive trademark is a form of trademark used to prevent trademark infringement. A defensive trademark can be applied for by a trademark owner of a well-known trademark for goods or services that are not intended to be used by that owner. The purpose of filing a defensive application is to reduce the possibility of other traders using the trade mark for unrelated goods or services.⁵⁵ James B Lumenta explained that one of the ways to utilize defensive mark is by registered such mark as well-known mark. ⁵⁶ In order to be registered as a defensive trademark, these requirements must be satisfied:⁵⁷

1. A registered trademark already exists
2. A registered has become well-known among consumers as indicating
3. The designated goods or services connected with his business
4. The two trademark are identical
5. There’s existence of likelihood of confusion
6. The applicant is the current trademark owner

This thesis also focused on the concept of well-known marks and the categorization of well-known mark according to International law

⁵³<http://www.managingip.com/Article/1321948/Japan-How-to-use-defensive-marks.html>, accessed on October 17th 2017 at 10.54 PM)

⁵⁴ Baker and McKenzie , *“Japan How to Use Defensive mark”*, www.bakerinfo.com , accessed on October 22nd 2017 at 12.20 PM

⁵⁵<https://definitions.uslegal.com/d/defensive-trademark/> accessed on October 22nd 2017 at 12 .45 PM

⁵⁶Lily Evalina Sitoris , *“Defensive Mark Sebagai Aset Merek”*, Media HKI, August, 2012,p. 21-22

⁵⁷ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* ,p.36

perspectives, Indonesia trademark law, Japanese trademark law, and Australian trademark law perspective. It is also focus on the implementation of those three countries and the utilization of defensive trademark registration in order to protect well-known mark and famous mark in those countries. How the Indonesian trademark law responds on the protection of well-known mark. The legal possibility of defensive mark in order to protect well-known mark in Indonesia.

The common practice of defensive mark utilization in Japan and Australia are important to be analyzed and compared with the legal system adopted in Indonesia and Indonesian trademark law especially concerning on well-known mark protection whether it is better or not. In order to adopt such defensive trademark registration according to Japan and Australia law, the issue is focused from the qualitative and normative perspective of Indonesia trademark law especially Law no 20 of 2016 concerning on Mark and Geographical Indication. Whether or not, the utilization of defensive mark registration to trademark owner give legal certainty and justice for business actors.

E. Research Methodology

1. Type of Research

The type of this research is the normative legal research, meaning that this research will be conceptual and developed based on the positive law namely regulation and doctrine related with well-known mark and defensive mark and then connected with focus problem that discussed by authors.

2. Object of Research

Object of research is the matters that will be researched which consist of:

- a. The trademark laws and regulations concerning on well-known mark protection of Indonesia compare with Japan and Australia in focused on trademark law and its practice.
- b. The legal possibility to regulate defensive mark registration toward well-known mark protection in Indonesia and Indonesian system on protection of well-known mark.

3. Subject of Research

Subject of Research is parties who chosen by author to provide information concerning on researched problem based on his/her competences and acknowledgement. In this research author will interviewing the representative of Directorate General of Intellectual Property Ministry of Law and Human Right Republic of Indonesia and also representative of business actors in order to knowing the information on the possibility to regulating defensive mark as well-known mark in Indonesia.

4. Sources of Data

- a. Primary legal material is legal sources that legally binding which related to object of this research as follow as:
 - 1) TRIPs Agreement
 - 2) Paris Convention for Industrial Property

- 3) Trademark Law Treaty
 - 4) Protocol relating to the Madrid Agreement concerning the International Registration of Mark 1989
 - 5) WIPO Joint Recommendation concerning provisions on the Protection of Well- Known Marks
 - 6) Law No.20 of 2016 concerning on Marks and Geographical Indication
 - 7) Japanese Trademark Act No. 127 of April 13, 1959, as amended up to Act No. 55 of July 10, 2015
 - 8) Australian Trade Marks Act 1995 as consolidated as of February 24, 2017
 - 9) The others law and regulations regarding with object of this research.
- b. Secondary legal materials are material that explain the nature of the law towards the primary law in the form of textbooks, literatures, law journals and electronic legal material, the results of research and other scholars materials related to the object of research.
- c. Tertiary legal materials are material which give the direction and/or explanation towards primary legal material and secondary legal material which consist of :
- 1) Black's Law Dictionary
 - 2) Oxford Law Dictionary

3) Encyclopedia

4) And others.

5. Method of Data Collecting

Method of data collecting in this study use a research that is conducted by literature studies which included by study on textbooks, literatures, law journals and electronic legal material, the results of research and other scholars materials with related to well-known trademark protection in international law and national law and also defensive marks in Japan, Australia and Indonesia.

6. Method Approach

Method approach which conducted in this research is statutory research approach that the methods approach in order to understanding the problem based on the implementation of regulation of trademark law in Indonesia and comparing with others regulation of trademark in Japan and Australia related with well-known mark protection and defensive mark.

7. Legal Material Analysis

This research used the qualitative methods of analysis are data that has been retrieved will be elaborated in the form of description and explanation. Then, it will be examined based on the opinions of experts, legal theories that are relevant, and argument of the researcher itself in order to obtain significant and scientific conclusion. Legal material

obtained from this research presented and elaborated qualitatively by ways as following:

- a. Classifying and collecting legal materials based on research problem
- b. The result of classification of legal material will be complied systematically
- c. Systematic legal materials will be analyzed to be formulated as basic in conclusion formulation.

F. Structure of Writings

This research will be complied systematically into 4 (four) chapters with following details:

Chapter I is Introduction which consists of these following parts: Context of Study, Problem Formulation, Research Objectives, Theoretical Framework, Research Method and Structure of Writing.

Chapter II is Theoretical Review. In this chapter will elaborate on General Overview on theory of marks especially the concept of famous and well-known mark, trademark protection system, trademark infringement, passing off and Dilution mark based on International Law and doctrine. In addition, it also explain the well-known trademark protection according to Islamic perspective.

Chapter III is Findings and Discussion. In this chapter contain discussions and findings on specific overview about comparative studies between well-known mark protection in Japan, Australia and Indonesia. In

addition, it discuss on defensive marks regulation in order to protect famous and well-known marks according to Japanese and Australian trademark law. Furthermore, it also discusses on legal possibility of defensive mark in Indonesia and the regulation of Indonesia on the protection of well-known mark according to applicable law and its implementation.

Chapter IV is Conclusion which contains on the Conclusion and Recommendation which will be obtained by the previous analysis that has been done.

CHAPTER II

THEORETICAL REVIEW

A. The Overview on Principles of Mark Protection and Trademark Protection Systems

1. Principle of Mark Protection

a. The principle of specialty

In international perspective, the scope of mark rights regulated under article 16 section (1) TRIPs agreement which mentioned that:

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.”

This provision state that, the registered owner deserve exclusive rights to prevent the others parties who do not have authority or license from the owner to use identic or resemble signs for the similar goods or services, where the use of identically use will impacted to confusion. In the case, the use of identical signs for identic goods or service, confusion must be argued to be occurred, nevertheless, the rights as mentioned above is not reduced existed right or prior right

and do not influence the possibility of state member to grant the mark right protection based on use.⁵⁸

Although the mark owner have exclusive right to prevent other to use its mark in the trade activity, nevertheless, exclusive right is only applicable specifically for certain goods or services as registered. The mark owner do not grant the protection over mark for the whole of kinds of goods or services. This is called as the principle of specialty.⁵⁹

b. Territorial principle

In article 6 of Paris Convention mentioned that:

- 1) *The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation.*
- 2) *However, an application for the registration of a mark filed by a national of a country of the Union in any country of the Union may not be refused, nor may a registration be invalidated, on the ground that filing, registration, or renewal, has not been effected in the country of origin.*
- 3) *A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin.*

Under this article clearly stated that the condition of the application of mark determined by the regulation of each state member. The Application of a state may not be refused or cancelled with the reason the application or renewal have not conducted in country of origin. A registered mark in a countries must be considered independent from the registration in other countries included in countries of origin.

⁵⁸Agung Indriyanto and Irmie Mela Yusnita, “*Aspek Hukum Pendaftaran Merek*”, *Op.Cit.* p.14

⁵⁹ *Ibid*

With such, the main focus of mark system implementation based on the jurisdiction and sovereignty of each state. By the territorial principle, the extension of mark right must be based on national law of each state. Somebody who have right over mark in a state do not have right to use or prohibited other to use its mark in other countries if he/she do not have right over its similar mark in other countries. This is mentioned as territorial principle.⁶⁰ Except in the case of international registration or regional registration in which The registration has come into effect in the whole of each country in which it is registered, where the protection of mark is based on mere of use without required registration, the territorial scope of protection may be limited to the area (inside the country) within where the mark is used ⁶¹

c. Temporal principle

In such countries which adopting the use without required, it is sufficient to continue the use in order to secure the continues effect of the protection, where the protection is based on the registration, national law will be prescribe the duration of protection is limited in time e.g. (10) ten years, nevertheless that it may be renewed for unlimited number of consecutive periods e.g. periods of (10) ten years each over payment of a fee on each renewal. It is possible that, trademark protection may be unlimited in time and in the reality there

⁶⁰ *Ibid*,p. 16

⁶¹World Intellectual Property Organization , "*Background Reading Material on Intellectual Property* " ,(Geneva:WIPO Publication ,1988) ,p. 171-172

exist many trademark which have already been protected for a long time.⁶²

Under such trademark law of all countries in the world, registration duration or protection of mark protection had limited time, the duration is vary between 10 and 20 years. For instance, in Japan, the term of a trademark right is 10 years from the date of registration. The term can be renewed for another 10 years, but a request for renewal must be filed within six months before the term expires. Even after expiration, a request for renewal may be accepted by paying an extra fee, if the request is filed within six months after the expiration.⁶³ While in Australia, a trade mark is initially registered for a period of 10 years in Australia and continues indefinitely as long as the renewal fees are paid every ten years.⁶⁴ In Indonesia, A trade mark registration is valid for 10 years and may be renewed indefinitely for successive 10 year periods filling times and can be renew.

In several countries on Europe, e.g. Germany and France, the duration of protection is 20 years, counting from the date of registration. In the United States of America is 20 years, counting from the date of registration, In United Kingdom and other countries in British Kingdom that have followed the United Kingdom, there is an

⁶² *Ibid* ,p.172

⁶³Onda Techno Intel.Patents Attorneys, “*Japanese Trademark FAQs* “, accessed from https://www.ondatechno.com/English/ip/trademark/faq_before.html on December 8th ,2017 at 2.30 PM

⁶⁴Australian Government IP Australia,” *Trademark FAQs*”, accessed from <https://www.ipaustralia.gov.au/tools-resources/faqs/trade-mark-faqs> on December 8th at 3.36 PM

initial duration of 7 years but the registration is renewable for periods of 14 years. In most other countries the subsequent periods are the same as the initial period, Meanwhile, Under Madrid registration system, the registration of a trademark has duration of 20 years.⁶⁵

2. Trademark Protection Systems

Generally, there are two systems of mark registration that is followed in the countries around the world i.e. declarative system (first to use) and constitutive system (first to file). Internationally according to Soegondo Soemodiredjo as quoted by OK Saidin. There are 4 (four) system of mark registration that are:⁶⁶

- a. Mark registration without previous examination. Based on this System, trademark for registration is immediately registered as long as the terms of the application have been fulfilled, among others, payment of application fee, examination and registration. It is not examine whether those mark fulfilling other requirements which determine by the law such as whether the mark have identical and similarity with registered mark for similar product or people's name. This systems used by several countries such as France, Belgium, Luxemburg and Romania.

⁶⁵ World Intellectual Property Organization, "Background Reading Material..Op.cit, p. 170-171

⁶⁶ Soegondo Soemodiredjo, "Merek perusahaan dan Perniagaan , Lembaga Administrasi", Negara Jakarta 1963 ,p. 10-11 as quoted by OK. Saidin , "Aspek Hukum Hak Kekayaan Intellectual (Intellectual Property Rights, (Jakarta: PT Raja Grafindo, 2003),Third Edition,p.363-364

- b. Registration by previous examination. Prior to mark is registered, the mark was examined regarding on application requirement and requirement concerning on those mark .Only required mark and do not have similarity and identical with registered mark for similar product or other trade name that can be registered. This system followed by several countries such United States of America, Germany, Japan, England and Indonesia.
- c. Registration with temporary announcement. Before mark was registered, those mark was announce in order to provide possibilities to others to submit opposition or objection regarding on those mark, this system followed by several countries such as Colombia, Mexico, Brazil and Australia
- d. Mark registration by first announcement regarding on the existence of other registered mark which have similarity. The applicant of mark registration was notified if there is mark that have similarity and identical with registered mark for similar product or other trade name. Although if the applicant still desire to mark registration, so that mark is also registered. This system used by Swiss and Australia.

In constitutive system (first to file), the right will be raise if the mark already registered by owner to office. Therefore in this system the registration is a must or obligation.so the first parties who registered the mark firstly they will acquired the mark. The registration itself that created

acquired right over mark who are the first registering the mark so that they will acquired trademark right and the owner exclusively use those mark. The others do not have the right over the mark without any permission from the trademark owner. Right over mark cannot be given without registration. This is bring a legal certainty because if someone may proof that he/she already registered a mark and he/she provide evidence in form of certificate of mark as ownership right evidence over a mark so that others unable to use and commercial those mark for similar product.

Meanwhile in declarative system (first to use) is focused on the first user. The first user have right based on the law over the mark. Consequently, first using or mark created a right over mark, it is not based on registration. The registration only give right argue as prejudice based on law, and legal notion that person is the first user that is person who acquired right over those mark. But if he/she can be proofing that she/he are the first user so that he//she can bring and proof it in the court.⁶⁷

3. International Registration System through Madrid Agreement and Madrid Protocol

Under the Paris Convention trademark owners must obtain the separate trademark protection by registering their mark in each Paris Union Country. Paris Convention itself does not provide trademark protection across Paris Union members' borders. Due to that reason, The Madrid

⁶⁷ OK. Saidin , "*Aspek Hukum Hak Kekayaan IntellectualOp.Cit,p.364-365*

Agreement Concerning the International Registration of Marks of 1891⁶⁸ was established which made foreign trademark registration was easier through an International trademark international Registration system.⁶⁹

Madrid agreement extends the Paris Convention's territoriality principle through a centralized registration filling system that ultimately results in individual national registrations in Madrid Agreement member's countries (Madrid Union).

Through this system trademark owner's home country trademark office, the owner of a trademark registration may file a single international registration application that designates some or all of the individual countries within the Madrid union. This single application is then forwarded to WIPO via international bureau which publishes the mark in international register and then forwards the registration to the trademark offices of the designated countries.

The trademark offices of the designated countries then determine the validity of each WIPO registration under the trademark laws of each countries. The Single Madrid Agreement application there culminates in a

⁶⁸ The system established in 1891 is relatively unchanged despite revisions at Brussels in 1900, at Washington in 1911, at the Hague in 1925, at London in 1934, at Nice in 1957 and at Stockholm in 1967. (Minde Glenn Browning, "International Trademark Law : A Pathfinder and Selected Bibliography", International Trademark Law , Journal of IND. INT'L & COMP. L. REV. Vol 4:339,1994 ,p.342)

⁶⁹ *Ibid*

series of national registrations unless national registration is denied by the trademark office of any designated country.⁷⁰

There are also the Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid Protocol) which was adopted by the Diplomatic Conference for the conclusion of a protocol relating to the Madrid Agreement concerning the International Registration of Marks in June 1989. This Protocol basically is similar to the Madrid Agreement, but it includes significant changes that give it more universal appeal. The Madrid Protocol differs from the Madrid Agreement in four major areas as follow:⁷¹

- a. The international application is based on either a issued national registration or a registration application
- b. National trademark office are given a longer time period for issuing a refusal notification
- c. The fee structure is revised and
- d. The effects of central attack are diminished because an attacked international WIPO registration can nevertheless be converted into separation registration

If the Madrid Protocol is adopted trademark owners in each Madrid Union members area will be able to rogued the time ,efforts and costs of obtaining multiple foreign trademark registration .The Madrid Agreement and the Madrid Protocol will operate simultaneously and independently although organizationally there will be one Union for both treaties. The Madrid Agreement and Madrid Protocol, trademark owners and practitioners will face increased complexity in their businesses.

⁷⁰ *Ibid*,p. 342-343

⁷¹ *Ibid*,p. 328-349

Identifying a register able trademark may be more difficult because of problems in interpreting search results due to the potential increases in the volume of registrations and applications. Registrations under national law, the Madrid Agreement, or the Madrid Protocol may each have different right and procedures for renewal, cancellation, and assignment.⁷²

B. The Overview of Trademark Use According to Legal Aspect

The use of mark for trademark for commercialization of goods and/or service was regulated TRIPs agreement especially under Article 15 (3) and 16 TRIPs as follow as:

Article 15 (2) TRIPs:

“Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.”

Article 16 TRIPs:

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use”

⁷² *Ibid* ,p.350

1. The Trademark Use Openly and Bonafide

The mark was development through the use for protecting goodwill against other product from its competitor. Mark is not as the assets if it is related with business or trade. The protection of mark for ensuring that the mark owner must use its trademark. In this case, the type of use may be said sufficiency if that use of mark is open and bonafide. In order to gain mark protection, then it must open use that created for the relevant class of purchaser or prospective purchaser due to mark was protected if it is purposed to identifying and distinguish product goods and/or service of producer with another producer. Internal use do not provide trademark right although with extensive campaign.⁷³

2. Trademark Use By Good Faith

If mark used by two parties, the legal problem is not only about identical or similarity of mark but it must determine who use the mark with good faith in market. Used mark must be in good faith and not mere use adoption a mark without bonafide use in attempt to reserve a mark. The user mark in good faith can be defined as the parties who want use or register the mark honestly and reasonable without any intention to infringing or copy mark reputation of others for the sake of business interest which impacting damage of others and raise unfair competition.⁷⁴

⁷³ Rahmi Jened, *Hukum Merek (Trademark Law) Dalam Era Global Dan Integrasi Ekonomi*, (Jakarta: PT.Kharisma Putra Utama 2015), p.132-133

⁷⁴ *Ibid*, p.133

3. Acquiring Distinctiveness Through Use

Acquiring distinctiveness through use is also called establishing secondary meaning. A mark is not prima facie have the distinctive nature or descriptive mark may become distinctive by use in order to construct consuming association (secondary meaning).The sufficient use if mark must be complying with evidence including place, time ,reality and range of use.⁷⁵

The evidence can be supported by document and others such wrapping, label, price tag, catalog, invoice picture, advertisement and public opinion and survey result. Moreover, it can be showed supported evidence which received from the written statement under oath or owning similar effect based on national law or evidence from expert of trade or association. Burden of proof of use to establish secondary meaning must conducted before registration of mark to avoiding refuse because mark do not have enough distinctiveness or lacks of distinctiveness.⁷⁶

C. The Overview of Well-Known Trademark

1. Definition of Well-Known Trademark

Concerning on the trademark with a reputation,⁷⁷ there are various terms referring on this kind of trademark, including famous trademark,

⁷⁵ *Ibid*, p.135

⁷⁶ *Ibid*

⁷⁷ A trademark with a reputation refers to a trademark which as a result of its extensive use in the market is not only recognized by consumers in its specific public sector but has a general reputation in the community (Hà Thi Nguyet Thu,Final Report in Fulfillment of Long Term Fellowship ,”*Well-Known Trademark Protection Reference to Japanese Experience*, In WIPO Six

well-known trademark, widely-known trademark,⁷⁸ reputed mark, notorious mark.⁷⁹ These trademarks get benefit from a protection even beyond the similarity of the goods and services in the case where the later mark would take unfair advantages of or be detrimental to, the distinctive character or the reputation of the earlier mark.⁸⁰

Nevertheless, under legal terminology, there are only two kinds of terms that are famous mark and well-known mark. Some of jurisdictions take famous mark and well-known mark as the same terms. Meanwhile the others jurisdictions differentiate between famous mark and well-known marks.⁸¹

There appeared to be confusion between well-known mark and famous mark. Courts and legal scholars also sometimes use terms interchangeably. A well-known trademark is sometimes called as a famous trademark. A distinction between well-known mark and famous mark is not very clear in

Month Study Research Fellowship Program, held by World Intellectual Property Organization (WIPO) in Collaboration with the Japan Patent Office (JPO) April 2nd - September 30th, 2010 p.7-8)

⁷⁸ The definition for widely-known trademark cannot be found in Intellectual Property law. Nevertheless it should be decided that a widely known trademark is a mark widely used and recognized among consumers. (*Ibid*, p.10)

⁷⁹ The notorious trademark in essence is a trademark with distinctive power superior to other registered or unregistered trademarks. This is due to the fact that the notorious trademark is the trademark widely known by the audience targeted by the products and/or services to which it is applied which it designates. (Andrea Livandariu, Journal Article of Nicolae Titulescu, Faculty of Law, University of Bucharest, "The Notorious, Reputed and Famous Trademark", Challenges of the Knowledge Society, Intellectual Property Law, p. 596)

⁸⁰ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p.9

⁸¹ Rahmi Jened, *Hukum Merek* *Op.Cit*, p.241

any International Convention or treaties, national trademark law or related laws.⁸²

According to Merriam Webster as quoted by Frederic Mostert, the ordinary meaning of well-known is widely known and known to many. In the context of trademark law, therefore a well-known can be characterized as a mark which is known to a substantial segment of the relevant public in the sense of being associated with the particular goods or services while famous marks are considered to have a higher degree of reputation than well-known marks and therefore deserve a broader scope of protection against unauthorized use on non-competing goods or service famous trademark must be used for some goods or services which have been continuously and internationally distributed and marketed throughout the world, causing them to become globally identified in connection with a specific source or quality of goods or services.⁸³

Well-known mark contained on the terms of well-known based on public knowledge. Well-known is mark was broadly known by relevant sector in public. Promotion is one of an effective to maintain reputation or image of trademark. ⁸⁴The term of well-known in relation with trademarks come from the term of reputation. As mentioned in previous chapter that reputation should not be received by registration otherwise may receive by actual use in placing goods or service into the market.

⁸² Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p 6

⁸³ *Ibid*,p.7-8

⁸⁴ Rahmi Jened, *Hukum Merek* *Op.Cit*, p.241

There have been huge efforts to harmonize the protection of well-known marks and to set standards of minimum protection governed by international agreements, regional and bilateral treaties and supranational law⁸⁵ The famous and/or well-known trademark are recognized by two treaties: the Paris Convention for Industrial Property (as revised in Hague at 1925) and the TRIPs Agreement.⁸⁶ In addition, WIPO as policy maker on international concerning on intellectual property formulated WIPO Joint Recommendation⁸⁷ concerning provisions on the protection of well-known marks as the first implementation of WIPO policy to classify, consolidate and supplement of international protection of well-known marks under Paris Convention and the TRIPs Agreement⁸⁸

Paris Convention refers to well-known mark in Article 6bis which mentioned:

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in

⁸⁵ Marcus H.H . Luepke, “*Taking Unfair Advantage or Diluting a Famous Mark -A 20/20 Perspective on the Blurred Differences between U.S. and E.U. Dilution Law*”.Vol 98 ,No.3 , May-June,2008 ,p.792

⁸⁶ Andrea Livandariu, Journal Articlep. 596

⁸⁷ The WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, which includes the text of the provisions as adopted by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), at its second session, second part (June 7 to 11, 1999), was adopted at a joint session of the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO (September 20 to 29, 1999) (SEE Preface WIPO Joint Recommendation Concerning on Provisions on Protection of Well-known Marks)

⁸⁸ Denis Croze ,”*Protection of Well-Known Marks*”, Journal of Intellectual Property Rights, Vol. 3 May 2000, p. 138

that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

According to this article, setting out the obligations of member States to refuse to register, cancel the registration or prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion with a well-known mark and providing the term within which the owners of well-known trademarks may request that the authorities cancel a registration of an infringing mark. However, it is not clearly define well-known marks. This article only ground mentioned is the acceptance or recognition of such marks by the authorities of countries in the union or countries in where the mark is used.⁸⁹

There are 3 (three) features of the protection provided in Article 6bis Paris Convention. This article extends only to services marks and does not extend to service mark therefore features as following as:⁹⁰

- a. The protection extends to registration or use in respect to identical or similar goods.
- b. Under this Article on what constitutes a well-known mark. The appreciation of whether a mark is well-known is left to the competent authority of the country where the illegitimate registration or use occurs.

