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LEGAL PROTECTION FOR TRADEMARK: REGISTERING BRAND LOGO UNDER THE INDUSTRIAL DESIGN REGIME

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ABSTRACT

This study examines about the legal protection for the the brand holder of the logo brand registered with the handicraft industrial design. The aim of this study is to analyse the legal remedies which can be conducted by the brand right holder whose logo is registered with the Industrial Design by the other party. The researcher uses the Doctrinal Research method. This study shows that there is entrepreneur who uses brand which is better known in terms of reputation rather than their own brand. It makes a lot of handicraft uses the other party's brand logo to be used in the handicraft creation. In conclusion, the brand right is the exclusive right given by the state to the brand holder who is registered for certain period of time by using their own brand or giving permission to the other party to use it.

INTRODUCTION

One of the Intellectual Property Rights that we encounter the most is Brand. Based on Article 1 Section 1 of Act No. 20 of 2016 regarding the Geographical Brand and Indication (referred to Act No. 20 of 2016) "A brand is a sign which can be displayed graphically in the form of pictures, logos, names, words, letters, numbers, colour gradations, two and/or three dimentions, sound, hologram, or the combination of two or more of these elements to distinguish the goods and/or services produced by the person or legal entity in the trading of goods and/or services". Brand as a sign of distinguishing power is used to trade in goods and/or services. Thereby, a brand should have the elements: 1.) Distinguishing sign; 2.) The sign must be used; 3.) For trade in goods and/or services (Jened, 2013).

In the past five years the world of entrepreneurship has grown rapidly. This can be seen from the increasing number of new entrepreneurs who continue to emerge. Entrepreneurship is the equivalent word of entrepreneur according to Robert Hisrich "Entrepreneur is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological, and social risk and receiving the resulting rewards of monetary and personal satisfaction." 6 From this opinion it can be said that entrepreneurship is the process of creating something different at the expense of time and energy accompanied by bearing risks both financially, psychologically, and socially, and in return can generate financial benefits and satisfaction (D. and Peters, 1995).

One of business fields that is in high demand by the entrepreneurs today is the business sector of the handicraft industry. The business of the handicraft industry is in demand by the society due to the needed capital to start this business is relatively small compared to other business fields. The needed capital is only the basic ingredients of handicraft that will be made balanced with the ability in the field of art and perseverance, hence, the handicraft business can be implemented. Although the needed capital is relatively small, but the profit can reach many times over capital.

The very rapid development of the handicraft industry is not balanced by the knowledge in the field of special, specifically the Intellectual Property Rights (IPR) by the businessmen in the handicraft industry. The knowledge in the field of the Intellectual Property Rights (IPR) and Industrial Design Law is very pivotal for the businessmen in the handicraft industry field. By understanding the Industrial Design Law, hence, the businessmen are able to know what rights that can be achieved for his work, how the legal protection can be obtained for his work, and also whether his work violates the law or right to the other people's work.

Many handicraft entrepreneurs have registered their brands. However, the use of brand which is widely known to have a better reputation compared to their own brand makes many handicrafts use the other party's brand logo in the handicraft creation. A lot of kind of handicraft products which use the brand logo of the other party to be used in the handicraft creation, for example, a wall clock in the form of logo from the car brand "BMW", a belt which has gesper in the form of logo from the brand "Harley Davidson", and many more. The use of brand logo without this kind of right often conducted in order to attract more consumers in buying the product itself.

The aims of this study is to examine the legal effort which can be conducted by the brand right holder whose logo is registered with the Industrial Design by another party.

It is expected that this research can provide suggestion for the legal studies in general and specific. In addition, it is specifically for the field of Intellectual

Property Rights in the field of Industrial Design, especially in the examination of the legal remedies that can be conducted by the brand right holder whose logo is registered with the Industrial Design by another party.

RESEARCH METHOD

This type of research is the Doctrinal Research. The Doctrinal Research in this study is conducted to provide and result a systematic explanation of the legal rules governing legal protection for the brand holder of the handicraft products which resemble the logo of a particular brand (Marzuki, 2010). The approach used in this study is the conceptual approach and the statute approach. The approach used in this paper is the *conceptual approach* and the *statute approach*. The *conceptual approach* is carried out first by moving from the views and doctrines that develop in the science of law, to be understood in order to find ideas about legal understandings, legal concepts, and legal principles (Marzuki, 2005).

The Way to Obtain Industrial Design Right

The history of design starts from the awareness of humans making tools, starting from prehistoric times when humans were just trying to make a stone ax to meet the needs of tools in carrying out its activities, clearly 2800 BC it was known there were traces of design drawings from a product (Djumhana, 1999).

Industrial designs are "patterns" used in the process of making goods both commercially and repeatedly. The character of repeated use is a differentiator from creations in copyright. Another character of an industrial design is the relationship with aesthetics, safety, and comfort in the use of a product, so it supports marketing (Djumhana and Djubaeedilah, 2003).

