Protection Of Legal Trademark Against Keen From Passing Off

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Abstract

In a practice of a business on goods and/or services, the brand becomes an important factor in the sustainability and progress of the goods and/or services. The level of a brand of goods and/or services becomes a brand known by the public is the level desired by the manufacturer of the product and the owner of the trademark itself. The popularity of a brand becomes a famous mark capable of causing violations of the brand both in the country itself and outside of the country. Therefore, the famous brand should be given legal protection in terms of domestic and universal, because a famous brand is experiencing the development of business from domestic countries to other countries.

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I. Introduction

In a business practice on goods and/or services, the brand becomes an important factor in the sustainability and progress of the goods and/or services. The brand itself plays a role as a sign to select the production of goods and/or services that have been produced because of a person or legal entity. The brand is also used as a form to inform a commodity in the form of goods and/or services to the community which as a consumer, so that by mentioning the brand name the public can see the capacity of the goods and/or services produced.

The level of a brand of goods and/or services into a brand that is known by the public is the level desired by the manufacturer of the product and the owner of the trademark itself. The popularity of a brand becomes the famous mark, able to cause violations of the brand both violations in the country itself and outside of the country. Therefore, the famous brand should be given legal protection in terms of domestic and universal, because a famous brand is experiencing the development of business from domestic countries to other countries.

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off yet to be known, as the term passing off is newly increasing in countries that use common law system. However, even though it is not yet known in Indonesia, the brand (passing off) is one of the acts of cheating competition because it could pose a tremendous loss against the owner of the legitimate famous brand of this passing off action.

The issue of law enforcement on brand rights in Indonesia brought concern so great for its own investment activities where the action of brand violations of foreign reputed brands would cause harm to Indonesia itself. This condition can be seen from a dispute between Keen brands from America against Arif, a local businessman, in the year 2015. Seated, that is, the American brand Keen is a famous brand that has been recorded in some countries such as the United States, Australia, Austria, Belgium, Canada, etc. has also been investing in these countries by opening branches in the country and having been traded to parts of the country through its authorised distributors, appointed by Keen Inc. In 2014 Keen Inc. filed for brand registration in Indonesia and apparently Keen Inc. Realized there was the same brand name on the general list of brands in the Department of Kemenkumhan or Ditjen HKI, has registered the brand ‘Keen’ courtesy of Arif, a local businessman from Tangerang.

This ‘Keen’ brand of Arif has similarities in its entirety or essentially with the American brand ‘Keen’. Therefore, it is presumed that the brand is registered on a bad faith basis. The similarities between ‘Keen’ brands represented by Steve Meineke who gave the power to Daru Lukianto, S.H., with Arif’s ‘Keen’ brand that lies in the element of writing ‘Keen’ combined with ‘Kids’, the use of elements that surround the word ‘Keen’ and ‘Kids’ has a real similarity to the title of the company’s ‘keen’ and the use of a mixture of black and yellow. The other element lies in the equation of sound and pronunciation between the two brands. Equality of goods and types of goods, namely equally protecting the same goods in class 18 for the type of bag goods, backpack, mountaineering backpack, suitcase and travel bag, leather as well as imitation leather, 22nd grade for strap-on types, tents, hammocks, dak-Sak and pockets, grade 25 for shoe type, sandals, footwear, sport shoes, boots, sandals, and 35 class for type of store services, advertising and marketing. As the rightful owner of the famous brand Keen Inc. was severely harmed by the existence of this brand violation because Keen Inc. Felt its brand had been diboncengi by Arif’s local businessman by registering the brand of Keen in bad faith, and the case ended with the defeat of the American Keen Inc. The brand violation action against the famous brand is the most notable
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case to the Directorate General of HKI Kemenkumham of the Republic of Indonesia year 2019 as many as 34 cases of brand infringement.¹

From the above cases, the brand’s branding carried out by the perpetrators of passing off has caused a loss against the legitimate owner of the brand. Losses incurred can be a material loss and ensued where such as can damage from the brand image itself, the legitimate brand can lose its consumers, and can cause confusion in the community or consumers about the origin of the product. Based on the above, Passing off becomes one of the remedies implemented by the owner of the brand that has not been listed to protect its brand used by other owners.

II. Method

The method used by the author is normative juridical research. Upon the normative juridical method of research, the author conducts research on legal principles. Where this research has a purpose is to obtain a legal principle or a valid positive legal doctrine.² This type of research used is a perspective law that has a purpose to convey the idea or formulate a problem according to real evidence, so that this research utilizes normative legal methods with the aim of obtaining a clear picture of legal protection against the keen brand of Passing Off.