⁸⁹ Phan Ngoc, Tam , *Well-known Trademark Protection..... Op.Cit,p,56*

⁹⁰ *Op.Cit,p.138-139*

- c. This article is a major importance for cases where a trademark in a given country does not or does not yet enjoy protection on the basis of registration in that country or on the basis of an international or regional registration having effect in that country.

This treaties also provided the protection for the foreign mark, from this language, the following element are required of a foreign mark owner to prevail in a well-known marks case:

- a. The foreign mark is a valid trademark;
- b. Foreign mark has been previously registered (or used) in the member nation where a local entity seeks to register (or use) the mark;
- c. Such registration or use involves identical or similar goods for which the foreign trademark is registered or use in the foreign mark owner's home nation;
- d. Foreign marks is well-known in the member nation and confusion is likely to arise from the local entity's registration or use.⁹¹

TRIPs Agreement which are confirming and extending provision in TRIPs Agreement regulating on the well-known mark mentioned in article 16 which stated:

- (1) *The owner of a registered trademark shall have the exclusive right to prevent all third parties to having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.*
- (2) *Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.*

⁹¹ Leah Chan Grinvald, "A Tale of Two Theories of Well-Known Marks", Vanderbilt Journal of Entertainment and Technology Law, Vol. 13 ,Number 1 ,Fall 2010 ,p.19

(3) *Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.*

TRIPs Agreement which imposed the rules of the Paris Convention on all WTO member states, established a principle for the determination of when a trademark has become well-known and required members to provide further protection for well-known marks outside of goods for which the well-known mark is registered.⁹²In other words, TRIPs agreement has also expanded the scope of protected trademark to include trademarks which are very well-known.⁹³

Article 16 paragraph (2) contain on the basic standard under which a member states must determine a well-known mark. Importantly, the marks is not required to be known by all of the public in the members state but only by the relevant sector of the public and member states must consider the extent to which the mark has promoted to such members of the public.⁹⁴

Article 16 paragraph (3) expanded the Paris Convention rules on well-known marks to dissimilar goods which in Paris Convention protected

⁹² James E. Darnton, “*The Coming Of Age Of The Global Trademark: The Effect Of Trips On The Well-Known Marks Exception To The Principle Of Territoriality* “ Material from presentation as part of a panel on The Surrender of Intellectual Property Sovereignty at the Michigan State International Law Review Symposium on Friday , February 18,2011 p.16-17

⁹³ Phan Ngoc Tam, “*Well-known trademark protection.Op.cit.p -57*

⁹⁴ *Op.Cit* 19

well-known trademarks from other parties who wanted to use the mark on “the same or similar goods.” While TRIPs Agreement by this article protecting well-known trademark from a third party use of the well-known mark on their classes of goods if conditions as follows:⁹⁵

- a. The third party’s use of that trademark on dissimilar goods would indicating a connection between those goods or services and
- b. The interests of the owner of the well-known trademark are likely to be damaged by such use.

Even though International treaties do not mentioned clearly on well-known mark definition, but Hiroko try to identifying the definition of well-known mark by referring both international treaties as:⁹⁶

“Well-known trademark explicitly included register able trademarks, service business identifiers and domain names. Well-known trade mark concept lies in the consideration of two what extent a mark is well-known which is submitted to relate to relate to distinctiveness”

Tat Ham as quoted by Hiroko setting out clearly the well-known famous mark distinction who suggested the following definition: ⁹⁷

“A famous mark is a mark which extremely widely known in the country concerned to at least 80 % of the potential purchasers of the goods or services for which it is known and to at least 90% of the relevant trade circles, Furthermore a famous mark must be a registered mark at least in its owner’s home territory and have a value calculated by an internationally accepted method, of a least \$4000 million. A well-known mark is a mark which is widely known in the country concerned to at least 50% of the potential purchasers of the goods or services for which it is known and to at least 60% of the relevant trade circles furthermore, a well-known mark must be

⁹⁵ *Ibid*

⁹⁶ Hiroko Onishi ,Doctoral Thesis “Well-known trade mark protection: confusion in EU and Japan”,(Southampton: University of Southampton,2009) ,p.265-266

⁹⁷ *Ibid*, p.18

registered mark at least in its owner's home territory and have a value calculated by an internationally accepted method of at least \$2000 million".

International Trademark Association provide definition of a well-known mark as a trademark that, in view of its widespread reputation or recognition, may enjoyed broader protection than an ordinary mark.⁹⁸ A well-known mark is a trademark that receives protection because its famous nature rather than because it has been formally registered with the office.⁹⁹

Due to there is no commonly agreed on detail definition of what constitutes a well-known mark, countries by its national laws depending on their particular politic, cultural, social and economic conditions may defined and make own criteria on well-known or famous mark¹⁰⁰ or may take advantage of the WIPO Joint Recommendation concerning provisions on the Protection of Well- Known Marks.¹⁰¹

There are appearing of kinds terms of marks are based on the levels of reputation and known of the mark, There are 3(Three) types of marks as follow as:

⁹⁸ International Trademark Association , "What is a famous or well-known mark , Topic Portal Famous Marks /Well-Known Marks accessed from <http://www.inta.org/Advocacy/Pages/FamousMarksWell-knownMarks.aspx> on December, 3rd 2017 at 4.50 PM

⁹⁹ Myattorneyhome, "What does Well-Known Mark Mean ,Well-known Mark accessed from <https://www.myattorneyhome.com/Glossary/well-known-mark> on December 4th ,2017 at 10.00 AM

¹⁰⁰,Phan Ngoc, Tam , "Well-known trademark protection.Op.cit.p p.57

¹⁰¹World Intellectual Propert Organization , "Well-known Marks accessed form http://www.wipo.int/sme/en/ip_business/marks/well_known_marks.htm on December 4th 20,2017 at 11.30

a. Normal Mark

Normal Mark is defined as categories mark that had no high reputation. The normal mark is argued as mark that lacks of symbolic styles either from use or technology, society and consumer. This Mark is also argued do not have drawing power that able to give suggestive mythical and familiarity power to consumer and unable to create market sphere and user.¹⁰²

This mark is less in utilizing roles in competition in the market. its market scope is narrow limited on local market, so that this mark often or never be considered as one of main competitors and also do not become target from unauthorized parties to be imitated or forged. However it keep in mind that sometimes mark may be not caused by low quality factors but there are possibilities those trademark owners do not have any enough fund to advertising their product

b. Well-known Mark

Then above the ordinary mark there are well-known mark which can be define as mark that is owning exciting and interesting power. This types of mark has high reputation because the sign have a power to attract people so that any type of goods under the

¹⁰²M Yahya Harahap.. *“Tinjauan Merek Secara Umum dan Hukum Merek di Indonesia berdasarkan Undang-Undang Nomor 19 Tahun 1992.”* p..80-81 as qouted by Ridwan Khairandy ,”*Perlindungan Hukum Merek Terkenal di Indonesia*”, Jurnal Hukum ,Vol 6 ,No.6, 1999 ,p.70

brand immediately cause familiar attachment and mythical context to each consumer spheres. This mark have high reputation due to symbolic power to attract attention to consumer so that people have acknowledgement toward those mark.

c. Famous mark

A mark is so widely known that it is categorized as famous mark which the level of famous mark is also higher than a normal mark so the types of goods under this mark will directly cause a touch of familiarity and mythical bond.¹⁰³ Famous mark also includes as the mark with highest level. Such a famousness around the world in his reputation classified as the world aristocrat mark. In reality many people are very difficult to distinguish between well-known mark and famous mark. The difficulty in interpretation, resulting obstacle to determine border and size between those marks.¹⁰⁴

2. Characteristics of Well-Known Trademark

Well-known or famous trademark is very important not only for the trademark owner but also the consumers and the community. In order to define well-known or famous trademarks and their difference from other

¹⁰³Budi Agus Riswandi and M,Syamsudin ,"*Hak kekayaan Intelektual dan Budaya Hukum*",(Jakarta PT.Raja Grafindo Persada,, 2004), Second Edition ,p. 87

¹⁰⁴ Ridwan Khairandy *Op.cit*

subjects of intellectual property by complied characteristic of well-known or famous mark as following as:¹⁰⁵

a. The fame of the trademark

The fame of trademark or the reputation of trademark can be understand as the ability of well-known mark or famous to be acknowledge widely by certain parts of the public. The acknowledgement can be viewed through the use of the trademark in practice such as use, which consumers will have in their minds the features and information off the trademark as well as the products or services bearing the mark.

The term of well-known or famous or other related terms had the most important element of the protection should be the degree of its reputation. The reputation of a trademark is not only as the important characteristic but also an important factor used to determine whether a trademark may be considered as well-known or not in specific jurisdiction.¹⁰⁶

b. High Commercial value

Most of well-known or famous trademarks have a very high commercial value in the market. This commercial value is not only attributed to the trademark but also considered as an assets of a company in which have a lose relation between the fame or reputation and the value of trademark. The value of the trademark

¹⁰⁵ Phan Ngoc, Tam , “*Well-known trademark protection.Op.cit.p* 60- 61

¹⁰⁶ *Ibid.p*,61-62

should be considered carefully when its fame is being investigated in the defining whether or not a mark is well-known or famous trademark. It is not only as the characteristic but also a factor that under the law and is considered to competent authorities in the determination of famousness of mark.¹⁰⁷

c. Long and uninterrupted time of use

Trademark will not become as well-known instantly. An ordinary trademark is usually weak and unknown at the first time it is created. It needs time to create notorious in the community through its recognition and promotion in the minds of consumers. Trademark should be following process which may be take a lot of time, perhaps years or tens or hundreds years. Most well-known mark have a long term of use.¹⁰⁸

d. The popularity of use

Well-known or famous means widely and fully know by many people in a certain area. The word of well-known, famous and popular are synonym. There for a well-known or famous trademark should be popularly used by the community. It has to be easily recognized and identified by consumers. In order to determine the popularity of mark, courts or other authorities are usually use surveys for evaluating well-known mark in the community as well

¹⁰⁷ *Ibid* ,p.62

¹⁰⁸ *Ibid*

as measuring the recognition by the consumers of the well-known or famous trademark.¹⁰⁹

e. Easily to be infringed

A well-known trademark has a wide degree of fame and a high commercial value to the owners. So that the use of well-known trademark will bring may benefit to their users. Due to its popularity a well-known mark will be often be out the control of the owner. It was causing other parties who have bad faith infringed those mark to gain benefit instantly by using that well-known mark without any licenses agreement by the original owner. Those act may be occurring the likelihood of confusion among the societies.¹¹⁰

3. Criteria of Well-known Mark¹¹¹

World Intellectual Property Organization issued Joint Recommendation Concerning Provisions on the protection of well-known marks 1999. WIPO Joint Recommendation Concerning Provision on the Protection of Well-known marks 1999 regulated the formulation about the criteria of a trademark to be categorized as well-known as following as:

¹⁰⁹ *Ibid* 62-63

¹¹⁰ *Ibid*,p. 63

¹¹¹ SEE WIPO Joint Recommendation Concerning Provision on the Protection of Well-known marks 1999

a. Factors for consideration

- 1) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well-known.
- 2) In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well-known, including, but not limited to, information concerning the following:
 - a) the degree of knowledge or recognition of the mark in the relevant sector of the public;
 - b) the duration, extent and geographical area of any use of the mark;
 - c) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
 - d) the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
 - e) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by competent authorities;
 - f) the value associated with the mark.
- 3) The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant.

In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed above. Such additional factors may be relevant, alone, or in combination with one or more of the factors.

b. Relevant Sector of the Public

1) Relevant sectors of the public shall include, but shall not necessarily be limited to:

- a) actual and/or potential consumers of the type of goods and/or services to which the mark applies;
- b) persons involved in channels of distribution of the type of goods and/or services to which the mark applies;
- c) business circles dealing with the type of goods and/or services to which the mark applies.

2) Where a mark is determined to be well-known in at least one relevant sector of the public in a member state, the mark shall be considered by the member state to be a well-known mark.

3) Where a mark is determined to be known in at least one relevant sector of the public in a member state, the mark may be considered by the Member State to be a well-known mark.

4) A Member State may determine that a mark is a well-known mark, even if the mark is not well-known or, if the Member States known, in any relevant sector of the public of the Member State.

c. Factors which shall not be required

1) A Member State shall not require, as a condition for determining whether a mark is a well-known mark:

- a) that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State;
- b) that the mark is well-known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or
- c) that the mark is well-known by the public at large in the Member State.

4. The Scope of Well-Known Marks Protection¹¹²

a. Protection of Well-Known Marks from Bad Faith

A Member State shall protect a well-known mark against conflicting marks, business identifiers and domain names, at least with effect from the time when the mark has become well-known in the Member State.

Bad faith may be considered as one factor among others in assessing competing interests in applying as follow:

1) Conflicting Marks

A mark shall be deemed to be in conflict with a well-known mark where that mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration, liable to create confusion, of the well-known mark, if the mark, or an essential part thereof, is used, is the subject of an application for registration, or is registered, in respect of goods and/or services which are identical or

¹¹² *Ibid*

similar to the goods and/or services to which the well-known mark applies.

Irrespective of the goods and/or services for which a mark is used, is the subject of an application for registration, or is registered, that mark shall be deemed to be in conflict with a well-known mark where the mark, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

- a) The use of that mark would indicate a connection between the goods and/or services for which the mark is used, is the subject of an application for registration, or is registered, and the owner of the well-known mark, and would be likely to damage his interests;
- b) The use of that mark is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;
- c) The use of that mark would take unfair advantage of the distinctive character of the well-known mark.
- d) A member State may require that the well-known mark be well-known by the public at large.
- e) A member State shall not be required to apply to determine whether a mark is in conflict with a well-known mark, if the mark was used or registered, or an application for its registration was filed, in or in respect of the Member State, in respect of goods and/or services which are identical or similar to the goods and/or services to which the well-known mark applies, before the well-known mark became well-known in the Member State;

If the applicable law allows third parties to oppose the registration of a mark, a conflict with a well-known mark shall constitute a ground for opposition. The owner of a well-known mark shall be entitled to request, during a period which shall not be less than five years beginning from the date on which the fact of registration was made known to the public by the office, the invalidation, by a decision of the competent authority, of the registration of a mark which is in conflict with the well-known mark.

If the registration of a mark may be invalidated by a competent authority on its own initiative, a conflict with a well-known mark shall, during a period which shall not be less than five years beginning from the date on which the fact of registration was made known to the public by the office, be a ground for such invalidation.

The owner of a well-known mark shall be entitled to request the prohibition, by a decision of the competent authority, of the use of a mark which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years beginning from the time the owner of the well-known mark had knowledge of the use of the conflicting mark.

There are no time limit in case of registration or use in bad faith. Member state may not prescribe any time limit for requesting the invalidation of the registration of a mark which is in conflict with a well-known mark if the conflicting mark was registered in bad faith.

A member state may not prescribe any time limit for requesting the prohibition of the use of a mark which is in conflict with a well-known mark if the conflicting mark was used in bad faith. In determining bad faith the competent authority shall take into consideration whether the person who obtained the registration of or used the mark which is in conflict with a well-known mark had, at the time when the mark was used or registered, or the application for its registration was filed, knowledge of, or reason to know of, the well-known mark.

There are no time limit in case of registration without use, a member state may not prescribe any time limit for requesting the invalidation of the registration of a mark which is in conflict with a well-known mark, if that mark was registered, but never used.

2) Conflicting Business Identifiers

A business identifier¹¹³ shall be deemed to be in conflict with a well-known mark where that business identifier, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and where at least one of the following conditions is fulfilled:

- a) The use of the business identifier would indicate a connection between the business for which it is used and the owner of the well-known mark, and would be likely to damage his interests;
- b) The use of the business identifier is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark;
- c) The use of the business identifier would take unfair advantage of the distinctive character of the well-known mark.

A member state may require that the well-known mark be well-known to the public at large. A member state shall not be required to determine whether a business identifier is in conflict with a well-known mark, if that business identifier was used or registered, or an application for its registration was filed, in or in respect of the member state, before the well-known mark became well-known in or in respect of the member state, except where the business identifier was used

¹¹³ Business Identifier means any sign used to identify a business of a natural person, a legal person, an organization or an association; (SEE Article 1 Point (iv) WIPO Joint Recommendation concerning on Provisions on the protection of well-known marks 1999)

or registered, or the application for its registration was filed, in bad faith.

The owner of a well-known mark shall be entitled to request the prohibition, by a decision of the competent authority, of the use of a business identifier which is in conflict with the well-known mark. Such request shall be admissible for a period which shall not be less than five years beginning from the time the owner of the well-known mark had knowledge of the use of the conflicting business identifier. A member state may not prescribe any time limit for requesting the prohibition of the use of a business identifier which is in conflict with a well-known mark if the conflicting business identifier was used in bad faith.

The competent authority shall consider whether the person who obtained the registration of or used the business identifier which is in conflict with a well-known mark had, at the time when the business identifier was used or registered, or the application for its registration was filed, knowledge of, or reason to know of, the well-known mark.

3) Conflicting Domain Names

A domain name¹¹⁴ shall be deemed to be in conflict with a well-known mark at least where that domain name, or an essential part thereof, constitutes a reproduction, an imitation, a translation, or a transliteration of the well-known mark, and the domain name has been registered or used in bad faith.

The owner of a well-known mark is entitled to request, by a decision of the competent authority, that the registrant of the conflicting domain name cancel the registration, or transfer it to the owner of the well-known mark.

D. The Concept of Trademark Infringement, Trademark Piracy and Counterfeiting

A Trademark infringement action is based on invasion of the statutory right. It can be said to occur whenever any person other than the registered proprietor uses such a mark with intent to defraud in the course of his trade. The infringing mark may be identical with or deceptively similar to registered mark and in relation to the goods or services in respect of which the mark registered.¹¹⁵

¹¹⁴ Domain name means an alphanumeric string that corresponds to a numerical address on the Internet (SEE Article 1 Point (v) WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks)

¹¹⁵ Anamika Bhaduri ,”*Trademark infringement and passing off*”,RGNUL Student Law Review Vol.1 Issue 1 ,p. 129-130

When there is not complete and hard to identify of sign and/or sign and/or goods or services, infringement depends upon there being a likelihood of confusion.¹¹⁶ According to Paul Maeyaert and Jeroen Muyltermans, the likelihood of confusion is the risk that the public may erroneously believe that goods marketed under a trademark originate from the undertaking economically linked to the latter. Such risk presupposes both that the junior mark and the senior mark are identical or similar and that the goods or services covered in the application for the registration are identical or similar to those in respect of the earlier mark was registered.¹¹⁷

In order to finding of the likelihood of confusion there are list of factors that be contributed namely the degree of similarity between an infringed trademark and infringing sign, the degree of similarity of goods and/or services covered by those marks, the degree of distinctiveness of a trademark, the opinion of relevant public, the recognition of trademark on the market and the likelihood of association between a trademark and a sign.¹¹⁸

The concept of a likelihood of confusion in the situation where the public may be misinterpreted the identity of product or direct of confusion which the society will believe that the relevant product with goods and service produced in similar business actor or economically come from related business actor

¹¹⁶ David Bainbridge, *"Intellectual Property"*,(Financial Times,,Plema Publishing ,1999) Fourth Edition ,p. 572,

¹¹⁷ Paul Maeyaert and Jeroen Muyltermans , Likelihood Of Confusion In Trademark Law: A Practical Guide Based on The Case Law In Community Trade Mark Oppositions From 2002 To 2012,The Law Journal of The International Trademark Association Vol.103 No.5,p.1032-1033

¹¹⁸ M.P Nergrinotti , Master Thesis, "*The Concept Of The Likelihood Of Confusion Under The Regulation On The Community Trade Mark - The Application By The Polish Community Trade Mark Court Of The Jurisprudence Of The Court Of Justice Of The European Union*" , p.12

which it will be occurring indirect confusion. However likelihood of association is not alternative from likelihood of confusion but it is element to define scope of deceive similarity. The concept of likelihood of association is only a mark have similarity without confusion ¹¹⁹

The main point of trademark infringement is “*likelihood of confession.*” By requiring a likelihood of confusion ,plaintiff’s case is less heavy .Since only likelihood rather than reality of confusion is necessary, the ambition of what constitutes confusion inevitably is widened, relaxing the need for proof of damage, absolute identify of the marks, identify of markets and similar considerations.¹²⁰

In the condition of the public are not confused as to the origin of the goods or services, the unauthorized use of another’s mark or sign is damaging as it tends to erode its distinctive character. However, Laddie J noted that the relevant phrase states that the likelihood of confusion includes a likelihood of association and as he pointed out, includes indicate that the latter parts of the phrase cannot be more extensive than the first. In the other words, a likelihood of association will infringe only if there is also a likelihood of confusion on the part of public. The Public must be confused about the origin of goods or, as another confusion assume that the infringer’s trade or use of the sign is

¹¹⁹ Rahmi Jened, *Hukum MerekOp.Cit, p* 183 -184

¹²⁰Arthur R.Miller and Michael H.Davis , *Intellectual Property Patents,Trademarks and Copyright in A Nutshell* ,(United States of America :West Publishing Co.,1983), First Edition ,p.254-255

somehow associated with or consented by the other trader.¹²¹ There are specific inquiries probative of the likelihood of confusion:

1. similarity of the marks with the respect to appearance, sound, connotation and impression
2. similarity of the goods or services
3. similarity of trade channels
4. conditions of sale, that is impulse for considered purchases
5. strength of the mark
6. actual confusion
7. number and nature of similar marks on similar goods
8. length of time of concurrent use without actual confusion and
9. variety of goods with which the mark is used

With dissimilar marks, there is little likelihood of confusion. The other things being equal, the more similar the mark, the more things, however it are important. Among them are the strength of the mark, the similarity of goods or services and the similarity and character of the markets and the presence or absence of intent.¹²²

For well-known marks, a registered trade mark is also infringed by the use of a sign in the course of trade that, without due course, takes unfair advantage of, or detrimental to the distinctive character or repute a registered mark enjoying a reputation. For this to apply, the sign must be:

1. Identical or similar to the trade mark and
2. Used in relation to goods or service not similar to those against which the mark registered¹²³

Mark which already obtain the reputation owning strong protection. Every Registration that have the similarity or identically with famous/well-known

¹²¹ David Bainbridge, *“Intellectual Property,.....Op.Cit ,p.573*

¹²² Arthur R.Miller and Michael H.Davis , *Intellectual Property Patents ..Op.Cit.p.256*

¹²³ *Ibid*

mark must be rejected. In this case, it should be showed that the use of that mark will be give unfair advantages or destruct the characteristic or reputation of famous/well-known mark.¹²⁴

Relating to the mark who have identical and similarity with others mark including mark with reputation Paris Convention and TRIPs Agreement regulated under Article 15(1) and Article 16 (1) TRIPs and Article 5 (2) Paris Convention. As mentioned:

Article 15 (1) TRIPs:

“Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colors as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.”

Article 16 (1) TRIPs:

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.”

¹²⁴ Rahmi Jened, *Hukum MerekOp.Cit*, p 116

Article 5 (2) Paris Convention:

“Use of a trademark by the proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the countries of the Union shall not entail invalidation of the registration and shall not diminish the protection granted to the mark.”