The World Intellectual Property Organization (WIPO) gives a detail definition of the industry as follows: "Any composition of lines or colors or any three dimensional form, whether or not associated with lines or colors, is deemed to be an industrial design, provided that such composition or forms gives a special appearance to a product of industry or handicraft and can serve as a pattern for a product of industry or handicraft." (WIPO, 2017).

Protection of the industry is based on the concept of that thought the birth of industry is based on the concept of thinking that the birth of industry is not regardless of the ability of creative creativity, taste and intention possessed by human. So it is a product of human intellectual, a product of civilization human (Saidin, 2004).

Based Article 1 No. 1 of Act No. 31 of 2000 regarding the Industrial Design which stated that "Industrial Design is a creation of shape, configuration, or composition of lines and colors, or a combination thereof in the form of three dimensions or two dimensions that gives an aesthetic impression and can be

realized in the three-dimensional or two-dimensional patterns as well as be used to produce a product, goods, industrial commodities, or handicrafts”.

The protection of Industrial Design is a combination of the copyright and design laws. The idea of copyright is protection for art; while the area of Industrial Design is more practical, commercial, and the functional products which can be reproduced en masse (mass product), for example, household products: kitchenware, bathroom accessories, furniture, toys, spare part, computer, keyboards, telephones, light fitting, etc (Jened, 2013). The main aim of Industrial Design Law is to increase and protect Intellectual Property Right (HKI) which related to the ornemantation form of a thing that has such pivotal contribution in the industrial and handicraft development.

Indonesia adheres to the principle of the first registration (first to file) which means that the Industrial Design Right is granted to the new design and the first to submit an application for the Industrial Design Right and not the first one. In several countries in Europe and America, the design protection can be provided through the system of first to use as well as the first to file. In the design protection is based on the use, then normally the design owner is also the creator (protected by copyright) who can make a statement of monopoly. Meanwhile, if the protection is provided based on the principle of first to file, hence, the claims novelty and originality must be fulfilled.

Any request which will be submitted is only able for one or several Industrial Design which constitute a unity of the industrial design or have the same class. What is meant by "one Industrial Design" is a loose unit of the Industrial Design. However, a set of cups and teapots, for example, is also 1 (one) Industrial Design; meanwhile what is meant by "class" is a class as stipulated in the International Classification of Industrial Design as referred to in the Locarno Agreement. Although not yet become a member of the agreement, practically Indonesia uses the agreement as the main reference for the examination. As for the application by the priority right are regulated in article 16 and article 17 of Act No. 31 of 2000.

The holder of Industrial Design Right has an exclusive right to exercise their own Industrial Design Rights or give permission to the other parties in exercising these rights for a certain period of time, as well as to prohibit those without their consent to make, use, sell, import, export and/or distribute the granted goods of the Industrial Design Rights. The parties who can obtain the Industrial Design Right are regulated in Article 6 and Article 7 of Act No. 31 of 2000 regarding the Industrial Design. The Industrial Design Right is divided into two, namely economic and moral rights. The economic right is a right to obtain maximum economic benefits over the creations. This economic right is able to be obtained through the self-use of that design, granting a license, or transferring rights to another party. Meanwhile, the moral right is a right which is adhered to the self of the creator or in this case is the designer. The meaning of adhere in this context is

this moral right cannot be removed or transferred to another party although the time period has expired or the right has been transferred to another party as well.

The implementation of moral rights can be found in article 8 of Act No. 31 of 2000 “The provision as referred to in Article 7 section (1) and section (2) do not nullify the right of the Designer to have their name included in the Certificate of Industrial Design, General Register of Industrial Design, and the Official Gazette of Industrial Design.” Afterward, it can also be seen in article 32 of Act No. 1 of 2000 “The transfer of Industrial Design Right does not eliminate the right of the Designer to keep his name and identity included in the Certificate of Industrial Design, the Official Gazette of Industrial Design, and the General Register of Industrial Design”. The right of designer to keep their name included in their made design is called as moral right. The holder of Industrial Design Right over the right they have obtained is able to conduct a transfer rights as regulated in article 31 section of Act No. 31 of 2000.

Industrial Design in the Form of Brand Logo

The protection of Industrial Design Right is very povital for the businessmen in the handicraft field to protect the work of their creation from those who have bad intention. The businessmen or handicraft designers often do not know the requirement that should be fulfilled in order to obtain the law protection towards their creation specifically the Industrial Design Right.

One of the requirements to obtain the industrial design right is required a design should be new. It is regulated in the article 2 section (1) of Act No. 31 of 2000 regarding the Industrial Design that “The Industrial Design Right is given to the new Industrial Design.” What is meant by the new Industrial Design in this context is if on the Receiving Date, the Industrial Design is not the same as the previous disclosure. This is regulated in article 2 section (2) “The Industrial Design is considered as new if on the Receiving date, that design is not the same with the pre-existing disclosure. In the explanation of article 2 section (2) stated that “What is meant by "disclosure" is a disclosure through print or electronic media, including participation in an exhibition.”