III. Main Heading of the Analysis or Results

Legal protection aims to reduce the occurrence of a trademark infringement. This legal protection is intended for the observation of the use of the brand, the protection of the exclusive rights of the rights holders of foreign well-known trademarks, and the appeal for the owner to record his brand to make his rights protected. According to the fact, in Indonesia itself still often found various products of goods and/or services that still use the name of the famous brand to be used as the name of the product with the aim to find profit with a fast tempo by forging or imitating from the famous brand. Therefore, the legislation in Indonesia governing the brand has been stipulated in the LAW No. 20 yr. 2016 on the brand and geographical indication which is the replacement of the LAW No. 15 THN 2001 on the brand.³

Then based on the above, MIG LAW No. 20/2016 explicitly set about protection against the famous brand located in Ps. 21 paragraph (1). And in the section explanation ACT MIG 20/2016 Ps. 21 paragraph (1) Letter B, wherein in the explanation Ps. It has the meaning of the rejection of the application of a brand that has an equation on the subject or the overall similarity with the brand has another party that is a famous brand for the same goods and/or services can be done by observing public understanding regarding the brand. In addition, it pays attention to the brand’s good name which can be obtained from a publicity that the brand owner has committed, investment by trademark owners in different countries, and there is evidence of brand recording from these countries. In addition, Universal brand acquaintance is also supported by a jurisprudence of the Supreme Court of INDONESIA in its verdict number 1486 K/PDT/1991 dated 28 November 1995 convey legal parameters regarding the famous brand, namely, the famous brand is a brand that is already out of the borders of the brand’s country of origin, when the brand is already registered in many countries, the brand is a famous brand If it is still considered insufficient to prove a well-known brand, then the Commercial court may be able to inject an autonomous agency in order to conduct a review to obtain information from the public or consumers about the brand known or not familiar that may be a basis for rejections.

A. Legal protection for KEEN trademark holders from Passing Off

In this case, brand owner KEEN trademark is not registered in Indonesia and can prove its brand acquaintance in the hearing, LAW No. 20 yrs 2016 MIG set up the registered trademark cancellation procedure through a commercial court, if Keen in this case is a famous trademark that has been submitted for registration in Indonesia by another party who has bad faith and has caused a condition of competition cheating and inflicting economic loss against plaintiff In the explanation section of Ps. 21 paragraph (3) LAW 20/2016 describes the ‘applicants who are not good intentions’, the applicant who is in a bad faith is the alleged applicant when registering his brand he has an intention to emulate, Plagiarize, follow the brand of others for his business interests and can create unfair business competition, or misleading consumers. In the case of keen, trademark owner KEEN reserves the right to file a lawsuit with the intention of cancelling the brand ‘Keen’ from Arif from the general list of brands on the Directorate of Brands, based on Ps. 76 paragraph (1) ACT 20/2016, because:
I. Based on Ps. 76 Subsection (1) juncto Ps. 21 paragraph (1) B, the brand 'Keen' of Arif entrepreneur origin of Tangerang has an equivalent in whole or equality in the matter with the brand 'Keen' of America where Keen brand is a famous brand for both goods and/or similar services and goods and/or services are not similar.

II. Under the provisions of article 76 paragraph (1) Juncto article 21 paragraph (3) of law No. 20 years 2016, the brand 'Keen' of Arif must be canceled from the general list of brands because of the brand 'Keen' than Arif filed with bad faith implemented by the owner ‘Keen’ This by doing the action mimicking and the brand's acquaintance of the American 'Keen' that is Notabene a famous brand.⁴

B. Legal attempt by trademark holders KEEN from Passing Off

In LAW No. 20 yrs 2016, in addition to arranging brand submissions, brand substance inspection, cancellation and removal of the brand, but also set about the law of the event regarding the Conference of the brand. The Ordinance of the Conference brand has been arranged in Ps. 73 until Ps. 92, and Ps. 94 to Ps. 97. In this KEEN case, KEEN parties have filed a lawsuit to the Commerce court but the KEEN lawsuit was rejected due to a deadline. Thus, the American trademark owner also filed for the case because it did not feel satisfied with the court of Commerce. The verdict given by the Commercial Court judge is rejected the lawsuit from the plaintiff because the brand registration cancellation lawsuit has been at the time of 5 (five) years from the date the list brand has Arif. However, the commercial court ignores the next paragraph, a cancellation lawsuit can be filed with no time limit if the registration of such brand with no element and/or brand that is not sesuai to state ideology, legislation, morality, religion, morality, and public order.⁵

C. Legal consequences for perpetrators who conduct action Passing OFF on the KEEN trademark

The consequences of the law occur due to a legal event.⁶ The consequences of the law for perpetrators who carry out Passing Offs against KEEN trademark are:

1. Civil

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⁵ Ibid, p. 60
Actions violating a brand’s rights may incur a loss on the trademark owner. However, the damages cannot be based on article 1365 of the Civil Code. But already in the Ps. 83 Subsection (1) UU No. 20 yrs. 2016 MIG, then the claim must be based on the provisions of the article. In this KEEN case, the claims given from the trademark owner ’Keen’ to Arif entrepreneur from Tangerang, about the existence of bad faith in applying for registration brand ‘Keen’ in Indonesia, can be seen from:

a. There is an identical similarity between the American brand ‘Keen’ with the brand ‘Keen’ of entrepreneurs from Indonesia.

b. There is an identical similarity to the use of the brand ‘Keen’ on behalf of Arif owner of the brand ‘Keen’ from Indonesia on the number of products produced and/or traded, with the use of the American brand ‘Keen’ on some products produced and/or traded.

c. The products produced and/or traded with the brand ‘Keen’ on behalf of Arif entrepreneurs Tangerang are products aimed at outdoor activities that are in common with the brands of ‘Keen’ American origin.

d. There has been confusion among the people as consumers of the brand ‘Keen’, where consumers refer products manufactured in Indonesia is the same as products produced and/or traded by ’Keen’ American origin.

In the event of bad faith from the owner of the brand ‘Keen’ Indonesia has also been strengthened by the statements and actions taken by the international institutions as follows:

a. Brand owner ‘Keen’ from Tangerang already got a letter from the Embassy of the United States who urged to stop all its activities in using the brand ‘Keen’ on behalf of Arif because the brand is the original property of ’Keen’ American origin.

b. International institutions such as panels in the Uniform Domain-Name Dispute-Resolution Policy (UDRP) through the dispute resolution provider World Intellectual Property (WIPO) or known as a Domain name dispute resolution institution in its verdict has transferred the www.keen-indonesia.com ownership of Arif to the owner of the American brand “Keen” because the UDRP Panel assumed that the address of the site containing the word keen is the property.
c Social media like Facebook has also stopped ownership of Keen Adventure account which is managed by Arif entrepreneur from Tangerang origin because Facebook assumed that Keen is the property of trademark owner ‘Keen’ American origin.

2. Administration

In Ps. 76 paragraph (1) of LAW No. 20 yrs 2016 MIG, a registered trademark cancellation may be filed by the parties who have the appropriate interest in Ps. 20 and/or Ps. 21. With the above case and weighed against the objections from the American trademark owner Keen, the Supreme Court stated that:

1 The owner of the American brand ‘Keen’ is the owner who used the first time and is the rightful owner of the brand ‘Keen’ to give the difference with the goods/services belonging to the plaintiff with other goods/services.

2 Reveals that the brand ‘Keen’ is a famous brand.

3 Brand ‘Keen’ belong to Arif, entrepreneur from Tangerang with registration number IDM000152638, registration number IDM000096016, registration number IDM000096012, registration number IDM000152639, registration number IDM000152467, registration number IDM000096011, registration number IDM000096013 has an equation to the risk under the brand Keen, INC.

4 Brand ‘Keen’ belongs to Arif, entrepreneur from Tangerang with registration number IDM000152638, registration number IDM000096016, registration number IDM000096012, registration number IDM000152639, registration number IDM000152467, registration number IDM000096011, registration number IDM000096013 has been registered with bad faith.

5 Cancel or at least declare the void of registration stating Arif’s brands with the registration number IDM000152638, registration number IDM000096016, registration number IDM000096012, registration number IDM000152639, registration number IDM000152467, registration number IDM000096011, registration number IDM000096013.

6 Instruct Arif to cancel registration with registration number IDM000152638, registration number IDM000096016, registration number IDM000096012,

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registration number IDM000152639, registration number IDM000152467, registration number IDM000096011, registration number IDM000096013 from the general list of brands.

7 Punish the entrepreneur from Tangerang to fulfill the cost of the case with the amount of Rp 5,000,000 (five million rupiah).^8

IV. Conclusion

Based on the discussion above regarding legal protection against trademark holders keen from Passing Off, it can be concluded:

1. Legal protection for KEEN trademark holders of the act of passing off according to LAW No. 20 yr. 2016 about MIG is functioning protecting the trademark of KEEN itself from the act of passing off by the perpetrator who has registered its brand in the Directorate of Brands on the basis of bad faith. Legal protection in Indonesia can be seen in Ps. 20 and Ps. 21 paragraph (1). And the legal remedy taken by KEEN trademark owner is through the litigation line by submitting a lawsuit to the commercial court and re-submitting the appeal to the Supreme Court for not being relieved of the ruling of a commercial court judge.

2. The legal consequences for the perpetrators who perform the act of passing off on the KEEN trademark is with the civil which the perpetrator of the action passed off pays compensation to the trademark owner KEEN, in addition to that the perpetrator also pays the entire cost of the lawsuit at all levels of justice, and all brands that have been registered by the actors to the brand Directorate

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