Based on the provision of treaties, Mark should have distinctiveness as relative grounds on the refusal or acceptance of mark registration. Based on trademark law theory this mark infringement is identical mark or having double identity. Identic mark related with theory of double identity. According to theory of double identity mark is a copy or reproduction of other mark. Mark that called as copy or reproduce mark at least fulfilling requirement as follow as: ¹²⁵

1. there are similarity of all elements including the element of the letter
2. similarity of type or production of classes of goods and services
3. similarity on regional and market segments
4. the similarity of the perpetrator and
5. similarity of maintenance

Identical according to Ruth Andand and Helen Norman as quoted by Rahmi Jened mentioned that “even the smallest difference in the mark will lead to their being considered not identical”. then , Alexander von Muhlendahl stated in Rahmi Jened stated that “identity must be understood in a literal sense, word marks are identical only if they are written in the same way, word mark are never identical to figurative marks even if there is complete identity

¹²⁵ *Ibid*, p.175

of word element.”¹²⁶ Conventionally, criteria of identical mark was exist if there is sign that had identic character with mark or identical marks and identical products-double identity and its action can be said counterfeiting.¹²⁷

Similarity of goods and service was occurred due to the existing prominent elements between a mark with other mark which raising similarity impression either form, placing method, writing method or combination between those elements or voice similarity or mean similarity that argue owning similarity with other mark. In the meaning of similar, it can be manifestation if a mark nearly resembles with other mark which grounded on:

1. Visual Similarity

A visual comparison is essentially important in regard to the figurative and word marks and with respect to products which bought by the customers on sight or visually.¹²⁸

2. Aural similarity

An Aural photentic similarity plays a very important role where the products covered by the sign are sold orally. The element of aural similarity cause certain interpretation based on the fact there are many languages spoken or pronunciation and spelling rules¹²⁹

3. The conceptual similarity

A trademark and a sign are conceptually identical or similar if they have the same or similar semantic content, the linguistic meaning or when they invoke a similar image. Two marks may be also conceptually similar when they refer to the same semantic term or variations of it.¹³⁰

¹²⁶ *Ibid*,p.176

¹²⁷ *Ibid*,p. 178

¹²⁸M.P Nergrinotti , Master Thesis, “*The Concept Of The Likelihood ...Op.Cit*,p. 26

¹²⁹ *Ibid*, p. 27-28

¹³⁰ *Ibid*,p. 29

A similar mark is related with the concept of likelihood of confusion. A sign arising likelihood of confusion argued as trademark infringement is it is satisfying standard:

1. Mark need not be identical
2. Goods need not be competing
3. Need not confuse all consumers

And the consumer suffered in this case as follow are:

1. An appreciable number unspoken target in many court 15 %
2. Consumer if average or reasonably prudent that would more likely than not be confused as to sources sponsorship, affiliation or connection.

Besides that, there are various kinds of trademark infringement, trademark piracy and counterfeiting which used by defendant in marketplace without any authorization of original trademark owners which them as follow as:

1. Counterfeiting or Product Pirates

Counterfeiting or Product Pirates is kinds of counterfeited mark by used trademark as same as original mark which can be categorized as attempt to robbing or imitation. It is purely illegal and also can be called as mark piracy or mark forgery¹³¹.

Counterfeiting is first of all the imitation of a product which is not only identical in the generic sense of the term. It also give the impression of being the genuine product originating from the genuine

¹³¹ Baskoro Suryo Banindro „*Implementasi Hak Kekayaan Intelektual (Hak Cipta, Merek ,Patent ,Desain Industri,*(Yogyakarta:Badan Penerbit ISI Yogyakarta,2016),Second Edition , p79

manufacture. The genuine product itself is known to consumers, consequently, counterfeit goods often belong to the category of luxury goods and bear a well-known mark.¹³²

2. Imitation of Labels and Packing

As in the case of counterfeiting, the label or packaging of the competing product is imitated, but in the imitation of labels and packing does not give the impression of being the genuine one. If one compares the genuine product and the imitation, although the consumers seldom proceed in this way, one can distinguish them and the imitator does not usually hide behind the manufacturer of the genuine product which imitator's trades under their own name. The imitator tries to take advantage of the reputation of the competing product by giving the product an appearance so similar to it that confusion arises in the marketplace. The imitator uses a trademark (in the sense of a product name) which is confusingly similar to that of his competitor which if the imitator do that he/she is committing trademark infringement.

In the case of word mark used by the imitator is somewhat, but not confusingly, similar to the one used by the competitor, but may even be totally different from it. The situation of confusion in the market lace arises only or mainly from the use of colors and graphic elements

¹³² World Intellectual Property Organization (WIPO), "*WIPO Intellectual Property Handbook*" , (Geneva : WIPO Publication No.489, 2004) , Second Edition, Reprinted 2008,p.90

that are identical or very similar to those of the competitor's label or packaging. Labels and packaging are rarely registered as trademarks which means that trademark law mostly offers no basis for intervention in such cases. It is generally recognized as being unlawful/unfair competition to pass off one's own goods as being those of a competitor. If a label or packaging of a product is confusingly similar to that a competitor's product.¹³³

3. Clones/knockoffs

Clones or knockoffs are usually occurring to legal product in mark imitation. There are no intellectual property right registration over the proprietor or original product, which possible this clones or knockoffs were happens. Usually cloning product basically same as original product, but it has cheaper price and without expensive mark.¹³⁴

4. Design copies /trade dress

Design copies or trade dress is the imitation of mark by creating copies design and selling the style, fashion style from the compositing product. In this case where design hold important roles from product, the trade dress copying clones. Nevertheless, it is not necessarily highly preferred in product, twin design based on unique technology. Copying designs then combine aspects of innovation and imitation.¹³⁵

¹³³ Ibid,p, 91-92

¹³⁴Baskoro Suryo Banindro „*Implementasi Hak..* „,Op.Cit,p.80-81

¹³⁵ *Ibid*,p.82

5. Creative adaption

Creative adaption was conducted by the infringer by undertaking existing product, then increasing or adopting into new segment product.¹³⁶

There are also the motivation in order to commit mark imitation, at least two main kinds of reasons why people or company try to create imitating product:¹³⁷

1. Playing Catch Up is conducted by Pursuing lags due to Manufacturers fail to discover innovative new products and then make products from other manufacturers that are considered more profitable
2. Watchful waiting are usually because of the deteriorating economy, producers are waiting for the right moment to launch a product that actually exists long in the market from pioneer producers but less promotion. When the time is right, the manufacturer launches new products with massive advertising, even though it is not new.

E. The Overview of Trademark Dilution and Passing Off

1. Trademark Dilution

Trademark dilution is defined as the impairment of famous trademark's strength, effectiveness or distinctiveness through the use of the mark on an unrelated product, usually blurring the trademark's

¹³⁶ *Ibid*,p.83

¹³⁷ *Ibid*,p.83-84

distinctive character or tarnishing it with an unsavory association. Trademark dilution may occur even when the use is not competitive and when it creates no likelihood of confusion. Mathias Strasser as quoted by Rahmi Jened argued that “*Trademark dilution is defined as the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of competition between the owner of the famous mark and other parties or of blurring or tarnishment of the famous mark*”.¹³⁸

In United States of America and some of other countries for the purpose to protect the mark, the well-known mark may use trademark dilution instead the trademark infringement lawsuit. In common law system, trademark dilution was included to trademark protection and known as mark dilution doctrine. This doctrine is the principle in trademark law which permit the well-known mark owner to prohibit others to use their mark which can threaten the uniqueness of mark.¹³⁹

Trademark dilution refers to conduct or action that lessens the capacity of a famous mark to distinguish its goods or service. This conduct alters the public perception of a trademarked product that over time can devalue a famous mark and mislead the public.¹⁴⁰ Dilution of marks does not rely on the traditional infringement of mark, which need the tests of likelihood

¹³⁸ Mathias Strasser, “*The Rational Basis of Trademark Protection*”, Strasser fm ,London ,2006 p.375 as quoted by Rahmi Jened, *Hukum MerekOp.Cit*, p .244

¹³⁹ Bryan A Garner, “*Black’s Law Dictionary*”, 2004, 8th edition, p 489

¹⁴⁰ Inge Dwisvimiar, “*Pengaturan Doktrin Dilusi Merek Sebagai Perlindungan Hukum Merek Terkenal di Indonesia*”, *Mimbar Hukum* Vol.28 No 2 June 2006, p.233

of confusion, deception, or mistake. Trademark dilution is more claims to seek to prevent the dispersion of the identity and public mind on the original mark through the use of similar marks which signifies that the original mark have something singular or particular ¹⁴¹

Trademark dilution theory was began in Europe and was introduced to U.S Audiences in Frank Schechter's seminar article, *The Rational basis of Trademark Protection*.¹⁴² According to Frank Schechter who is considered the pioneer of dilution doctrine, the only rational basis for protecting a mark is to preserve the uniqueness of a trademark. Traditional trademark rights did nothing to arbitrary, fanciful and distinctive marks in competing marks. He argued that it is the need for protecting distinctive marks that were linked with a product's particular quality or characteristic. Then he urged the adoption of a new way of protecting a trademark's ability that the use if that mark or similar mark on other goods would decrease the ability of the mark to have selling power which may effected to injury caused by the unauthorized concurrent use of a distinctive mark results in the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competition goods.¹⁴³

¹⁴¹ Keola R. Whittaker , "Trademark Dilution in a Global Age", U. Pa. J. Int'l Econ. L Journal, p.909 Vol.27:3,2006 , SEE also, Branjendu Bhaskar , "Trademark Dilution Doctrine : The Scenario Post TDRA", NUJS Law Review, 2008 p. 641

¹⁴² Frank I. Schechter, "The Rational Basis of Trademark Protection", (HARV. L. REV.:1927) p. 827 as quoted by Keola R. Whittaker , "Trademark Dilution in a Global AgeOp.cit,p. 913

¹⁴³ Keola R. Whittaker , *Ibid*,p. 914 and See also Branjendu Bhaskar , "Trademark Dilution Doctrine...Op.Cit,p. 641

McCarthy as quoted by Rahmi Jened argued that in case of dilution of mark as protection of well-known mark there are three (3) conditions that must be proofed: ¹⁴⁴

- a. trademark is well-known or has reputation
- b. similarity of trademark but goods and services are dissimilar
- c. there are dilution or tarnishment of blurring reputation without due cause

There are two main types of trademark dilution that are dilution types of blurring and tarnishment:

- a. Dilution types of Blurring

Dilution toward blurring is the conventional ways which can be defined as envisioned by its original proponents. Customers or prospective consumers will see the plaintiff's mark used by others person to identify other sources on a plethora of different goods and services. The unique and distinctive significance of the trademark to identify and distinguish one source may be diluted and weakened, but no confusion as to source, sponsorship, affiliation or connection has occurred. Blurring occurs when the power of the mark is weakened through its identification with dissimilar goods which the distinctive of a famous mark is impaired by its association with another similar mark. ¹⁴⁵

¹⁴⁴ Thomas Mc Carthy , “*Trademark and Unfair competition*” (West Group: US, 2000)Fourth Edition p.20 as quted Rahmi Jened, *Hukum Merek Op.Cit, p 243*

¹⁴⁵ *Ibid*,p. 244-245

The junior mark will reduce the power or strength of senior mark's distinctiveness on certain products or services where the defendant uses or modifies the plaintiff's trademark to identify the defendant's goods and services which will raise the possibility that the mark will lose its ability to serve as a unique identifier among public who have already known those mark identical and connected with a specific familiar selling product in marketplace. For example, Kodak mark used for selling bicycle, athletic equipment, and Xerox mark used for selling cigarettes product.¹⁴⁶

b. Dilution types of Tarnishment

Tarnishment can be defined as the effect's unauthorized use is to tarnish, degrade or dilute the distinctive quality of the mark. Dilution by tarnishment is as the association arising from a similarity between a junior mark and a senior mark that harms the reputation of the famous mark or well-known mark.¹⁴⁷

Tarnishment occurs when the mark is cast in an unflattering light, typically through its association with inferior or unseemly product or services and it also occurs when the public's impression or objective evaluation on the senior mark would be lowered by the unauthorized use¹⁴⁸ and the junior mark linked the senior mark to

¹⁴⁶Keola R. Whittaker, "Trademark Dilution in a Global AgeOp.cit,p .914

¹⁴⁷Haochen Sun, "Reforming Anti-Dilution Protection in the Globalization of Luxury Brands", Georgetown Journal of International Law Vol:45 ,2014, p. 809

¹⁴⁸*Ibid*,p.810

products or shoddy quality or is portrayed in an unwholesome context¹⁴⁹

The destruct of well-known mark by tarnishment is an impact from unauthorized use by defendant to blurring, reduce or decrease the distinctiveness quality or mark. It involves associating the mark with disagreeable things such illegal acts, pornography or drugs. For example the case of Toysrus vs. Adultsrus.com a pornographic website.¹⁵⁰ Another example of dilution by tarnishment when the mark used by unauthorized parties in parody context which totally contradicted with reputation of famous mark such as Dumb Starbucks Coffee.¹⁵¹

2. Passing Off

Unfair competition is one of kinds of trademark infringement meanwhile in common law countries such as British known as passing off or palming off. The different of unfair competition and passing off, but the substance is same.¹⁵² The action of passing off can be done by using the trade name, trade mark or other get up of the plaintiff as to induce in potential purchasers the belief that his goods or business were those of

¹⁴⁹ *Op.Cit*, p. 915

¹⁵⁰ *Ibid*, p. 914-915

¹⁵¹ Rahmi Jened, *Hukum Merek* *Op.Cit*, p 249

¹⁵² Julius Rizaldi, *Perlindungan Kemasan Produk Merek Terkenal*....., *Op.Cit*, p.127

plaintiff.¹⁵³ Regarding on passing off, it is regulated in international law connecting with trade practice such as Paris Convention.

Paris Convention mentioned clearly definition of unfair competition as any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.¹⁵⁴ Besides that, there are 3 (there) kinds of categories which prohibited as following as:¹⁵⁵

- a. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
- b. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
- c. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

The main principle of passing off is no one may represent that his/her goods or services are those of another. And the purpose is that people cannot take benefit by describing though their product same of come from the others. In order to be considered as passing off there are 5 (five) main characteristic as reason in conducting passing off as follow as: ¹⁵⁶

- a. misrepresentation
- b. made by trader in the course of trade

¹⁵³ Halsbury, "Passing Off Action under Trademark Law", taken from <https://www.indianbarassociation.org/wp-content/uploads/2013/02/Passing-off-action-under-trademark-law.pdf> .p.6

¹⁵⁴ SEE Article 10bis paragraph (2) Paris Convention concerning on Industrial Properties

¹⁵⁵ SEE Article 10bis paragraph (3) Paris Convention concerning on Industrial Properties

¹⁵⁶ Anne Gunawati, *Perlindungan Merek Terkenal Barang Dan Jasa Tidak Sejenis Terhadap Persaingan Usaha Tidak Sehat*, (Bandung: PT.Alumni ,2015),First Edition, p. 237

- c. to prospective customer of his or ultimate consumers of goods or services supplied by him
- d. which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and
- e. which causes actual damaged to a business or goodwill or the trade by whom the action is brought or, in an action, will probably do so.

Some scholars provide the concept of passing off as expressed by Beverly W. Pattisahl, David C Hillard and Joseph Nye Welch which described the kinds of passing off as follow as:

- a. likelihood of confusion, mistake of deception: there are existence of form of mark that identical or same with well-known mark
- b. similarity of appearance, sound or connotation: there are existence of visual , connotation or sound similarity of mark
- c. marketing environment: different products with the same marketing patterns with well-known mark
- d. intent: intention of the action to conduct trademark infringement which may detected with the existence produced goods and trade intensity with passing off product as safe as well-known product
- e. counterfeiting: imitation of well-known mark

There are following factors to be considered in case of an action for passing off action of an unregistered trademark for deciding the question of deceptive similarity:¹⁵⁷

- a. The nature of the marks, i.e., whether the marks are word marks or label marks or composite marks, i.e., both words or label works.
- b. The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- c. The nature of goods in respect of which they are used as trademarks.
- d. The similarity in nature, character and performance of goods of the rival traders.
- e. The class of purchasers who are likely to buy the goods bearing the marks they are likely to exercise in purchasing and/or using the goods.

¹⁵⁷ Manzoor Elahi Laskar ,” *Passing Off and Infringement of Trademarks –India*”,SSRN Electronic Journal ,p. 7

- f. The mode of purchasing the goods or placing orders for the goods.
- g. Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

According to Margareth Barrett as quoted by Anne Guwahati there are two kinds that are: ¹⁵⁸

- a. A direct, intentional false representation

The defendant may directly, intentionally misrepresent the source of its goods or services for example:

- 1) A defendant is a retailer, tell customers that his goods or services come from plaintiff when in fact they do not;
- 2) Defendant as a retailer, fills customers order for plaintiff's brand by supplying brand X and not telling the customers of the switch;

- b. An Indirect false representation

The defendant may indirectly misrepresent the source of its goods or services by duplicating or simulating the plaintiff's trademark, service mark, packaging or trade name (the name of plaintiff's business) or selling his goods by showing customers "samples" or photographs that actually are or depict the plaintiff's goods.

There are three main elements of the tort of passing off described as Roscque Reynolds and Natalie Stoianoff which known as classical trinity¹⁵⁹ which must be fulfilled by plaintiff to sue defendant on passing off action as following as:

¹⁵⁸ *Op.Cit*,p. 244-245

¹⁵⁹ Roscque Reynolds and Natalie Stoianoff, *"Intellectual Property Text and Essential Cases , Second Edition "*,(Australia: The Federation Press , 2005) , p.433

- a. reputation: the plaintiff has to establish a goodwill or reputation attached to the goods and services which he supplies, in the mind of the purchasing public by association with the identifying get-up under which his particular goods and services are offered to the public as distinctive specifically of his goods or services
- b. misrepresentation: the plaintiff must demonstrate a misrepresentation by the defendant to the public leading or likely to lead the public to believe that the goods or services offered by him are the goods and services of him.
- c. damage: the plaintiff must demonstrate that he/she suffered that he is likely to suffer damage by reason of the erroneous belief endangered by the defendant's misrepresentation that the source of the defendant's goods or services.

The action for passing off apply to the unauthorized of an unregistered trademark but generally protects any distinctive aspect of the plaintiff's business or image from being used commercially by another party .The action protects against a trader riding on the another's reputation. The plaintiff will have to establish the existence of a reputation in the relevant jurisdiction, that there is a misrepresentation made the defendant.

Misrepresentation conducted by defendant is aimed at the potential buyers of the goods or services, who are invited to buy the goods believing that the goods are of the plaintiff. This might be done through confusing or deceitful use of the trade names, marks or other indications used by the plaintiff in respect of such goods or services. That may arise from a brand name, features of labelling or packaging, or descriptive material.¹⁶⁰ Most recently the common law action for passing off has been extended to protect the image of celebrities against unauthorized use, for instance, in advertising.

¹⁶⁰ Peter Cherleton and Sinead Reilly, *Passing off :An Uncertain Remedy* ,Fordham Intellectual Property Conference ,Cambridge University ,April 2015, p.7

Regarding on the damage, Anglo Saxon law already regulated more broadly and clearly relating on the kinds of damage that occurred by the existence of passing off as follow as: ¹⁶¹

- a. direct loss of business
- b. damage to image and reputation from the infringer's inferior goods or services
- c. damage to image and reputation from the infringer wrongfully leading the public to believe there is an association between two noncompeting business
- d. exposure to the risk of legal action which might be incorrectly brought against a business because of confusion with the identity of the infringer's business
- e. damage to business connections with supplier, other traders and business customers arising from confusion;
- f. the fact that confusion is likely an because of the particular circumstances of the asset, damage to goodwill will inevitably result, even though there is actual proof of damage;
- g. where the plaintiff is in the business of licensing (selling permission) to use intellectual property rights or could be ,the damage may be considered to be the loss of an opportunity to sell a license (permission) For example , the infringer may be selling goods and representing that they are sold under license when they are not. Alternatively, the image and reputation of the licensing business might be damaged arising from such a representation, say if the goods are of poor quality

The basis of passing off must be considered factors to proving in the passing off action is goodwill. Goodwill is thus the benefit and advantage of a name and get-up, and it is the attractive force which brings in business.¹⁶²

The scope of trademark infringement is only limited to action for the registered mark by third parties which owning identical from either from mark or kinds or goods or service. So, the remedy for infringement is not

¹⁶¹ Anne Gunawati, *Perlindungan Merek**Op.Cit*,p.246-247

¹⁶²Manzoor Elahi Laskar ,” *Passing Off and Infringement* ,....*Op.Cit* ,p.3

provided to the unregistered trademark holders which in the case of infringement the use of plaintiff is not necessary to be proved, nevertheless the existence of imitation or essential or peculiar features of registered mark that caused likelihood of confusion will be proved.

Meanwhile in the practice of passing off, the scope of protection is not only limited for registered mark in passing off it is necessary to prove that an ordinary person is likely buy goods in a belief that the goods are that or plaintiff though it is necessary to show that actual show that sale took place. In practical, passing off is imitation action toward an unregistered mark known by public that used in market.¹⁶³

F. The Overview of Defensive Mark

1. Definition of Defensive Mark

In trademark law especially in International Convention there are no exact definition of defensive mark. Even in the academic, the problem of definition defensive mark actually still have contravention. Nevertheless, it generally define as the trademark which has been registered for the purpose of creating a defensive perimeter around the mark actually used by the proprietor.¹⁶⁴ Defensive trademark¹⁶⁵ is a form of trademark used to

¹⁶³Halsbury, "Passing Off Action Under Trade Mark Law", (taken from <https://www.indianbarassociation.org/wp-content/uploads/2013/02/Passing-off-action-under-trade-mark-law.pdf>) p 9-10

¹⁶⁴ Lily Evalina Sitoris , "Defensive Mark Sebagai Aset Merek", Media HKI, August,2012,p. 21

¹⁶⁵ The concept of defensive is also used in the other IPR scope namely Defensive Patent which can be known as a patent that is used with the primary intention of defending a company against patent infringement lawsuits. This differs from more aggressive uses for patents, which can

prevent trademark infringement. A defensive trademark can be applied for by a trademark owner of a well-known trademark for goods or services that are not intended to be used by that owner.¹⁶⁶

Trademark Law Treaty 1994 is only one international treaty that mentioned that defensive mark as one of the special kinds of marks which applied by any state or intergovernmental organization who declare reservation on Trademark Law Treaty 1994.¹⁶⁷

If a trademark registration only provides protection when a third party uses the mark with respect to goods/services similar to or the same as the goods/services designated for a registered trademark. Registering regular trademark does not unlimited right to prevent others from using a mark similar or even identical senior mark. A trademark owner only is able to receive protection in respect to the goods and services specified in the application.¹⁶⁸

However, use of the mark by a third party with respect to goods or services different from the goods/services designated for the trademark

include generating royalties or preventing competition through legal action. A defensive patent can protect a patent holder by allowing it to countersue after a competitor sues for infringement - or even if the competitor sues for some other reason. A large collections of patents can also protect a company by deterring lawsuits altogether. (Taken from <https://www.techopedia.com/definition/28565/defensive-patent> on December 12th 2017 at 7.30 PM

¹⁶⁶ US Legal , “*Defensive Trademark Law and Legal Definition*”, <https://definitions.uslegal.com/d/defensive-trademark/> accessed on December 13th 2017, 6.30 PM

¹⁶⁷ Under article 21 clause (1) of Trademark Law Treaty 1994 mentioned that :” *[Special Kinds of Marks] Any State or intergovernmental organization may declare through a reservation that, notwithstanding Article 2(1)(a) and (2)(a), any of the provisions of Articles 3(1) and (2), 5, 7, 11 and 13 shall not apply to associated marks, defensive marks or derivative marks. Such reservation shall specify those of the aforementioned provisions to which the reservation relates.*”

¹⁶⁸Ross Archibald, “*Defensive Trademarks Ross Archibald*”, accessed from <https://www.youtube.com/watch?v=1DIyu397LPg&t=162s> , on February, 18th 2018 at 7.36 AM

may cause confusion, dilution or pollution if the trademark is well-known and damage the goodwill that has accrued to the Registered Trademark. The defensive mark system is able to remedy this weakness in the protection provided by trademark registration.