In the observation of commoner, a buyer sometimes is confused by two products which are similar to each other. For example, the first product has been registered, while the second one has not yet. Because the price of the second product is more cheaper as well as that similarity factor, the buyer chooses the second one. In other words, the analysis towards the violation needs an expert to decide whether the registered product as thoroughly is basically similar in the appearance of the defendant's product. In other words, there is no industry violation if the whole product is not similar. However, in this case is emphasized that the analysis of commoner is conducted based on their own observation and not on the opinion of the experts (Dewanti, 2007). Thereby, in determining a new of an Industrial Design should considering the opinion of commoner too besides of the experts’.

However, in Article 4 of Act No. 31 of 2000 regulated that “The Industrial Design Right cannot be given if that Industrial Design violates the applicable legislations, public order, religion or decency. "If it is based on that rules, then the handicraft which shapes or resembles the brand logo cannot be granted the Industrial Design Right because without permission using that brand logo which has been registered in the name of the other parties. And has been regulated in article 4 of Act No. 31 of 2000 that the Industrial Design Right cannot be granted if that Industrial Design violates the applicable legislations.

In this case, that kind of Industrial Design has violates the brand right. In article 1 No. 5 of Act No. 20 of 2016 regarding the Geographical Brand and Indication regulates that “The right of Brand is an exclusive right granted by the state to the registered brand owner for a certain period of time by using that brand by themselves or giving permission to another party for using it”. The registered brand can only be used (used, copied, traded or the other uses) by the registered brand owner or the other party by the permission based on a written agreement in accordance with the legislations.

The Legal Effort of Brand Logo Registered in the Industrial Design

According to Act No. 39/1999 regarding the Indonesian human rights, the protection is a defense of human rights. Because every human has the same rights and obligations, hence, every single human also has the similar right for protection (Prakoso and Setyaningati, 2018).

If a handicraft in the form of a brand logo is registered to obtain the Industrial Design Right, the brand holder can take legal action by submitting an objection to the registration of the industrial design as regulated in Article 26 of Act No. 31 of 2000 regarding the industrial design. Since the announcement of the Industrial Design Right conducted by the Directorate General of Intellectual Property Rights (Dirjen HKI), each party can submit written objection which include the substantive matters in the Directorate General of Intellectual Property Rights for a maximum of 3 months from the announcement day of the Industrial Design Right. That objection is notified to the applicant by the Director General of Intellectual Property Rights. The Director General of Intellectual Property Rights then conducts a substantive examination by using objections as a material consideration in the examination to decide whether the application is accepted or rejected. The Director General of Intellectual Property Rights is obliged to give a decision to approve or reject the objection within a period of 6 months from the end of the announcement period. The decision of Director General of Intellectual Property Rights is notified in written form to the Applicant or his/her Proxy at the latest 3 days from the date of that decision issuance.

The legal remedies that can be conducted besides filing an objection to the registration of Industrial Design are applications for registration cancellation of

Industrial Design Right. There are two ways of cancellations, which are the registration cancellation of Industrial Design based on the request of the Industrial Design Right holder or another party's lawsuit. As regulated in article 37 section (1) of Act No. 31 of 2000 that the registered Industrial Design can be cancelled by the Directorate General at the written request submitted by the Industrial Design Right holder. However, in section (2), that article regulates that the Industrial Design Right Cancellation submitted by the Industrial Design Right holder cannot be conducted if the receiver of Industrial Design Right License – which is registered in the General Register of Industrial Design – do not provide a written agreement which is attached to the request for the registration cancellation.

The registration cancellation of Industrial Design can also be conducted based on the other party's lawsuit. It is regulated in article 38 section 1 of Act No. 31 of 2000 that a lawsuit for registration cancellation of industrial design may be submitted by an interested party to the Commercial Court on the grounds referred to in Article 2 regarding the issue of novelty over Industrial Design or Article 4 regarding the Industrial Design which violates the applicable law, public order, religion, or decency. Thereby in this context, the brand holder can submit a lawsuit of registration cancellation as regulated in the article 38 section 1 of Act No. 31 of 2000 due to the violation of legislations by Industrial Design. The legislation in this context is Act No. 20 of 2016 regarding the Geographical Brand and Indication because using the registered brand logo of the other party.

CONSLUSION

Handicraft can be registered with Industrial Design because has fulfilled the criteria: 1.) The creation of form, configuration, or pattern; 2.) The new apparence is aesthetically interesting; 3.) Applied to the mass-produced goods (*mass product*). The criteria of Industrial Design which can be given an Industrial Design Right are new and do not violate the applicable legislations, public order, religion, or decency. The handicraft product which shapes or resembles logo of a certain brand can not obtain the Industrial Design Right because has violated the brand right. The brand right is an exclusive right granted by the stated to the registered owner Brand for a certain period of time by using the brand themselves or giving permission to another party for using it. The registered brand can only be used (used, copied, traded, or the other uses) by the registered brand owner or the other party by a permission based on the written agreement in accordance with the legislations.

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