A well-known trademark can register a defensive trademark for those goods and services which they have no plans to use, but which nevertheless, may run the risk of being used by third parties in order to take advantage of the trademark awareness. Under protective figure of defensive trademark, the owner of a well-known trademark may never use it for those goods or services, but without that being vulnerable to cancellation for lack of use. That is, the defensive trademark is a trademark registered not exactly to be used, but only to create a scope of protection to the well-known trademark, in order to prevent it from possible infringement actions. It can thus be said that the defensive registration is used to *shield* of well-known trademark, giving a broader protection than the regular registration, which is subject to attack for lack of use.¹⁶⁹

Defensive mark creates a wider protection for a famous mark which can prohibit a third party from using or registering a famous for goods and services but dissimilar to those of famous mark. Under this defensive mark registration system. Widely recognized marks can be registered to cover

¹⁶⁹Laura Azevedo , “*Registration of Defensive Trademarks for the Protection of Well-Known Trademarks*” accessed from <http://www.clarkmodet.com/en/news/blog/2015/04/registration-defensive-trademarks-for-the-protection-of-well-known-trademarks#.WkXFVXkxXIU> accessed on December 21st 2017 at 3.45 PM

other identified goods or services than listed in the original trademark registration. These additional goods or services need not to be similar to the original goods or services and the registrant need not use or have any intent to use mark on additional goods or services.¹⁷⁰ A defensive registration provides enhanced statutory protection for a trade mark which has been used to such an extent for particular goods or services that if another party were to use the mark for even quite different goods or services, the public could be misled.

As the example, the trademark of GRANGE which is especially well-known for wine and it is registered for those goods. Trademark owner does to use nor may it ever intend to use it is for beers but is concerned that if other party were to use those goods, the public is likely to be misled by assuming a connection in trademark of GRANGE could be diluted. A defensive registration covering beers and non-alcoholic beverages prevents a third party from registering a mark for those goods and provides the trademark owner a statutory infringement action against unauthorized use of its mark for those goods.¹⁷¹ Another example, NIKE is the registered trademark, it is very well-known there's likely that if someone was to use

¹⁷⁰ Port, Kenneth L., "*Protection of Famous Trademarks in Japan and the United States*". *Faculty Scholarship*, Paper 142, Wisconsin International Law Journal, Vol.15 ,No.2 (1997), p. 270

¹⁷¹ Lisa Neilson , "*Should defensive Trademarks be part of your portfolio protection strategy ?* , " accessed from www.fbrice.com.au/publication at December 21st ,2017 at 4.55 PM

the trademark on other goods or services like coffee cup then a consumer make a connection to NIKE's trademark.¹⁷²

2. Purposes of Defensive Mark Registration

Defensive mark registration was proposed to provide of trademarks which have extensively used mark with protecting against the misuses of the trade mark in a manner which might diminish the value or reputation in that trade mark and also protect consumer from confusion and deception which has been extensively used.¹⁷³ According to Laura Azevedo, the purpose of filing a defensive application is to reduce the possibility of other traders using the trade mark for unrelated goods or services.¹⁷⁴ Meanwhile, according to Ross Archibald, the purpose of defensive trademark is to provide enhanced protection a treatment which has been used to such an extent for particular goods or services that if another party were to use the mark for even quite different goods or services that created public could be misled.¹⁷⁵

3. Advantages of Defensive Trademark Registration

Advantages of defensive trademark registration is defensive trademark registration provides the only means legally asserting the famousness of trademarks. It can serve as an effective means by which a right can be

¹⁷² Ross Archibald, "Defensive Trademarks Ross Archibald", accessed from <https://www.youtube.com/watch?v=1DIyu397LPg&t=162s> , on February, 18th 2018 at 7.36 AM

¹⁷³Mark O'Donell, "Australia :Defensive Trademark " ,Monaq accessed from <http://www.mondaq.com/australia/x/74232/Trademark/Defensive+Trade+Marks> on December 21st ,2017 at 7.15 PM

¹⁷⁴ Laura Azevedo , "Registration of Defensive Trademarks.....Op.Cit

¹⁷⁵ Ross Archibald, "Defensive Trademarks Ross Archibald", Op.Cit.

exercised as a famous/well know trademark for ten years. Defensive mark also became an effective material for make famousness known in a lawsuit abroad or when administrative action is taken. In additional if it is registered as the defensive mark there is also no obligation to use it, so a third party's application or use of an identical is prohibited as far as trademark is in conflict with defensive trademark registration.¹⁷⁶

The registration cannot be cancelled unless the primary registration is cancelled and the trade mark owner does not hold another standard registration for the same trade mark. Enforcing a defensive registration is likely to be more cost effective and certain than an action for infringement of a well-known trade mark or for passing off or misleading and deceptive conduct. Whilst a trade mark owner will need to prove its reputation in order to secure defensive registration, this is done at a time when the owner is not facing the stresses and pressures of litigation; it is a more easily managed process.¹⁷⁷

4. Requirements of Defensive Mark Registration

Actually there is only two requirement that are that a that mark will be recognized by consumer and that is confusion is likely if the mark is used on these additional goods or services by a third party.¹⁷⁸ Nevertheless there

¹⁷⁶ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p 38

¹⁷⁷ Lisa Neilson ,*Should defensive, Op.Cit*

¹⁷⁸ Port, Kenneth L., "*Protection of Famous Trademarks in Japan ,Op.Cit* ,p. 270

are also the condition to registering a trademark as a defensive trademark, there are condition must be fulfilled as following as:¹⁷⁹

- a. a registered trademark already exists;
- b. a registered mark has become well-known among consumers as indicating
- c. the designated goods or services have connection with his business
- d. the two trademark are identical
- e. there is existence of likelihood of confusion
- f. the applicant is the current trademark owner.

And also, there are threshold requirement of registration of defensive mark as follow as: ¹⁸⁰

- a. the relevant trade mark is already registered in the name of owner;
- b. the registered trademark has been used to such an extent that its use in relation to unconnected goods and services would indicate to consumer that there is connection.

For an effective registration to occur it must be shown that consumers would be confused and suspect to link to owner's trading activities. In other determining whether there is connection exists there are following relevant considerations:¹⁸¹

- a. The nature of the trademark;
- b. The existence of identical or similar trademarks;
- c. The reputation of the mark;
- d. The classes of goods and services claimed under the defensive mark application and there is similarity;
- e. The evidence file in support;

A registration of defensive mark expires in 10 years from a date of registration, but its term does not synchronize with a term for registration of a famous mark. The registration of defensive mark can be renewable by

¹⁷⁹ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p 37

¹⁸⁰ Ross Archibald, "Defensive Trademarks Ross Archibald", *Op.Cit*.

¹⁸¹ *Ibid*

filing an application but needs examination by an examiner to see if the defensive mark still remains satisfying the requirements. So the main points from above explanation shall be:

- a. The owner of a standard trademark registration may register the same trademark for goods and service for which it has no intention to use it's as a defensive registration;
- b. Defensive registrations cannot be removed for non-use , only cancelled if primary registration is cancelled;
- c. Defensive registration block acceptance of subsequently filed third party applications to register the same or similar mark for the same or similar goods or services;
- d. Defensive trademark are cost effective and efficiently enforce well-known marks.

G. The Overview of Ownership, Right, Trademark and Well-known Mark

According To Islamic Law Perspective

1. The Concept Of Ownership in Islam

Basically, According to Islamic law sourced from Al-Qur'an and Sunna the real authentic owner over assets in entire world and universe is Allah SWT. Nevertheless, Allah created Human being as the *Khalifah* in the world and Allah Provide power to Human Being to control natural resources in the world. The private owner of property as a trustee or agent for Allah SWT. Nevertheless, Islam cherishes the inviolability of private property ¹⁸²

Islam recognized asset ownership that existed in the hand or in human control which private in nature and public assets. Islam recognize freedom

¹⁸² Bashar H. Malkawi, “*The Alliance Between Islamic Law and Intellectual Property: Structure and Practice*”, University of St. Thomas Law Journal, Vol.10, Issue.3, Article.4 ,Spring 2013, p.623

of ownership and private rights which become basis of economic development. If it is committing on the scheme that allowed and in line with Allah's provision and sharia law which the ownership itself acquired from Halal ways, as stipulated in Islamic law.¹⁸³

Ownership in Islam means the right of disposal. The individual has authority over the thing that he owns. It enabled him to freely dispose of it and benefit from what he owns according to the Sharia rules. It also obliged the state to protect private ownership and laid down punishments to deter those who infringe upon the ownership of other.¹⁸⁴

Islam has originated the private ownership it an aspect of the survival instinct, the ownership for the Muslim to satisfy this instinct which will insure survival and a respectable life. It allowed human being to own most asset that permitted by Islam and forbid from owning harm assets. Permit ownership which come from halal ways such as selling, hiring and inheritance and forbid human from other mean in haram ways such usury, gambling and sale by speculation.¹⁸⁵

a. The Several Types of Ownership right in Islam

The right of ownership can be divided into two kinds i.e. *mal* and *ghair mal*. *Mal* is a ting that related with ownership of goods or bonds and *ghair mal* divided into two that are *syakhsyi* and

¹⁸³ Nurul Huda and Rohmah Miftahul Jannah, "Perlindungan Hak Merek Dagang Menurut Hukum Islam, SUHUF, Vol. 24, No. 1, Mei 2012,p 2-3

¹⁸⁴ Qaiser Iqbal, Post Graduate Diploma Thesis, "Intellectual Property Rights and Islam", (Pakistan: International Islamic University,2004),p. 43

¹⁸⁵ *Ibid*

'*aini*. '*Aini* is adult right with their property without the existence of other parties. '*Aini* also can be divided *Ashli* and *thabi*'i.

'*Aini ashli* is the manifestation of certain goods and the existence of *shabub al-haq* that are *milkiyah* right which defined as right that is giving the owner territorial right and *intifaq* that are right only permit to utilized and exertion of the result. '*Aini thabi*'*qi* is the guaranteed to determine to someone that who owed his money to the debtors. What is indebted cannot pay, then *murtahin* have the right to hold the goods.¹⁸⁶

b. The cause of ownership in Islam

Property based on its nature provided and can be owned by human so that human can have a goods. The cause of *tamalluk* (owning) property based on *syara*' there are four as follow as:

- 1) *Ikhraj al-Muhabat* for mubah property (property that are not owned by someone) in order to owning mubahat property there are two kinds conditions, firstly it had not *ikhraj* by someone, secondly there are intention to owning, when someone acquiring the *muhabat* property without intention it is cannot be called as *ikraj*
- 2) *Al uqud (aqad)* is the obligation of *Ijab* and *Qabul* based on Islamic law. There are two kinds of *uqud* that are *uqud*

¹⁸⁶ *Ibid*,p. 4

jarah that is obligations that must be conducted based on judge decision. Secondly *istimlak* that are purposed to *maslahat* such as land for mosque.

- 3) *Khalafiyah* is the placement of new parties or goods in old place that already lost, it is divided into two kinds: First, *Khalafiyah syahsy* an *syakhsy* and it called as inheritance its, Second, *Khalafiyah syai'an syaiin* and it as called as *tadlmin* or *ta'widl* (guarantee of damage)
- 4) *At-Tawalludu minal mamluk* (the raise of ownership from owning goods) among the causes and basics that have been fixed and it cannot be contested by anyone is everything that happens from possessed objects, becomes the right of those who own the thing.

2. The Concept of Right in Islamic Perspective

According to Islam the term of right terminologically was originated from Arabic word *Haqq* which means as determination or obligation or certainty. Etymologically right have several means. Ali Khafif explained that right is a *Maslahat* that only be owned based on *Shar'i*. Mustafa Ahmad Al-Zarqa interpreted right as specialty which with this right *Syarak* determined authority or utility. Ibnu Nujaym from Hanafi scholar define right as a protected specialty.¹⁸⁷ Based on those definition, it can be concluded that right as a specialty that contain *Maslahat* and protected and

¹⁸⁷ M Musyafa, "*Kekayaan Intelektual dalam Perspektif Ekonomi Islam* , Al-Iqtishad: Vol. V, No. 1, Januari 2013 ,p.40-41

with the *syarak* can be determined as authority or utility. *Fiqh ulama* express that a right should be fulfilling *rukun haqq* that are right owner and right object.¹⁸⁸

Regarding on the forms of ownership Islam classified into two kinds of classification as follow as:¹⁸⁹

- a. Private property which law that applicable to essence or utility which enable everyone to acquiring for purposed to utilized those goods and achieve good competition due to the goods was undertaking of the utilization by others such as rent or consume such as bought.
- b. Public property (*al-haw al-'am*) is right of Allah SWT over all of human being to manifesting general *maslahat* such do not conduct crime, *zina*, fraud, rob, alcohol, *ta'zir* punishment on every general violation such as monopoly in trade and guarding public goods such river, road , mosque.

3. The Trademark based on Islamic perspective

- a. Trademark in perspective of Islamic School of Thought

Intellectual property especially trademark as usufructs its recognition in sharia which has been the subject of ongoing discussion among Muslim scholar. Most schools of sharia law

¹⁸⁸ *Ibid*

¹⁸⁹ Nurul Huda and Rohmah Miftahul Jannah, "*Perlindungan Hak ...Op.Cit.3-4*

recognized intellectual property as a kinds of property i.e. Maliki, Hanbali, Shafi'i, except Hanafi School. There are the following reason why Hanafi do not recognized Intellectual Property as one of species property: ¹⁹⁰

- 1) Usufructs are not valuable properties; and they cannot be stored for time of need. The reason is that usufruct cannot exist in two different times. Instead they are consequences (*a'rād*) that fade immediately after coming into existence and as a result cannot be transacted or dealt in.
- 2) Usufructs are only recognized as valuable in *ijārah* (leasing or contract for service) contrary to analogy (*qiyās*) due to need (*hājah*) of contracting in them. The rule is that whatever that is confirmed to be contrary to analogy, is limited to that which is contained in the text.

According to Hanafi School, physical possession is the only acceptable criterion for money. Hanafi School argued that there can be no legal right to intellectual property because ideas are incorporeal. In the other hand, Maliki, Shafi'i and Hanbali agree that proper creation should be *manfa'a* (usefulness). Those schools

¹⁹⁰ Yahya A Muhammad ,Muhammad Shettima, and A.S Hassan ,”*Basis Of Intellectual Property Protection In Islam And Its Legal Effects*”, International Journal of Humanities and Social Science Vol. 6, No. 9; September 2016 ,p.91

accept both tangible and intangibles as property. Property can be anything that is useful or of values.¹⁹¹

In this case, the author follow the Maliki, Shafi'i and Hanbali school of thought due to in this era, trademark is considered as the goods who obtained right as same as the physically goods even though trademark is intangible property and it is valuable and useful in running business. Nevertheless, the mark itself should not contradicted with the values and law of Islam.

Therefore, there are two kinds categories of classifying properties are: *mal mutaqawwim* or legally usable property and *mal ghar mutaqawwim* or legally unusable property. A property is said to be *mutaqawwim* if it is legally usable during a state of affluence and choice. In the other hand *ghiar mutaqawwim* where the use and enjoyment of such property is illegal in a state choice. For instance alcohol and pork are illegal for a Muslim to enjoy though it is legal for Muslims living in Islamic territory to enjoy it as they do not recognize its prohibition.¹⁹²

b. Trademark ownership in Islamic perspective

Regarding trademark, Fiqh academic has further resolved as trademark is only of intellectual property as that the right exclusively held by owners. Such right has acquired financial value

¹⁹¹ Bashar H. Malkawi, "The Alliance Between Islamic Law and Intellectual Property: Structure and Practice".....*Op.cit.*p.624

¹⁹² *Op.Cit.*,p.92

in modern custom and are recognized rights held by their creators. Such right has acquired financial value in modern customs and because people deal in them as valuable property the law has recognized them.

Trademark represents the quality of a product or reputation of a business. A trademark feature of a product. A trade mark is not recognized as a standalone property in itself, rather it is an attachment to the property as a result it cannot be transferred separately in any matter of contract such as mortgage or contract of sales and etc. As a result dealing with it without underlying goodwill is seen as misrepresentation and *gharar* which invalid in sales of Islamic law¹⁹³

Trademark in Islamic law is related with *al-mutaqawwim* property which a mark argued as assets or economic values that may resulted the benefit the protection of mark was permitted by Islamic law as long as in halal ways. The protection of trademark under sharia perspective is based on the sharia principle that related with the theory of *maqasid syari'at* (purpose of *syari'ah*) which the purpose of Islamic law is to create justice in many aspect of life include also the *muamalah*.¹⁹⁴

The form of justice in Islamic law is the ownership protection in the *saddu dzari'at* (block the ways) with purpose of law

¹⁹³ *Ibid* ,p.94

¹⁹⁴ Nurul Huda and Rohmah Miftahul Jannah, "*Perlindungan Hak ...Op.Cit.p.7*

enforcement in property protection is absolutely exist because it is happen in meaning there are no regulation to regulated protection of property ownership so that the destruction or chaos will happen in the world.¹⁹⁵

c. Legal basis Trademark Protection in Islam

Islam as the perfect religious in the world which regulated in aspect of human's life through the Al-Qur'an and As-Sunna as guidance in human's life especially in Trademark protection. If observed by the Islamic law perspective, use other's rights without permission is not be legitimated. Islam always ordering and recommend human being to appreciating the ownership of other and their handworks. In holy Qur'an Allah SWT said several *ayat* that relevant with the concept of Intellectual Property Rights as follows:

Q.S An-Nisa 29:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ
إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۚ وَلَا تَقْتُلُوا
أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

“O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent.

¹⁹⁵ *Ibid*,p. 8

And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful.”

According to Ibnu Katsir’s tafsir said that this ayat is one of the prohibition to do cruel and dishonesty by alleviating the weight.¹⁹⁶ Ibnu Katsir also mentioned that Allah SWT prohibited the servant to eat and use property of some of them over some others in a vanity way, i.e. through businesses not recognized by the shari'a, such as by usury and gambling and other means falling into that category by using various deceptions.¹⁹⁷ It is also applicable to trademark in which parties is prohibited to do cruel and dishonesty in business especially using the other’s mark without license to confuse consumer for purposed to gain profit. This conduct can be said as haram ways due to using assets i.e. trademark of other without any license.

Q.S Al Baqarah 188:

وَلَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ وَتُدْلُوا بِهَا
إِلَى الْحُكَّامِ لِتَأْكُلُوا فَرِيقًا مِّنْ أَمْوَالِ النَّاسِ بِالْإِثْمِ
وَأَنْتُمْ تَعْلَمُونَ

“And do not consume one another's wealth unjustly or send it [in bribery] to the rulers or judges in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful].”

¹⁹⁶Tafsir Ibnu Katsir, p.1160 as quoted by Budi Agus Riswandi and Shabhi Mahmashani ,*Dinamika Hak Kekayaan Intelektual Dalam Masyarakat Kreatif* ,1st Edition, Total Media, Yogyakarta,2009,p.124-125

¹⁹⁷ Al-Imam Abdul Fida Isma'il Ibnu Kasir Ad-Dimasyqi, “*Tafsir Ibnu Katsir Juz 5*”, Sinar Baru Algensindo, Bandung, 2006, p. 37

In Tafsir of Ibnu Katsir, as mentioned Ali ibnu Abi Talhah relates, from Ibn Abbas, that this concerns a person who has a wealth dependent but has no witness against it in this matter, then he denies the property and disputes it to the ruler, while he knows that the treasure is not to be his rights and knowing that he is a sinner, eating illicit goods. As tell by Mujahid, Sa'id Ibnu Jubair, Ikrimah, Al-Hasan, Qatadah, As-Saddi, Muqatil Ibnu Hayyan and Abdur Rahman Ibnu Zaid Aslam, that they have said "*Do not make a thing, while you know that you are on the wrong side.*"

This ayat indicating that the Judge verdict must not changing the essences of something, in other word, Judge is prohibited to create something halal become haram or vice versa. Except he/she only judge based on what appears on the outward. For that if the decision is in accordance with the nature of the problem, it is so expected. If the decision is not in accordance with the nature of the problem, then the judge only get the reward, while the bear the sin is the party who falsified the evidence and cheating in the case.¹⁹⁸

From this ayat, in the relation of trademark, it must be interpreted that the human being is prohibited using a trademark which the human being known that trademark is use in wrong side. Especially in Trademark dispute settlement, the judge must be

¹⁹⁸ Abdullah Bin Muhammad bin Abi Rahman bin Ishaq Al Sheikh, *Tafsir Ibnu Katsir Jilid 1*, Translated by M.Abdul Ghoftar E.M and Abu Ishan al-Atsari, 1st Edition, Pustaka Imam Asy-Syafi'i, Bogor,2004,p. 361

consider and ensure the reality of the trademark user as a real trademark owner.

Q.S: Asy-Syu'ara 183:

وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تَعْتُوا فِي الْأَرْضِ
مُفْسِدِينَ

“And do not harm man in his rights and do not rampant on the face of the earth by loading damage”

As mentioned in Ibnu Katsir, History of Prophet of Shuaib who ordered his ummah to perfect the dosage and scales and forbade them to cheat on the matter. He says: *auful kaila wa laa takuunuu minal mukhsiriin* (Complete dosage and do not belong to harmful people) i.e. if you give something to humans, then complete the scales and do not reduce the scales by giving them less. But take it as you give and give it to you as you take. *Wa zinu bil qisthaasil mustaqiim* (And weigh with a straight scale.) Al-qithas is the scale.¹⁹⁹

It is also related to the trademark utilization as one of immaterial goods in which human being must be complete dosage and also do not be reduced the scale in the trademark utilization by trademark infringement and also do not commit abuse on the

¹⁹⁹ Abdullah Bin Muhammad bin Abi Rahman bin Ishaq Al Sheikh, *Tafsir Ibnu Katsir Jilid 6*, Translated by M.Abdul Ghoftar E.M and Abu Ishan al-Atsari, 1st Edition, Pustaka Imam Asy-Syafi'i, Bogor,2004,p. 177

trademark owned by other and using trademark of other without any license and prohibit the cruel commit by unfair competition toward harm other trademark right such as dilution of mark, passing off and others.

There are also the legal basis for the trademark protection which explicitly in Hadith of Rasulullah SAW as follow as:

“From Amr bin Auf radhialahu 'anhu said: The Messenger of Allah sallallahu' alaihi wa sallam said: "Muslims are obliged to always fulfill their requirements, except the conditions that forbid which is lawful and justifies the haram "(Tirmidhi and accept as saheeh hadeeth in Sunan At-Tirmidhi III, 1352)”

The other hadiths regarding on ownership of property which can be basis for the protection of trademark right as follow as:

“From Abi Humaid As-sa'idi radhialahu'anhu said: The Prophet Sallallaahu 'alaihi wa sallam said: "It is not lawful for a person that he should take his brother's staff except with his heart's willingness" (Ibn Hibban andal-Hakim in the book of saheeh)”

From the Al Quran and Al Hadist, it explained on the ayat and hadist which relevant trademark protection and the prohibition of human being to take the property of others that are not their own right including the Intellectual Property Rights especially trademark. And also create something Haram become Halal and Halal thing become a Haram thing. If it is implemented in Trademark practice it can interpreted that those Al Qur'an and Al-Hadiths indicating that Trademark infringement and passing off is prohibited.

4. Well-Known Mark Protection According to Sharia

Sharia law plays a major role in respect of well-known marks in the Gulf States. Although sharia law prohibits use of a mark that is similar to extent of public confusion or free riding on the good name of the original. Nevertheless, the protection is still limited to marks that are considered forbidden in Islam such as alcohol brands. Throughout the constitution of the gulf states, the extent of sharia's influence is evident²⁰⁰

The rules of Islamic sharia law prohibit the consumption and trading of certain products and services such as alcoholic, pork and casino. In Any sharia compliant law trademark law, the registration and thus protection of any trademarks with any of these products would be denied. Common practice in Muslim countries in general and in some gulf states in particular to reject the registration of trademark or geographical indications relating to wines, and other alcoholic beverages.²⁰¹

The Qur'an and the Sunna are believed to be favorable towards trade and commerce Deceitful and fraudulent practices are forbidden as Sharia realizes that unfair practices deprive merchants, traders, and even consumers from the benefits of competition. It can be argued that Islam prohibits the use of another's person without prior authorization from the

²⁰⁰ Lolwa Alfadhe, "A Case Study of Well-Known Trademarks in the Gulf Cooperation Council States: Challenges for Foreign Mark Holders", SSRN Electronic Journal · January 2016, p. 3-4

²⁰¹ Ezieddin Mustafa Elmahjub, Doctoral Degree, "Protection Of Intellectual Property In Islamic Shari'a And The Development Of The Libyan Intellectual Property System", (Queensland: Queensland University of Technology, 2014), p. 71-72

trademark owner that is similar or identical especially leading to consumer include also the infringement to the well-known mark.²⁰²

The preservation of property rights in *saddu dzari'at* level as it is the basis of the guidance of caution in charity when facing the clash of *mafsadat* and *maslahat*. The connection with trademark rights is that *saddu dhari'at* can block the ways to the destruction of the *maslahat* as do the plagiarisms of other people's famous brands

There are area of conflict of laws of sharia and the TRIPs. In TRIPs may be founded in issues concerning protection of well-known marks that are considered forbidden in Islam, such as brands of alcohol or symbols that are attributed to a well-known mark that is deemed immoral or unacceptable in the views of sharia.²⁰³

5. Trademark According to Fatwa²⁰⁴

Based on Fatwa Majelis Ulama Indonesia (MUI) No: 1/MUNAS VII/MUI/5/2005 regarding on the protection of Intellectual Property Rights, stated that:

- a. In Islamic Law, Intellectual Property Right considered as *huquq maliyyah* (Property right) with obtained legal protection (*mashun*) in the same manner as *mal* (property);

²⁰² Lolwa Alfadhe, "A Case Study of Well-Known Trademarks ...Op.cit,p.4

²⁰³ *Ibid*,p. 5

²⁰⁴ SEE Legal provision of point 1-4 Fatwa Decision of Majelis Ulama Indonesia Nomor : 1/MUNAS VII/MUI/5/2005 regarding on The protection of Intellectual Property Rights

- b. Intellectual Property Rights who get legal protection as mentioned in point (a) is Intellectual Property Rights which is not contradicted with the Islamic law;
- c. Intellectual Property Rights may be object of *aqad* (*al-ma'qud'alaih*), either *aqad Mu'awadhah* (transaction, commercialization). Or *aqad tabarru'at* (non-commercial) and also may become gift or *waqaf* and inherited;
- d. Any form of infringement of IPR including but not limited to the use, disclosure, use, sale, import, export, distribution, distribution, distribution, is forbidden.

CHAPTER III

FINDINGS

A. The Comparative Study of Well-Known Trademark Protection in Australia, Japan and Indonesia

1. Well-Known Mark Protection based on Australian Trademark Law

The sources of applicable trademark law in Australia are included and regulated under Trade Marks Act 1995, Trade Marks Regulation 1995, Common law (tort of passing off). Australia follows the principle of first to use to acquiring trademark right, arise from use or proposed use.²⁰⁵ The first user of trademark will be acquired the trademark right based on the law. Meanwhile, the registration in Australia is not essential for the establishment of trademark rights and it gives only significant benefits for purposes of administration. The trademark owner also may take passing off action under common law or claim for a breach of section 52 of the Trade Practices Act 1974 and with enactment of the Competition and Consumer Act 2010.²⁰⁶

In the registration of mark, the applicant must at least have an intention to use a trademark at the date of filling application or must already owned the mark through use. Nevertheless, Australia does not require supporting documents to prove use and there is no requirement to prove usage of

²⁰⁵ Jill McKeough and Andrew Stewart, *Intellectual Property in Australia*, (Australia: Butterworths, 1997), Second Edition, p.424

²⁰⁶ Craig Collin, *Intellectual Property*, (Australia: Lexis Nexis Butterworths 2014), Second Edition, p.213

trademark in Australia to mature an application for registration or maintenances and renewal purposes.²⁰⁷

In Australia, there are two concepts of use which classified into two that are Prior Use and Honest Concurrent Use. Prior use means that declaration will be needed to establish that the mark users using their mark before the date of other trader has identified and that the use of mark has been continued at least up to the date the filling of application. The users also need to provide supporting example to substantiate the claim of mark. The concept of Prior use is to trademark users that earlier than priority date of registered trademark, then it is possible to be registered by co-existed.

Meanwhile, honest concurrent use means that the declaration of mark will be needed to establish the honest use of the trademark and user have used trademark in Australia before filling application. The evidence of intended use only will not be sufficient, where applicable trademark users who are similar to the registered trademark and used after the priority date of the trademark registration, have been used in significant time (approximately 2.5 years), with significant sales history, significant. Honest requirements must also be proven.²⁰⁸

Under Australian law perspective, well-known trademark protection also comes from passing off or unfair competition from the irresponsible

²⁰⁷ Australian Government, IP Australia, „*A Guide to Applying for Your Trade Mark*”, Australia, 2012, p.3

²⁰⁸ Australia Government, “*Evidence of Use*”, taken from <https://www.ipaustralia.gov.au/trade-marks/understanding-trade-marks/trade-marks-examination-process/evidence-of-use#Prior%20use> accessed on February 5th 2018 at 10.23 AM.

party. The parameter on the existence of passing off is infringement action toward business reputation from the well-known mark trademark owner and counterfeiting action that confuse for that consumers because it gives damage to the original trademark owner. It is stipulated under section 230 point (2) Trademark Act 1995 which mentioned “*an action for passing off arising out the use by the defendant of a registered trade mark of which he or she is the registered owner or an authorized user and that is substantially identical with or deceptively similar to the trade mark of the plaintiff.*”

There are two kinds of dispute settlement under in trade mark aspect in Australia, i.e. First, The registered mark owner may settle the case by using Trademark Act 1995 by reason of infringement of registered mark. Second, Well-known mark owner may settling the case by the provision concerning on the passing off action. In the dispute settlement by using Trademark Act 1995 conducted by indicator of registered mark and the dispute settlement by provision of unfair competition in Australia conducted by indicator of unregistered mark included the unregistered well-known mark.²⁰⁹

Passing off action conducted by the owners that may sue defendant before the court on basis of passing off or unfair competition. Indicator of passing off is using “*the classical trinity theory*” by determining the core elements as follow: reputation, misrepresentation and damage. The

²⁰⁹Julius Rizaldi, *Perlindungan Kemasan Produk Merek Terkenal.....*, *Op.Cit*, p 226-227

plaintiff must show a misrepresentation by the defendant to the public whether or not by intention, leading or likely to lead the public to believe that the goods or services offered by the defendant are the goods or services of the plaintiff. Then, plaintiff proves required damages by showing that the misrepresentation has caused or threatened the plaintiff's business reputation or goodwill.²¹⁰

The common law provides for ownership of a mark on the basis of its having established reputation it creates the trade mark need to be registered. However to determine or prove reputation can be a complicated matter. The tort of passing off essentially offers a trader a right to prevent another from passing off the trader's goods as his or her own including also trademark.²¹¹ The regulation of passing off in Australia is same as Europe, remembering Australia was former colonized by United Kingdom.²¹²

The law provides additional protection for well-known marks in Australia, even if it is not used in Australia introduced a new basis for refuse the registration of a mark if it has acquired a reputation in Australia and use by the applicant would be likely to cause confusion or deception as mentioned in Section 60 Trademark Act 1995 that:

“The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

²¹⁰ Craig Collin, *Intellectual Property**Op.Cit.* p.213-214

²¹¹ *Ibid.*,p. 213

²¹² Julius Rizaldi, *Perlindungan Kemasan Produk Merek Terkenal*.....*Op.Cit.*,p 226

- a. *Another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and*
- b. *Because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion. The meaning of acquired a reputation in Australia is not at all clear. And there are few criteria for identifying the relevant group of marks.”*

Australian trademark law neither specifically mention a definition for well-known marks nor registration the well-known marks. Whether a mark is well-known is left to the local administration i.e. IP Australia²¹³ and courts to determine, however establish reputation in Australia has been an art rather than a science. Market surveys are not much used in proving reputation in passing off and may be disregarded by the courts. Well-known mark owner in Australia is allowed to commence trade mark infringement proceeding to protect their marks and to register their well-known marks as defensive trade-marks²¹⁴.

It can be concluded that in Australia, in order to determine whether a mark is a well-known mark, a court will determine where the disputed parties. From previous cases, the history of sales that can be simply to be categorized as a well-known mark. The understanding rests more on what Australian consumers know about the mark or knowledge of public concerning on the mark. Based on Section 120 section (3) Trademark Act 1995 mentioned that, a person infringes a registered trade mark if:

²¹³ IP Australia is the Australian Government agency that administers intellectual property (IP) rights and legislation relating to patents, trademarks, designs and plant breeder's rights within the Department of Industry, Tourism and Resources.(Taken from <https://www.ipaustralia.gov.au/about-us> accessed on February,14 2017 at 8.30 PM.)

²¹⁴ Jill McKeough and Andrew Stewart, *Op.Cit.* p .430

- a. *the trade mark is well-known in Australia; and*
- b. *the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:*
 - 1) *goods (**unrelated goods**) that are not of the same description as that of the goods in respect of which the trade mark is registered (**registered goods**) or are not closely related to services in respect of which the trade mark is registered (**registered services**); or*
 - 2) *services (**unrelated services**) that are not of the same description as that of the registered services or are not closely related to registered goods; and*
- c. *because the trade mark is well-known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and;*
- d. *for that reason, the interests of the registered owner are likely to be adversely affected.*

Section 120 paragraph (3) provides that a well-known mark may be infringed by use of that mark on unrelated goods or services. Then, under section 120 paragraph (4) mentioned that whether mark is well-known in Australia. The one must take account of the extent to which the trademark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason. There are no comprehensive guidelines under Australian trademark law although Mark Davison, Tracey Berger and Annette Freeman provide guidelines for assessing whether mark is well-known include:²¹⁵

- a. uniqueness of the mark;
- b. extent and duration of use;
- c. extent and duration of advertising and promotion of goods/services;
- d. market share;
- e. whether use of the mark is exclusive to the owner;
- f. channels of trade (multiple channels suggesting broad reputation);

²¹⁵Mark Davison, Tracey Berger and Annette Freeman, *Shanahan's Australian Law of Trade Marks and Passing Off*, 4th edition, 2008.p. 450

- g. extent of commercial value attributed to the mark;
- h. degree of recognition of the mark (indicated, for example, by unsolicited requests from potential licensees, manufacturers of consumers);
- i. whether the trade mark is used as a domain name.

If any distinction between well-known mark and mark that has actually been used within Australia requires a departure from established legal principles in that protection of marks has traditionally been linked to that mark in a trade mark context and not some vaguer misappropriation analysis. It would seem that a well-known mark is one that qualifies for registration as a defensive mark in that even use of dissimilar goods and services would be misleading to the public.

Australia provides for registration of well-known trademarks as defensive trademarks. It is mentioned under part 17 Trademark Act 1995. Defensive mark occurred because of the extent to which a registered trade mark has been used in relation to all or any of the goods or services in respect of which it is registered. It is likely that its use in relation to other goods or services will be taken to indicate that there is a connection between those other goods or services and the registered owner of the trade mark, the trade mark may, on the application of the registered owner, be registered as a defensive trade mark in respect of any or all of those other goods or services.²¹⁶

A trademark may be registered as a defensive trade mark in respect of particular goods or service even if the registered owner does not use or

²¹⁶ SEE section 185 point (1) Australian Trademark Act 1995

intend to use the trade mark in relation to those goods or services.²¹⁷ A trademark may be registered as a defensive trade mark in respect of particular goods or services even it is already registered otherwise than as a defensive trademark in the name of applicant in respect of those goods or services.²¹⁸ A trade mark that is registered as defensive mark in respect of particular goods or services may be subsequently registered otherwise than as a defensive trade mark in the name of the registered owner in respect of the same goods or services.

In registration of defensive mark, the applicant must already have a registration for the same trademark (for goods or services which do not have to be similar). The registered trademark must have been used to such extent on the goods or service for which it is registered that consumers are likely to assume a connection between those goods or services of the defensive trade mark. The requirements for the filling of defensive mark which provided in section 185 of Trade Marks Act 1995 can be concluded the circumstances are as follows:

- a. the trade mark must, at the time the application for a defensive registration is filed, already be registered in the name of the applicant;
- b. the trade mark must have been used to such extent, in relation to all or any of the goods or services in respect of which it is registered, that its use on the goods or services sought by the defensive registration would be likely to be taken by consumers as indicating a connection between those goods or services and the owner of the registered trade mark;

²¹⁷ SEE section 185 point (2) Australian Trademark Act 1995

²¹⁸ SEE section 185 point (3) Australian Trademark Act 1995

- c. it is not necessary for the registered owner of the defensive trade mark to have an intention to use the trade mark in respect of the particular goods or services specified; and
- d. a defensive trade mark may be registered in respect of particular goods or services even if it is already registered in the name of the applicant in respect of those same goods or services. Alternatively a trade mark registered as a defensive mark in respect of particular goods or services may be subsequently registered as any other type of trade mark for the same goods or services.

The applicable of register consist of two main points which are formality requirement and substantive examination. In formality requirement, registration a mark as defensive mark is basically the same as for standard mark application. The applicant should also state the number of the trade mark registration upon which the application for defensive registration is based. The application may be based on more than one registration, particularly if the application for registration of defensive trade mark is multi-class. The registration must be in the name of the application and if the application proceeds to acceptance, an endorsement stating the basis for the defensive registration is entered.

In substantive examination, there may be ground for rejection of defensive trademarks. Substantive examination cannot be completed until the evidence required is filed. This regulation requires the evidence to be filed at the time of filling the application for defensive registration or as soon as practicable after filling. However, if the case comes to examination without the evidence being filed, examination should be carried out as far as possible and any ground for rejection should be reported. The evidences required for defensive applications must be

supplied as a declaration and submitted in electronic format via e-Services.

Evidences for a defensive registration should cover the following aspects:²¹⁹

- a. Statement of case setting out full particulars of the facts on which the applicant relies in support of their application. This statement should take the form of a statutory declaration by the applicant or a responsible officer of the applicant company and should be two-fold.

Firstly, the reputation of the basic trade mark must be clearly established by indicating:

- 1) duration and amount of use, specifying the goods or services in respect of which use has occurred;
- 2) areas in respect of which use has occurred; and
- 3) advertising methods and outlay and samples of dated advertising matters.

Secondly, the complainant should explain the basis on which the applicant's claim for defensive registration is made. This should cover, for example, why potential consumers are likely to infer a connection with the applicant when the trade mark is used on different goods or services and the nature of that likely connection. Mere assertion is not a substitute for a convincing declaratory explanation of the applicant's case.

- b. Supporting declarations should, if necessary, be filed from members of the trade related to the goods or services for which defensive registration is sought. The reasons for the declarant's assumption of an inferred connection should be stated. Stereotyped declarations are generally of little value.
- c. An alternative is a professionally conducted market survey. If properly designed, this is likely to be very effective.
- d. A list of like trademarks already registered and the goods or services for which they are registered should be provided.

²¹⁹ IP Australia, "Evidence Required for Defensive applications", Trade Marks Office Manual of Practice and Procedure, Taken from [http://manuals.ipaustralia.gov.au/trademarks/Defensive Trade Marks/ Evidence required for defensive applications.htm](http://manuals.ipaustralia.gov.au/trademarks/Defensive_Trade_Marks/Evidence_required_for_defensive_applications.htm) accessed on March 26, 2018, 10.19 AM.

When assessing the declaration and the evidence provided the examiner should consider the following:

- a. The evidence being considered should be comprehensive in relation to the use claimed and the examples provided in support of the defensive application.
- b. The examiner would need to be satisfied (by the evidence provided) that the reputation of the basic trade mark is such that an ordinary consumer would assume that the goods and/or services claimed in the defensive application were provided by the applicant.

There are grounds of rejection a defensive mark application which stipulated under section 187 of the Trade Mark act 1995, based on those regulation the application must be rejected:

- a. If the trade mark is not registered, or is not registered in the name of the applicant;²²⁰
- b. In the case of a registered trade mark if it is not likely that the use of trade mark in relation to the goods or services in respect of which its registration as a defensive trade mark is sought will be taken to indicate that there is a connection between those goods or service and the registered owner.²²¹

The registration will not be vulnerable to removal on the ground of non-use. It means that there is no requirement that a defensive trade mark be used on the goods or services of the defensive registration and a defensive mark cannot be removed on the reason for non-use.

Registration of defensive mark may be cancelled if the trade mark is not otherwise registered in the name of the registered owner of the defensive trade mark²²² or where the proprietor is no longer registered as

²²⁰ SEE Section 187 point (c) Australian Trademark Act 1995

²²¹ SEE Section 187 point (d) Australian Trademark Act 1995

²²² SEE Section 188 Australian Trademark Act 1995

the proprietor of any other type of mark. The provision of infringement for marks well-known in Australia may be regarded as amount to *de facto* for defensive mark registration. Defensive trademark is differ from standard trade mark as follows as:²²³

- a. Defensive mark is not vulnerable to removal for non-use as there is no statutory requirement that a defensive trade mark be used in Australia or that the applicant even have an intention to use the trade mark in respect of the registered goods and services;
- b. The defensive trade mark must be akin to a “well-known” mark in Australia. Evidence of reputation must be provided before a registration can be obtained;
- c. The applicant must already own a registration for its “well-known” mark before applying for a defensive registration of the same mark. The goods or services covered by a defensive trade mark may include the goods and services contained on the standard registration for the same trade mark, as well as goods and services which the applicant does not use or intend to use the trade mark upon. However the goods and services upon, which there has been no use or for which there is no intention to use the trade mark, are limited to those who would, if the trademark were used upon them by another trader, be likely to be taken to indicate that there is a connection between those goods and services and the registered owner of the standard trade mark; and
- d. Evidence of reputation and likelihood of connection between the goods and services of the defensive application and the owner of the standard trade mark must be filed at the time of applying for the defensive trademark or very soon afterwards.

Defensive mark is also regulated in Trade Mark Regulation 1995 as statutory rules made under the Trade Mark Act 1995. This regulation specifically covered on the International trade mark to be protected as defensive mark. It is mentioned in Part 17 Trade Mark regulation 1995. According to this regulation an applicant for registration of a defensive

²²³ Jenny Mackie and Dawn Logan Keeffe, “*A Reference Guide To The Australian Trade Mark System*” , (Australia : Pizeys Patent & Trade Mark Attorneys Australia & New Zealand 2009), First Edition, p 8-9

trade mark must file evidence in support of the application or as soon as practicable after, the time of filing of the application.²²⁴

Defensive mark applies due to the based on protected international trade mark. Because of the extent to which protected international trade mark has been used in relation to all or any of the goods or service in respect of which it is protected, it is likely that the use of the trade mark in relation to other goods or services would be taken to indicate that there is a connection between goods or services and the holder of the protected international trade mark.²²⁵

The holder of the protected international trade mark may apply for its registration as a defensive trade mark in respect of any or all of the other goods or services.²²⁶ The Part 17 of Trademark Act applies for the purposes of an application as if:²²⁷

- a. a reference in that Part to a registered trade mark were a reference to the protected international trade mark; and
- b. a reference in that Part to goods or services in respect of which a trade mark is registered were a reference to goods or services protected by the protected international trade mark; and
- c. a reference in that Part to the registered owner of a trade mark were a reference to the holder of the protected international trade mark; and
- d. the reference in paragraph 187(c) of the Act to a trade mark that is not registered as a trade mark in the name of the applicant included a trade mark that is not a protected international trade mark held by the applicant; and
- e. the reference in section 189 of the Act to a trade mark that is not registered in the name of the registered owner included a trade mark that is not a protected international trade mark held by the registered owner

²²⁴ SEE Trademark Regulation 1995 17 paragraph 1 point (1)

²²⁵ SEE Trademark Regulation 1995 17.paragraph 2 point (1)

²²⁶ SEE Trademark Regulation 1995 Part 17 paragraph 2 point (2)

²²⁷ SEE Trademark Regulation 1995 Part 17 Paragraph 2 point (3)

Based on the explanations above, it can be concluded that, there are three main points on the registration of the defensive mark. First, the registration of defensive mark is for mark which already well-known. Second, defensive mark may be registered in relation of goods and/ or services mark that not to be used or intended to be used by the owner. Third, defensive registration is not intended to be cancelled or limited to trader who are not as the owner. Vice versa, defensive mark is facilitating to trademark owner with type of similar characteristic product as same as product served by standard mark owner.

Defensive mark registration system in Australia is to prevent the use of a trademark by another person from indicating a relationship with the holder of the relevant trademark right. The prevention of such false recognition as to the relationship with the holder of the trademark right is considered to overlap with well-known mark in some part with the prohibition of acts creating confusion.²²⁸

2. Well-known Mark Protection Based on Japanese Trademark Law

Japanese trademark law regulated under Trademark Act No .127 of April, 1959 as revision on Act 55 of 2015 Effective April 1, 2016. Under this law, Trademark Protection in Japan follows the systems of *First to file* protection which means all trademark rights derived from first application and then registration of a trademark and not from use. It is mentioned

²²⁸ Momoki Nishimura, "Entening the protection of Famous Trademark". IIP Bulletin, 2008, p. 60

under this act that indicating the First to file application in Japanese trademark protection system. Where two or more applications for trademark registration relating to identical or similar trademarks which are to be used in relation to identical or similar goods or services have been filed on different dates, only the applicant who filed the application for trademark registration in the earlier date is entitled to register the trademark in question.²²⁹

A trademark right shall rise upon registration of establishment of such right.²³⁰ It means that if any other applicants file applications for the identical or similar trademark used for identical or similar goods and services after the first applicant has applied, those later applications will be refused. The only exception to his rule is the treatment of famous marks.

The protection of well-known mark (*'syuchi-syohyo'*) regulated in article 4 section 1 point (x) which legitimate that the trademark registration shall not be effected and refused in the case of trademarks which are well-known among consumers as indicating the goods or services as being connected with another person's business, and trademarks similar there to, and which are used in respect of such goods or services or similar goods or services.

Based on this article, Japan Patent Office must refuse an application for trademark registration if it is identical with or similar to a well-known trademark of another person used for the same goods or services.

²²⁹ SEE Article 8 section (1) Japanese Trademark Law

²³⁰ SEE Article 18 section (1) Japanese Trademark Law

This articles also serves to reject a third party's unauthorized application of identical or similar trademark and invalidate its registration in case that designated goods or services and invalidate its registration in case that designated goods or service are identical or similar to which the well-known trademark has been used by its true owner.

The registration of well-known trademark is not required in this situation. This means, well-known trademark is protected from other party's registration although the trademark rights for it has not been established.²³¹ This particular provision is also accepted to be known and protected as well-known mark including foreign trademark which mentioned under article 4 section 1 point (xix)²³²

The concept of well-known mark might be mark with high level of distinctiveness amongst consumers, with this addictiveness being tested in relation to the geographical scope of knowledge or in a high level of geographically, rather than by knowledge.²³³ Well-known mark among consumers is stipulated in article 4 section 1 point (x) include trademark which widely recognized among traders in industry, trademark which is known throughout the country and trademark which is widely recognized in a certain area. Under the JPO Guidelines the concept of *syuchi-syoho* or well-known mark, the concept of well-known mark in Japan known as:

²³¹ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p 21

²³² Hiroko Onishi ,Doctoral Thesis “*Well-known trade mark protection....Op.Cit*.p.220

²³³ *Ibid*.p.221-222

- a. A mark which widely known among Japanese end consumers or relevant traders;²³⁴
- b. A mark which is known throughout Japan or in a particular area;²³⁵
- c. A mark which is well-known in several foreign countries ²³⁶

There is no provision stipulating criteria for determining well-known/famous trademarks. In order to prove a trademark's being well-known it must be considering some reference based on JPO Guidelines as follows:²³⁷

- a. the outcome of the questionnaire regarding consumers' awareness of the trademark;
- b. the start, the length of trademark's use or the area where the trademark is used;
- c. the volume of production, certification or delivery and a scale of business (number of stores, an area of business, an amount of sales...)
- d. the method, frequency and content of advertising;
- e. the degree of inherent or acquired distinctive of the mark;
- f. the nature of the goods or services and the channels of trade for the goods or services with which the mark is used;
- g. the nature and extent of use of the same or similar mark by third parties;
- h. the state of registration of the mark
- i. the record of successful enforcement of right in the mark;
- j. the value associated with the mark;

The above facts or criteria should be needed to be proved by a method using evidence, as following as:

- a. Printed matter which carrying advertisements, public notices such newspaper clippings, magazines, catalogues , leaflets
- b. Invoices, delivery slips, order slips, bill, receipts, account books, pamphlets
- c. Photographs or something like that showing the use of a trademark

²³⁴ SEE items 1 and 2 of chapter 3 part 8: Article 4 section (1) point 10 of the JPO guidelines
 .SEE appendix 3

²³⁵ *Ibid*, item 2

²³⁶ *Ibid* item 5 and 6

²³⁷SEE Items 3 point 1 and point 2 of Chapter II in Article 3 section (2) of JPO Guidelines

- d. A certificate by an advertisement agency, broadcasting agency, publisher or printer;
- e. A certificate by a public organization, etc. (the state, a local public entity, a foreign embassy in Japan, a chamber of commerce and industry);
- f. Articles in general newspapers, trade journals, magazines and the internet;
- g. Outcome reports of questionnaire intended for consumers regarding awareness of the trademark.

In determining whether a foreign trademark is well-known in Japan or not, it is necessary to take full consideration evidential documents demonstrated that the said trademark is well-known in that foreign country, that the goods on which the trademark is used are exported to other several countries or that services bearing the trademark are provided in several countries, if such documents are available.

The scope of protection relating to well-known trademark is applying article 4 section 1 point (x), it can be shown out some main point as follows as :

- a. Unregistered well-known trademark can be protected from other party's registration.
- b. Trademarks well-known among consumers include not only marks well-known among end consumers but also marks well-known within a certain specific areas and in the relevant sector of the public
- c. The criteria to determine the scope of being well-known among consumers has been set forth
- d. Other than using JPO well-known trademark list published on JPO's website trademark examiners can use any other trademark in his/her capacity as cited trademark provided that they can prove their options.

Besides that, the protection of well-known mark in Japan also regulated in article 4 section 1 point (xv) Japanese trademark law which

mentioned that registration shall not be affected in case of trademarks which are likely to cause confusion with goods or services connected with another person's business (other than the trademarks mentioned in items (x) to (xiv)). The scope of protection in this article for well-known trademark is broader than in article 4 section 1 point (x) Japanese trademark law. This provision is applicable to famous trademarks and highly renowned or highly well-known trademark, regardless of whether or not the mark are registered in Japan. The purpose of this provision is not to register or protect trademark for which there is a risk of mutual confusion even in the case of trademark used for dissimilar goods or services.

This article applies in case where the users of goods or services are likely to be confused over the source of the goods concerned which mistakenly recognized as those connected with the business of other people; and the business of other people who has a certain economic or organizational relationship with other persons. This article adopts the confusion theory in a boarder sense.²³⁸

A trademark is liable to cause confusion over the source of a good or service. Sometime, it can be recognized as different with a famous trademark by some people or it can be similar to a famous trademark of other but use for different goods or services, falls under the provision of this paragraph 4 section (1) point (xv). The purpose of this provision is to

²³⁸ Hà Thi Nguyet Thu, Final Report in....*Op.Cit.* p.26

protect business credibility of the trademark user and the interests of the consumers by preventing a free ride on well-known or renowned indications, preventing dilution of the indication, and protecting the trademark's function of distinctiveness. The main point said in the article 4 (1) point (xv) as follows:

- a. Trademarks are excluded from registration under this article should be identical or substantive similar to well-known trademark;
- b. Trademarks is protected under this article should be well-known throughout Japan in other words it is famous;
- c. The goods or services designated in filed trademarks and those pertaining to a business or another person whose trademark has become famous are dissimilar;
- d. It must be shown the confusion in broad sense in applying this article.

In order to determine the factors of well-known trademark under Japanese System the factors to be determined as follows:²³⁹

- a. Trademarks well-known among consumers do not only mean trademarks widely known to final users but include trademarks widely recognized among traders
- b. With respect to the geographical area, it is not always necessary that a trademark be well-known throughout the entire country, nevertheless it only need be proven that the trademark recognized as well-known in at least a part of the country. However, in the case of famous trademarks, a trademark must be very well-known throughout entire Japan
- c. Trademarks well-known among consumers abroad but do not have been existed or registered in Japan may be protected under Japanese law. In this case, the well-known mark owners need to be well-known in the countries that originated from necessary need to be well-known in multiple countries those countries. Moreover, the goods or services on the foreign trademark is used must be exported or provided in several countries
- d. It is naturally desirable that both fairly long-term use of the trademark and the presence of extensive publicity or the like are necessary. However, since there are cases in which the goods as

²³⁹ *Ibid* .p 44

well as the trademark may become popular and in demand in a short period of time the fact that the goods or services of a particular trademark will be sold only for a short time and possibly marketed through large scale publicity therefore this fact should be taken into account.

Besides that, it is also regulated in another article 4 paragraph (1) point (xix) which mentioned that registration of mark is not effected in the case of Trademarks which are the same as or similar to trademarks that are widely recognized among consumers either in Japan or in foreign countries as identifying the goods or services related to another's business and are used for illicit purposes such as trading off the goodwill of another or causing damage to another may not be registered. According to this article trademarks are excluded from registration under this should be identical or similar to well-known trademark

In order to be protected under this item the well-known trademark should be consisted of a coined word or remarkable features in its constitution. In order to be protected under this item the Japanese trademark must be well-known in nationwide or extremely well-known region wide and the foreigner trademarks that are only well-known in one foreign country is sufficient. The unfair intention in this case is required. The confusion about the goods or services is not required.

The criteria of well-known mark in Japan are signed by the existence of trademark counterfeiting towards the similarity of goods and /or services or known as the unfair competition. The protection of well-

known mark in Japan also related to the existence of the protection to obtain defensive trademark registration. The defensive mark purposes in order to well-known mark is not used by others to submit registration of mark with different kinds of goods.

The defensive trademark system in Japan gives greater protection to well-known/famous trademark because it allows the owner of a registered well-known/famous trademark to obtain a defensive mark registration of a mark identical to his registered trademark where a third party's usage of the registered trademark for goods or services which are different from the designated goods or services will cause the possibility of confusion between the goods or services of the third party and the designated goods or services pertaining to the trademark owner's business.

The requirement of defensive mark registration mentioned in Japanese Trademark Law under article 64 section (1) and article 64 section (2) stipulated that:

Article 64 Section (1):

“where a registered trademark pertaining to goods is well-known among consumers as that indicating the designated goods in connection with the business of a holder of trademark right, the holder of trademark right may, where the use by another person of the registered trademark in connection with goods other than the designated goods pertaining to the registered trademark or goods similar there to or in connection with services other than those similar to the designated goods is likely to cause confusion between the said other person's goods or services and the designated goods pertaining to his/her own business, obtain a defensive mark registration for the mark identical with the registered trademark in connection with the goods or services for which the likelihood of confusion exists.”

Article 64 Section (2)

“Where a registered trademark pertaining to services is well-known among consumers as that indicating the designated services in connection with the business of a holder of trademark right, the holder of trademark right may, where the use by another person of the registered trademark in connection with services other than the designated services pertaining to the registered trademark or services similar thereto or in connection with goods other than those similar to the designated services is likely to cause confusion between the said other person's services or goods and the designated services pertaining to his/her own business, obtain a defensive mark registration for the mark identical with the registered trademark in connection with the services or goods for which the likelihood of confusion exists.”

Based on both article can be shown several point that, the requirement as follow as:

- a. A trademark is famous mark for a certain goods/services as indicator of source demonstrating goods/services of a famous mark owner.
- b. There is likelihood of confusion between trademarks when third party use the famous mark in connection with goods/ services but it's not identical or similar to those of famous mark.

A use or intention to use of a famous mark for dissimilar goods/services is not essential so long as there is a likelihood of confusion between goods/services of famous mark and dissimilar goods /services used by a third party. Defensive mark will not be vulnerable to cancel due to non-use of the defensive mark remains meeting the requirements. Defensive mark can be cancelled by non-use for dissimilar goods/services presents definitely a great advantage for a famous trademark owner. A use

of a defensive mark by a third party may constitute infringement of trademark right of a famous mark.²⁴⁰

Defensive mark in Japan also can be applied to the trademark right pertaining to be a regionally and commonly used collectively based on collective trademark. The registration of name is deemed to the own or member of the collective mark user.²⁴¹ An applicant may convert an application of usual trademark registration into an application of defensive mark.²⁴² The conversion of an application may not be made after the examiner's decision or the appeal/trial decision on the application for trademark registration becomes final and binding.²⁴³

The duration of a right based on defensive mark registration shall expire after ten years from the date of registration of the establishment of such right. The duration of a right based on defensive mark may be renewed by filling an application for registration of renewal however, that this shall not apply to the case where the registered defensive mark becomes unregistrable as a defensive mark pursuant to Article 64.²⁴⁴ It means the examination examined by an examiner if the defensive mark still remains satisfying the requirements. The renewal of defensive mark registration also can be refused due to reasons of:

²⁴⁰Japan Patent Attorneys Association, *Defensive Mark* http://www.jpaa.or.jp/old/?page_id=18006, accessed on January 21st, 2018 at 9.52 PM.

²⁴¹ Article 64 section 3 mentioned that "*For the purpose of the application of the preceding two paragraphs in relation to defensive mark registrations pertaining to a trademark right pertaining to a regionally based collective trademark, the term "his/her own" in the said paragraphs shall be deemed to be replaced with "its own or its members'."*

²⁴² SEE Article 65 Section 1 Japanese Trademark Law

²⁴³ SEE Article 65 section 2 Japanese Trademark Law

²⁴⁴ SEE Article 65 point (1) and (2)

- a. the registered defensive mark pertaining to application is filed becomes unregistrable as a defensive mark pursuant to Article 64; and
- b. The applicant is not a person who has the right based on the defensive mark registration.

Defensive marks are registered separate from which are used by the Japan Patent Office (JPO) for regular registrations. In addition, Japan Patent Office provided lists of well-known trademarks. This list is created for the purpose that the registered admitted as well-known marks through defensive trademark, by appeal /trial decisions or the well-known marks recognized by court rulings can be searched by concerning parties and served as reference for examiners and other competence authorities.²⁴⁵ The list of well-known trademark is not prepared by Japan Patent Office but it is provided by National Centre for Industrial Information and Training (INPIT)²⁴⁶ who hosts a database of well-known and famous marks which currently consists of defensive marks and registered marks²⁴⁷. These lists may be helpful for assuming which trademarks are well-known in specific foreign markets.

²⁴⁵ Hà Thi Nguyet Thu, Final Report in....., *Op.Cit* .p 48

²⁴⁶ The INPIT was established as an independent administrative institution on April 1, 2001. The Center provides comprehensive information on industrial property. This includes gathering and preserving official gazettes on industrial property from all over the world, and offering them for public perusal; providing consultations on industrial property; collecting and preserving reference materials which may be used in examination and in appeal process at the Japan Patent Office, and offering them for public perusal ; and encouraging strategic exploitation of industrial property rights. In October 2004, the Center changed its name to the present one and started providing “human resource development services. (Taken from <http://www.inpit.go.jp/english/about/index.html> accessed on February 25th 2018 at 9.27 PM)

²⁴⁷ Marian Coquia-Regiidor , *On the Defensive*, August September 2009 World Trademark Review p. 17-18

From explanation above can be concluded that there are two ways to be acknowledged as well-known mark in Japan. First is to file an application as a defensive mark and obtain a defensive mark registration. Second is recognized through court decision and appeal /trial decisions.

The protection of well-known mark is provided in two kinds of law i.e. Japanese Trademark Act and Unfair Competition Act. The protection by Japanese Trademark Act is more focused on the administrative protection, meanwhile the well-known mark protection which infringed and distributed in public, the regulation referred to the provision of Unfair Competition act. Japan Patent Office explained o the definition of unfair competition law as mentioned below: ²⁴⁸

“The unfair competition prevention law is a law which promoted the protection of the benefits in the business of a company by preventing of unfair competition and at the same time promoting the protection of fair competition.”

Under Unfair Competition Law of Japan especially article 2 section (1) focused on the kinds of the action which give occasion to confusion which classified as unfair competition in term of mark. Under Japanese Unfair Competition act mentioned several kinds of actions which can be included as:

²⁴⁸ Japan Patent Office, *Industrial Property Rights Standard Textbook (trade mark)*, Japan Institute of Invention and Innovation , Japan , 1997 p. 47

- a. Actions that occurring confusion by using similar and identical indication with other's indication of goods (Indication of origin of goods or legal entity such name, trademark, goods wrapping and the other)²⁴⁹
- b. Actions that using identical or similar with well-known / famous indication of other. ²⁵⁰
- c. Actions to transferring goods and others to counterfeiting or fudging configuration of owned goods of others (by causing that indication limited in 3 years since first commerce).²⁵¹
- d. Actions that causing deception in relation with services. ²⁵²

The concept of unfair competition in field of trademark in japan is formulated concept in Japan as a various of actions that may occurring the actions of counterfeiting and infringement toward form of well-known mark, an action that may be cause error in the associating a product so that mark seem come from similar source and also action that causing losses and destruction of business reputation

Based on the explanation above, the protection of well-known mark according to Japanese perspective have been parsed and extended. Japan provide the maximum protection of well-known /famous mark in Japan from counterfeiting and unfair competition.

3. Well-Known Mark Protection Based on Indonesian Trademark Law

Indonesian Trademark Law regulated under Law number 20 of 2016 concerning on Marks and Geographical Indication. This law as the amended of the old law i.e. Law no 15 of 2001 concerning on Mark. This

²⁴⁹SEE Article 2 section (1) point (i) Unfair Competition Law, Japan Law no 47 promulgated on May 19,1990 (Amendments by : Law No 116 of December 14, 1994)

²⁵⁰ SEE Article 2 section (1) point (ii)

²⁵¹ SEE Article 2 section (1) point (iii)

²⁵² SEE Article 2 section (1) point (iv)

law is enacted on October, 27th 2016 and effective into force since February 1st, 2017. This law is aimed to encourage local enterprises to broaden their markets both locally and overseas which supported by the availability of immediate and effective legal protection. This law also provides the trademark owner with option of filling a trademark through a foreign country's trademark office (International Bureau) in accordance with the Madrid Protocol.

Indonesia follows the "*first to file*" or constitutive systems on the registration of mark which means that the right of mark will be acquired by the mark registration that already registered by owner to Directorate General of Intellectual Property. It is stipulated under article 3 Law no 20 of 2016 on Mark and Geographical Indication which clearly mentioned that "*Right of Mark is obtained subsequent to the registration of Mark hereto.*" Rights of Mark is an exclusive right, which is given by the state to the registered owner of Mark for a certain period of time by using the Mark personally or by giving permission to other party to use it. Therefore, the filing date of a mark application is very important as it reflects the prior right of the applicant.

Registration creates a trademark, registered parties are the only ones entitled to a mark and the third party registrant must respect the right of the first one as it is an absolute right. Those who are not registered will not automatically receive the legal protection. This registration system is a necessary condition for occurrence of mark rights. In other words, the

person who registered the mark then he/she the one who was given. The parties granted the legal protection are the parties who registered their mark.

Under Law no. 20 of 2016 on Mark and Geographical Indication, the usage of mark is one of absolute requirement to grant the trademark protection. In the case trademark does not use in the duration of 3 (three) years it will be deleted from the registration of mark. A deletion of registered Mark may also be filed by third party who has interests in the form of a lawsuit to The Commercial Court by a reasoning of that the Mark hereto has never been used for 3 (three) years consecutively in the trading of goods and/or services since the registration date or the latest utilization.²⁵³ There are also the exception to the unused mark with several reasons there are:

- a. Import Restriction;
- b. Related restriction of goods distribution license which utilizing the related Mark or a temporary decision from an authorized party; or
- c. Similar restriction enacted under Governmental Decree.

For the protection of registered well-known mark under article 83 mentioned that owner of a registered mark and/or the licensee of registered mark may file a law suit to the counter party who unrightfully utilizing a mark which has similarity in its essential or its entirety for goods and/or service of the same kind, in a form of:

- a. Damages law suit, and/or

²⁵³ SEE Article 74 of Law No.20 of 2016 on Mark and Geographical Indication

- b. Termination of all acts that related to the utilization of Mark hereto.

Based on article 21 paragraph (1) Law no 20 of 2016 concerning on Mark and Geographical Indication. Application of mark will be rejected if that mark has similarity or identical with:

- a. A registered Mark owned by another party or applied first by another party for goods and/or services of the same kind;
- b. *Well-known Mark owned by another party for goods and/or services for the same kind;*
- c. *Well-known Mark owned by another party for goods and/or services not of the same kind which is in compliance to particular requirements; or*
- d. Registered Geographical Indications.

The article 21 section (1) point b and c provided the protection to well-known or famous mark owner from the application of mark by another parties which have similarity or identical with those famous mark/well-known mark whether for goods and/or services for the same kind or for goods and/or services not for the same kind which fulfill certain requirements.

Article 21 section (1) point b have similar method with the implementation of article 21 section (1) point (a) which contains on the application of refusal if those mark have similar and identical with a registered mark owned by another party or applied first by another party for goods and/or services of the same kind. One of significant differences are well-known/famous mark that become ground of refusal must not be registered or applied first.

In substantive examination, objection document and additional with evidences that submitted in step of announcement from famous/well-known mark owner become main reference of examination to opposing based on article 21 section (1) point (b).

In elucidation of this article 21 clause (1) point b stated the refuse of application which have similarity or identical with well-known/famous mark by another parties for goods and/or services for same kinds conducted by considering the general acknowledgement of public regarding on those mark in relevant business aspect. Besides that, it must consider the reputation of mark that acquired due to rapid and great promotion. In addition, investment in several countries in the world which committed by the well-known/famous mark owner and the mark registration evidences in some countries. If that is not enough, the Commercial Court may order independent institution to implement survey for purposes to acquire conclusion relating on whether or not the mark is well-known as the ground of refusal.

This law also provide protection for unregistered well-known marks, and against people who have bad faith and attempt to apply for registration of such well-known marks for their own benefits. It is explicitly mentioned in article 76 and its elucidation that stated a lawsuit to annul a registered mark can be filed by an interested party based on the reasons stipulated

under article 20²⁵⁴ and/or article 21 and owner of unregistered mark may file a lawsuit after he/she submitted an application to the Minister.²⁵⁵ Annulment lawsuit is filed to the Commercial Court against an owner of registered mark. Unregistered mark classifications are Good faith trademark owner which his/her mark has not registered and/or famous/well-known mark but its mark do not registered.

This law explicitly order to the mark owner to register its mark due to importance of mark registration in Indonesia against trademark piracy and infringement caused '*bad-faith*' registration²⁵⁶ which often occurred in Indonesia to increase their profits. Bad Faith application exists where a third party or illegitimate owner of mark registers that the mark first in Indonesia, including famous/well-known mark, thereby preventing the legitimate owner from registering it.

²⁵⁴ Article 20 Law no 20 of 2016 on mark and geographical indication mentioned Mark cannot be registered if:

- a. Against the state ideology, the laws and regulations, morality, religion, decency, or public order;
- b. The same with, related to, or only mentions goods and/or services that are being applied for its registration;
- c. Contains element that can mislead people regarding its origin, quality, kind, size, variety, intention of use of goods and/or services of the same kind;
- d. Contains information that does not in accordance with its quality, benefit, or efficacy of the produced goods and/or services;
- e. Does not have distinguishing elements; and/or
- f. It is a public name and/or public symbol.

²⁵⁵ Minister is a minister who establishes the governmental administration in the field of law hereinafter Ministry of Law and Human Rights

²⁵⁶ Bad Faith registration exist where a third party (not the legitimate owner of the mark) registers the mark first in Indonesia, thereby preventing the legitimate owner from registering it . Referred to as "Applicant with bad faith" is the alleged Applicant in registering his Mark having intent to imitate, trace, or follow the Trademark of another party in the interest of his business resulting in a condition of unfair business competition, deceiving, or misleading the consumer (SEE elucidation article 21 section (3) of Law No.20 of 2016 on Mark and Geographical Indication)

Ministry of Law and Human Rights issued Ministry of Law and Human Rights Regulation (“*Permenkumham*”) no 67 of 2016 on Trademark Registrations which set out several main points to be explained under Indonesia’s new trademark law system. The regulation is the implementation of article 21 section (4) Law no 20 of 2016 which ordering the advanced regulation on famous/well-known mark in government regulation. This regulation becomes the further explanation from the Law no 20 of 2016 on Mark and Geographical Indication especially of trademark registration and renewal. It also sets out clear criteria for recognition of a well-known mark based on Ministry of Law and Human Right Regulation (*Permenkumham*).

The criteria on famous/well-known mark is clearly mentioned in this *Permenkumham*. In order to determine the famous/ well-known mark, it must be conducted by analyzing on the common public acknowledgement on famous/well-known mark in the relevant business fields.²⁵⁷ Public or society is consumer or society in common who have good relationship on production level, promotion, distribution or marketing towards protected goods and/ services by its relevant famous mark/well-known mark.²⁵⁸ Based on article 18 clause (3) *Permenkumham* No. 67 of 2016 on mark registration, in order to determine criteria of mark as famous/well-known mark will depend on the following aspects or factors of the mark as follows:

²⁵⁷ SEE Article 18 clause 1 *Permenkumham* No. 67 of 2016 on Mark Registration

²⁵⁸ SEE Article 18 clause 2 *Permenkumham* No. 67 of 2016 on Mark Registration

- a. Level of knowledge or recognition of the public toward the mark in the concerned business field as famous/well-known mark;
- b. Marketing volume of goods and/or service and the acquired profit from the use of concerned mark by its owner;
- c. Mark share that is controlled by the mark in the connection with distribution of goods and/or services in society;
- d. Geographical coverage of mark's use;
- e. Duration of mark use;
- f. Mark promotion and intensity , including investment values used for its promotion;
- g. Mark registration or application in other countries;
- h. Level of success of law enforcement in mark field , especially regard on mark recognition as well-known/famous mark by competent authority; or
- i. Inherent value of the mark acquired due to its reputation and quality assurance of goods or services protected by mark.

The refusal of mark registration due to have similarity or identical with famous/well-known mark owned by other party for similar and dissimilar goods and/or services in substantive examination may be conducted if it is fulfilling two main requirements. Firstly, famous/well-known mark must submitted opposition towards mark registration in announcement step. The opposition must contain sufficient reason and evidence to become burden of proof that mark owned by opposite petitioner is famous/well-known mark and application or mark registration of other party have similarity or identical with mark owned by opposite petitioner. Secondly, mark of opposite petitioner is famous/well-known mark which is registered.²⁵⁹

4. Comparative Analysis

Based on comparative studies from the three states i.e. Australia, Japan and Indonesia, it can be concluded that comparative analysis contains on

²⁵⁹ SEE Article 19 *Permenkumham* No. 67 of 2016 on Mark Registration

similarity and differences of well-known /famous mark protection system

of three countries provided in table below:

Table 1: Comparative Analysis Table

Indicators	Australia	Japan	Indonesia
Legal Basis	<ul style="list-style-type: none"> a. Trademark Act 1995; b. Trademark regulation 1995 c. Common Law Practice 	<ul style="list-style-type: none"> a. Trademark Act No .127 of April, 1959 as revision on Act 55 of 2015 Effective April 1, 2016 	<ul style="list-style-type: none"> a. Law no 20 of 2016 concerning on the Mark and Geographical Indication b. <i>Permenkumham</i> no 67 of 2016 on mark registration
Authorized Institution	IP Australia	Japan Patent Office	Directorate General of Intellectual Property Ministry of Law and Human Rights
Definition of Well-known/ Famous Mark provided in the Law	<p>Australian trademark law does not specially mention a definition for well-known mark. Whether a mark is well-known is left to local administration i.e. IP Australia and Courts to determine. Market Surveys are not much used in proving reputation and may be disgraced by the courts. The trademark is known must be considering the relevant sector of public knowledge whether as a reputation of the promotion of the trademark mark or any other reason</p>	<p>The concept of well-known mark in Japan known as:</p> <ul style="list-style-type: none"> a. A mark which widely known among Japanese end consumers or relevant traders b. A mark which is known throughout Japan or in a particular area c. A mark which is well-known in several foreign countries (JPO Guidelines). <p>There are two ways to acknowledged as well-known mark in Japan. First to filling application as defensive mark and obtain it and secondly recognized through court decision</p>	<p>Law no 20 of 2016 do not mentioned explicitly regarding on the definition of well-known mark, But in order to determine the mark is well-known known/famous mark by another parties for goods and/or services for same kinds conducted by considering the general acknowledgement of public regarding on those mark in relevant business aspect. Besides that, it must consider the reputation of mark hat acquired due to rapid and great promotion , investment in several countries in the world which committed by the well-known/famous mark owner and addition with</p>

			that mark registration evidences in some countries. If that is not enough, the Commercial Court may order independent institution to implement survey for purposes to acquire conclusion relating on the whether or not the mark is well-known as the ground of refusal.
Trademark Protection systems	First to use (Declarative system) Trademark right is established from the use of mark, First User will granted to trademark right. The registration in Australia is not essential for the establishment of trademark rights and it is only give significant benefits for administration.	First to File (Constitutive System), All trademark rights derived from first application and registration of a trademark and not from use. (Article 18 section 1)	First to file (Constitutive Systems) “Right of Mark is obtained subsequent to the registration of Mark hereto.” (Article 3 Law no 20 of 2016)
Protection from Passing Off action and Unfair Competition	Yes, Under Australian trademark Law , the well-known mark protection also provided under Passing off action for unregistered mark must be fulfilling elements such as : a. reputation b. misrepresentation c. damage	Yes, Japan Unfair competition act mentioned several kinds of actions provided in article 2 section (1). Those are several of actions may be occurring from actions of counterfeiting and infringement toward form of well-known mark distributed in the society referring to the Unfair Competition act.	No, In Indonesia passing off is not regulated. Nevertheless there are provision indicating the existence of passing off is same as provision in article 21 clause (3) mentioned that Application shall be rejected if an Applicant with a bad faith files it and also in the elucidation mentioned. In the elucidation of this article Applicant with bad faith is the alleged Applicant in registering his Mark having intent to imitate, trace, or follow the Trademark of another party in the interest of his business resulting in a condition of unfair

			business competition, deceiving, or misleading the consumer. Nevertheless, there is no clear explanation on the elements of passing off under Indonesia trademark law. If it is referring to Indonesian unfair competition especially article 50 Law no 5 of 1999 on Anti-monopoly and Unfair Competition, All of IPR aspects including trademark is the exception for monopoly
Criteria and/or factors to determination of well-known mark	<ul style="list-style-type: none"> a. uniqueness of the mark; b. extent and duration of use; c. extent and duration of advertising and promotion of goods/services d. market share; e. whether use of the mark is exclusive to the owner; f. channels of trade (multiple channels suggesting broad reputation); g. extent of commercial value attributed to the mark; h. degree of recognition of the mark (indicated, for example, by unsolicited requests from potential licensees, manufacturers of consumers); i. Whether the trade mark is used as a domain name. 	<ul style="list-style-type: none"> a. the outcome of the questionnaire regarding consumers awareness of the trademark; b. the start, the length of trademark's use or the area where the trademark is used; c. The volume of production, certification or delivery and a scale of business (number of stores, an area of business, and an amount of sales...) d. the method, frequency and content of advertising; e. the degree of inherent or acquired distinctive of the mark; f. the nature of the goods or services and the channels of trade for the goods or services with which the mark is used; g. the nature and extent of use of the same or 	<ul style="list-style-type: none"> a. Level of knowledge or recognition of the public toward the mark in the concerned business field as famous/well-known mark; b. Marketing volume of goods and/or service and the acquired profit from the use of concerned mark by its owner; c. Mark share that is controlled by the mark in the connection with distribution of goods and/or services in society; d. Geographical coverage of mark's use; e. Duration of mark use; f. Mark promotion and intensity, including investment values used for its promotion; g. mark registration or application in other countries;

		<p>similar mark by third parties;</p> <p>h. the state of registration of the mark</p> <p>i. the record of successful enforcement of right in the mark;</p> <p>j. the value associated with the mark;</p>	<p>h. Level of success of law enforcement in mark field , especially regard on mark recognition as well-known/famous mark by competent authority; or</p> <p>i. Inherent value of the mark acquired due to its reputation and quality assurance of goods or services protected by mark.</p>
Protection of Unregistered Well-known mark	Unregistered well-known mark owner may protected their mark from infringement by basis of passing off action. Nevertheless unregistered well-known mark owner shall have basis of reputation of its mark.	Unregistered well-known mark can be protected from other party's registration (Article 4 section point (x))	Unregistered or had not registered well-known mark considered as interested parties who may fill lawsuit to cancellation of mark (elucidation of article 76 of Law no 20 of 2016)
The refusal of registration or mark registration from infringement in order to protect the well-known mark or mark with reputation	<p>The registration of a trademark may be opposed on the ground that :</p> <p>a. another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and</p> <p>b. Because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.</p> <p>The meaning of acquired a reputation in Australia is not at all clear. And there are few criteria for identifying the relevant group of marks. (Section 60 trademark Act 1995)</p>	The registration of mark shall not affected if: trademark which are well-known among consumers as indicating the goods or services... and trademark which are well-known among consumers in japan or abroad (article 4 section (1) Japanese Trademark Law)	<p>Application of mark will be rejected if that mark has similarity or identical with:</p> <p>a. Well-known Mark owned by another party for goods and/or services for the same kind.</p> <p>b. Well-known Mark owned by another party for goods and/or services not of the same kind which is in compliance to particular requirements;</p>

Defensive mark registration	Yes, Australia provided Defensive mark registration	Yes, Japan provided Defensive mark registration	No, under Indonesian trademark law do not recognized defensive mark
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B. Legal Possibility to Regulate Defensive Mark as Well-Known Protection in Indonesia

By the existence of globalization and huge investment and also importance of product enter to the domestic market who those products obtained the well-known by viewing several registrations, distributions of product and also promotion in market create the legal protection in Indonesia should be adopting along with those market development. Under the Indonesian trademark law’s consideration mentioned that *“the era of global trade, in-line with international convention ratified by Indonesia, the role of Trademark and Geographical Indication is of utmost importance as to protect an equitable and healthy business competition, consumer protection, and to protect Micro, Small, and Medium Businesses and local industry. In order to strengthen service and to grant legal certainty to the trade, industry, and investment field as to encounter the growth of local, national, regional, and international economy; and international and the growth of technological information and communication, it is deemed necessary to be supported by more adequate law and regulation in the field of Trademark and Geographical Indications.”*

The main problem of the protection of well-known/famous mark in Indonesia is controversial issues. There are several practices of protection of well-known mark in several countries such Japan and Australia that cannot be

implemented in Indonesia such as the implementation of defensive mark as legal protection to well-known mark and/or famous mark in Indonesia.

It is reflected by the case of *Kabushiki Kaisha Monteroza*²⁶⁰ v *Arifin Siman*.²⁶¹ In which *Kabushiki Kaisha Monteroza* is one of restaurant in Japan who obtained and used defensive mark certificate as one of evidence in the trial. Defensive mark utilization in this case to prove that the Plaintiff's Mark is well-known. Case was happened on jurisdiction of Commercial Court Central Jakarta which happened on December, 26th, 2012. *Kabushiki Kaisha Monteroza* as the owner of WARA-WARA and SHIROKIYA intended to register the mark to Mark directorate. DGIP of Ministry of Law and Human Rights, Nevertheless, the mark registration was rejected by DGIP due to the Mark of WARA-WARA and SHIROKIYA has been registered by *Arifin Siman* with same trademark i.e. WARA-WARA and SHIROKIYA in DGIP in Indonesia.

Figure 01



Figure 02



²⁶⁰ Kabushiki Kaisha Monteroza (Hereinafter called as Plaintiff) is legal entity established based on Japanese Law on May 23rd, 1983

²⁶¹ Arifin Siman (Hereinafter called as defendant) is entrepreneur come from Karang Bolong, Jakarta

(Figure 01: Plaintiff's Mark entitled as WARA-WARA which registered as
Defensive trademark)

(Figure 02: Plaintiff's mark entitled as SHIROKIYA)

Figure 03



Figure 04



(Figure 03: Defendant's Mark entitled as WARA-WARA)

(Figure 04: Defendant's Mark entitled as SHIROKIYA)

Trademark registration of WARA-WARA and SHIROKIYA cannot be implemented in Indonesia due to the existence of the registration of Arifin Siman. Meanwhile in Japan, *Kabushiki Kaisha Monteroza's* trademark already registered by registration of defensive mark by register number 4185167. In which that registration become the evidences in the court. In order to obtain defensive mark it must be the strong senior mark who already known as famous mark. In other words the well-known mark is already well-known in Japan, by obtain defensive mark. Beside that *Kabushiki Kaisha Monteroza's* Trademark already registered in several states such China, Korea, Malaysia, America, Singapore, Hong Kong, Russia, and registered in WIPO International bureau.

The claim from *Kabushiki Kaisha Monteroza* as the holder of defensive mark is not accordance with the trademark law in Indonesia because Indonesia does not recognize the systems of defensive mark as well-known mark protection. In other hand, *Arifin Siman* already registered WARA-WARA and SHIROKIYA as the first register on September 23rd 2003. Nevertheless, Plaintiff argued that there is the bad faith from defendant to register his mark. The Commercial court of Central Jakarta No. 90/Merek/2012 /PN.NIAGA JKT.PST. Panel of Judge rejected the lawsuit of *Kabushiki Kaisha Monteroza* for all (*Menolak gugatan penggugat untuk seluruhnya*) by several consideration: ²⁶²

- a. Considering the evidences presented by the plaintiff, the panel of judge has not been able to see many people who recognize this brand, known to the Food Court some malls, but cannot know who has opened a restaurant under this mark, while overseas from promotions based on the evidence presented by Plaintiff is registered in Korea at 2006, Hong Kong at 2007 and China at 2010, nevertheless, Panel of Judges also have not gained a broad overview there how much the public in those states know Mark, whether it has been since 2002 or after that;
- b. Considering from the facts that obtained by the evidence filed by the plaintiff, the promotions seen only in the first in Korea at 2006, Hong Kong at 2007 and China at 2010 after in the year of 2002 were named after the mark was registered in Indonesia on behalf of defendant;
- c. Considering that three countries promotion for the category of well-known mark is not enough and after that, the promotion started since 2006, after the mark is registered in Indonesia;
- d. Considering that, pursuant to Article 69 paragraph (1) of Law no 15 of 2001 concerning on mark: a lawsuit registration may only be filed within 5 (five) years from the date of the registration of the mark;
- e. Considering, that from the evidence presented by the plaintiff, the Assembly did not see any attempt by the Plaintiff to prove the defendant in obtaining the mark due to a bad faith;
- f. Considering that based on the evidence presented by the defendant, it is found that the claimant is not the first party to register the mark in

²⁶² Supreme Court Verdict (Cessation decision) Number 491 K / Pdt.Sus-HKI/2013, p.10-11

Indonesia, since the trademark has already been registered by the Defendant.

Meanwhile in 2013, *Kabushiki Kaisha Monteroza* issued cessation due to unsatisfied with judge's verdict. The Supreme Court decision number 491K/Pdt.Sus-HKI/2013 declared "*Menolak permohonan kasasi dari Pemohon Kasasi*" and also there is no dissenting opinion on this verdict, there are the Judges Consideration of Supreme Court: ²⁶³

- a. Commercial court Central Jakarta in District court of Central Jakarta, *Judex Factie* is not wrong to apply the law and has given consideration enough ;
- b. The objections of cessation is only the repetition that already considerate appropriately ;
- c. Based on the provisions of article 24 of Law no 15 of 2001 on Mark , The defendant already fulfilling *first to file* principle on the Mark of WARA-WARA and SHIROKIYA
- d. Other cassation excuses regarding on the results of a property appreciation, which cannot be considered in the appeal on the cassation due to the cassation examination only with regard to the misappropriation of the law, the negligence in meeting the requirements required by the law legislation;
- e. Considering whereas based on the consideration, it turns out that the delegate of the commercial court in the central Jakarta court in this case is not in conflict with the law and / or the law, so that the petition filed by the *Kabushiki Kaisha Monteroza* cessation must be rejected.

From the verdicts and case position above, the author argued that the plaintiff can issued the cancellation as long as there is bad faith from the defendant. It is also stated in Article 6bis Paris Convention clause (3) which stated "*No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.*" And mentioned in Article 77 clause (2) of Law no 20 of 2016 on Mark and

²⁶³*Ibid*,p. 20-21

Geographical Indication which mentioned *“An Annulment lawsuit may be filed without any time limitation if there is a bad faith and/or Mark hereto is contradictory with the state ideology, laws and regulations, morality, religion, decency, and public order”*.

In here, there is bad faith because defendant is registering his Mark which have intent to imitate, trace or follow the trademark of another party in the interest of his business resulting in a condition of unfair business competition, deceive, or mislead the consumers. The elucidation of Article 21 clause (3) Law no 20 of 2016 mentioned the example of registration by bad faith is the trademark application is in the form of writing, painting, logo, or color arrangement similar to that of another party or mark that has been known by the public in general since years, imitated in such a way as to have an equivalence in essence or in its entirety with such a known mark.

Regarding on the defensive mark utilization, under article 43 TRIPs mentioned that, *“The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.”* If referring in article 1866 Indonesian Civil Code (ICC) and article 164 HIR, the evidences consist of:

- a. Written evidences;
- b. Witness testimony;
- c. Presupposition;
- d. Confession and;
- e. Oath.

Based on those both article, the plaintiff may issue lawsuit by the evidences of defensive trademark certificate as reasonably available evidence to supports its claims. The defensive trademark registration certificate may become written evidences especially in classification of written evidence. Nevertheless, it is all depends on judge conviction whether will be considering defensive mark to considering mark is well-known or not. In this case, Judges does not considering the mark as well-known based on defensive mark because, in Indonesia defensive mark registration is not regulated and recognized. The judges using the law positively. Judges argued the defendant is fulfilling *first to file*. It is reasonable due to the principle of mark registration is territorial principle.

Based on judges' consideration who do not have the overview, how many people in Korea, Hong Kong and China based on their conviction. It cannot be justified. Because according to the author in order to know the mark is well-known, it must be burden of proof in which the commercial court may order the independent institution to implement survey to take conclusion regarding on the mark is well-known, famous mark or ordinary mark based on the elucidation of article 21 of Law no 20 of 2016 on Mark and Geographical Indications.

Meanwhile according to article 16 clause (2) TRIPs agreement *j.o.* article 6bis Paris Convention mentioned *“In determining whether a trademark is well-known, member shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the member concerned which has been obtained as a result of the promotion of the trademark.”* The judges or authorized parties or independent institution who conducted survey must consider whether the mark of plaintiff is well-known or not based on knowledge of trademark in relevant sector of the public in Indonesia and in China, Korea and Japan.

Nevertheless, there are the problem who are the independent institution to implementing survey what institution is obligated to considering survey or whether this institution is competence institution of not to knowing IPR especially well-known mark. The difference is Japan has National Centre for Industrial Property Information and Training (INPIT) that hosts a database of well-known and famous marks. In the facts there is no promotion in Indonesia by advertisement for those mark. In conclusion, the mark of WARA-WARA and SHIROKIYA cannot be protected as well-known mark in Indonesia. Principally, the mark protection is territorial rights except by registration toward Madrid Protocol systems, so in order to protect the mark it must be registration in Indonesia.

If refer to JPO website, it is true that, the marks of plaintiff is well-known mark and fulfills criteria in Japan. However, it cannot be considered automatically become well-known mark in Indonesia and become reason

whether, its marks should be fulfilling criteria of well-known in Indonesia or whether the Indonesian peoples is known about this mark and also the existence of defensive mark to proof the famousness of mark cannot automatically indicated that mark is well-known. Due to the choice of law or law followed in this case is an old Indonesian trademark law, Law no 15 of 2001 on Mark. Mark of WARA-WARA and SHIROKIYA of plaintiff must fulfil criteria as mentioned in elucidation of article 21 clause (1) point b and factor and aspects as mentioned in article 18 clause (3) *Permenkumham* number 67 of 2016 on mark registration.

According to author, in this case, WARA-WARA and SHIROKIYA owned by plaintiff do not fulfill all of the aspects and factors that mentioned in regulations especially on relevant public knowledge in Indonesian society. Nevertheless the marks fulfill the mark registration or application in other countries, but in this provision there is no limitation of time concerning on mark registration in other country, in Hong Kong, China, Japan which may raise the confusion and multi interpretation.

In Indonesia, to determine whether the mark is famous/well-known mark in other method is based on the Court Decision. Furthermore, DGIP will follow that decision and adjust that mark is well-known mark. In this case, the court decision in Indonesia refused the famousness of that mark, and it cannot be considered as well-known mark based on DGIP perspective, and cannot obtained the legal protection in Indonesia.

According to Panji Wiratmoko²⁶⁴ as Informant, the provision and elucidation of article 21 of Law no 20 of 2016 on Mark and Geographical Indication especially concerning on well-known mark provision, there are some weakness as follows as:

- a. There is no specific provision of the process or procedure or the development of ordinary mark become well-known mark or famous mark;
- b. The registration of mark do not consideration whether the mark is well-known / famous mark or not;
- c. There is no specific registration of well-known mark or famous mark even though in trademark law become basis of refusal of mark registration.
- d. There is not access in DGIP website of well-known mark database.

In here, there is legal vacuum in Indonesia, regarding on the defensive mark provision that cause the Plaintiff do not get legal certainty and also justice in the court. So that the defendant who obtain the registration have his/her right as legitimate owner in this case, based on the principle of *first to file* that followed by Indonesia. Furthermore, the protection of trademark is based on the territorial principle which means the registered trademark is only registered in the territory where the trademark was registered. Nevertheless, the registration of trademark also must be based on good faith. Therefore, DGIP as the state who granted the protection of trademark should be consider whether or not the registration of the trademark is based on good faith or bad faith.

²⁶⁴ Interview Result with Panji Wiratmoko, Staff on Public Legal Service and Intellectual Property on Ministry of Law and Human Rights Regional Office of Special Region of Yogyakarta, February 15th 2018.

The unregistered well-known mark in Indonesia also granted the legal protection by the existences of legal efforts based on the trademark law in Indonesia. Based on the court proceeding above that, the defensive mark is used as the one of the evidence in the court, even though it is not recognized yet in Indonesia. Due to the procedure of defensive mark registration, it is more expensive and complicated, the judge may be considering the defensive mark as well-known mark by proving the defensive mark and famousness of those mark by do survey.

In Indonesia, defensive trademark is not regulated and not recognized due to there are no provisions who mentioned exactly or chapter concerning on defensive trademark. If compared with Australia and Japan as mentioned previous sub-chapter that their trademark law mentioned clearly provisions concerning on defensive trademark registration. In order to obtain defensive mark, they must maintain the registered mark who have reputation or goodwill. It means that both countries have the strong protection on the well-known mark by provided the defensive trademark registration. As mentioned by Mitsuharu, the use of mark who obtained defensive mark registration by a third party with respect to goods or services different from the goods or services designated for the trademark may cause confusion, dilution and if the trademark is well-known mark and damage goodwill that has accrued to the registered trademark.²⁶⁵

²⁶⁵ Mitsuharu Takeuchi, *Practical Use of Defensive Mark System in Japan*, SOEI Patent & Law Firm, Japan, p.1

However, based on this case, it concerns the invalidation of famous mark registrations in Indonesia that are wrongfully obtained by trademark pirates. This is because there is no simple method for clearing the trademark register of unused trademarks. It is the only option is to file proceedings in court.²⁶⁶

As mentioned in previous explanation, the protection of well-known mark in Indonesia is regulated under Law Number 20 of 2016 which mentioned in Article 21 clause (1) point b and c. The application will be rejected if mark have similar and identic with well-known mark owned by other for same kinds of goods and /or services and well- known mark for goods and services for not similar kinds or different kinds by fulfilling certain requirement. The requirement is mentioned clearly in *Permenkumham* number 67 of 2016 on mark registration especially in article 19 clause (3) point a and b that are there is the objection which submitted written by the owner of well-known mark and also registered well-known mark. And also regarding on the application, Article 6 clause (1) Law no 20 of 2016 on Mark and Geographical Indication mentioned that “*application for more than 1 (one) goods and/or services may applied in one application.*” The application of more than 1 (one) goods and/or services is depend on the trademark owner whether he/she will be registration more than 1 (one) goods and/or service in an application or in differ application without considering that mark is well-known or not.

Difference with defensive mark registration that applied for defensive mark must be required to obtain the registered trademark that has been well-

²⁶⁶ Brett McGuire, “*Indonesia Trademark Review*”, *Anti-Counterfiting , A Global Guide* , Rouse & Co International, 2010.p. 120

known and have reputation in Public. In defensive mark, well-known mark can be registered in all kinds of goods and/or services outside the use of well-known mark in used well-known mark. From that provisions, In Indonesia trademark law there are provision which have similarity with the provision of defensive mark that is different goods and/or services. The differences is the well-known mark in Indonesia is only registered as same as the ordinary mark and do not obtained a double registration by defensive mark compared with practice in Australia and Japan trademark law. In addition, defensive mark may be not used by the owner while under Indonesian trademark law perspective that, The mark may be cancelled if it is not used in 3 (three) years but the defensive mark registration cannot be cancelled by reason of non-use and also the cancellation of defensive mark is only can be done if the prior registered mark also be cancelled.

According to Panji Wiratmoko as informant practically, the registration of mark in Indonesia has no difference on registration of well-known, famous mark and ordinary mark. All of kinds of mark that will be registered is enter to one database in DGIP.go.id.²⁶⁷ In order to examining mark application, Mark examiner based on Standard Operational Procedure using three groups of database that are WIPO Global Brand Database, ASEAN TMview and *Penelusuran E-status KI*. If it is compared with the trademark registration in Japan and Australia where the registration can be classified into regular mark registration and well-known mark as defensive mark. Again, based on

²⁶⁷ Interview Result with Panji Wiratmoko, *Op.Cit*

explanation of informant in trademark law of Indonesia is only mentioned that well-known provide protection. Nevertheless, there is no operational definition regarding on well-known, famous mark and also does not mention since there is no provision that mentioned the ordinary mark becomes well-known.²⁶⁸

From the explanation, the author concluded that the well-known or famous mark in Indonesia is based on the mark protection system in Indonesia i.e. first *to file*. This can be difficult for foreign well-known mark which well-known in their country to be registered in Indonesia that already registered based on defensive mark in their country. It also occur for the same situation of the local mark or senior mark which already registered and attached in *Daftar Umum Merek*. If there is conflict between those registered mark and unregistered foreign well-known, it will be bring to the court, which according to author it is not effective due to complicated process and also they will not necessarily win in this case and based on the judge conviction and also burden of proof in the court, such the case of *Kabushiki Kaisha Monteroza v Arifin Siman* as explained above, this statement based on elucidation of article 76 of Law no 20 of 2016 on Mark and Geographical Indication which mentioned that, “*well-known mark or famous mark may issue cancellation lawsuit even though their mark is not registered or had not registered.*”

According to Lily Evelina Sitoris, the protection of defensive mark has actually more advantages than the protection of mark from unfair competition

²⁶⁸*Ibid*

or passing off action and also the ordinary mark protection. In the unfair competition action especially in Japan, if there is lawsuit it must be provided evidences to prove the reputation, misrepresentation and damages of trademark as one of requirements in the dispute settlement on the passing off action. Meanwhile, by the existences of defensive mark which already registered in authorized institution, if there is dispute so that, by submit the defensive mark evidences which help the mark owner. The benefits, defensive mark as follows: ²⁶⁹

- a. Customs rules allow for temporary fixing of imported goods that violate mark rules. This provisional appointment is not made through unfair business competition law but may be possible in a defensive mark system;
- b. Rules of unhealthy business competition does not set criminal sanctions against violations of well-known marks. It can only be done on a popular brand that is proven to cause confusion in its use therefore it is very difficult to crack down on criminal rules but for defensive marks, the criminal code is complete.

In addition, the author argues that, there are some other benefits to using defensive mark if it is implemented in Indonesia as follows:

- a. By the implementation of defensive mark in Indonesia, so that the indicator on well-known mark or famous mark will be more obvious due to registering a mark as defensive mark, the mark should be required well-known mark and also may become evidence before the court. In other words, the defensive mark owner is well-known mark owner.
- b. Defensive mark provides the means of legally asseting the famousness of trademarks in Indonesia, not only by civil action but also criminal law enforcement.
- c. The facilitation or the easiness to be given to well-known mark owner especially to the foreign mark that want to registerd thiiir mark in Indonesia in which those foreign mark is recognized as well-known mark as well-known mark owner in Indonesia.

²⁶⁹ Lily Evalina Sitoris , "*Defensive Mark Sebagai Aset Merek*",*Op.Cit.*,p. 21

- d. The defensive mark will give more prevention of trademark infringement and mark dilution and counterfeiting in Indonesia.

The implementation of defensive mark in Indonesia has the reason, so those mark will not be cancelled by the reason of non-use. It will contradict with the article 74 Law no 20 of 2016 which mentioned “a deletion of registered Mark may also be filed by third party who has interests in the form of a lawsuit to the Commercial Court by a reasoning of that the Mark hereto has never been used for 3 (three) years consecutively in the trading of goods and/or services since the registration date or the latest utilization.” It is indicating that the mark must be used.

Nevertheless, beside the benefit, there is also disadvantages, if the defensive mark implemented in Indonesia such as there will be much of criminalization toward local mark which infringed the defensive mark of well-known mark owner from foreign well-known and/or local well-known mark which will become the obstacle to business actor of Indonesia to be developed. There are several factors that will become obstacle to regulating the defensive mark in Indonesia.

- a. By the lack of knowledge of small business actors of Indonesia regarding on the defensive mark, Indonesian will be inclined to regulated ordinary mark rather than regulated defensive mark, so that defensive mark registration by Indonesian business actors will be useless
- b. The readiness of mark owner in Indonesia is still low in order to managed their mark so this also created the defensive mark will be useless
- c. Not many marks in Indonesia that have been considered as a well-known mark and registered in WIPO International Bureau make the factor inhibiting the application of defensive mark in Indonesia.

According to Nova Susanti, Indonesia is not recognized and known the terms of defensive mark as protection of mark, Nevertheless, indirectly the legal protection maybe observed by the existence or the accomodation of right of well-known mark right in law enforcement. As mentioned in article 83 paragraph (2) which indicating that the well-known mark owner may issued lawsuit before the court. Again, in the determination of well-known mark in Indonesia, she said it must be a judge's decision to determine the well-known. She also mentioned that, in article 21 paragraph (1) point b and c Law no 20 of 2016 also, there is ground of refusal toward the unsame kinds of goods and/or services.²⁷⁰

Defensive mark, according to her, is for the criminal law enforcement, again indirectly the criminal provision is already exist in the Indonesian trademark law i.e in article 100²⁷¹of Law No 20 of 2016 on Mark and Geographical Indication. In article 100 is material law in nature, which means the protection of mark by criminal law enforcement is only issued by

²⁷⁰ Interview Result with Nova Susanti, Head of Division of Legal Consideration and Litigation Directorate of Mark and Geographical Indication Ministry of Law and Human Right Republic of Indonesia. At Jakarta, February 21st 2018.

²⁷¹ Article 100 of Law No. 20 of 2016 on Mark and Geographical Indication stated that :

- (1) Every Person who unrightfully utilizes a Mark that is identical on its entirety with a Mark owned by another person for goods and/or services of the same kind which produced and/or traded, shall be sentenced with imprisonment for a maximum of 5 (five) years and/or a fine for maximum of Rp. 2.000.000.000,00 (two billion rupiahs).
- (2) Every Person who unrightfully utilizes a Mark which have similarity in its essentiality with a registered Mark owned by another person for goods and/or services which produced and/or traded, shall be sentenced with imprisonment for a maximum of 4 (four) years and/or a fine for maximum of Rp. 2.000.000.000,00 (two billion rupiahs).
- (3) Every Person who violates provisions as stipulated by paragraph (1) and paragraph (2), that the kind of goods affects health problem, environmental problem, and/or human death, shall be sentenced with imprisonment for a maximum of 10 (ten) years and/or a fine of maximum Rp. 5.000.000.000,00 (five billion rupiahs). And also in Article 103 mentioned that criminal acts of trademark is complaint offence.

registered mark and not for unregistered mark. The well-known mark which already registered as long as there is judge verdicts and report to the investigator. And also maybe issued the damages claim as civil action as mentioned in article 83 Law no 20 of 2016.²⁷²

According to informant, the elucidation of article 21 of Law no 20 of 2016 concerning on mark and geographical indication, which mentioned “*the huge promotion in “some” states....,*” The words of “some” means more than 2 (two) according to respondent. When determine whether or not the mark is well-known mark, it must be the conviction of examiner to determine whether or not fulfill the criteria as mentioned in elucidation of article 21 of Law no 20 of 2016 on Mark and Geographical Indication. Whether or not, those mark already registered in some states, or invest in some state or not and also promote their mark in some countries.²⁷³

There are 3 (there) steps to registrar the mark i.e application, announcement, and substantive requirement. If there is opposition towards the mark application or third party who opposed against the application of mark registration in announcement process. In the situation that, the opposed party or third party is well-known mark in which there applied mark have similar or identical with well-known mark, so in this process, the evidences of well-known or famousness of mark is submitted as basis to examiner to be valued those mark. Regarding on the article 19 clause 2 point (a) and (b) *Permenkumham*

²⁷² Interview Result with Nova Susanti. *Op.Cit*

²⁷³ *Ibid*

No. 67 of 2016 for unsame kinds of goods and/or services as mentioned in above also indirectly indicating the defensive mark nevertheless in the practice is not same as what already exist in Japan and Australia.²⁷⁴

The provision on mark protection based on passing off or unfair competition for unregistered trademark owner is also do not obviously regulated in Indonesian trademark law. There are no exact elements regarding on the passing off action in Indonesia which focused on the whether or not there is the existene of reputation, misrepresentatation and damage. So that, according to the author, the mark protection in Indonesia is not give the legal certainty and justice to mark owner that already granted as well-known mark. The provision on the mark in Indonesian Trademark law is also not covered all of well-known mark problematic in the entire world. As the example of the defensive trademark in which there is no direct provision which mention the provision on defensive trademark in Indonesia and also do not recognized in the Jurisprudence such the case *Kabushiki Kaisha Monteroza v Arifin Siman*.

If compared with the state which used defensive mark protection such as Japan and Australia in which background of economic development is higher and also the people's awareness on IPR is high and most of their mark and industry is recognized as famous mark in the world. It is very difficult to implement a defensive mark in Indonesia where people still do not care about mark registration and develop their mark into a famous mark. On the other

²⁷⁴*Ibid*

hand, in Indonesia, defensive mark registration will be more costly because it will be a double maintenance fee for Indonesian business actors.

Taken from WIPO Global Brand Database, local mark in Indonesia, which already registered in database is only 903.191. This amount is still lower if it is compared with Japan in which the mark registration amount is 2.056.419 and Australia with mark registration amount is 1.639.269.²⁷⁵ Besides that, if compared with total amount of mark even direct or via through Madrid System. The total amount of mark in Indonesia also is lower than Japan and Australia. This provide by WIPO in WIPO Early Report 2017 on International Registration and subsequent designations via the Madrid System as provided in table below.²⁷⁶

Table 2: International Registration and Subsequent Designation via the Madrid Systems

Origin			Designated member
Name	Number of registrations	Subsequent designations	Subsequent designations
Australia	1,667	608	1,261
Indonesia	1	..	n.a.
Japan	1,975	2,139	1,343

²⁷⁵ Taken from <http://www.wipo.int/branddb/en/> on February 24th 2018 at 8.30 PM

²⁷⁶ World Intellectual Property Organization, *Madrid Yearly Review 2017*, First Publication ,WIPO, Geneva ,2017, p.28

(Taken from Madrid Yearly Review 2017 International
Registration of Marks)

Then, as taken from WIPO Statistic Information Resources center, the comparison of mark registration in three countries toward trademark application (direct and via the Madrid System) is reported based on type of total count by applicant's origin from year range 1980 to 2016. The percentage of mark registration direct and via Madrid System in Indonesia is 8.7 %. Meanwhile, the total count presentation of mark registration in Australia is 17.2 % and the total count presentation of mark registration in Japan is 74.1%.

²⁷⁷As provided in followed pie diagram:

Figure 05: Comparative of Total Count of Mark Registration



(Taken from WIPO Intellectual Property Statistic)

From data above, it can be concluded that, it is true that if mark protection in Indonesia is still low in International mark registration via Madrid System.

²⁷⁷Taken from WIPO Statistic Information Researches Center, <https://www3.wipo.int/ipstats/index.htm> accessed on February, 26th 2018 at 8.39 PM

If it is compared with mark registration of Japan and Australia. Although, Indonesia already ratified Madrid Protocol by Presidential Decree Number 92 of 2017 on “The ratification of Protocol Relating the Madrid Agreement Concerning The International Registration of Mark, 1989.” Nevertheless it must be considered the preparation of local mark and competition of local business actors against foreign mark so that local mark can be classified as well-known or famous mark in world in order to implement the defensive mark registration and international registration.

According to author, the usage of defensive mark in Indonesia gives more monopoly right and is justified under Competition and Anti-Monopoly Law of Indonesia. This monopoly right might have positive or negative implication. The positive implication is legal certainty and justice to the defensive mark holder as well-known mark owner especially foreign well-known mark. In the other hand, negative implication to local owner or small business actor who have lack of awareness on their mark and the legal protection of mark, in which using the mark that have similarity or identical with well-known mark that will be claimed and criminalized by defensive mark holder that will be impacted to the obstacle to their innovation and block to development of their business activities.

In order to consider whether or not the defensive mark may be registered in Indonesia, if the government of Indonesia want to include defensive mark in positive law in Indonesia, according to the author the government must pay attention the justice and legal certainty to all of parties include the local mark

and also foreign mark. The formulation of legal norms should be considering also the aspect of Juridical, philosophical and sociology of the people. Due to, in the essence the creation of legal norms also must be needed the aspect of legal necessary of the people.

As mentioned by Deddy Effendy Anakottapary as one of the respondent. He agreed if the defensive trademark is regulated in Indonesia by the reason of marks which come from the Indonesia will be raised and also there will be power to raise for the compete with the foreign mark as long as the local mark is ready to compete and acceptance by the people. The problem in Indonesia is local products lack to be accepted in the local market. It becomes dilemma in Indonesia nowadays. Meanwhile foreign products that market in Indonesia, even accepted by local market.

The local business actors in Indonesia have lack to invest their business to foreign and manufacture the product in the foreign country. The defensive mark implementation may be realized in condition that the local mark is already known. By the registration of defensive mark the scope of legal protection will be broader than the usual mark. He also argued to government and stakeholder to more encourage the people of Indonesia to love local product and also providing more socialization on the mark benefit to local business actor in Indonesia and increasing the IPR awareness of the local business actors to Indonesia.²⁷⁸

²⁷⁸ Interview Result with Deddy Effendy Anakottapary, Owner of Palem Craft Jogja who produces and exports home interior decoration and handicraft, at Bantul, February 19 2018

Besides that, according to author if government intends to include the provision of defensive mark in positive law in Indonesia, government should give priority to people interest and also the economic development of Indonesian society and also the IPR awareness must be increased. To formulate the defensive mark as one of technical provision especially relating with the protection of well-known mark, the government also must conduct research and comparative studies how the other states utilize the defensive mark as well-known mark protection such as Japan and Australia, if the defensive mark will be realized. Besides that, all of trademark infringement, trademark piracy, counterfeiting and also dilution of mark that conducted by Indonesian business actors should be decrease by the increasing the innovation and IPR awareness of Indonesian society.

The existence of defensive mark in Indonesia, trademark piracy, trademark counterfeiting and also unfair competition practice relating to mark especially well-known mark and famous mark can be decreased. The defensive mark registration become one of the solution of the problem relating to the mark as mentioned, and defensive mark can be one of ground of refusal to mark who violated and infringed well-known mark registered as defensive mark.

Under International Law, defensive mark is only regulated under Trademark Law Treaty 1994 article 21 which defensive mark is classified as *special kinds of mark* which the state members or intergovernmental organization conduct reservation those treaty. Meanwhile in Indonesia, Indonesia ratified Trademark Law Treaty 1994 by *Keputusan Presiden* No. 17

of 1997. It is become the obstacle in the enactment of technical regulation on the defensive mark in Indonesia.

Comparing the Japan and Australia that are only do accession toward Trademark Law Treaty 1994. Due to the legal obligation of Indonesia to follow in implication of all of the provision of Trademark Law Treaty 1994 so the legal possibility to regulated defensive mark in legal system in Indonesia is hard to be implemented. Nevertheless, if there are some condition relate to the urgency of defensive mark in Indonesia to be implemented and regulated in Indonesia, so by the interest of the society and political interest of Indonesian Government. Indonesian government may revoke Presidential Decree No. 17 of 1997 and cancelled the ratification of Trademark Law Treaty 1994 and convert it to the reservation of Trademark Law Treaty 1994 in order to implementing the defensive mark in Indonesia.

From the data and explanation above, in this matter, it is hard to implement defensive mark nowadays in Indonesia. The trademark law in Indonesia is still new. In order to regulate defensive mark must be considering how the implication and also the legal needs and its development in the future. Whether or not it will be important to regulate or not. However, for several years or in the present, the defensive mark may be needed and it is important to be regulated in Indonesia by the existence of business development and increasing of well-known mark comes from local mark or foreign mark. Intellectual Property is the subject that fast in its development.

Finally, whether Trademark law able to accomodate the all of the need of legal problem or not in Indonesia, especially in Indonesia. It is not possible to be implemented. Maybe defensive mark will be one of the choice to be regulated in the formulation of trademark law in Indonesia in the future. In addition, to regulate the defensive mark in Indonesia should consider number of local marks that are already well-known mark and recognized mark in international society and also the local mark must take risk on the law enforcement by criminal punishment or civil action by the existence of defensive mark regulation in future.

CHAPTER IV

CONCLUSION

A. Conclusion

1. The protection of well-known mark and famous mark is regulated in International law especially in Paris Convention on Industry Property and TRIPs Agreement. WIPO enacted WIPO Joint Recommendation concerning on Provisions on the protection of well-known mark in order to consolidate the international protection of well-known mark and famous mark. The states may set out the protection of well-known mark and famous mark based on its national law especially in the definition and also the criteria of well-known mark itself depends on the national law which is difference between state and the others state. For that reason, Australia and Japan are two states which formulated defensive mark in their national laws in order to protect the well-known and famous mark. In the other hand, in Indonesia, defensive mark is not regulated. Trademark protection in Australia adopts “first to use system”. In addition, the registration there is only benefiting for administration. Furthermore, well-known mark is also protected by passing off action by fulfilling elements of reputation, misrepresentation and damage. Japanese trademark protection follows “first to file system”. Japan also regulates the defensive mark completely toward Japanese Trademark Law. Defensive mark in Japan is recorded in a registration and separated from the ordinary mark. JPO website provides list of well-known mark which based on the recognition of court decision.

This list is provided by National Centre for Industrial Information and Training (INPIT) that hosts a database of well-known and famous mark, which can be searched by public and served as reference for examiners and competence authorities to examine whether the mark registrations do not have similarity and identical with the well-known mark. Unfair Competition Act in Japan provides several unfair competition practices which related to trademark infringement and counterfeiting. Meanwhile in Indonesia, trademark protection is based on the principle of “first to file”. Passing off or unfair competition does not regulate in Indonesia completely without considering the elements of unfair competition or passing off aspects in well-known mark. Defensive mark is not regulated and recognized under the trademark law of Indonesia. The protection of well-known mark in Indonesia is regulated in Law Number 20 of 2016 concerning on marks and geographical indication especially article 21 paragraph (1) and its elucidation, article 76 and its elucidation and also technical regulation on *Permenkumham* No. 67 of 2016 on mark registration article 18 and article 19. In here, Indonesia still has insufficient protection in the law due to strict protection that does not cover all of the law protection toward some kinds of trademark violations happened.

2. Based on the data and explanation as mentioned in previous chapter, the number of trademark registration in Indonesia is lower compare to the number of registration of Japan and Australia. It is reflected that Indonesian still lacked of protection toward their mark. Defensive mark is

classified as special kind of mark protection in Trademark Law Treaty 1994. Due to defensive mark, it is not regulated and recognized in Indonesia, the defensive mark owners who will be protected in Indonesia must be registered as ordinary mark. The unrecognized defensive mark is reflected in case of *Kabushiki Kaisha Monteroza v Arifin Siman* which the judges' verdict did not consider defensive mark as the reflection of well-known mark. Then, Indonesian trademark registration of well-known mark and famous mark considers as same as with the ordinary mark. Therefore, the defensive mark that comes from foreign countries that want to be protected in Indonesia must be registered as ordinary mark. Nevertheless, the defensive mark in Indonesia indirectly may be observed by the accommodation of well-known mark right in law enforcement in Indonesia such article 83 paragraph (2), article 21 paragraph (2) point b and c and also the criminal provision in the article 100 Law No.20 of 2016 and article 19 paragraph (2) point a and b *Permenkumham* No. 67 of 2016. There are several factors created the defensive mark in Indonesia which cannot be implemented such as the lacked awareness of Indonesian people to obtain legal protection on their trademark especially for small business actors. The trademark infringement and counterfeiting in Indonesia are still high in number. Moreover, the economic development and IPR awareness of Indonesian business actors are still low. Through implementation of defensive mark in Indonesia, it will give the benefit for the foreign mark owners who are already protected by the defensive mark

in their countries to be considered as well-known mark. It will threaten Indonesian local mark that still in the development process because it will cause much criminalization toward local mark which have less of IPR awareness by the well-known and/or famous foreign mark owner and big company which it will be become the obstacle to people economy in Indonesia. For that reason, it is impossible to regulate defensive mark in Indonesia nowadays due to the conditions of local mark which have less mark protection. Nevertheless, the defensive mark may become one of the solutions of the well-known mark protection to be regulated in Indonesia trademark law when Indonesian business actors are ready.

B. Recommendation

1. In order to include and govern the provision of defensive mark in technical regulation on trademark regulation in Indonesia, the government of Indonesia must conduct the empirical research and also comparative studies how the state who adopt defensive mark such as Japan and Australia maximize utilization of defensive mark as well-known mark protection. Besides that, the government must analyze and research on the legal need of people especially business actors of Indonesia on the necessary of defensive mark as mark protection.
2. Government of Indonesia must also increase the socialization and education to business actors of Indonesian to protect their Intellectual Property Right about how to manage and protect their Intellectual Property

especially well-known/famous mark trademark. The readiness of business actors in Indonesia to take risk on the defensive mark implication especially on the law enforcement must be obtained. If there are some urgencies and also legal necessities of Indonesian society to be regulated defensive mark in Indonesia as the legal protection of well-known mark in Indonesia especially for well-known mark which comes from Indonesian business actors. Due to the Intellectual Property, it is a subject which has the fast movement, so the law must follow this fast movement. The dilution, trademark piracy, trademark infringement, unfair competition and any violation related to trademark conducted by Indonesia business actors should be decreased in order to regulate defensive mark which is the same as Japan and Australia.

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Legal Materials

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Protocol relating to the Madrid Agreement concerning the International
Registration of Mark 1989

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Known marks

Law No.20 of 2016 concerning on Marks and Geographical Indication

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Registration

Japanese Trademark Act No. 127 of April 13, 1959, as amended up to Act No. 55
Of July 10, 2015

Australian Trade Marks Act 1995 as consolidated as of February 24, 2017

Japan Patent Office Guidelines

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Interviews

Interview with Deddy Effendy Anakottapary, the owner of Palem Craft Jogja who produces and exports home interior decoration and handicraft, at Bantul, February 19 2018

Interview with Nova Susanti, Head of Division of Legal Consideration and Litigation Directorate of Mark and Geographical Indication Ministry of Law and Human Rights Republic of Indonesia. At Jakarta, February 21st 2018.

Interview with Panji Wiratmoko, Staff on Public Legal Service and Intellectual Property on Ministry of Law and Human Rights Regional Office of Special Region of Yogyakarta, February 15th 2018.

ATTACHMENTS



KEMENTERIAN HUKUM DAN HAK ASASI MANUSIA R.I.
DIREKTORAT JENDERAL KEKAYAAN INTELEKTUAL
DIREKTORAT MEREK DAN INDIKASI GEOGRAFIS
Jl. HR.Rasuna Said, Kavling 8-9, Jakarta Selatan 12190
Laman: <http://www.dgip.go.id>

SURAT KETERANGAN RISET
NO. HKI.4.HI.06.06.06-55/2018

Yang bertanda tangan dibawah ini menerangkan bahwa:

Nama : **Renggi Ardy Putra.**
NIM : 14410319
Fakultas Hukum Universitas Islam Indonesia

Benar telah mengadakan riset berupa wawancara, tanya jawab dan pengumpulan data di Direktorat Merek dan Indikasi Geografis, Direktorat Jenderal Kekayaan Intelektual, Kementerian Hukum dan HAM R.I., pada tanggal 21 Februari 2018 dalam rangka penyusunan skripsi.

Demikian kami terangkan agar dapat dipergunakan seperlunya.

Jakarta, 21 Februari 2018

Kasi Pertimbangan Hukum dan Litigasi
Direktorat Merek dan Indikasi Geografis



Nova Susanti, SH.

NIP 19731124 2001122001



**KEMENTERIAN HUKUM DAN HAK ASASI MANUSIA RI
KANTOR WILAYAH DAERAH ISTIMEWA YOGYAKARTA**

JL. Gedong Kuning No. 146 Yogyakarta. Telepon. (0274) 378431

website : www.kumham-jogja.info email : subbid.ahuhki@gmail.com

SURAT KETERANGAN TELAH MELAKSANAKAN PENELITIAN

Nomor :W14.UM.01.01 - 852

Yang bertanda tangan di bawah ini saya Kepala Sub Bidang Bidang Pelayanan Hukum Umum dan Kekayaan Intelektual pada Kantor Wilayah Kementerian Hukum dan Hak Asasi Manusia Daerah Istimewa Yogyakarta dengan ini menerangkan bahwa mahasiswa di bawah ini :

NAMA : RENGGI ARDYA PUTRA
NIM : 14410319
PROGRAM STUDI : PROGRAM INTERNASIONAL
FAKULTAS : HUKUM
PERGURUAN TINGGI : UNIVERSITAS ISLAM INDONESIA

Telah melakukan penelitian atau riset guna penulisan Skripsi dengan judul : **“LEGAL POSSIBILITY TO REGULATING MARK AS WELL KNOWN MARK PROTECTION IN INDONESIA (A COMPARATIVE STUDIES OF WELL-KNOWN MARK PROTECTION BASED ON INDONESIA, JAPAN AND AUSTRALIA TRADEMARK LAW PERSPECTIVE)”** pada Kantor Wilayah Kementerian Hukum dan HAM Daerah Istimewa Yogyakarta.

Demikian surat keterangan ini dibuat untuk dipergunakan seperlunya.

Yogyakarta, 15 Februari 2018

Kepala Sub Bidang Pelayanan Hukum Umum

dan Kekayaan Intelektual



Santi Mediana Panjaitan, SH., MH.

NIP. 19780524 200112 2 001



No : 003/LO-PC/0218

Yogyakarta, 22 Februari 2018

Lampiran : -

Hal : Surat Keterangan Selesai Wawancara

Assalamualaikum wr. wb,

Yang bertanda tangan dibawah ini menerangkan bahwa :

Nama : Renggi Ardy Putra

No Mahasiswa : 14410319

Fakultas : Hukum

Jurusan : Ilmu Hukum (IP)

Judul Skripsi : Legal Possibility to Regulate Defensive Mark as Well-Known Mark
Protection in Indonesia

Yang bersangkutan telah melakukan wawancara di CV. Palem Craft Jogja, pada tanggal 19
Februari 2018

Surat Keterangan ini diberikan agar dapat dipergunakan sebagaimana mestinya.

Wassalamualaikum wr. wb,

Hormat kami,

Deddy Effendy An., S.T.

Direktur CV. Palem Craft Jogja